



**Research in Quantitative Economics by National Research Centers:
Assessment for Ghana**

**Diéry Seck
CREPOL**

**B.P. 29981
Dakar Yoff, Sénégal**

November 2010

Introduction

Part 1. Descriptive analysis of quantitative economic research in Ghana

- 1.1. Training of economic researchers in Ghana
- 1.2. Profiles of quantitative economic researchers in Ghana
- 1.3. Economic research institutions in Ghana
- 1.4. Links between policy and research
- 1.5. Donors' support for quantitative economic research in Ghana

Part 2. Performance of economic research in Ghana

- 2.1. Degree of adequacy of human and financial resources
- 2.2. Brain drain
- 2.3. The external environment of the economic research community
- 2.4. Managerial capacity and organizational structure
- 2.5. Institutional development
- 2.6. Quality and continuity of relationship with policymakers

Part 3. Impact evaluation studies in Ghana

- 3.1. The current state of Impact Evaluation studies
- 3.2. Challenges of capacity building and capacity utilization

Conclusion

List of persons and institutions visited

List of references

Introduction

Immediately after its accession to international sovereignty in 1956, Ghana undertook to develop its economy with limited human resources and a fairly abundant endowment of natural resources: cocoa, coffee, gold, etc. While efforts were made for economic planning in the spirit of economic policy management of the day throughout the developing world, there was hardly any capacity to manage the economy or use advanced analytical techniques within Government or elsewhere. As a result, the state of the economy depended entirely on the performance of its main export commodities. Therefore, in the absence of adequate economic data and the capacity to analyze it, public policies were confined to managing the economy without research and perhaps with no ability to really influence its path.

In the 1970s, two separate developments at the University of Ghana, Legon, brought on significant change. First, with the advent of new advances in economic theory and practice spurred by the Cold War, the Department of Economics strengthened its training and research capacity and graduated a new crop of economists with adequate quantitative skills. During the same period, the Institute of Statistics that was created in 1962 to provide training for statisticians took control of the U.N Statistical Training Center, and was converted in 1969 into the Institute for Statistical, Social and Economic Research (ISSER), thus expanding the scope of its mission to include social and economic areas. Considering its origins in statistics, ISSER's quantitative orientation in economic research was natural.

Ghana faced major economic and social crises in the early 1980s and undertook to implement the Economic Recovery Program (ERP) in 1983. One of the indirect consequences of this home-made policy reform was the realization that understanding how the economy functions matters and that economic research could play an important role in this regard. The strong presence of Bretton Woods institutions in the formulation of economic policies inspired inception of a new breed of economic research centers, independent think tanks that could propose Ghanaian perspectives on the economic challenges of the country. The Center for Policy Analysis (CEPA) and the Institute of Economic Affairs (IEA) were born of that effort.

Thirty years later, Ghana finds itself in a globalized and more competitive world economy having lost ground to countries in other regions that were in a similar situation before, but have since achieved spectacular development. But it has abundant natural resources and primary agricultural commodities, a young population and a much better educated cadre of researchers and policymakers. The purpose of this study is to analyze the capacity of its research centers to play a meaningful role in the conduct of economic analysis, particularly in quantitative economics, to be policy-relevant and contribute to the country's development.

Part 1. Descriptive analysis of quantitative economic research in Ghana

1.1 Training of economic researchers in Ghana

Although Ghana has a favorable reputation for the quality of its economic researchers, there is a limited number of training institutions that provide post-graduate training in quantitative

economics. Indeed, of the six public universities in the country, only two offer Masters or Ph.D. level training that includes quantitative methods commonly used by economists: University of Ghana, Legon, and Kwame Nkrumah University of Science and Technology, at their respective Departments of Economics. In addition, the Institute of Statistical, Social and Economic Research (ISSER) of the University of Ghana offers a two-semester Certificate of Statistics for undergraduates and a two-semester Diploma of Statistics for statisticians and professionals who make use of advanced statistics. However, these programs are not aimed at economists. ISSER and the University for Development Studies, Tamale, have degree-granting Masters programs in Development Studies with little coverage of quantitative methods.

At the Department of Economics of the University of Ghana, training in quantitative methods comprises courses on Statistics for Economists, Mathematics for Economists, Applied Mathematics for Economists and Econometrics at the undergraduate level. The M. Phil. Program includes a course in Quantitative Methods that covers advanced levels of the topics taught in the Bachelor program. Legon's Master's of Arts in Economic Policy Management is a terminal degree that has a more policy-oriented curriculum but not as much emphasis on quantitative methods as the M. Phil. Degree.

In addition to its Bachelor of Arts in Economics, the Department of Economics of KNUST offers an M.A. in economics, an M. Phil in Economics and a Ph.D. program by special arrangement that is purely based on research. Its flagship post-graduate program is the M. Phil. After their undergraduate training in Statistics for Economists, Mathematics for Economics, Research Methods in Economics, Mathematical Economics and Econometrics, Masters level students take an advanced course in Econometrics. The curriculum of the M. Phil program is similar to that of the Masters program of the African Economic Research Consortium (AERC) which is offered in most English-speaking Sub-Saharan African countries.

In conclusion, the quantitative components of the post-graduate programs offered by these two departments seem to be adequate for proper preparation of economists who make effective use of modern instruments of economic analysis and can competently conduct studies that are relevant for the purpose of policy debate and recommendations. Furthermore, considering that a large number of Ghanaian students are enrolled in post-graduate programs in economics overseas, the main destinations being the United Kingdom, USA, Canada, Australia and Germany, the total number of Ghanaians who earn a Masters-level degree at home and abroad can be estimated at approximately 100 annually. To this estimate one should add Ghanaian students who are pursuing doctoral studies. Therefore, as is shown in Table 1, the aggregate supply of Ghanaian economists with proper training in quantitative economics can be considered adequate in quantity and in quality.

Table 1. Enrolment Statistics at Departments of Economics, University of Ghana and KNUST, Academic Year 2010 - 2011

Institution	Undergraduate: 1 st year intake	M. Phil	Ph.D.
University of Ghana	600	45	3
KNUST	240	15	1
Total	840	60	4

Sources: Departments of Economics, University of Ghana and KNUST.

1.2. Profiles of quantitative economic researchers in Ghana

The economic research community in the country that is active in research is relatively limited with a total population of about 54 members. The staff of the five institutions covered in this study are composed of 45 males and 9 females with 7 researchers at the level of Professor or Associate Professor (or their equivalents), 15 at the rank of Senior Lecturer or Senior Researcher and 32 who are Lecturers or Researchers. The demographic distribution seems adequate because the population of each rank is twice the size of the rank just above, which is consistent with normal progress through the ranks of the junior-level staff. Female participation in the profession is far from equitable because women represent one sixth of the staff in the upper echelons (Senior Lecturer and above) and a little above one fourth at the lecturer level. Approximately one third of the researchers are less than 40 years of age, many of them still Ph.D. students or recent Ph.D graduates.

The level of compensation of researchers and lecturers is relatively high by local standards especially compared to that of civil servants, but not in comparison to salaries in the private sector. Staff members of the Departments of Economics in public universities have the following monthly salary schedule: Professors: U.S. \$2,500, Associate Professors: \$2,300 – 2,400, Senior Lecturer: \$2,000 and Lecturer: \$1,500. These salaries can be supplemented by research grants and honorarium from consultancies when they are available. The Ministry of Education is currently reviewing the compensation packages of university personnel for possible revision of the levels. In the case of the non-academic research centers – CEPA and IEA- the level of salaries is determined based on direct negotiations between management and the employee. Rules that govern promotion in the academic institutions are set by the University Act and applied by the Academic Council of the University. They are not different from the norms that are found in Anglo-Saxon universities overseas and consist of a system based on a combination of achievements in the areas of lecturing and research. They seem to be transparent and fair.

Table 2. Distribution of the Staff of the 5 Main Economic Research Institutions of Ghana

Rank	Males	Females	Total
Associate Professor, Professor or equivalent	6	1	7
Senior Lecturer, Senior Researcher or equivalent	13	2	15
Lecturer, Researcher	26	6	32
Total	45	9	54

Sources: Departments of Economics, University of Ghana, Kwame Nkrumah University of Science and Technology, ISSER, CEPA and IEA.

Aside from direct compensation, members of the Ghanaian research community have diverse work conditions ranging from quite adequate at IEA that recently benefitted from a core grant awarded by Canada's International Development Research Center (IDRC), to merely Spartan for the Department of Economics of KNUST. The amount of office space available, proportions of non-research-related staff responsibilities, quality of library services, possibility to participate in professional meetings and to present papers, opportunities to interact with colleagues in other institutions and national policymakers, are various factors that differentiate the current situations of researchers. With the exception of KNUST that suffers from isolation from Accra and from policy circles, centers have managed to provide their staff with reasonable working conditions. However for Legon and KNUST, the challenge of large class sizes and the unavailability of external sources to fund doctoral studies for lecturers may create a perception of lack of mobility that can affect morale and productivity. It is noteworthy that for all the institutions improvement of material working conditions depends more on external funding, than on Government's support for them, which underscores the importance of core grants.

It is rather challenging to assess the quality and productivity of researchers given their diverse circumstances. For instance an excellent lecturer in the classroom who is highly valued by students and the University may not be a very good researcher or choose to concentrate on teaching. In this sense, the dual mission of the University –training and research- may make evaluation of the entire Department more appropriate than of individual researchers. The same difficulty does not arise for non-academic research centers and for ISSER which gives to research a minimum weight of 75% in the performance evaluation of its staff. Therefore, based on the research reports that are published by all the institutions, one can conclude that the quality is adequate. Many manuscripts are published in international outlets and researchers present their work in international meetings. However, the overall research production of these

institutions could increase significantly to reach the level already achieved by Ghanaian researchers of the Diaspora who are employed by universities, research centers and Government institutions in Europe, Australia and North America. This illustrates the potential gain that can be derived from collaboration between Ghanaian research institutions and members of the Diaspora.

Ghana's researchers based overseas are a very powerful intellectual force that could not only help enhance the quality and quantity of research in the country, but also help network local researchers with the rest of the global research community. They are exposed to highly competitive research environments and many of them maintain a strong interest in working on African issues. However, local centers have manifested little or no interest in enlisting the contribution of the Diaspora. Arguably, stronger ties with the Diaspora would bring instant gratification and long term institutional development. The issue can be addressed nationally or within each institution.

1.3. Economic research institutions in Ghana

Considering the extent and long tradition of its intellectual activity illustrated by the history of the University of Ghana, Legon, the country has remarkably few research institutions that engage in quantitative economic research. Only three university-based entities and two Non-Governmental Organizations (NGOs) conduct activities that are of international standards. They are:

- The Department of Economics of the University of Ghana, Legon,
- The Institute of Statistical, Social and Economic Research at Legon, (ISSER)
- The Department of Economics at the Kwame Nkrumah University of Science and Technology,
- The Center for Policy Analysis (CEPA) and
- The Institute of Economic Affairs (IEA).

The Department of Economics of the University of Ghana, Legon; www.ug.edu.gh

Since its establishment in 1948, the Department of Economics has a mission of training, research and outreach. It is one of the departments of the Faculty of Social Sciences of the University of Ghana, Legon. In addition to offering undergraduate, graduate and doctoral degrees in economic policy management, it supports, encourages and organizes research activity conducted by its staff. The research is either done internally or in collaboration with other departments and establishments of the University. In this regard, it follows the Anglo-Saxon tradition of conducting substantial economic research in addition to carrying out its teaching mandate. With its Masters of Arts, M. Phil. and Ph. D. programs, it is engaged in academic research as well as policy-oriented research.

The Department participates actively in the production of the "Ghana Social Science Journal", a refereed academic publication of the Faculty of Social Sciences, the "Legon Journal of International Affairs" (LEJIA) and organizes its own internal Seminar Series. Its staff collaborates with ISSER in research projects, on the "State of the Ghanaian Economy" and the

“Ghana Human Development Report”. Furthermore, it has implemented the research project on “Chronic Poverty and Vulnerability” with Legon’s Center for Social Policy Studies, and on three country studies with i) Indian Institute of Management in Bangalore (India), FLACSO (Ecuador), and the American University in Washington, D.C., and the University of Florida (USA). A project that is currently underway is the “Gender and Asset Ownership: The Gender Asset Gap”. Several members of the Department participate in the research networks organized and supported by the African Economic Research Consortium (AERC). Books on economic topics were also published by members of the Department.

Table 3. Distribution of Full-time Academic Staff of Department of Economics, Legon

Rank	Males	Females	Total
Associate Professor	1	0	1
Senior Lecturer	5	1	6
Lecturer	14	3	17
Total	20	4	24

Source: Department of Economics, Faculty of Social Sciences, University of Ghana, Legon

The research performance of the Department staff is constrained by a number of factors. Many lectures are delivered to classes in excess of 300, sometimes 1000 students. This not only affects the quality of teaching, thus the grades of students, but also significantly reduces time that can be allocated to research. In addition, the Department lacks office space, adequate library sources and staff equipment. Furthermore, professional library services are sorely needed but currently unavailable.

The Institute of Statistical, Social and Economic Research at Legon, (ISSER)
www.issr.org

ISSER was created in 1962 by the University of Ghana, Legon, as the Institute of Statistics with the mandate to train and conduct research in statistics and statistical methods mainly with respect to official statistics. In 1966, it amalgamated with the UN Statistical Training Center and in 1969, it took total control of it. Its initial name was then changed to the Institute of Statistical, Social and Economic Research to reflect its broader thematic coverage that included economic and social research. ISSER’s mission is to carry out training and research activities in the areas of statistics, social and economic research on Ghana and the rest of Africa. The Institute has a

long tradition of excellence in research and in external collaboration with bodies of the University of Ghana and elsewhere. As an Institute of the University of Ghana, it mobilizes and manages its own resources. Its staff is expected to devote 75% of their time to research activity. Part of their responsibility also includes publication of their research output and participation in conferences.

In spite of its affiliation with the University of Ghana as one of its institutes, ISSER has asserted a distinct identity that is associated with strong dedication to academic research and excellence.

However, its flagship publication, “The State of the Ghanaian Economy” is primarily policy-oriented. Other areas of focus of ISSER’s research include Social Dimensions of HIV/AIDS, Health Care and its Financing, Economic Policy Options, Poverty, Information Technology, Population Studies, Agriculture, etc. The Institute has recorded a large volume of publications in the form of research reports. As a result of its research performance, ISSER has received grants from IDRC under the Think Tank Initiative, the African Capacity Building Foundation (ACBF), Mastercard (USA), USAID and Ghana’s Millennium Development Authority. ISSER staff have also carried out impact evaluation studies on a number of issues namely:

- Infant-Mother Care and Bednet Program
- Use of Condoms among High-Risk Groups
- Economic Impact of Millennium Development Corporation
- Assessment of Structural Adjustment Programs.

Table 4. Distribution of Full-time Academic Staff of ISSER

Rank	Males	Females	Total
Professor	2	0	2
Associate Professor	0	1	1
Senior Research Fellow	4	1	5
Research Fellow	3	3	6
Research Assistants	3	1	4
Total	12	6	18

Source: ISSER, University of Ghana, Legon

The Institute is currently conducting several major research projects. They include:

- The Yale-ISSER Panel Study of 10,000 Ghanaian households on poverty dynamics
- Poverty Study on Ghana Farmers
- World Bank project on Agri-business
- Cohort Study on HIV Prevalence among 13-14 year and 17-18 year groups.

ISSER's main challenges are related to the need to increase the number of researchers from 15 to 25, insufficiency of office space and the difficulty of concentrating the activities of senior members on research as opposed to external consulting.

ISSER AS PRESENTED BY ISSER

1. THE INSTITUTION AND ITS ORIGINS

The Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana is quite unique in terms of its position among independent think-tanks in Africa today. Like many other socio-economic research institutions in the region, it began its life in the 1960s in response to the growing need for policy advice to a newly independent African nation. It was set up largely as an initiative of a relatively new university to contribute to rapid socio-economic development in a poor nation. The University first obtained support from the UN to set up an Institute of Statistics in 1962 for the training of middle level technical staff at the Government Statistics Office. This was intended to improve data collection and analysis in support of policy making. In 1969, the mandate of the institution was broadened to create the Institute of Statistical, Social and Economic Research. This was in recognition of the need to use the data collected for serious applied research in support of policy making. In this regard, ISSER was not different from many other socio-economic research institutions created in many different African universities about the same time.

What has been unique about ISSER, however, is that even though a part of the University of Ghana, it was given a semi-autonomous status that allowed it to set its own research priorities and agenda, and carry these through as research projects independently. In effect it has been fairly free from both the university and the government. Its basic budget as provided by the Government of Ghana has been kept

separate from the university budget, and this practice remains till today. This has meant in practice that ISSER has always been able to determine for itself what the most important policy issues were and carry out research that it considered relevant for Ghana. Even though salaries and other conditions of service have been managed by the University of Ghana through the government supported budget, the research budget has always been independently financed and controlled by the institute's management. It is this structure that has allowed ISSER to prevail as an independent institution, not necessarily dependent on government for direction on what research to do.

2. APPROACH TO DEVELOPMENT RESEARCH AND TRAINING

ISSER primarily seeks to inform Ghanaian policy makers and international development practitioners about the socio-economic situation in Ghana and the opportunities for improvement, using state of the art policy research tools. To contribute towards building capacity for this process in the country ISSER continues to undertake training in statistics and development studies. Behind these is a vision

to be recognized in Ghana and internationally as the most authoritative and credible source of information and knowledge for the preparation of development policy in Ghana and the rest of Africa.

Currently ISSER's mission under its strategic plan 2003-2010 is "to maintain

and improve upon its position as the leading producer of quality research in the social and economic policy areas in Ghana.” In doing so, the institution pays attention to the poverty-reduction goals of the nation. These are reflected by the Ghana Poverty Reduction Strategy (GPRS).

The work at ISSER is intended to have the following elements as key principles and interests:

Multidisciplinary

The general research strategy is multidisciplinary, bringing together expertise from different social science backgrounds, as well as social and natural scientists. This is expected to promote a broader analysis of development problems and solutions.

Equity

Based on commitment to social democratic principles ISSER research is guided by analytical frameworks that promote the values of equity and participation.

Poverty Reduction

ISSER is fully committed to conducting research that brings Ghana closer to the goal of reducing poverty as a human rights issue, and the developmental objective of becoming a middle-income country.

Capacity – Building

Through collaboration with local and international agencies the ISSER research team is able to provide policy advice and participate in policy analysis and decision-making. As part of this the ISSER research team is constantly learning and exchanging ideas with other groups engaged in socio-economic research. The M.A. Programme in Development Studies attracts public sector and private sector development practitioners. In addition, ISSER offers a

sub-degree course in statistical methods for middle level technicians involved in data management and monitoring and evaluation exercises. Besides these, ISSER offers short courses on data management and proposal writing.

Impact Analysis

ISSER undertakes impact assessments of major policy action programs on behalf of the Ghana Government, as well as donor agencies and non-governmental agencies.

Partnerships

Increasingly ISSER is working with research partners at home and abroad, to promote the application of state of the art techniques in research, and to forge wide-scale commitment to poverty reduction in developing countries like Ghana.

3. ORGANIZATION, GOVERNANCE AND MANAGEMENT

ISSER operates through two main research divisions, namely Economic Research and Social Development Research. The Economics Division has been re-organized to have three units to deal with (a) Macroeconomic Policy, (b) Household Economics and (c) Institutional Economics. The Social Development Division has 4 units, following re-organization, namely (a) Rural Institutions, (b) Population, Health and Environment, (c) Gender, Productivity and Technology, and (d) Spatial Development.

ISSER is run by a Director, who is appointed by the Council of University of Ghana. A Deputy Director and an Administrative Secretary assist the Director to run the Institute. Each division has a Head of Division.

The statutes of the University of Ghana provide for a Management Committee, which is effectively the main decision-making body for the Institute. The Director chairs the Management Committee, with representation from the senior staff of the Institute and representatives from the Social Science Faculty and other units of the University. The Management Committee reports regularly to the Academic Board of the University.

The statutes also provide for an Advisory Board, chaired by the Pro-Vice Chancellor of the University. The Advisory Board provides the link between ISSER and the policy and business worlds through representation from the Ghana Cocoa Board, Ministry of Finance, Ministry of Food and Agriculture, Bank of Ghana, Association of Ghana Industries, Ghana Chamber of Commerce and the Ghana Statistical Service.

Another statutory board for ISSER is the Finance Board with representation from the Faculty of Social Studies and the Finance Office of the University. It oversees the Institute's finances, which are managed by an accountant. ISSER's accounts are audited yearly, first by University Internal Auditors and also by External Auditors. All the statutory committees are mandated to meet a minimum of twice in a year and submit regular reports to the Academic Board of the University.

The structure of ISSER is under review with an eye on enhanced effectiveness and efficiency.

Department of Economics at the Kwame Nkrumah University of Science and Technology (KNUST); www.knust.edu.gh

The Department of Economics of KNUST has a dual mission of training and research. Its post-graduate training programs – M.A., M. Phil. and Ph.D.- are strongly supported by its research activities. It manages to produce considerable research output of international standards with a staff of limited size. Unlike academic institutions based in Accra, it does not benefit from significant opportunities for consultancy and, consequently, devotes most of its research to academic pursuit. The staff engages in research on a wide variety of topics that include Crime, Poverty reduction, Climate change, Forestry, Natural resources, Macroeconomics, Health care, External trade, Economic growth, Stock markets and Education. A large number of staff members participate in the research activities of the Department and many studies make use of advanced quantitative techniques, mainly econometrics.

Table 5. Distribution of Full-time Academic Staff of Department of Economics, KNUST

Rank	Males	Females	Total
Professor	1	0	1
Senior Lecturer	1	0	1
Lecturer	8	2	10
Total	10	2	12

Source: Department of Economics, Faculty of Social Sciences, KNUST

A number of lecturers also participate in policy formulation by serving on public policy committees and panels. In this respect, staff members contributed in discussions on i) Funding of Tertiary Education, ii) Oil Revenue management Policy, iii) Extractive Industry Transparency Policy and iv) Economics of Climate Change in Ghana. The Department has several dissemination outlets that include Discussion Papers, publications in refereed journals, participation in conferences in Africa and elsewhere, and internal post-graduate seminars. Some lecturers serve on editorial boards. One striking feature of the Department is that only 2 members have a Ph.D., 4 are Ph.D. candidates and the remaining staff have Masters degrees. This situation is explained by the absence of scholarships that would help fund doctoral studies.

Several projects are under study namely establishment of specialized Masters degrees in Policy Management, Health Economics, Petroleum Economics, Environment and Resource Economics and Financial Economics. In addition, the Department hopes to organize a regular National Conference.

It also faces several challenges, notably underfunding by the University, absence of Government research support and of donor funding although AERC provided an institutional grant in the amount of US \$3,000. Indeed, over the last 20 years, only one Government grant was given to one staff member. The current perception among the Department staff is that “There is a bias against Economics at KNUST”. If unchecked, this feeling could be conducive to resignation and a sense of isolation from the University community and from Government support services. Consequently, lower morale, attrition and declining standards should be considered as significant potential risks.

Center for Policy Analysis (CEPA); www.cepa.org.gh

The Center for Policy Analysis was created as a scientific follow-up to the major reforms that were implemented in 1983 in the framework of Ghana’s Economic Recovery Program (ERP). As a result, it has heavily focused on macroeconomic management and was inspired by the desire to formulate and promote homegrown solutions. Its sole mission is to conduct policy-relevant economic research, publish its output and play an active role in the country’s policy debate on issues pertaining to macroeconomic stability and poverty alleviation. The quality of its work is widely recognized and it has over the years employed many prominent Ghanaian economists, some of whom later took on senior public or ministerial positions. The key topics on which it focuses are Macroeconomic stability, Fiscal policy, Monetary policy, Inflation and Balance of payments.

While the size of its staff complement has been reduced over the years, the Center maintains a high degree of activity and visibility. Its current areas of investigation include: i) Pricing mechanism for petroleum products, ii) Public sector wage bill: the main forces behind it, iii) Bridging North-South divide on poverty and iv) Audit system for public accounts. CEPA is also playing a lead role in the current debate on rationalization of Government expenditures. The Center has published a large number of policy documents since its creation in 1994. In addition to its annual flagship “Ghana Economic Review and Outlook” which has been regularly published since 1996, CEPA has over 50 Research Working Papers and a large number of Policy Briefs and Discussion Papers. It frequently makes use of quantitative economic techniques including econometric estimation.

Table 6. Distribution of Full-time Staff of CEPA

Rank	Males	Females	Total
Core Fellows	2	0	2
Chief Research Officer	1	0	1
Senior Research Officer	0	1	1
Research Officer	1	0	1
Total	4	1	5

Source: CEPA

CEPA's sole concentration on research has proved to be an advantage for the productivity of its staff and the quality of their work. However, although the Center has supplied the public sector with many highly qualified personnel, the scientific collaboration with them has not been maintained, which can be considered a missed opportunity.

The Institute of Economic Affairs (IEA); www.ieagh.org

The Institute of Economic Affairs was created in 1989 with a mission to promote good governance, democracy and a free and fair market economy. During the first 15 years of its existence it concentrated its efforts on advocacy for governance and conduct of economic research. Over the last few years the initial emphasis on policy-relevant economic research has gradually increased as is illustrated by the Center's strengthened economic agenda and growing number of economists on its staff. IEA's activities include research, advocacy and publication and training through workshops, seminars and round table discussions. It has utilized its strong tradition of policy dialogue to carry out advanced quantitative economic research to seek to influence policymakers and other stakeholder groups, a task that is facilitated by the perception of political neutrality that it has enjoyed since the mid-1990s. IEA is the only knowledge institution with a significant focus on research that has an equally important commitment to advocacy and public dialogue with Ghanaian political actors.

The topics of its recent economic research include Economic growth, Fiscal policy, Aid, Foreign direct investment, Regional integration and Public management of the oil sector. Its current and planned research projects focus on i) the three-year project “Managing an Oil Economy for Growth and Sustainable Development” with 3 sub-headings: Macroeconomics, Public expenditure and Budgetary management, and ii) Real Sectors and Natural Resource Management and iii) Governance. IEA conducts its own research work and commissions studies with external researchers and institutions. While the Institute is aware of the need to compete for external funding sources, it seeks to perpetuate an arms-length policy of not requesting support from Government or accepting paid assignments from it, which gives it a high degree of intellectual autonomy, thus of perceived objectivity and neutrality.

IEA’s main publications include:

- Economic Review and Outreach
- Policy Briefs
- Occasional Papers
- Legislative Alerts
- Governance Newsletters

Since 2007, it also manages the Ghana Policy Journal, an academic-type refereed outlet that covers various areas of social science research.

Table 7. Distribution of Full-time Staff of IEA/Ghana

Rank	Males	Females	Total
Core Fellows	4	0	4
Chief Research Officers	4	0	4
Senior Research Officers	4	2	6
Research Officers	2	3	5
Total	14	5	19

Source: IEA.

IEA AS PRESENTED BY IEA

The Institute of Economic Affairs (IEA), Ghana's first public policy Institute was founded in 1989 with the view to broadening the debate on public policy, engendering private sector-led economic growth, promoting pro-poor policy formulation and strengthening the pillars of democracy.

Through a series of policy fora and roundtable discussions, The Institute of Economic Affairs (IEA) brings together Parliamentarians, Ministers of State, business leaders, representatives of donor countries, academics, and civil society to deliberate on policy issues of national importance. These fora help shape public thinking and perception on a variety of policy issues, and have in the long-run

influenced and charted the course of policy-making in the country.

The IEA undertakes training programmes for key institutions of democracy such as Parliament, the media and civil society organizations. These workshops and training programmes are aimed at strengthening the capacity of Parliamentarians to play their roles as policy makers in the country more effectively.

Bridging the world of ideas and action, The IEA translates academic research and analysis on policy issues into more practical information, and makes recommendations for policy makers.

Through its numerous publications, The IEA makes important information available to the

Ghanaian public. This further promotes and raises the level of debate on numerous policy issues.

The IEA has chalked several feats with regards to consolidating democracy in Ghana. A number of them are listed below;

- **1992-1996** - The IEA served as an important counter to Government policies when there was virtually no opposition in Parliament.
- **1992** - The IEA launched its flagship publication - The Legislative Alert Series that aims at reviewing and analysing existing legislative policies and providing recommendations for change. Today, The IEA has other publications to its credit namely; The IEA Governance Newsletter, Policy Analysis, Occasional Papers, IEA Monographs, Celebrating Democracy, Quarterly Highlights, Economic Review and Analysis among others.
- **1996** - For election 1996, The Institute formed a coalition of Civil Society Organisations - NADEO - and trained them to monitor the elections. The IEA has monitored all major elections after 1996.
- **1996** - The Institute launched the Economic Review series which served as a vehicle for analysing the state of the nation's economy and providing useful insights.
- **1996** - In furtherance of its institutional support to the legislature, The IEA sent the first batch of IEA-trained Legislative Research Assistants to provide technical support to Parliamentarians. That programme has now been institutionalised by Parliament; with many of the pioneer assistant's now full-time clerks in the House.
- **2000** - The first ever nationwide Voter Education programme and Ghana's first Presidential Debate were organised by The IEA. These initiatives have been sustained by the Institute to date.
- **2001** - The IEA won the campaign against the Criminal Libel Law, after persistent advocacy for its repeal.
- **2003** - Cabinet approved two bills which originated from The Institute, namely the Whistle Blowers Bill and the Right to Information Bill. The Whistle Blowers Bill was passed into law in 2006 by Parliament.
- **2003** - The IEA successfully brought and continues to bring together a Platform of General Secretaries and Caucus of Political Party Chairmen to dilate on key political issues.
- **2004** - The IEA facilitated the formation of a Political Parties Code of Conduct and the setting up of a National Enforcement Body to regulate the code.
- **2005** - The IEA initiated the West African Regional Programme for Political Parties (WARPPP) to extend the successes chalked and lessons learned in Ghana's democratic consolidation to other West African Countries.
- **2006** - The Institute led the Campaign for the passage into law of the Whistle Blowers Bill which emanated originally from The IEA. This Bill was passed into law in the same year.
- **2007** - The Institute, recognising the deficiencies in Ghana's democratic practice since the coming into force of the 1992 constitution, undertook an extensive study in key areas and proposed practical reforms for change in a document entitled **Democracy Consolidation Strategy Paper (DCSP)**.
- The **DCSP** proposes practical reforms in the macro-political environment examining the Constitution itself, Political Parties, and the Electoral system; the governance agenda of Ghana covering decentralisation, anti corruption, human rights, media independence and the role of women and the youth in governance; the

Legislative Framework for Governance involving how to make Parliament effective; Judicial independence and the justice system and civil society participation in public policy formulation, implementation and monitoring.

- **2007** - The Institute prepared the Draft Public Funding of Political Parties Bill and the Draft Political Parties Bill. Both bills were launched in March 2008. The bills aim at strengthening the capacity of Ghana's Political Parties and creating a more liberal and flexible environment for Ghana's Political Parties to flourish.
- **2007** - The IEA published and launched Ghana's first multidisciplinary policy Journal - called the **Ghana Policy Journal**. The Journal focuses on Gender and Poverty research and makes pro-poor policy recommendations aimed at reducing poverty and empowering women. The Journal has been accepted by the American Economic Association (AEA) for listing in its Database
- **2008** - The Institute together with the GPPP, EC, and NCCE reviewed the Political Parties Code of Conduct to give it "teeth". The "teeth" lie in the creation and activation of the Enforcement Bodies at the National and Regional Levels.
- **2008** - The IEA established a National Enforcement Body and ten Regional Enforcement Bodies to monitor the implementation of the Political Parties Code of Conduct. The code promoted a peaceful period between, during and after the election in 2008.
- **2008** - The Institute also prepared and developed the Presidential

Transition Bill. This bill establishes the arrangements in practice for the political transfer of administration from one democratically elected President, to another democratically elected President. This bill served as the blueprint for the current transition

- **2009-** President John Mills mentions The IEA and four of its initiatives in his first Sectional Address due to "their usefulness for us all," for "too often we celebrate the success of our elections without investing in our democracy and its institutions". That was the only mention made of an NGO and its initiatives in his entire Address. He pledged his government's commitment to ensure that The IEA-sponsored Presidential Transition Bill, the Public Funding of Political Parties Bill and the Political Parties Bill are passed into law.
- **2009-** IEA recommendations for the establishment of a Constitutional review Committee to critically review the Constitution taken on board by government. The IEA's Executive Director is a member of the Commission.
- **2009-** The IEA Presidential Transition Bill was used by the Transition Team for the recent transition. This ensured that the handing over process was devoid of the rancour and acrimony that characterized the previous transition

1.4. Links between policy and research

Ghana's research-policy nexus has three main characteristics. First, research centers provide a constant supply of research output that, although of adequate quality, relevance and timeliness, is mostly unsolicited. As a result, they make strenuous efforts to disseminate their output and have an impact in a country marked by relatively strong partisan politics on issues of economic policymaking. However, the work of the research centers is often recognized in public debates and reported in local media. Institutes such as CEPA and IEA constantly try to inform and influence policy making use of the personal relationships of their managers with politicians and other influential stakeholders while university-based centers are not as directly engaged in the policy debate. For instance, IEA made recommendations regarding the management of Government oil revenues that were taken into account in the Revenue Management Bill; it has also drafted the Constitution Chapter on Natural Resources.

Second, the demand by Government for economic research is rather low, the process of economic formulation being apparently used to the traditional pattern of policy without research. The culture of research-informed policy formulation or of policy evaluation needs to be encouraged but, apart from the attempts of the non-academic institutions, no sign of progress is visible yet. Third, while researchers are not solicited for full-fledged studies that could inform policy, they are often invited to participate in committees and commissions and sometimes even serve on boards that carry out Government mandates. This type of collaboration between research and policy is a positive development but falls short of making full use of the scientific potential of Ghana's research centers. The current overall situation may put Ghanaian policymakers in the awkward position of negotiating with the international donor community with little or no research backup for their views while their interlocutors have prepared themselves based on extensive research using data provided by the Government of Ghana itself.

A few exceptions emerge from this picture. The Department of Economics of the University of Ghana collaborates with the Ministry of Manpower, Youth and Industry, the Ministry of Finance, the Bank of Ghana and participated in the formulation of industrial policy for the Ministry of Trade and Industry, in the preparation of the World Bank's "Cost of Doing Business in Ghana". Staff members serve on the Boards of the National Development Planning Commission (NDPC) and of the Volta River Authority. IEA's staff made presentations for the Minerals Commission and NDPC. CEPA is actively lobbying for an in-depth debate on Government spending in the context of the oil-enhanced Ghanaian economy. ISSER was commissioned to conduct research for Ghana Aids Council and local NGOs. In spite of all these instances of collaboration, the relationship between research and policy is not characterized by a well formalized and continuous partnership.

However, there are signs that this uneven nature of the market for policy-oriented research could change in the near future as a consequence of the vibrant debate on the management of public resources that will accrue from the nascent oil sector. Government's strong stance for an inclusive and participatory debate on this issue has encouraged many research institutes to undertake research and participate directly on commissions and fora regarding the extractive industry in general, and oil in particular. Their comparative advantage and expertise in

addressing issues pertaining to budgetary issues, macroeconomic implications and social dimensions of the advent of Ghana's oil will give them a golden opportunity to provide scientific contribution in the current debate on the political economy of Ghana.

1.5. Donors' support for quantitative economic research in Ghana

Donors' support for Ghanaian economic research centers has two main characteristics: it is not equally distributed and it mostly involves foreign sources, domestic public and private financial contributions being absent. Indeed, the two Departments of Economics are the least supported by donors whose underlying rationale is often that it is not their responsibility to fund the sovereign education system of the recipient country. Institutes that enjoy some degree of autonomy benefit from significant funding support. IEA benefits from grants from the International Development Research Center (IDRC) under the Think Tank Initiative, the Center for International Private Enterprise (CIPE), DANIDA, the British High Commission, DFID, the European Union, CIDA, UNDEF, the Center for Global Development and from the Netherlands Institute for Multi-Party Democracy. CEPA has received several multi-year grants from the African Capacity Building Foundation (ACBF) and ISSER has grants from IDRC's Think Tank Initiative, ACBF, Mastercard (USA), and USAID. It also receives a portion of the grant given to Ghana's Millennium Development Authority.

However, even larger grants are given to non-Ghanaian research centers and individuals to conduct economic research on Ghana, especially on Impact Evaluation studies without significant participation of Ghanaian researchers or their institutions. This situation has persisted over the last few years and may lead to creation of foreign research enclaves from which local researchers are excluded with little or no benefit for the strengthening of the local research-policy partnership. The tradition for Ghana's large foreign donors to carry out internal economic research on Ghana is still being perpetuated and may give local research institutions the sentiment of being excluded from Government's discussions with development partners and foster their sense of alienation and reluctance to participate constructively in the country's development debate.

Part 2. Performance of economic research in Ghana

2.1. Degree of adequacy of human and financial resources

Ghanaian research institutes face contrasting situations with respect to the degree of adequacy of human and financial resources. The two Departments of Economics have a relatively large number of qualified researchers but are inadequately funded. On the contrary, CEPA and IEA have considerably more financial resources but sorely lack senior researchers, which limits their capacity to carry out their own research agenda. Thanks to the grant that it received from IDRC's Think Tank Initiative, IEA is making efforts to overcome this challenge by recruiting experienced researchers to close this gap as soon as possible. ISSER has managed to strike a balance between these two challenges with a relatively high degree of funding and staff complement but it is not clear how many among its staff members are economists considering that by its very mission it also has researchers who specialize in other social sciences.

However, adequacy of human and financial resources can be considered unresolved on several accounts. First, over the years, academic institutions have faced increasing enrolment in their programs and lecturers routinely must deal with large class sizes. This reduces research time and creates heavy teaching loads, making Departments of Economics mostly teaching schools. Second, the historical absence of research funding from the domestic private sector and Government does not lend itself to a culture of support of research institutions from domestic sources. As a result, institutions must spend considerable effort securing resources from other sources and tailor their staff and activities to the level of funding available, irrespective of the research needs of the country.

Thirdly, Ghana's economic and social situation has created increasing challenges for research-based fact finding because of the fast economic growth and vibrant export sector that are expected in the coming years. This will give rise to a multiplicity of policy debates and increasingly complex policy challenges in the context of a pluralistic democracy. If underfunded, research institutes may find themselves poorly armed to discharge their responsibilities under such circumstances. Finally, even if research institutions are properly funded but by foreign donors, the issue of inadequacy can still be unresolved given donors' tendency to change priorities or terminate programs without notice, thus jeopardizing the sustainability of ongoing research programs. In conclusion, Ghanaian research institutions still have a long way to go before adequacy of their human and financial resources is secured. This can be achieved with an increasingly large share of core funding and preferably from domestic sources. This is not the case yet.

2.2. Brain drain

Arguably, in relative terms, Ghana is the Sub-Saharan African country that has suffered the most from brain drain in the field of economics. This situation dates back in the early 1980s as the budgetary cutbacks resulting from the country's Structural Adjustment Program (SAP) reduced Government spending for tertiary education and research to its bare minimum. Many Ghanaian scholars having benefitted from the good education offered at the University of Ghana, Legon, sought employment and better working conditions overseas, a process that has continued

unabated since then, given the prevailing large salary differential between foreign universities and Ghana's. A review of membership of international professional economic associations and of the publications in many scholarly economic journals reveals the extent of the phenomenon. Consequently, Ghana still has some of its best economists working overseas, particularly in the U.K., the USA, Australia, South Africa and the Nordic countries.

While undoubtedly Government officials and managers of local research institutions are aware of this large untapped human resource, little is done to encourage the return of the Diaspora or even make use of its expertise from a distance. One exception is IEA that works with a Ghanaian professor based in Australia. Given the number and quality of the Ghanaian economists based overseas, Ghana could perhaps consider replacing all the foreign economic experts who conduct research on the country with its Diaspora, hopefully in collaboration with local researchers. An initial step would be to facilitate co-authoring of research papers or joint supervision of post-graduate theses done at Ghanaian universities.

2.3. The external environment of the economic research community

How do Ghanaian research institutions interact with each other and with the world at large? Interaction among Ghanaian research institutions is characterized by four main factors. First, although the five institutions under study have been in existence for 15 years or more, there is little collaboration among them, the absence of ties being correlated with the similarity of missions. As a result, the research landscape is very fragmented and gives no scope for synergy or creation of a critical mass that would help compete with much larger foreign research institutions that usually carve a large niche of the research market in the country. Second, as a result of this fragmentation, there is no sense of belonging to the same scientific community and co-authorship between researchers of different institutions is not a common practice.

But some collaboration does exist in isolation as is illustrated by the contribution of the Department of Economics of Legon in ISSER's State of the Ghanaian Economy and ISSER's collaboration with other Departments and Institutes of the University of Ghana. IEA collaborates with several Ghanaian universities in various ways, notably through publication of manuscripts authored by their staff in its Ghana Policy Journal. Third, some institutes harbor a sense of suspicion and competition that translates into non disclosure of some of their projects and reluctance to undertake large joint initiatives with sister organizations. Finally, the degree of isolation and total absence of synergistic work of the Department of Economics of KNUST is notable and illustrates the current fate of the resource-poor members of this community.

Ghana's economic research institutes make considerable efforts to stay connected with the international scientific community. Many of their members publish overseas and participate in international professional meetings, or are Ph.D. candidates in foreign universities. The two Departments of Economics are active contributors to the African Economic Research Consortium's activities. However, that has not translated into significant involvement of their researchers in many of the research studies conducted on Ghana by foreign research institutions.

In their efforts to reach out to the external environment, some Ghanaian institutions publish scholarly journals covering mainly developmental issues of the country. In this regard, IEA has

the Ghana Policy Journal and the Faculty of Social Studies that includes the Department of Economics of Legon publishes the Ghana Social Science Journal. But these are not publications entirely dedicated to economics and all the authors are affiliated with local institutions. Furthermore, the editorial boards of these publications do not include staff members of institutions perceived to be rivals. This constitutes one facet of the fragmentation of the economic research landscape of Ghana.

2.4. Managerial capacity and organizational structure

The managerial organization of ISSER and the two Departments of Economics is determined by the bylaws of their respective universities. In this regard, these institutions have limited freedom in designing their own structure. Consequently, with the proven quality and reliability of the management system of Ghana's universities, there is no reason to question the effectiveness of their operations although efficiency gains could be obtained with more intensive use of Information and Communication Technologies (ICTs). IEA and CEPA are relatively small organizations and cannot afford to have complex managerial or organizational structures. IEA has made use of the grant that it received from IDRC to increase the staff complement for its economic section, hire senior management staff and further modernize its organizational and operational setup.

2.5. Institutional development

Institutional development is a key concern for many Ghanaian institutes. The main areas in which they seek to develop are:

- Inception of new activities: KNUST with new thematic M.A. programs, CEPA with new forms of interaction with policy stakeholders,
- Expansion of existing programs: IEA in the area of economics and
- Formulation of new long term objectives: ISSER's plan to be a world leader in research.

While some of the underlying goals of these transformational agenda require a higher level of resources, all institutions recognize that a deep introspection should be the driving force behind their institutional development.

However, institutional development will most likely bear all its fruits if centers collaborate more and pool some of their resources in order to gain in collective visibility, thus marketability, and efficiency. Institutional development will also be aided by efforts to help young staff members complete their Ph.D.s and provide them with the resources necessary to carry out world class research. Ghana could gain significantly from such investment in human capital. Finally, periodic institutional evaluations could help centers identify their most binding constraints and new opportunities. Such a practice is not common in Ghana but would certainly prove to be very valuable.

2.6. Quality and continuity of relationship with policymakers

There is a revolving door between research and policy in Ghana. Many senior policymakers and Cabinet Ministers were employed as researchers or lecturers in an earlier part of their careers. This creates a clear understanding of the value of research in the upper echelons of Government. However, the personal ties of former researchers with their previous employers are not as strong as one might expect. This could be explained by the strongly partisan nature of politics in Ghana and the expectation that one does not return to research after being a politician. Government's low demand for external research services deprives institutes of this avenue to maintain collaborative ties with policymakers and feed new ideas into their thinking and thus provoke new research solicitations. Indeed, such a dynamics is sorely missing in Ghana but could be easily activated.

Furthermore, there are no predictable channels through which researchers and policymakers consult or collaborate. Researchers are invited to serve on boards, committees or commissions at the discretion of policymakers with no lasting effect on this type of collaboration. This situation is quite surprising considering that staff members of ISSER and the two Departments of Economics are civil servants and could be enlisted for policy-relevant activities that are consistent with their professional duties and in conformity with the mission of the Ghanaian universities.

Part 3. Impact evaluations studies in Ghana

Ghana is a fertile ground for impact evaluations studies because it has, over the years, seen many policy reforms and a vibrant debate spurred by democracy on the effectiveness of public policies. Furthermore, the strong economic growth and rising social demand dictate that policies that are implemented be properly monitored and evaluated in a non-partisan manner. Donor support has also been increasingly conditioned by sound assessment of its marginal contribution, which has spawned a new industry of impact evaluations studies on the country, a sizable portion of it done by foreign research institutions. It is therefore important to ensure that the concerns of Ghanaian policy stakeholders are also addressed in these studies.

3.1. The current state of impact evaluation studies

Ghanaian research institutions report having conducted impact evaluation studies in the past in a broad range of topics. However, their practice of impact evaluations is not consistent with current international standards that make use of randomized evaluation methodologies. This is necessary to ensure that Ghanaian researchers are up-to-date in their research efforts and to increase their chances of securing financial support from the main international funding facilities. Ghana needs a large number of impact evaluation studies on many issues some old and others arising from its new policy challenges. Considering that such studies will not only strengthen the ties between the research and policy communities thereby making policy more homegrown, the imperative and urgent nature of the scaling up of impact evaluation studies by Ghanaian research teams cannot be overstated.

The following table displays a list of Impact Evaluation studies that were conducted by Innovations for Poverty Action (IPA) in Ghana between 2006 and 2011. It shows that the vast majority of studies were conducted by principal investigators affiliated with North American universities. While Ghanaian researchers participated in some studies, not one project was staffed exclusively with Ghanaians but many had no Ghanaian on the team. The overall staffing of these studies also shows very few researchers African and foreign conduct the projects. This high concentration reveals the limited generalization of Impact Evaluation studies and may reflect existence of high barriers to entry for newcomers, irrespective of their origins.

Table 7. List of Selected Impact Evaluations Studies in Ghana since 2007, by IPA/Ghana

Title of study	Year	Principal investigators
Care Ghana	2007	Dean Karlan (Yale), Bram Thuybaert (Yale)
Employment Generation in Ghana	2008	Ernest Aryeetey (Legon), Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale)
Social Learning and Underinvestment in Agriculture	2008	Ernest Aryeetey (Legon), Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale)
Impact of Capital Drops on Agricultural Investment	2008	Ernest Aryeetey (Legon), Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris
Mumuado-Ghana: Labelling & Financial Literacy	2007	Dean Karlan (Yale), Edward Kutsoati (Tufts), Margaret McConnell (Harvard), Margaret McMillan (Tufts), Chris Udry (Yale)
Pure Home Water Project Ghana	2008	Jim Berry (Cornell), Greg Fisher (LSE), Raymond Guiteras (U. of Maryland)
Research Cluster Ghana	2009	Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale)
SSB Ghana	2006	Esther Duflo (MIT), Pascaline Dupas (UCLA), Michael Kramer

		(Harvard)
Teacher Communication Assistant Initiative (TCAI) Ghana	2010	Annie Duflo (IPA)
TCAI Evaluation	2010	Annie Duflo (IPA)
The Hunger Project	2007	Bram Thuysbaert (Yale), Chris Udry (Yale)
Yale EGC Survey & Cluster Sup.	2009	Ernest Aryeetey (Legon), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale)
Health Micro-insurance Education	2010	Raymond Guiteras (U. of Maryland), Harounan Kazinga (Oklahoma State)
Financial Education Primary/Children	2010	Jim Berry (Cornell), Dean Karlan (Yale), Menno Pradham (World Bank)
Graduating from the Ultra Poor	2010	Abhijit Banjeere (MIT), Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale), Bram Thuysbaert (Yale)
GUP Evaluation	2010	Abhijit Banjeere (MIT), Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale), Bram Thuysbaert (Yale)
Impact of Asset Transfer on the Ultra Poor	2010	Abhijit Banjeere (MIT), Dean Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale), Bram Thuysbaert (Yale)
Impact of Savings on the Ultra Poor	2010	Abhijit Banjeere (MIT), Dean

		Karlan (Yale), Issac Osei-Akoto (ISSER), Robert Osei (ISSER), Chris Udry (Yale), Bram Thuysbaert (Yale)
Returns to Consulting	2008	Dean Karlan (Yale, Chris Udry (Yale)
Formal Savings	2010	Margaret McConnell (Harvard)
Culture and Incentives	2010	Orianna, Greg Fisher (LSE)
Effective Delivery of Health Product	2011	Pascaline Dupas (UCLA), Jonathan Robinson (UCSC)
PACT	2011	Gunther Fink (Harvard), Julia Goldberg

3.2. Challenges of capacity building and capacity utilization

In light of the compelling need for Ghanaian researchers to carry out impact evaluation studies, a detailed review of the major challenges faced by research institutions in this regard must be conducted. Four main constraints must be addressed. First, the large diversity of profiles among researchers signals different levels of capacity for quantitative economic research, a key analytical tool for impact evaluation studies. Therefore, generalization of the practice of such studies requires proper training of some researchers and more emphasis on impact evaluation techniques in the curriculum of post-graduate economics programs. More emphasis on training young researchers would be a sound human capital investment. Second, there is a need to enhance the awareness, interest and degree of involvement of policymakers in impact evaluation studies and to persuade them that such studies are of paramount importance for research-informed policy formulation and evaluation. The prevailing current practice of policy without research does not constitute an ideal initial condition but could be reversed over time with concerted efforts by all stakeholders.

A third constraint faced by Ghanaian research institutions resides in the discontinuous and volatile structure of their main funding sources. To be really effective impact evaluation studies need to be conducted over a long period, preferably by the same research team. However, they do not benefit from such support and the full potential of their contribution can be difficult to realize. The fourth and final constraint is arguably the most binding. It consists in the quasi-exclusive control by foreign research teams of impact evaluation studies performed with donor support. Over the last few years, donor agencies including the World Bank, the Department for International Development (DFID), Agence Francaise de Développement, USAID, etc. have provided significant funding support for impact evaluation studies in Africa. Ghana was one of

the beneficiary countries. However, as shown in the following Table, of the 16 projects that were supported, only one has a Ghanaian co-author, the others being exclusively staffed with foreign researchers. This underscores the challenge faced by Ghanaian research institutions to participate meaningfully in the design and evaluation of research-informed policies in their own country.

Impact evaluation studies offer an invaluable opportunity for young Ghanaian researchers to enhance their role in the research community, promote their careers, link up with international research networks, secure more funding support for their projects and, equally important, participate in the policy dialogue with policymakers and other stakeholders. In this sense, it is not an exaggeration to hope that generalization of impact evaluation studies performed by African research centers and their young professionals will pave the way for the future of economic research in Africa. Therefore, the plan to develop impact evaluations in Africa should also be considered a plan to equip future generations of economic researchers with the tools for professional success, alternatives to brain drain and avenues for significant contribution to the development of the continent. A deliberate long term strategy should be designed for the attainment of this goal. Given its prevailing initial conditions, Ghana is a good place to start.

Conclusion of the report

Over the last thirty years, Ghana has gradually built its capacity to conduct economic research through its university system and independent research institutes. The post-graduate training programs in economics have yielded a cadre of qualified economists who are familiar with advanced analytical techniques, have a sharp awareness of their national context and are active participants in the international scientific community. Overall, it is estimated that Ghana graduates about 100 students in the Masters and Ph.D levels at home and abroad in the discipline of economics. These researchers enjoy adequate compensation compared to civil servants but lag behind their counterparts in the private sector. Their working conditions seem adequate although they could be significantly and usefully improved upon in various ways. There are about 54 full time economists working in research institutions and universities, which can be considered relatively low. In addition, the country has a large Diaspora of economists based primarily in the U.K., USA, Australia, Canada and elsewhere, whose level of expertise and scientific productivity constitutes a major force that could be tapped.

The five key economic research institutions of the country are the Departments of Economics of the University of Ghana, Legon, and of the Kwame Nkrumah University of Science and Technology (KNUST), the Institute of Statistical, Social and Economic Research (ISSER), the Center for Policy Analysis (CEPA) and the Institute of Economic Affairs (IEA). All the institutes are staffed with qualified researchers of various ranks and take an active role in the conduct and publication of policy-relevant economic research. Their links with policymakers are marked by a supply-driven approach given the low demand for research to inform policy and the absence of formal and continuous channels of collaboration between research and policy circles. However, individual researchers are often invited to serve on Government boards, committees and commissions or make presentations for public policy bodies. As a result, they all need to spend considerable energy in advocacy and dissemination of the results of their research. Research centers have little cooperation with each other, do not engage in collaborative activities, except those within the University of Ghana, and the most resource-deprived ones suffer from institutional and financial isolation. Donor support is uneven, benefitting mostly independent centers thereby helping confine Departments of Economic at Legon and KNUST to career-advancing academic research in addition to their normal teaching obligations.

The level of adequacy of human and financial resources can be considered adequate although heavy teaching loads may be a challenge for lecturers in Departments of Economics. The Government of Ghana and the country's private sector play no significant role in the funding of research institutes. Yet, current public policy debate, the complexity of upcoming policy challenges and the need for inclusive and participatory policy debate in Ghana's democracy, underscore the need to enhance the level of resources made available to these centers. Excessive reliance on external donor funding would bear the risk of changes in priorities or program termination, thus curtailing the sustainability of programs and institutions. If left unaddressed, the problem of underfunding of research will continue to be one of the causes of the massive brain drain that Ghana has suffered over the last few decades.

Ghana's scientific tradition is one of openness and active collaboration with the rest of the world. This is still visible in researchers' strong participation in international fora, publication in

international journals as well as in an effort to reach out to the local stakeholders through publication of several journals and flagship policy-oriented annual reports. Research institutes seem to have adequate managerial capacity and their organizational structures are similar to many comparable institutions around the world. All the centers display a strong desire for institutional development that is operationalized in various ways. The stated avenues for growth include inception of new post-graduate training programs, creation of new forms of interaction with policymakers, expansion of existing programs and attainment of a high degree of international prestige.

Impact evaluation studies have been the focus of the centers' research for many years and have mobilized a large number of their staff. The diversity of topics and the number of institutes engaged in its attest to Ghana's local capacity to carry out this type of research. However, given the importance that such studies will have in the conduct of future public policy, efforts should be made to strengthen training in this area, enhance the awareness, interest and involvement of policymakers in impact evaluation studies, secure reliable and continuous sources of funding for these studies and increase the share of Ghanaian research institutions in funding provided by international donors, thereby facilitating the dialogue between research and policy and promoting homegrown economic policy solutions.

List of persons and institutions interviewed

- **Ministry of Education**
 - Dr. Joseph Annan, Deputy Minister of Education, in Charge of Higher Education
- **University of Ghana, Legon**
 - Prof. Ernest Aryeetey, Vice-Chancellor
- **World Bank Country Office**
 - Dr. Ishac Diwan, Country Director
- **International Development Research Centre (IDRC)**
 - Dr. Elias Ayuk, Senior Program Specialist
- **Center for Policy Analysis (CEPA)**
 - Dr. Joseph Abbey, Executive Director
- **Institute of Economic Affairs (IEA)**
 - Mrs. Jean Mensah, Director
 - Dr. Kwadwo Tutu, Senior Economist/Fellow
 - Dr. John Kwakye, Senior Economist/Fellow
- **Institute of Statistical, Social and Economic Research (ISSER)**
 - Prof. Clement Ahiadeke, Director (a.i)
- **Department of Economics, University of Ghana, Legon**
 - Dr. Fritz A. Gockel, Head of Department
 - Dr. Yaw Asante
 - Mrs. Abena Oduro
 - Mr. Louis Boakye-Yiadom
 - Dr. Albert D. A. Larye
 - Dr. Edward Nketiah-Amponsah
 - Dr. Sesi K. Akoena
 - Mr. Wassiaw Abdul-Rahaman
 - Dr. William Baah-Boateng
- **Department of Economics, Kwame Nkrumah University of Science and Technology (KNUST)**
 - Prof. J. Ohene-Manu, Dean Faculty of Social Sciences
 - Mr. J. D. Quartey, Head of Department
 - Mr. Kwame J. Opoku-Afriyie
 - Mr. Anthony K. Osei-Fosu
 - Mrs. Grace Ofori-Abebrese

- Mr. Kwakwu Boateng
- Dr. Eugenia Amporfu
- Mr. Emmanuel Buabeng.