

***A CHRISTIAN PERSPECTIVE ON GHANA'S ECONOMIC CRISIS – A TALK  
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CATHOLIC DIOCESE OF SUNYANI AND PRESIDENT OF THE GHANA  
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**Introduction**

Mr. Chairman, Your Grace, Most Rev. Philip Naameh, the Metropolitan Archbishop of Tamale, my dear brothers in the episcopacy, dear brother priests and religious in the Tamale Ecclesiastical Province, Religious Leaders, Honorable members of Parliament, Metropolitan, Municipal and District Chief Executives present, Chiefs, and dear brothers and sisters in Christ.

I bring you greetings of Peace from all the Bishops in Ghana, on this memorable occasion of the 2023 Biennial Conference of the Tamale Ecclesiastical Province Pastoral Conference (TEPPCON), a forum which addresses the pastoral and socio-economic needs and concerns of the people and the country at large.

I wish to begin my discussion on the theme – ***A Christian Perspective on Ghana's Economic Crisis***, by foremost expressing my sincerest gratitude to His Grace, Most Rev. Philip Naameh, the President of TEPPCON, who, on behalf of this Conference invited me to address this forum. And to the organizing Committee, for the great work done to ensure that this Conference comes off successfully.

Interestingly, our general theme for this year's Conference is ***the Crisis of Education in Ghana; the role of Government and Stakeholders***. This main theme and the sub-theme given to me for our discussion, are both very crucial as far as the development and the growth of a nation are concerned. Since mine focuses on the economy, let me keep my attention on this and help all of us to discuss and reflect deeply on this theme.

***A Christian Perspective on Ghana's Economic Crisis:***

The topic already makes a very bold assertion; that is, *Ghana's Economy is in Crisis*. Well, that might be a very common notion and an assertion very easy to be accepted without any efforts to make verifications. But for our part today, in order to see, admit and embrace a clear picture of the issue under discussion, I would not like us to begin by immediately accepting the assertion that *Ghana's Economy is in Crisis*. I would rather want us to allow the situation to speak for itself.

To better appreciate the topic under discussion, I will divide the discussion into two parts. The First Part will endeavour to *confirm or deny the assertion* already stated. The Second Part will focus on *the Christian Perspective*.

We will therefore begin by looking at the state of Ghana's Economy. This, we will do by attempting to understand what "Economy" is and the "Factors for assessing the State of a National Economy." We will then "assess the current state of Ghana's Economy." With these, I believe we shall be in a good position to affirm or dispute that Ghana's economy is in Crisis.

## ❑ What is Economy?

Many definitions have been proposed to give meaning to this term. For the constraint of time let us consider the following definition:

“An economy is a complex system of interrelated production, consumption, and exchange activities that ultimately determines how resources are allocated among all the participants. The production, consumption, and distribution of goods and services combine to fulfil the needs of those living and operating within the economy.”<sup>1</sup>

A nation’s economy is vital for its overall well-being, influencing aspects like employment, standard of living, and economic growth.

Different economic systems, such as capitalism, socialism, or mixed economies, shape how resources are allocated and how wealth is distributed within a country.

From this definition, the following keywords could be pointed out;

1. An economy is a *complex system*
2. This complex system is made up of *several units*
3. These several units are *interrelated*
4. This complex unit concerns a given *geographical location* and the *people* who are within it
5. The system is *to serve the good of the people* who are located in the given area

Our scope limits us to the Ghanaian community. We are looking at that complex reality with the many interrelated factors such as production, consumption, exchange activities and resource allocation, among several others that work to serve the needs and the common good of the people of Ghana.

Since this in itself is very broad, I will not delve much into that but will lead you into looking at the factors for assessing the state of an economy.

## ❑ What are the factors for assessing the state of an economy?

Economists and policymakers assess an economy through various factors. These factors provide a comprehensive view of an economy’s health and performance, helping policymakers make informed decisions and individuals understand the economic environment.

Here, I will be walking you through ten factors that help in the assessment of a country’s economy.

### 1. Gross Domestic Product (GDP)

The Gross Domestic Product measures the total value of goods and services produced within a country’s borders. It is a key indicator of economic performance.

### 2. Unemployment Rate

This indicates the percentage of the labour force that is unemployed and actively seeking employment.

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<sup>1</sup> Will Kenton, *Economy: What it is, Types of Economies, Economic Indicators*; (Retrieved from [www.investopedia.com](http://www.investopedia.com), on November 7, 2023)

### **3. Inflation Rate**

It measures the general increase in prices of goods and services, reflecting a decrease in the purchasing power of a currency.

### **4. Balance of Trade**

Balance of Trade examines the difference between a country's exports and imports, impacting its trade surplus or deficit.

### **5. Interest Rates**

These influence borrowing costs and investment decisions, impacting overall economic activity.

### **6. Government Debt**

It is the amount of money a government owes that can affect its fiscal health and ability to implement policies.

### **7. Consumer Confidence**

It is a reflection of the public's optimism or pessimism about the economy, influencing spending patterns.

### **8. Currency Exchange Rates**

This affects international trade and impacts the competitiveness of a nation's goods and services.

### **9. Labor Force Participation Rate**

Here, we are talking about the Employment Rate, which measures the percentage of the working-age population that is either employed or actively seeking employment.

### **10. Productivity Levels**

It indicates how efficiently resources are used in the production of goods and services.

#### **▣ What is the state of Ghana's economy?**

Having seen these general principles that help in measuring or assessing the state or condition of an economy, let us now focus our attention on the Ghanaian Economy. Findings from recent reports made by economists and policymakers in the country establish the following facts about the country's economy.

#### **1. Gross Domestic Product (GDP):**

As of late 2021, Ghana's GDP stood at around \$70 billion.<sup>2</sup> It is worth mentioning that Ghana has experienced consistent economic growth over the past few years, driven primarily by the agricultural, industrial, and services sectors.

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<sup>2</sup> Ghana's GDP – The World Bank, 2022 Report

## **2. Inflation Rate:**

As of the most recent data, Ghana's inflation rate was around 38% to 40%.<sup>3</sup> Managing inflation is crucial for maintaining economic stability, and the Ghanaian government has been implementing measures to control it.

## **3. Unemployment Rate:**

As of the latest reports, Ghana's unemployment rate is estimated to be around 6% to 10% or even more.<sup>4</sup>

We should, however, not overlook the fact that the government has been working on initiatives to promote job creation and improve employment prospects, particularly for the youth population.

## **4. Foreign Direct Investment (FDI):**

In recent years, Ghana has attracted significant FDI, primarily in sectors such as oil and gas, mining, telecommunications, and manufacturing. This investment contributes to infrastructure development, job creation, and economic growth.

## **5. Export and Import Figures:**

Ghana's economy heavily relies on trade, with significant exports and imports taking place. Notable exports include gold, cocoa, oil, timber, and agricultural products. On the other hand, Ghana imports items such as machinery, petroleum products, chemicals, vehicles, and foodstuffs. Trade balances, which calculate the difference between exports and imports, impact the country's current account balance.

## **6. Public Debt:**

Ghana's public debt has been gradually increasing over the years, reaching approximately 80% of GDP.<sup>5</sup> Managing public debt is a key challenge, and the government has been implementing measures to reduce debt levels and improve fiscal discipline.

An example is the recent Hair cut to People's Bonds.

## **7. Human Development Indicators:**

Besides economic statistics, factors such as education, healthcare, and social well-being are essential for measuring the overall development of a country. Ghana has made progress in some key areas, including increasing literacy rates and access to primary education. However, challenges remain in improving healthcare infrastructure and ensuring equitable access to quality education and healthcare services.

In summary, we can deduce the following from the above elucidations on the state of Ghana's Economy.

- GDP is now about \$70billion which is inadequate.

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<sup>3</sup> Ghana Statistical Service (GSS), *Monthly Inflation Report*, October 2023

<sup>4</sup> Ghana Statistical Service (GSS), *Ghana Annual Household Income and Expenditure Survey*, Quarter 4, 2022 Labour Statistics Report

<sup>5</sup> International Monetary Fund (IMF), *Report on Ghana*, 2023

- Unemployment rate is now above 10%. Analysts put it even higher.
- Inflation Rate is now around 38.1%. It went as high as 50% last year December 2022.
- The Balance of Trade is heavily tilted to import rather than export. We import more than we export putting a strain on our currency.
- Interest rates for borrowing range from 30% to 35%. The government policy rate is now 29.5% making borrowing very expensive.<sup>6</sup>
- Government Debt is now about 80% of GDP. A healthy country's debt to GDP shouldn't go above 70%.<sup>7</sup>
- Consumer Confidence or Consumer Price Index (CPI) is now as high as 194 points as of September 2023. Healthy economies are low.<sup>8</sup>
- The exchange rate is now nothing to write home about as the country's currency has devalued from the beginning of the year to a significant level. With the dollar now at a rate of about Ghs11.61, pounds of Ghs14+, etc.
- The Labour Force in Ghana is estimated to be about 14 million with a population of about 32 million. So nearly 50% of the population must be working but what do we see? A lot of them aren't working considering the employment rate of above 10%.

So, the Chair, Your Grace and my brother Bishops, Brothers and Sisters in Christ, let us revisit our theme again – ***A Christian Perspective on Ghana's Economic Crisis.***

If these figures as given by economists and policymakers are true, unbiased, and a reflection of what is going on in the country, I am now in a good position to lead all of you to reflect on the question; ***Is Ghana's Economy in Crisis?***

I leave that for private and personal judgments and conclusions.

### **The Christian Perspective:**

In this second section we shall be looking at what the Holy Catholic Church teaches about the conditions we have assessed so far. To begin with, it is important to admit that;

The complexity and gravity of the present economic situation rightly cause us concern, but we must adopt a realistic attitude as we take up with confidence and hope the new responsibilities to which we are called by the prospect of a country in need of profound economic renewal, a country that needs to rediscover fundamental values on which to build a better future. The current crisis obliges us to re-plan our journey, to set ourselves new rules and to discover new forms of commitment, to build on positive experiences and to reject negative ones. The crisis thus becomes *an opportunity for discernment*,

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<sup>6</sup> Bank of Ghana, *Monetary Policy Committee Monthly Report*, October 2023

<sup>7</sup> International Monetary Fund, *Report on Ghana*, 2023 <sup>8</sup>

Ghana Statistical Service (GSS), *Monthly CPI Report*

*in which to shape a new vision for the future.* In this spirit, with confidence rather than resignation, it is appropriate to address the difficulties of the present time.<sup>8</sup>

To accomplish this task, our attention will be based on the Social Teachings of the Church with reference to some Magisterial documents that address the economic needs of the human person. It is important to note from the onset that “Man is the source, the focus and the aim of all economic and social life.”<sup>9</sup> As a result, *the Christian perspective of Ghana’s Economic Crisis* will have as its focal point, the human person.

### **The Church’s Social Doctrine and its Principles:**

The term *Social Doctrine or Teaching*, designates “the doctrinal corpus concerning issues relevant to society...”<sup>10</sup> The underlying principles of this doctrinal corpus constitute the very heart of Catholic Social Teaching. The first and the foundation of all these principles is *the dignity of the human person*. It is the foundation on which all the other principles are founded and the content of the Church’s social doctrine. These are principles of a general and fundamental character, since they concern the reality of society in its entirety: from close and immediate relationships to those mediated by politics, economics and law.<sup>11</sup>

Moving forward, let it be remembered that the Church’s social doctrine holds that...the economic sphere is neither ethically neutral, nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner.<sup>12</sup> The conviction that the economy must be autonomous, that it must be shielded from “influences” of a moral character, has led man to abuse the economic process in a thoroughly destructive way. In the long term, these convictions have led to economic, social and political systems that trample upon personal and social freedom, and are therefore unable to deliver the justice that they promise.<sup>13</sup>

The Church down through the ages has never failed to add her voice to these concerns of human life.

### **The Principle of the Common Good:**

Beginning with the *Principle of Common Good*, which stems from the dignity, unity and equality of all people, the Church teaches that this principle is the “sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily.”<sup>14</sup>

To love someone is to desire that person’s good and to take effective steps to secure it. Besides the good of the individual, there is a good that is linked to living in society: the common good. It is the good of “all of us”, made up of individuals, families and intermediate groups who together constitute society. It is a good that is sought not for its own sake, but for the people

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<sup>8</sup> Benedict XVI, Encyclical Letter *Caritas in Veritate*, 21

<sup>9</sup> Second Vatican Ecumenical Council, *Pastoral Constitution on the Church in the Modern World (Gaudium et Spes, GS)*, 63

<sup>10</sup> PONTIFICAL COUNCIL FOR JUSTICE AND PEACE, *Compendium of the Social Doctrine of the Church*, 87, Libreria Editrice Vaticana, Vatican 2004, p. 49

<sup>11</sup> *Ibid.*, p. 91

<sup>12</sup> Benedict XVI, Encyclical Letter *Caritas in Veritate*, 36

<sup>13</sup> *Ibid.*, 34

<sup>14</sup> Second Vatican Ecumenical Council, *Pastoral Constitution on the Church in the Modern World (Gaudium et Spes, GS)*, 26

<sup>16</sup> Benedict XVI, Encyclical Letter *Caritas in Veritate*, 7

who belong to the social community and who can only really and effectively pursue their good within it.<sup>16</sup>

Every economic system exists with the ultimate purpose of seeking the *good* of the people who are affected by its activities. It operates to help citizens reach their fulfilment and attain their needs easily and fully. The economy of a country is meant to alleviate the hardship of the citizens and seek their well-being. In the situation when the economy does not alleviate the hardship of the citizens; nonetheless, makes the little they are coping with unbearable, then that economy could be said to be in crises.

Dear Brothers and Sisters, it is indisputable that all the governments over the years have made greater efforts to keep the economy of this country in a good state; thereby, seeking the Common Good of the Ghanaian populace and promoting the dignity and the integrity of the human person. Many have been the policies which have been implemented to help achieve this economic goal. Notable among them in recent times include the *One District, One Factory Program, Planting for Food and Jobs*, etc. In effect, every government has aimed at improving upon the state of the economy.

However, Ghana's economy is in Crisis, not because it is so by nature, but because certain ideologies have made it so. It must be remembered that the economy does not exist in the pure state. It is shaped by cultural configurations which define it and give it direction. The Economy as a result, can become bad when those at the helm are motivated by purely selfish ends. Therefore, government and economic policies that are good in themselves can be transformed into harmful ones. But it is man's darkened reason that produces these consequences, not the policies *per se*. Therefore, it is not the policies that must be called into account, but individuals, their moral conscience and their personal and social responsibility.<sup>15</sup> In as much as, policies and measures have been put in place to seek the Common Good and welfare of all in the country, we, the citizens, especially those put in charge must also perform our divinely assigned tasks. Economic policies are *not magical spells* that just command phenomena into existence; they are roadmaps guiding our common vision and mission towards the Common Good as a country.

The more we strive to secure a common good corresponding to the real needs of our neighbours, the more effectively we love them. Every Christian is called to practise this charity, in a manner corresponding to his vocation and according to the degree of influence he wields in the *pólis*.

### ***The Principle of the Universal Destination of Goods:***

This principle flows from the afore-explained principle – *the Common Good*. It is grounded in the fact that; “God destined the earth and all it contains for all men and all peoples so that all created things would be shared fairly by all mankind under the guidance of justice tempered by charity.”<sup>16</sup> It continues to explain that the original source of all that is good is the very act of God, who created both the earth and the human person. God gave the earth for the human race and the sustenance of its members, *without excluding or favouring anyone*. The human

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<sup>15</sup> Benedict XVI, Encyclical Letter *Caritas in Veritate*, 36

<sup>16</sup> Second Vatican Ecumenical Council, *Pastoral Constitution on the Church in the Modern World (Gaudium et Spes, GS)*, 58

person cannot do without the material goods that correspond to his primary needs and constitute the basic conditions for his existence.<sup>17</sup> The goods in question here include both the natural resources and the finished goods which are the outputs of these input resources.

Fortunately, in our part of the world, access to natural resources is not much of a problem, except in few places where litigations and injunctions have prevented some citizens to have due access. Additionally, hunger is among the least problems of the Ghanaian populace. Even though the economy is said to be hard and in crises, hardly will you hear about drought or hunger-related problems. This presupposes that this principle is operational to the benefit of the Ghana populace. But is that really the situation?

Ghana is one of the few nations with a vast deposit of several natural resources with high economic values. Mention could be made of natural minerals such as Crude oil, gold, diamond, etc. and the agricultural crops such as cocoa, cashew, shea butter, oil palm, and the vast forest providing us timber of high quality and value. Considering these resources and the standard of living in the country, the rate of poverty, the level of inflation, the poor and unmotorable roads, the inaccessibility to education, electricity, good water, proper health care and the many other hardships, can we still say that there is the equitable distribution of created goods? Certainly not.

We see the great and constant growing disparity that exists between the urban and the rural areas, the rich and the poor, *politicians* and the *populace*, the employer and the employee, producers and consumers, etc. These are clear manifestations that resources have not been equitably distributed for the Common Good of the Ghanaian citizen and “the scandal of glaring inequalities continues. Corruption and illegality are unfortunately evident in the conduct of the economic and political class in this country.”<sup>18</sup>

From the Christian perspective, it must be understood that “each person must have access to the level of well-being necessary for his full development.”<sup>19</sup> This principle is the “first principle of the whole ethical and social order.”<sup>20</sup> It is first of all a natural right, inscribed in human nature and not merely a positive right connected with changing historical and political circumstances; moreover, it is an inherent right.<sup>21</sup>

Putting this principle into concrete practice in our economic situation means that methods, limits and objects be clearly defined. The principle does not mean that everything is at the disposal of all people; regulated interventions are necessary. This perspective therefore teaches us as a nation to develop an economic vision inspired by moral values that permit people not to lose sight of the origin or purpose of these goods, so as to bring about a country and economy characterized by fairness and solidarity. The Universal destination of goods requires a common effort to obtain for every person and for all peoples the conditions

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<sup>17</sup> PONTIFICAL COUNCIL FOR JUSTICE AND PEACE, *Compendium of the Social Doctrine of the Church*, 171, Libreria Editrice Vaticana, Vatican 2004, p. 97

<sup>18</sup> Benedict XVI, Encyclical Letter *Caritas in Veritate*, 22

<sup>19</sup> PONTIFICAL COUNCIL FOR JUSTICE AND PEACE, *Compendium of the Social Doctrine of the Church*, 172, Libreria Editrice Vaticana, Vatican 2004, p. 97

<sup>20</sup> JOHN PAUL II, Encyclical Letter *Laborem Exercens*, 19

<sup>21</sup> PIUS XII, Radio Message for the fiftieth anniversary of *Rerum Novarum*: AAS 33 (1941), 199



necessary for integral development, so that everyone can contribute to making a more humane world.<sup>22</sup>

**Conclusion:**

The Chair, Your Grace, Your Lordships and all existing protocols, we have assessed and seen that the country's economy is in crisis. This has been supported by facts from various sources which are credible. Basing our attention on the Church's Social Teachings and the Principles of Social Teachings, namely; *the dignity of the human person, the Common Good and the Universal Destination of Created Goods*, backed by the Magisterium of the Church, we have critically studied the Christian Perspective of Ghana's Economy.

It is not only the government and the state, you and I have roles to play. Let us together contribute towards the Good of our beloved country Ghana.

Thank you for your attention and God bless you.

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<sup>22</sup> PONTIFICAL COUNCIL FOR JUSTICE AND PEACE, *Compendium of the Social Doctrine of the Church*, 173-4, Libreria Editrice Vaticana, Vatican 2004, p. 98

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