

Real power crisis is not generation: It is governance

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By Steven E. Hendrix

Ghana's electricity debate too often begins and ends with megawatts. That is a mistake.

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Dumsor is not simply a story of too little power generation. Ghana's deeper problem is that it has repeatedly struggled to build a financially sustainable system that can generate electricity, transmit it, distribute it, collect payment for it, and reinvest in reliability.

In plain English: producing electricity is only the first step. If a country cannot meter accurately, bill honestly, collect consistently, and enforce payment discipline — including from government itself — the lights will keep going out.

This is not speculation. It is the recurring diagnosis of serious sector assessments.

The [United States Millennium Challenge Corporation's Ghana Power Compact](#) focused heavily on the weak commercial performance of the Electricity Company of Ghana, especially high losses, poor collections, and weak financial management. Its purpose was not simply to add power, but to make the utility financially viable.

The World Bank has been equally direct. Its recent Ghana Energy Sector Recovery analysis notes that distribution losses remain high, collection rates remain weak, and tariffs often fail to cover real costs. In 2024, the World Bank reported [Electricity Company of Ghana losses of roughly 28.4 percent and collection rates of about 85.6 percent](#) — a devastating gap in a sector where margins matter.

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This matters because every unpaid bill becomes somebody else's crisis.

When consumers do not pay, utilities weaken. When utilities weaken, generators go unpaid. When generators go unpaid, fuel suppliers suffer. When fuel suppliers suffer, reliability declines. And when governments themselves accumulate arrears, the entire system absorbs a political and financial shock.

This is why Ghana's power problem is as much about governance as engineering.

For years, political leaders across administrations have often preferred the visible politics of new generation projects over the harder work of institutional discipline. New plants are easier to announce than smarter meters. Emergency procurement is easier to defend than tariff reform. Subsidized underpricing is often more politically attractive than honest cost recovery.

But this approach has consequences.

Ghana's energy sector has also been burdened by costly legacy contracts, planning weaknesses, fuel vulnerabilities, and procurement choices that solved immediate shortages while creating long-term fiscal pressure. The World Bank has specifically cited [poor planning](#), [excess capacity burdens](#), and [uncompetitive procurement](#) as contributors to financial distress.

In short, Ghana has often chased supply while underinvesting in system discipline.

The solution is not mysterious.

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In the short term, Ghana must stop the bleeding:

Audit public arrears. Enforce payment discipline, especially for ministries and state institutions.

Expand smart metering. Reduce theft. Improve billing integrity.

In the medium term, Ghana must strengthen institutions:

Modernize transmission and distribution. Reduce technical and commercial losses. Restructure utility incentives. Build an electricity regulator insulated from electoral politics.

In the long term, Ghana must build resilience:

Diversify energy sources. Expand solar and storage. Strengthen domestic gas reliability. Improve competitive procurement. Depoliticize tariffs.

None of this is easy. All of it is necessary.

Having worked on power finance, institutional reform, and electricity governance in Africa and beyond, I have seen a consistent lesson: electricity crises are rarely solved by generation alone. Countries do not escape recurring outages merely by producing more power. They do so by governing power better.

Ghana's future does not depend only on adding electrons to the grid.

It depends on building a system where electricity is treated not merely as a political promise, but as a disciplined national enterprise.

Until then, dumsor will remain less a failure of generation than a failure of governance.

Steven is a former Senior United States Agency for International Development (USAID) Coordinator for Foreign Assistance at the State Department. Over a career spanning more than three decades, he has worked on power finance, infrastructure, institutional reform, energy sector policy and national capacity development across Africa, the Middle East, Latin America, and Asia, including leadership roles in Iraq, Nigeria, and Ghana, and financing for major nuclear projects in China and Brazil. He is an attorney in Ghana, and Chair of the International Practice Section, State Bar of Wisconsin.