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Portugal and Ghana: The Gateway to West Africa?

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"The Republic of Ghana benefits from strong GDP growth, increasing oil production volumes, and a 20-year track record of political stability and democracy".[1] This is the introductory paragraph of the most recent evaluation of a rating agency. Indeed, Ghanaian state representatives never miss an opportunity to remember that the country is a stable democracy. Ghana's presidential elections that took place on 7 December 2012 were the country's sixth presidential elections since it democratized in 1992. The incumbent President, John Dramani Mahama, leader of the National Democratic Congress, won with 50.7% of the vote. New Patriotic Party leader Nana Akufo-Addo, who lost to Mahama in the poll, announced that the party would challenge the results of presidential elections. However, as happens in stable and functional democracies, Akufo-Addo will contest the results through the legal and institutional channels. "We are taking our matter to the place where the constitution says we should take our matter. We are going to put ourselves in the hands of the judges of the Supreme Court and they will decide the fate of this election", he said to his supporters.[2] Indeed, Freedom House rates the country as free, with excellent scores regarding political rights and civil liberties. In fact, Ghana already passed Samuel Huntington's two-turnover test for democratic consolidation,[3] with peaceful transitions of power occurring in 2001 and 2009.

Equally important, Ghana was described last year by the accounting firm Ernst & Young as one of the African countries that will offer attractive foreign direct investment (FDI) opportunities in the next five years, above all regarding the oil and gas industries, though oil revenues should also indirectly boost other sectors, such as infrastructure.[4] Thus, the Ghanaian state representatives also never miss a chance to emphasize, as they did during "Ghana Day in Lisbon" in September 2012, that their country is business friendly. Geneviève Tsegah, the Ghanaian non-resident ambassador to Portugal, led a delegation with the purpose of enhancing cooperation, as well as promoting business and trade relationships between the two countries.

1 "Ratings On Ghana Affirmed At 'B/B'; Outlook Stable" (*Standard & Poor's*, 21 November 2012).

2 Kwasi Kpodo and Richard Valdmanis, "Update 3: Ghana opposition to challenge presidential poll result" (*Reuters*, 11 December 2012).

3 "[A] democracy may be viewed as consolidated if the party or group that takes power in the initial election at the time of the transition loses a subsequent election and turns over power to those election winners, and if those election winners then peacefully turn over power to the winners of a later election". Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (University of Oklahoma Press, 1991), pp. 266-267.

4 *It's time for Africa: Ernst & Young's 2011 Africa attractiveness survey (Ernst & Young*, 2011), p. 39.

During "Ghana Day in Lisbon", ambassador Tsegah outlined a number of potential investment opportunities in the country, and emphasized Ghana's concern with investor protection, FDI, tax concessions and earnings management support.

The International Monetary Fund's World Economic Outlook projected gross domestic product (GDP) growth of 8.2% in 2012, 7.8% in 2013 and 7.3% in 2017. Moreover, Ghana's GDP grew 14.4% in 2011 and 8% in 2010.[5] Thus, despite a low GDP per capita at this stage, Ghana's oil production – about 80,000 barrels per day in 2012 – means that the country is increasingly attractive, including to Portuguese major companies, as well as to small and medium enterprises (SMEs) looking for business opportunities abroad. Some potential areas of business in Ghana are clearly identified. According to Pedro Cuddell, chairman of the Bank Espírito Santo (BES) Cape Verde, construction (ports, roads, bridges, and schools), energy and agribusiness are among areas of opportunity.[6]

Moreover, economic diplomacy has been the central priority of Portuguese foreign policy in the last few years. Economic diplomacy was already part of the political discourse before the current Portuguese government, but since 2011 it has assumed increased importance and visibility.[7] Thus, the "focus on export growth and new business deals could be considered the trademark of the current government's foreign policy. Indeed, if one were to single out one particular goal that cuts across the entire political agenda, economic diplomacy in support of exports and investment in Portugal would feature prominently. Diplomacy is now basically placed at the service of economic recovery. Almost all official visits and contacts, with the exception of the ones previously institutionalized, are fully dictated by economic goals".[8]

Africa, Asia, Latin America and the Persian Gulf have been highlighted as high priorities for Portuguese economic diplomacy, among other areas, by the Minister for Foreign Affairs, Paulo Portas, and Pedro Reis, the president of the Trade and Investment Agency (AICEP).[9] However, with the exception of the PALOP, the Portuguese-speaking African countries (Angola, Cape Verde, Guinea-Bissau, Mozambique, and São Tomé and Príncipe), sub-Saharan Africa has remained largely off the radar of Portuguese economic diplomacy. Ghana is an obvious example. Despite the multitude of positive facts mentioned above, Portugal has no diplomatic representation in Accra. In fact, if we exclude the embassies in the PALOP, we quickly notice that Portugal has very few embassies in sub-Saharan Africa. Only seven – Democratic Republic of the Congo, Ethiopia, Namibia, Nigeria, Senegal, South Africa, and Zimbabwe – about half of them in Southern Africa. Since Portugal does not have the resources necessary to implement a continental strategy, it should focus its efforts in two main regions: West Africa and Southern Africa. Thus, the Portuguese government should open several new diplomatic posts in those regions, and one of them should be in Ghana. Without having an embassy in Accra, bilateral relations will hardly have a political impetus to be elevated to a new level.

Portugal should invest in deepening bilateral relations with Ghana not only for the above economic reasons, but also as part of a wider strategy to diversify its relations with sub-Saharan African states. Portuguese economic, political, and diplomatic relations with the sub-Saharan Africa are overly focused on the Portuguese-speaking African countries. It would be mutually beneficial to the Portuguese government as well as to the governments of the PALOP, if Portugal were able to develop its bilateral relations with some sub-Saharan African key players. In addition to important historical and cultural reasons, Portugal is an important partner of the Portuguese-speaking African countries, especially due to its membership in the European Union. The deepening of bilateral relations between Portugal and countries like Ghana, among others, would strengthen Portugal's relevance in the eyes of its partners. The opposite is also true – i.e. Lisbon would certainly welcome the outcome if the Portuguese-speaking African countries strengthen their relations with countries like Ghana. This is a potentially win-win game.

Moreover, the last visit by a Prime Minister of Portugal to Ghana took place in July 2007. The Portuguese Foreign Minister was in Accra for the last time in December 2009. In other words, neither the Prime Minister nor the Foreign Minister of the current government has yet traveled to Ghana. In turn, Ghana's Foreign Minister, Alhaji Muhammad Mumuni, has been in Lisbon in August 2012 (as well as in August 2007). In March 2007, John Kufuor was the last Ghanaian President to visit Portugal. Clearly, the two countries should also intensify bilateral contacts at the highest level. It is essential that the two countries maintain regular meetings but with shorter intervals. This surely will not be difficult, considering that the Portuguese national airline, TAP, has four direct flights a week between Lisbon and Accra.

Unlike Senegal, at least in the short term, economic relations could be the driving force sustaining common

5 *See World Economic Outlook: Coping with High Debt and Sluggish Growth* (IMF, October 2012).

6 "Gana quer mais Portugal a investir" (*Mundo Português, 4 October, 2012).*

7 See Paulo Gorjão, "Portugal's economic diplomacy: A new paradigm or old rhetoric?" (*IPRIS Viewpoints*, No. 84, January 2012).

8 Paulo Gorjão, "Fate and Freedom: Portugal and the European Financial Crisis", in Theodore Couloumbis, Andrea Dessì, Thanos Dokos, Paulo Gorjão, Ettore Greco, Dimitris Katsikas, Charles Powell, and Dimitris A. Sotiropoulos, *Southern Europe in Trouble: Domestic and Foreign Policy Challenges of the Financial Crisis* (GMF/IAI, Mediterranean Paper Series, 2012), p. 45.

9 See, for example, "AICEP: Portugal deve apostar no Médio Oriente, América Latina e África" (*Lusa*, 4 January 2012), and "Paulo Portas sublinha importância do acesso das empresas ao poder político" (*Lusa*, 12 January 2012).

interests between Ghana and Portugal.10 Yet, the Portuguese government should not ignore common historical elements that can contribute to strengthening political relations. Portugal built the fort of São Jorge da Mina in 1482 in present-day town of Elmina in Ghana. It was the first permanent base built by the Portuguese in sub-Saharan Africa, and is the oldest European building in existence below the Sahara. Since then, West Africa and the Gulf of Guinea have always been important areas from the Portuguese point of view. Thus, Portugal must rediscover once again this important region. Ghana, together with Senegal, is a regional hub of trade and investment. Inevitably, Accra can be one of the main Portuguese gateways in West Africa to a new relationship with sub-Saharan Africa as a whole.

10 Regarding bilateral relations between Portugal and Senegal, see Paulo Gorjão, "Portugal and Senegal: Don't Let the Tail Wag the Dog" (*IPRIS Viewpoints*, No. 98, June 2012).

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