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Decoding Injustice in Ghana: Debt, austerity, and the cost of living crisis

Until recently celebrated as one of West Africa's most stable democracies and a model of growth, Ghana is now grappling with a deep economic and social crisis that has exposed structural inequalities long hidden beneath its reform narrative. The country's mounting debt burden and its 17th engagement with the International Monetary Fund (IMF) have ushered in new rounds of fiscal consolidation, with austerity measures and debt-servicing priorities constraining public investment in essential services. Civil society organizations, including the Integrated Social Development Centre (ISODEC), have increasingly warned that economic policies prioritizing fiscal consolidation over social investment are eroding the foundations of people's rights and livelihoods.

Against this backdrop, the Centre for Economic and Social Rights (CESR) and ISODEC partnered to apply the Decoding Injustice framework to Ghana's debt crisis, using the OPERA methodology to reveal how fiscal choices and debt servicing obligations affect rights to health, education, and social protection. This case study traces how ISODEC used the Decoding Injustice approach to interrogate systemic drivers of economic injustice, illuminate their human rights impacts, and inspire a shift toward accountability and equity in economic policymaking.

1. The challenge

By the end of 2022, Ghana's public debt had surged to over US $55 billion (93% of GDP),[1] with debt servicing consuming nearly half of revenues.[2] This culminated in Ghana defaulting on its external debt for the first time in decades. The crisis sent shockwaves through the economy: Ghana's currency, the cedi, depreciated by over 50% in 2022, inflation soared above 50% (driving 850,000 Ghanaians into poverty)[3], and the country became one of the worst-performing economies globally.[4]

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For Ghana's poorest households, especially in rural areas, the debt crisis translated into a daily struggle for survival. Families reported being forced to skip meals or reduce the quality of food, with inflation making even basic staples unaffordable.

Inequality deepened, with women, informal workers, and the unemployed bearing disproportionate burdens. Inflation hollowed out savings, forcing many households into debt and deepening cycles of insecurity. The erosion of social protections left the most vulnerable (pensioners, single mothers, people with disabilities) with no safety net. Pensioners described how their Social Security and National Insurance Trust (SSNIT) payments were losing value so quickly that they could no longer cover food or medicine, eroding their ability to live with dignity in old age. Public spending cuts also eroded service provision in healthcare. Community members in the Western and Upper East regions spoke of health centers running out of essential medicines and long waits due to understaffed clinics, undermining their right to health. For those who relied on public transport to reach hospitals, soaring fuel and transport costs became another barrier to accessing care.

Parents in rural areas said that the rising cost of school fees, uniforms, and transport left them facing impossible choices between sending children to school or putting food on the table. For many women-headed households, already earning less than their male counterparts, these trade-offs meant they considered withdrawing children, especially girls, from school to help supplement family income or manage household responsibilities, thus undermining their right to education.

The crisis exposed a deeper structural injustice: the government's prioritization of creditors over citizens, reinforced by IMF-led restructuring programs. Without systemic change, cycles of debt and austerity continue to undermine Ghanaians' rights to food, education, healthcare, and social protection.

2. The approach: Decoding Injustice in action

Step 1: Interrogate

The Integrated Social Development Centre (ISODEC), in partnership with the Centre for Economic and Social Rights (CESR), applied the Decoding Injustice framework to assess Ghana's debt crisis through a human rights lens. Using OPERA, they interrogated whether the state was using its maximum available resources for rights realization, and how debt servicing was reinforcing inequality:

- **Outcomes:** ISODEC examined whether Ghanaians were able to enjoy basic rights in practice. Evidence of rising hunger, increasing school dropout rates, and declining health outcomes revealed a failure to ensure even minimum core obligations. Testimonies from pensioners and unemployed youth underscored the erosion of dignity and security.

- **Policy Efforts:** The analysis highlighted that Ghana's policy choices, particularly those tied to IMF conditionalities, prioritized fiscal consolidation over rights realization. Suspension of fiscal responsibility rules during COVID-19 allowed reckless borrowing, while austerity-driven reforms reduced subsidies and cut public spending. Far from meeting AAAAQ (availability, accessibility, acceptability and quality) standards, services in education and health became less accessible and equitable.

- **Resources:** Ghana's allocation of nearly half of government revenue to debt servicing raised questions about whether it was using its maximum available resources for rights realization. Social spending as a share of the budget fell, while regressive taxes and inflation disproportionately harmed low-income households. Between 2019 and 2022, spending on healthcare as a percentage of GDP fell from 1.8% to 0.2%, for education from 3.7% to 3.5%, and for agriculture from 0.3% to 0.2%. Rather than raising revenue fairly, austerity policies also widened inequality.

- **Assessment:** Synthesizing these findings, ISODEC found the state had failed in its human rights obligations. While international financial institutions and global creditors shaped constraints, the Ghanaian government bore responsibility for choices that reinforced inequality and undermined rights. The crisis was the result of policy decisions that elevated creditor interests above people's rights.

Step 2: Illuminate

The ISODEC team travelled across communities and embarked on a nationwide study to document how Ghana's debt crisis affected ordinary citizens. Their research focused on four communities across the Western, Volta, Upper East, and Oti regions, representing some of Ghana's poorest populations. They gathered testimonies, engaged directly with policymakers, and developed evidence-based advocacy messages emphasizing the government's responsibility to protect its citizens from economic instability.

The team's study found that over 90% of respondents cited rising costs as the most significant impact of the debt crisis, with women-led households suffering disproportionately due to earning significantly less than their male counterparts. Savings had declined drastically as inflation had eroded not only their ability to save, but also any existing savings. Many households have been forced to borrow more, increasing financial instability. Finally, public services deteriorated, with government spending on healthcare, education, and transportation decreasing due to both debt servicing and the debt deals imposed by the IMF. The study also pointed to the damaging impacts of the IMF and World Bank's failure to promote a fairer financial architecture. In the case of Ghana, these institutions' policy prescriptions have perpetuated hardship among those with the least resources.

ISODEC's study revealed a direct correlation between high debt servicing costs and worsening poverty. The government's inability to invest in social programs due to debt repayments widened the inequality gap between the rich and the poor.

Community voices highlighted the erosion of dignity and security:

"The impact of the national debt has been deeply felt, particularly with my SSNIT benefits. The payments I receive are barely enough to cover the rising cost of living, as inflation continues to erode their value. Basic necessities like food, medication, and transportation have become much more expensive, leaving little room for anything else. I also worry about the sustainability of the pension scheme itself, as the government's debt might affect future disbursements. With limited savings and no other source of income, it's becoming harder to live with dignity and peace of mind in retirement."

"As an unemployed person, the rising cost of living has made life extremely difficult. Prices for food, transportation, and other necessities keep going up, and without a steady income, I often have to rely on family or friends for support. The national debt seems to be making things worse, as government programs that could help people like me are underfunded or unavailable. It's also harder to find a job because businesses are cutting back due to the tough economy."

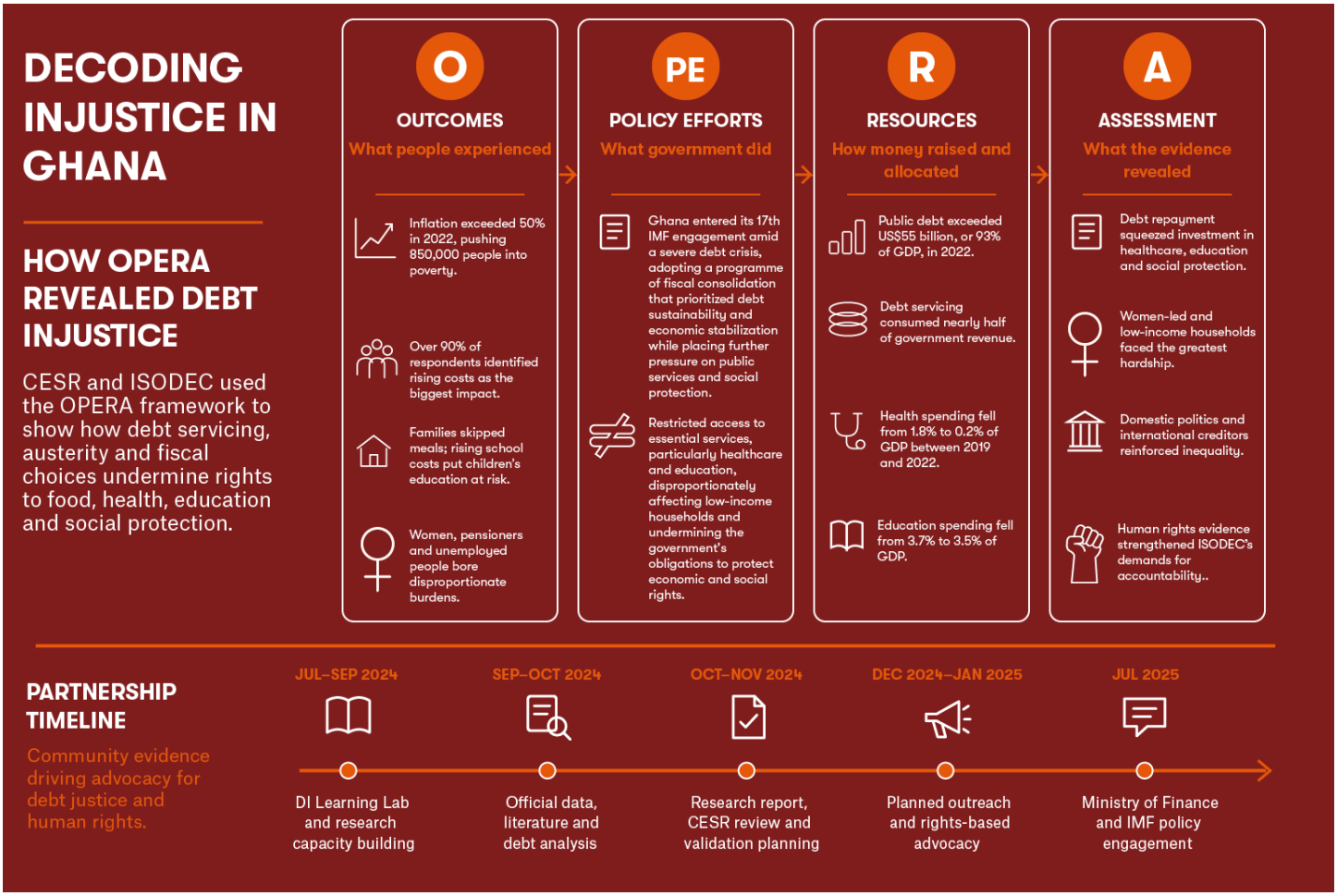
Step 3: Inspire

The study highlighted how the debt crisis impacted the lived experiences of ordinary people in Ghana. Families struggled to buy food, access healthcare, and send their children to school and entire communities were unable to save as their meagre incomes were swallowed by skyrocketing inflation.

ISODEC has reframed the findings from its report into advocacy tools that highlight how the debt crisis constituted a human rights violation. The work elucidated international complicity, pointing to IMF and World Bank policies that entrenched austerity rather than protecting rights.

3. What changed?

The Ghana case demonstrated that reframing debt as a human rights issue shifted the terrain of advocacy. With a new government in power, ISODEC seized the opportunity to push for systemic change. They advanced reforms such as reinstating fiscal responsibility laws suspended during COVID-19 to prevent reckless spending, and called for policies that protect low-income people from economic downturns by reducing inequality. ISODEC shared the report with the Ministry of Finance of Ghana and engaged with the visiting IMF team on Ghana's tax and VAT system in July 2025. In so doing, it pressed for increased investment in social services like healthcare and education to close the widening economic gap, and demanded that debt restructuring prioritize people over creditors to secure future economic stability. Most importantly, by grounding these demands in the OPERA analysis, ISODEC gave them legal and political legitimacy, showing they were not just desirable policy options but obligations owed to citizens.



4. Key takeaways

One of the most important lessons from Ghana is that reframing the debt crisis in human rights terms gave political legitimacy to community demands. By treating austerity and debt repayment not simply as economic management but as a violation of rights, ISODEC and its allies were able to open new advocacy pathways and strengthen their case for reform.

The experience also underscored how local realities are inseparably tied to global structures. The stories of families struggling to afford food or education could be traced directly to the failures of international debt governance. This proved crucial in exposing both domestic responsibility and international complicity.
Finally, the case revealed how the burden of the crisis was not evenly shared. Women, pensioners, and the unemployed bore its harshest consequences, deepening existing inequalities. This reinforced the urgency of designing responses that are gender-sensitive and equity-focused, ensuring that those who are already marginalized are not pushed further into precarity.

5. Next steps

ISODEC plans to continue mobilizing communities to demand accountability in debt restructuring; push for international financial architecture reform that prevents crises being offloaded onto citizens; and advocate for progressive taxation and stronger social protection systems to ensure rights resilience in the face of economic shocks.

ISODEC is also advocating for the government to consider alternative economic policies beyond fiscal consolidation and economic stability. The government must prioritise the capacity to create jobs, produce essential goods and distribute growth fairly.

Notes

[1.] Naadi, T. (2023, October 6). How Ghana's central bank lost $5bn in one year. BBC News. https://www.bbc.co.uk/news/business-66947202

[2.] World Bank. (2025). Data Bank: World Development Indicators. https://databank.worldbank.org/reports.aspx?source=2&country=GHA

[3.] Naadi, T. (2023, October 6). How Ghana's central bank lost $5bn in one year. BBC News. https://www.bbc.co.uk/news/business-66947202

[4.] Mensah, K. (2022, December 31). How Ghana, Africa's rising star, ended up in economic turmoil. Al Jazeera. https://www.aljazeera.com/features/2022/12/31/how-ghana-africas-rising-star-ended-up-in-economic-turmoil

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