

# FOUNDER'S DAY

## SMG Holds Placard Parade At Nkrumah Mausoleum Today



**Osagyefo Dr. Kwame Nkrumah**

**T**he Socialist Movement of Ghana (SMG) will today hold a placard parade from the Black Star Square to the Bank of Ghana headquarters on the Professor Atta Mills Highway in Accra from 8.00am to 12.00pm in commemoration of the Real Founder's Day celebration tomorrow.

Blaise Tulo, Convener of the Accra collective of the SMG told *The Insight* in an interview that the parade aims to salute the exploits and achievements of Osagyefo Dr. Kwame Nkrumah as the Sole Founder of the Modern Republic of Ghana.

According to him, apart from the placard parade the Founder's Day celebration tomorrow Wednesday, September 21, 2022 will chronicle events leading up to the independence struggle and why Nkrumah should be recognized as the sole founder of Ghana.

He said the main event for such a historical revisit is a public forum at the SMG headquarters next-door to the Norgahill Hotel on the George Walker Bush Highway from 4.00pm to 6.30 pm tomorrow Wednesday 21 September 2022.

*Cont. on page 2*

### UG Lecturer Salutes Alan On Establishment Of 125 Factories Under Akufo-Addo



**Alan Kyerematen**

**A** lecturer at the Legon Center for International Affairs and Diplomacy, University of Ghana, Dr. Nana Kwame Nkrumah, has said that Ghanaians will choose Hon Alan

*Cont. on page 2*



**Ade Coker**

**Cocoa Farmers Demand 30% Increase In Price For 2022/23 Crop Season - Report** *page 8*

**Stop Blaming Russian - Ukraine War For Your Inefficiencies - Chairman Ade Coker Jabs Akufo-Addo**

# The INSIGHT

## — EDITORIAL

### STOP THEM!

The Auditor General's Report released recently about tax irregularities, payroll fraud and other malpractices at the government ministries, departments and agencies including the metropolitan, municipal and district assemblies is most disheartening.

Some of these irregularities have always attracted media attention because of how the nation often loses moneys which could have been used to address some developmental challenges.

For instance the issue of payroll fraud has been a major concern over the years necessitating the introduction of the electronic payment system for public sector workers.

The Controller General's Department also in a bid to stop this malpractice has introduced the verification system for government workers before salaries are paid.

It is therefore most surprising that we continue to record cases of payroll fraud despite all these stopgap measures introduced over the years. Clearly, the identification and prosecution of these individuals behind this fraudulent practice most of who are public servants is long overdue.

Institutions such as the Economic and Organized Crime Office and the Financial Intelligence Centre need to team up with other state agencies such as the Office of the Special Prosecutor and that of the Auditor General to ensure the prosecution of these criminal gangs and thieves instead of the existing arrangement of reporting and surcharging offenders if this nation-wrecking practice is to grind to a halt.

There is no denying the fact that the 'soft' handling of these 'thieves' behind the 'ghost names' is what has emboldened them and made their exorcism difficult.

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## SMG Holds Placard Parade At Nkrumah Mausoleum Today

from front page

The forum will be chaired by Professor Akua Britwum of the University of Cape Coast.

Speakers at the event will be Professor Raymond Atuguba of the University of Ghana and Comrade Kwesi Pratt Jnr., General Secretary of the SMG.

The freedom Band and cultural Troop are also scheduled to perform.

Blaise Tulo told *The Insight* that the progressive sections of the diplomatic community and socialist and progressive organisations as well as the general public have been invited to participate in the event.



Osagyefo Dr. Kwame Nkrumah

## UG Lecturer Salutes Alan On Establishment Of 125 Factories Under Akufo-Addo

from front page

Kyerematen over the National Democratic Congress (NDC) contender, H.E John Dramani Mahama in the likely event that the two lead their respective political parties in the 2024 general elections.

According to Dr. Nana Kwame Nkrumah looking at the impressive performance by the trade and industry Minister with 125 factories established and over 160,000 employment opportunities created, Ghanaians will trust Alan more than his competitors.

Ghana's current President, HE Nana Addo Danquah Akufo-Addo, heaped kind words on the flagship intervention scheme birthed by the current Trade and Industry Minister, Hon. Alan Kyerematen.

As part of his two days visit to the Central Region of Ghana recently, the President confirmed that the 125 established factories under the 1 District 1 Factory initiative have produced an impressive 160, 824 employment to the Ghanaian youth. During the commissioning of the APEB Cylinder Factory in the Awutu Senya West Constituency, Nana Addo's speech eulogized the success story of the 1D1F project.

"Thus far the 125 factories operating under the 1D1F project have so far employed one hundred and sixty thousand, eight hundred and twenty-three (160,823) people, who, hitherto, would far, the one hundred and twenty-five (125) factories operating under this have been at home twiddling their thumbs, with no hope in sight", part of the President's speech reads.

The President then celebrated the benefits from the APPEB Cylinder factory to the citizenry and natives of the Awutu Senya West in the Central Region of Ghana.

"What we are witnessing here today in Chochoe is a true reflection of the cylinder recirculation model, which is expected to commence in the last benefits of the 1D1F policy, i.e., the creation

of hundreds of direct and considered by the National Petroleum Authority for the roll out of the new quarter of this year, indirect jobs, and the expansion of value-addition activities in the country", Akufo-Addo explained.

The 1D1F Project is a brainchild of Ghana's Trade Minister Hon. Alan Kyerematen.

Dr. Nkrumah leaned on these success stories from the Alan camp in a telephone interview with the Chronicle newspaper to suggest that the ascension of Alan Kyerematen to the Presidential throne was only a matter of time.

The lecturer emphatically hinted at the imminent transition of power from HE Nana Addo Danquah Akufo-Addo to Hon Alan Kyerematen come December 7, 2024.

## THE INSIGHT

ACTING EDITOR

- BENJAMIN AKUFFO  
(0244669960)  
benjaminakuffo65@yahoo.com

Secretary

- Gifty Agyemang

Design and Graphics

- Godwin K. Attah

Production Manager

- Kweku Menz

### PUBLISHERS

Militant Publications Limited

P. O. Box NT 272

Accra-Newtown, Accra

Tel: 0244379344/0242836930

Email: theinsightonline20@gmail.com

LONDON CONTACT

5A Wesminster Bridge Road, London SE 1- 7XW

Tel: 0171-6201430

E-mail: prattc22@aol.com



# Stop Blaming Russian-Ukraine War For Your Inefficiencies - Chairman Ade Coker Jabs Akufo-Addo

The Greater Accra Regional Chairman for the opposition National Democratic Congress (NDC), Mr Joseph Kobina Ade-Coker has cautioned the ruling New Patriotic Party (NPP) government led by President Nana Addo Dankwa Akufo-Addo to stop blaming the current prevailing economic crisis in the country on the Russian-Ukraine war and Coronavirus (COVID-19) pandemic.

Speaking in an interview with Kingdom FM in Accra recently, the NDC stalwart stressed the Akufo-Addo led NPP government should take the responsibility for their own inefficiencies. According to him, the very thing being blamed as the woos of the economy has been of great boost for the economy.

Talking about coronavirus (COVID-19), he said the government has benefited from several funds including the sinking fund, World Bank's US\$1 billion dollars, International Monetary Fund (IMF), African Development Bank's donation to Ghana.

"Where has all the money gone?," he queried.

"Has any bomb fired in Russia or Ukraine landed here in Ghana? So why blame others for your negligence?," he rhetorically asked.

He alleged that despite the so-called COVID-19, the current government exceeded tax target for the year so he could not understand why government would continue to blame COVID-19 for ill-performance. Instead, he accused the government of its unreasonable borrowing which it had refused to

service is the cause of Ghana's woos.


He said if a country exceeds its revenue target for the year, how could such a country be crying for help? But rather, the NDC stalwart said the unreasonable collapse of banks by the NPP government has accounted for what the prevailing economic crisis the country is experiencing.



Ade Coker

Telephone: +254-20-318888  
Fax: +254-20-2240066/341935/344333  
Email: communication@mfa.go.ke  
Website: www.mfa.go.ke  
When replying please quote Ref. No. and date

HARAMBEE AVENUE  
P.O. Box 30551-00100  
NAIROBI, KENYA



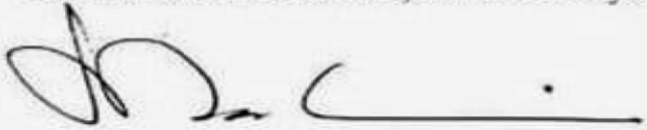
MINISTRY OF FOREIGN AFFAIRS

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**All Heads of Mission.**  
**All Heads of Directorate.**

**RE: KENYA'S POSITION ON THE SAHRAWI ARAB DEMOCRATIC REPUBLIC (SADR)**

1. Reference is made to the above subject. The Republic of Kenya maintains excellent relations with all Members of the African Union (A.U) and the United Nations (U.N). Kenya has always and will continue to strengthen these relations for mutual benefit.
2. Kenya's position on the Sahrawi Arab Democratic Republic (SADR) is fully aligned with; the decision of the Organization of African Unity (OAU) to admit SADR to its membership on 22<sup>nd</sup> August, 1982, and the A.U Charter which calls for the unquestionable and inalienable right of a people to self-determination. Further the Country, aligns itself with decisions of subsequent AU Assemblies of Heads of State and Government on SADR.
3. Consequently, Kenya aligns itself with UN Security Council Resolution 690 (1991) which calls for the self-determination of Western Sahara through a free and fair referendum administered by the U.N and the A.U. Kenya supports implementation of this UN Security Council Resolution to the letter.
4. It should equally be noted, that Kenya does not conduct its foreign policy on Twitter or any other social media platforms, rather through official government documents and frameworks.
5. This letter therefore serves to remind and bring to the attention of Kenya's Missions and Directorates, of the Country's position on the matter.



Amb. Macharia Kamau, CBS.  
**PRINCIPAL SECRETARY**







# INTERNATIONAL NEWS REPORT

## Compiled By Peoples Dispatch

### 77th UN General Assembly Opens In New York Amid A World In Crisis



*The UNGA will last from September 13 through September 27. The session opens as crises wreak havoc across the globe, prompting mass protest from people around the world. How will the UN respond?*

The 77th United Nations General Assembly (UNGA) opened at UN Headquarters in Manhattan, New York on September 13. The UNGA will last through September 27. The issues of COVID-19 and climate change which defined the 76th session of the General Assembly are still very much unresolved.

Additionally, as the war rages on between Russia and Ukraine, and the West has united to impose [sanctions on Russia](#), a central global supplier of grain and fuel, the world has been plunged in food, energy, and economic crises. Across the world, people have been rising up against the cost of living crisis including [Haiti](#), [Britain](#),

the [Czech Republic](#), [Uruguay](#) and others.

In his opening remarks to the Assembly, UN Secretary-General Antonio Guterres said “We face a world in peril across our work to advance peace, human rights and sustainable development, from conflicts and climate change to a broken global financial system that is failing developing countries, to poverty, inequality and hunger, to divisions and mistrust.” Hungarian diplomat Csaba Kőrösi, now the president of the 77th session of the UN General Assembly, said that the Ukraine conflict had been a “turning point”, and emphasized the need for nuclear disarmament. On September 27, the UNGA will

hold a high-level meeting to commemorate the [International Day for the Total Elimination of Nuclear Weapons](#). In addition to nuclear disarmament, the UNGA will focus on economic development, peace, human rights, humanitarian aid, and international law among other topics.

Another high-level meeting to mark the 30th anniversary of the adoption of the Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities will be held in the UNGA on September 21. Kőrösi highlighted the issues of COVID-19 and climate change in his opening speech, saying, “recent weeks have seen record-setting temperatures,

raging fires and devastating floods. It looks as if Mother Nature is fighting back,” and mentioning how the pandemic continues to disrupt and destroy lives across the globe. Guterres also reemphasized the issue of climate change at a press briefing on September 14. He specifically called upon the wealthiest nations, who are responsible for the vast majority of emissions, to lead the way on reducing their impact on the world's climate. “Whether it's Pakistan, the Horn of Africa, the Sahel, small islands or Least Developed Countries, the world's most vulnerable—who did nothing to cause this crisis—are paying a horrific price for decades of intransigence by big emitters,” said Guterres.

### Cuba Prepares For Referendum On Progressive Family Code

Cuba is set to hold a popular referendum on its new Family Code, which changes the concept of the family nucleus and expands women's rights and LGBTQ+ rights. Last Sunday, September 18, Cuban citizens living abroad, and next Sunday, on September 25, citizens in Cuba will vote to decide whether to “approve” or “reject” a new progressive Family Code, which has been drafted in consultation with the general public. This referendum is an unprecedented democratic exercise in Cuba, since for the first time in the country's history, a referendum on a code is being held. Until now only constitutional referendums have been held in the country. Additionally, it is a pioneering event in the world, as Cuba has become the first country in the world to have submitted a Family Code to popular consultation and referendum. The new Family Code is also considered to be the most inclusive and progressive code in the world.

The new code guarantees the right of all people to form a family without discrimination, legalizing same sex marriage and allowing such couples to adopt children. It allows for parental rights to be shared among extended and non-traditional family structures that could include grandparents, step parents and surrogate mothers. It

also adds novelties such as prenuptial agreements and assisted reproduction. It boosts women's rights, promoting equal sharing of domestic responsibilities and extending labor rights to those who care full-time for children, the elderly, or people with disabilities. It establishes the right to a family life free from violence; that values love, affection, solidarity and responsibility. It codifies domestic violence penalties, and outlaws corporal punishment. It states that parents will have “responsibility” instead of “custody” of children, and be required to be “respectful of the dignity and physical and mental integrity of children and adolescents.” It also asserts that parents should grant maturing offspring more say over their lives. On Thursday, September 15, during the Round Table with members of the drafting commission and the National Electoral Council (CEN), Justice

Minister Oscar Silvera Martínez noted that the new Family Code “protects human dignity, all family law institutions, eliminates any vestige of discrimination in the family sphere and rejects violence.” He highlighted that “its preparation process was a complex exercise, widely democratic and had diverse views from science, multidisciplinary and the cultural aspects of the Cuban people, which reinforces the quality of the regulations.” Last month, Silvera Martínez, confirming the date of the referendum and thanking those who contributed to the process, said that the Family Code “is worthy of its people and a reflection of its reality, which reaffirms the humanist character of the Revolution and leads our State and society in the search for a fairer Cuba.” Cuba's current Family Code was written in 1976, and was one of the only aspects not addressed by the 2019 Constitutional Reform. In 2018, during the discussions and

meetings on constitutional changes, while opinions were divided, it was found that there was significant support for the recognition of marriage outside of the hetero-normative conception. The commission felt that it was something that needed more discussion with people. Eventually, the National Assembly of People's Power decided to omit the definition of marriage, leaving it to be decided in the family code and not the constitution. Nevertheless, marriage as a contract between two partners remained, without specifying the definition of the parties that are and are not allowed to enter it.

Following the approval of the new constitution in February 2019, the members of the drafting commission began working on a new Family Code. By September 2021, 22 versions of the new code were presented. In December 2021, the National Assembly approved the draft that was submitted to popular consultation in February 2022. Three months of popular consultation, in which 6,481,200 voters or 75.93 % of a total of 8,535,742 participated with 336,595

interventions in more than 79,000 meetings throughout Cuba, led to changes to 49.15% of the content of the draft. This draft, with suggestions from citizens, underwent a new evaluation by the National Assembly, and was unanimously approved in June. Now, it is awaiting its ratification in the popular referendum. As established in the Constitution, all citizens over 16 years of age are eligible to vote in the referendum. The new Code must receive more than 50% of the valid votes in order to be applied as a law. According to the data issued by the CEN, 61% of those who were consulted on the referendum, expressed themselves in favor of the new code. On Saturday September 17, in anticipation of the vote, activists and community members participated in a bike caravan to mobilize support for the new Family Code and took to social media with the HT #CodigoSí (#CodeYes).

# Akufo-Addo Not In Charge Of Ghana's Security – Bombande

Ghana's former Deputy Minister for Foreign Affairs and Regional Integration and Senior UN Mediations Advisor, Dr. Emmanuel Bombande, has stated that President Akufo-Addo has lost touch with the country's security system.

Speaking exclusively on Accra based Class Fm, Dr. Bombande revealed that President Akufo-Addo's uncertainty on Aisha Huang's deportation status is an indication that he is not in-charge of Ghana's security.

"It comes across clearly to the people of Ghana that he's making a tacit admission, which is also a confession that he as the Commander-in-Chief, is not totally in-charge of our security architecture".

According to Dr. Bombande, the continuous destruction of Ghana's water bodies by Aisha Huang and her cohorts, sharply contradicts the President's efforts at seeking global financing support for climate change adaptation.

"If you put in context the dominance of Aisha Huang in our media headlines, associated with the destruction, ravaging and raping of our environment and taking it away from future generations with Aisha Huang representing symbolically, the image of the continuation of the destruction that we have (in Ghana) and our President's (efforts), together with the community of the developing world, seeking finances for climate adaptation, the picture is very contradictory," he stated.

Dr. Bombande further stressed that the re-entry of Aisha Huang into Ghana represents a breach in the country's security set up, and must be investigated to enhance the country's security.

"A major concern for all of us is that there has been a breach in our national security set up in the context of her re-entry into Ghana and we must use that as the argument for a comprehensive investigation, to reframe and

enhance how our security agencies review their capacities for the protection of Ghana, to make our borders (impenetrable)," he advised. Meanwhile, Chief of party at the Bureau of Public Safety, Nana Yaw Akwada has further revealed that President Akufo-Addo's recent comments on Aisha Huang, points to the fact that he and his appointees are not concerned about the wellbeing of Ghanaians.

"I feel so violated because, the issue of galamsey is not a matter that should be taken lightly. It is a matter that threatens our very existence and if today, it is coming to light that the president and his senior minister are not on the same page, every Ghanaian, I think should be worried."

"It means that, the things that concern us, really do not concern these people," he bemoaned.

He is, therefore, calling for a parliamentary probe into the



**Dr. Emmanuel Bombande**

circumstances surrounding Aisha Huang's deportation and subsequent re-entry into Ghana.

"This matter should not rest here. I will want to see the parliamentary committee on Defense and Interior, take this matter up seriously."

"We need to examine how our president is briefed, what issues make way into his daily security briefings and which ones do not," he said.

The President of Ghana, [Nana Addo Dankwa Akufo-Addo](#), has

come under fierce criticism for asserting that he does not think the Chinese national was deported out of Ghana, following her arrest for engaging in illegal mining activities.

This view, sharply contradicts his earlier admission three years ago during an engagement with the Ghanaian community in Colorado, USA, in which he categorically stated that the deportation of Aisha Huang was a mistake.

## Digitization And Technology Adopted To Meet Operational Challenges - GWCL Communications Manager

**By Florence Anim**

The Communications Manager of the Ghana Water Company Limited (GWCL) Mr. Stanley Martey has hinted that, the company had over the years made a lot of investments in water treatment and accessibility through adoption of technology and changing transmissions and distribution channels.

Along side that, on revenue mobilization, the GWCL had put in place measures to ensure that the non-revenue water losses would be reduced from 42 per cent to 35 per cent by 2025 since a lot goes into reducing this non-revenue water losses which mostly occur as a result of illegal and inappropriate connections.

Mr. Martey added that, digitalization and technology

have been adopted in most of the company's operations, intended to use to meet some of operational challenges.

He however refuted claims that water from the Company is contaminated stressing that water coming from the Company met the best of international standards and was treated thoroughly and that if there was any contamination, it would be from the handling and storage by end users and the channel of water transmission and distribution.

Mr Martey said this during a panel discussion on the sidelines of a multi-stakeholder engagement on Ghana WASH Week celebration.

The event was organized by the Ghana Coalition of NGOs in the Water and Sanitation and brought together stakeholders in the sector to discuss issues facing the water

and sanitation sector.

The event was on the theme, "Urban Water Supply in Ghana – Reflecting on the Past, Defining the Future."

Mr Attah Arhin, Chairperson, Ghana Coalition of NGOs in Water and Sanitation, urged the GWCL to strengthen its regularizations and partnerships to enhance their service delivery.

He urged them to also enhance engagement with the public to address challenges end-users faced in water supply.

The Ghana Water, Sanitation and Hygiene (WASH) week is celebrated annually by stakeholders in the sector to discuss issues affecting the sector.

The theme for the week long celebration is: "Pursuing Greater Prioritization and Behavioral Change for Sustainable Safe Drinking Water and Environmental Sanitation."

## Inflation For August Hits 33.9%, Highest In 21 Years

Ghana's consumer price inflation for August 2022 has hit a 21-year record high of 33.9%, according to the Ghana Statistical Service. This means that prices of goods and services went up by 2.2% between July and August 2022.

July's inflation stood at 31.7%.

Government's statistician, Samuel Kobina Annim, who announced the rate on September 14, 2022, said for the first time in 2022, month-on-month inflation was 1.9%, the lowest this year.

Meanwhile, the Eastern region recorded the highest



**Ken Ofori-Atta, Minister of Finance**

inflation rate of 41%, while the Upper East region recorded the lowest rate of 22.8%.

Food inflation stood at 34.4%, non-food inflation was 33.6%, and inflation for locally produced items was 33.4%.

Inflation for imported items, the government statistician said stood at 35.2%.



# Cocoa Farmers Demand 30% Increase In Price For 2022/23 Crop Season - Report



## Cocoa is a key export commodity for Ghana

Cocoa farmers in Ghana have warned that the country could lose more productive cocoa farms to illegal mining if cocoa prices remain unchanged.

The call comes ahead of this year's Cocoa Day (October 1, 2022), which marks the beginning of the cocoa year. In Ghana, the day is very significant as it coincides with the government's annual announcement of the cocoa producer or farmgate price for the ensuing cocoa season.

### A bad signal to cocoa farming

Although the government is yet to make any public statement on the matter, unofficial sources have cited Cocobod's indebtedness as a reason an increment in the cocoa producer price cannot be expected.

Ismail Pomasi, a cocoa farmer in the Ahafo Ano South District of the Ashanti Region told Cocoa Post "it will be a bad signal to cocoa farming," adding that "already the industry is under serious threat." Cocoa production in the world's second-largest exporter nation is under the siege of a four-prong challenge of drought, disease, illegal mining and poor commodity prices, which seriously threaten sustainability.

The government and Ghana Cocoa Board (Cocobod), the sector regulator, are implementing the National

Cocoa Rehabilitation Programme with support from the Africa Development Bank (AfDB) in response to the Cocoa Swollen Shoot Virus Disease (CSSVD).

A Cocobod audit in 2017 revealed that more than three hundred thousand hectares (300,000ha) of cocoa farms had been infected by the disease which renders cocoa trees unproductive. For the issue of climate change-induced drought, which is also adversely impacting productivity, studies by Cocobod and other stakeholders have established that an irrigation intervention could improve the situation.

### Massive devastation by galamsey

The other two challenges confronting the cocoa sector – illegal mining and poor prices – continue to remain daunting puzzles yet to be tackled.

"When you look at the issue of galamsey and its level of devastation, you'll realise that if you don't do something at this time to give some level of assurance and some kind of motivation to farmers, in terms of the pricing, then farmers will be more likely to sell their farmlands to these illegal miners," Ismail Pomasi opined.

According to him, Cocobod and the government have a golden opportunity to increase the producer price to demonstrate their commitment to preserving the cocoa sector as a major contributor to the national economy.

### The Cedi depreciation

The call for an increment in the cocoa producer price for the 2022/23 season, he explained is not based on capricious expectations.

Issifu Issaka is a cocoa farmer in the Sefwi Bekwai District of the Western North Region, and the president of the Sefwi Bekwai Cooperative Cocoa Farmers Association.

He told Cocoa Post editor, Kojo Hayford, that his group of farmers are expecting nothing "less than a 30%" raise in the farmgate price, citing a number of reasons. "In 2020 when they increased cocoa price to GHS660 the exchange rate was around GHS5.5 [to the US dollar], now the exchange rate is over GHS10. So, the government should consider all these mechanisms [sic] and increase the cocoa price for we [sic] the cocoa farmers," Issaka argued.

### Escalating input cost

His colleague based in the Ashanti Region also identified the rapidly increasing cost of input, mainly fertiliser and pesticides, as another reason the government must as a matter of necessity adjust the cocoa price upward.

"Farmers are incurring costs on labour, input cost and all these things we use our money for have gone up. We don't even find fertiliser in the market and if you are lucky to even find fertiliser in the market the price increment is about 300 – 400%," Pomasi emphasised.

He said, "we are aware that at the international level the price has not gone up; we agree with the government, but we are concerned about the dollar and then the effect of the depreciation of the Cedi on the overall economy."

"So please we are pleading with the government that since the cost of production has gone high over 100%, we know that the government cannot increase the cocoa price by 100% but at least a 30% increment will be ok...so that we all share the losses," Issaka appealed.

### Exchange rate gains

Isamil Pomasi contended that the government has since the last increment, two years ago, made significant exchange rate gains worth sharing with its hard-pressed cocoa farmers.

"The last time the price was increased, the [US] Dollar was around GHS5 plus, but as I speak now the Dollar has hit GHS10 and beyond and what happens to these gains?" he asked.

### Cocoa or galamsey dilemma?

With unsustainable cocoa prices on the world market coupled with the prevailing harsh economic situation, many cocoa farmers, they say, have become disillusioned. It doesn't get any better with the increasing threat of illegal mining, where many farmers face the dilemma of choosing between their cocoa farms or selling out to illegal galamsey miners.

"So, if the government tells us that this year it is not going to increase the price, then the question is are we ready to help farmers sustain the industry? Or we ourselves have also admitted that the cocoa industry has no future, so farmers should start thinking about engaging themselves in other things," the Ahafo Ano South farmer quizzed.

Already reports are rife about many cocoa farmers, especially in the Western, Eastern and Western North Regions, giving in to enticing offers from illegal miners. Fears are that this challenge which stares Cocobod and the government in the face could get out of hand if farmers are not encouraged to hang on.

"If the government decides not to increase the price, I am telling you we will see so many farmers selling off their farmlands to the illegal miners," Ismail Pomasi warned.

### Exodus underway?

The cocoa farmers shared stories of hardship and suffering being endured in cocoa communities by cocoa farmers and their families, including children.

They noted that every economic situation that affects all citizens in the country, the cocoa farmer is also part of it, and insisted it will be quite unfortunate for Civil Servants to receive COLA (cost of living allowance) whereas cocoa farmers are ignored. For Ismail Pomasi, cocoa farmers are not oblivious to the inflows their daily toil brings into the national kitty for the benefit of all Ghanaians.

He mentioned the USD1.3 billion cocoa syndicated loan expected to come in for the purchase of the 2022/23 crop and to help stabilise the local currency.

"We know that the industry is under threat and we are not coming out with measures to provide some kind of assurance to farmers that you can better your lives with cocoa farming, then I am sorry we will begin to look at other alternatives that could have the potential of not sustaining the industry," he said.

Issifu Issaka, the Sefwi Bekwai cocoa farmer, aligned this sentiment revealing that "so many farmers are running away from the cocoa sector and moving to different areas. People are going into rubber farming, others are going into galamsey activities, and others are going elsewhere." He reiterated on behalf of all cocoa farmers the appeal for the government to consider the increasing input and labour cost and the Cedi depreciation and "increase the cocoa price by a margin of 30%."

Source: [thecocoapost.com](http://thecocoapost.com)



# When Market Fundamentalism Overcomes Common Sense: Myth Of Electricity Markets

By Prabir Purkayastha

The price of electricity has [risen astronomically in Europe](#) over the last two years: by *four times* over the previous year and *ten times* over the last two years. The European Union has claimed that this rise in prices is due to the increase in the price of gas in the international market and [Russia not supplying enough gas](#). This raises the critical question: why should—for example—the German electricity price rises *four times* when [natural gas contributes only one-seventh](#) of its electricity production? Why does the United Kingdom, which [produces half the natural gas it consumes](#), also see a steep rise in the price of electricity? All this talk of Russia masks the reality that the electricity generators are making astronomical windfall profits. The poorer consumers, already pushed to the wall by the pandemic, face a cruel dilemma. As electricity bills may consume 20-30% of their household budget during winter, should they buy food or keep their houses warm?

This steep rise in electricity prices is the other side of the story of the so-called market reforms in the electricity sector over the last 30 years. The cost of electricity is pegged to the [costliest supply to the grid](#) in the daily and hourly auctions. *Currently, this is natural gas, which is why electricity prices are rising sharply even if it is not the primary source of electricity supply to the grid.* This is market fundamentalism, what the neo-classical economists call marginal utility theory. For those interested in its history, this was Augusto Pinochet's electricity sector reform in Chile. [Milton Freedman](#), assisted by his Chicago Boys, was the guru of Pinochet's reform. That electricity price should be based on its "marginal price" even became a part of Pinochet's Constitution in Chile. The Chilean reforms led to the privatization of its electricity sector, which was the objective of the reforms. It was the Chilean model that Margaret Thatcher copied in the United Kingdom. The UK dismantled the Central Electricity Generating Board (CEGB) that ran its entire electricity infrastructure from generation and transmission to bulk distribution. It [shifted the UK away from domestic coal](#) for thermal power plants, thus [breaking the powerful coal miners](#)

[union](#). These were also the Enron market "reforms" in California that led to a grid meltdown in the summers of 2000 and 2001.

We may think these issues have nothing to do with us in India. After all, we generate our electricity largely from domestic coal, rivers (hydroelectricity), and now, renewables. So why should we be concerned with what is happening in Europe and the price of natural gas?

Here is why we need to think again. The "reforms" the Union government has been pushing for two decades are privatization of the electricity sector on the lines of the UK and EU. The 2003 Electricity Act also [opened the doors for crony capitalists](#): the private power players who borrowed heavily from the public sector banks to set up a large number of plants. With supply overtaking demand, it is the banks and institutions which provided the loans that have incurred huge losses and have written these off as bad loans.

The other aspect of inducting private players was to transfer the burden of buying their high-cost power to the State-owned distribution companies. This is what shows up as huge losses for the State distribution companies. As the state governments have to face the people, they are forced to buy power—even costly power—and supply it to farmers and domestic consumers. To ensure some price stability, they buy the bulk of their electricity demand using long-term contracts and only a small amount from day-ahead and daily auctions.

Then the new amendment to the Electricity Act, referred now to the Parliamentary Standing Committee on Energy, proposed something unique no country has tried: [divorcing ownership of electricity from the wires](#) over which it flows. While the state governments will maintain the entire distribution infrastructure, the electricity flowing through it will be owned by traders who buy and sell electricity in the "market." While the State government will still be held accountable by the people, they



**File Photo.** The so-called electricity markets were created to help private capital, not people. It is time we wound up these bogus markets and returned public services to people, to be run cooperatively for their benefit

will have the responsibility but no ability to control the price or supply electricity to their people. From a small amount of power now traded in the spot markets, the entire supply to the States will be from the spot electricity markets.

How will electricity prices be fixed in these markets? It will be based on the marginal price of electricity fixed through auctions—the same model of pricing that has caused the current crisis in the EU and the UK.

The objective of the EU reforms was not a more efficient electricity sector but the [privatization of the electricity utilities](#). Before these reforms, each major country, such as France or Germany, had an integrated grid with the prominent state players generating, transmitting and distributing electricity. These state-owned players set the rules of the grid. Since the EU wanted to privatize the electricity sector, it pursued the so-called reform of unbundling generation from the grid. While transmission and distribution were accepted as natural monopolies and remained with the state, the generators were privatized and made to compete with each other across the entire EU grid. But how to make generators compete when electricity generation and supply have to balance at each instance of time and therefore must operate cooperatively? Earlier, the grid balanced the load and demand. It increased the most efficient sources when supplies were short and shed the least efficient

ones when supply exceeded demand. Regulators in the EU substituted this model of scheduling plants with scheduling based on an artificial market in the name of so-called reforms. The market is structured so that you can bid in advance for selling an amount of power for a particular time slot. For simplicity, let us assume that there are 24 slots of one hour each in a day, and you, a generator, can quote your price to sell an amount of electricity for a specific slot. The *highest price* that meets the full demand of that time slot becomes the *price for all the bidders quoting up to that price. Even the lowest bidder gets the price of the last successful bidder for that time slot!*

And what happens if the prices of various modes of generation are significantly different and you need a costly generation to meet the total demand? Then, the power produced from the wind or the sun—the incremental costs of which are virtually zero—is charged at the exact cost as, say, the expensive LNG required to meet full demand.

The EU banked heavily on natural gas as its preferred fuel to reduce greenhouse gas emissions, ramped up renewables—solar and wind power—and phased out lignite and coal. It has imposed a series of sanctions, made public plans for further sanctions on Russia and seized about [Euro 150 billion of Russian reserves](#) in EU banks. It has also announced plans to cut down oil and gas supplies from Russia. Not surprisingly, Russia has sharply reduced its gas supplies to the EU. If the West thought it could [weaponize](#)

[its financial power](#), why did it think Russia would not retaliate by cutting gas supplies to the EU?

Russian supplies of natural gas to Western Europe are falling, and the price of LNG has risen sharply in the international market. Worse, there is simply not enough LNG in the market to replace the gas Russia supplied to the EU through its pipelines.

With the gas price rising by 4-6 times in the last few months, the cost of electricity has also risen sharply. But as only a fraction of the electricity is powered by gas, all others—wind, solar, nuclear, hydro, and even dirty coal-fired plants—are making a killing. Only now are the EU and the UK discussing ways to address the burden of high electricity prices on consumers and the windfall profits of the electricity generators.

But it is not only the EU and UK consumers who are badly hit. It is also European and British industries. Stainless steel, fertilizer, glass-makers, aluminum, cement, and engineering industries are all sensitive to input costs. All these are at risk of shutting down in the EU and UK. Former Greek Finance Minister Yanis Varoufakis writes in [Time to Blow Up Electricity Markets](#), "The European Union's power sector is a good example of what market fundamentalism has done to electricity networks the world over... It is time to wind down the simulated markets."

Why, then, is the Modi government rushing into this abyss? Has it not learnt from last year's experience when, [after a coal shortage](#), prices in the electricity spot market went to Rs. 20 per unit before public outcry had it capped at Rs. 12? Why push again for the bankrupt policies of market fundamentalism in the guise of electricity reforms? Who will benefit from these market reforms? Certainly, neither the consumers nor the States.