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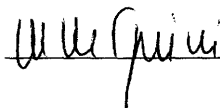
XVII CICLO DEL DOTTORATO DI RICERCA
IN POLITICHE DI SVILUPPO E GESTIONE DEL TERRITORIO

**DECENTRALIZATION AND GOVERNANCE IN
DEVELOPING COUNTRIES:
THE CASE OF GHANA**

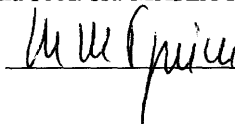
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ANNO ACCADEMICO 2003-2004

“...governments and citizens can do better. How? By putting poor people at the centre of service provision: by enabling them to monitor and discipline service providers, by amplifying their voice in policymaking, and by strengthening the incentives for providers to serve the poor...”

2004 World Development Report

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ACKNOWLEDGMENTS

My first and deepest expression of gratitude goes to Prof. Maria Paola Pagnini for her guidance and encouragement, as well as for the flexibility she has shown in some key decisions during my PHD. I also need to thank her and the professors from the other associated Universities for organizing such stimulating seminars, which have allowed me to acquire a sound methodological base, participate to interesting discussions and have the opportunity of gathering the wealth of the research methods used by each University.

In particular, I have treasured the seminars hold at University of Gorizia and the Sorbonne University in Paris, where I had the chance to discuss the first findings of my thesis, and receive valuable comments and input by both Prof. Pagnini and Sanguin.

Special appreciation also goes to Giovanni Bazo and Leonardo Mercatanti, colleagues from the PHD, for their input and for making these three years not only very stimulating, but also quite enjoyable.

I also acknowledge the help of some colleagues from the World Bank, and particularly, Manuela Faria, Smile Kwawukume, Francesca Recanatini, Filippo Tiburtini, Yongmei Zhou for their contribution, as well as my supervisors at the World Bank, Paul Mitchell and Lucia Grenna for their continuous support to the initiative¹.

Last but not least, I wish to thank my former PHD colleague and future wife Francesca Russo, and her family, for their inspiring lead and encouragement.

¹ The views expressed in this work are those of the author alone and should not be attributed to the World Bank Group.

ACRONYMS AND ABBREVIATIONS

CDD	Community Driven Development
CPP	Convention People's Party
DA	District Assembly
DCE	District Chief Executives
EPAD	Endogenous Potentials and Decentralisation
EXECO	Executive Committee
GoG	Government of Ghana
GNI	Gross National Income
GNP	Gross National Product
GPRS	Ghana Poverty Reduction Strategy
IMF	International Monetary Fund
MA	Municipal Assembly
MLGRD	Ministry of Local Government and Rural Development
NDC	National Democratic Congress
NGO	Non-Governmental Organisation
NPP	New Patriotic Party
PNDC	Provisional National Defence Council

RCC	Regional Coordination Council
RPCU	Regional Planning and Coordination Unit
TA	Traditional Authorities
USD	United States Dollars

INTRODUCTION

The world has experienced several “waves” of new thinking and strategies for economic development. Economists and political scientists have often embraced the temptation of finding a single, globally applicable, and often standardized solution to welfare increase. The developing countries in particular have witnessed, more or less actively, the rise and fall of new “development paradigms”. In many cases they have fallen in step and adopted the newest global recipe for poverty reduction, often under the pressure of donors or international organization. If the 70s and 80s are known in the history of development as the decades of privatization and structural adjustment, the 90s and the current decade would probably be labeled as the times of decentralization and local development

However, the concept of decentralization is probably more appealing nowadays than the previous paradigms. This is probably due in large part to its linkages with broadly accepted ideas of democracy and community development, but also because it has grown in a different context that is far from the world of huge macroeconomic shocks that led up to the rise of massive privatizations and the structural adjustments.

Decentralization has therefore become a very popular keyword these days, and as Paul Faguet pointed out, “reformers and idealists have turned to decentralization as an antidote to ills as varied as governmental corruption, autocracy and repression, and public-sector inefficiency”².

Similar to the debate on privatization in the past decades, the discussion on this new “panacea” is somehow confusing and a victim of ideological bias. At the same time, it is also rooted in specific experiences of success or failure.

This work is an attempt to capture the key elements of this debate, while combining the geo-political analysis with the investigation of key governance issues. First, the geographer’s lenses and territorial approach lead us to view decentralization in a local perspective and highlight the differences in what may happen in a rural village in Ghana as opposed to the capital of a Western European country. It also helps highlight the internal territorial premises for decentralization, such as the regional inequality. This approach is coupled with the governance framework, which looks at the political economy of the decentralization process from a broader perspective, and focuses on the way stakeholders’ dialogues and participation takes place..

²Faguet, J. P: *Does Decentralization Increase Responsiveness to Local Needs? Evidence from Bolivia*, Policy Research Working Paper 2516, World Bank, Washington D.C. 2001, (p.1).

Indeed, the analysis of the links between governance and decentralization in a specific geographic context is not new. As Rosembaum points out, the work of Jean-Jacque Rousseau and his observations on the functioning of Swiss Cantons already suggested a close relation between democracy, governance and decentralization³. Along these lines, Alexis de Tocqueville, in his assessment of the newly formed system of the United States, stressed the significance of local governments and civil society for the development and preservation of democratic institutions. The importance attributed to the local governance and to the decentralized administrative system is not limited to Western tradition. In fact, in a variety of traditional societies, from Africa to Latin America, the original development framework relied heavily on local structures.

Drawing from these premises, the analysis of the latest literature on the topic, and the wealth of the documented experiences of decentralization in developing countries, the work focuses on the case of Ghana, a country where the decentralization issue has received a broad recognition, but also a showcase of the struggles implicit in most decentralization processes in the developing countries.

In terms of methodology, the work is a result of a mix of research tools and methods, comprising a review of existing wide literature on the topic, interviews with selected experts and civil servants involved in decentralization processes,

³ Rosembaum, A.: "Gouvernance et Décentralisation: Leçons de l'Expérience", *Revue française d'administration publique*, n. 88, octobre – décembre, ENA Paris, 1998, (p. 507-516).

and personal observations. The latter was done through several trips to the rural areas and fieldwork, especially in the Northern regions. While the literature on the broader debate on decentralization is certainly abundant, comprehensive analyses of the specific case of Ghana are relatively scarce. This adds to the lack of cross-national data, making a comparative analysis fairly troublesome. Although there are some good independent reviews of the Ghanaian experience, the main sources of information on the country have been publications by the government and by some international organizations, such as the World Bank. The possible bias towards specific policy options by these sources warranted a cautious approach and interpretation by the author.

1. THE STATE BETWEEN GLOBALIZATION AND LOCALISMS

1.1. Globalization and the new role of the State

In the last couple of decades, the globalization, intended as “the process of increased interdependence and linkages between different economies, societies and cultures of the world”⁴, has brought significant changes in social, economic, cultural and political landscapes of most countries in the world. Although some authors⁵ may argue that globalization is nothing new or it is still an incomplete process, it is currently changing the landscape and the “rules of the game” for nation states and international organizations⁶.

The large changes of transnational dimensions to the world economic activities, the transformation of the ways in which the international trade is currently organized and the flow of concepts and new cultural sensitivities shared across the

⁴ Hodder, R.: *Geografia dello Sviluppo*, Istituto Geografico De Agostini, Novara, 2001, (p. 159).

⁵ Cohen, S.: “Corporate Nationality Can Matter a Lot”, *Testimony before US Congress Joint Economic Committee*, September, 1990.

⁶ Rondinelli, D. and G. S. Cheema: *Reinventing Government for the Twenty-First Century*, Kumarian Press, Bloomfield, 2003, (p.1).

globe, are leading in particular to a review of the traditional role of the state as a central planner of the economy, as the main provider of goods and services, as well as the engine of growth. Some observers even argue that the ability of a State to exercise control and govern within its own boundaries, as well as run transactions occurring across its national borders, are facing larger limitations by the global economy⁷. Nevertheless, Hodder⁸ argues that globalization does not bring the reduction or the disappearance of the importance of the geographic context, nor the end of the State, as argued by Rondinelli and Cheema⁹.

In this sense, the nation state is called to reshape its approach and its functions¹⁰ toward national stakeholders, as well as focusing on creating an enabling environment for national and sub-national competitiveness, as one of its priority. On the need to reshape its approach, there is quite a consensus that globalization is bringing to a broader recognition to other actors, but at national and international level as key partners for development. As Olowu points out, this new redefinition lead to defy the traditional concept of government, characterized by the domination of the State over the society and of the central executive branch over the other State institutions, such as the Parliament, the judiciary system, the

⁷ Idem.

⁸ Hodder, R.: 2001, Op. Cit.

⁹ Rondinelli, D. and G. S. Cheema: 2003, Op. Cit.

¹⁰ The functional approach to political geography and authors like Richard Hartshorne see the State as a politically organized space, which operates with effectiveness. In this regard, the State would be "a more functional organization than the feudal or tribal localisms that preceded its creation" using the words of Karl Deutch in his work on the models of integration. In this sense centripetal forces would be justified if they lead to a more functional organization (Glassner, M.: *Manuale di Geografia Politica*, Vol I, Francoangeli, Milano, 1995, (p. 120).

public companies, as well as the local governments¹¹. “The democratization opens the door to a new polycentric concept of State, which values the diversity of national and local forces, encompassing the public, private, non-governmental and community’s interests.”¹²

In terms of its main objectives, as mentioned earlier, the State is now called to be an enabler and a facilitator for development. As pointed out by the World Bank World Development Report of 1997, intentionally titled “The State in a Changing World,” “development requires an effective state, one that encourages and complements the activities of private businesses and individuals. An effective state is vital for the provision of the goods and services--and rules and institutions--that allow markets to flourish and people to lead healthier, happier lives. Without it, sustainable development, both economic and social, is impossible. Experience shows that the state still plays a central role to economic and social development, as a partner, catalyst and facilitator, rather than a direct provider of growth”¹³.

In this sense decentralization can be a key factor to a better efficiency for service delivery and physical infrastructure, which in turn facilitate competitiveness. Rondinelli, argues “highly centralized governments may in fact be less effective

¹¹ Olowu, D. : “Evaluation des Politiques de Décentralisation en Afrique Dans les Années Quatre-Vingt-Dix”, *Revue française d'administration publique*, n. 88, octobre - décembre 1998, ENA Paris, (p. 517-528).

¹² Idem.

¹³ World Bank: *World Development Report 1997: The State in a Changing World*, Oxford University Press, New York, 1997.

in creating a conducive business environment that governments that are more decentralized and able to respond quickly to changes in local needs and conditions”¹⁴. Particularly in Africa, as we would see in the following chapters and case studies, it is impossible to de-link the decentralization process of the 90s from the broader redefinition of the role of the State.

A clear example of a synthesis between the two above elements, the partnership with other non-State actors and the search for a localized solution to service delivery, can be found in the concepts and realities of the so-called industrial districts or the *milieux* of innovation, where the location focus and the government responsiveness to the local characteristics is of decisive importance. In fact, one may argue, following Castells’ words¹⁵, that “globalization stimulates regionalization”¹⁶. This point is supported, according to the same author, by several examples and studies, such as the European regions in the 1990s, where the growing internationalization of economic activities have led these regions to be more dependent on these activities and to restructure in order to compete in the global economy. Some of these have also established networks of cooperation between regional institutions and companies based in the region, often based on

¹⁴ Rondinelli, D. and G. S. Cheema: 2003, Op. Cit. (pag 50).

¹⁵ Castells, M.: *The Rise of the Network Society*, Blackwell Publisher, Oxford, 2000, (p. 381).

¹⁶ The concept of region finds an interesting treatment by Ferrando Badia and his theory of the Regional State (Glassner, M.:1995, Op. Cit.), a Unitary State granting large autonomy to its regions, especially if they are characterized by a certain ethnic or physical “distance” from the central nucleus. A typical example of regional State can be Italy, where the autonomy of certain regions such as Sicily, Sardinia, Trentino-Alto Adige, Valle d’Aosta and Friuli-Venezia Giulia, are certainly based on particular historic, geographic and cultural differences and go beyond much of the conventional delegation of power.

product specializations. Example of this so-called “new industrial space” are abundant, and comprise centers of information-technology like the Silicon Valley in the US, the Western Midlands shoe district in England and some of the many smaller industrial districts in North-East Italy.

These districts have definitively seen a major role of the local administration as a catalyst for development and as leader for the creation of spaces of dialogue and collaboration between key actors, like specialized companies and research centers¹⁷. It is also worth noting how the development policy of the European Union in the recent years has indeed focused on the regions, creating a new geography and categorization, as well a set of specialized support programs for each group of regions across the member countries. This definitively testified the recent developments have not only created a new geography based on regions facing a global competition, and it leads to a rethinking of development policies towards a greater recognition of local specificities.

1.2. From government to governance

As globalization has been leading force to a redefinition of the role of the state, its relation with the citizens, and generally with non-governmental stakeholders, has also changed dramatically across the globe. This has led to the development of

¹⁷ Ibidem: p. 384 – 392.

new concepts and theories, as an attempt to capture and explain the new complexity of the governing process. One of these concepts is the so-called governance.

The term 'governance' has its origins in the field of international relations and of comparative politics¹⁸. Kooiman defined governance as "the process of governing, which is no longer conducted exclusively by the state, but involves 'all those activities of social, political and administrative actors that guide, steer, control or manage the society'"¹⁹. The term also considers that the relationship between state and non-state actors (such as environmental NGOs, economic actors, quasi-governmental agencies) are non-hierarchical, and based on mutual dependence²⁰. This results in a growing recognition of the inter-dependencies that exist between state and society, between the public and the private. In short, as the new mode of governance develops, society, the economic and the political system cease to be run, as it were, from the 'top-down' by governments engaged in the traditional business of governing²¹.

¹⁸ See: Rosenau, J.N and E. O. Czempiel, eds.: *Governance without Government: Order and Change in World Politics*, Cambridge University Press, Cambridge, 1992.

¹⁹ Kooiman, J.: "Governance and Governability: Using Complexity, Dynamics and Diversity", Kooiman ed., *Modern Governance: New Government-Society Interactions*, London: Sage, 1993, (p. 2).

²⁰ Jachtenfuchs, M.: *Democracy and Governance in the European Union*", *European Integration On-Line Papers*, 1997.

²¹ Baker, S.: "The Impact of Eastern Enlargement on EU Environmental Governance", *Paper presented at the Environmental Studies Workshop, 'Environmental Challenges of EU Eastern Enlargement'*, Robert Schuman Centre, EUI, Florence, 25-26 June 2001, (p. 2).

Citizens and civil society are therefore demanding more participation in the decision-making process of public policies, as well as on their implementation and follow-ups. The role that non-state actors have in Governance can be easily understood by a more technical definition of governance as “(i) the process by which governments are selected, monitored and replaced, (ii) the capacity of the government to effectively formulate and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them”²².

One key aspect of the concept of governance is that it looks beyond technical solution to policy making, but rather focuses on the interaction of stakeholders on a political agenda. For this reasons, many governance measurements rely heavily on subjective perceptions by local stakeholders. The World Bank Institute methodology for assessing the quality of governance is for instance based on polls of experts and cross-country surveys of residents²³.

1.3. The role of public communication for good governance

Due to the importance that the governance concepts gives to stakeholders and interactions, one of its key element in these interaction is the way communication

²² Kaufman, D. et al.: “Governance Matters”, *Policy Research Working Paper*, 2196, World Bank, Washington D.C., 1999.

²³ Idem.

flows occur among these actors. This is particularly important when a change or more specifically a policy reform takes place. In his review of economic reform program undertaken in Venezuela in the early 1990s, for instance, Moises Naim argues that “major reforms create an information vacuum: the population needs to know what is happening and why, and what the consequences of the changes will be for daily life and future security”²⁴. At the same time they must correct distortions and misinformation created and promulgated by opposing interests. However, as Naim notes, the public communication techniques governments have tended to use to promote their policies do not adequate to the task of building popular support for substantial policy changes. Yet, without clear communication of the reform agenda—its purpose and its effect on people’s daily lives and well-being—via credible leaders, the mass media, and innovative public information programs, a government is not likely to win the public support for the new policies²⁵.

The role of public communication in the new context however, goes beyond the persuasion of possible opponents and the simple building of public support to a reform designed in a top-down fashion. In a situation where non-state stakeholders have a greater influence into policymaking, communication plays a vital role in fostering dialogue and mutual understanding among actors on policy changes and stimulates the demand for change. Stakeholders are therefore enabled

²⁴Naim, M.: *Paper Tigers and Minotaurs: The Politics of Venezuela’s Reforms*, The Carnegie Endowment for International Peace, Washington D.C, 1999.

²⁵ Idem.

to get to know each other, discuss challenges and perspectives, identify problems and needs, agree to new objectives and roles, make transitions towards these ends, be kept up-to-date on progress and problems, and correct course when needed. These tasks depend critically on awareness, trust, coordination and mechanisms for dialogue²⁶.

Especially, on the topic of decentralization reforms, we can conclude, as the World Bank does, that “citizens should have channels to communicate their preferences and get their voices heard in local governments. However, the mere existence of such means is not enough. In order to effectively pressure public policies and watch over local governments, the public needs to have adequate information about the policies and the activities of their own government²⁷.”

In a review conducted by the University of Maryland on the decentralization of health and education sector in Uganda and Philippines, limited information on local politics and events is proven to be one of the largest constraints for the effectiveness of these reforms. Citizens in both countries declared to be less informed about local government than national government. While citizens in both countries rely on the media for information about national politics and corruption, they rely largely on community leaders and local officials and

²⁶ Santi E. and L. Grenna,: “Environmental Communications Assessment: A framework of analysis for the environmental governance”, *Paper presented at the 7Th Biennial Conference on Communication and the Environment*, Oregon, COCE 2003.

²⁷ World Bank: “Decentralization and governance: does decentralization improve public service delivery?,” *PREM notes*, 55, Washington D.C., June 2001.

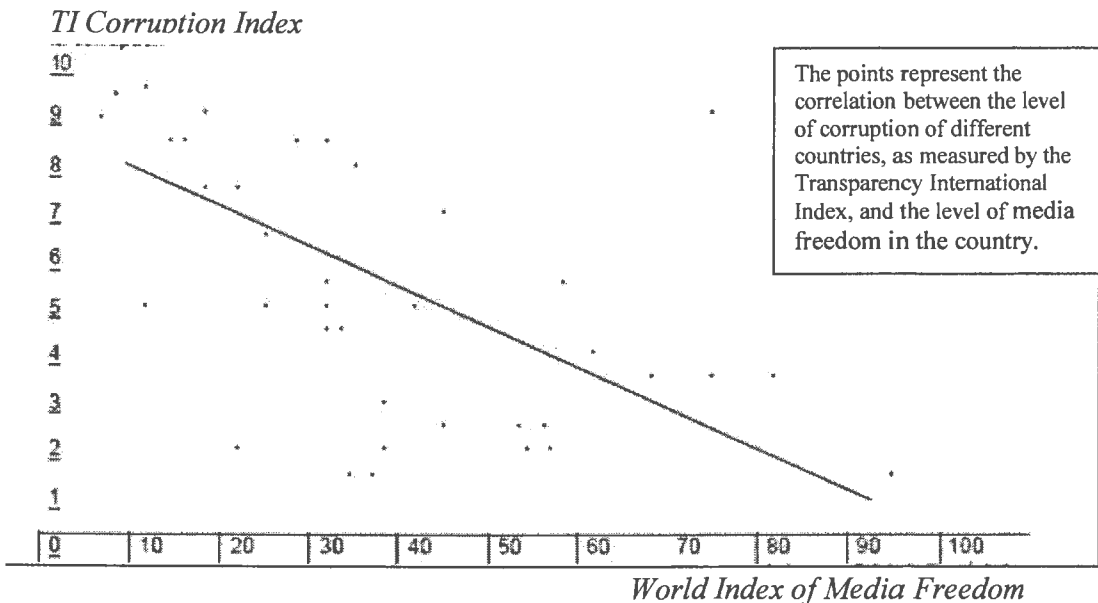
personal contacts (in the Philippines) for such information at the local level (in Uganda)²⁸.

The media can therefore play a crucial role in this area, not only by disseminating government information, freeing local communities from the dependence on local elites for the search of information, but also promoting good governance and reduce corruption. This contribution is not only the result of the awareness media can create on corruption, its causes, consequences and remedies, but, on a larger extent, of the investigative role journalists have on assessing and reporting the prevalence of corruption. The efficacy of the media in this sense is therefore largely dependent on the access of information and the freedom of expression²⁹.

As shown in the following figure, as there is a clear negative correlation between the freedom of the media and corruption, as countries with freer media tend to score better (lower index) in terms of corruption.

²⁸ Idem.

²⁹ Staphenurst, R.: *Le Rôle des Médias dans la Lutte contre la Corruption*, World Bank Institute, Washington, D. C., 2004.

Figure 1 Corruption and freedom of the media (correlation - 0,69)

Source: Stapenhurst, R. : 2004, Op. Cit.

Particularly at local level, media can play a crucial role in stimulating social demands by local actors and empower people. Community radios, in particular, are very effective in giving voice to the powerless and promote debate on local development. In the World Bank funded Local Development Project in Ecuador for instance, community radios have proved to be a means through which community groups are empowered to voice their views, become engaged and

identify their priorities in local initiatives that complement decentralized local development programs³⁰.

One further key aspect of communication is its use as a set of tools for analysis of the effectiveness of certain reforms. Day and Monroe encompass these tools under the concept of formative research, which they define as “any research that helps define the content of an intervention. It may be either primary or secondary research, and can be qualitative or quantitative³¹. Often, secondary research is undertaken first to find out what previous initiative others have done about the same issue and try to understand the barriers they encountered. Once that step is completed, primary research, strengthened by adding the results of earlier efforts, may be conducted”³².

In particular, the formative research on communication is stakeholders oriented and tries to capture a phenomenon or a public intervention through the eyes of the actors which have an interest into it. For this reason it uses a variety of methods, ranging from in-depth consultation to opinion research, as well as specific media analysis. These analyses would provide more precise information and baseline data on opinion, beliefs and practices which can be used to help setting specific

³⁰ Pichon F., E. Santi, et al. : “Empowerment through Communication: The case of Community Radios in Ecuador”, *En Breve*, No 54, World Bank, Washington D.C., 2004.

³¹ Day . B., and C. M., Monroe, eds.: *Environmental Education and Communication for a Sustainable World*, a Handbook for Practitioners, Academy for Educational Development, Washington D.C., 2000.

³² Ibidem: p. 47

targets, monitor and evaluate the a public policy intervention as well as devising a specific communications strategy supporting it³³.

As presented in the following chapter, communication analysis is proven to be a useful tool in evaluating the effectiveness of a decentralization program, as well as being a key element of its governance.

³³ Santi E. and L. Grenna.: 2003, Op. Cit.

2. DECENTRALIZATION IN DEVELOPING COUNTRIES

2.1. Definitions of decentralization

The word “decentralization” is frequently used to refer to many different processes ranging from administrative deconcentration of some executive agencies to privatization of tasks performed by central public agencies to the private sector. Decentralization can be therefore defined broadly as “the transfer of responsibility for planning, management and resource raising and allocation from the central government and its agencies to: (i) fields units of central government ministries or agencies, (ii) subordinate units or levels of government, (iii) semiautonomous public authorities or corporations, (iv) areawide, regional or functional authorities, or (v) nongovernmental private or voluntary organizations”³⁴.

Decentralization can vary a lot in terms of its scope. This is definitively a function of amount of responsibility and discretion in policy-making, which is granted from the central government to the above-mentioned agents. There is also a geopolitical dimension, linked to the choice of both the physical and political

³⁴ Rondinelli, D. et al.: *Decentralization in Developing countries*. Staff Working Paper 582, World Bank, Washington D.C., 1983, (p. 9).

distance of the unit, and type of territorial Unit chosen for a certain decentralized competence (e.g. Region, Province and Municipality)³⁵. These Units are often linked to an earth's surfaces with characteristics, either natural or man-made, that make it different from areas that surround it³⁶. Using Hope's words, "decentralization can be either horizontal or vertical. Horizontal decentralization disperses power among institutions at the same level, while vertical decentralization allows some of the powers of a central government to be delegated downwards to lower tiers of authority"³⁷. In both cases, the decentralization framework "argues for the assignment of a responsibility to the lowest level of government that can internalize benefits and costs of decision making for the specific service. The subsidiary principle adopted by the European Union conforms to this view by requiring that the assignment of responsibility should be to the lowest level of government unless a convincing case can be made for a higher level assignment"³⁸.

³⁵ In particular, geographers tend to distinguish between Unitary State and Federal State, all of them subdivided in further minor administrative Units, which possess some local powers. This broad distinction and the reasons underlying the two models are at the core of the debate between centralized versus decentralized state, or using Barbina's definitions (Barbina, G.: *La Geografia Umana nel Mondo Contemporaneo*, Carocci Editore, Roma, 2001, (p. 116), between a form at pyramidal structure and a perfect bureaucratic structure offsetting any attempts of separation on the one hand, and one based on the reliance on some peripheral territorial agencies with partial autonomy.

³⁶ Hagget, P.: *Geography: A Modern Synthesis*, Second Edition, Harper & Row, Publishers, New York, 1975, (p. 6).

³⁷ Hope, K. R.: Decentralisation and Local Governance Theory and the Practice in Botswana, *Development Southern Africa*, Vol 17, No 4, Gaborone, 2000, (p. 521). The concept of regional state is definitively more accurate to frame decentralization processes, especially if we see regionalism as a process of delegation of power by central authority to local administration, as opposite to federalism, where the local authorities generally delegate some of their powers to a central one (Lizza, G.: *Territorio e Potere, Itinerari di geografia*, UTET, Torino, 1996, (p. 100).

³⁸ Huther & Shah : "Applying a Simple Measure of Good Governanceto the Debate on Fiscal Decentralization", *Policy Research Working Paper Series*, n. 1894, World Bank, Washington D.C., 1999.

In their review of decentralization in developing countries, a milestone on the topic, Rondinelli define four major types of decentralization: the deconcentration, delegation, devolution and privatization³⁹:

Deconcentration, probably the least extensive form of decentralization, can be defined as the transfer of authority and responsibility to lower level or sub-national Units within central government agencies⁴⁰. It basically entails moving some workload and discretion from centrally located officials to local offices and staff, mostly outside the capital. This is the most frequently used form of decentralization in developing countries since the early 1970s⁴¹. One of the characteristics of this system is the fact that deconcentrated staff of line ministers is accountable to their ministry itself, and not to the locally elected authorities and that the shift of authority is often limited to a specific functions or sectorial intervention, while remaining within the central government or agency responsibility and structure⁴². One of its examples has been the creation of regional development councils and planning staff in the Philippines, which have operated as subordinate Units of the National Economic and Development Authority⁴³.

³⁹ Rondinelli, D. et al. : 1983, Op. Cit.

⁴⁰ Hope, K. R.: 2000, Op. Cit. (p. 521)

⁴¹ Rondinelli, D. et al. : 1983, Op. Cit.

⁴² NIBR: *Evaluation of Decentralisation and Development*, Evaluation Report 3.97, Norwegian Institute for Urban and Regional Research, Blindern, 1997, (p. 8).

⁴³ Rondinelli, D. et al.: 1983, Op. Cit.

Delegation is defined as “the transfer of specific authority and decision-making power to organizations that are outside the regular bureaucratic structure and that are only indirectly controlled by the central government, such as parastatals and semi-autonomous agencies”⁴⁴. This form of decentralization generally takes place in sectors that have a fairly good income-generating basis, such as: energy production and supply, telecommunications, public transport, etc⁴⁵. Several examples can be found in the exploitation, processing and export business of minerals and petroleum in developing countries, where governments have favoured to delegate these functions to publicly owned companies or special authorities, as opposite to just leaving private enterprises to take over the responsibility. Petroleos Mexicanos (PEMEX) in Mexico, PETROBRAS in Brazil and PERTAMINA in Indonesia are just a few examples of public companies, which played a major role in the development of oil and mining in developing countries⁴⁶.

Devolution refers to “the creation or the strengthening – financially or legally – of subnational units of government, the activities of which are substantially outside the direct control of the central government”⁴⁷. Under this form of decentralization, local units of government are characterized by autonomy and independence, as well as being legally distinct and separate from the central government, which only exercise an indirect, supervisory control over them.

⁴⁴ Hope, K. R.: 2000, Op. Cit

⁴⁵ NIBR: 1997, Op. Cit.

⁴⁶ Rondinelli, D. et al.: 1983, Op. Cit. (p. 17).

⁴⁷ Ibidem: p 19.

Moreover, local sector staff is accountable to the local elected councils and to the population at local level, rather than to central ministries⁴⁸. One of the most advanced example of devolution has been the one occurring in Papua New Guinea during the mid-70s, when the country devolved full legislative and management responsibility for a large set of functions to the provincial governments, including the possibility to levy and collect taxes, in addition to receiving the revenues from some licenses and royalties at national level and grants from the central government to cover the costs of the administration of functions devolved to them⁴⁹.

Privatization is finally the “transfer of control and responsibility for government function and services to the private sector – private voluntary organizations or private enterprises”⁵⁰. Through privatization, there is a shift in development responsibility from the state to the private sector, while the state retains its role of regulator and standard setter⁵¹. Examples of privatization are becoming more and more frequent in developing countries, especially as a consequence to the mushrooming of non-governmental organization and the increase of foreign direct investment. Rondinelli uses the example of the Salvation Army, which has fully operated some village health clinics in Ghana for more than three decades, funding them by levying user fees and benefiting from contributions worldwide⁵².

⁴⁸ NIBR: 1997, Op. Cit.

⁴⁹ Rondinelli, D. et al.: 1983, Op. Cit (p.22).

⁵⁰ Hope, K. R.: 2000, Op. Cit.

⁵¹ NIBR: 1997, Op. Cit.

⁵² Rondinelli, D. et al.: 1983, Op. Cit. (p 25).

2.2. The Decentralization debate

Decentralization can serve different purposes and has been supported or opposed by economists or political scientists for a variety of reasons. Much of this support comes from traditional economic theories, namely those on fiscal federalism⁵³. These traditional analyses have stressed the role of local governments in guaranteeing a better match between preferences and government products and services at local level. In particular Oates finds that decentralization is the preferred system where preferences and tastes are heterogeneous and divergent across the country and no major spillovers can be obtained by producing common products and services⁵⁴. These arguments are usually based on competition across local jurisdictions, or informational advantages at more local levels and have a particular relevance when there is a large mobility and citizens can easily move to other districts to seek better response to their needs (voting by feet), such as in the case of the United States.

Support to decentralization has also come from some political scientists and political economy analysts, who have placed political accountability at the heart of the debate on decentralization⁵⁵. According to these authors, citizens exert

53 See Tiebout, C. M.: "A Pure Theory of Local Expenditures," *Journal of Political Economy*, Vol 64, 1956, (p. 416–24) and Oates, W.: *Fiscal Federalism*, Harcourt Brace, New York, 1972.

54 Oates, 1972, *op. cit.*

55 Besley T., and S. Coate: "Centralized versus decentralized provision of local public goods: a political economy analysis," *NBER working paper 7084*, Cambridge (Univ. Press), 1999.

greater effort in monitoring government agencies when they are more local, and hence decentralization increases accountability by bringing government closer to the people. A comparative analysis of voter behavior in local and national election in India also proves that voter vigilance and government accountability is higher in local elections⁵⁶

The arguments in opposition to the decentralization also come from the field of political science. Most of them focus on the risk of local capture and the possible distortions arising from small electoral processes and environment, where small local groups may gain decisive influence over local government, as opposite to having their weight be diluted in a larger political process⁵⁷. An other similar argument is the one put forward by Jean-Pierre Jacob, under the name of “decentralized despotism”⁵⁸, while referring to condition of the rural areas of many African countries during the colonial period and some countries after the independence, where the power is almost entirely delegated to local traditional or non-traditional authorities. In these situations, no access to land, as well as other rights, is granted outside of the despotic rule of these authorities. According to this argument, decentralization may end up widening the “distance” between

Persson T., G.Roland, and G. Tabellini : “Separation of Powers and Political Accountability”, *Working Paper No. 136*, Center for Economic Studies, University of Munich, Munich, 1997.

⁵⁶ Kemani, S.: “Political Cycles in a Developing Economy: Effects of Elections in the Indian States”, *Policy Research Working Paper 2454*, World Bank, Washington D.C., 2000.

⁵⁷ Smith, B. C.: *Decentralization: The territorial Dimension of the State*, George Allen & Unwin, London, 1985.

⁵⁸ Jacob, J. P.: “La Décentralisation Comme Distance. Réflexions sur la Mise en Place des Collectivités Territoriales en Milieu Rural Ouest-Africain”, *Politique Africaine*, No. 71 : 133-47, Paris, October, 1998.

urban and rural areas, reinforcing the dualism between local and central government, and leading to duplication, alternatives, rather than to a synthesis between center and periphery⁵⁹. In fact, decentralization may lead to increasing regional disparities, when making local governments responsible for their own funding and delivery. Moreover, especially in least developed countries, there is a high risk that devoting the already scarce resources to local governments in order to maintain their functioning may leave little for the production of basic public services⁶⁰.

Furthermore, decentralization faces serious political challenges. As Olowu pointed out, one of the most important ones is the refusal by the central political and administrative authorities to abandon their monopole⁶¹. This factor mostly refers to the widespread political behavior by most politicians and administrators, who are not inclined to share their power with other institutional actors, and even less with local administration. According to this argument, decentralization would be perceived as a “zero sum game” where the gains by the local authorities are matched by losses at central level. This is particularly true when there are not enough pressures or other political incentives to decentralize, as we will see more in-depth in the chapter on “building consensus”. This reluctance can also go beyond the willingness to hold power per se, but can also result from genuine

⁵⁹ Ibidem: p. 134.

⁶⁰ Bonfiglioli, A.: *Empowering The Poor, Local Governance For Poverty Reduction*, UNCDF, New York 2003, (p 44).

⁶¹ Olow, D.: 1998 Op. Cit. (p. 522).

concerns about national unity and ethnic divisions, especially in those societies where the balance of power of different groups is particularly challenging⁶².

Asante and Ayee also argue, that decentralization can be feared whereas it may “dislocates the nation, either by encouraging the appetites of certain regions for autonomy or by encouraging wealthier regions to operate as self-sufficient territories to the detriment of poorer regions. The problem of guarantees remains the issue that divides supporters and opponents of decentralization”⁶³.

Due to the importance of the political process, Rondinelli argues that decentralization tend to be more successful in countries which face a certain political stability. As often developing countries face large economic and political crisis, decentralization cannot be used, as a “last-ditch effort to avoid the catastrophe”⁶⁴. He continues by saying that government can overcome worst crisis by centralizing, but they may want to later decentralize to avoid potentially deeper disasters. As we will see in the case study section, examples of these avoidable crises in developing countries are certainly not rare.

Prud’homme, in his famous article on the “dangers of decentralization”, concludes that the question is not whether and to which extend to decentralize in

⁶² Bonfiglioli, A.: 2003, Op. Cit. (p. 51).

⁶³ Asante F., and J. Ayee: “Decentralization and Poverty Reduction”, Presented at the *ISSER-University of Ghana-Cornell University International Conference on "Ghana at the Half Century,"* July 18-20, 2004, Accra, Ghana 2004, (p. 3-4).

⁶⁴ Rondinelli D.: 1983, Op. Cit (p 71).

general, but rather what functions, in which sectors and in which regions. This latest point calls for different treatment of geographical areas⁶⁵. In fact, Prud'homme argues that decentralization in India cannot be discussed with the same concepts and words as decentralization in Tunisia, nor decentralization in cities as to the villages. For this reason, a proper analysis of this debate shall progressively focus the geographic lenses to specific areas⁶⁶.

2.3. Decentralization in the developing world

In the past two decades, many developing countries have begun to experience programs aiming at improving service delivery through some form of support to local governments, community participation, direct transfer to families and contracting out of some traditionally public service and products to private sector or NGOs. This process has gained a certain momentum in many developing countries across different continents, such as Bolivia, Brazil, Colombia and Costa Rica in Latin America; Ghana, Uganda and South Africa in Africa; and Bangladesh, Indonesia, India and Pakistan in Asia⁶⁷.

One of the most largely used mechanisms for donors and multilateral development institutions has been the establishment of Social Funds, which, as

⁶⁵ Prud'homme, R.: "The Dangers of Decentralization", *The World Bank Research Observer*, vol. 10, no. 2, Washington D.C., 1995, (p. 214).

⁶⁶ Idem.

⁶⁷ Bardhan P. and D. Mookherjee: *Decentralization and Accountability in Infrastructure Delivery in Developing Countries*, Blackwell Publishing, November 2003.

defined by the World Bank “aim to empower communities by enabling them to participate in the selection, implementation, and operation and maintenance of development projects. Such funds provide direct financing for community projects designed to quickly improve basic services and reduce poverty”. The magnitude of the boost of this new mechanism can be seen by looking at the data from the World Bank, which since 1987, has approved more than 100 social fund projects worth around \$3.5 billion in more than 60 of its client countries⁶⁸. These funds have been coupled with the increased adoption of the so called Community-Driven Development (CDD) approach. This can be defined as “a process by which community groups organize and take actions to achieve their common goals, in the context of an enabling environment with support from responsive institution”. Russo et al. (2004, p.33) point out that “these processes are community-driven because of their focus on local priorities and involvement of local community members at all stages of the preparation and implementation of a program or project”⁶⁹. In this sense the so-called “bottom-up” approach is linked to a sort of “local democracy”⁷⁰.

While the Social Funds and the CDD approach are shaping development projects, decentralization is gaining grounds at institutional level, both political and

⁶⁸World Bank: “Promoting good governance with social funds and decentralization, *PREMnotes* 51, Washington D.C., January 2001.

⁶⁹ Russo, F. et al. : “Community Driven Development Approaches in Natural Resources Management”, *Thinking Out Loud V*, Spring, World Bank, Washington D.C., 2004, (p. 33).

⁷⁰ Ibidem: p. 45. For more on CDD, see: Narayan, D. (Ed): *Empowerment and Poverty Reduction*, a Sourcebook, World Bank, Washington D.C., 2002; Shackleton, S et al.: “Devolution and Community Based Natural Resources Management”, *ODI Natural Resources Perspectives*, n. 76, DFID, London, 2002; or www.worldbank.org/cdd.

administrative. Both processes have been increasingly supported by the donor community and many governments in developing world, under the same assumption that decisions and preferences are better expressed as local level, as argued by the fiscal decentralization stream⁷¹.

According to Prud'homme, statistical analyses suggest that decentralization tend to increase with income level and, although the causal relation is not clear, decentralization is more likely to be successful in middle or high-income countries⁷². In this sense, Riggs talks about a "circular causation", where the weakness of local government is a consequence of underdevelopment, and, in turn, the latter is caused by the local government weakness. According to Riggs "the strength of local administration tends to vary directly with the degree of economic development"⁷³.

However, in his review of experiences of decentralization in developing countries, presents a more balanced mix of positive and negative results⁷⁴. In his analysis, it is clear that developing countries face some specific challenges and even when

⁷¹ For more on the linkages between Social Funds and Decentralization, see World Bank: 2001, Op. Cit.

⁷² Prud'homme: , "The Dangers of Decentralization", *The World Bank Research Observer*, vol. 10, no. 2, Washington D.C., 1995, (p. 21).

⁷³ Riggs, F.: *Administration in Developing Countries: The Theory of Prismatic Society*, Houghton Mifflin Coy s, Boston , 1964, (p. 374).

⁷⁴ Rondinelli, D. et al.: 1993, Op Cit.

programs have been thriving, not all the expected outcomes have occurred to either central or local level⁷⁵.

For instance, the 1994 decentralization process in Bolivia has often praised as a good case of decentralization in developing countries. According to Faguet, it has been a typical case in which local government's knowledge of local needs has proved to be largely superior to the central government technical and organizational capacity of providing public services⁷⁶. Empirical analyses have demonstrated a shift in investments towards education, agriculture, urban development, and water and sanitation. However, Manor's study on the same country does not reach the conclusion that this allocation may have reached the goal of poverty reduction⁷⁷.

In fact, a frequent conclusion emerging from a wide body of literature is indeed the relatively poor correlation between decentralization and poverty reduction. Crook and Sverisson for instance, found that some of the so-called successful stories in decentralizing in Colombia and Brazil have not been equally successful in reducing regional disparities and overall poverty⁷⁸. Johnson suggests several

⁷⁵ Cheema G. S., and D. Rondinelli: *Decentralization and Development*, Sage, Beverly Hills, 2003.

⁷⁶ Faguet, J. P.: 2001, Op. Cit.

⁷⁷ Manor, J.: "Democratic Decentralization in Africa and Asia", *IDS Bulletin*, Vol 26, No 2, Institute of Development Studies at the University of Sussex, Brighton 1995.

⁷⁸ Crook R., and A. Sverisson : "Decentralization and Poverty Alleviation in Developing Countries: A Comparative Analysis or, Is West Bengal Unique?", *IDS Working Paper* 130. Institute of Development Studies at the University of Sussex, Brighton, 2001.

possible explanations⁷⁹. The first one is linked to the problem of raising public revenue in rural areas, where the added value and therefore taxable revenues are generally scarce. This problem is often exacerbated by the fact that the nature of decentralization in developing countries has often taken the form of delegation of systems of service delivery, without associating devolution of financial authority⁸⁰. By doing that, many delegation processes have left the local authorities with new burdens and no additional resources, hampering the credibility of the overall reform.

Furthermore, Johnson argues that poverty may have an incapacitating impact on the ability to engage in formal political processes, which are a pre-requisite for a well functioning and accountable local governance system. This is linked to the information gaps but also to the costs entailed into the political action, which may prevent the poor from participating actively to politics. Finally, as Crook and Sverisson and others have also pointed, the problem of local elite capture is one of the most recurrent factors hampering the effectiveness of decentralization⁸¹. Decentralization in this sense may simply end up empowering local elites and carrying on existing inequalities and ultimately poverty.

⁷⁹ Johnson, C. : "Local Democracy, Democratic Decentralisation and Rural Development: Theories, Challenges and Options for Policy", *Development Policy Review* n.19, Oxford, 2001.

⁸⁰ Bardhan P., and D. Mookherjee: 2003, Op. cit.

⁸¹ Crook R., and A. Sverisson: 2001, Op. Cit.

2.4. Decentralization in Africa

The African continent is facing large economic and political problems. After almost half a century of independence, the continent features the lowest average economic growth rates and pro-capita income in the world, as well as level of accrued foreign debt for many countries largely unsustainable. Moreover, only 18 African independent states out of 54 have avoided successful military coups. Of these relatively stable countries, at least one third have experienced several coup attempts, revolts or civil conflicts. According to a fascinating thesis by Wunsch and Oluwu (1990), this sluggish performance both in economic and political terms can be largely attributed to the so-called “Failure of the Centralized African State”⁸². According to the authors, centralization facilitates exploitation and abuses of the powerless by the a few powerful, did not help manage the lack of information, understanding and capacity to adapt to the reality of the rural areas, and restricted self-organization and the ability of non-central-state actors to contribute to the local development. This latter point is particularly true in Africa, where many labor unions, cooperative organizations, private enterprises, traditional political authorities and voluntary organizations have been banned or controlled. Some of these organizations have survived, but often in a defensive posture, limiting their chances to contribute to the development.

⁸² Wunsch J., and D. Oluwu: *The Failure of Centralized State, Institutions and Self-Governance in Africa*, Westview Press, Boulder, Colorado, 1990, (p12-13).

Despite its appeal, the above thesis does not fully explain the current level of under-development of many African countries, nor does explain why some African countries such as South Africa performed better than most sub-Saharan nations although the its decentralization process may not have gone further than the one of many other countries. Yet the continent has faced experienced several decentralization efforts. Olowu ⁸³ speaks about three major waves in Africa. Immediately after the independence, while consolidating the nation State, decentralization was considered as a key tool for the military authority or the single party regime. In this context local administrations served as a means to ensure the respect of the law and the order, and served the purpose of implementing development policies designed by the central authorities. In this sense, decentralization was pretty similar to the form of “indirect rule”⁸⁴ of some colonial administration, which relied heavily on local authorities to guarantee the stability of their domination. In some way, the newly independent authorities replicated the center-periphery context, which characterized the relation between the colonial metropolitan area and the *autre-meres* territories.

The second phase of decentralization, according to Oluwu, took place during the 70s and 80s, when most African governments embarked structural adjustment programs and saw decentralization as a way to reduce central government expenditures. Most of this decentralization has taken the shape of privatizing

⁸³ Olowu, D.: 1998, Op. Cit.

⁸⁴ For a larger treatment of the indirect rule see the Ghana case study

services at local level. In the 70s and 80s, which have been years of fiscal crisis for most of the African continent, most African countries have experienced the so-called state retrenchment, mostly as a consequence of the policy advice by IMF and World Bank, as a means to emerge from the crises. However Van de Walle and others argue that the retrenchment has not been as large as planned, and the so-called shrinking of the African state has been in reality a “slimming down” of the government functions and role in the economy⁸⁵.

Finally during the 90s with the widespread of democracy in Africa, the continent experienced a third wave of decentralization, which was linked to the liberalization and political democratization processes. This third phase is somehow a continuation of the previous one, while aiming at strengthening the participation of the local populations and enhancing the accountability of local institutions towards them⁸⁶. This third stage of decentralization has been strongly supported by donors, who are viewing this process as a key element of their support to the democratization and improved governance in the political life of the continent. Almost every African country has in fact embarked a decentralization process funded by external donors in the 90s. In Mali, a country which always struggled to strike a balance between local and central instances⁸⁷, the 1995 law

⁸⁵Van de Walle et al.: *Beyond Structural Adjustment, The institutional Context of African Development*, Palgrave Macmillan, New York, 2003.

⁸⁶Olowu, D.: 1998, Op. Cit.

⁸⁷ Soon after its independence in 1960, Mali attempted to organize its territory encompassing the current territory and the one of Senegal into the Mali federation. The federation had a short life and gave birth to the separate states of Senegal and Mali two months after the independence (Glassner, M.I.:1993, Op. Cit.).

created 701 *communes*, replacing the system of *arrondissements* and attributing them responsibility for primary education, health care, local road, transport, water and cultural events. In Burkina Faso, the “Commission Nationale de Decentralization” (CND) was established in 1993 to promote decentralization. Senegal created regional Councils in 1996 and granted new functions to the municipalities, such as local taxation and land management⁸⁸. Uganda, whose state has experienced several forms to deal with local government issues⁸⁹, is one of the African countries which have probably gone the furthest in decentralization. Its current local governance structure, made up of 45 district councils and 903 sub-country level councils, has been set by the 1995 Constitution and the 1997 Local Government Act, which have officially transferred a variety of responsibility from central to local government⁹⁰.

According to Oluwu most African decentralization reforms ended up creating a similar prototype⁹¹. After abolishing the inherited structures of local government, new administrative units are created, a law or decree is passed and declares that all government activities in a region or district have to be coordinated by a senior political or administrative official, completely responsible to the center, and

⁸⁸ Van de Walle et al.: 2003, Op. Cit.

⁸⁹ At the time of independence in 1962 Uganda, was a federation of 4 kingdoms, two territories and 10 districts, and later became a solid unitary State. Contrary to the case of Mali, the example of Uganda is a typical one where the federal state is the first step towards a further integration and the development of a Unitary State (Glassner, M.I.:1993, Op. Cit.).

⁹⁰ For more info on the decentralization in Uganda, see Van de Walle, N. et al: “Democracy, Governance and Conflict Strategic Assessment for Uganda”, *Report presented to United States Agency for International Development Democracy and Governance Center, Management Systems International, Washington D.C., January, 25, 2001.*

⁹¹ Oluwu, D.: 1998, Op. Cit.

finally some sort of popular committee is created to advise the regional or district coordinator. All these units relate to each other hierarchically⁹².

Despite the above described pattern, the motives behind decentralization in Africa vary a lot. De Muro, in his review of experiences of decentralization in Sub-Saharan Africa, observes two main sets of reasons: those of political nature and the economic ones⁹³. The first group includes: (i) the need to maintain law and order in the locality, such as in the case of Burkina Faso and Uganda during the 1980s⁹⁴; (ii) the quest for foster democratic, popular and participating governments, such as in Malawi and Zambia, where decentralization was a part of the electoral agenda; (iii) the result of internal demands for a devolution of power, like in South Africa, where National party (i.e. white minority) and Zulu pressed for decentralization; (iv) the outcome of external pressure, like the one exercised by World Bank, United Nations Development Program or even bilateral donors like France, which put pressure for political reform on all the African francophone countries (thus the nickname "Paristroika").

⁹² Ibidem: p 76.

⁹³ De Muro, P. et al. "An overview of decentralization in Sub-Saharan Africa", *Paper Presented at the XII Convegno biennale dell' AISSEC*, Siena, 1999.

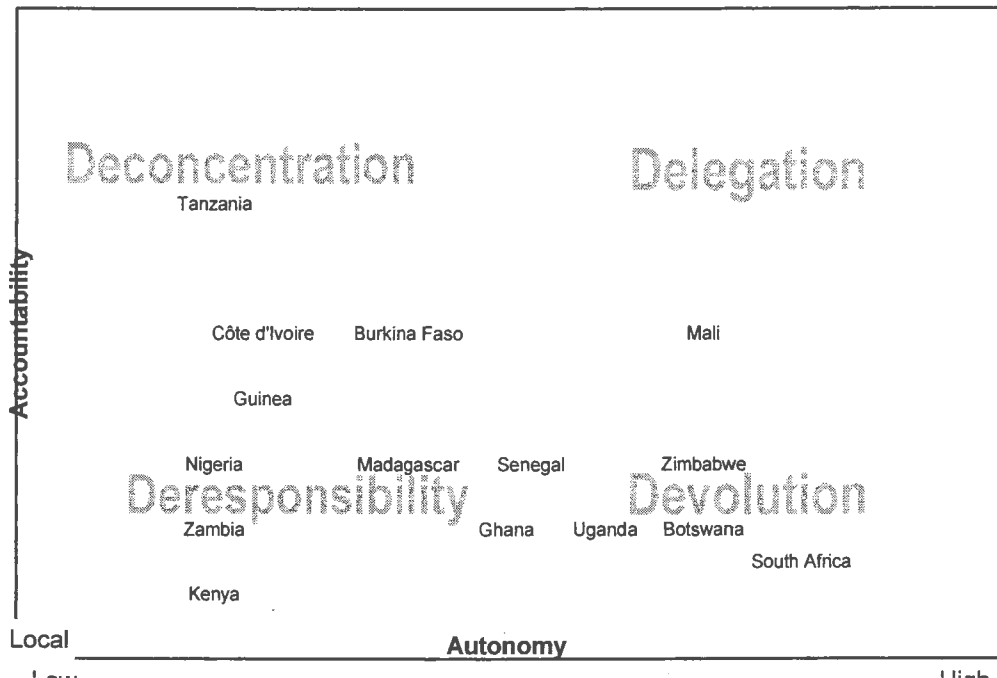
⁹⁴ In Burkina Faso, the head of state urged the population to create committees for the defense of the revolution in every neighborhood or villages. In the mid 80s these committees played a key role in managing de facto most of the local affairs. In Uganda, the Resistance Council system was created in 1986 specifically to meet the demand for local authorities, allowing local people to control local officials, policies and services.

The second group includes: (i) the confidence that decentralization would contribute to promote rapid social and economic development, such as in the case of Mauritania; (ii) the need to lower the level of public expenditure, especially when implementing macroeconomic policies reform (structural adjustment), such as in the case of Tanzania at the beginning of 1990s⁹⁵.

A further distinction among different decentralization in Africa related to the variety of forms decentralization has taken. As shown in the following chart, decentralization in Africa and particularly in the Sub-Saharan region, has taken a variety of different forms. As displayed in the chart below, these range from the deconcentration in Tanzania⁹⁶ to a fairly advance version of devolution in South Africa, as well as some progressive but yet, limited version of delegation in Ghana, Uganda and Senegal.

⁹⁵ De Muro, P. et al. : 1999, Op. Cit.

⁹⁶ For more on the case of Tanzania, see McLean K., "Characterizing Decentralization in Tanzania", mimeo, World Bank, Washington DC, 1997

Figure 2 Typology of decentralization in Sub-Saharan Africa

Source: De Muro et al. : 1999, Op. Cit.

According to the above chart, however few African countries qualify completely for the pure definitions described in the previous chapter. Most of them fall, according to De Muro, under the hybrid category of de-responsibility⁹⁷, characterized by a low level of autonomy and accountability, and where “local

⁹⁷ De Muro, P. et al: 1998, Op. Cit. De Muro further distinguishes between "overcontrolled" and "perversely regulated" decentralization. In the earlier case, the process has been more rhetorical than real and it is not clear yet which tasks and functions are to be handled at the local level or where elected councils have a purely advisory role. In the latter, even if planning and administrative functions were clearly transferred to lower levels, human and financial resources are generally not sufficient to enable local governments to discharge those functions. In other terms, there is some (de jure) assignment of functional responsibilities and some degree of local political autonomy, but there is a built-in vertical gap - a lack of correspondence between the extent of responsibilities of local governments and the amount of resources they can count on.

governments are accountable to their constituents, but central governments do not allow full discretion or does not transfer enough resources for decision-making and management”⁹⁸.

The result of many of these forms of hybrid decentralization has been often poor. The overall success of these reforms is in most cases fairly poor and the African state can be still characterized as centralized in a variety of quantitative measures, such as the one below, featuring the percentage distribution of government personnel at the local level.

Table 1 Percentage of personnel at local level over total number of employee

OECD	Asia	Latin America	Africa
12	8.0	4.2	2.1

Source: Wunsch, J. and D. Oluwu: 1990, Op. Cit.

Other quantitative measures supporting the concept of a “centralized African state” include the ratio of public revenues spent by central over those of local

⁹⁸ Idem.

governments, the taxes raised at central versus local level and proportion of government expenditures over GNP⁹⁹. However, Wunsch and Oluwu argue the critical difference between the African decentralization is rather qualitative¹⁰⁰. For instance, basically no African country local government has any independent judicial authority, in many countries local self-governing institutions have been complemented or replaced by field administrative agencies and, even within line ministries, there is a disproportion of manpower and financial resources at headquarter compared with the field agencies. Furthermore, most senior and experienced officials are based in the capital city.

As presented by Wunsch, many of these failures derive from a mix of central reluctance to delegate authority in the areas of planning, budgeting, personnel and finance, and the difficulties in redesigning complex organizations to support the decentralization process¹⁰¹. Indeed, following Rondinelli's words, "ultimately, decentralization is a political decision, and its implementation a reflection of a country's political process"¹⁰². In this sense, multi-lateral development institutions have often blamed decentralization failures on poor implementation by the central government and its agencies¹⁰³. According to this visage point, implementation problems were a result of lack of clarity on the objectives, ambiguous legislation. One other possible explanation is connected with the already mentioned theory of

⁹⁹ Wunsch, J. and D. Olowu: 1990, Op. Cit.

¹⁰⁰ Ibidem: p. 4-5.

¹⁰¹ Wunsch, J.: "Decentralization, Local Governance and Recentralization in Africa", *Public Administration and Development*, 21, 200,1 (p. 277-288).

¹⁰² Rondinelli, D.: 1993 Op. Cit.

¹⁰³ Wunsch, J. and D. Olowu: 1990, Op Cit 84-85.

Riggs¹⁰⁴, which would draw a casual link between the African underdeveloped economic, social and political environment, and the failure to achieve an effective decentralization.

Other explanations focus more on the special features of African policymaking at local level. As argued by Crook, “unlike in South Asia and in some Latin American political systems, local government representation of disadvantaged groups in Africa is not part of popular political discourse”¹⁰⁵. “On the contrary – Crook continues - electors tend to seek the association of well-connected, urban-based elite groups with the politics and development of decentralized authorities, in order to increase the effectiveness of their community's representation and thereby increase potential for beneficial patronage and capital investment. This is in many respects simply recognition of political realities in systems where patronage networks are deeply entrenched”.

According to Crook, in fact elite capture has been the key explanation for the failure of decentralization programs in the achievement of poverty reduction in Africa¹⁰⁶. This capture was also facilitated by the desire of many ruling elites to use decentralization as a means to create and sustain power bases in the

¹⁰⁴ Riggs, F.: 1964, Op. Cit.

¹⁰⁵ Crook, R. : “Four Years of the Ghana District Assemblies in Operation: Decentralization, Democratization and Administrative Performance”, *Public Administration and Development*. 1, 1994.

¹⁰⁶ Idem

countryside, rather than pushing pro-poor reforms. In turns, these local elites demonstrated little interest in pro-poor reform.

All the above arguments bring some insights into the analysis of specific cases of both success and failure of specific decentralization reform. However, in each African country these factors have intertwined in a peculiar way, mostly based on the specific characteristics of the territory, colonial heritage and political culture.

3. THE CASE OF GHANA

3.1. Background

3.1.1. Brief History¹⁰⁷

The current territory of Ghana¹⁰⁸ covers basically the area, which, in the late 19th century belonged to the Ashanti Kingdom. As displayed in the figure below, the kingdom was surrounded by other powerful African kingdoms such as the Dahomey and Yoruba, and was located in a region predominantly under the French sphere of influence. The Brits, whose mayor colonies were located on the South and Eastern part of the continent, came as traders and invaded this strip of land in the hearth of West Africa in 1874, renaming it the “Gold Coast” and

¹⁰⁷ This paragraph draws extensively from EIU, Ghana, Country Profile 2004

¹⁰⁸ Ghana’s territory is 238,537 square kilometers large (approximately equaling the size of the United Kingdom). The country faces the Guinea Coast on the South and is surrounded by three countries: Burkina Faso on the northern border, the Ivory Cost on the western border and Togo on the eastern border. The territory, which largely coincides with the southern section of the Volta river basin, is made of a highland, which has a depression area in correspondence to the flow of the river (IGA: *Calendario Atlante de Agostini, 2003*, Istituto Geografico De Agostini, Novara, 2002).

declaring it a British colony. However, it took around 30 years of struggles for the Brits to finally take its full control.

Figure 3. Map of Colonial Africa (1892)



Source: Gardiner's Atlas, Africa 1892, 2002, FC Inc.

The British influence puts this country at odds with several other neighbor countries, whose political system were highly influenced by the French colonial model. The “indirect rule”, which, as we will see later on, set the stage for a beginning of the decentralized model, left many educated elites out of politics. These groups were later joined by others, like the former soldiers who, after fighting the World War Two, began demanding a role in the administration and business opportunities in the colonial system. At the end of the 40s, these groups split into moderates and radicals, the latter led by Kwame Nkrumah and his Convention People’s Party (CPP). Young people and the poorer sections of the middle class supported the CPP, leading it to victory on the country’s first election in 1951. Six years later, under the strong leadership of Nkrumah, Ghana became the first Sub-Saharan African country to achieve its independence.

Nkrumah’s legacy was very important. The “father of the nation”, as most Ghanaians refer him to, laid down the basis of Ghana’s current industrial infrastructures and introduced a one-party state under a socialist orientation. Soon after independence through, Ghana began experiencing a period of instability and the descent into widespread corruption. Between 1957 and 1981 nine changes of government, including four military coups, took place. However, the country escaped the violence that has been characterized many other African countries in the post-colonial politics.

The last two of these four coups set the stage for the rise and domination of the political scene by John Rawlings, a flight-lieutenant from the Armed Forces Revolutionary Council, a group of left-leaning young officers who set the fight against corruption as their top priority. Rawlings led the country through the Provisional National Defence Council (PNDC) government, a military technocratic regime a military technocratic regime, which first embarked socialist rhetoric and later free-market reforms. In 1992 he gave Rawlings introduced the current constitution and restored multiparty elections, which he and his new party, the National Democratic Congress (NDC), won for two consecutive times (1992 and 1996). In these two elections, the New Patriotic Party (NPP), the largest opposition party, grew from 11 to 67 seats and became the most credible one to challenge the NDC in the 2000 elections. The results however reinforced the view of the NPP as a southern-based party dominated by the Ashanti region.

The 2000 elections gave the presidency to John Agyekum Kufuor and his NPP, representing the first democratic transfer of power in nineteen years and putting an end to the almost two decades of Rawlings ruling. The election also marked the beginning of a right-leaning, free-market policies. The NPP set its main manifesto goals as achieving macroeconomic stability, accelerating real GDP growth and improving infrastructure. Many of these goals have been achieved, as the country is benefiting a solid economic growth, fairly low inflation (by comparison with other West Africa countries) and the results of many infrastructure projects. In the

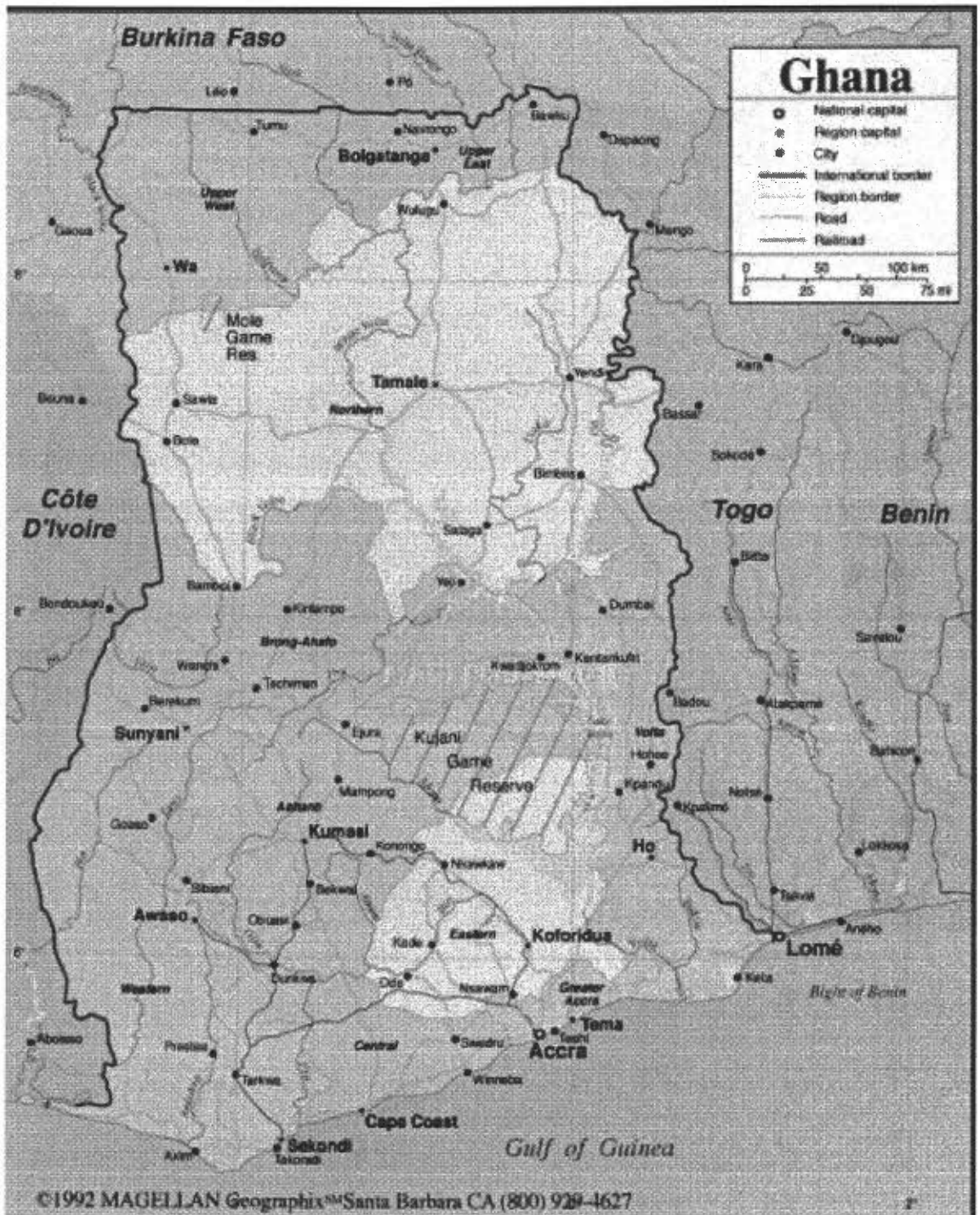
2004 elections, Kufuor has been confirmed as the president and a second term has recently started.

3.1.2. Ghana's Economy and Territory

Ghana has a population of 18,903,079 inhabitants, according to the census of the year 2000, and, as shown in the following map, it is divided administratively into ten regions, each of them with a regional capital and administered by the regional minister. These are Greater Accra, Western Region, Central Region, Volta Region, Eastern Region, Ashanti Region, Brong Ahafo Region, on the one hand, and the three regions in the Northern part of the country (Northern, Upper East and Upper West regions) on the other hand¹⁰⁹.

¹⁰⁹ Government of Ghana: 2003, Op. cit.

Figure 4 Ghana, Political Map



Source: Magellan Geographix, Santa Barbara, 1992.

Ghana's economy is mostly based on agriculture, which employs about 60 percent of the labor force and contributes to around 30-40 percent of the GDP. The main export crops are cocoa, timber and non-traditional products like pineapples. Most of these crops are cultivated in the southern forest belt of the Ashanti, Brong-Ahafo, Eastern and Western regions. Mining (mainly gold) has also become one of the biggest sources of foreign exchange. Gold deposits are found in Ashanti and Western region, where the ore is concentrated and most mining activities are located, and in some parts of Central and Northern regions¹¹⁰.

Thanks to the wealth of natural resources and a strong export base, Ghana was well positioned to achieve a sustained increase in economic growth after independence. However, the country has not achieved its potential, despite a good economic performance in the 1960s, as it faced an economic decline starting from the mid-1970s, due to a variety of reasons ranging from the unfavorable international context to the above described political instability. The economy managed to pick up in the mid- 1980s, thanks to the high cocoa and gold prices, and a period of sustained growth followed¹¹¹.

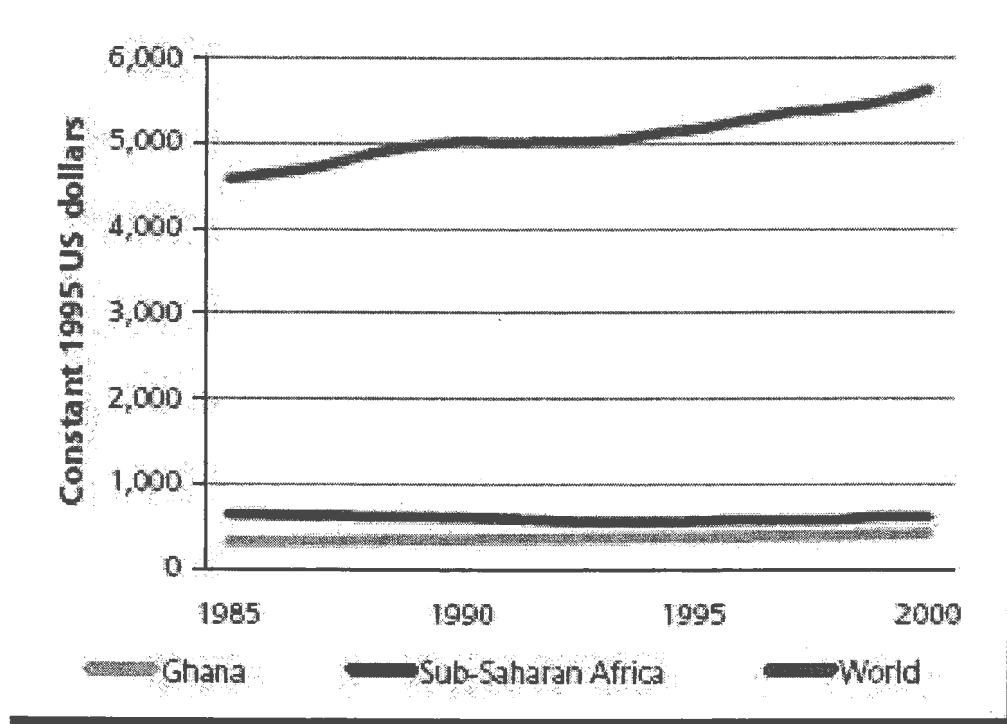
Despite these results,, the growth has not been strong enough to make up for the “lost decades”. Pro-capita income is therefore still at very low level, compared to

¹¹⁰ EIU: 2004, Op. Cit.

¹¹¹ World Bank: *Country Assistance Strategy of the World Bank Group for the Republic Of Ghana*, Report No. 27838-GH, February 20, Washington D.C., 2004.

the world average, but also to the one of Sub-Saharan Africa, as shown in the following figure.

Figure 5 GDP per Capita 1985 - 2000



Source: EarthTrends 2003, "Ghana", Country Profile, <http://earthtrends.wri.org>

As shown in the Annex 1, the most recent indicators still depicts a situation that is often comparable and in some cases worse than the many Sub-Saharan countries.

For instance, according to the World Bank¹¹², the pro-capita GNI¹¹³ in 2003 was estimated at 320 USD, well below the average of the Sub-saharan countries (490 USD) and the one of the low income group (450 USD). According to the same source, 40 percent of the population lives below the poverty line.

Nevertheless, the recently acquired economic and political stability lead many observers to be optimism. The World Bank, for instance, defines Ghana “as a strong performer in sub-Saharan Africa and is one of the few countries in Africa with the potential to achieve some, if not all, of the Millennium Development Goals (MDGs). Ghana’s economic potential and strong social capital base set it apart from its troubled sub-region. The country has ambitions to achieve middle-income status¹¹⁴ within one generation, driven by private sector-led growth”¹¹⁵.

On whether these hopes would be fulfilled, much depends on how the country is going to address its main challenges, many of them linked to the on-going decentralization efforts.

¹¹² World Bank: *Ghana at a Glance*, 2003 available in www.worldbank.org/gh

¹¹³ Gross National Income or GNI, current dollars is the sum of value added by all resident producers plus any product taxes (less subsidies) not included in the valuation of output plus net receipts of primary income (compensation of employees and property income) from abroad. In other words, GNI measures the total income of all people who are citizens of a particular country while GDP (gross domestic product) measures the total output of all persons living in a particular country’s borders.

¹¹⁴ According to World Bank, a middle-income country is defined as a country with a pro-capita income between 1.505 and 5445 USD (Santi, E. and F. Russo: “La Banca Mondiale da Bretton Woods as Oggi” in Caviglia (Ed), *Le Istituzioni Finanziarie nel Nuovo Contesto Internazionale*, LED, Milano, 2004)

¹¹⁵ World Bank: 2004, Op.Cit.

It is interesting to note how the country, like many of its neighbour West African countries on the Gulf of Guinea (such as Togo and Benin), face large disparities, as well as a development gap, between its Northern part and the South¹¹⁶.

Many authors therefore treat this spatial inequality as a “reversed” North-South phenomenon¹¹⁷. Others depict rather a core-periphery structure out of the North-South spatial economy¹¹⁸.

Vanderpuye-Orgle, in specific, defines the Ashanti, Eastern and Central Regions as well as the Western and Brong-Ahafo Regions as the core zone of the nation state¹¹⁹. These regions, which make up the forest ecological zone of the country’s South, are the prime cocoa, timber and mineral producing areas. The coastal areas are also a part of the core as a consequence of the rapid growth in the port towns. One other key climatic factor is the certainly the uneven rainfall level, which make agricultural production harder in the North¹²⁰. As opposite to the fertile Southern part, in the North it is therefore not rare to encounter a landscape and an arid territory such as the one displayed in the following picture.

The pick of economic growth experienced in the mid 80 was generally followed by an overall poverty levels decreased between 1991/92 and 1998/99 from 52% to

¹¹⁶ For a more detailed treatment of the North-South Dicotomy, see Annex 2

¹¹⁷ Songsore, J.: “The Spatial Impress and Dynamics of Underdevelopment in Ghana” In: Swindell, K., Baba, J.M., Mortimore M. J. (Eds.), *Inequality and Development: Case Studies from the Third World*. Macmillan Publishers, London, 1989.

¹¹⁸ Vanderpuye-Orgle: *The North-South Divide and the Disappearing Middle Class: An Analysis of Spatial Inequality and Polarization in Ghana*, Cornell (Univ. Press), 2004.

¹¹⁹ Ibidem

¹²⁰ EIU: 2004, Op. Cit.

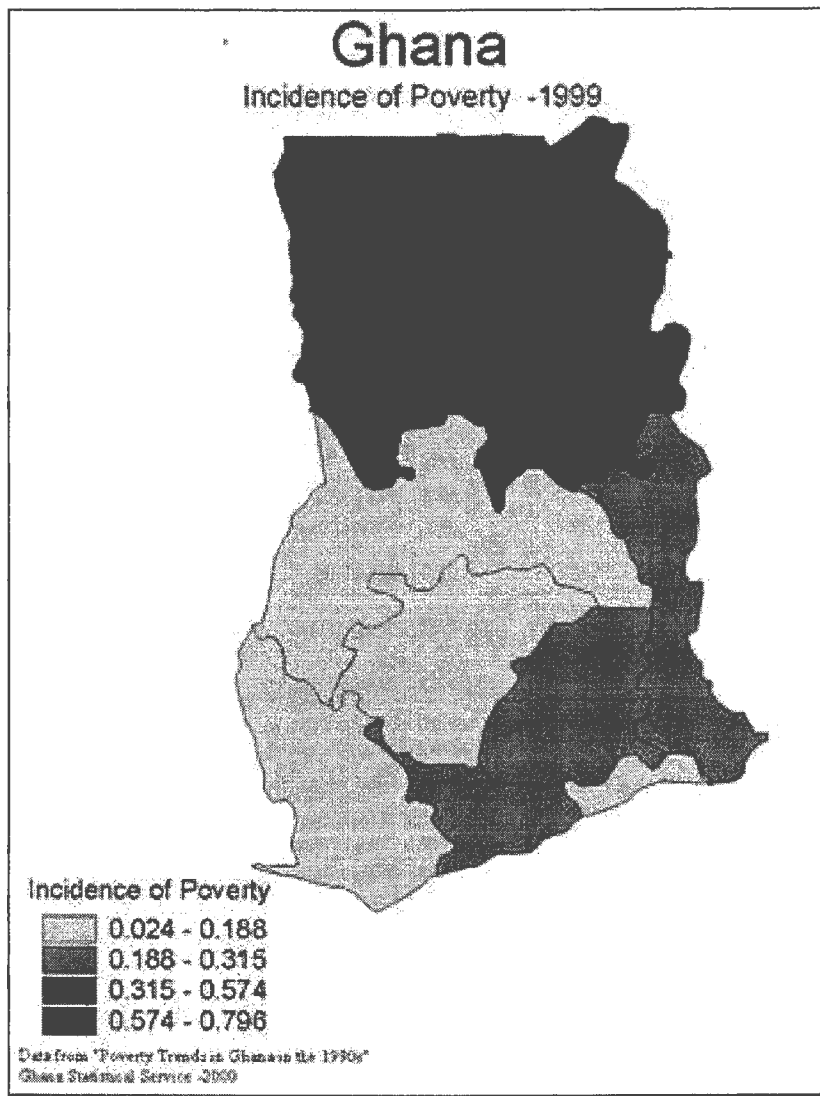
40%. Following the same trend, extreme poverty declined from 37% to 27% over the same period. However, this progress masks the uneven decline in poverty of growing and deepening poverty in some geographical areas¹²¹.

The evidence suggests that the vulnerability and exclusion among some geographical groups, socio-economic groups, gender and age groups may have worsened. Population growth during the period may have far outstripped the positive impact of growth on the rate of decline in poverty levels in some areas. Furthermore, except for the migration of the youth from the rural to the urban areas as head porters, street sellers and so forth, poverty levels in some of these areas could have been worse than what the statistics reveal.

As shown in the following figure, there are significant differences in the spatial distribution of poverty among Ghanaian regions. If divided by income measure, poverty levels are highest in the three northern savannah regions (the Upper East, Upper West and Northern Regions), ranging between 69% and 88%. Nine out of ten people in the Upper East, eight out of ten in Upper West, seven out of ten in Northern Region and five out of ten in Central and Eastern Regions were classified as poor in 1999

¹²¹ World Bank: 2004, Op. Cit.

Figure 6 Ghana, Incidence of Poverty – 1999



Source: Ghana Statistical Services: *Poverty Trends in Ghana 1990's*, Accra, 2000.

(See Annex 2). Of the ten regions, the Upper East, Northern and Central regions experienced increases in poverty levels and extreme poverty in the 1990s.

3.2. Current Strategies and Programs

The Ghana current development strategy is summarized in the Ghana Poverty Reduction Strategy (GPRS). This represents a comprehensive overview of policies, strategies, programmes, and projects to support growth and poverty reduction over a three-year period (2002-2004)¹²².

The main stated goal of this strategy is to provide the enabling environment that will empower all Ghanaians to participate in wealth creation and to partake in the wealth created. It also aims at ensuring that all Ghanaians irrespective of their socio-economic status or where they reside have access to basic social services such as health care, quality education, potable drinking water, decent housing, security from crime and violence, and the ability to participate in decisions that affect their own lives¹²³.

In this sense, the government has recognized the new development paradigm, based on broad participation of stakeholders. Improved governance is therefore one of the pillars of the strategy. Among the different measures proposed, the Government is willing to ensure effective implementation of poverty reduction programmes, in order to establish and strengthen the leadership and oversight functions of the Executive and Parliament. Communication between civil society,

¹²² Government Of Ghana: Ghana Poverty Reduction Strategy 2003-2005, Vol. 1, February 19, Accra, 2003.

¹²³ Government Of Ghana, 2003 op. cit.

traditional authority and all branches of government will be institutionalised as a means of strengthening public policy management¹²⁴.

A major objective in the near Ghanaian future is therefore to improve participation in governance, from protection of their civil liberties, from the pursuit of freedom and justice under the banner of the rule of law¹²⁵. In this sense, the government has recognized the need to broaden the decentralization agenda in line with the so called Ghana Vision 2020. This documents, which sets the year 2020 as the target for achieving the middle income country status, highlights programs and projects, which span on the five prioritized thematic areas: infrastructure development and modernized agriculture based on rural development to ensure increased production and employment; investments in education, health, and sanitation to enhance delivery of basic social services; upholding the rule of law, respect for human rights and the attainment of social justice and equity to enhance good governance; and private sector development through macro-economic stability and streamlining of public bureaucracy¹²⁶.

The documents also put an emphasis on two key elements for decentralization: the need to advance with the new local government system and the role of the private sector. On the first point, there is a clear drive towards developing a specific vision on decentralization, redefining responsibilities and mission,

¹²⁴ *Idem.*

¹²⁵ *Idem.*

¹²⁶ Boakye- Boateng: *Advancing The Decentralization process, Strategic Plan for Restructuring the Public Administration System*, Final Report, Accra, 1997.

ensuring transfer of means to the local level to facilitate the implementation of development programs initiated by the local population. The need for a fiscal transfer regulations calls for the necessity of a financial and accountability monitoring system to be introduced for effective expenditure control¹²⁷.

On the other hand the vision 2020, as well as the Ghana Poverty Reduction Strategy, recognizes the private sector as engine of growth, consequently the formation of an enabling environment is one main point on the agenda. It deals with policies concerning the legal and administrative framework under which the public sector operates. It calls for measures that will radically restructure the entire Public Administration system to take the role of a facilitator of the private sector, rather than regulator¹²⁸.

¹²⁷ Boakye- Boateng: 1997, Op. Cit

¹²⁸ Idem.

3.3. History of decentralization in Ghana

Decentralization and local government in Ghana as a policy has a long history in Ghana, which can be divided in three main phases: (i) the colonial period, (ii) the post-independence period and (iii) later developments, which became after the 1988 reforms

3.3.1. The Colonial administration

Decentralization dates back to 1878, when the British colonial administration of the introduced the “Indirect Rule” to territory of the then-called Gold Coast. This rule was aimed at granting a statutory basis for chiefs to carry out some local government functions and act as an means to ensure the application of the decisions by the British Government Agents and Provincial Commissioner. For these reasons, the British Government established the so-called Native Authorities (or chiefdoms), which performed judicial functions, such as trying cases of land disputes within their area of jurisdiction, as well as operating as government units and given authority to pass bye-laws on local matters and raise their own funds. A picture *d’époque* follows.

This system of indirect rule granted stability and endurance of local government, but did not provide an opportunity to improve local democracy and

accountability, as it relied on paramount chiefs, sub-chiefs and elders, often behaving like an enlightened oligarch¹²⁹. These native authorities were not indeed democratic, although somehow representatives, as they were hand-picked¹³⁰.

However, in the late 1940's and early 1950's the policy of indirect rule was modified, based on the recommendations of the Watson Commission in 1948, the Coussey Committee in 1949 and later by the Greenwood Commission in 1956 to design a more effective local government system¹³¹.

These reforms succeeded in (i) allowing educated, professional and technical persons from the local areas to participate to local councils, (ii) balancing the power of the chiefs with that of the elected representatives, thereby enabling the local councils to be constituted of two-thirds elected representatives and one-third appointed chiefs; (iii) making the paramount chiefs presidents of the local councils; and (iv) to re-demarcate the areas of jurisdiction on the basis of population and its capacity to raise revenues and being economically viable¹³².

Despite the above progresses, the decentralized bodies during the colonial system still lacked professional staff and were unable to raise adequate funds to both meet

¹²⁹ Ayee, J.: *Decentralization and Good Governance in Ghana*, A Study Prepared for the Canadian High Commission, Accra, May 2000, (p. 48).

¹³⁰ MLGRD: *Ghana – The New Local Government System*, Ministry of Local Government and Rural Development, Accra, November 1996, (p.1).

¹³¹ Ayee, J.: 2000, Op. Cit. (p. 48).

¹³² MLGRD: *Issue Paper on Decentralisation in Ghana*, Network of Sectoral Co-ordinating Group on Decentralisation in Ghana, Ministry of Local Government and Rural Development, Accra, September 1999, (p. 2).

with their obligations and becoming a lure for competent personnel. These problems led to creating an unpleasant image for these local authorities, often viewed as inept and incompetent¹³³.

3.3.2. Post-independence

After gaining its independence, the several Ghanaian governments faced the challenge of ensuring a strong and self-reliant central government in the Office of the President, and address major governance challenges at government level. The compromise chosen by the successive governments was mainly in decentralising authority through the regional devolution and district focused public administration. In this new system, the chiefs lost the role they used to have under the “indirect rule”, and their involvement in local level administration practically came to an end. These first reforms resulted into creating a strong central administration, matched by hundreds non-viable and fragmented urban and local councils, and ineffective district councils¹³⁴.

The post-independence local government system faced many challenges. The dual hierarchy system between central and local government was largely inefficient, as central agencies often infringed rights and responsibilities of the weaker local

¹³³ MLGRD: 1996, Op. Cit.

¹³⁴ MLGRD: 1999, Op. Cit.

bodies, as areas of responsibilities were not always clearly defined. The country also faced resources duplication and weak management of the resources respectively allocated to the central and local agencies. In such a context, the distinction between central and local government “only served to create a poor and distorted image of local government as corrupt, inefficient and worthless relation”¹³⁵.

Under these premises, further changes were made to the administrative system changed again at the end of the 1960's and the early 1970's, when a four-tier structure was launched. This structure was made up of Regional, District and Local Councils, as well as Town and Village Development Committees. The main focus of this system was the District Councils (40 of them), with had administrative and executive powers for local level development and governance¹³⁶. With the district councils at the core of the system, the local government structure could be described as a “Single Hierarchy Model¹³⁷”, where the overall responsibility at local level, as well as the implementation of development activities was left to the Local Councils. These councils had two-thirds elected members and one-third appointed chiefs, and worked together with about 3960 Town and Village Development Committees to implement development activities¹³⁸.

¹³⁵ MLGRD: 1996, Op. Cit. (p. 3).

¹³⁶ MLGRD: *Decentralisation, Comprehensive Development Framework*, Ministry of Local Government and Rural Development, Accra, November 1999.

¹³⁷ MLGRD: 1996, Op. Cit. (p. 4).

¹³⁸ MLGRD: 1999, Op. Cit.

Though well-intentioned, this system did not work properly for a variety of reasons. Among them, the MLGRD enlists (i) the poor electoral accountability and legitimacy of the political authorities at district level, (ii) the excessive bureaucratic burden and road blocks generate by the regions, (iii) the lack of transfer of adequate competence and means, that could match adequately the assignment of new functions, as well as (iv) moves to re-centralize some functions with negative impact on the overall management¹³⁹. These shortcomings clearly paved the ground for a rethinking if the decentralization and a major reform in 1988, when the GoG tried to combine the best of the two previous models of dual and single hierarchy¹⁴⁰.

3.3.3. 1988 breakthrough and the following reforms

1998 was a crucial year in the decentralization process. The drive for reforms mostly came after the second coup by Flt. Lt. Jerry John Rawlings and the establishment of a new military government known as the Provisional National

¹³⁹ MLGRD: 1996, Op. Cit. One example is the centralization of the responsibility for the payment of district employees to the central government. This led to a race for recruitment at local level, where many unemployed relatives and friends of councilors managed to find a job under the payroll of the District Councils, leading to inefficiencies and braking down on fiscal discipline.

¹⁴⁰ Idem.

Defense Council (PNDC). Rawlings came to power claiming to build a new Ghana, politically from the grassroots up to the central government¹⁴¹.

The review and the revitalization of the decentralization process was therefore a result of this inspiration. In 1988, the GoG enacted the Local Government Law, 1988 (PNDC Law 207), based on a study commissioned the year earlier on District Political Authority and Modalities for District Level Elections. The results of this study were compiled into a “Blue Book”, which was later used as the basis for discussions with various sections of the population on the key features of decentralization. One of these main features was the need to promote popular participation and ownership of the government apparatus, shifting the process of governance from command to consultative processes, and by devolving competence and resources to the district level. The initial implementation arrangements requested all Ministries, Departments and Agencies to decentralize their activities and operations under the supervision of a high-capacity Decentralisation Oversight Committee, which was placed under the office of the PNDC Member and Chairman of the Committee of Secretaries (Cabinet), which meant basically placing it under the Prime Minister. A few years later, the Civil Service Law (PNDC Law 327) designated the Ministry of Local Government and

¹⁴¹ Clarke, V.: “Local Politics in Ghana: Development, Democracy and Decentralization”, *Illinois Political Science Review*, Vol. 7, Number 1, Springfield, 2001.

Rural Development as the secretariat for overseeing the implementation and monitoring of the decentralisation process¹⁴².

One of the key changes brought by these reforms was the introduction of Ghana's District Assemblies, whose members were, at least for 2/3 of their composition, elected by the citizen¹⁴³. As Crook points out, these have been at first fairly successful in facilitating electoral participation and gave access and representation to normally excluded groups¹⁴⁴. When the country was later transformed in a more conventional, representative multi-party democracy in 1992, the DAs became part of the 1992 Constitution of the Fourth Republic, and were later strengthened by the new legislation and extra funding coming from the District Assemblies Common Fund in 1993. Crook and Sverrisson view this reform as "an attempt to create a rural power base for Rawlings, embodying as it did a privileged position for pro-Rawlings revolutionary organizations (which later became the core of his party, the NDC), and mechanisms for coopting rural business, professional and agrarian elites."¹⁴⁵.

¹⁴² MLGRD: 1999, Op. Cit.

¹⁴³ It is interesting to note that free elections were allowed at the local level in 1988, while nationally Ghana was still ruled by a military government. Electoral democracy did not come until 1992, after growing pressure from Ghana's urban elite and international development agencies. However, after the results of the 1992 presidential election were announced, with Lt. Jerry John Rawlings becoming President Rawlings and a reincarnation of the military-backed PNDC, parliamentary elections were boycotted by opposition parties. It was only after the 1996 presidential and parliamentary elections that the opposition captured nearly one-third of the seats in the National Assembly, and the elections were deemed free and fair by international observers.

¹⁴⁴ Crook, R.: "Decentralisation and Poverty Reduction in Africa: The Politics of Local-Central Relations", *Public Administration and Development*, vol. 23, 2003, (p.77-88).

¹⁴⁵ Crook, R. and A. Sverrisson: 2001, Op. Cit. (p 30)

When Ghana's regime finally changed from authoritarianism back to democratic rule the decentralization structures created by the PNDC were not altered under the Fourth Republic¹⁴⁶, and the government focused on the several implementation challenges.

3.4. The current local government structure

The decentralization structure in Ghana has been defined by Ayee and Tay, as a "mixed" or "fused" type of decentralized authority, where those institutions extending from the central government (such as the District Chief Executive (DCE) and deconcentrated departments and organizations) and locally based institutions like the District Assemblies (DAs) are linked into one single organizational structure at the local level. The system is in fact designed to put an end to the distinction between "local government" and central government field agencies¹⁴⁷.

The District Assemblies are therefore in charge of (i) the overall development of the districts, (ii) the formulation of strategies for the resource mobilization and (iii) the provision of basic infrastructure and municipal works and services. They

¹⁴⁶The fact that key figures of the PNDC era (most notably President Rawlings) remained in power and won the first two elections clearly helped maintain the structure intact.

¹⁴⁷Ayee, J. and F. Tay: "A Decade of Decentralization Reforms in Ghana, 1988-1998", *Scandinavian Seminar College: African Perspectives on Policies and Practices Supporting Sustainable Development*, Abidjan, Cote d'Ivoire on November 9-11, 1998.

are 110, although three of them are Metropolitan Assemblies (for the district with population exceeding 250,000 such as Accra, Kumasi and Shama Ahanta) and three are Municipal Assemblies (with population over 95,000). Therefore only 103 can be defined *strictu sensu* as District Assemblies (with population of 75,000 and over).

The composition of the DAs is made up of about 2/3 cent elected representatives, 1/3 percent appointed by the President in consultation with the traditional authorities and interest groups, as well the Members of Parliament whose constituencies fall within the area of authority of the DA (although they are not voting members), and the District Chief Executives (DCE). This latter is the chief representative of the central government in the district and is probably the most important and powerful figure of the district administration. The DCE is basically in charge of the day-to-day performance of the DA functions¹⁴⁸.

DAs are complemented by the Executive Committee (EXECO), which is made up of one-third of the members of the DA and performs the executive and administrative functions of the DA, namely it implements its resolutions, oversees the district administration, coordinates plans and programs of its sub-committees and develops and executes approved plans of the sub-district structures¹⁴⁹.

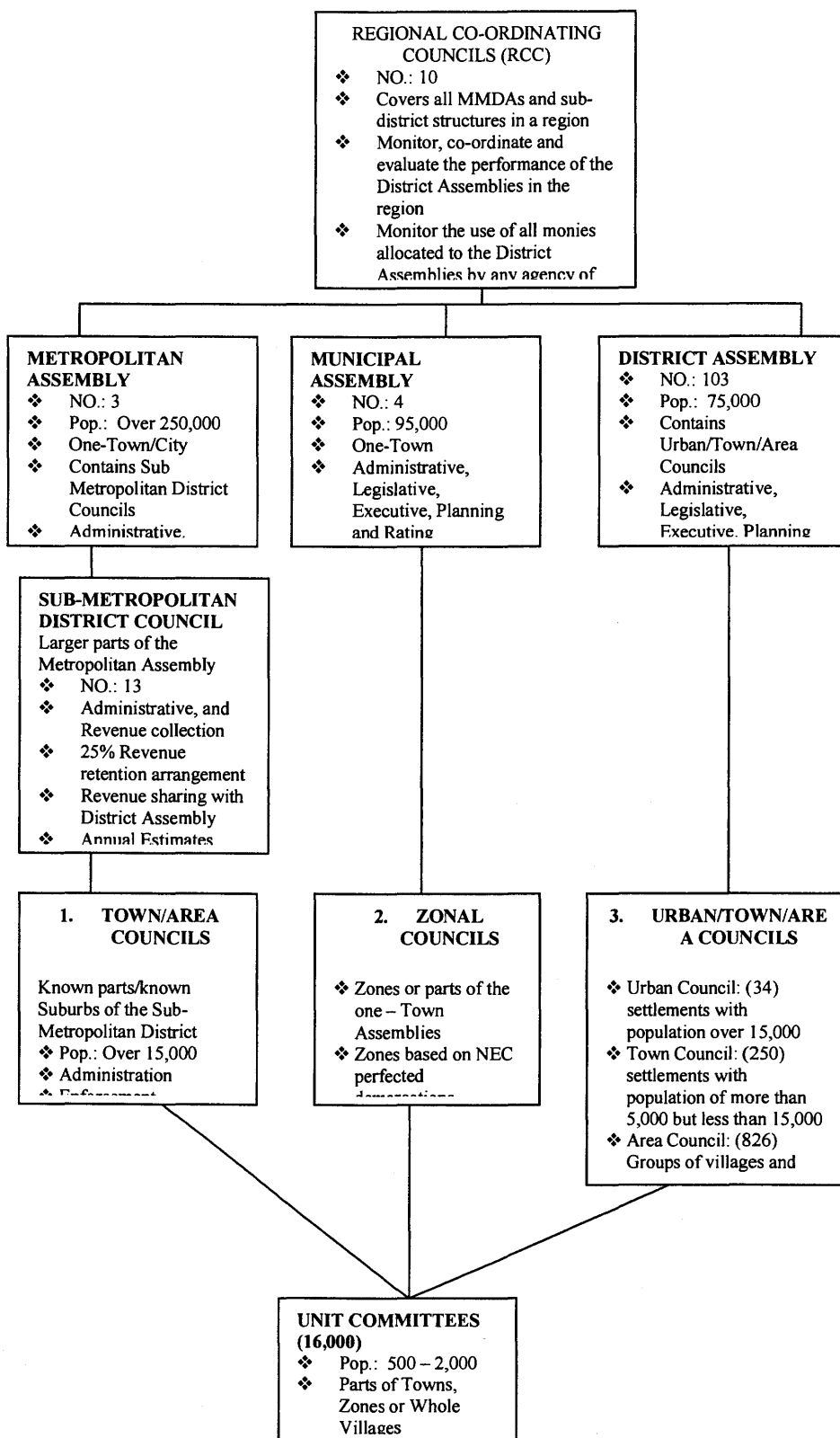
¹⁴⁸ Idem

¹⁴⁹ Ayee, J.: 2000, Op. Cit. (p. 22).

As displayed in the following chart, with the exception of the Metropolitan Assemblies which have an additional layer, DAs are generally part of a three tier structure, by falling under the responsibility of the Regional Coordinating Councils (RCC) and by associating with sub-district structures¹⁵⁰.

¹⁵⁰ Ibidem: p. 15-17

Figure 7 Ghana Local Government Structure



Source: MLGRD, *Status of Decentralisation Implementation*, Ministry of Local Government and Rural Development, Accra, January 2002.

The 10 Regional Coordinating Councils are in charge of regulating and coordinating the DAs in the respecting regions of the country. Being made of the Regional Minister (an appointee of the central government as well as its representative in the region as a chairman), his deputy, two representatives of the Regional House of Chiefs, the DCEs of the districts and the presiding members of the DAs in the region, the RCC also monitor the use of resources allocated to the DAs by any agency. They report directly to the Office of the President and liaise with the National Development Planning Committee and the Local Government Secretariat of the MLGRD.

The sub-district structures are: (i) the sub-metropolitan district councils, which act as an additional body to support the planning and management of the three largest metropolies (ii) the Urban, Zonal and Town/ Area Councils, which support some part of the administration, the enforcement and mobilization of the DAs, and finally (iii) the Unit Committees, which are elective bodies and perform functions such as the registration of births and deaths, fundraising initiatives and public education campaigns¹⁵¹ .

3.5. Assessing the experience of the decentralization in Ghana

¹⁵¹ Ayee, J.: 2000, *Op. Cit.* (p. 17-18).

“There are no universally agreed criteria for assessing the quality of decentralization”¹⁵². The existing literature on decentralization in developing countries has given wide contributions to the analysis of this process by looking into the impact of decentralization on a variety of factors related to development¹⁵³ or by presenting stories of success or failure of the overall process or one specific element¹⁵⁴ or area of the world¹⁵⁵. The experience of the decentralization in Ghana has been studied by many authors¹⁵⁶. These analyses have often focused on institutional, economic, cultural and political aspects of this process. The following is an attempt to analyze the Ghanaian experience, by borrowing some governance concepts and while keeping the geographical aspect into stern consideration. There is clearly index, which can conceptually capture all aspects of the governance of decentralization process. However, a focus on key observable aspects of the governance dimensions, based on the World Bank Institute methodology described above, can be helpful in assessing the success or

¹⁵² Ayee, J.: 2000, Op. Cit. (p. 27).

¹⁵³ Chema, G. and D. Rondinelli, (eds.): *Decentralization and Development*, Beverly Hills, Sage 1983; Manor, J.: 1995, Op. Cit.; Prud'homme, R.: 1995, Op. Cit.; Jacob, J-P: 1998, Op. Cit. ; Bardhan, P.: “Decentralization of Governance and Development”, *Journal of Economic Perspective*, Volume 16, Number 4, Harvard (univ. Press), 2002, (p. 185-205); Barhan, P. and D. Mookherjee: 2003, Op. Cit. etc.

¹⁵⁴ Bardhan, P. and D. Mookherjee: 1998, Op. Cit. ; Blair, H.: “Participation and Accountability at the Periphery: Democratic Local Governance in Six Countries”, *World Development*, Vol. 28, No. 1, 2000, (p. 21-39), etc...

¹⁵⁵ Oluwu, D.: 1998, Op. Cit.; Wunsch, J. and D. Olowu: 1990, Op.Cit.; Davis, D. et Al.: “Decentralization by Default: Local Governance and the View from the Village in The Gambia”, *Public Administration and Development*, Vol 14, 1994 (p. 253-269); Milanzi, M.: “La Gouvernance en Milieu Rural: le Cas de la Tanzanie”, *Revue française d'administration publique*, n. 88, octobre – décembre, ENA Paris 1998, (p. 603-610); Hope, K.R.: 2000, Op.Cit.; etc...

¹⁵⁶ Ayee, J.: 2000, Op.Cit.; Thomi, W. et al. (eds) : “A Decade of Decentralisation and Local Government Reform in Ghana: Retrospect and Prospects”, *EPAD Research Project / Ministry of Local Government and Rural Development*, Gold-Type Ltd, Accra 2000, etc.

failure of the decentralization in the country¹⁵⁷. The key aspects of the governance dimension considered in this work are: (i) information and communication (ii) citizen voice and accountability; (iii) accountability, and finally (iv) government orientation and responsiveness to the local needs

3.5.1. Information and Communication

As mentioned in the first chapter, adequate information and communication is a key element for any reform, as well as a prerequisite for empowerment and meaningful participation. This can be assessed by listening to stakeholders' own knowledge, attitudes and perceptions about the reform. The EPAD (Endogenous Potentials and Decentralisation)¹⁵⁸ project and particularly its survey on people's perception of the district assemblies and the decentralization as a whole is a key reference in this regard.

¹⁵⁷ Kaufmann, et al., 1999,

¹⁵⁸ The EPAD Project was a research project by the University of Ghana, Department of Geography and Resource Development and the University of Manheim, Department of Economic Geography in occasion of the 10th anniversary of the launching of the 1998 reform in order to evaluate the decentralization by looking at stakeholders opinions, perceptions and attitudes towards it. A study was carried out in a sample of 8 districts, which has been chosen based on some key criteria of representation in terms of physical, demographic, economic and administrative characteristics. Thomi, W. et al. (eds): 2000, Op. Cit., summarize the results of this study.

The survey reveals a fascinating universe of different views among the Ghanaian population about the District Assemblies and their functions. The concept of “District” is mostly associated to the idea of “administrative area” (90.9 percent of the respondents). This perception is predominant with teachers, students and contractors and is positively correlated to formal education. The District is also strongly associated to the idea of “area designed for development” (95.4%). Conversely, the view of the district as a “political area” is less common (65.5%) and mostly supported by farmers (68.6%), workers (65.5%) and traders (65.6%), and to a lesser extent by civil servants and students, displaying a negative correlation with level of education. Similar trend can be found with the idea of District as a “traditional area” (53%), which is predominant among farmers (58.8%)¹⁵⁹.

Different views have also been expressed in terms of the function of the DAs. About half of the sample population converges towards the idea that the primary function of the District is the “provision of service infrastructure” (such as water and sanitation, electricity, health, education and transport facilities), whereas about one quarter picked the “general development function”. Only 14.8 percent of the respondents selected other economic functions. Little support is left to the other functions, such as the political ones¹⁶⁰. In conclusion, the survey reveals a

¹⁵⁹ Thomi et al., (eds): 2000, Op. Cit. (p. 92- 93).

¹⁶⁰ Ibidem: p. 93 – 95.

fairly good understanding of the stated objectives of the DA, except for serving as a space for political debate and mobilization.

One further element of interest for public communication efforts is the public support to the DAs. According to the EPAD survey, although the judgment on the performance of the DAs is mixed, almost 74 percent of the surveyed population has still a positive perception of the District Assemblies. The study also reveals that the negative perception is more present among urban areas, where the rural people tend to view the DA more favorably¹⁶¹. The same study reveals that public support is also an area where improvement is needed. More than a quarter of the population view public support for DAs and involvement of communities as the single most important element needed to improve their performance¹⁶².

In terms of communication, one of the largest areas of concern is the expectation gap between the promises that the decentralization reform brought forward and the reality of their delivery. This phenomenon is present in many decentralization cases in the developing countries and has assumed a special dimension in Ghana. As mentioned above, the judgment on the DAs is fairly mixed with about half of the respondents having a positive view on their performance in terms of administrative, developmental and local resource mobilization functions, and the other half having a negative judgment on the same categories. The respondents

¹⁶¹ Ibidem: p 86-87.

¹⁶² Ibidem: p. 100- 101

tend to converge towards a negative assessment of the DAs capacity to mobilize external resources (63.8%). When asked on the greatest achievement of the DAs, the overall majority focuses on infrastructure (81.3%)¹⁶³. Some concern can be raised when matching this data with the one on the main function of the DAs, which assigned a certain importance to other functions as well.

Finally, access to timely, well targeted and comprehensible information is one further key aspect and a prerequisite for active participation. The Ghana GPRS highlights this as one important aspect needing improvement. In fact, according to the government strategy, “public should have ready access to the budget, the pattern of expenditure and progress made in the implementation of all projects in the District whether funded by the Assembly, government or NGOs. This information should be provided in a form understandable to the less educated”¹⁶⁴.

3.5.2. Voice and representation

One of the key expected benefits of decentralization reforms in terms of governance was to provide citizens with more opportunities to express their

¹⁶³ Ibidem: p 98 - 99

¹⁶⁴ Government of Ghana: *Ghana Poverty Reduction Strategy 2003-2005*, Vol. 1, February 19, Accra, 2003.

voices and participate more actively into the decision making on the local matters. In 1989, the military rules identified the District Assemblies as the key “political space” for this participation to happen. As previously mentioned, these reforms have been initially quite successful in enhancing electoral participation and giving access and representation to traditionally excluded groups, such as the uneducated, farmers, traders and artisans. However, the social composition of elected assemblies remained markedly dualistic, with unsurprising over-representation of the well educated, but nonetheless substantial representation of less privileged groups. The elite character of the Assemblies was also largely a consequence of the government selection of one-third of their members¹⁶⁵.

DA’s role as a means to express voice and have proper representation has also shown a decline over time, as expressed by the turnout of the elections that have taken place in the country. While the first elections in 1989 shown a great enthusiasm with a 58 percent of eligible votes, the turnout declines dramatically in 1994 to a low 29 percent, climbing back to 39.5 percent in 1998. Crook and Sverisson argue that even this later increase does not reflect an enhanced support to the DA, but it is rather a result of a higher registered electorate¹⁶⁶.

¹⁶⁵ Crook, R. : 2004, Op. Cit.

¹⁶⁶ Crook, R. and A. Sverisson: 2001, Op. Cit.

3.5.3. Participation

When the decentralization reform was launched in 1989, it was presented as a fulfillment of the commitment of the “Rawlings Revolution” to introduce a “truly Ghanaian” form of grass-root democracy¹⁶⁷. The village level Unit Committees were planned to be one of the key instruments for participation in this sense. They were indeed one of the milestones of Rawlings “revolutionary structure” and they originally ensured a broad participation of stakeholders at local level, including those groups which are generally marginalized by the political process. It is worth noting that women’s participation at the village-level bodies was better than or nearly as good as that of men, particularly in southern Ghana¹⁶⁸.

“At the level of direct participation in village-level bodies that the Assembly system failed to live up to the expectations loaded on it by the government’s populist, radical aspirations”¹⁶⁹. In fact, notwithstanding the Unit Committees came to a close, at least officially, with the revolutionary organs of the former military government in 1992, delays and the domination by the NDC prevented them from functioning as intended¹⁷⁰. When the Unit Committees finally held their first popular election in 1998 (well nine years after the establishment of the DAs), 65 percent of the elections were uncontested, reflecting both apathy and

¹⁶⁷ *Idem*, (p. 30)

¹⁶⁸ *Idem*. The authors also note that this point shall not be considered necessarily as a “victory of the poor and deprived”, as the women in those regions tended to be younger and well-educated

¹⁶⁹ *Idem*.

¹⁷⁰ *Idem*.

alienation caused by divergences, intimidation of contenders and administrative chaos¹⁷¹.

The one area of local politics cited by Crook and Sverisson (2001) as successful in terms of direct participation is the “self-help”¹⁷² community development associations. These associations are supposed to benefit from the animating and facilitating role of Assembly representatives.

However, as Crook and Manor found in their survey, the presence of the DA has not always been an asset for the association, as assembly representatives often find themselves in contradiction between their role in the community self-help activities and the one as DA members¹⁷³. “The more successful the self-help projects of the community association, the less willing local constituents are to pay Assembly taxes or accord any legitimacy or usefulness to its activities”¹⁷⁴. One common complaint also comes from the fact that many unfinished self-help projects are those where matching help was promised by the DA, but never granted¹⁷⁵.

¹⁷¹ Crook, R.: 1999, Op. Cit.

¹⁷² “Self-help” can be defined as a community-based form of self-reliant economic and social development (Crook, R. and A. Sverisson: 2001, Op. Cit.) or a sort of local expression of the previously defined Community-Driven Development (CDD) concept.

¹⁷³ Crook, R. and J. Manor: *Democracy and Decentralisation in South Asia and West Africa: Participation, Accountability and Performance*, Cambridge University Press, Cambridge, 1998.

¹⁷⁴ Crook, R. and A. Sverisson: 2001, Op Cit, (p 32).

¹⁷⁵ Crook, R. and J. Manor: 1998, Op. Cit.

As argued by Crook, “the richness of evidence available on the lack of responsiveness of the Ghanaian system demonstrates clearly the need to go beyond increasing participation for its own sake to making participation effective¹⁷⁶. Yet by comparison with other African countries, Ghana's Assemblies look relatively good in terms of participatory achievements”¹⁷⁷. One of the key questions is now to see to which extent this increased participation led to a higher responsiveness by both the local and central government to the local needs.

3.5.4. Government responsiveness to local needs

Several authors have conducted research in different parts of the country to assess the government responsiveness to local needs as a consequence of the decentralization process. A first good indicator in this sense is its possible contribution in terms of inequality across the region¹⁷⁸. This is particularly true if we consider that regional inequality is one of the prime motives for decentralization. In Clarke's study¹⁷⁹ on the three Northern regions (which are also the poorest one) presents a fairly positive view of the decentralization process in reducing inequalities and addressing the needs of the poorest areas of the country. First, Clark observes an increase in total development spending in the

¹⁷⁶ Crook, R.: 2004, Op. Cit (p.5).

¹⁷⁷ Ibidem: p. 32

¹⁷⁸ Idem; Clarke, V.: 2002, Op. Cit; Asante, F and J. Ayee: 2004, Op. Cit. ; etc

¹⁷⁹ Clarke, V.: 2002, Op. Cit.

above regions, both in absolute terms and as a percentage of total spending. Clarke also notes that, “while there were constraints on district spending, with some central government transfers being earmarked for certain expenditures, districts did see increases in development spending for education, health, water and sanitation, and other priority services. The result has been a clear and undeniable increase in development projects and services since the late 1980s across the Northern regions. There are clinics, roads and boreholes in the districts where there used to be none¹⁸⁰”.

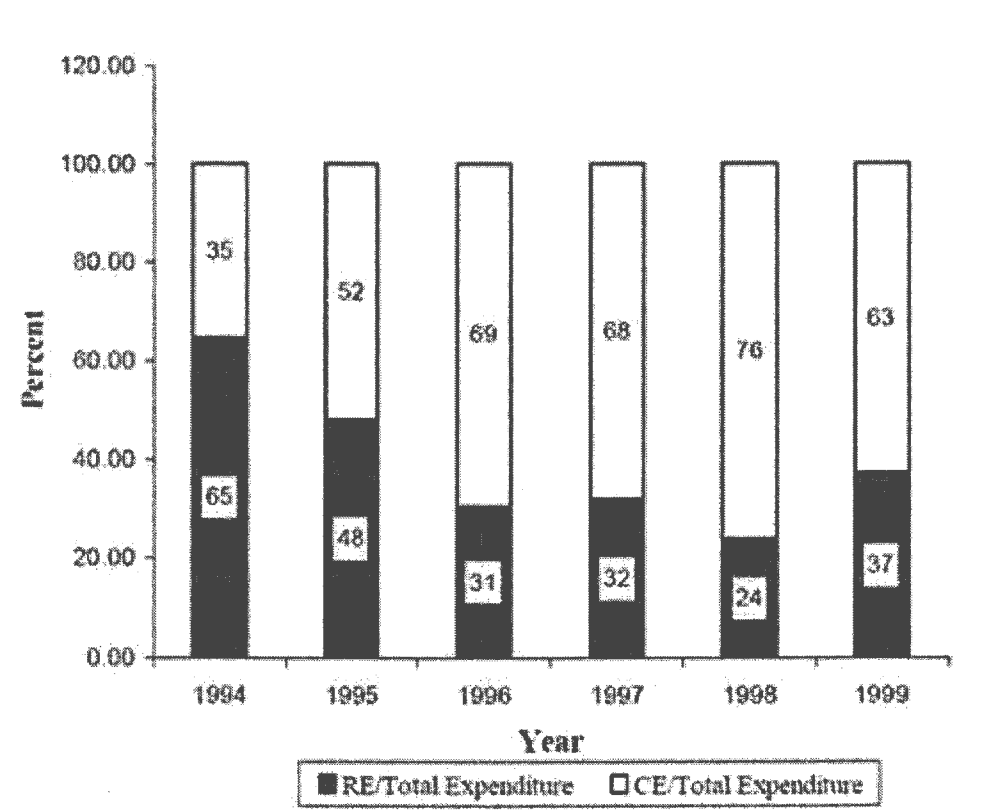
This picture is somehow confirmed by Crook’s study on decentralization, where total development expenditure and development spending as a percentage of total spending increased after decentralization¹⁸¹. Asante and Ayee reach a similar conclusion. As displayed in the following figure, capital expenditure over time has overridden recurrent expenditure¹⁸².

¹⁸⁰ *Idem.*

¹⁸¹ Crooks, R.: 1994, *Op. Cit.*

¹⁸² Asante, F and J. Ayee: 2004, *Op. Cit.*

Figure 8 Composition of Total Expenditure at the District Level, 1994 -1999



Source: Asante, F and J. Ayee: 2004, Op. Cit.

In particular, the regional breakdown of local government expenditure presented by Asante and Ayee shows that the poorest regions tend to have a higher rate of capital expenditures, relative those on recurrent items¹⁸³. For instance, as

¹⁸³ Idem.

presented in the following table on the 1999 budget, the Upper West Region, one of the poorest one in the country, spent 77.2 percent of the local government expenditure on capital expenditure and only 22.8 percent on recurrent expenditure, whereas the Greater Accra, the richest region, spent only 44.0 percent of their local government expenditure on capital items and 56.0 percent on recurrent items.

Table 2 Regional Expenditure Performance in 1999 (in million cedis)

Region*	Capital Expenditure (CE)	Recurrent (RE)	Expenditure
Greater Accra	18,196.53 (43.9)	23,170.47 (56.0)	
Western	13,165.50 (68.8)	5,962.60 (31.2)	
Ashanti	18,548.60 (72.3)	7,116.00 (27.7)	
Volta	12,516.00 (72.1)	4,852.80 (27.9)	
Brong Ahafo	10,970.00 (59.9)	7,353.50 (40.1)	
Eastern	11,490.60 (62.7)	6,824.90 (37.3)	
Central	9,694.70 (62.1)	5,910.00 (37.9)	
Northern	12,320.90 (75.9)	3,912.57 (24.1)	
Upper West	5,003.3 (77.2)	1,477.40 (22.8)	
Upper East	5,430.70 (64.5)	2,992.53 (35.5)	
Ghana	117,336.83 (62.8)	69,572.47 (37.2)	

Source: Asante, F and J. Ayee: 2004, Op. Cit. , based on data from MLGRD: 1999, Op. Cit.

* Regions are arranged based on poverty incidence from lowest or richest (Greater Accra) to highest or poorest (Upper East).

Asante and Ayee also confirm that the improved infrastructure development has been significant and has removed some of the barriers to an enhanced social and economic development¹⁸⁴. However, the same authors also point out that complaints have been raised by some rural people that most of these services and infrastructure have been concentrated mainly in the district capitals to the detriment of the rural areas.

On the issue of whether these encouraging results were in line with the needs expressed by the population, Crook¹⁸⁵ points out that local development priorities of voters were mostly reflected in the education and sanitation spending, but, on the other hand, other popular preferences, such as the provision of health facilities, electricity and water, were taken in a lesser account in district budgets. In their survey on two districts, Crook and Manor found that 70 percent of the respondents believed that the DA did not respond to their needs¹⁸⁶.

Crook and Sverisson explain this result by pointing out that the DA's actions, "tended to reflect either government pressure to mobilise local revenue sources, leading to expenditures on commercial transport services, farming or manufacturing enterprises and markets; or they reflected centrally determined

¹⁸⁴ *Idem.*

It is worth pointing out that this statement is confirmed by the author own observation upon his filed trip to the Northern regions. Compared to other African rural areas, but also to those of other developing countries in other continents, the quality of the (at least) main roads in Northern Ghana is definitively noticeable.

¹⁸⁵ Crook, R.: 1994, *Op. Cit.*

¹⁸⁶ Crook, R. and J. Manor: 1998, *Op. Cit.*

programs and priorities, the costs of which had been pushed down onto the Districts”¹⁸⁷. One of the examples cited by Crook and Sverissson are the national education reform which required the building of Junior Secondary Schools across the country¹⁸⁸.

3.5.5. Accountability

Accountability¹⁸⁹ is a crucial element of a well functioning institution. Manor defines two types of accountability: the one of bureaucrats towards elected members and the one of councilors towards their citizens¹⁹⁰. Khemani argues that decentralization tends to increase government accountability through greater voter vigilance in more local elections, as proved in his analysis of the elections in India at local vs central level¹⁹¹. However, many studies on the decentralization in Ghana lead us to conclude that both these types of accountability are fairly weak in the country. The first reason is historical and is linked to the political rationale behind the third wave of decentralization reform in the country and the 1988 law. As we mentioned earlier, the military regime of Jerry Rawlings initially set out on a ‘revolutionary’ path, although it lacked a mass political party comparable to those of

¹⁸⁷ Crook, R. and A. Sverissson: 2001 Op Cit. (p. 32).

¹⁸⁸ Idem.

¹⁸⁹ Accountability can be defined as “the ability to call public officials, private employers, or service providers to account, requiring that they be answerable for their policies, actions, and use of funds”. World Bank, 2002, *Empowerment and Poverty Reduction Sourcebook* (p. 16)

¹⁹⁰ Manor, J.: 1995, Op. Cit.

¹⁹¹ Khemani, S.: 2000, Op. Cit.

other revolutionary movements elsewhere. As Crooks points out “the late 1980s, these revolutionary organizations were little more than ‘Rawlings loyalists’ and once they were converted into a conventional political party after 1992, they continued to be part of a centrally controlled power and patronage system, using District Assemblies to co-opt local elites where possible, and exclude opposition elites where necessary”¹⁹².

An other good indicators of the poor accountability of the decentralized system is given by the finding of the EPAD research, which depicts a fairly negative view of the Ghanaian population of the capacity of the District Assembly to take decisions autonomously. According to the survey, 44.4% of the respondents declared that “the District Assembly cannot take decisions and is controlled by the administration”. If we add the 24.3 % of indifferent opinions, we are left out with a minority of only 30%, who believes in the independence of the assemblies from the central administration¹⁹³. This critical view is particularly strong among the population with higher level of education and with the urban population. The findings by EPAD lead us to the conclusion that “the people in the periphery and specifically the farmers did not see this type of problems as very common whereas this perception seems to be more present in the District Capitals. Up to a certain level, this concentration of critical views in the District Capitals – the study argues – is obviously related to the availability of information on the

¹⁹² Coork, R.: 2004, Op. Cit. (p. 12).

¹⁹³ Thomi, W. et al.: 2000, Op.Cit. (p. 102-103).

topic”¹⁹⁴. Partly as a result of this poor accountability, the district and municipal assemblies have been found to be viewed among the “least honest” organizations in a country-wide study on governance and corruption conducted by the Center for Democracy and Development and commissioned by the World Bank ¹⁹⁵

Crook and Sverrisson present a variety of explanations why the decentralization was not translated into better accountability. First, the authors blame the military regime and its successor for their reluctance to surrender their close political control over the Assemblies, as well as its related patronage¹⁹⁶. This control was kept for instance by securing the appointment of government loyalists as District Chief Executives or through the former “revolutionary organs” some of which transformed into NGOs, which still occupy a privileged place in local politics. Second set of reasons are to be found in some institutional factors that limited the accountability of government-appointed officials and civil servants to the DA. For instance, the Presiding Member of the Assemblies had in fact no major executive powers and was even excluded from the Executive Committee. Furthermore the Assemblies lacked a strong legal and political capacity to retain control over the deconcentrated Ministries and local field agencies, and therefore did not manage to translate local public demands into actions in the areas of roads, water supplies or electricity. Finally, the “no-party” rule on the DA elections limited the

¹⁹⁴ Idem.

¹⁹⁵ CDD, “*The Ghana Governance and Corruption Survey Evidence from Households, Enterprises and Public Officials*”, August 2000

¹⁹⁶ Crook, R. and A. Sverrisson: 2001, Op. Cit.

emergence of an official opposition and the public monitoring of the program by the Assemblies. The lack of party affiliation led to a context where “the representatives are all “delegates” of their own communities, dedicated to pursuing that particular interest, and therefore reluctant to accept the legitimacy of any general allocative decision”¹⁹⁷.

¹⁹⁷ *Idem.*

CONCLUSIONS

Many developing countries are experiencing what we may call the “end of the Leviathan”: the shift from a model of state similar to the one theorized by Hobbes, where the central government is absolutely supreme and nothing is thought to be independent of the central government¹⁹⁸, to a state which tries to adapt and be more responsive to the local needs. One of the most “fashionable” strategies adopted nowadays to reach this goal, as argued by this work, is the setting up of decentralization processes.

Much of the decentralization which has taken place in the past decades has been motivated not only by economic concerns, but also, and in many cases predominantly, by political ones. As presented in this work, this is particularly true in the African continent during the 90s, the period Oluwu defines as the third wave of decentralization¹⁹⁹. This phase is characterized by the spread of multi-party political systems, that create the demand for a more local voice in the decision making process. In other words, decentralization has often been used as a response to demands for democracy and better governance. These concerns are

¹⁹⁸ Hobbes, T, *Leviathan*, Penguin Classics, London, 1951

¹⁹⁹ Oluwu, D.: 1998, *Op. Cit.*

not only among the underlying factors in the drive towards decentralization, but also lie at the core of the explanations for its failure in most African countries, where decentralization has suffered from poor public support, under-representation of disadvantaged groups, low accountability and elite capture; therefore breaking its promise of better democracy and more equitable development. One of the first findings of this work is, in fact, that decentralization is not a panacea and most of the problems of effective decentralization are often neither technical nor economical, but rather linked to governance factors. This is true particularly in Africa.

The experience of Ghana is somehow a blueprint of the above mentioned drive for decentralization as a democratization tool, but it is also an example of both success and failure in the attainment of its expected outcomes. One of the first tentative conclusions we can draw is that the decentralization was a key step toward the democratization process and has somewhat contributed to address spatial inequity. On the earlier point, this work points out that the 1989 District elections, the first ones in decades of coups and military regimes, set the stage for a return to democracy and the 1992 National elections. Using the words of Owusu, the District Assemblies in particular “had the salutary effect of increasing local autonomy and raising political consciousness and participation, notably by

producing both elected and appointed members who are more representative of, and responsive to, the local electorate”²⁰⁰.

The DA and the sub-district structures have definitively broadened the political spectrum to previously disenfranchised groups such as farmers and women. However, this process has not been as successful as most had hoped. A more attentive analysis reveals that, although the knowledge and the public support of the DAs is comparatively much higher levels than in many other African countries, the perception of the DA as a space for political debate and mobilization is still very low. Moreover, there is a need to reinforce the information available and public understanding about the DAs and better manage expectations on their capacity to deliver services. It is also critical to broaden the efforts to build support to the DA as an institution, both at the grassroots level, but also at the level of policymakers in the central government, which are often reluctant in delegating responsibilities and resources to the DAs.

Regarding the DA’s role as a means to express citizens’ voice and have proper democratic representation, a remarkable progress has been achieved, especially if compared with other African decentralization processes. This success, however, has declined over time. Moreover, at the level of direct participation in village-level bodies, the system failed to live up to the expectations loaded on it by the

²⁰⁰ Owusu, M.: “Democracy and Africa – a View from the Village”, *The Journal of Modern African Studies*, 30(3), 1992, (p.369-396).

government initial populist and radical aspirations²⁰¹. The most successful actions in this sense have come from the self-help organizations and the several community driven development initiatives in the country. However, as pointed out in this work, there is a clear need to strengthen the link between these initiatives and the decentralized authorities.

In terms of responsiveness of local needs, it is quite plausible to argue that decentralization has contributed to larger allocation of funds to the poorest regions and, to a certain extent, to a greater spatial equity. Indeed, as illustrated in this work, the specific Ghanaian territory, characterized by a dichotomy between North and South,(as illustrated by the Annex 2) poses several challenges and suggests an higher distribution of resources and investments to the Northern part. This is an area that has been disfavored by its geography and too often neglected by the colonial and early post-colonial governments. It is questionable whether these allocations have been adequate enough to significantly make a real impact, and there are several doubts whether they may have reflected the local needs and demands.

The weakest point seems to be the accountability mechanisms, which, according to the analysis, do not seem to be strong enough to ensure that stakeholders' interests are represented effectively and equitably in the policy making process. In fact, DAs are still highly dependent from decisions taken by the central

²⁰¹ Crook,R. and A. Sverisson: 2001, Op. Cit..

government, and generally captured by local elites or specific interest groups. This has institutional, political and cultural explanations. In this sense, one may argue that decentralization has not succeeded yet in bringing more accountability at the local level, but it has rather shifted the locus of a top-down decision making process to the district level, replicating to a certain extent all the inefficiencies and patronage which arise from that. In this regard, Ghana is not that different from many other political realities that have a shaping influence on the results of decentralization policies in Africa. Using Crook's words "any prospect of using decentralized governance to develop more pro-poor policies must depend upon a real effort being undertaken to strengthen and broaden accountability mechanisms"²⁰².

Popular perceptions and views of this logic, as well as the consequential loss of interest in the local decision-making process, reinforce this outcome. In order to address this problem, the country would need to make some appropriate institutional adjustments, focusing on enhancing the accountability both horizontally and vertically, at local and national levels. Moreover, there is also the need to create new spaces of communication and dialogue at the local level. These would create further opportunities for communities and the more disadvantaged groups to express their voice and could liberate them from the dependence on local elites. If the process of communication and dialogue is incorporated into the DA's work and decision-making, it would further contribute to build trust towards

²⁰² Crooks, R.: 2003, Op. Cit.

the DAs themselves and to generate a healthy bottom-up pressure, which is vital to a democratic process.

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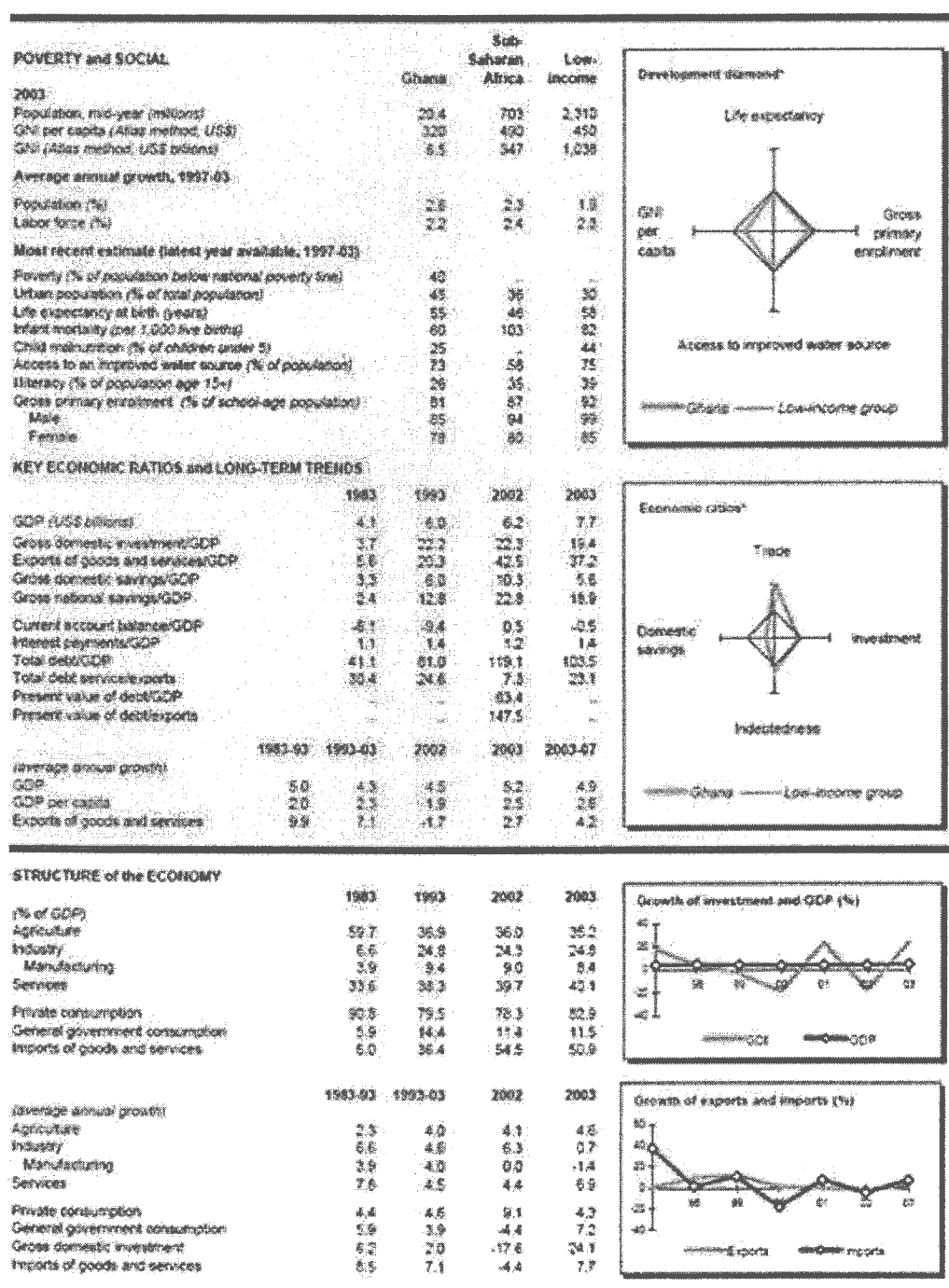
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ANNEX 1 GHANA AT A GLANCE (2003)



Source: World Bank : 2003, Op. Cit. (data are estimates) www.worldbank.org/gh

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

ANNEX 2 THE NORTH-SOUTH DICHOTOMY

Ghana, like many of its neighbor West African countries on the Gulf of Guinea (such as Togo and Benin), face large disparities between its Northern part and the South, as well as a development gap. This distinction between the northern regions and the rest is fairly large. Many authors therefore treat this spatial inequality as a “reversed” North-South phenomenon²⁰³. Others depict rather a core-periphery structure out of the North-South spatial economy²⁰⁴.

Vanderpuye-Orgle, in specific, defines the Ashanti, Eastern and Central Regions as well as the Western and Brong-Ahafo Regions as the core zone of the country²⁰⁵. These regions, which make up the forest ecological zone of the country’s South, are the prime cocoa, timber and mineral producing areas. The coastal areas are also a part of the core as a consequence of the rapid growth in the port towns. One other key climatic factor is the certainly the uneven rainfall level, which make agricultural production harder in the North²⁰⁶. As opposite to the fertile Southern part, in the North it is therefore not rare to encounter a landscape and an arid territory.

²⁰³ Songsore, J.: 1989, Op. Cit.

²⁰⁴ Vanderpuye-Orgle, J.: 2004, Op. Cit.

²⁰⁵ Idem.

²⁰⁶ EIU: *Ghana Country Report 2004*, Economist Intelligence Unit, London, 2004.

According to the country and the WB documents, overall poverty levels decreased between 1991/92 and 1998/99 from 52% to 40%. Following the same trend, extreme poverty declined from 37% to 27% over the same period. However, this progress masks the uneven decline in poverty of growing and deepening poverty in some geographical areas²⁰⁷.

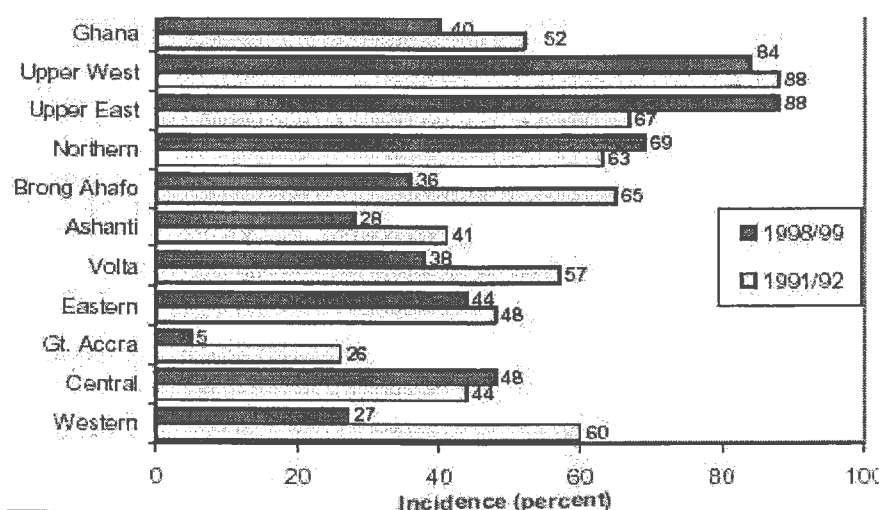
The evidence suggests that the vulnerability and exclusion among some geographical groups, socio-economic groups, gender and age groups may have worsened. Population growth during the period may have far outstripped the positive impact of growth on the rate of decline in poverty levels in some areas. Furthermore, except for the migration of the youth from the rural to the urban areas as head porters, street sellers and so forth, poverty levels in some of these areas could have been worse than what the statistics reveal.

There are significant differences in the spatial distribution of poverty. More recent data (1999) informed that five, out of ten regions in Ghana, had more than 40% of their population living in poverty. As shown in the figure below, if divided by income measure, poverty levels are highest in the three northern savannah regions (the Upper East, Upper West and Northern Regions), ranging between 69% and 88%. Nine out of ten people in the Upper East, eight out of ten in Upper West, seven out of ten in Northern Region and five out of ten in Central and

²⁰⁷ Government of Ghana: 2003, Op. Cit.

Eastern Regions were classified as poor in 1999 (Figure 9). Of the ten regions, the Upper East, Northern and Central regions experienced increases in poverty levels and extreme poverty in the 1990s. Urban areas in the northern savannah also experienced significant increases in poverty levels during the period²⁰⁸.

Figure 9 Regional Poverty Profile



Source: Government of Ghana: 2003, Op. Cit.

According to the literature, the North-South gap is not only a consequence of climatic and morphologic conditions of the territory, but were a direct result of the colonialism, which shaped the internal structure of the country, to fit the needs of the colonial metropolis, based on a dynamic modern export sector on the one hand, and a “backward”, underdeveloped subsistence sector, on the other side.

²⁰⁸ Idem.

The divide produced, has in time continued even after the colonialism, through deliberate distortions of the internal patterns of production, as well as through the spatial organization of economic and social activity²⁰⁹

Other author, in more recent articles Vanderpuye-Orgle reasons that, starting from the mid-1980s, awareness of the deprived North raised and become a prominent political priority. The Government focus shifted to facilitate the development of the area. As we will see in the following chapters, this is also the period when the decentralization process had one of the most significant momentum²¹⁰.

One further aspect of the North-South divide is the distribution of the population and the manpower. As displayed in the table below, with the exception of the Upper East, the Northern regions have the lowest population density. This divide has encouraged migration from the North to the South, causing further disparity in terms of population. The population growth rate featured in the outhern regions, reaching a maximum annual growth rate of 4.4 percent in the Greater Accra, can be better explained by internal migration flows than by fertility rates, which are traditionally larger in the rural areas.

²⁰⁹ Songsore, J.: 1989, Op.Cit.

²¹⁰ Vanderpuye-Orgle, J.: 2004, Op.Cit.

Table 3 Basic Characteristics of the Population in the Regions

	Total	Rural	Urban	Population density	Annual growth rate
Western	1,924,577	1,226,159	698,418	80.5	3.2
Central	1,593,823	995,418	598,405	162.2	2.1
Greater Accra	2,905,726	358,042	2,547,684	895.5	4.4
Volta	1,635,421	1,194,337	441,084	79.5	1.9
Eastern	2,106,696	1,378,782	727,914	109.0	1.4
Ashanti	3,612,950	1,759,885	1,853,065	148.1	3.4
Brong Ahafo	1,815,408	1,136,628	678,780	45.9	2.5
Northern	1,820,806	1,337,016	483,790	25.9	2.8
Upper East	920,089	775,807	144,282	104.1	1.1
Upper West	567,583	475,735	100,848	31.2	1.7
Total	18,903,079	10,637,809	8,274,270	79.3	2.7

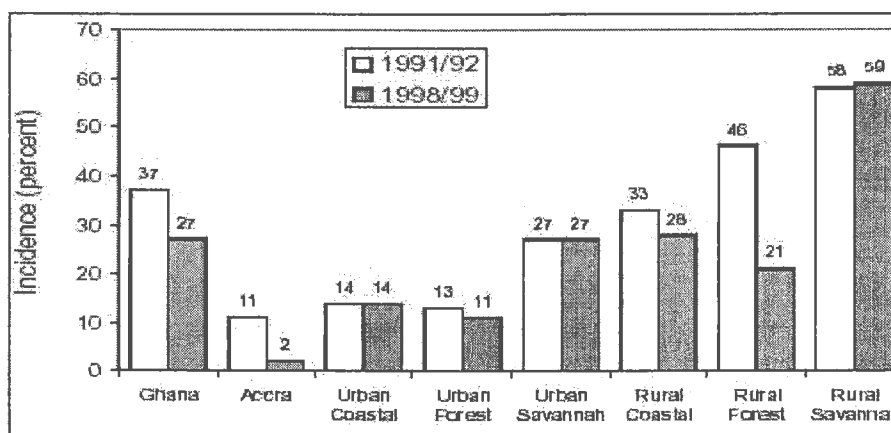
Source: EIU: 2004, Op.Cit.

Figure 9 provides another perspective of the incidence of poverty for the country as a whole and by localities that span different administrative regions. At the national level, nearly one-quarter of the population (27%) in 1989-99 was unable to meet their basic nutritional requirement even if they devoted their entire consumption budget to food. The geographical variations of extreme poverty ranged from 2% in Greater Accra to 59% in Rural Savannah, which spans

much of the Northern, Upper West and Upper East administrative regions. The 1% increase in extreme poverty between the two census periods in rural savannah is in contrast with the no-change in extreme poverty in the urban savannah. The increase in overall poverty across these three administrative regions is therefore largely a rural phenomenon, a case of the poor getting poorer.

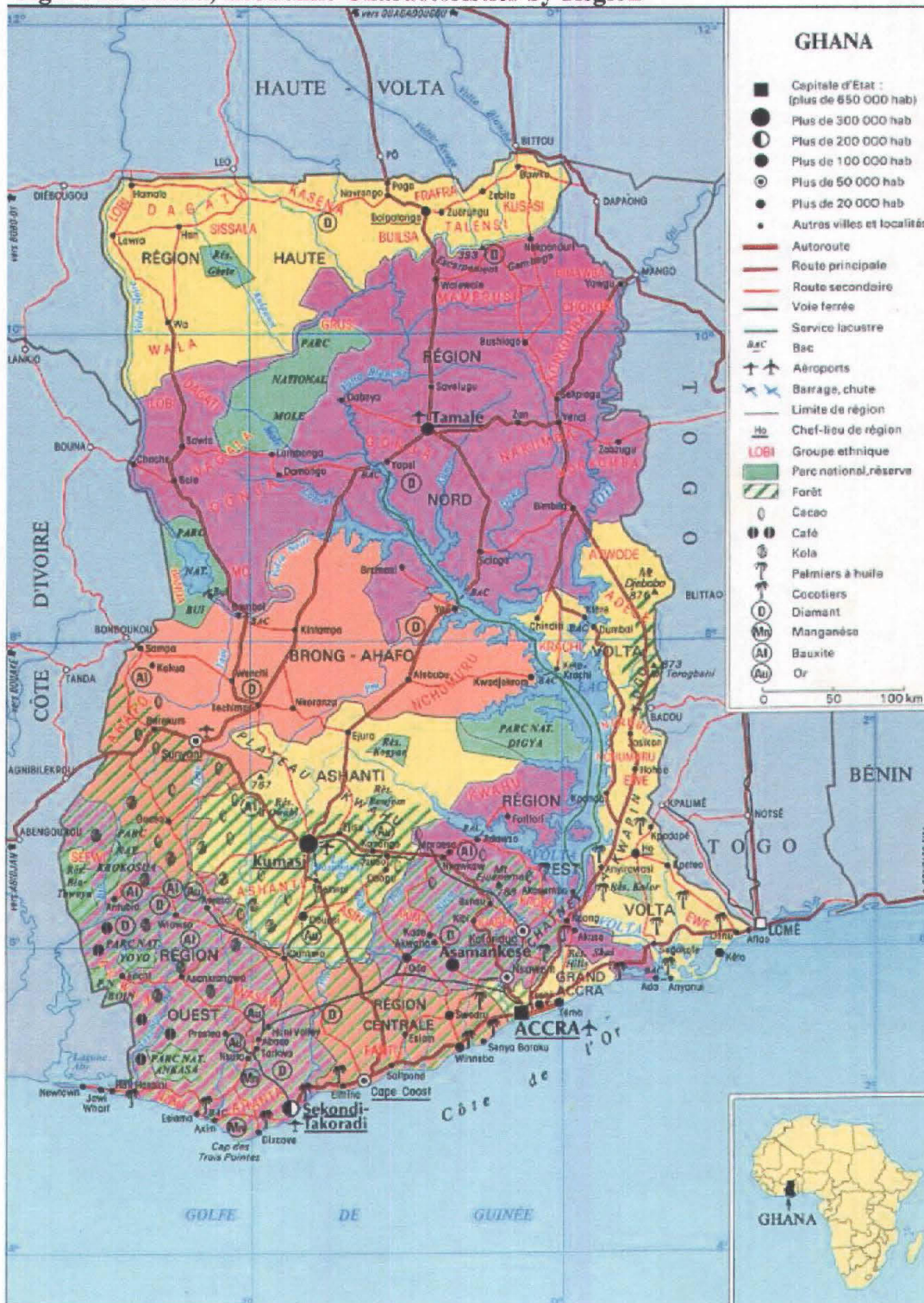
In contrast, reductions in extreme poverty have occurred noticeably in rural forest belt and moderately in the rural coastal. Despite these reductions, the levels of poverty in Brong Ahafo, Volta, and Eastern regions remain high. The information in Figure 3.2 also suggests that apart from Accra average reductions in extreme poverty in the urban areas have been minor.

Figure 10 Extreme poverty incidence by locality



Source: Ghana Statistical Service: 2000, Op. Cit.

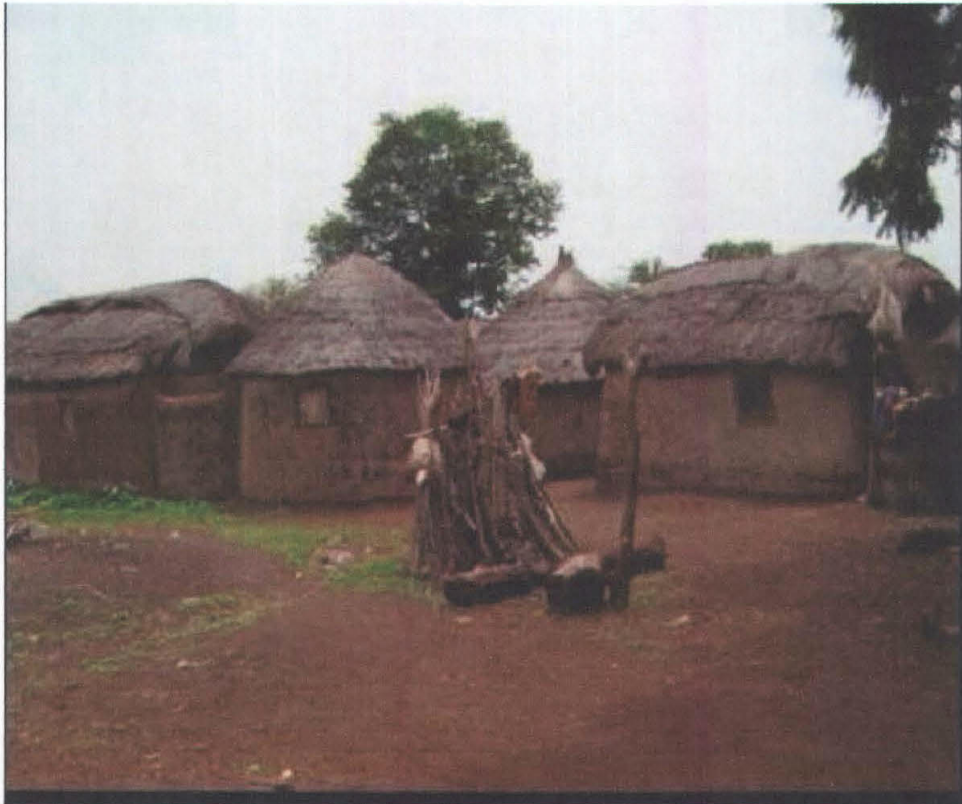
Figure 11 Ghana, Economic Characteristics by Region



Source: [http://www.ia.maps.com/magellan/ Images/GHANA-W2.gif](http://www.ia.maps.com/magellan/Images/GHANA-W2.gif)

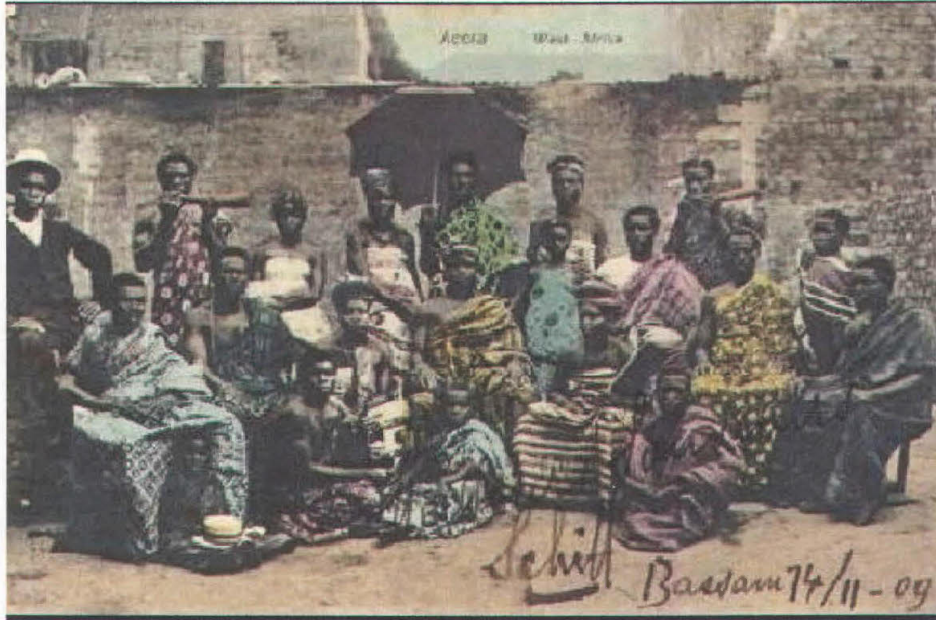
ANNEX 3 IMAGES FROM THE FIELD

Figure 12 Image of a rural village in the North



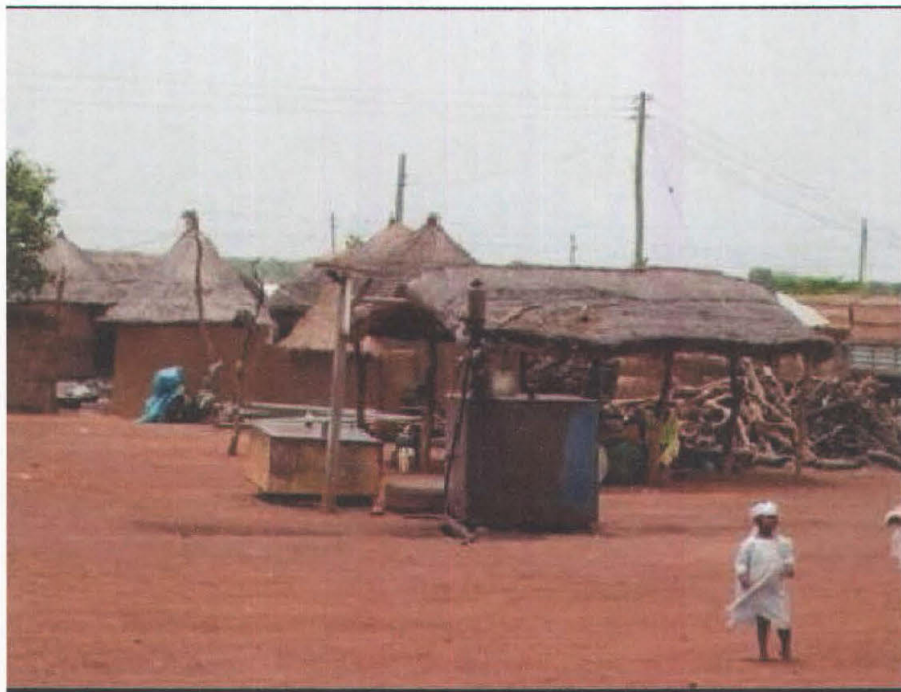
Source: Picture by the author

Figure 13 Photo portraying a group of Chiefs of Accra (1909)



Source: Tamarin Inc: Picture by Daniel LAINÉ

Figure 14 A community water pump



Source: Photo by the author

Figure 15 A village meeting in the Upper East region



Source: Picture by the author

Figure 16 Site of World Bank funded project in the Northern Regions



Source: Picture by the author