

Empirical Analysis of the Agricultural Sector of Ghana: The Role of Governance

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Agriculture notably is the backbone of Ghana contributing enormously to GDP growth of the country. Moreover, the sector has been declining in growth over the past years. With the current concern of food security coupled with sustainable development, agriculture cannot be taken out of the equation. The research aims at investigating the factors that cause the growth and development of agriculture in Ghana by answering the question of the role of governance, economic and production factors to the growth and development of agriculture in Ghana.

The agricultural sector analysis model was estimated using a multiple regression statistical model on a 24-year time series data covering the years 1990 to 2014. Data employed in the research was obtained from the World Bank, Food and Agriculture Organisation, Ghana Statistical Services, Bank of Ghana, The Global Economy and Transparency International database.

Results from the research showed that production factors such as export value and percentage arable land significantly affects the agricultural growth of Ghana. More so, the analysis proved that government expenditure towards the agricultural sector had a significant influence on the agricultural growth of the country. HIV prevalence also had a positive impact on the agricultural growth of Ghana. Governance factors such as rule of law, control of corruption, regulatory quality as well as government effectiveness also had a significant impact on the growth and development of agriculture in Ghana.