Ghana's Public-Private Partnership: Standards and Waves of Elitism

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Abstract

Purpose

The study deployed political economy perspectives to analyse Ghana's Public-Private Partnership (PPP) regime to ascertain whether or not the nature and financial considerations in the PPP contract met internationally acceptable PPP standards as well as identifying traces of elitism and exploitation.

Design

Guided by theoretical arguments on elitism drawn from the works of Karl Marx, Antonio Gramsci, Georg Lukacs, Andre Gunder Frank and Samir Amin as well as Bastin's PPP conceptual framework, the study employed interviews and documentary evidence using three outsourcing contracts as case studies.

Findings

The study discovered many inconsistencies between the nature of contracts in Ghana's PPP and internationally acceptable PPP standards. Moreover, PPP arrangements rather represent one of the avenues for seeming and apparent connivance between political and economic elites resulting in some financial gains for the elites at the expense of the state and sections of the citizenry.

Originality

The paper concluded that PPP is not immune to elitism. Ghana's PPP presents academics in political economy an analytical tool which suggests that exploitation of citizens in developing countries is neither exhibited by external political and economic elites nor by external and internal political elites alone; but equally exhibited a class of indigenous political and economic actors found in those same developing countries.

Keywords: Public-Private Partnership (PPP), Elitism, Political Economy, Outsourcing

Article Classification: Conceptual Paper

Introduction

The practice of Public-Private Partnership (PPP) has assumed global preponderance. Indeed, both developed and underdeveloped countries have recognized the need to adopt PPP. Since the mid-1990s, its acceptance has grown steadily as most states seek to provide, finance and operate public infrastructure, services and utilities. In theory, PPP does not only represent a country's mark for softening her ideological stance, either as a capitalist or a socialist, but constitutes an epitome of the new and widely accepted politico-economic philosophy of fusing the state and private ownership of the means of production. PPP also recognises that both the public sector and the private sector have certain advantages relative to the other in the performance of specific tasks. Hence, allowing each sector to do what it does best, public services and infrastructure can be provided in the most economically efficient manner. In these regards, PPP is justified as it addresses the following puzzles:

- How do states ensure equitable delivery of public services without defying the demands of rationality?
- How do states enhance the efficiency without necessarily creating grounds for exploitation?

Based on these rationalizations, PPP practically represents a mark of taking a pragmatic trajectory towards social progress driven by such observable realities, as Bastin (2003) finds out, as increasing investment needs and constraints on public funding sources, modernization requirements and liberalization of trade in services. Thus, the importance of partnerships, as a way to ensure sustainable development, tends to present itself as something consensual and evident (Franco and Estevão, 2010).

As a global phenomenon, African countries, particularly Ghana, have embraced PPP; its ideals and essences. Creating a PPP office at the presidency and formulating a PPP draft bill outlining are symptomatic of this. Even though many studies have been carried out the relationship between the private ownership of the means of production and elitism - *characterized by that the appropriation of economic resources by either a political or an economic actor or both in the engagement of such actors with each other and other economic actors* - there is no empirically verifiable regularity to validate the patterns of elitism in contexts PPP where the private sector enjoys a high degree of integration in infrastructure and public service delivery in the case of Ghana's experience. Thus, the paper seeks to examine the nature of the contract and the financial considerations in the contract relating to outsourcing *("the process of contracting with the most suitable expert third party service provider"* (Alder, 2005:4) and their level of consistency with international PPP standards as well as evidence of political and economic elitism in the PPP regime of Ghana.

The Concept

In terms of scope, 4Ps (2010) describes the term PPP as a wide variety of working arrangements from loose, informal and strategic partnerships to design, build, finance and operate (DBFO) type service contracts and formal joint venture companies.

By nature and function, PPP is also about using private sector resources and finance to increase the level and improve the quality of public services, to improve the allocation of capital investment, and to transfer specific risks away from the public sector. Coviello, Gollan and Perez (2012) add that PPP is a process characterized by sharing of not only risks, but investment, resources, responsibility and rewards. With particular regard to the risk, it is usually associated with planning, development, construction, financing and operation of the public service and infrastructure investment project.

Similarly, the Irish Department of the Environment and Local Government (2011) describes PPP as a partnership between the public sector and the private sector for the purpose of delivering a project or a service traditionally provided by the public sector. PPPs come in a variety of different forms, but at the heart of every successful project is the concept that better value for money may be achieved through the exploitation of private sector competencies and the allocation of risk to the party best able to manage it.

Showing the types of PPP arrangements, Bastin (2003) maintains that PPP is used to designate a variety to co-operation models ranging from outsourcing and private sector participation in joint ventures with public sector, to concession projects whereby the public sector transfers significant investment and operating risk to the private sector. The co-operation model is characterized by the formation of an entity where both a public institution and private enterprise jointly hold shares in order to operate public infrastructure and services. With this model, risks are fully shared by both public and private associates. However, in the case of the concession model, Bastin (2003) notes that a private sector consortium designs, builds, finances and operates infrastructure and public services assets with the public sector involvement limited to output specification, contracting and facilitation. Even though public and private ownership is apparent, each of different risks, according to Bastin (2003:3), "is contractually structured and allocated to either the private or public party".

Objectives and Guiding Principles of PPP

Analyses of PPP regimes drawn from many works leave a huge difficulty in delineating a clear distinction between the objectives and guiding principles of PPP. It is, however, obvious among these analyses that there exist clear overlaps in both the objectives and the guiding principles. In this paper, they will be used interchangeably because both act as standards and framework which could be used to measure the success and efficacy or otherwise of any PPP enterprise. Generally, PPP aims to allocate the responsibility of construction, operation and regulation of public infrastructure to the most appropriate private and public actor. In addition, a number of guiding principles underpin the practice of PPP. Bastin's observation of PPP practices in Europe, America and Asia leads him to the argument that PPP is inspired by other objectives as value for money, innovation in design and operation, competition and rapid delivery of investment and services. While acknowledging the usefulness of those principles which Bastin (2003) elucidates Kim, Kim and Lee (2005) provide other equally useful guiding principles including 'earnings improvement' and 'efficiency'.

The History of PPP: Global, Continental and National Perspectives

In Adam Smith's seminal writings in 1776 espoused in the *Wealth of Nations* he argued that transfer of ownership of the crown lands to the private sector would culminate into a reduction in public sector borrowing requirements and more efficient use of capital. However, the apparent contradictions inherent in capitalism gave rise to the contention that allowing full private sector participation with high emphasis on profit maximization would deprive citizens from having access to public services and would be developmentally derailing taking into consideration the delicate nature of the services. The call for economic reorganization in the face of the apparent contradiction demanded the reign of socialism by harsh critics of capitalism such as Karl Marx, Lenin and Engels. Much as some countries in Europe (Russia, Poland, Ukraine) practiced socialism to the core thereby allowing the state to take full ownership of most business enterprises with an attendant economic retrogression, some (France, Italy, Germany, Great Britain and Austria) allowed the state to provide public infrastructure including railroads, electric power, telecommunications, water, urban transport and other public services. Bastin (2003), however, notes a few exceptions as found in France where private sector was involved in wastewater services.

In the 1980s, however, a paradigm change regarding the role of the state in the economy became apparent. Championed by President Reagan and Prime Minister Thatcher in the UK, this paradigm emphasized the notion that 'the state has no business doing business' subsequently translated into the introduction of neo-liberal economic policies such as privatization, deregulation, and commercialization of public services and the removal of subsidies. However, the shoals of inequality have constantly questioned the overemphasis on liberalism as a foundation of human development.

Barring these ideological meanderings in the global economic historical trajectories, some concrete economic conditions and the apparent strengths and deficiencies associated with these two extreme economic systems (liberalism and statism) called for the acceptance of a mid-range economic system; accounting for the practice of PPP. As far back as 1916, Bertrand Russell had provided philosophical foundations to the new system of corporate ownership and provision of social services, which reflect the essence of PPP. Russell argued that a mid range system is necessary if the ideals of human survival will be achieved. Russell suggests that "such a system requires the restriction of the capitalist … and unlike socialism, it is not a static or a final system: it is hardly more than a framework for energy and initiative" (498-99).

Bastin (2003) clearly indicates that three major factors have precipitated the call for public and private sector engagement in the provision of public infrastructure. The first factor represents the excesses associated with state-led development agenda. This type of agenda represents a clear lack of market discipline making public sector providers to increase cost and reduce productivity. Secondly, advances in technology have played a significant role in terms of which natural monopolies in telecommunication have been crashed. Third, the change in technology in the power sector grossly leading to efficient, decentralized and flexible forms of power generation. Thus, PPPs are becoming more common, because governments realize these agreements may have many tangible and immediate benefits, and the private sector is granted access to new markets and opportunities (PARTNERING..., 2002).

In Ghana, the practice of PPP is not new even though attempts are being made to formalize it through the promulgation of a PPP act. The fact remains that the construction of the Akosombo Dam by Nkrumah was carried out using the PPP approach. Nkrumah's adoption of the PPP approach, at this time, took the form of soliciting funds from private sources to augment the limited funds the state had mobilized. This act of mobilizing funds for public infrastructure jointly from public and private sources was, nevertheless, an exception than a norm. Perhaps, it only epitomized Nkrumah's 'scientific socialism' which saw the need to allow private sector participation in public infrastructure and social service delivery, despite his strong socialist fervor. This is symptomatic of the long standing argument that gives support to PPP that it becomes very necessary because of constraints on public funding sources. In current times, Ghana's PPP, just like other PPPs, reflects the two basic forms of PPP. The cooperation model (joint venture) which has been typified in such projects like housing projects under the affordable housing policy involving the earmarked delivery of about 9,120 housing units involving state and private sector financing[1] and in water delivery evident in the defunct joint venture partnership between Aqua Vitens Rand Limited and the Ghana Water Company Limited. The second is the concession model found in some of the accommodation facilities found on some Ghanaian state university campuses such as the SSNIT hostels. In addition, some evidence of PPP have found expressions in outsourcing which is characterized by offering short term contracts by the public sector (a government institution i.e ministry, authority or agency) to a privately-owned firm will be put under consideration. Typical examples include SADA-Asongtaba Cottage Industries, GRA-Subah Info Solutions and GYEEDA-RLG and Asongtaba Cottage Industries.

Just like all other PPPs, Ghana's PPP regime is guided by principles including value for money, risk allocation, competitiveness, and technology transfer. However, unlike principles such as improved efficiency in investment and operation and new sources of funding which Bastin (2003) observed in other continents Ghana's PPP contains other principles including affordability, local content, safeguarding public interest and stakeholder right, environmental, climate and social safeguards, accountability, fairness and transparency and respect for procedures. It is these arrays of principles which this paper will employ in assessing the standards in Ghana's PPP practices.

Theoretical Review on Elitism

Karl Marx's analysis on elitism is clearly expressed in his critique of the capitalist structure as it pervaded, and still pervades, in Western Europe which he described as essentially exploitative. In his argument about the mode of capitalist development, Marx locates its genesis to the process of 'Primitive Accumulation of Capital'. Indeed the most insidious aspect of the 'Primitive Accumulation of Capital' is the notion that the expansion of capitalism is a function of elitism where the accumulation of capital by private owners of the means of production was aided by the political elites of the time. A clear manifestation of elitism was the abolition of the feudal laws which was a political initiative to legally guarantee private ownership of land – the most critical of all the means of production - thus creating a class-based social structure and subsequently entrenching economic domination by the "haves" on the "have nots". Enactment of additional laws to protect the interest of the economic elites was apparent. While some laws prevented the formation of workers unions, others granted freedom to the private owners of the means of production determine wages of workers without any political

[1] Part of the President of Ghana's speech during the 2014 State of the Nation's Address delivered to parliament, 25th February, 2014

interference. Consequently, Marx asserts that the nature of an economic system is a product of an existing political system and the economically-inspired legal and political decision by political leaders thereby creating a certain type of social relations of production which is dialectical in character and practically riddled with economic domination by a few political and economic elites who are at the center of economic decisions and would choose to maintain such a system in so far as they benefit from it.

Upholding the traditional Marxian theoretical insights, neo-Marxist particularly Antonio Gramsci and Georg Lukacs provide deeper and extended insights about Marx's analysis on elitism in the capitalist order. Gramsci's suggests that the bourgeois intellectuals are proponents of the imposed normative culture of the societal status quo. For Gramsci, the political and economic elites and intellectuals do not dominate the working class but the entire citizenry and not in monetary terms alone but through other non-monetary mechanisms such as ideas reinforced by a unique knowledge production regime. This, according to Lukacs, creates a deceitful picture about the modern society which clouds the perspective of individuals, especially the dominated class. Lukacs claims:

> *"Given that one of the most important connotations of the term ideology is that of error, one's knowledge of things is more often than not mistaken, irrespective of one's class" (1920:50)*

Summarizing the arguments of the neo-Marxists, it is obvious that the elites do not dominate the working class alone. Indeed the elites control the activities of the major mass media and educational/cultural organizations in society by virtue of their control over the economic resources of the major business and financial organizations in a country. Thus, while Marx points out the notion of economic domination, Lukacs and Gramsci emphasize the notion of cultural domination expressed by the ruling class thereby representing a new frontier in the wave of elitism.

Andre Gunder Frank's dependency theory fundamentally brings and international version Marx's in-country class-based material dialectics by focusing on a country-country economic relations where one country develops while the other experiences underdevelopment thus making development and underdevelopment "two sides of the same coin". Using Europe and Latin America as cases in points, Frank (1971) points out that the dialectical relationship between the developed and the underdeveloped is that type which renders underdeveloped countries to become dependent on developed countries for financial aid, expertise and technological transfer. Frank, unlike Marx, shows how political elites in underdeveloped countries, influenced by political and economic elites in developed countries, play critical roles in entrenching the dialectical relationship between developed and underdeveloped countries by creating the congenial political and legal space for the subsidiaries of multi national companies owned by western economic elites to appropriate and expropriate capital surplus from underdeveloped countries to western countries. Hence, Frank establishes that the dialectical relationship assumes a state-to-state relationship with a mixture of western elites and local elites. Frank writes:

> *"European lumpen bourgeoisie has created national lumpen states that have never been truly independent but have simply been important investment of lumpen bourgeoisie politics of underdevelopment" (1971:70).*

The dialectical relationship, according to Frank, further assumes a chain-like dialectical relationship between actors in Third World Countries found between a bourgeois urban area and a proletariat rural area. This form of domination as Frank observes is replicated in rural areas as the rural bourgeois class dominates the rural proletariat.

In replicating Frank's study, Samir Amin (1978) made similar observations in Africa regarding the role of internal political actors what he calls the 'dependent bourgeoisie' in expanding economic opportunities for foreign economic investors to appropriate and expropriate capital surplus from Africa to Europe.

From the arguments on elitism the following conclusions could be drawn:

- Karl Marx's analysis makes it clear that the political and economic elitism has been apparent only in western industrialized countries
- Andre Gunder Frank's analysis the foreign economic and local political elites and the outcome of the elitism is not the mere exploitation of citizens (employees and consumers) but the state through the appropriation and expropriation of capital surplus
- The arguments of Karl Marx and Andre Gunder Frank represents a form economic domination while the arguments of Georg Lukacs and Antonio Gramsci represent cultural domination

Nature of the Contracts, Standards and Traces of Elitism in Ghana's PPP

GYEEDA – RLG, Asongtaba Cottage Industries

GYEEDA, formerly known as National Youth Employment Programme (NYEP), was initiated by the government in 2006 in a bid to temporarily curb the high rate of unemployment among the youth. By the end of 2008, the total number of jobs created stood at 692,714 with 80% in agriculture, 17.9% in services and 2.1% in industry (NDPC, 2008). Despite the efforts at generating employment, patterns of the GYEEDA contract, evident in a report, bring out some issues relevant for political economy analysis.

> *"though a report was sighted (produced by Asongtaba rather than GYEEDA), it did not reconcile with the indicated number of persons trained and there was evidence of repeated names (Ministry of Youth and Sports, 2013:98). Average cost per dress making trainee to GOG on the initial contract was GHS 897 as per the contract and was comparable to bench mark. However, this cost per trainee in dress making to GOG increased by 23% to GHS 1,100 and then doubled to GHS 2,200 following the doubling of the tenure of the training. No basis was provided for the increase in rate and no M & E report was sighted guiding the decision to increase the tenure of the training program (Ministry of Youth and Sports, 2013:99).*

In these instances, the question with regard to the person who authorized the increment and the fact that there was no basis for the increment are critical here thus raising some administrative concerns in the Ghanaian public sector. However, from a purely political economy perspective, it is observable that arbitrary increases which served to financially benefit an economic actor undeservedly are apparent because the GHS 1,100 was above the bench mark equal to GHS897. Secondly, an inconsistency in the number of persons trained and a repetition of names smacks off the creation of another avenue for money to be redirected into the hands of an economic actor. At this point it is not a client, a customer or a worker who is losing but the state; representing a dialectical relationship between an indigenous economic actor and the state. This trend is a marked shift from the dialectical relationship which Marx (between owners of the means of production) and Frank (dialectical relationship between developed state and an underdeveloped one) referred to. Here, it is obvious that a political actor allowed the increment to take effect without any justification thus indicating clearly that a political actor has aided an economic actor to benefit at the expense of the state albeit the lack of clarity whether or not the political actor did it knowingly. As the report suggests, no monitoring and evaluation has been done thus representing a breach of a key guiding principle of PPP because, as Bastin (2003) said, the public sector roles are primarily restricted to service planning, performance monitoring and contract management.

Additionally, the GYEEDA Report disclosed that

> *"considering the constraints on the national purse, MOYS giving an amount of GHS6.7m at an interest free rate payable over 48 months after a 24 months grace period, was without due regard to the law. More critical is the fact that the tenure of the interest free loan (four years) exceeded the term of the project (one year). Clearly, the non involvement of financial experts from the Ministry of Finance may have resulted in this faulty financial arrangement and the lack of due diligence. Also, the Minister of state may have acted beyond his powers in granting this concessionary facility" (Ministry of Youth and Sports, 2013:99).*

On grounds of this reality, some legal issues emerge. However, beyond the legalities, it is absolutely clear that a political actor is creating a certain platform for an economic actor to make unwarranted gains given the fact that the economic actor, based on the decisions of a political actor has given the economic actor the opportunity to appropriate money (loan interests). Once again it is unclear whether or not the political actor made financial gains from the decision he took. Nevertheless, the issues which have emerged hinge on the political actor's decision which represent breaches in the principle of value for money tantamount to ripping off the state of financial resources.

The GYEEDA Report has also projected that

> *"considering the time span, it is highly unlikely that RLG will be able to train the 15,000 persons within the stipulated time frame. However RLG has received full payment of GHS25.5m and has made a subsequent request for the other GHS25.5m. Based on the rates in the MOU only GHS 5,277,500 should have been paid to RLG. Therefore RLG has been overpaid by GHS5.5m plus GHS 20.22m = GHS25.69m. RLG's total liability to the state including outstanding loans not yet repaid is GHS28.32" (Ministry of Youth and Sports, 2013:118).*

These facts indicated in the report present some ironies in Ghana's PPP. While the issues of efficiency and risk transfer have not been ensured, value for money has not been achieved either. This is apparently so because, fundamentally, the economic actor (RLG) did not bear any risk which otherwise could have been if RLG had pre-financed the training exercise. Another irony is expressed when the state votes huge monies and hands them over to a private firm when, in essence, as Bastin (2003) said, PPP becomes necessary in contexts where increasing investment needs and constraints on public funding sources which Ghana's economy has exhibited in forms of balance of payment deficits and infrastructural deficits. Thus, for the state to vote money to a private economic actor at a time when it is experiencing financial constraints defies the logic of PPP. Practically, the involvement of the private firm, as the case may be in an ideal-type PPP, the state invites a private firm to provide service which the state will hand over to a private firm because the former does not have the financial wherewithal to provide that service. In certain regards, it would be factual that the private firm might not necessarily have the financial resources to pursue the project. Nevertheless, this condition does not even warrant the provision of funds from the state. Under such a circumstance, the best option, as evident in most advance countries such as Germany, the Netherlands and Austria, is for the state to fully back the private firm to access credit. Aside this irony, it becomes equally puzzling to find a state institution releasing money to a private firm to train apprentices because indeed if the state has the enough funds to pursue an agenda (i.e employment creation etc) why were other state institutions with the requisite capabilities of training artisans not handed over such monies to pursue that agenda? Another irony which Ghana's PPP presents is that unlike Marx and Frank's analysis of elitism which establishes that economic actors are the providers of capital investment the state provides the capital.

Ghana Revenue Authority (GRA) - Subah Info Solutions

In 2010 the GRA engaged the services of the Subah Info Solutions to monitor domestic call data records (CDRs) of telecommunication companies in Ghana, electronically. This was legally consistent with the Communication Service Tax (Amendment) Act 2013 (Act 864) which requires telecommunication industries that will allow the Ministry of Finance to monitor the CDRs for purposes of taxation. The aim was to collect the appropriate tax from the telecommunication companies. The GRA as the law warrants acts on behalf of the Ministry of Finance hence contracted Subah Info Solutions to the monitoring task. The contract contains the agreement to pay 13.5% of incremental revenue[1] collected to Subah Info Solutions. As it stands, officials at the Ghana Revenue Authority, the Ministry of Finance and the private company, Subah Info Solutions paid an amount of 75 Million cedis to the private firm for no work done; another indication that PPP did not ensure value for money. What remains equally questionable is that fact that the GHS75 million was paid from the VAT Fund and not the incremental revenue Subah Info Solutions claimed to have collected.

As found in the foregoing realities it is suggestive that monies were wrongfully paid for more than two years and that the Subah contract was not signed by the appropriate authorities. It is obvious that the principle of value of money has been breached because no financial gain has been made for the 75 million paid. Indeed the reason for which value for money was not achieved is not farfetched. Fundamentally, there was no transfer of risk to the private sector operator making the private firm unscathed in the face of any financial losses. Such a breach of risk transfer principle consequentially creates the grounds for elitism found in where an economic actor makes enormous unmerited gains at the expense of the state through efforts, either knowingly or unknowingly, of a political actor. Even though it is unclear from the information available that a political actor has benefitted from these arrangements, the political actor could be given the benefit of hindsight for effecting payment. Nevertheless, the information available, insufficient as it may be for drawing a valid conclusion, still gives room for suspicion of connivance between a political actor and an economic actor especially when the succeeding issues become part of this discourse. First, what would condition the payment of those monies to be paid for two years without any work done? Attributing this to the political actor's ignorance of the inappropriateness of the contract will be a misplaced argument. Second, was the political actor who effected the payment never concerned about the need to ensure evidence of work? The political actor might be given the benefit of hindsight for negligence about the need to engage in due diligence but not for a long period as two years. From a metaphysical point of view, the political actor's negligence could have been a product of ignorance but paying the contract sum and being aware of the inappropriateness of the contract then produces traces of negligence which is not borne out of ignorance but out of self interest. In these regards, there exists a circumstantial basis for connivance between an economic and a political actor thus smacking off elitism.

Savannah Accelerated Development Authority (SADA) – Private Service Providers

The Savannah Accelerated Development Authority (SADA) is an independent agency for coordinating a comprehensive development agenda for the northern savannah ecological zone in Ghana. The zone comprises the three Northern regions of Ghana namely, Upper East, Upper West and the Northern Region, and stretches to include districts contiguous to the Northern region that are located North of Brong-Ahafo and north of the Volta region. The authority started operations in 2012 and its main thrust is to promote sustainable development using the notion of a forested and green north to catalyze climate change reversal and improve livelihoods of the most vulnerable citizens in the area. The strategy being developed was expected to provide opportunities for poor peasants, especially women, to own assets in economic trees sustain their food crop production and protect the fragile eco-system of the northern savannah by managing the flood-prone river-beds better.

[1] Incremental revenue refers to that revenue collected in excess of what the GRA projects to collect during a year

As the realities stand, SADA contracted some Ghanaian-owned private firms to engage in tree planting and the construction of guinea fowl firms within the Savannah zone for rearing of guinea fowls and cultivation of crops using PPP arrangements. As part of the arrangement it was apparent that SADA did not establish system and mechanism for supervision of these projects to ensure the state received value for money (Auditor General, 2014). Indeed, just like the GYEEDA case, much as some of the realities reflect the absence of the deployment of useful administrative mechanism, some of the realities definitely go beyond the intricacies of bureaucratic inertia; they actually touch the core of the dynamics of PPP and other fundamental issues in political economy. The following are excerpts from the audit report on SADA released in April, 2014 which clearly show that some of the actions taken by the management of SADA reflect massive aberrations to some of the guiding principles of PPP. Key among these is the observation that the state pre-financed a project with a private investor with no indication that the private sector had made any financial commitment. It reads:

> *"Management paid GHS15,000,000.00 as 50% stake in the Public Private Partnership for the construction of five (5) guinea fowl firms within the Savannah zone to ACI Limited but we noted undue delay in the execution of the projects"(p.4).*

Under pure PPP standards, the risk of losing money is usually borne by the private investor and not the state. Yet, SADA does not make room for risk allocation and it is in that regard that the undue delay in the execution of projects would not necessarily constitute a source of economic loss to the private investor. The next two excerpts show fundamental breaches in the principles of competiveness and fairness. They read:

> *"even though management got an approval from the Public Procurement Authority to single-source afforestation project involving the planting of 5,000,000 trees in the five regions valued GHS32,498,000.00 to ACI Construction Limited, the project did not fall under any of the single-source procurement conditions to warrant the contract to be awarded under sole sourcing. The contractor did not execute the project satisfactorily because the work load on the contractor was too much for him to execute" (p.5).*
>
> *"management engaged the services of consultants without public advertisement and spent GHS1,059,649.00 on them as consultancy fees" (p.3).*

Despite breaches in these principles and the apparent disregard for legal statutes, other realities remain very puzzling. The first puzzle: what makes ACI and the consultants technically unique to the extent that they are awarded contracts without giving other prospective competitors a level playing field? The realization that ACI could not execute the project satisfactorily vindicates the position the ACI is not unique after all. With this position, the next puzzle: what will motivate a political actor to overlook the legal statutes associated with public procurement and make ACI and the consultants gain an undue advantage by being awarded the contract under sole sourcing. Indeed answers are hard to find but, just like the case of GYEEDA, the realities and the puzzles provide circumstantial basis for elitism. Much as concrete answers will be hard to find, one cannot deny the truth about SADA that the state has become a victim of the decisions by a political actor's decision while an indigenous economic actor has benefitted substantially. Other excerpts which follow show that the principle of safeguarding public interest has not been observed because as indicated:

> *"..11 service providers were expected to recover farm produce from the beneficiary farmers by way of 56,474 maxi bags of maize valued GHS3,049,596.00 but recovered only 4,234 bags valued GHS229,686.00 representing 8 percent, resulting in a short recovery by GHS2,819,810.00" (p.4).*
>
> *"…management released amount of GHS2,771,890.00 and GHS38,798.00 to Plus One Investment Limited and Kukobila Farms Limited respectively totaling GHS2,810,686.00 to engage in the cultivation of butternut squash but failed to produce records on the tonnage of the butternut squash they had harvested and exported as well as the amount generated from the sale" (p.2).*
>
> *"on 24 December, 2012, management granted an advance of US$1,000,000.00 to Human Construction Engineering Group Corporation but failed to recover the amount from the institution" (p.1)*

From all the excerpts, there are clear cases of non-recovery and under recovery of money, an unwarranted advance payment, favoritism as well as the avoidable expenditure evident in the needless payment of consultancy fees. Barring the fact that specific elements in the report represent breaches of specific principles, it is also apparent that, in all these cases, PPP the standard which emphasizes value for money was not upheld. Thus, the SADA case presents us with a display of breaches in the internationally acceptable PPP standards with circumstantial traces of elitism.

Traces of Exploitation

Apart from the fact that the state has been short changed due to unfruitful PPP arrangements between political and economic actors, workers have equally become victims of such same arrangements thus representing traces of exploitation. In the GYEEDA-Zoomlion arrangement, Zoomlion was charged with the responsibility of equipping the youth who are recruited into this module with the appropriate equipment and working gear to undertake the sweeping of the ceremonial and major streets of towns and cities as well as de-silting of drains. The company also provides training and supervises their daily activities. The Government of Ghana, on the other hand, recruits workers and pays their allowances and pays Zoomlion management service. In fact, payment of workers is done through Zoomlion. From the reports released GYEEDA releases a sum of GHS500 for each worker on a monthly basis. The contract the between GYEEDA and Zoomlion allows the latter to use GHS400 as administrative expenses and procurement of materials whilst the workers are paid GHS100 a month. This reflects a dialectical relationship between Zoomlion and the workers aided by political actors who agreed on such an arrangement. Interviews carried out to establish the justification for receiving GHS400, showed a lack of clarity about the breakdown of administrative costs. The Zoomlion official indicated that "the cost of materials used in cases when most of the materials hardware such as gloves, shovels, and rubbish collectors" With this response, the question asked is: are these materials purchased every. Indeed, these materials are used for quite a long period before new ones are purchased. This arrangement and its justification thereof raise concerns about transparency – a key guiding principle in PPP. Thus breaches in PPP guiding principles could serve as real foundations for exploitation. At this point the working class and the citizenry have been given a deceitful picture about the GYEEDA-Zoomlion arrangements which clouds their perspective in terms of how much the workers really deserve as monthly allowance thus reflecting Lukacs assertion that, "one's knowledge of things is more often than not mistaken" (1920:50).

Another point of concern is the monthly amount of GHS100 paid to workers in a country where expenditure levels are rising especially in a context of a depreciating currency. Similarly, interviews carried out on payment of salaries as part of the SADA programmes suggested clearly that workers had not been paid their salaries for months. Workers engaged in the tree planting exercise as part of the afforestation interviewed indicated that they were laid off without being paid their salaries after months of work. In reaction to the non payment of salaries some of the workers carried placards to meet the President on his state visit to Tamale in December 2013.

In these instances of clear manifestations of dialectical relationship between workers on the one side and political and economic actors on the other side with the later exhibiting hegemonic tendencies over the former, it confirms the argument of Franco and Estevão (2010) that the great difficulties and obstacles the creation and organization of partnerships face are undeniable.

Summary and Conclusions: New Theoretical Insights rooted in Ghana's PPP regime

After discussions of the realities that have characterized the PPP in terms of the nature of the contracts, financial considerations and traces of elitism it is obvious that PPP has become an integral part of Ghana's developmental trajectory hence a useful tool for creating employment opportunities and provision of critical services. However, the realities in Ghana's PPP circles show how guidelines including, value of money, efficiency and transfer of risk have been overlooked. Additionally, the emerging realities drawn from the case studies show that PPP is not immune to elitism. As a sequel, PPP can represent a fundamental aberration to the philosophical justifications of its practice because much as it may not ensure efficiency and rationality it might not ensure the equity. Hence, merely fusing the public sector and the private sector does not necessarily ensure a let off for a state and the working class in terms of being potential victims of financial losses and exploitation. Indeed the state can be ripped off in worst forms even as compared to a purely privatized regime because as it stands the state becomes a financier to some PPP projects and services. It is in this regard that PPP by essence encourages pre-financing of PPP projects by a private actor because it does not only allow a transfer of risk for but it also guarantees value for money. It might appear that in a purely capitalist regime where privatization – which is fundamentally different from PPP – was practiced, the state does not finance any private endeavor. Indeed, predisposing the state to become a sole financier and pre-financier of PPP engagements is not just an irony as far as the fundamentals of PPP is concerned but exposes the PPP regime to political and economic elitism with the initiators of the elitism being actors of either a public or private sector. Thus, a PPP regime is likely to create opportunities for the apparent display of elitism which have been products of the ironies which characterize any PPP regime evident in the inconsistencies between the patterns of PPP in a country and internationally accepted and rationally inspired best PPP practices. However, Ghana's PPP regime presents a new trend of elitism. Drawing from earlier theoretical arguments, it might be clear in Frank's argument of elitism that the underdeveloped state loses financial resources through the appropriation of capital surplus to advance countries. Here, the economic actors who have emerged as beneficiaries are not foreign investors but, unlike Frank's arguments will exude, are indigenous investors. Additionally, it is apparent that it is not only capital surplus being redirected to an economic actor but the actual investment.

The realities in Ghana's PPP have also given rise to new political economy thoughts on elitism which are useful for analytical discourse in politico-economic enterprise. They include:

- The economic and political elites are indigenes unlike the foreign economic and local political elites as espoused by Andre Gunder Frank
- The outcome of the elitism is not the mere exploitation of citizens (employees and consumers) but the state through waste of public funds
- PPP regimes can represent an indigenous business-state relationship with the business actor, aided by a an indigenous political, gain at the expense of the state

As these elitist tendencies and disregard for PPP principles unfold, the state will not just become a victim of a drain of financial resources but they will set the real foundations for political mistrust among the citizenry and all the imaginable political ramifications on the Ghanaian society. Avoiding these will demand a PPP regime with a strong institutional framework and a strong sense of loyalty among political and economic actors. At this point, the prospects of using PPP as a pragmatic trajectory toward human development will be far from a mirage.

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