

# IMF Conditionality and Economic Recovery in Ghana: Evaluating the Effectiveness and Domestic Legitimacy of the 2023 to 2026 Extended Credit Facility

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## Research Article

**Keywords:** International Monetary Fund, Ghana, conditionality, Extended Credit Facility

**Posted Date:** October 20th, 2026

**DOI:** <https://doi.org/10.21203/rs.3.rs-11342148/v1>

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**Additional Declarations:** No competing interests reported.

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# Abstract

This paper evaluates the effectiveness and domestic legitimacy of Ghana's 2023–2026 Extended Credit Facility arrangement with the International Monetary Fund. The analysis combines neoliberal institutionalism, common-agency theory and the multidimensional legitimacy framework developed in the literature on global governance. It draws on IMF country reports and programme reviews, Ghanaian policy documents. The paper finds that the arrangement achieved substantial output legitimacy. It provided emergency financing, anchored debt restructuring, supported fiscal and monetary adjustment, and coincided with lower inflation, stronger reserves, a primary fiscal surplus and an improved debt-risk assessment by the final review. It recommends stronger parliamentary scrutiny, published distributional assessments, meaningful stakeholder participation, clearer allocation of responsibility and social-protection rules that operate as binding programme commitments rather than compensatory promises. The Ghanaian case shows that international financial institutions secure durable legitimacy not only by stabilising economies, but by ensuring that adjustment is participatory, intelligible and socially defensible.

## 1 Introduction

Ghana entered 2023 with an acute macroeconomic and sovereign-debt crisis which, according to Abotebuno Akolgo (2023), stemmed from the “*formal declaration of a debt crisis in July 2022*” which was largely “*preceded by months of consistent downgrades of Ghana’s long-term local and foreign currency issuer default*” (Abotebuno Akolgo, 2023, p.1268; Akolgo 2025). The country lost access to international capital markets, inflation accelerated, the cedi depreciated sharply, foreign-exchange reserves weakened, and public debt became unsustainable (Atuahene et al., 2024; Nkuah & Fokuo, 2025; Nyamadi, 2025; Osi Dwomah et al., 2025). In December 2022, the government suspended payments on much of its external debt and began a comprehensive restructuring (Attuahene et al. 2024; Grigorian & Vessereau, 2024). These conditions according to formed the immediate background to the International Monetary Fund's approval, on 17 May 2023, of an arrangement under the Extended Credit Facility (ECF) amounting to SDR 2.242 billion, approximately US\$3 billion (Asah Asante & Ahmed, 2025; Niesten 2024; Quartey et al., 2024). The programme was initially described as a 36-month arrangement and was later extended to 39 months after six reviews. It supported the government's Post-COVID-19 Programme for Economic Growth, with the stated objectives of restoring macroeconomic stability and debt sustainability while protecting vulnerable households and laying the foundations for inclusive growth (International Monetary Fund [IMF], 2023a, 2026a).

The ECF brought financing, policy monitoring and a framework around which official creditors, commercial creditors and development partners could coordinate. Its conditions covered fiscal consolidation, domestic revenue mobilisation, public financial management, monetary financing, exchange-rate flexibility, financial-sector resilience and reforms in the energy and cocoa sectors. The programme offered more than just a loan facility by effectively creating an institutional relationship in which access to successive disbursements depending on Ghana's observance of quantitative performance criteria, indicative targets, structural benchmarks and prior actions. This is precisely the type of relationship that makes the IMF central to debates about international institutions: it can reduce uncertainty and enable cooperation, but it can also shape politically consequential choices inside states.

By July 2026, the IMF Executive Board had completed the sixth and final review. The Fund assessed performance as broadly satisfactory and reported marked improvements in inflation, reserves, fiscal balances and debt sustainability. The final disbursement brought total programme financing to approximately US\$3 billion, while Ghana requested a non-financing Policy Coordination Instrument to anchor reforms beyond the ECF (IMF, 2026a). These outcomes make the programme suitable for an ex-post institutional assessment. The relevant question is no longer whether the arrangement could reach completion. It is whether completion represented effective and legitimate international cooperation.

Effectiveness and legitimacy are related but analytically “*distinct*” (Hogl et al., 2012; Zelli et al. p.34). This matters because, fundamentally, “*institutions, and institutional complexes or architectures as a whole, need to be both legitimate and effective to function well in the long term.*” Zelli et al. p.34). This largely explains why institutions may be effective because they change government behaviour and produce their stated outcomes, yet remain contested because those outcomes were achieved through unequal representation, limited participation or unfairly distributed costs. Conversely, a participatory and transparent programme may fail to stabilise an economy and thereby lose performance legitimacy. Buchanan and Keohane (2006) therefore treat legitimacy as a continuing right to rule that must be justified by acceptable procedures, epistemic reliability and accountability, not by legality or performance alone. Woods and Lombardi (2006) similarly demonstrate that IMF governance gives developing countries a formally recognised but materially unequal voice.

This paper addresses the ongoing question of how effective and domestically legitimate IMF conditionality was in supporting Ghana's economic recovery under the 2023–2026 ECF. It argues that the programme generated substantial output legitimacy by supporting macroeconomic stabilisation, debt restructuring and renewed policy credibility. Its domestic legitimacy was nevertheless qualified. Ghana formally consented to the programme but largely negotiated inter alia from a position of constrained alternatives. The arrangement should therefore be understood as formally authorised and macroeconomically effective, but procedurally thin and distributively contested.

This argument is essentially relevant beyond the Ghanaian case study since international financial institutions operate most intensively when states are least able to refuse their assistance. If legitimacy is inferred solely from a government's signature or from improvements in aggregate indicators, the consequences of crisis bargaining, unequal representation and social burden disappear from analysis. If, however, every condition attached to emergency finance is treated as illegitimate interference, the cooperative function of the IMF is ignored. The Ghanaian case permits a more discriminating evaluation of how institutional authority can be necessary, effective, and still open to legitimate democratic criticism.

## 2 Method and Analytical Scope

The paper adopts a qualitative case-study documentary-review approach. The primary empirical materials comprise the 2023 request and staff report, subsequent IMF review documents, Ghanaian policy statements and official economic indicators. These are interpreted in conjunction with peer-reviewed scholarship on IMF conditionality, domestic politics, institutional effectiveness, representation and legitimacy. The period begins with Ghana's programme request and domestic debt restructuring in 2022–2023 and ends with completion of the sixth review in July 2026. Earlier Ghana-IMF relations are used only to contextualise recurrence and institutional learning.

The effectiveness is measured by the programme's objectives, which includes addressing external financial needs, re-establishing macroeconomic stability and debt sustainability, rebuilding international reserves, bolstering fiscal and monetary institutions, and safeguarding priority social spending (IMF, 2023; IMF, 2024). The analysis does not seek to attribute all the macroeconomic changes to the IMF. Rather, it considers the impact of programme implementation, government policies, debt restructuring, commodity prices, domestic gold purchases, private sector responses, and external conditions (Dreher, 2006; IMF, 2025). This is particularly relevant as the fourth review of the IMF lists domestic gold purchases and gold valuation gains as key drivers of the accumulation of reserves (IMF, 2025).

The six dimensions used to assess domestic legitimacy are derived from the literature on international institutional legitimacy and are formal authorisation and consent; participation and input; procedural transparency; representation within IMF governance; performance and distribution; and accountability (Buchanan and Keohane, 2006; Schmidt, 2013; Woods, 2001). The distinction between input, output, and throughput legitimacy as explained by Schmidt (2013) is relevant for the evaluation of participation, outcomes, and procedures for taking decisions, and Woods (2001) also essentially offers an institution-specific context to discuss IMF accountability and governance. This framework differs from the notion of popularity, in that it looks at the basis for institutional authority, rather than the level of support for specific policies (Buchanan and Keohane, 2006). It also helps to identify the difference between dissent about specific programme characteristics and the more general issue of whether the institution has a valid and reasonable exercise of authority and legitimate accountability and acceptable performance.

## 3 International Institutions Conditionality and Legitimacy

### 3.1 Neoliberal institutionalism and cooperation

Neoliberal institutionalism explains why sovereign governments delegate functions to international organisations even when their interests are not identical. Institutions provide information, monitor commitments, reduce transaction costs and make agreements more credible over time (Abbott & Snidal, 1998; Keohane, 1984). In financial crises, the IMF supplies foreign exchange, technical knowledge, surveillance and a certification function. Its endorsement may reassure official lenders and private investors that a coherent adjustment framework exists. Conditionality can therefore be understood as a commitment technology (Bronk, 2000): it links financing to observable policy actions and helps governments demonstrate to creditors that adjustment will continue beyond immediate political pressures (Apeti & Gomado, 2025; Collier, 1997).

The crisis involved more than a temporary shortage of dollars. The government needed to coordinate domestic bondholders, bilateral creditors, Eurobond holders, multilateral institutions and domestic political actors. Given that no national authority could compel all these actors to cooperate the ECF established financing assurances and debt-sustainability parameters around which negotiations could be organised. From this perspective, conditionality did not simply restrict sovereignty; it enabled Ghana to make promises that might otherwise lack credibility.

Institutionalism nevertheless does not assume that cooperation is equal or automatically welfare enhancing. Abbott and Snidal (1998) emphasise that states use formal organisations because centralisation and independence create advantages, but these features also grant organisations discretion. Programme design may reflect the priorities of powerful shareholders, professional beliefs within the Fund and the bargaining strength of the borrower. Effectiveness must therefore be examined together with power and accountability.

### 3.2 Common agency, domestic politics and ownership

Common-agency theory conceptualises the IMF as an agent responding to multiple principals, including influential shareholder governments, while borrowing states also seek to use the Fund for financing and domestic commitment (Copelovitch, 2010). Lending decisions and conditionality are shaped by both international power relations and the preferences of IMF. At the domestic level, governments are not unitary actors. Executives, finance ministries, central banks, legislatures, organised labour, firms, creditors and citizens may bear different costs and seek different outcomes. Caraway et al. (2012) show that the content of IMF conditionality can be influenced by domestic political institutions and bargaining, rather than being mechanically imposed from Washington.

This perspective complicates the familiar language of national ownership. Ghana's programme was based on the government's PC-PEG, and officials formally accepted the commitments contained in the Letter of Intent and Memorandum of Economic and Financial Policies (IMF, 2023a). Ownership, however, can mean several things: authorship by executive officials, acceptance by Parliament, support among organised stakeholders, or broader social consent. A programme may be nationally authored at the executive level while remaining weakly owned by groups that bear its costs. Ownership should therefore be treated as an empirical and political relationship, not an official declaration.

### 3.3 Legitimacy as a multidimensional judgement

Buchanan and Keohane (2006) argue that global-governance institutions require more than state consent because their decisions affect individuals and because states themselves may not fully represent those affected. Legitimacy depends on the continuing justification of institutional authority. Hurd (2002) likewise shows that legitimacy is a form of power: actors comply not only because of coercion or material incentives but because they recognise an institution's authority as appropriate. Chapman (2009) adds that legitimacy is mediated through audience beliefs, meaning that institutional approval can shape perceptions but cannot permanently substitute for credible conduct.

For the Ghana case, six dimensions are especially important. Formal legitimacy concerns membership, legal mandate, and governmental consent. Input legitimacy asks whose interests entered programme design. Procedural legitimacy assesses transparency, reason-giving, and opportunities for review. Representational legitimacy examines Ghana's influence within IMF governance. Output legitimacy concerns whether the programme delivered stabilisation and social protection. Distributional legitimacy evaluates who bore adjustment costs. Accountability asks whether the IMF and the government could be identified, scrutinised, and corrected for the choices they jointly produced.

These dimensions can effectively move in different directions. Successful disinflation can improve output legitimacy while tax increases or debt restructuring weaken distributional acceptance. Publication of staff reports can improve transparency while leaving participation limited. A government's request creates formal authorisation, yet a severe financing emergency constrains the meaningfulness of consent. The value of the framework is precisely that it produces a differentiated judgement rather than a predetermined verdict.

## 4 Ghana's Crisis and the Design of the ECF

Ghana's crisis resulted from the interaction of external shocks and accumulated domestic vulnerabilities. The COVID-19 pandemic, global tightening and commodity-price disruptions intensified fiscal pressures (Iddrisu et al., 2025; Abdullahi et al., 2026), but high deficits, rising debt, energy-sector liabilities, weak revenue mobilisation and extensive monetary financing had already narrowed the state's room for manoeuvre. By 2022, international market access had closed, investor confidence had deteriorated, and inflation and depreciation reinforced one another (Akolgo, 2025). Karimu's (2024) historical analysis places the episode within a recurring pattern in which Ghana turns to IMF financing after domestic policy imbalances become unsustainable, although the content and outcomes of programmes vary across periods.

The government began the Domestic Debt Exchange Programme before the ECF was approved. Eligible domestic bonds were exchanged for instruments with longer maturities and altered coupons, producing immediate fiscal relief but imposing losses and liquidity constraints on financial institutions, firms and individual holders. Pensioner groups resisted inclusion, while banks, insurers and pension funds faced balance-sheet effects (Oduro 2026). According to Grigorian (2026) the external debt restructuring proceeded through the G20 Common Framework, negotiations with official creditors, and agreements with commercial creditors. The IMF's debt-sustainability analysis provided the envelope within which these negotiations occurred.

The ECF combined financing with front-loaded fiscal consolidation (Atuahen & Frimpong, 2024). The programme measures largely included limits on monetary financing, revenue administration, tax-policy reforms, expenditure controls, arrears management, financial-sector safeguards and reforms of state-owned enterprises. Social protection appeared through floors on specified social spending and commitments to strengthen targeted programmes. The design thus contained an internal tension and friction: fiscal and debt adjustment was expected to restore stability, while social measures were expected to prevent adjustment from imposing unacceptable hardship (IMF, 2023a). Whether the second function matched the scale and timing of the first is central to the legitimacy assessment.

Six reviews created a repeated process of monitoring and renegotiation. Quantitative targets made government commitments observable, while waivers and modifications allowed some adaptation. By the final review, the IMF reported that the programme had delivered macroeconomic stabilisation and that Ghana's risk of debt distress had improved to moderate (Ghanaiantimes, 2026). Yet the Fund also identified remaining vulnerabilities in state-owned enterprises, financial institutions, governance and public-sector management (IMF, 2026a). Programme completion therefore represented significant recovery, not the elimination of structural weakness.

## 5 Assessing Institutional Effectiveness

### 5.1 Financing coordination and catalytic effects

The ECF was effective in mobilising and coordinating finance. The initial approval released approximately US\$600 million and established a schedule of review-based disbursements. More importantly, the programme provided an endorsed macroeconomic framework required by other development partners and creditors. The restructuring of official and commercial debt depended on shared assumptions about Ghana's financing needs and repayment capacity. By 2025, Parliament approved an official-creditor agreement expected to provide substantial debt-service relief during the programme period (IMF, 2026). This catalytic function is consistent with institutionalist expectations: the IMF reduced information and coordination problems that Ghana could not solve unilaterally.

The result should not be overstated largely because the IMF endorsement can catalyse finance partly since other actors make their support conditional on Fund approval. The IMF thus helps solve a coordination problem that the international financial architecture itself has institutionalised. Even so, for Ghana the practical counterfactual mattered. Without an agreed programme and debt-sustainability framework, prolonged default, reserve depletion and more disorderly adjustment were credible risks.

## 5.2 Macroeconomic stabilisation

The final review recorded substantial changes from the crisis period. According to the IMF, inflation fell sharply, gross international reserves increased, the current account strengthened, and the primary fiscal balance moved into surplus. Real economic activity recovered, while the debt-risk rating improved after restructuring and fiscal adjustment (IMF, 2026a). These indicators support a finding of output effectiveness. Stabilisation reduced the uncertainty confronting households, firms and public agencies and restored a degree of policy credibility.

Causal caution remains necessary. Favourable gold prices, cedi appreciation, improved food supply, debt relief and government measures contributed to the observed outcomes. Some policies, including the domestic gold purchase programme, also generated debates over central-bank risks and transparency. The most defensible conclusion is that the ECF was a significant enabling and disciplining component of recovery, not its sole cause. Programme monitoring helped sustain adjustment across an electoral transition, but external conditions and domestic implementation shaped the magnitude of success.

## 5.3 Debt sustainability and financial stability

Debt restructuring was indispensable because fiscal adjustment, like the deep spending cut alone could not place Ghana's obligations on a sustainable path without severe social and economic damage. For instance, the government of Ghana in March 2022 announced a 20% cut in the budget expenditure of all ministries, departments, and agencies for the 2022 fiscal year (CitiNews, 2022) in the hope of salvaging the economy which clearly did not work out as expected. The programme facilitated negotiations and linked disbursements to progress on restructuring. By the final review, much of the comprehensive debt operation had advanced, and debt indicators had improved. The approach illustrates how an international institution can exercise leverage over creditors as well as borrowers, although the burden borne by domestic holders remains a central distributional issue.

The financial sector survived the restructuring, supported by regulatory relief and recapitalisation arrangements, but at a cost. Banks and institutional investors held large quantities of government securities. Changing the terms of these assets affected income, capital and liquidity and created a need for financial-sector support. Effective crisis management therefore cannot be judged only by sovereign cash-flow relief; it must include whether institutions that intermediate savings and pensions remain resilient. The programme recognised this link, but the episode demonstrates how sovereign adjustment can transfer risk into domestic balance sheets.

## 5.4 Structural reform and durability

Effectiveness is weaker when assessed against long-term transformation. Revenue mobilisation, energy-sector losses, cocoa-sector liabilities, state-owned enterprise governance, public investment management and fiscal discipline remain recurring problems. Completion of a programme has a potential to produce compliance with benchmarks without ensuring that reforms become politically embedded. The request for a Policy Coordination Instrument after the ECF implicitly acknowledged that continued external anchoring was considered useful. This shows institutional learning and prudent commitment, but it also raises the question of why domestic fiscal institutions have repeatedly struggled to sustain discipline without IMF involvement.

Karimu (2024) finds that Ghana's repeated IMF engagements have produced mixed macroeconomic outcomes and have not removed the domestic policy shifts that generate renewed crises. A publishable evaluation must therefore distinguish programme effectiveness from regime effectiveness. The 2023–2026 ECF was effective as an emergency stabilisation instrument. Evidence is less conclusive that it resolved the political incentives and structural constraints responsible for repeated recourse to the Fund.

# 6 Deconstructing Domestic Legitimacy

## 6.1 Formal authorisation and constrained consent

The strongest basis of legitimacy is that Ghana voluntarily joined the IMF, formally requested the ECF and submitted a government programme for support (Tarkpor & Clarke 2024). The elected executive remained legally responsible for taxation, expenditure, debt restructuring, and monetary legislation. Unlike colonial administration or direct external rule, the IMF did not acquire constitutional authority to legislate for Ghana. This formal consent matters and prevents the programme from being accurately described as simple external imposition.

Formal consent was nevertheless negotiated under conditions of acute constraint. Ghana lacked affordable market financing, faced depleted reserves and required creditor coordination. Refusal of IMF support was legally possible but economically costly. The relevant distinction is therefore between valid consent and unconstrained choice. A state can validly agree to a programme while possessing few feasible alternatives. Recognising constrained consent does not nullify authorisation; it lowers the justificatory weight that can be placed on the government's signature alone.

A further complication is intertemporal consent. Choices made during crisis bind future budgets and governments. The programme crossed Ghana's 2024 election and continued under a new National Democratic Congress (NDC) Administration. Review-based financing created incentives for policy continuity, which is one of the Fund's institutional advantages. Democratically, however, voters may change governments without being able to reverse commitments without risking disbursement and market confidence. Legitimate commitment devices must therefore be accompanied by legislative scrutiny and public explanation.

## 6.2 Participation and input legitimacy

Programme negotiation was largely centred around the IMF, the Ministry of Finance, the Bank of Ghana and senior executive officials. These institutions possessed relevant expertise and the capacity to bargain quickly during crisis. Yet the social groups affected by adjustment had limited influence over the initial design. Parliament, organised labour, pensioners, professional associations, civil-society organisations, small businesses and users of public services entered mainly through domestic political contestation rather than a structured programme-design process.

The Domestic Debt Exchange illustrates and broadly highlights the deficit. Consultations and revisions occurred, including changes affecting pensioners and institutional investors, but they followed the announcement of a restructuring framework whose basic logic had already been established. Stakeholder bargaining altered details without providing equal agenda-setting power. Input legitimacy does not require a national referendum on every benchmark. It requires timely consultation, disclosure of alternatives and evidence that affected groups can influence design before costs are fixed.

The technocratic defence is that crisis negotiations require speed, confidentiality and specialised knowledge. Unlimited participation could delay action and allow organised interests to shift costs to less organised citizens. This objection is serious. The appropriate standard is not maximal participation but proportionate participation. Decisions with concentrated and foreseeable effects on pensions, savings, taxes and public services require more than post-hoc communication. A representative parliamentary process and published stakeholder-impact statement would have strengthened legitimacy without making crisis management impossible.

## 6.3 Procedural transparency and reason giving

The IMF published the staff report, letters of intent, programme targets and review documents. This documentation exceeds the transparency available in many bilateral financial negotiations and permits independent scrutiny. Quantitative criteria also reduce arbitrariness by making continued access to financing depend on specified indicators. Waivers and modifications are explained to the Executive Board and reported publicly. These practices support procedural legitimacy.

Publication is not equivalent to intelligibility. The IMF produces documents which are essentially technical, bulky and lengthy, and often released after key agreements have been reached. Citizens may learn what target exists without understanding why that target was selected, what alternatives were rejected, or how its costs will be distributed. Reason giving requires translation of technical choices into publicly contestable terms. For example, a fiscal-surplus target should be accompanied by clear explanations of its expected distributional effects, the measures chosen to achieve it, and the safeguards for essential services.

Transparency was also divided between institutions. The Fund published programme documents, while many operational choices were made through Ghana's budget, tax administration and debt-management processes. This division can create a false binary in which officials attribute unpopular measures to the IMF and the Fund emphasises national ownership. Procedural legitimacy requires a joint policy-accountability matrix identifying which measures are binding programme conditions, which are government-selected instruments, and which were modified after domestic consultation.

## 6.4 Representation and structural inequality

Ghana's representation within the IMF is formally guaranteed through membership, a governor, constituency arrangements and participation in the Executive Board. However, voting power is quota-based, and advanced economies retain disproportionate influence. Woods and Lombardi (2006) describe this as an uneven pattern of governance in which developing countries are present but do not exercise influence commensurate with the effects of IMF decisions on them. Representation is therefore institutionally real but materially unequal.

The legitimacy consequence operates at two levels. First, general lending rules, analytical models and policy norms are shaped within an institution where borrowers possess limited agenda-setting power. Second, country negotiations occur against the authority of those pre-existing rules. Ghanaian officials may bargain effectively within a programme while remaining weakly represented in the governance that established the programme's parameters. This structural asymmetry does not prove that any specific condition was wrong. It places a greater burden on the IMF to justify conditions with transparent country evidence and to accept meaningful local adaptation.

## 6.5 Output legitimacy and its limits

The programme's strongest legitimacy claim lies in outcomes. Stabilisation is not an abstract technocratic preference. High and volatile inflation erodes real incomes, depreciation raises import costs, reserve scarcity disrupts production and disorderly default threatens public services and savings. Reducing these harms can strengthen institutional legitimacy, especially when domestic authorities have been unable to restore confidence alone. The final review's evidence of disinflation, reserve accumulation, fiscal improvement and lower debt risk therefore has genuine normative weight.

Aggregate outcomes are nevertheless incomplete. Output legitimacy requires attention to both macroeconomic stability and lived welfare. Inflation may fall after households have already suffered a large permanent increase in the price level. Growth can recover while employment, wages and public services lag. Reserve accumulation and primary surpluses can coexist with unmet development needs. The ECF included social-spending floors, but such floors do not automatically establish that protection was adequate, well targeted or equal to the burden of adjustment.

The evaluation must also consider the counterfactual. Some social pain preceded the programme and reflected the crisis itself. Rejecting adjustment would not have preserved a costless status quo; it could have produced more inflation, depreciation, shortages and disorderly fiscal compression. Legitimacy analysis should therefore compare the programme not with an imaginary no-adjustment scenario but with feasible alternatives. The

criticism is strongest where the design selected more regressive instruments than necessary, failed to disclose alternatives or protected powerful groups from burdens shifted to less organised citizens.

## 6.6 Distributional legitimacy

Distributional legitimacy revolves around the concept that political institutions or policies are considered morally and politically valid based on how fairly they distribute economic costs, rewards, and resources (Dietsch, 2020; Mazepus & Van Leeuwen, 2020). In its logical conclusion within the context of this framing, distributional legitimacy asks who paid for stabilisation and who gained from restored stability. The domestic debt exchange reduced the state's near-term debt service but transferred losses, delayed payments and uncertainty to bondholders, banks, pension funds, insurers, and individuals. Bopkin & Acheampong (2025) notes in the 2025 Oxfam research reports that the fiscal consolidation relied on revenue and expenditure measures that affected households and firms differently. Stabilisation eventually benefits the general public, but its immediate costs were not evenly shared.

The moral and political question is not whether holders of risky sovereign debt should ever absorb losses. Debt sustainability may require burden sharing, and protecting every creditor could force even deeper cuts to public services. The question is whether losses were allocated according to transparent principles, whether vulnerable holders were protected, whether financial-sector support avoided private capture, and whether political elites and high-income groups bore proportionate costs. A legitimacy-centred programme would publish a distributional assessment alongside each review, not treat distribution as a secondary domestic matter.

Research on IMF programmes reinforces this concern. Vreeland (2003) and later scholarship find that distributional and social consequences depend on the content of conditionality and domestic institutions. Kentikelenis et al. (2016) show that structural conditionality can narrow policy space, while Stubbs et al. (2017) find that IMF programmes can constrain health spending unless safeguards are effective. These findings should not be mechanically transferred to Ghana, but they justify scrutiny of whether social-spending floors were sufficiently ambitious and enforceable.

## 6.7 Accountability and shared responsibility

Accountability was complicated by joint authorship. Ghanaian authorities described the programme as nationally owned, while IMF approval and review were necessary for financing. When reforms generated benefits, both could claim success. When measures were unpopular, officials could invoke IMF requirements, and the Fund could emphasise that the government chose the policy instruments. This creates an accountability gap because citizens cannot easily determine who should answer for a particular choice.

Buchanan and Keohane (2006) treat accountability as indispensable where global institutions exercise consequential power without conventional electoral control. For the IMF, accountability must include public reasons, review, correction, and clarity about responsibility. Ghana's elected institutions remain primarily accountable for national policy, but the Fund should answer for the analytical assumptions, conditionality, and approval decisions through which it exercises leverage. A joint programme does not justify joint ambiguity.

The continuation of policy monitoring through a requested Policy Coordination Instrument presents both an opportunity and a risk. It can consolidate gains and reduce the likelihood of renewed fiscal indiscipline. It can also normalise external validation as a substitute for stronger domestic institutions. The legitimacy of post-programme engagement will depend on whether Ghana uses the period to strengthen parliamentary budget control, fiscal transparency, central-bank accountability and public evaluation rather than merely extending external surveillance.

### Synthesis and Discussion

The Ghana case supports neither an uncomplicated success narrative nor the claim that IMF conditionality was inherently illegitimate. Neoliberal institutionalism correctly predicts that the Fund can create value by supplying information, monitoring, finance, and coordination. The ECF helped transform a disorderly crisis into a structured adjustment and debt-restructuring process. Completion of six reviews and the change in key macroeconomic indicators demonstrate institutional effectiveness beyond symbolic endorsement.

Common-agency and domestic-politics approaches explain why that effectiveness did not eliminate contestation. The programme was produced through bargaining among the Fund, Ghanaian executive institutions, shareholders, creditors and domestic actors with unequal resources. Conditionality strengthened the government's capacity to commit, but it also enabled officials to present contested decisions as externally required. Domestic groups did not enter this structure on equal terms. The politics of adjustment therefore continued inside the institutional framework rather than disappearing through technical agreement.

The legitimacy framework reveals a differentiated balance. Formal legitimacy was substantial because Ghana requested the programme and remained legally responsible for policy. Output legitimacy became stronger as stabilisation advanced. Procedural legitimacy was moderate because extensive documents and measurable targets were published, but public reason-giving and prior participation remained limited. Representational legitimacy was structurally weak because Ghana operates within a quota-based institution dominated by larger shareholders. Distributional legitimacy was contested because debt restructuring and fiscal adjustment imposed uneven burdens. Accountability was diluted by joint authorship and ambiguous responsibility.

These findings illustrate an effectiveness-legitimacy nexus. Ulfgard and Vega (2019) argue that performance and legitimacy can reinforce one another but are not interchangeable. In Ghana, effective stabilisation made continued cooperation more acceptable, while perceived unfairness could still

weaken compliance and trust. Durable reforms require citizens to believe not only that indicators improved but that sacrifices were necessary, alternatives were considered, burdens were fairly shared, and officials can be held responsible.

The case also clarifies the meaning of sovereignty. Conditionality constrained Ghana's immediate policy autonomy, yet financing and creditor coordination expanded the state's capacity to avoid a more chaotic adjustment. Sovereignty was both limited and enabled. The normative issue is therefore whether the resulting policy space was exercised through institutions that connected international commitments to domestic democratic authority. Where parliamentary oversight, stakeholder participation and distributional disclosure were weak, the programme's international effectiveness exceeded its domestic democratic embedding.

The most important lesson is that legitimacy should be designed into programmes rather than assessed only after controversy. Social floors, consultation and transparency should not operate as appendices to a pre-determined macroeconomic framework. They should influence the choice, sequencing and review of conditions. An ECF that treats citizens as the intended beneficiaries but not as relevant audiences for justification will remain vulnerable even when its aggregate indicators improve.

## Conclusion

Ghana's 2023–2026 Extended Credit Facility demonstrates why international financial institutions remain both necessary and contested. The IMF provided financing, monitoring and coordination at a moment when Ghana faced default, inflation, reserve weakness and restricted policy options. The arrangement helped organise debt restructuring and contributed to a substantial macroeconomic recovery. On the evidence available at the final review, it was effective as an emergency stabilisation mechanism.

Effectiveness did not resolve legitimacy. Ghana's request and programme ownership supplied formal authorisation, but consent occurred during crisis. Programme documentation and measurable targets improved transparency, but participation and public reason-giving remained limited. Ghana's voice was constrained within the IMF's unequal governance structure, while adjustment costs were distributed unevenly through debt restructuring, taxation and expenditure choices. Joint authorship also blurred responsibility for contested measures.

The appropriate judgement is therefore qualified. The ECF was formally legitimate and acquired meaningful output legitimacy through stabilisation, but its procedural, representational and distributional legitimacy was thinner. This conclusion does not diminish the economic gains or deny Ghanaian responsibility. It identifies the institutional reforms necessary to convert short-term compliance into durable political support. Future programmes should make participation, distributional assessment, social protection and accountability part of conditionality's core architecture. International institutions sustain authority when they deliver results, but they earn durable legitimacy when affected citizens can understand, contest and fairly share the choices through which those results are achieved.

## Declarations

## Ethics and Consent to Participate

N/A

## Consent to Publish

Not applicable. The study does not contain identifiable personal information, images, or other material that could identify individual participants.

## Clinical trial number

Not applicable

## Funding

No Funding was received for conducting this study

## Author Contribution

CAA wrote from the sections of the introduction to Ghana's Crises and the ECF and wrote the discussionEAY wrote Assessing Institutional Effectiveness to the various Legitimacy conceptsBoth authors participated in the review and proofreading process of this paper

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