

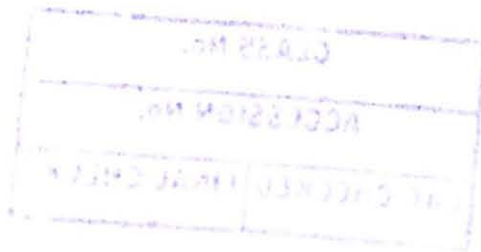
GHANA INSTITUTE OF JOURNALISM

GHANA'S DEBT SYNDROME: THE PERSPECTIVE OF GHANAIAN JOURNALISTS

BY

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**A DISSERTATION SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES AND
RESEARCH, GHANA INSTITUTE OF JOURNALISM IN PARTIAL FULFILMENT OF
THE REQUIRMENTS FOR THE AWARD OF A MASTER OF ARTS IN
DEVELOPMENT COMMUNICATION**

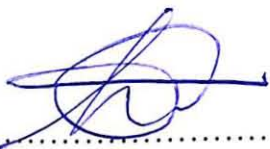
OCTOBER 2015

CANDIDATE'S DECLARATION

I hereby declare that this dissertation is the result of my own original research and that no part of it has been presented for any degree in this institution or elsewhere. All references cited have fully acknowledged. I am responsible for any shortcoming in this project.

Gagakuma Kwesi Setriakor

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Signature 


Date 28/02/2016

SUPERVISOR'S CERTIFICATION

I hereby certify that the preparation and presentation of this dissertation were supervised by me in accordance with guidelines on supervision of dissertation laid down by Ghana Institute of Journalism

Dr. Ebenezer Malcam

(Supervisor)

Signature 

Date 3/3/2016

ACKNOWLEDGMENT

Firstly I give thanks to Almighty God for grace and strength granted me to complete this dissertation.

My honest gratitude goes to my supervisor, Dr. Ebenezer Malcam for his mentorship for his encouragement mentorship and very excellent relationship he offered me during my project. I am also grateful to Dr. Hammond for his encouragement to me during my project.

My next appreciation goes to my adorable and sweet wife Alice Osei-Tutu and my lovely daughter Selikem Gagakuma for their support and love in the period of my dissertation.

My profound gratitude also goes to Phillip Fearon and Kofi Boakye for their support and contributions granted me.

Last but not least of my thanks goes to the staff and management of Graphic Communication Group as well as the respondents for their appreciable cooperation.

DEDICATION

I dedicate this dissertation to my beloved wife, Alice Osei-Tutu and my cherished daughter Selikem Gagakuma. They have been a rich source of motivation to me. May the good Lord Himself bless them.

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ABSTRACT

The study solicited the perspectives of some selected Ghanaian journalists because they (journalists) are the gatekeepers and agenda setters in our society concerning the debt situation of Ghana. The aim was to establish their level of knowledge about the subject matter so as to ascertain the reliability of the information they feed the public with regard to the debt situation of Ghana. The study adopted a qualitative approach with the help of unstructured interview to gather data. Narrative and analytical approach was used in analyzing the data. Using a purposive sampling technique, four (4) journalists from the radio and print media were interviewed. The results of the study showed that Ghanaian journalists have a fair knowledge about Ghana's debt portfolio. However, they showed much concern about the rising debt of the country. The study also showed that journalists in Ghana have a high level of understanding about the implications of Ghana's soaring debt. They were also able to offer insightful suggestions as how Ghana could reduce and manage its debt burden. The study recommended that journalists in Ghana should periodically update themselves with statistics in relation to the economic happenings of the country.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This chapter contains the introduction of the entire report of the study. It is made up of the background of the study, statement of problem, objectives of the study, research questions, significance of the study, scope and limitation of the study and institution of the report of the study.

1.2 Background to the Study

The media (television, the press and online) play a central role in communicating to the public what happens in the world. Those cases when the audience do not possess direct knowledge or experience of what is happening, they become particularly reliant upon the media to inform them (Happer and Philo, 2013). Within this process of communication, the media takes control of the information we hear or see. The media then uses gatekeeping and agenda setting to control our access to news, information and entertainment (Sanchez, 2002).

Gatekeeping

Gatekeeping is a series of checkpoints that the news to go through before it gets to the public. Through this process, journalist-reporters, writers or editors determine whether the news is to be heard or seen. Journalists play an important role as they go through their day to day task in deciding and publicizing the news (McCombs& Donald, 1977). Agenda setting as defined in mass media is the process whereby the mass media determine what we think and worry

about. Walter Lippmann, a journalist first observed this function in the 1920's. Lippmann then points out that the media dominates over the creation of pictures in our heads. He believed that the public reacts not to the actual events but to the pictures in our head. Therefore the agenda setting is used to remodel all events reoccurring in our environment into a simpler model before we deal with it (Sanchez, 2002).

Journalists with their powers of gatekeeping and agenda settings have over the years determined what goes onto the menu of the public's discussion table. One major agenda pushed into the public's discussing table is the concern of national debt. Sartor (2011) observes that with an August 2, deadline looming, the showdown in Washington is leading in the news. Just in a week (July 18-24) of 2011, attention to the issue of debt ceiling accounted for a full 29% of the news hole making it by far the largest component of overall coverage of the economy which has filled 35% of the news hole. The above picture is reflective of what goes on globally of which Ghana is no exception. The question really is do our journalist that set the 'debt agenda' really have the right knowledge about the subject area?

A debt generally refers to something owed by one party, the borrower or debtor, to a second party, the lender or creditor. Debt is generally subject to contractual terms regarding the amount and timing of repayment of principal and interest.

Dependency theory is the notion that resources flow from a "periphery" of poor and underdeveloped states to a core of wealthy states, enriching the latter at the expense of the

former. This trend that dates as far back colonial days and projecting into neocolonial era has created unequal economic relationship between poor and wealthy countries (Frank, 1966).

In contemporary times, poor countries have taken enormous loans from wealthy countries in order to stay afloat in an unequal economic terrain. There is a school of thought that holds the view that because the rich nations readily make available these loans to these poor nations; it meant that resources now flowed from the core rich nations to help develop the underdeveloped poor countries. On the contrary, the fact remains that paying off the huge compound interest from the debts prevents the underdeveloped countries from investing resources into their own countries thus keeping them in a state of underdevelopment. In effect, the huge compound interest repayment goes back to further develop the rich nations at the expense of the poor nations thus an emergence of another form of dependency. This kind of world economic structure favors some countries to the detriment of others and limits the development possibilities of subordinate economies (Ferraro, 2005).

In Ghana, the debt toll keeps increasing. Successive government has incurred debts through the issuance of bonds, acquisition of loans, securing of letters of credit among others. This increasing debt profile of the country naturally means more money would be spent in repaying the huge compound interest that accrues on these loans. These monies that go into repayment of the interest could have undertaken developmental projects in Ghana. Also much expenditure in the area of interest repayment means that the government of Ghana is limited in how far she can roll out social intervention programs to ease pressure on the marginalized in the society. The

country's high public debt and debt servicing impair capacity of the economy to achieve desired growth and development (Insah & Boateng, 2015).

Furthermore others have argued that the conditions attached to these debts from the developed countries rather retard the development of the country than promote it. These conditions range from freeze of employment which renders a percentage of the labor force redundant, withdrawal of subsidies which increases the hardships of the low income citizens, cut in budgets to key sectors that would affect their output hence fall in productivity among others (Bradshaw & Huang, 2005).

These realities which do not seem too obvious now because most of the loans contracted in contemporary times would be due for payment in years to come hence many do not foresee that the country may be locked in so much debt that our untapped resources may all be indirectly sold in the name of debt servicing.

Occasionally the International Monetary Fund and other foreign lenders have given the country debt reliefs when the debt of the country in relation to its income was no longer sustainable. Many governments that benefited from relief used savings to improve peoples' wellbeing. Tanzania abolished school fees in 2002, following debt relief in the previous year, and primary enrollment increased from 49% (1999) to 98% (2008). Mozambique used its debt servicing savings to vaccinate children against tetanus, whopping cough and diphtheria, to install

electricity in schools and to build new ones. Cameroons' debt savings funded a national HIV AIDS plan. In Ghana and Zambia, debt relief helped boost economic growth, contributing to both countries transition to middle-income status. Zambia used its debt relief savings to start providing anti-retroviral dugs to 100,000 people in 2005, helping to bring AIDS under control. Great progress has been made on preventing mother to child transmission of HIV. Ghana used its debt relief to abolish primary school fees, which helped increase enrollment to 92% in 2006.

However while the 2000-era debt relief produced excellent results, there is concern in both Ghana and Zambia about recent increase of spending and debt, which is partly related to both countries' natural resource wealth. High copper prices (Zambia) and discovery of oil (Ghana) have encouraged reckless international lending. Significant increases in domestic spending particularly on wages and subsidies, combined with sharp decline in commodity contributed to recent debt surges in both countries (Nkombo, 2014). Considering the current trend, Ghana maybe heading toward another realm of unsustainable debt management hence maybe compelled to sign on a program of debt relief.

In a summary Ghana's debt situation has become a syndrome taking into consideration its current debt to GDP ratio. This study therefore sets to seek the views of Ghanaian journalists since they are the gatekeepers and medium of information to the general public to establish their knowledge and appreciation of the implications of Ghana's debt syndrome and the way forward.

1.3 Statement of the Problem

Since Ghana became an independent state in 1957, successive governments have not lose sight of the fact that the country is underdeveloped and majority of its people are poor thus there have been many developmental projects as well as social intervention programs all in the bid to make the country evolve into a developed nation status(Asante 2015). The country in this light among other sources of funding has heavily depended on loans (debts) to develop and evolve to its current stage. However, with increasing debt to gross domestic product (GDP) which stands now to be a little above 70%, its becoming increasingly impossible to roll out such developmental projects needed by the country and social intervention programs that cushions the majority poor as monies that could have been used for such purposes are channeled into debt servicing. The fear is that if this trend is not remedied generations to come may not have access to the resources of the state as it would be used for debt servicing. The study therefore seeks to sort the perspectives of Ghanaian journalists on the problem at hand since they are the gatekeepers and often set the agenda for public discussion to assess their knowledge level of the subject matter and obtain suggestions on how to solve this problem that threatens to ultimately stall development in Ghana.

1.4 Objectives of the Study

1. To assess the Ghanaian journalist's knowledge level of Ghana's debt situation.
2. To establish if Ghanaian journalists have enough knowledge in the subject area for the public to rely on.

3. To ascertain whether Ghanaian journalists understand the implication of Ghana's high rising debt profile.
4. To obtain suggestions on alternative means of financing development in Ghana apart from loans.
5. To assess the level of concern of Ghanaian journalists' on Ghana's debt syndrome.

1.5 Research Questions

- What are the implications of Ghana's soaring debt?
- What are the ways to decrease Ghana's reliance on debt?
- Do Ghanaian journalists know the implications of Ghana's rising debt?
- Do Ghanaian journalists have enough capacity to educate the public on the issue of public debt?

1.6 Significance of the Study

The study would be beneficial in the following respect:

- It would add to existing knowledge
- It would help ascertain the knowledge of journalist on the new Ghanaian journalist report.
- It would suggest alternative way of financing development apart from debt
- It would reveal the real effects of debt on the development fortunes of Ghana
- It would help tell the level of credibility of reportage as regard public debt in Ghana.

1.7 Scope of the Study

Ghanaian journalists based in Accra were selected for the study and this was based on the fact it serves the main purpose of the study. The respondents were particularly selected from the print and radio media. The focus was on the concerns of the Ghanaian journalist in relation to Ghana's debt situation as well as obtaining their opinions on how to help Ghana develop without being a debt distress country.

1.8 Organization of the Report of Study

The study is divided into five (5) chapters.

The chapter one captures the background of the study, statement of problem, objectives of the study, research questions, significance of the study and the scope and organization of the study.

Chapter two consists of a review of related literature and theoretical framework.

Chapter three explains the methodology- research design, population and sample, data collection instruments used and procedure for data presentation and analysis.

Chapter four focuses on data presentation and analysis and the discussion of results obtained. Chapter five is made up of final summary, conclusion as well as recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant materials. It features discussion on who a journalist is, purpose of journalism, obligations of journalists, agenda setting and gatekeeping. It also discusses what a debt is as well as the types of debt that exist. Government debt and categories of government debt as well as its effects are also dealt with in this chapter. Also notable in this chapter is Ghana's debt situation and the country's debt sustainability capacity.

2.2 Who is a Journalist?

A journalist is a person who collects, writes, or distributes news or other current information. A journalist can work with general issues or specialize in certain issues. However most journalists tend to specialize, and by cooperating with other journalist produce journals or publications that span many topics. For example, a business journalist covers news within the world of business, but this journalist may be a part of a newspaper that covers many different topics. Journalists educate the public about events and issues and how they affect their lives. They spend much of their time interviewing expert sources, searching public records and other sources for information, and sometimes visiting the scene where a crime or other news worthy occurrence took place. After they've thoroughly researched the subject, they use what they uncovered to write an article or create a piece for radio, television or internet (Williams, 2014).

Journalists do a lot of things, all of which are valuable. Journalists go to the scene and write or narrate or shoot what is happening. They do month-long investigations and publish stories that hold power accountable. They ask pointed questions of authority. They read public records and bring obscure but relevant facts to light. All of this is traditional and very comfortable news work.

But journalists do all sorts of other things too. They use their powerful communication channels to bring attention to issues that they didn't themselves report. They curate and filter the noise of the internet. They assemble all of the relevant articles in one place. They explain complicated subject. They live-blog. They retweet the revolution. And even in the age of internet there is a value to being nothing more than a reliable conduit for bits; just pointing a camera at the news and keeping it live no matter is an important journalist act.

Journalists verify facts and set the record straight when politicians spin. They provide a place for public discussion, or moderate such a place (Stray, 2012).

A journalist is someone employed to regularly engage in gathering, processing, and disseminating news and information to serve the public interest. By referring to employment, however, the definition would not include unpaid bloggers and citizen journalists who gather, process and disseminate news and information on matters of public concern; because they do not derive their primary source of livelihood from their journalistic activities. To the extent the definition is used to decide who may claim legal privileges of journalists, it put a large number of actors in the journalism ecosystem in the position of fulfilling community needs for news, however well the actors do so, without the assurances that keep traditional journalist safe when their work provoke backlash which is dangerous (Beaujon, 2013).

Journalists work in many areas of life, finding and presenting information. However, for the purposes of this manual we define journalists principally as men and women who present that information as news to the audiences of newspapers, magazines, radio or television stations or the Internet.

What do journalists do?

Within the different media, there are specialist tasks for journalists. In large organizations, the journalists may specialize in only one task. In small organizations, each journalist may have to do many different tasks.

Reporters

Reporters gather information and present it in a written or spoken form in news stories, feature articles or documentaries. Reporters may work on the staff of news organizations, but may also work freelance, writing stories for whoever pays them.

General reporters cover all sorts of news stories, but some journalists specialize in certain areas such as reporting sport, politics or agriculture.

Sub-editors

Sub-editors take the stories written by reporters and put them into a form which suits the special needs of their particular newspaper, magazine, bulletin or web page. Sub-editors do not usually gather information themselves. Their job is to concentrate on how the story can best be presented to their audience. They are often called subs. The person in charge of them is called the chief sub-editor, usually shortened to chief sub.

Photojournalists

Photojournalists use photographs to tell the news. They either cover events with a reporter, taking photographs to illustrate the written story, or attend news events on their own, presenting both the pictures and a story or caption.

The editor

The editor is usually the person who makes the final decision about what is included in the newspaper, magazine or news bulletins. He or she is responsible for all the content and all the journalists. Editors may have deputies and assistants to help them.

The news editor

The news editor is the person in charge of the news journalists. In small organizations, the news editor may make all the decisions about what stories to cover and who will do the work. In larger organizations, the news editor may have a deputy, often called the chief of staff, whose special job is to assign reporters to the stories selected.

Feature writers

Feature writers work for newspapers and magazines, writing longer stories which usually give background to the news. In small organizations the reporters themselves will write feature articles. The person in charge of features is usually called the features editor. Larger radio or television stations may have specialist staff producing current affairs programs - the broadcasting equivalent of the feature article. The person in charge of producing a particular current affairs program is usually called the producer and the person in charge of all the programs in that series is called the executive producer.

Specialist writers

Special writers may be employed to produce personal commentary columns or reviews of things such as books, films, art or performances. They are usually selected for their knowledge about certain subjects or their ability to write well. Again, small organizations may use general reporters for some or all of these tasks.

2.3 Purpose of Journalism

The primary purpose of journalism is to ensure a well-informed citizenry for our social and political structure. American sociologist Herbert J. Gans in his book 'Democracy and the News' says journalism itself can do little to reduce the political imbalance between citizens and the economic, political and other organizations. Journalism's theory of democracy still relies on the belief that an informed citizenry will be an engaged citizenry; that engaged citizenry will be more participatory and more informed, and the result will be a more democratic society. The central purpose of journalism as noted above is to provide citizens with accurate and reliable information they need to function in a free society. Journalists in this regard provide citizens with the information they need to make the best possible decisions about their lives, their communities, their societies and their government. This encompasses myriad-roles defining community, creating common language and common knowledge, identifying a community's goals, heroes and villains, and pushing people beyond complacency. This purpose also involves other requirements such as being entertaining, serving as a watchdog and offering voice to the voiceless.

Another purpose of journalism is the promotion of multi-perspectival approach. Journalism promotes values and ideology of the profession with a purpose to project a multi-perspectival approach. Journalism informs citizens about the country's political diversity, the politically relevant activities and ideas of their fellow citizens, and what issues are concerning these people(which our elected representatives also need to know) thus journalist needs to be multi-perspectival: to encompasses all viewpoints from people with different values, interest, incomes.

Multi-perspectivism means reporting all ideas that could resolve issues and help problems, even if the ideas come from ideologically small groups (Munir, 2015).

Interpreting the News

The need for interpreting and explaining the news in our day and age is readily manifold because their own field of knowledge baffles even the specialist at times. The ordinary mortal caught in a maze of economics, science or invention needs to be led by hand through its intricacies. Accordingly, present day journalism sees to it that along with its announcement of a fact, event or theory, the reader listener also gets explanation, background material interpretation and diagrams. These are all aimed at helping an individual to achieve a better understanding of the significance of what he reads or hear.

Entertainment

Side by side with its more serious roles as a purveyor of information, interpreter and molder of opinion, journalism lays increasing on its function as an entertainer. Under this function can be included all types of fiction like comic strips stories, amusing aspects of everyday life etc. it also includes factual material sports news, theatre reviews and hobby columns which deals with leisure. The entertainment function of the press is very important. This function not only competes for space and time with either functions, but it can also exert indirect influence and impart information accidentally.

Opinion for Motives

It means influence the opinion of the readers through editorials, articles or certain special features. In journalism people are not only informed, guided and entertained but they are as well influenced to have their opinion of the people is diverted to another direction, sometimes to negative, and sometimes to positive direction (Farooq, 2015).

2.4 Obligations of a Journalist

A journalist writes what for the society that he observes. He presents whatever, is consumed by the society people who may consist of different classes, religions, categories and characteristics. So while presenting any report of news, a journalist should be very careful and aware of his responsibilities towards the present sensible society. He must deliver such news as it serves a common purpose and fulfill majority interests as well. Any presentation or writing of a journalist should never inflict any part or group of our society regarding its belief, ideals, religion and rituals anyway. The writing of journalists should be inspiring not only in keeping 'social harmony' but also in achieving social development at the sometime. There are some basic obligations a journalist should observe in their line of work (Hazra, 2009).

Journalist's first obligation is to the truth. Democracy depends on citizens having reliable, accurate facts put in a meaningful context. Journalism does not pursue truth in an absolute or philosophical sense, but it can and must pursue it in a practical sense. This "journalistic truth" is a process that begins with the professional discipline of assembling and verifying facts. Then

journalists try to convey a fair and reliable account of their meaning, valid for now, subject to further investigation. Journalist should be as transparent as possible about methods so audiences can make their own assessment of the information.

Obligation to citizens and public interest is key to journalism. While news organization answers to many constituencies, including advertisers and shareholders, journalists in those organizations must maintain allegiance to citizens and the larger public interest above any other if they are to provide the news without fear or favor. This commitment to citizens first is the basis of a news organization's credibility, the implied covenant that tells the audience coverage is not slanted for friends or advertisers. Commitment to citizens also means journalist should present a representative picture of all constituent groups in society.

Another form of journalist's obligation is that of verification. Journalists rely on professional discipline for verifying information. When the concept of objectivity originally evolved, it did not imply that journalists are free of bias. It called rather, for a consistent method of testing information; a transparent approach to evidence, precisely so that personal and cultural biases would not undermine the accuracy of their work. Journalism has developed various techniques for determining facts; for instance, it has done less to develop a system for testing the reliability of journalistic interpretation.

Social obligation – Press reflects the social images or pictures of our society. The activities of the press impact many events of our society with a view to present them later on, in decent manner to the society people. The intention behind such approaches and activities is to make society

people to be well-informed as well as well-aware of roundabout happenings. So every presentation of any journalists should be fair, balanced, truthful, inspiring and meeting the needs of common people. A journalist can highlight so many unsolved areas of the society by seeking solution for the same through the activity of journalism and must not overlook or avoid this great part of obligation towards the society. The presentation of journalists should, initiate an environment of understanding within the society and continue the same in sustained manner to uphold it satisfactorily. Development of any society mostly depending upon the impacting of creative and objectful journalistic activities.

Legal Obligation – While working as a journalist, one should be well conversant with all legal clutches that may generate complicacy or bring trouble anyway. For this reason, a journalist must not intervene or inflict into someone's privacy or confidential matter until it is required to be brought to the notice of the public. Any libelous or defamatory presentation taking with someone, any organization or group is not permissible and should strictly be avoided by the journalist. Libelous and defamatory writings or pictures may instantly resound among the public with larger acceptance, but it is not pertinent as well as not complying with the standard professionalism.

Professional obligation – A journalist should have sincerity and commitment towards its profession. The news event that is going to be published for the audience should be delineated very clearly and fairly. A very good homework in this regard for every event should be done by the journalist with a view to present to the audience confidently and satisfactorily. The

presentation must be truthful and unbiased above all and shall never bring any embarrassment or complicity to the organization anyway. The objective of any journalist is to disseminate correct and fair report in undistorted manner, to the audience rather than crowding them initially or allegedly to meet the present challenging situation in the news world. A news report should be created with greater care and obligation as to maintain its degree of standard at higher level by avoiding any kind of inclusion of undesirable and proactive part or portion. A journalist definitely would require a high degree of professionalism in presenting any performances to the audience on behalf of any organization, and could be achieved so by dint of die-hard effort and searching ability and being respectful to the works, understanding with the surroundings and accountability towards society as well.

2.5 Gatekeeping and Agenda Setting

Given the purpose and obligations of the journalist, it is clear that the importance of the journalist in making the public an informed one is very critical. (Lippmann, 1920) argued that most individuals lacked the capacity, time, and motivation to follow and analyze news of the many complex policy question that troubled society. Neither did they often directly experience most social problems or have access to experts' insight. These limitations were made worse by a news media that tended to over simplified issues and to reinforce stereotypes, partisan viewpoints and prejudices. As a consequence, Lippmann believed that the public need journalist like himself who could serve as an expert analyst, guiding citizens to a deeper understanding of what was really important. Within this process of making the public an informed one, the media which can be a newspaper, a book and television takes control of information we see and hear.

The media then uses gatekeeping and agenda setting to control our access to information, news, and entertainment (Wilson, 2001).

Gatekeeping

Gatekeeping is a series of checkpoints that the news has to go through before it gets to the public. Through this process many people have to decide whether or not the news is to be seen or heard. Some gatekeepers might include reporters, writers, editors and external influences. These external influences may be from nonmedia sources such as government officials and influential individuals. These factors affect the agenda setting process to an extent that depending what power each factor may have will eventually influence the media agenda. For example if the media has a close relationship with the elite society, that class will probably affect the media agenda and the public agenda in turn (Littlejohn, p321, 2002).

Gatekeeping describes the process by which news stories are filtered by journalists and editors for dispersal in any medium. The process comes into play every time a blogger chooses to feature a story in a website's top position, a news producer decides to cover one issue but not another or a magazine reporter selects a source to interview for an article. The gatekeeping function of journalism has shifted under the changes of the digital information age. While the Internet has forever altered the way we read the news, increasingly on websites and mobile devices and less in the print publications of the past - the principles of gatekeeping still apply in many instances (Stevens, 2015).

News Judgment-The proliferation of information on the Internet has diminished the power of journalism's gatekeepers, but journalists can still serve a role in sorting, interpreting and lending

credibility to news on behalf of the public. Journalists choose which stories to cover and which to leave behind by attempting to determine the overall newsworthiness of an issue. A 2012 “Journal of Politics” study noted that a number of factors go into this decision-making process, including the interests and needs of the audience. The study also pointed to news content trends that value sensational and unusual stories, along with those that focus on conflict or geographically local issues (Singer, 2006).

Verifying Facts-Journalists no longer function as the primary gatekeepers of news because the proverbial gates have been blown wide open by the proliferation of digital information. However, they still hold the keys to critical roles as watchdogs over those in power, as investigators and as truth seekers (Buttry, 2012). In a society where information and misinformation is so easily distributed, journalists can provide a service as fact-checkers who hold stories up to the light of objectivity. Legitimate news stories tend to rely on straightforward reports and steer away from assumptions and judgment (Lazaroiu, 2011).

Vetting Sources-Where once it was the top newspaper editors or television news producers who primarily influenced the public’s news consumption, today information flows like a torrent outside of these mainstream channels. The vetting of authentic sources is another key responsibility of journalists, according to the Center for Journalism Ethics at the University of Wisconsin-Madison. By selecting experts to interview or seeking out the most relevant data, a journalist enhances the quality of a report and upholds the standards of ethical gatekeeping. The alternative - reporting unverified information from questionable sources - is commonplace in the digital “Wild West” and fails to rise to the standards of good journalism.

Aggregation-In the modern media landscape, some journalists are no longer reporting original material, but rather drawing from outside reports to collect and curate the day's top headlines for re-publication. This process is known as aggregation. A study in the "Journal of Mass Media Ethics" noted that even aggregation entails a gatekeeping function, as certain items are selected for inclusion, while others are excluded (Stevens, 2015).

Agenda Setting

Agenda setting as defined in mass media is the process whereby the mass media, determine what we think and worry about. Walter Lippmann, a journalist first observed this function in the 1920's. Lippmann then pointed out that the media dominates the creation of pictures in our head, he believed that the public reacts not to actual events but to the pictures in our heads. Therefore the agenda setting process is used to remodel all the events occurring in our environment, into a simple model before we deal with it. Researchers Maxwell McCombs and Donald Shaw have then followed this concept. McCombs and Shaw (1977) as point out by Littlejohn (2002) have best described the agenda setting function in their book the Emergence of American Political Issues. In this book the authors point out that there is abundantly collected evidence that editors and broadcasters play an important part as they go through their day to day task in deciding and publicizing news. This impact of the mass media- the ability to effect cognitive change among individuals to structure their thinking has been labeled the agenda setting function of journalists. Here may lie the most important effect of mass communication, its ability to mentally order and organize our world for us. In short, the mass media may not be successful in telling us what to think but they are stunningly successful in telling us what to think about (Sanchez, 2002).

The common assumption of agenda setting is the ability of the media to influence the visibility of events in the public mind has been a part of our culture for almost half a century. Therefore the concept of agenda setting in our society is for the press to selectively choose what we see or hear in the media.

Agenda setting has two levels. The first level enacts the common subjects that are most important, and the second level decides what parts of the subject are important. These levels of agenda setting lead path into what is the function of this concept. This concept is process that is divided into three parts according to Rogers and Dearing (1988) in their book *Agenda Setting Research*. The first part of the process is the importance of the issues that are going to be discussed in the media. Second, the issues discussed in the media have an impact over the way the public thinks, this is referred as public agenda. Ultimately the public agenda influences the policy agenda. Furthermore the media agenda affects the public agenda and the public agenda affects the policy agenda (Littlejohn, p320, 2002).

Maxwell McCombs and Donald Shaw have brought the importance of agenda setting to our attention when they carried out the Chapel Hill study. Their emphasis and goal with this study was that the agenda issues found in the news media and among the general public is what sets media agenda. Then in 1972 David Weaver joined McCombs and Shaw in a project where the panel studied the 1976 US presidential elections. Within this project, the researchers studied the attributes of the agenda, the description of presidential candidates in the news and the agenda attributes in voters' descriptions of candidates. Throughout this study, the researchers found out that there was a relationship between the media agenda and the public agenda. These studies are for the purpose of looking at the media issues and determining whether these issues are important. Therefore the second level of agenda setting plays an import role in the study because

it decides what parts of the issues are important with regards to the presidential elections. (Sanchez, 2002).

Local Media and Policy Outcomes

While McCombs (2006) notes that there is very little work in the entire field of political communication on state and local elections and public opinion, some of the work in agenda setting at the local level, is revealing and rewarding. For example, Schweitzer and Smith (1991) set out to determine which had more impact on the selection of a site for a nuclear waste-dump site in extreme West Texas. Although limited to one controversial issue, the cities included were isolated and received little coverage from large, metropolitan media so the impact of the local newspapers could be examined. They found that in small communities the public tends to set the agenda for media coverage. They observed that Community Newspapers in the middle of a local controversy are subject to many more pressures to report from the point of view of the community rather than from some professional standard of 'objectivity. However, larger newspapers, located in communities of greater pluralism or more removed from the heat of the controversy, are freer from pressure and thus may practice the ideas of objective journalism. In this case, pressure from local citizens and local media was among the factors that ultimately led to the selection of a dump in another location. The research typifies the significant body of literature that shows that local, community newspapers are different from newspapers in larger communities. Small newspapers act as the voice for community consensus and metropolitan newspapers act as the voice for community dissent (K. Smith, 1984).

Local newspapers are stable, cover a specific community and are likely to cover fiscal issues in that community, making them the ideal candidates for research. “If it walks, talks or spits on the concrete in our area, we cover it,” said John D. Montgomery Jr., editor and publisher of the weekly *The Purcell Register* in Oklahoma, based about 40 minutes south of Oklahoma City with a circulation of about 5,000 focusing on Purcell and four nearby towns with a combined population of about 17,000 (Liedtke, 2009). A good newspaper covers its city and acquires not just the quantitative account of a day’s events but the qualitative truth and meaning behind those events. A great newspaper does this routinely on a multitude of issues, across its entire region (Simon, 2008).

Further, while daily, largely regional and national newspapers have seen a significant decline in circulation, smaller towns and cities without the benefits of numerous television stations or regional media still find value in their local newspaper.

In 2002, researchers such as Steven Chaffee, Stacey Frank, Sei-Hill Kim, Dielram A. Scheufele, James Shanahan, applied agenda-setting theories to show that mass media not only play a key role in informing the citizenry about local issues (Chaffee and Frank, 1996) but also, by covering certain issues more prominently, the media increase the salience of those issues among citizens. Kim and associates (2002) showed that by covering specific decisions about an issue prominently, the mass media influenced how salient the issue was among citizens. They observed that the media play a key role in indirectly shaping public opinions for a wide variety of issues on a day-to-day basis, especially in small communities with a limited number of media outlets for citizens to choose from.

Spitzer (1993) found that media outlets play a pivotal role in influencing policy because they regulate the flow of communication between policymakers and others in the political system. Haven Simmons also found that a series of 120 news articles, 21 editorials, five opinion articles and one sports article made a difference in one policy outcome. Pointing out that the coverage may have been beyond what was normal, the mayor of the town said, "I've never witnessed this much coverage on a story. They didn't write this much about World War II. With enough brainwashing and printing of one side of the story, people will believe it" (Simmons, 1999, p. 88). A city council member, after losing his re-election campaign at least in part due to the issue surrounding the location for the complex, said, "We couldn't counteract the newspaper's coverage of the public safety complex. It was overwhelming" (Simmons, 1999, p. 89). The publisher said the *Bradenton Herald's* agenda was to stimulate public discourse about the proposal rather than influence public opinion concerning a preferred location for the complex. Certainly the paper influenced public opinion, the political agenda and the policy agenda. City policymakers ultimately scheduled a town meeting to receive more citizen input, altered the timetable for the complex and deleted the fire station from the proposed plans. In the election, voters rejected all three city council members who voted for the complex. It was clear, as Simmons concluded that the newspaper set an agenda, which became the agenda, for public discourse and subsequent policy outcomes.

Still, there is room for skepticism regarding the importance of the media in agenda setting. Primarily, this skepticism revolves around citizen involvement at the local level. Voters are already likely to be engaged in the activities of their local communities, and therefore more

informed on issues of local importance (Schweitzer and Smith, 1991; Palmgreen and Clarke, 1977; K. Smith, 1984). While a debate on terrorism, unemployment, the trade deficit or inflation undoubtedly will incite a lively discussion nationally, the impact that a single individual can have during the discussion is minimal. However, propose an increase in property taxes or fail to plan for traffic and not only will the outcry be loud, if from only a few people, but also the individuals involved are more likely to impact change. "Many national political issues may be perceived by individuals to have little direct impact on their personal affairs. ... A local plan for the busing of students, however, may inspire vigorous personal concern and participation in the political process" (Palmgreen and Clarke, 1977).

Globally the media especially business journalists has succeeded in making the issue of public debt an important meal on the public's discussion table. What really is public debt? And with the media pushing it as an agenda in the public domain can we rely on their expertise; bearing in mind that they are not economist. The consequence of Greece's national debt which dominated the media circles in recent times has reinforced the zeal of journalist to raise issues about the subject and push it to the discussion table of the public with the aim to influence police agenda in the matter of national debt (Littlejohn, 2002). Their depth of knowledge in the subject area therefore is critical.

2.6 Debt

Debt generally can be said to be a sum of money that a person owes someone. The person that owes is the borrower and the one that gave the money is the lender. About 5000 years ago during the beginning of the agrarian empires, humans have used elaborate credit systems which eventually divided society into debtors and creditors (Graeber, 2011). Rosen (2005) defines debt the sum of all past budget deficits; that is, the debt cumulative excess of past spending over past receipts. Generally, debt can be categorized based on its duration until repayment is due. It could be a short term debt, medium term debt or long term debt. Short term debt are usually considered to be for a duration of one year or less. The long term debt usually is ten years or more while the medium term debt falls between the two.

Long term debt

Long-term debt financing provides a number of advantages to the business and its owner. Most banks provide term loans, a major source of long-term debt for small businesses, for three- to seven-year terms. Loans guaranteed by the Small Business Administration can provide terms up to 10 years. When a company uses these funds to make capital improvements, acquire equipment or purchase supplies, it does not use operational cash flow. When a company uses long-term debt to fund non-balance sheet assets including personnel, it essentially leverages its earnings to grow the company.

A business generates income and net worth for its owners. By using long-term debt, an owner leverages her personal investment to increase her returns. If an owner contributes \$100,000 in

equity and obtains a \$200,000 term loan, the company has \$300,000 to invest. If the company generates a net income of \$150,000 for the year, the owner's monetary return would be \$50,000 and her return on equity would be 50 percent. If instead, the owner had contributed \$300,000, her return on equity would only be 16.7 percent.

When a business utilizes long-term debt, the need to pursue equity investment from potential business partners or investors declines. As long as your loans remain in good standing, lenders

Market circumstances, such as a recession, may push small businesses into borrowing too heavily on a short-term basis. Short-term finance can be a serious risk for the borrower. A short-term loan may be renewed by the lender on much less favorable terms than the original contract. Not only is the business faced with the high cost of the capital, it may not be able to service the accumulated debt. This leaves the company in a weak position where it could face bankruptcy.

Trade credit allows a company to buy materials and services and pay for them at an agreed have no say in your business. Investors have rights and decision-making input and sometimes have plenty to say about how you run the business. With no outside investors, you avoid this potential interference.

If you obtain long-term debt financing, you increase the likelihood of qualifying for additional debt financing. Even SBA-guaranteed or personally guaranteed loans can help your business build credit in its own name. If you can build your company's credit, you can reduce the reliance on your personal credit. This not only helps you personally, but it increases the value of your business as a sellable asset separate from you.

Long-term debt usually has fixed interest rates that translate into consistent monthly payments and high predictability. This predictability makes it easy to budget the operational income that you will need to make the payments. In addition, the business can fully deduct the interest paid on the debt (Rosen, 2005).

Short term debt

Short-term financing is a method of raising funds involving financial obligations that need to be repaid within a year or less. It is a fast and flexible way for companies to obtain working capital for their daily operations when their cash flow is insufficient. The main disadvantage is that a company may become too reliant on short-term funds and vulnerable to high interest rates and banking fees. This may adversely affect profit margins. Short-term financing can cover payroll, utility charges and the purchase of raw materials by the business. Overdrafts, short-term bank loans, and trade credit are types of short-term financing.

Short-term loans can be obtained much faster than long-term financing. Lenders do not make as thorough an examination of a company's accounts for short-term lending as they do in the case of long-term loans. Small- and medium-size companies often do not have large cash reserves and are vulnerable to sudden financial shocks such as bankruptcy or of non-payment by a key debtor.

Small companies often have seasonal variations in cash flow and need access to capital over that period. Overdraft protection is a form of short-term finance where a bank agrees to pay a company's checks, electronic debits, and cash withdrawals to a certain limit. The lender charges a fee for this facility and interest on any balance outstanding. The costs of long-term debt may

be greater than those for such a short-term facility. Lenders can charge a premium if a debtor repays a long-term loan before its maturity. But the drawback to this kind of short-term finance flexibility is that the bank may withdraw the overdraft protection on short notice.

Lenders who extend short-term financing do not involve themselves in company management or in the business' decisions about capital investment. Long-term finance is accompanied by a number of provisions, such as limits on other financial arrangements or caps on the salaries of company principals that restrict the business' actions.

later date. Although this eases the buyer's cash position, he may be locked out of any discounts the seller may offer in return for immediate payment. The buyer may also have to cover his own non-payment risk by contracting a standby letter of credit from his own banker. This guarantees payment to the seller. But this will cost the buyer a further 1 percent to 8 percent of the face value of his contract with the seller (Heyman, 2005).

Debt comes in many forms or types. It may be mortgage, syndicated debt or loans, bonds or even letter of credit.

2.6.1 Mortgage loans

Mortgage is a type of debt usually owed by individuals and house hold. The advanced learners' dictionary defines mortgage as a loan or money which one gets from a bank or a building society in order to buy a house. In simple terms it involves individuals or household using their anticipated income or future purchasing power even before it is actually earned. This type of debt

is usually common in developed or industrialized countries where people make use of consumer debt to purchase particularly houses, cars and other things too expensive to buy with cash on hand. The advantage is the pain of having to part with huge amount of money that could distort the spending pattern of individuals is prevented as repayment is broken into bits and spread over a period of time (Heyman, 2005).

2.6.2 Syndicated loan

Syndicated loans are debts issued by a consortium of lenders to a sole borrower. The amount of one syndicated loan is so big such that one lender cannot fund or take on the debt alone. Corporations are usually the borrowers for this type of loan. They use the funds to help them bankroll takeovers, acquisitions or expansion projects. Also, sovereign countries may apply for syndicated debts to fund infrastructure projects or bridge gaps in their national budgets. The lenders are usually composed of big banks, but financial institutions like mutual funds and insurance companies also participate in this type of lending. There will be a lead lender or arranger for each consortium. Apart from funding a substantial portion of the loan, the lead agent will also be responsible for facilitating the loan and allocating cash flows to the other members of the consortium. There are three main types of syndicated loans (Mizuho, 2008).

There are three main types of syndicated loans. These are underwritten deal, club deal and best-efforts syndication deal.

Underwritten-Deal

The underwritten deal is one of the most widely available types of syndicated loans in Europe.

Under this arrangement, the lead agent or underwriter guarantees and syndicates the entire loan. If the loan has not been fully subscribed, the lead agent can opt to absorb the undersubscribed portion. Then, if market conditions are bullish, the same lead agent can sell to other investors the undersubscribed part of the loan that it has absorbed. However, if markets are bearish, the lead arranger may be forced to sell any undersubscribed portion at a discount. There are several reasons why a bank may decide to become the underwriter. First, this type of loan can make a financial institution look more competitive. Next, a syndicated debt could mean huge profits for the bank because the risks involved in this type of loan can translate to higher service fees.

Club Deal

This type of syndication usually entails a smaller amount, typically between \$25 and \$150 million. The main feature that makes this type of syndicated loan unique is the fact that the lead agent and other members of a club deal consortium all share equal, or nearly equal, parts of the fees earned from the loan facility.

Best-Efforts-Deal

Of all the types of syndicated loans, the best-efforts syndication is the most commonly used in the United States. Under this arrangement, the lead agent does not commit or guarantee the entire amount of the loan. Any undersubscribed portion of the loan will be filled up by taking advantage of the changes in market conditions. However, if the loan continues to be undersubscribed, the borrower may be forced to accept a lower loan amount or the loan agreement is canceled entirely (Tripp, 2006).

2.6.3 Bonds

A bond is a debt instrument issued for a period of more than one year with the purpose of raising capital by borrowing. In a simple language a bond is a promise to repay the principal along with interest on a specific date. Bonds have a fixed lifetime, usually a number of years; with long-term bonds, lasting over years, being less common. Bonds are usually sold by governments, corporations, and many other institutions. When an investor buys a bond, he/she becomes a creditor of the issuer. However, the buyer does not gain any kind of ownership rights to the issuer, unlike in the case of equities. On the other hand a bond holder has a greater claim on an issuer's income than a share holder in the case of financial distress (Heyman, 2005).

Corporate-Bonds

Corporate bonds are characterized by higher yields because there is a higher risk of a company defaulting than a government. The upside is that they can also be the most rewarding fixed-income investments because of the risk the investor must take on. The company's credit quality is very important: the higher the quality, the lower the interest rate the investor receives.

Variations on corporate bonds include convertible bonds, which the holder can convert into stock, and callable bonds, which allow the company to redeem an issue prior to maturity.

Convertible-Bonds

A Convertible Bond may be redeemed for a predetermined amount of the company's equity at certain times during its life, usually at the discretion of the bondholder. Convertibles are

sometimes called "CVs." Issuing convertible bonds is one way for a company to minimize negative investor interpretation of its corporate actions. For example, if an already public company chooses to issue stock, the market usually interprets this as a sign that the company's share price is somewhat overvalued. To avoid this negative impression, the company may choose to issue convertible bonds, which bondholders will likely convert to equity should the company continue to do well.

From the investor's perspective, a convertible bond has a value-added component built into it: it is essentially a bond with a stock option hidden inside. Thus, it tends to offer a lower rate of return in exchange for the value of the option to trade the bond into stock.

Callable-Bonds

Callable Bonds, also known as "redeemable bonds," can be redeemed by the issuer prior to maturity. Usually a premium is paid to the bond owner when the bond is called.

The main cause of a call is a decline in interest rates. If interest rates have declined since a company first issued the bonds, it will likely want to refinance this debt at a lower rate. In this case, the company will call its current bonds and reissue new, lower-interest bonds to save money.

Term Bonds

Term Bonds are bonds from the same issue that share the same maturity dates. Term bonds that have a call feature can be redeemed at an earlier date than the other issued bonds. A call feature, or call provision, is an agreement that bond issuers make with buyers. This agreement is called an "indenture," which is the schedule and the price of redemptions, plus the maturity dates. Some corporate and municipal bonds are examples of term bonds that have 10-year call features. This means the issuer of the bond can redeem it at a predetermined price at specific times before the bond matures. A term bond is the opposite of a serial bond, which has various maturity schedules at regular intervals until the issue is retired.

Amortized Bonds

An Amortized Bond is a financial certificate that has been reduced in value for records on accounting statements. An amortized bond is treated as an asset, with the discount amount being amortized to interest expense over the life of the bond. If a bond is issued at a discount - that is, offered for sale below its par (face value) - the discount must either be treated as an expense or amortized as an asset. Amortization is an accounting method that gradually and systematically reduces the cost value of a limited life, intangible asset. Treating a bond as an amortized asset is an accounting method in the handling of bonds. Amortizing allows bond issuers to treat the bond discount as an asset until the bond's maturity.

Adjustment-Bonds

Issued by a corporation during a restructuring phase, an Adjustment Bonds is given to the

bondholders of an outstanding bond issue prior to the restructuring. The debt obligation is consolidated and transferred from the outstanding bond issue to the adjustment bond. This process is effectively a recapitalization of the company's outstanding debt obligations, which is accomplished by adjusting the terms (such as interest rates and lengths to maturity) to increase the likelihood that the company will be able to meet its obligations. If a company is near bankruptcy and requires protection from creditors, it is likely unable to make payments on its debt obligations. If this is the case, the company will be liquidated, and the company's value will be spread among its creditors. However, creditors will generally only receive a fraction of their original loans to the company. Creditors and the company will work together to recapitalize debt obligations so that the company is able to meet its obligations and continue operations, thus increasing the value that creditors will receive.

Junk-Bonds

Junk Bonds also known as a "high-yield bond" or "speculative bond," is a bond rated "BB" or lower because of its high default risk. Junk bonds typically offer interest rates three to four percentage points higher than safer government issues.

Angel-Bonds

Angel Bonds are investment-grade bonds that pay a lower interest rate because of the issuing company's high credit rating. Angel bonds are the opposite of fallen angels, which are bonds that have been given a "junk" rating and are therefore much more risky (Rosen, 2005).

2.6.4 Letter of credit

Letter of credit can be defined as a document from a bank guaranteeing that a seller will receive payment in full as long as certain delivery conditions have been met. In the event that the buyer is unable to make payment on the purchase, the bank will cover the outstanding amount. It is usually used in international transactions. Letters of credit are formal trade instruments and are used usually where the seller is unwilling to extend credit to the buyer. In effect, a letter of credit substitutes the credit worthiness of a bank for the credit worthiness of the buyer. Thus, the international banking system acts as an intermediary between far flung exporters and importers (Mizuho, 2008). It is however worthy to note that the bank in performing this service is not liable to guarantee for the quality of goods, genuineness of documents, or any other provision in the contract of sale.

Commercial Letter of Credit

This is a standard letter of credit that's commonly used in international trade, and may also be referred to as a documentary credit.

Letters of credit provide security to buyers and sellers: the bank guarantees payment as long as documents are produced by the seller (assuming those documents meet the requirements listed in the letter of credit).

Standby Letter of Credit

This type of letter of credit is different: it provides payment if something *fails* to happen. Instead of facilitating a transaction, a standby letter of credit provides compensation when something goes wrong. Standby letters of credit are very similar to commercial letters of credit, but they are only payable when the payee (or “beneficiary”) proves that they didn’t get what was promised. Standby letters of credit can be used to ensure that you’ll get paid, and they can be used to ensure that services will be performed satisfactorily.

Confirmed (and Unconfirmed) Letters of Credit

When a letter of credit is confirmed, another bank (presumably one that the beneficiary trusts) guarantees that payment will be made. Exporters might not trust a bank that issues a letter of credit on behalf of a buyer (because the exporter is not familiar with that bank, for example, and is not sure if payment will ever arrive), so they might require that a bank in their home country confirm the letter. If the issuing bank fails to pay – and the exporter is able to meet all of the requirements of the letter of credit – the confirming bank will have to pay the exporter (and try to collect from the issuing bank later).

Back to Back Letters of Credit

A back to back letter of credit allows intermediaries to connect buyers and sellers. Two letters of credit are used so that each party gets paid individually: an intermediary gets paid by the buyer,

and a supplier gets paid by the intermediary. The final buyer and the intermediary use a “master” letter of credit, and the intermediary and supplier use a letter of credit based on the master letter.

Revolving Letters of Credit

A revolving letter of credit can be used for multiple payments. If a buyer and seller expect to do business continually, they may prefer not to obtain a new letter of credit for every transaction (or for every step in a series of transactions). This type of letter of credit allows businesses to use a single letter of credit for numerous transactions until the letter expires (typically up to one year).

Sight Letter of Credit

Payment under a Sight Letter of Credit occurs as soon as the beneficiary submits acceptable documents to the appropriate bank. The bank has a few days to review the documents and ensure that they meet the requirements in the letter of credit. If the documents are compliant, payment is made immediately.

Deferred Payment Letter of Credit

With this type of letter of credit, payment does not happen immediately after the documents are accepted. Some agreed-to period of time passes before the seller receives cash. A deferred

payment letter of credit is obviously a better deal for buyers than for sellers. These are also known as term letters of credit.

Red Clause Letter of Credit

With a red clause, the beneficiary has access to cash up front. The buyer allows for unsecured loans to be issued as part of the letter of credit, which is essentially an advance on the rest of the payment. The seller or beneficiary can then use the money to buy, manufacture, or ship goods to the buyer.

Irrevocable Letter of Credit

An irrevocable letter of credit is a letter of credit that cannot be changed without authorization from all parties involved. Almost all letters of credit now are irrevocable, because revocable letters of credit simply do not provide the security that most beneficiaries want (Pritchard, 2015).

2.7 Government debt

Government debt is the debt owed by a central government. A broader definition of government debt may consider all government liabilities, including future pension payments and payments for goods and services the government has contracted but not yet paid. When government borrows, it gives its creditors securities stating the terms of the loan: the principal being borrowed, the interest rate to be paid on the principal and the schedule for making the interest

payments and principal repayment. The amount of outstanding securities equals the amount of debt that has not been yet repaid; that amount is called “government debt” (Seater 1985). Government debt may also be known as national debt or sovereign debt. Government debt is a one method of financing government operations and projects. As government draws its income from much of the population, government debt is an indirect debt of the taxpayer.

2.7.1 Categories of government debt

Government debt can be categorized based on the source; that is internal debt or external debt.

Internal Debt

Internal debt is that part of the total debt in a country that is owed to lenders within the country. In simple terms it is money borrowed by government from its citizens. Government internal debt may come in the form of bonds or treasury bills. One advantage of internal debt is that repayments of such debt constitute redistribution of resources without causing any change in the total resources of the community since the lenders are individuals and institutions from the same country. According to Lerner (1948), an internal debt creates no burden for future generation. Members of the future generation owe it to each other. Whatever is taxed from section of the economy servicing the debt is distributed among the bond-holders by way of repayment of the loans and interest; and quite often, the taxpayer and the bond-holder are the same. Thus the future generation as a whole is not worse off in the sense that its consumption level is the same as it would have been. An 18th century writer named Melon put it simply “the right hand owes to the left hand” (Musgrave, 1985, p.49). However by way of disadvantage, the more the

government borrows from internal source the less money available for local industries to develop which may cause the economy to retard or grow slower.

External Debt

External debt constitute the total public and private debt owed by a government to nonresidents individuals, foreign institutions and banks and international credit agencies payable in internationally accepted currencies, goods, or services. One advantage of external debt is that it serves as a source capital inflow which can boost the economy in one way or the other. However repayment of such debt can be worrying. This is because it would constitute exit of capital which would be much felt in the economy. Suppose the money borrowed from overseas is used to finance current consumptions then future generations certainly bears a burden because its consumption level is reduced by an amount equal to the loan plus the accrued interest that must be sent to foreign lenders. If on the other hand, the loan is used to finance capital accumulation, the outcome depends on the projects' productivity. If the marginal returns on the investment is greater than the marginal cost of funds obtained abroad, the combination of debt and capital expenditure actually makes future generation better off. In same context, to the extent that the projects' return is less than the marginal cost, the future generation is worse off (Rosen, 2005). Repayment of such debt can even put pressure on the domestic currency because in exchanging the local currency with the internationally accepted mode of currency for repayment would make the demand for the foreign currency high as against the local currency which would then fall (Heyman, 2005).

2.7.2 Effects of Government debt

Government debt can be a burden on the economy. Former president of Nigeria Olusegun Obasanjo paints a vivid picture to illustrate the pain of debt repayment when he said “all that we had borrowed up to 1985 or 1986 was \$5 billion and we have paid \$16 billion yet we are told we still owe about \$28 billion. That 28 billion came about because of the injustice in the foreign creditors’ interest rate. If you ask me what is the worst thing in the world I will say it is compound interest” (Shah, 2007).

One critical effect of debt of government is that it retards development. Once countries reach higher debt status, they tend to suffer lower subsequent growth (Furth, 2013). Debt has crippled many developing countries. Often based on loans taken out prior rulers and dictators, millions face poorer and poorer living standards as precious resources are diverted to debt repayment (Shah, 2007). Today, poor countries are trapped by large debts which prevent them from developing. For example between 1970 and 2002, the continent of Africa received \$540 billion dollars in loans from wealthy nations through the World Bank and IMF. African countries have paid \$550 billion of their debt and still owe \$295 billion. The difference is result of compound interest. Countries cannot focus on economic or human development when they are constantly paying off debt; these countries continue to remain underdeveloped (Boundless, 2015). The fact that these African countries have been able to generate \$550 billion to repay these debt means in the first place the continent had the capacity to generate such capital to invest in its own economies. However in this case as much profit as over \$290 billion would have to be added on the principal which would go to develop the already rich nations. These monies but for the debt could have remained in Africa and help solve some critical developmental problems on the continent.

Another effect of government debt is that it increases interest rates. If government sells more bonds (debt), this means interest rate is likely to increase. This is because they will increase the interest rate in order to attract investors to buy the extra debt. If government interest rates increases this would push up other interest rates. High interest rates would discourage local industries from borrowing which will decrease productivity. The above point also creates another negative effect which is crowding out. Crowding out refers to the fact that investors are naturally attracted to government high interest rates so they would rather lend to the government rather than to local industries. Thus the more government borrows or sells bonds, the fewer funds available for local industries and this either retards economic growth or makes growth slower. Crowding out begins to take effect when the interest rate level reaches a point at which only the government can borrow. Unable to compete for loans under such circumstances, individuals and smaller scale companies are forced (crowded) out of the market. High interest rates hurts consumers by making it more difficult to borrow funds to purchase homes and other durable goods. They harm workers by decreasing the quantity of annual investment. This in turn decreases job opportunities. Reduced private investment also contributes to lagging worker productivity, resulting in lower wages than otherwise would have been (Heyman, 2005, p 495& 496)

Loss of credibility is another effect of government debt. Higher debt burden correspond to higher risk of default. The weight of the burden increases as the country's foreign currency debt rises relative to its foreign currency earnings (Greaves, 2001). Left unchecked, rising public debt

could mean a higher interest rates and a slower economic growth. It is therefore clear that a country with higher debt is most often seen as a potential defaulter so creditors would only be willing to lend at a higher interest rate.

2.8 Impact of debt on future generation

Under the assumption that future generation must be taxed to pay the interest burden on the debt, that generation must undergo a real reduction of income without compensation of increased future incomes or consumption. In this sense, the burden of debt fall on the future generations; it bears the brunt of compulsory taxes. The burden of debt is a reduction in welfare for future taxpayers who do not hold or inherit government securities that are paid off in the future. Future generation will pay more taxes to pay interest instead of receiving government goods and services in return for those taxes.

Future generation also will suffer a reduction in their living standards as a result of government debt if past deficit cause interest rates to rise and reduce private investment. A reduction in private investment implies that the capital stock of the nation will grow more slowly than it would have otherwise. The effect will be lower economic growth for the economy. Because workers in the private sector will have less capital to work with than otherwise would have, productivity and therefore their incomes will be lower. This implies a growing national debt and a reduction in future living standards (Heyman, 2005,p.495)

2.9 Flow of credit and its effect

Dependency theory is the notion that resources flow from a “periphery” of poor and underdeveloped states to a core of wealthy states enriching the latter at the expense of the former. According to proponents of this theory this practice has created unequal economic platform that plays to the disadvantage of underdeveloped countries. The above disadvantage has pushed underdeveloped countries to contract loans from rich western nations which have resulted in a new form of dependency syndrome which has not been made much visible in recent write ups (Bradshaw and Huang, 2005).

In contemporary times, poor countries have taken enormous loans from wealthy countries in order to stay afloat in an unequal economic terrain. There is a school of thought that holds the view that because the rich nations readily make available these loans to these poor nations; it meant that resources now flowed from the core rich nations to help develop the underdeveloped poor countries. On the contrary, the fact remains that paying off the huge compound interest from the debts prevents the underdeveloped countries from investing resources into their own countries thus keeping them in a state of underdevelopment. In effect, the huge compound interest repayment goes back to further develop the rich nations at the expense of the poor nations thus an emergence of another form of dependency. In effect the nations comes out of deficit even more heavily indebted (Greaves, 2001).

(Bradshaw and Huang, 2005) rightly noted that the issue of debt dependency in underdevelopment of 3rd world nations has been neglected in the theory of dependency. They went further to point out that conditionalities attached to these debts particularly prevents growth

and hinders development.(Latifah, 2014) also observed that generally the conditions attached to IMF credits are rigid and advised that they are only used as last resort. Some of the conditionalities range from selling off state assets, withdrawing of subsidies, laying off workers or freeze in employment among others. The European Network on Debt and Development in an article published online on April 2014 with the title “how IMF lending often makes crisis countries’ situation worse” observed that IMF loans come with conditions which are often highly controversial, for example influencing taxes and cutting spending; freezing or reducing public sector wages; and mandating cutbacks in welfare programmes, including pensions. There are also conditions on the restructuring and privatization of public enterprises, and conditions that reduce minimum wage levels.

Government debt is in itself not evil because it enables the government to undertake infrastructural and social projects where taxation capacity is limited (Arkoh, 2013). Borrowing is an alternative to current taxation as a means of financing government expenditures (Heyman, 2005, p473). There are certain times that taxation becomes a burden to the citizens and states would prefer deferring the untold hardships that taxation may bring and resort to loans.

Also at certain times spending huge sums of money to finance capital intensive project may shock and destabilize the economy and thus it becomes necessary to rather borrow for such projects. Public debt enables government to invest in critical areas of the economy where the capacity of tax revenue to undertake these projects or in situations where printing additional money will disrupt the stability of the economy. It permits an equitable alignment of benefits and

costs for long gestation projects by shifting taxation away from current generations (Gill and Pinto, 2005).

2.10 Debt sustainability

Debt sustainability is often defined as the ability of a country to meet its debt obligation without requiring debt relief or accumulating arrears. To assess the debt sustainability of countries, three main international methodologies have been developed; Heavily Indebted Poor Countries Debt Relief Analyses, the Low Income Countries Debt Sustainability Frame Work and the Middle Income Countries Debt Sustainability Frame Work. They all involve making projections of intended borrowings and economic variables over a maximum 20 year period, and then using ratios comparing present debt stock, present value or service with GDP, exports or budget revenue to assess payment capacity.

As a matter of fact long ago (1944) Domar had stated the condition for sustainability of persistent budget deficits and consequently of mounting public debt. According to Domar (1944), debt financed deficits are sustainable if growth rate exceeds interest rate. This is because economic growth means increase in income or gross domestic product (GDP) from which annual interest payment can be made and if growth in income exceeds the rate of interest, the part of the increase in the income may be used for retiring public debt. In this way with the growth in national income or gross domestic product (GDP) over interest means the debt can be easily managed or sustained (Guru, 2015).

Public debt only becomes a burden when it goes beyond a certain threshold making them unsustainable. The government must put in place policies to ensure that the country's reliance on debt is minimized (Arkoh, 2013). The above statement brings to the table the issue of debt sustainability capacities of countries. Almost all countries in debt crisis today are repeat borrowers from the IMF, suggesting that it is propping up governments with unsustainable debt levels, not lending for a temporary balance of payments problems which are its core mandate (Eurodad, 2014). Ghana which is currently on an IMF programme seems to fit in the above picture. As a repeat borrower of the IMF, Ghana's debt sustainability capacity for some years now is said not to be too good.

Ghana's soaring domestic and external debts have raised fears that the West African country might be forced to take some drastic measures which could inflict some untold hardships on its citizens (Laary, 2015). Ghana is not only borrowing from the World Bank and IMF but increasingly borrowing at unsustainable interest rates from private lenders and foreign banks. Though the evidence increasingly shows that borrowing at such reckless levels is even going to have severe adverse impact on Ghana's fragile economy, the leaders and policy makers do not think so and keep borrowing more and more (Nyarko, 2014).

The trend is very alarming and disturbing since money borrowed was not being injected into productive sectors that could generate revenue to pay back loans (Laary, 2015).

The external debt sustainability analysis indicates that Ghana's external debt dynamics is subject to moderate risk of debt distress and when taken together with domestic debt development, the overall assessment suggest that Ghana's debt distress has increased compared to 2007 debt

sustainability analysis. These results from recent accumulation of external and domestic public debt contracted on commercial terms and high current account and fiscal deficits that expose the country to structural vulnerabilities in the event of reversal of favorable terms of trade (IMF 2008).

Ghana's public debt now exceeds pre-HIPC levels, according to the International Monetary Fund (IMF) report after a review of Ghana's performance under the bailout deal. According to GNA report, Ghana's debt at the time of joining the highly indebted poor country (HIPC) initiative in April 2001 was 6025.6 million dollars. The Washington- based lender is forecasting Ghana's debt could cross the dreaded 70% of GDP mark by the end of the year 2015. The IMF projects a 75 % debt to GDP ratio for the country by the end of the year. Many economists believe a debt to GDP ratio exceeding 70% spells doom for an economy (myjoyonline, 2015).

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter focuses on the approach adopted for the study which describes the method and the techniques that were used to collect data for the analysis of field data. As a result, the research design, data requirement and sources, sampling frame and techniques, the data collection tools and techniques, the data analysis and presentation method have been discussed

3.2 Research design

The study adopted the qualitative research design. The adoption of a qualitative research design is justified on the grounds that the study seeks to capture deeper descriptions, meanings, feelings, actions and understanding of the respondents regarding the subject under study. Again because the study area is not so much popular subject, a qualitative approach would help unearth new information. The research would be a case study

3.3 Respondents and sampling

The study could not gather data from a large number of respondents due to time constraints. The research therefore depended on data from four Ghanaian journalists based in Accra. Out of the four respondents, three were from the print media (Graphic Communication Group) and one

from a radio station (Radio Gold). The respondents were selected using the convenience sampling technique. The use of this sampling technique helped in selecting respondents who were reporting in the field related to the study so as to be able to obtain the needed data.

3.4 Data sources and instrumentation

Both primary and secondary data were utilized in the study. They were obtained from primary and secondary sources respectively. The primary data were made of the information gathered from the respondents' whiles the relevant books, articles, working papers and internet constituted the secondary data.

A semi-structured interview guide was designed to collect the primary data. In designing the interview guide, themes, areas and question were deliberately crafted to allow respondents to freely express their opinions and feelings on the subject matter. The main items used were a tape recorder and a note pad.

All the interviews were tape recorded and were expected to vary in length from about 30 to 45 minutes. The interviews were informal and open ended and were carried out in a conversational style. Through personal observation, some data were also gathered.

3.5 Data collection procedure

The respondents were contacted at their work places. Respondents were approached and after purpose and significance of the study was explained to them, they expressed interest to partake in the study. The interview sessions took place at the work places of the respondents.

3.6 Data analysis

The data were analyzed qualitatively. The thematic approach to data analysis was adopted.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This chapter presents and analysis the data as gathered from the field using the thematic approach themes identified.

4.2 Concerns about Ghana's Debt Profile

From the interviews conducted respondents did indicate that Ghana's rising debt is worrying to them. " it's a huge worry to every Ghanaian because it seems year on year our debt keeps increasing, the government keeps overspending out of budget and then our debt keeps increasing so I think it's a major concern for each Ghanaian" 2nd interviewee. Respondents expressed worry at the pace at which the debt toll keeps increasing. The respondents were particular about the pace at which the debt toll keeps rising. The 1st interviewee observed that "if you look at our debt level currently its moving at a faster pace. If you speak to the authorities they would tell you they are doing something about it I don't know which level they are talking about but it appears anytime it keeps sky rocketing". Another worry that respondents expressed was how loans were disbursed. They bemoaned the practice of Ghana incurring debt to service old debt and also make recurrent expenditure such as payment of salaries rather than investing in projects that can generate income. "...Some of the local people who have their treasury bills or their investment have matured, government will pay them so most of these loans are used to I mean offset those kind of debt...." 4th interviewee observed.

Another issue that became visible as a worrying matter for the respondents from the interview is the interest attached to the debts. The first interviewee clearly pointed out by saying “if you borrow on a high high rate, it will definitely affect our economy”. Some respondents were of the view that Ghana is borrowing at a higher interest rate and this is because our credibility as a borrower keeps falling due to the increasing debt profile of the country. “ if you monitor the media these days the international rating agencies have given Ghana a B- which speaks volumes about the intensity of the country’s debt portfolio so certainly considering all these index and all these indicators are quite worrying and disturbing” 4th interviewee.

4.3 Sustainability

From the interviews conducted respondents opined that Ghana’s debt level currently is unacceptable and thus unsustainable. “Looking at where I stand I think its unsustainable because I mean what are we producing? 4th interviewee. It was made clear by respondent that the amount of money used to service debt by the country is on the high side. The 2nd interviewee for instance emphasized on that particular side when he answered “it is not sustainable unless we (Ghana) change our spending habit”. Again 4th respondent noted the unsustainability of Ghana’s debt when he said “I mean we cannot sustain our loans or debt portfolio”

4.4 Implications

One of the implications of Ghana’s debt syndrome that was gathered from the interviews was that it retards development. According to respondents monies that were used to repay debts of

the country could have been used for other developmental purposes. The 2nd interviewee practically summed up this point with his statement when we opined that "...if at the end of every year you use majority of your revenue to pay debt, then what money are you going to use to finance other projects? Then you have to resort to those borrowing again to come and finance..... if we don't have any debt to pay, at least the little monies that the economy generates, could have been used to provide hospitals, schools and other developmental works".

As another implication, respondents were of the view that of the current trend (Ghana's debt syndrome) is not arrested; there may be no resources available for future generations to develop the nation. The opinion of the 3rd interviewee summarizes this point "a time would come when monies that would have to be used for development or reserved for future generations would be used to pay debts" –3rd interviewee.

Respondents also feared the possibility of Ghana rejoining the list of Highly Indebted Poor Country (HIPC). The 4th interviewee noted that "Some financial analysts or economists are even saying this is what we call pre-HIPC". The 1st interviewee was however point blank to say "I think we are heading to HIPC... that's what I think... with the pace that we are going if we don't put robust measures in place I think we would head to HIPC once again. People say ermmm we won't go to HIPC again but I think we can go with the level that we are going...if something is not done we will go". Other respondents also held similar views that Ghana's debt situation gives an indication that in no sooner time the country is going to make the list of Highly Indebted poor

countries. “..... and as you can see people have now started talking that its likely we would go back to HIPC so these are some of the implications of our debt rate”- 2nd interviewee.

Some respondents were also of the view that Ghana’s debt syndrome is likely to collapse the economy just like it did to Greece. “Ghana’s debt syndrome is going to collapse the economy. If you look at what happened to Greece for instance was collapsed due to debt so if not checked, same would happen to Ghana” warned by 2nd interviewee. Respondents opined that given the trend by which Ghana keeps accumulating debt, it may get to the level where the resources of the country may not be able to service these debts and would lead to the collapse of the economy.

Respondents from the interview were of the view that Ghana’s debt syndrome leads to a cyclical depreciation of the cedi. This is because according to respondents, monies borrowed help appreciate the cedi for a while however, because repayment is in foreign currency, hard earned foreign currency is constantly being repatriated in the name of debt servicing and this according to respondents weakens the cedi 1st interviewee’s observation sums up this opinion when he said “our cedi depreciation is as a result of all these borrowings and so basically I think we should cut down borrowing and everything. I won’t say perfectly it would solve our issues perfectly but one way or the other it will help...it will help”. 4th respondent also emphasized on this point when he said “.....don’t forget that our cedi depreciation even though there is seeming stability in the value of the cedi because the government is expecting the Euro bond and the cocoa syndicated loan and some funds from our development partners so they think that maybe at the latter part of the year or 4th quarter of the year, this could push in the stability of the cedi but what happens?.

When we enter into next year, it's going to be cyclical, we are going to have the same thing (depreciation of the cedi) ...”

Loss of credibility is another implication that respondents noted as a product of Ghana's debt syndrome. 1st interviewee did not hesitate to point out that “... We will lose the little credibility we have out there so the best thing is we should cut down on it.” 4th respondent explained that international credit rating agencies' looking at the country's debt portfolio down rates Ghana and this makes the country credit unworthy. In his own words 4th respondent said “when they (international rating agencies) look at this you know, it makes you uncredit country and uncredible country to be given loan so they will be compelled to increase the interest rate that you will be giving them.....”

4.5 Reasons for Ghana's Debt

Respondents even though were not asked what the reasons for Ghana's debt syndrome were; they did indicate some reasons that in their wisdom have made Ghana a debt distress country. Among such views was one expressed by 2nd interviewee when he said “...the government keeps overspending out of the budget and then our debt keeps increasing so I think it's a major concern for each Ghanaian”. He further illustrated this point when he explain “.....let's say you work, you earn 1000 Ghana cedis a month and every you are spending 1500 Ghana cedis, it means every month there's is going to be a deficit of 500, then you go and borrow money with high interest to pay because you've borrowed to come and pay your debt and we don't see changes so

I think sustaining it will be very...a bit difficult unless we change our spending habit as a country”.

4.6 Solutions/Way forward

By means of proposing a solution to Ghana’s debt syndrome, respondents suggested a number of solutions.

One of such proposals that were proposed during the interviews is industrialization. Respondents were of the view that, if the country embarks on a massive industrialization, it can generate so much resource such that it would be almost not necessary to borrow to create a debt syndrome for the country. When asked to suggest a way forward, 1st interviewee didn’t missed words when he said “that is when we have to think about industrialization. Over fifty something years we are here we only import. So that is the problem we have so we only borrow. It is time we try and work on our industries. We think about how to build industries in order for us to export. If we don’t export, we will onlyWe will only run at a loss and then we will borrow to erhhmm. We won’t get the foreign exchange derived in order for us to make money to do our petty projects here”. 4th interviewee also noted industrialization as the way forward when he said “....farming which is the backbone of this economy. What are we using? We are using primitive kind of methods still I mean hoes, cutlass, we are using baskets. I mean only a handful of farmer use tractors for their farming operations so with this background you cannot move forward.....so industrialization is the way out...”

Another solution suggested as a way out of Ghana's debt syndrome by respondents is decrease in expenditure. "... I think within a year as a country the projects that we put in the budget are too much, too many so if the government can just focus on maybe two or three projects then next year we look at other projects ...but if you take our budget like this, there are over two hundred projects in the budget...so over two hundred projects, how are you going to finance all that?. You have to go and take loans so if you reduce them let's say ten projects after these ten projects next year we will look at other projects, I think that's the solution". Respondents held the view that if only managers of the economy will decrease expenditure and spend within the confines of generated income, there would be less need to acquire loans thus there would be a decrease in the debt portfolio of Ghana. The words of 2nd interviewee sums it all ".....and then as we pay we have to put in strict measures in order to ensure that government does not keep overspending because if you are paying the debt and then you are overspending then it's like work done zero. You are paying and then you are creating more debt again".

In a bid to answer the question "What solutions would you suggest to help reverse Ghana's debt syndrome?" some of the respondents were emphatic on the need to stop borrowing immediately. Respondents were of the view that, given the current debt portfolio of Ghana, as immediate as possible, borrowing must stop. 1st respondent was very brief and blunt on that point which sums up the views of the other respondents when he said "Excessive borrowing must be cut".

However, though respondents indicated borrowing must stop, they all agreed in the interim if would be acceptable to borrow to finance industrial project that can generate income. "

you borrow to take an economic activity or project that would be self-financing like Etuabo Gas at the end of the day it can repay the loan by itself” 4th interviewee.

Taxation is another solution that was prescribed as a way forward for a debt distressed Ghana. In answering the question would you suggest increase in taxation as a means of replacing the alternative of going for loans, 3rd interviewee made the point to reflect the above statement when he said “yes because if you look at a country like Britain, I don’t know or recollect of any natural resources that they can boast of but they get all their money from taxing and all that. Last time I read that they have introduced some form of tax that even if you park your bicycle at a point you have to pay a levy and through and through this small tax that they have been collecting that they will gather it and we will go for it as loan and all that so I think if we increase ourif we widen our tax net we can also generatewidening it is one point and using the money wisely is also another point”.

CHAPTER FIVE

FINDINGS, DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter contains the findings and discussion of the study. It also captures the study's conclusion and recommendations.

5.2 Findings

5.2.1 Relationship between Credibility and Interest Rate

From the research it was established that there a positive relation between the debt burden and credibility of a country. This finding agrees with (Cantor and Packer, 1996) on the point that high debt burden makes rating agencies down rates a country and one of the consequences is that it makes the country borrow at a higher interest rate. In sum according to the study, Ghana keeps borrowing at a higher rate in the international credit market because of its high debt burden.

(Rosen, 2005) also agrees with the above point as it establishes that government after borrowing that much increases interest on bonds to attract more investors to buy its debt. In the same light (Heyman, 2005) noted that if government sells more bonds (debt), this means interest is likely to increase. He explains that government will always increase interest rates in order to attract investors to buy its extra debt. (Heyman, 2005) finally concludes that if government interest rate increases, it would push up other interest rates.

5.2.2 Relationship between Debt and Development.

Another finding that emerged from the study is that the high debt burden of Ghana is retarding its development. (Shah, 2007) agrees with when he made the point that debt has crippled many developing countries. Ghana being a developing country with such high debt level thus is being crippled by debt. The same finding was emphasized by (Furth 2013) in chapter two when he made the point that countries suffer subsequent lower growth once they accrue higher debt. (Heyman, 2005) also emphasized the point that future generation instead of receiving goods and services (development) for the taxes paid rather would be paying off interest on government debt. (Boundless, 2015) sums this point well by noting that countries cannot focus on economic or human development when they are constantly paying off debt; these countries would thus remain underdeveloped.

5.2.3 Unsustainable Debt.

The study revealed that Ghana's current debt level is unsustainable. The study further deduced that as an implication, Ghana maybe making the list of Highly Indebted Poor Countries (HIPC). Nkombo (2014) agrees with this finding when she noted that after recovering excellently with the help of debt relief, there are concerns about Ghana's current debt increase which have been caused by an oil find prompting reckless lending by the international community coupled with increase in wage bill and expenditure on subsidies plus a fall in commodity prices.

5.2.4 Purpose of Incurring Debt

One other critical finding that emerged from the study is that government overspending is a major cause of Ghana's debt distress. Nkombo (2014) agrees with this finding as she pointed out that increased in the expenditure of Ghana especially on wages and subsidies is one major cause of its current debt distress.

Also it emerged from the study is that government debt is not necessarily evil (Arkoh, 2013). According to the study it helps government to undertake critical projects (Gill and Pinto2005).

In relation to the above point, it emerged from the study that it would be necessary for Ghana to borrow in spite of its current high level of debt to invest in industrial projects. The study established that it would be better to borrow and invest in projects that can generate income and repay the debt by itself rather than borrowing to make recurrent expenditure (Daasmani 2015).

5.2.5 Taxation as an Alternate Means of Finance

According to the study, taxation is one means of financing development that when efficiently explored, it would prevents the country from acquiring much loans which would increase the debt profile of the country. (Gill and Pinto) agrees that by borrowing to finance long term projects, the burden of taxation is being shifted from current generation to the future; hence an increase in taxation or spreading the tax net today could limit the rate of borrowing.

5.2.6 Impact of Debt on Future Generation

As an impact on future generation, the study deduced that as more debt is accrued, the generation yet to come would be forced to use resources meant for development to service debt. The above assertion is also upheld by (Heyman, 2005) as he observes that the burden of debt today is a reduction in the welfare for future taxpayers; future generation will pay more taxes to pay off interest instead of receiving goods and services for those taxes.

5.2.7 Economic Growth and Debt Sustainability

The study arrived at a point that suggested that the more Ghana as a country produce and export the more likely it would be able to manage its debt burden. As a matter of fact long ago (1944) Domer had stated the condition for sustainability of persistent budget deficits and consequently mounting public debt according to Domer, debt finance deficits are sustainable if growth rate exceeds interest rate. This is because economic growth means increase in the country's income from which annual interest payment can be made; if growth in income exceeds interest, the part of the increase would be used to pay off the public debt.

5.3 Discussions

5.3.1 Introduction

The discussion tells the relations between the research findings and the research questions and objectives. It reveals whether or not the questions were answered as well if objectives were met or not.

5.3.2 Knowledge of Ghanaian Journalists

From the findings of the study it was clear that journalists displayed an “above average” knowledge of Ghana’s debt portfolio. Respondents were not too sure of the exact debt owed by Ghana as at the time of the interviews. Some also struggled to tell the debt to GDP ratio of Ghana. Respondents that were asked if they knew the accepted debt to GDP ratio of a developing nation like Ghana answered in the negative, however, they displayed much consciousness of the situation to prove that they were aware Ghana’s debt situation has become a syndrome.

5.3.3 Concerns of Ghanaian Journalist about Ghana’s Debt Portfolio

Also, per the answers given by the respondents, it showed that Ghanaian journalists were much concerned about Ghana’s debt syndrome. In answering the question “is Ghana’s debt situation a concern to you?” a respondent answered in the affirmative and went on to say “it’s a huge worry to every Ghanaian because it seems year on year our debts keep increasing...” This shows that respondents were very much concerned about the situation (Ghana’s debt syndrome).

5.3.4 Understanding of the Implications

Again in reference to the research findings, respondents (Ghanaian journalists) displayed a high level of knowledge about the implications of Ghana's soaring debt. They related the implications to the falling of the cedi, its impact on the economy, capable of retarding the development of the country among others. Respondents did not only display a high level in implications but also some were able to base on the trend and the projected future consequence of Ghana's debt syndrome. On the above score I can say that the question " Do Ghanaian Journalists know the implications of Ghana's rising debt?" is answered as well as the objective " ascertain whether the Ghanaian journalist understands the implication of Ghana's rising debt profile" has been accomplished.

5.3.5 Did Respondents Give Solutions?

Last but not least produced varied and rich opinions on alternative ways of financing other than loans. Respondents offered solutions that included advice to policy makers to stop borrowing, widening the tax net, industrialization prioritization of projects with much focus on projects that can be self-financing and also cutting down expenditure. The above submission also suggests that the objective "to obtain suggestions in an alternative means of financing development in Ghana apart from loans" has been accomplished by the study.

5.4 Conclusion

The conclusion relates directly to the research questions or objectives. They represent contribution to the knowledge as well as its link to the significance of the study.

In conclusion the study was able to establish that Ghana's debt situation has become a syndrome from the perspective of the Ghanaian journalist, the situation is disturbing and worrying to the country. The study also was able to ascertain the concern of the Ghanaian journalist of the situation. From their (Ghanaian Journalist) gave the implications of Ghana's debt syndrome to the country. Also the respondents (Ghanaian Journalist) offered some insightful alternative means of financing apart from loans. Last but not least the study also showed the depth of the respondent's (Ghanaian journalist) knowledge about the Ghana's debt syndrome and this means to a large extent one can trust and rely on reportage of public debt in the Ghanaian media.

5.5 Recommendation

In the light of the findings and conclusions of the study, the following suggestions are made.

1. Policy makers in Ghana should always spend within their budget. Because the study noted that over expenditure is one of the causes of Ghana's rising debt.
2. Journalists should always be up to date with statistics of the economic issues.
3. Policy makers are advised to prioritized developmental projects. The study observed that often too many projects are put in the budget and that is what results in the budget

deficitand pushes government to go for loans which increases the country's debt stock. Therefore few projects that can be afforded should be budgeted for at a time.

4. It is also recommended that policy makers desist from borrowing to make recurrent expenditure. Policy makers are advised to rather invest borrowed monies into developmental projects that can generate income.
5. According to the study the credibility of Ghana in the international credit market is falling therefore makes the country borrow at a higher rate. Policy makers are therefore advised to boost the export earnings of the country in order to boost the credit ratings of the country.
6. From the study, it will be recommended that policy makers should consider widening the tax net so as to gather enough resources to finance developments and this would reduce over reliance on debt as a means for developing the country.

5.6 Limitations of the Research

One major limitation of the study was time constraint. The short time in which the study was conducted made it impossible to increase the number of respondents. If time was enough the sample size could have been increased to even include respondents from other sections of the media like TV journalist.

Another limitation of the study is inherent in its qualitative nature. Because the research was purely qualitative, the results cannot be generalized. In related future research, the sample size could be increased to allow for appreciable generalization.

Last but not least challenged that was encountered during the study was the method of data collection. It was difficult meeting journalist that report in the subject area as they were almost all the time either on the field or busy preparing their reports in the office. Making time to interact with me was in some cases difficult. In future studies telephone interview may be considered to allow for easy access to information.

5.7 Suggestions for Further Research

This study only sought the perspectives of Ghanaian journalists on their concerns about Ghana's debt profile, its implications as well as way forward. Future studies could focus on the actual reasons for the soaring debt profile of the country.

Also future studies could include the opinions of other individuals who are authorities in field of economics and business.

It would also not be out of place to see future studies include a larger sample size so as to allow broader generalization.

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APPENDIX I

1ST INTERVIEW

Interviewer: tell me your name, your department, your qualification and the number of years you have been here?

Kofi: ok my name is Maclean kofi. I work with the graphic business, a subsidiary of the graphic communication group erhmm I have degree in Journalism erhrr..I have been working 2 years as a business reporter. Basically I report on business, financial institutions...yeah and all that.

Interviewer: ok so errhmm...what's your job tittle?

Kofi: I'm a journalist, business and financial journalist.

Interviewer: ok so first question is...is Ghana's debt profile a worry to you?

Kofi: well to some extent yes because errhhmmm the...if you look at our debt level currently its moving on a faster pace. If you speak to the authority they will tell you they are doing something about it. Its either they are maintaining fiscal discipline or they are doing one thing or another to make it erhmm I don't know how to put it but on a level pace, I don't know which level they are talking about but it appears any time it keep sky rocketing. It moves up on a faster pace that you don't understand what they are doing or what the country is doing errhhmmm to reach that level. I understand currently somewhere erhmm 7.1 if my memory serve me right.

Interviewer: you mean 70?

Kofi: yes yesyes yes...70.1

Interviewer: but erhhmerhhmerhmm you keep talking about level, do you know the acceptable erhhmm debt to GDP ratio for a country like Ghana?

Kofi: for a country like Ghana please explain yourself...acceptable as in...

Interviewer: like..likeerhmm you say it's a worry to some extent...

Kofi: yes yes

Interviewer: ...so at which level do you think...do you think we are at a level that is unacceptable?

Kofi: yes I think so. I think we are heading to HIPC...that's what I think...with the pace that we are going if we don't do...if we don't put reborse measures in place I think we would head to HIPC once again...people say erhhmm we wont go to HIPC again but I think we can go with the level that we are going if we...if that level...if something is not done we will go.

Interviewer: ok so what things in particular do you think should be done?

Kofi: 1...excessive borrowing should be cut and then the government should work on erhhmmerhmm I don't want to say unnecessary expenditure...over spending, they will tell you they are maintaining physical discipline but still they are spending. They should do something about it...yeah.

Interviewer: so if we are talking about erhm cutting short borrowing, you know borrowing is one means by which projects are financed and developments are rolled out into the country erhhmm what other means of financing would you propose?

Kofi: that is when we have to think about industrialization...over fifty something years we are here we only import. So that is the problem we have. We only borrow. It is time we try and work on our industries. We think about how to erhhmerhmm build industries in order for us to export. If we don't export, we will only...erhhmm we will only run at a loss and then we will borrow to erhhmm. We wont get the foreign exchange derived in order for us to make money to do our petty projects here.

Interviewer: so..soerhhmm setting up industries will require some amount of capital eerhhmm would you propose that for such a venture borrowing should be allowed?

Kofi: erhhmm yes if erhhmm we are using the money for this and that which is...but not borrowing to build roads...roads that in 2 or 3 years...the roads will, will deterorriate...will will be in a mess...even the NII understand there are issues with it. So this is what we should do...we should think of industrialization...industrialization is the only thing that can help us. Without industrialization, nothing will happen. We will keep borrowing, borrowing, and we will bring the IMF here and there and nothing will be for us so that's what I think is the problem with our country.

Interviewer: would you suggest anything else?

Kofi: suggesting anything else as in errhhmm....

Interviewer: source of financing projects.

kofi: source of financing...ok source of financing project...as at now I think government should cut down on the erhhmerrhmm the roads and then concentrate on industrialization because we have erhhm unemployment as errhhmm...as a key problem hindering our progress so if we concentrate on our industrialization we can create more jobs. We should think about farming.

Those days they say farming was for the uneducated but now farming is a big business out there. We can think of America, the Malaysians, the Chinese they all do farming...aside this industrialization they all do farming.

Interviewer: so with Ghana's current debt level what do you think are the implications?

Kofi: yes as I said earlier...I fear errhmm HIPC and 2 errhmm we will loose ...the little credibility we have out there so the best thing is we should cut down on it.

Interviewer: ok so errhmm when it comes to debt repayment we hear the finance minister talking about errhmmerrhmm the quantum of money that we use to service our debt errhmmmm almost every year..do you think paying off this errhmmmm interest on these loans will affect Ghana in any way?

Kofi: oh yeah, if you borrow on errhmmmm on a high high rate it will surely affect you. It will affect your income...if just anecdote evidence will...our cedi, our cedi depreciation is as a result of all this excessive borrowing and errhmm so basically I think we should cut down borrowing and everything errhmm I wont say perfectly it will solve our issues perfectly but in one way or the other it will help...it will help.

Interviewer: can you help give us some examples of the negative effects of the amount of money we use in paying our debt?

Kofi: yes as I understand it weaken our cedi cos they normally use of our foreign errhmm inflows so it weakens the strength of our cedi and then naturally the little credibility will be lost....yeah so..

Interviewer: so if I may ask do you know currently Ghana's debt to GDP ratio?

Kofi: Ghana;s debt to GDP ratio...I don't have it, I don't know it off head.

Interviewer: ok...but do you know the acceptable erhhmm level?

Kofi: No...not really...I cant give it off head.

Interviewer: do you think Ghana's debt as at now is unsustainable?

Kofi: Ghana's debt is unsustainable...no we can do something about it.

Interviewer: so thank you very much...I'm grateful

Kofi: you are welcome.

APPENDIX II

2ND INTERVIEW

Interviewer: please tell us your name, your qualification, your job title...

Bruce: I'm Emmanuel Bruce and a business journalist with the Graphic communications group limited...erhm my qualification is a degree'

Interviewer: your age?

Bruce: am 25 years

Interviewer: and how long have you been working here?

Bruce:3 years now

Interviewer: ok so ..erhhmm the current debt profile of Ghana ...is it a worry to you?

Bruce: yeah it's a huge worry to every Ghanaian 'cos it seems year on year our debt keeps increasing, the government keeps overspending out of the budget and then our debt keeps increasing so I think it's a major concern for each Ghanaian.

Interviewer: ok but currently do you know our current debt levels now?

Bruce: I think it's now 95 billion or 95 billion Ghana cedi.

Interviewer: ok but do you know the debt to GDP ratio of Ghana now?

Bruce: no I don't know... I know our debt is currently 95 billion but I don't know about the

Interviewer: ok so erhhmm do you also have an idea about theacceptable debt to GDP ratio of a country like Ghana?

Bruce: no I don't have any idea....unless I cross check or something.

Interviewer: ok...so as of now do you think the debt profile of Ghana is sustainable?

Bruce: sustainable as in...

Interviewer: are we operating at a point that we can comfortably pay for our debt?

Bruce: I don't think so because if as a country, lets say you work, you earn 1000 Ghana Cedis a month and every month you are spending 1500, it means every month there's going to be a deficit of 500, then you go borrow money with high interest, come and pay those debt then you still owe with another interest to pay because you've borrowed to come and pay your debt and we don't see its changes so I think sustaining it will be very.. a bit difficult unless we change our spending habit as a country.

Interviewer: but what do you think are the implications of Ghana's debt profile right now?

Bruce: the implications to.....?

Interviewer: the implications for Ghana as in our economy...vis a vis our capacity.....

Bruce: I think it is going to collapse...gradually going to collapse the economy...if you look at what happened to Greece for instance, the economy was collapsed due to their increasing debt so I think if not checked now it will gradually collapse the economy, and as you can see people have now started talking that its likely we go back to HIPC so these are some of the implications of our debt rate.

Interviewer: ok so we hear of the finance minister talk about ...the amount of money we need to errhhmmm as it were pay off debt year by year and some have said it looks a little erhmm on the high side, do you think it would affect the country...or is affecting the country in a negative or positive way?

Bruce: its affecting the country negatively definitely 'cos if at the end of every year you use majority of your revenue to pay debt then what money are you going to use to finance other projects? Then you have to resort to borrowing again to come and finance and those borrowing come at a high interest rate so I think its affecting the country. If we did not have any debt to pay at least the little revenue that the government can get we can use it to build our roads and hospitals, we wouldn't have to go borrow monies to come and do some of these things.

Interviewer: ok so you have talked about borrowing for projects as a problem, and so as a journalist in Ghana, what do you think can be an alternative source of financing projects apart from erhmmm loans?

Bruce: apart from loans...that is why I am saying you can erhmm for instance right now we have erhmm oil revenues coming in to the country, if we... I think within a year as a country the project that we put in the budget, they are too much, too many so if the government can just focus on maybe two three projects that the money that we raised from our oil revenues and all those things those monies can take care of those projects then next year we look at other projects that if you put...if you take our budgets like this, there are over 200 projects in the budget...so over 200 projects in the budget how are you going to finance all that? You have to take loans so if you reduce them to let's say this is what our money will be able to do, 10 projects, lets channel

all the resources to these 10 projects, after these 10 projects next year we will look at other projects, I think that is the solution.

Interviewer: ok so erhhh currently obviously a lot of analysts have said our debt erhhh is too high...is on a high side...erhm what do you think? Erhm could there be any form of strategies that you can suggest to help reduce these debt burden?

Bruce: as for suggestions to help pay off these debt derr we don't have any solution than to....unless maybe we look at these home grown policies, how to erhmm build projects that are self financing projects that will finance for itself and raise money and then pay off our debt and then as we pay we have to put in place strict measures in order to ensure government does not keep over spending because if you are paying the debt and then you are overspending then its like work done zero. You are paying and then you are creating more debt again.

Interviewer: ok so erhhh thank you so much

Bruce: welcome

APPENDIX III

3rd INTERVIEW

Emmanuel: I'mEmmanuel, 27 years of age

Interviewer: ok, so how long have you been working here.....?

Emmanuel: less than a year.

Interviewer: whats your qualification?

Emmanuel: diploma in communication studies

Interviewer: is Ghana's rising debt a worry to you?

Emmanuel: yes.

Interviewer: ok so, what do you think is the debt to GDP ratio of Ghana as it stands now?

Emmanuel: I have no idea

Interviewer: but what do you think is the acceptable level of debt to GDP ratio of a country like Ghana?

Emmanuel: for that I have no idea.

Interviewer: but do you think the current debt of Ghana is sustainable?

Emmanuel: hmmm...yes I think so. I think it is.

Interviewer: you think it...ok so we hear of the finance minister sometimes talk about talk about the amount of money that the country uses to pay or service debt annually so if I may ask, do you think its too much?

Emmanuel: yes I think its too much.

Interviewer: And what do you think are the implications of that?

Emmanuel: I think a time will come that monies that are needed for developmental projects and monies that could be used to invest in our youth...our next generation will all be used in paying debt and all that.

Interviewer: and ok so erhmm... you know policy makers are also arguing that they necessarily need ...the loans to roll out developmental projects so apart from loans that increses these debt, which other means do you think the country can use to finance these projects?

Emmanuel: listen, borrowing, in my point of view does not solve the problem rather we should focus on a long term project rather than focusing on the short term project. We have Tema Oil Refinery, we drill oil, we ship the crude oil to other....whiles we can refine the oil, make some monies over here, we have been mining gold for so many years, we take the raw gold whiles we can have a gold mining...gold refining industry in the country which could also generate us some amount of money, cocoa processing and all that, bauxite, Valco as at now is not as it used to be in the past so I think we should rather focus on that rather than going in for those...these things that I have mentioned can generate a lot for us.

Interviewer: so these things you've mentioned like valco, like gold refinery, you know these are massive industrial projects that need heavy capital, would you recommend that loans are taken to develop these sectors of the economy?

Emmanuel: that was what I indicated from the very onset that the loans that we have taken could have been channeled into these projects that now we would be reaping from it....mhmm so I think if we get our priorities right and we focus our attention towards that it would help us.

Interviewer: would you suggest increase in taxation as a...erhmmm as a means of replacing that alternative of going for loans?

Emmanuel: yes because if you look at a country like Britain, I don't know or I can't recollect of any natural resource that they can boast of but they get all their money from taxing an all that. Last time I read that they have introduced some form of tax that even if you park your bicycle at a point you have to pay a levy and through this small small tax that have been collecting that they will gather it and we will go for it as loan and all that so I think if we increase our...if we widen our tax net we can also generate...widening it is one point and using the money wisely is also another point.

Interviewer: so apart from the industrialization and the taxation what else could you erhmm recommend?

Emmanuel: investing in the human resource 'cos you can have all the natural resources, you can have all the...if you don't have the men...if you don't have the men to channel out all these programmes it will be a "COS 90" job.

Interviewer: hmmm ok...ermm anything else you would want to?

Emmanuel:No...no

Interviewer: ok so...erhmm thank you so much.

Emmanuel: you are welcome.

APPENDIX IV

4TH INTERVIEW

Interviewee: I'm Henry George Matinsson, I've been here exactly 8 years. I have a diploma in communication studies and a degree in Business Administration, currently I'm a law student.

Interviewer: ok so is Ghana's debt profile currently a worry?

Interviewee: I mean the index from the IMF if is anything to go by, then it should be a worrying concern to I mean the managers of the economy. If my memory serves me right, I mean it wasn't around 90...roughly ok let's take it 94 billion dollars which is almost 70 +% of the country's GDP and some even financial analysts or economics are even saying this is what we call the pre HIPC you know, range, I mean so to speak so it should be a worry and then I mean some few days ago if you listen to the news media, I mean which gave Ghana's economy I mean B with a negative outlook I mean which speaks volumes about the intensity of the country's I mean debt portfolio so certainly considering all this index and all this indicators and its quite worrying and disturbing.

Interviewer: ok so would you...would it be a fair comment to say the current debt level is unsustainable? Do you agree with analysts that share this view?

Interviewee: I mean if you are not at the thick or at the helm of affairs or the thick of affairs you would say its unsustainable but looking or listening to what the finance minister that's Seth Tekper has been saying, there's a new or what they want to call the Paradime Shift where most of the loans that they contract, I mean would be self financing or the project that they will undertake, either they are embarking on will be self financing. That means, all the projects that

they will take will make sure that they are of commercial value but looking at the rate at which I mean the borrowing is going on and also our economic I mean fundamentals, I...we don't have the I mean the requisite you know social infrastructure or the requisite projects that could sustain our economy now, I mean bearing in mind that we are a low middle income country and most of the things or most of the lagers so to speak or the donor funds that used to come before we went to the low middle income status are no more coming so we are in a different I mean realm all together so for me, looking at where I stand I think its unsustainable because I mean what are you producing? And those things that you are producing are they of economic value? Are you adding value to it? I mean these are traditional things that we've been doing and not forget, even though we are exporting oil now I mean we are only getting 13% of our oil production. We export and at the same time we don't use them. As of now since we started oil production we've gotten almost about 3 billion US dollars I mean which is nothing to write home about and also we are a net you know import dependent country. I mean most of the things that you see here are imported. We are not exporting. The exports that we make are nothing to write home about so I think we are contracting loans, I mean we have gotten assurance from the managers of the economy that it's sustainable but looking at, I mean looking at what is happening we cannot sustain it. Don't forget that I mean our cedi is depreciating even though there is a seeming I mean stability in the value of the cedi because the government is expecting the Euro bond, government is also expecting the cocoa syndicated loan and some funds from our developmental partners so they think that maybe at the latter part of the year or at the 4th quarter of the year, this could push in I mean the stability of the cedi but what happens? When we enter into next year, it's going to be cyclical, we are going to have the same thing because why? We are not producing enough to export, I mean we are only importing I mean things that as a nation we

could produce but because we don't have the infrastructure I mean to sustain the production of these small small things I keep on saying, I mean we cannot sustain our loans or I mean our debt portfolio.

Interviewer: ok so if I get you right, one of the implications of Ghana's rising debt is the fall of the cedi.

Interviewee: I mean not necessarily because you know, you are contracting loan, I mean both from foreign and outside and most of these loans we use to retard some debt especially, we always want to put it....some will be used to pay, you know temeous...some of the local people who have their bills have or their investments have matured government use to pay them so most of this loans are used to I mean offset those kind of debts and secondly too because the cedi doesn't have the much value, I mean you need to take In a lot of cedis to buy dollars...you understand what im saying? You are contracting loans, you are taking this cedi which doesn't have i mean requisite value for trade purposes to get in more dollars, so sometimes what we call I mean capital flight, most of the foreigners in this country when they do business they just change all these things into dollars and they just take it to their parent companies so I mean we are in 6's or 7's, I mean its not a small thing that we find ourself .it will only take I mean a strong kind of policy direction to drive forward the economic fortunes of this country.

Interviewer: I will be coming to the way forward soon but what other implication do you think this problem creates for the country?

Interviewee: I mean talking about the ballooning of Ghana's public debt, I mean when you go outside, for instance I talked about now the finance minister and the governor of the central bank, that's Doctor Henry Kofi Wampah, they will be going to the US, they will be going to the United

Kingdom and also Germany on a road show so as to issue the Ghana's 4th Euro bond, when they look at this credit ratings like fixed, when they look at this you know, it makes you an uncredit country, and uncredible, I mean so to speak an uncredible or incredible country to be given loan so they will be compelled to I mean increase the interest that you will be giving them so if they are giving you \$10000, ok I will give you \$10000 at an interest rate of I mean 10%, you understand what I'm saying? That's what happens because you have contracted a lot of loans so what is happening? You see so because they are scared, I mean they will say no you cannot pay well but thankfully lets look at the other side of the coin. Now the IMF has given us I mean a satisfactory I mean performance under their external credit I mean facility program which makes us very fine I mean in the eyes of the international investment community so they will be doing I mean their own analysis of the situation. This is a country which has huge debt portfolio but on the other hand the IMF is, I mean has repost confidence in the economy so they will be doing their own calculations I mean or their own analysis and they will arrive at the kind of conclusion they wanna have.

Interviewer: you did cite one worrying situation about Ghana being a net import country where we would have to use a lot of cedis to bring in few finished product, so would you say industrialization is a way forward?

Interviewee: I mean any any, that's basic. Someone will say it's a senecono or a pre recosite for any industrialization process to take place. If you don't industrialise I mean you cannot be counted in the most developed economies in this world. I mean listen, now farmers which, or farming which is the backbone of this economy. What are we using? We are using primitive kind of methods still I mean hoes, cutlass, we are using baskets. I mean only a handful of farmers use I mean tractors for their farming operations so with this at the background you cannot move

forward, you understand what im saying? Cos you are not getting a modern way or you are not using a modern method of farming so when you use these small things, I mean what are the economies of scale? What are the economies of scale? That's the point, so it will take you a longer period for you to have much production but one who is using errhmm the tractor or current I mean farming methods I mean would within a short spate of time would make huge production and that would be at your disadvantage so industrialization is the way out but listen lets look at do we have the requisite technology I mean to move this kind of industrialization process? I mean that's the question that I mean as a nation we should be asking.

Interviewer: ok so what other solutions would you prescribe as a way forward as a Ghanaian journalist?

Interviewee: yeah I think most of the situations that I bemoan or that I larment or I talked about inherent in them are some of the solutions. Are we prepared to take the bull by the horn? Now government has started with some sugar processing factory in the Central region, I mean other methods too or other means are also been taken I mean for this industrialization process I mean to take place. Also a good refinery project is also underway but this is for the both I mean the medium and the long term but as we speak now I ea you cannot see the bearings or the fruit of this exercise or this project being taken by the government so one, we should embark on serious industrialization because as a country we have realized that I mean we are an agreyan economy, you understand what I'm saying? Almost about 60% of our ...or the things that bring us money or foreign exchange is based on farming, I mean cocoa and we are having a steve opposition from Cote D'voire ok so can we have a cocoa processing plant here? You know so it's all about adding value and since time immemorial all the managers of the country since we undertook this 4threpublical constitution they are all in the known that industrialization adding value to raw

material is the way out so these are all the issues that I think when we add value to our raw material, we embark on a serious industrialization I mean process so that that would also commutate so that we will be exporting more than we do importation so I think so that we will have a strong I mean we will have a straight trade surplus than trade deficit.

Interviewer: so would you say that it would be ok to borrow and invest in industries?

Interviewee: I mean theres no crime in borrowing but you are borrowing for what? Are you borrowing for economic purposes or you are borrowing just to chew on it? That's...that's..have you gotten the drift? Are you borrowing to embark on an economic activity or you are borrowing just to buy a shirt and put on? That's why the president in one of his address to the nation talked about smart borrowing, I mean you borrowing for an economic activity but not just borrowing I mean borrowing to pay teachers. You understand what I'm saying, you borrow to go and pay debt no that's not a good I mean sound business or economic decision you borrow to take an economic activity or to undertake a project that will be self financing like the Etuabo gas, at the end of the day the project can finance itself by paying the debt that was secure I mean to or the loan that was secured I beg your pardon the loan that was secured to undertake that project.

Interviewer: ok...ok so thank you so much. Do you have anything else you would....

Interviewee: oh yeah am...am..so as I stated earlier on I mean industrialization is the way out back with the requisite technology that could propel the frontiers of this economy.

Interviewer: thank you so much.