



AN ASSESSMENT OF INSTITUTIONAL ARRANGEMENTS OF GHANA'S DECENTRALIZATION SYSTEM

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Background

Ghana's major attempt at real decentralization system was set up in 1988 with the promulgation of Provisional National Defense Council (PNDC) Law 207, which is now superseded by the Local Government Act (Act 462) of 1993. The policy specifically seeks to promote popular participation in the decision-making process and promote responsive governance at the local level (Ayee, 2008). Central to Ghana's decentralization is the role of the District Chief Executive (DCE) and the functions Assembly Members. How these people are identified and mandated to perform their responsibilities seem to have implications for the performance of the District Assemblies. Though studies have been conducted into the functioning of Ghana's decentralization (Ayee, 2000; Crawford, 2004; IFPRI 2009), the best institutional arrangement for choosing the DCE and Assembly Members has not been carefully examined. For example, it is not clearly defined as to whether the DCE be appointed by the president or elected by the local people, and whether the district assembly elections should be partisan or non-partisan.

This study seeks to investigate the preferred institutional arrangements that will make Ghana's decentralization process more effective. Specifically, it seeks to assess the opinions of citizens on the appointment or election of their DCEs and the politicization of local level elections. Three main questions guided the study. First, should the DCEs be elected or appointed? Second, should the district assembly elections be politicized or not? Finally, what are the reasons underpinning the various preferences? The paper is organized as follows: the first section introduces the topic; this is followed by a review of the literature on decentralization, and then how data was collected and analyzed were



described. Finally, the findings of the study are discussed and concluding remark offered.

Conceptual and empirical literature review

The analytical framework used for the study is Rondinelli's conceptualisation of decentralization (Rondinelli, 2006). Decentralization is generally understood as the transfer of authority and power for public planning, management and administration from national to sub-national levels (Rondinelli 2006; Saltman et al. 2007). In identifying the forms of decentralization based on the nature of power transferred, Rondinelli conceptualized decentralization as a continuum from deconcentration (the weakest form) to devolution (the strongest form) with Partnership and Privatization in between. Beyond these four types of decentralization identified by Rondinelli, there could be several other forms along the continuum based on varying local context which should be discovered.

The central theme of decentralization is that it promotes good governance and democracy. This is based on the assumption that decentralization will provide better opportunities for local residents to participate in decision-making and be able to hold their elected representatives accountable (Smith 2007; Saito, 2008, Agomor, 2008). Local participation, according to Binswanger-Mkhize (2010) enhances transparency and government responsiveness as a result of increased accountability. Rodriguez-Pose and Ezcurra (2010) suggest that the enhanced proximity between those governing and the governed empowers individuals and helps to generate institutions, such as greater trust, interaction, and network, which in turn contribute to a reduction in transaction cost.

Contrary to the optimistic view of decentralization, experiences of many developing countries point to a weak correlation between decentralization and the anticipated virtues of good governance and development. For example, Crook and Sverrisson (2001) report that despite the great strides in decentralization in Columbia and Brazil in terms of devolving power to local bodies, these countries have achieved relatively little by way of poverty reduction or reducing regional disparities. Similar negative conclusions on decentralization in Uganda are drawn by Francis and James (2003).



Rodriguez-Pose and Ezcurra (2010) in a study of 21 Organization for Economic Co-operation and Development (OECD) countries over the period 1990-2005 also report a negative and significant effect of decentralisation on economic growth. The literature, therefore, suggests that context matters if we are to fully understand the determinants and impact of decentralization (Faguet, 2012; USAID, 2009).

Recent studies have looked at the issue and explained the effect of decentralization from the political economy perspective and claim that the effect of decentralization depends on whether local politicians are elected or appointed. Advocates of the election of DCEs or Mayors assert that pressure for democratic elections is a very good mechanism for ensuring accountability of local government and efficient service delivery (Bardhan & Mookherjee, 2000). In a forum organized by the Ministry of Local Government and Rural Development in 2009 held in Cape Coast of Ghana, participants were of the view that DCEs can be made more accountable and can only be empowered to serve if they are elected and not appointed (GNA, 2009). At the First Annual Conference on Local Government and Decentralization held in Koforidua, the participants (mostly Parliamentarians), however, did indicate that though electing DCEs might be better than appointing them, it should be done at a later date as our democracy matures. Nevertheless, participants at both the Cape Coast forum and Koforidua conference did suggest that the current 30% appointment of Assembly Members should be abolished.

Local elections form an 'incomplete contract' which permits citizens to express their preferences for local public policies and their displeasure with corrupt and incompetent officials by refusing to re-elect them (Kyriacou & Roca-Sagales, 2008; Inman & Rubinfeld, 1996). Thus, in a fiscally decentralized setting with inter-jurisdictional mobility and competition, we would expect locally elected representatives to offer public goods more efficiently and to be less corrupt since economic agents would flee more corrupt regions. Akramov et al. (2008) in a study of the local government system in Pakistan found that direct elections of district *nazims*, a key position in their local



government structure, had the potential to increase electoral participation and create a precondition for better local government accountability.

Similarly, Kyriacou and Roca-Sagales (2008) in a study of 29 developing and developed countries over the period 1984-1997 reported that fiscal decentralisation has a positively significant effect on government quality; more importantly, electoral and decision making improved the benefits of decentralization only in the developed countries. More specifically, the study indicated that the positive effect is reduced by electoral and decision making decentralization especially in poor income countries. They argue that this may be due to the fact that the sub-national institutions in poorer countries are underdeveloped compared to those in wealthy countries. As a result, they are unable to harness the positive effect expected from electoral decision making decentralisation.

Advocates of the appointment of DCEs argued, on the contrary, that locally elected governments might indulge in rent seeking behavior and; local officials may be susceptible to corruption or capture by rich local elites due to intimacy and frequent interaction, greater discretion of the local government and low media attention to get voters informed (Tanzi, 1995; Prud'homme, 1995; Bardhan & Mookherjee, 2000; Ahmad & Talib, 2011; Mookherjee, 2009). Even when necessary, pro-appointment advocates indicate that electoral competition alone is not enough to produce efficiency (Inman & Rubinfeld, 1996).

Rodden (2004) asserts that decentralizing by election of mayors can encourage dangerous opportunistic behaviour by state and local officials. Left unrestricted, such opportunism can undermine macroeconomic stability and other objectives. He concludes by stating that as experience with decentralization evolves, sub-national governments can move from rule-based to market-based enforcement mechanisms. This is consistent with Baskaran and Feld's (2009) study of OECD countries that indicated a high degree of *political* instead of fiscal autonomy of sub-federal units seems to impede economic growth. They found that while political autonomy seems to be



harmful because of, for example, the introduction of additional veto players, fiscal decentralization appears to be either irrelevant or even favorable for economic outcomes. In a study of 154 countries, Treisman (2002) found that the effect of decentralization on economic outcomes were independent of whether the mayor was elected or appointed.

Research Methodology

The study is designed as a representative nationwide sample survey, where every adult of voting age has an equal chance of inclusion in the sample. The study employed survey using structured questionnaire to collect quantitative data. A multi-stage cluster sampling technique was used with the sample distribution being proportional to the 2010 National Population and Housing Census of Ghana. The first stage of sampling included all the 10 regions of Ghana. In each of the regions, one-tenth of the districts was selected using simple random technique. In each of the 22 selected districts, respondents were drawn from rural and urban areas in proportion to the 2010 Population Census. The sample size and distribution is captured in Table 1 below.

Table 1: Sample Distribution of Respondents

Regions	Share of Population (%)	Total No. of Districts	District Allocation	Sample Allocation
Ashanti	19	30	3	409
Brong-Ahafo	10	27	3	207
Central	8	20	2	116
Eastern	11	26	3	209
Gt. Accra	15	16	2	321
Northern	10	26	3	212
Upper East	5	13	1	108
Upper West	3	11	1	105
Volta	9	25	2	213
Western	10	22	2	204
Total	100	216	22	2,104

Source: Survey Data, 2014

Key Findings of the Study



Awareness of decentralization

When respondents were asked concerning their awareness of decentralization program set up by the government, over 80% responded in the affirmative whilst the rest responded in the negative. Chi-square tests were done to ascertain the relation between awareness and other variables that are of interest. These are indicated in Tables Four and Five. The cross tabulations as indicated in Table Three show that the level of awareness of decentralization increases as the level of education increases. Further chi-square tests show that awareness is highly dependent on the level of education ($\chi^2 = 102.96, p=0.00$). However, a look into the relationships between the awareness of the decentralization program and occupational setting was not substantial. As shown in Table Four, the number of respondents who were aware of the decentralization program was almost the same across both rural and urban settings. The chi-square tests further confirmed this observation and the test proved that the relationship between these two variables were not significant ($\chi^2 = 0.715, p=0.398$).

Table 4: Awareness of decentralization and educational level cross tabulations

	No Formal school	Primary/Middle school	Senior Secondary	Tertiary	Any Other
aware of the decentralization program	14	46	283	1384	16
not aware	14	30	71	199	0

Source: Survey Data, 2014

Table 5: Awareness of decentralization and Geographical setting cross tabulations

	Rural	Urban
aware of the decentralization program	883	897
not aware	169	155

Source: Survey Data, 2014

Perceived and Actual benefits of the decentralization program

The respondents' opinions were sought on perceived potential and actual contribution of decentralization to development. When respondents were asked to affirm whether decentralization could help in promoting the overall economic development, about 78%



of the people responded in the affirmative. On the perceived actual contribution of decentralization to economic development, the percentage of actual contribution dropped from 78% to 63%. This shows that though decentralization could help promote economic development, there is the need for better institutional arrangements that will produce the maximum outcome towards the realization of the full potential benefits of decentralization.

Election of District Chief Executives (DCEs)

When the opinions of the respondents were sought on the election of DCEs, over 64% of them believed that DCEs should be elected by the people. Out of the rest, 9% of the respondents believed that whether they were elected or appointed did not make any difference. The statistical test (One Sample Kolmogorov-Smirnoff test; $p=0.00$) indicated that the actual percentage of respondents that advocated the election of DCEs were substantially greater than that of those who stated otherwise.

Those who wanted the DCEs to be appointed were of the view that if the DCEs were elected from different political party from the ruling party, the district would suffer in terms of development because they would not follow the manifestos of the ruling party. The president is not likely to work effectively with a DCE who does not belong to his political party. They argue that the election could take a toll on the limited resources which could be channeled to addressing other pressing needs of the country.

Proponents of the continuation of the appointment of DCEs stated strongly that electing DCEs would make them unaccountable to the government of the day since their stay in office did not depend on the President. This would create undisciplined DCEs, promote corruption, sabotage on the part of the government, and in the end, make the government unpopular among the citizenry. They argued that people with different political leanings that were not in tandem with the ideologies of government of the day could be elected. At the end, there would be conflict of ideas, policies and strategies which in all would not be to the benefit of the people at the local level.



Those who argued for the election of DCEs are of the view that the implementation programmes would be devoid of partisan political considerations. Elected DCEs would see themselves as team leaders and would consult the electorates and citizens on vital issues before decisions are taken. They indicated that electing them would give them the courage to think outside the box and tap resources locally to help develop tourism, agriculture and rural industrialization since they would no longer solely rely on the central government for policy direction or be bound by certain terms on how to use funds rather than by local needs. Again more locally experienced human resources would be brought on board to collectively develop the districts.

As shown in Table 6, a cross tabulation of the views of the respondents on the election of the DCEs against their educational levels of the respondents was done. This was to ascertain whether there existed relationships between the views on the election of DCEs and some variables like educational background, occupational setting, regional setting and awareness of the decentralization program. Results from the chi-square test of independence showed that there existed relationships between the views of the respondents concerning the election of the DCEs and the educational background of the respondents ($\chi^2 = 29.53$, $p=0.009$). The values in Table 6 show that the more educated the respondents are, the greater is the agitation among them for the election of DCEs. The other variables, however, show no relationships between them and the views on the election of DCEs.

Table 6: election of DCE and educational level cross tabulations

	No Formal school	Primary	Junior Sec/Middle school	Senior Secondary	Post-Secondary	Tertiary	Any Other
Appointed	5	5	23	51	47	402	2
Be elected	17	6	28	123	99	1051	12
No difference	6	3	11	24	10	130	2

Source: Survey Data, 2014

Party politics and decentralization



Some people hold the view that as Ghana has adopted multi-party democracy of governance, this should reflect in our governance systems at both the national and local levels. They contend that even though the election of District Assembly members is to be done on non-partisan basis, the reality is the opposite, as there are often strong political under-currents behind the various candidates. However, others are of the view that the politicization of our decentralization system will compromise the neutral and development oriented posture expected of the district assembly structures. In view of this, the study wanted respondents to agree or disagree on the issue of politicization of district level elections.

As shown in Table 7, the majority of respondents (81.8) were aware that the decentralization process in Ghana was partisan. However, 65.4% of the respondents disagreed to having a partisan decentralization. They believed that even though strengthening political parties at the local government level is a good indicator and a promoter of democracy, partisan politics must not be encouraged in district level elections.

Table 7: Issues concerning party politics and decentralization

Item	% Agree	% Disagree
As more experience is gained with decentralization DCEs could be elected	74.7	15.3
As the level of development goes up, DCEs could be elected	72.6	19.2
Ghana's decentralization should be partisan	18.0	65.4
Ghana's Local Government system is already political	81.8	9.2
Strengthening political parties at the local level is the best way to promote democracy	61.1	27.7
Strengthening political parties at local level helps make parties stronger	68.5	20.6
Partisan politics should be encouraged in district level elections	20.7	70.7
Partisan politics at local level could enhance national cohesion	25.0	57.7

Source: Survey Data, 2014



Conclusion

The debate on the election or appointment of DCEs and politicization of local level elections is prevalent among the citizenry. On the appointment or election of DCEs, the majority view is that DCEs should be elected rather than appointed. Though this debate has raged on for the past few years, no definite consensus has been reached especially among political elites. This has created a seeming lack of political will among them and has forestalled any attempt to initiate procedures to amend the constitution to allow for the election of DCEs. This, therefore, suggests that the agitation and the concerns raised by the majority will linger on until the law is amended.

It is an open secret that even though the laws debar the partisanship nature of decentralization system, partisanship has featured prominently in the operations of the assemblies. There was supposed to be the appointment of 30% of Assembly members, who are supposed to be people with special skills or knowledge. However, that is not the case; almost all members of this are party members who have sweated and toiled for the party. The Assemblies are deficient in those skills the law seeks to provide for. But to the parties they have to work with people whom they can trust, not those who have not bought into their vision and aspirations; after all, without security the dreams of every government will be shattered; one needs to be secure, first, before other things can be achieved.



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