

# **The Political Economy of Decentralization in Ghana\***

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## **Abstract**

Ghana is reviewing its decentralization policy for the first time in twenty years. Although the new policy is likely to provide local governments with greater administrative, financial, and political authority, the extent of the decentralization is likely to be small, especially in the eyes of the average Ghanaian. At the same time, a limited decentralization might be more sensible than a more extensive one. The country faces major challenges in making local government more capable and accountable. For a wide-ranging decentralization to improve local government significantly requires the central government to solve difficult challenges surrounding administration and finance at the local level, national unity, and the inclusion of traditional authorities in local government. For these reasons, it is not evident that far-reaching decentralization would make local government more democratic and/or effective. Instead, the government's more cautious approach to decentralization has considerable merit.

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## *Introduction*

The Government of Ghana is currently considering extending greater authority to local government. As in many other countries, the assumptions behind these efforts are that granting more power to local governments will improve their performance, reduce central government expenditures, and/or make local government more accountable to its constituents. The veracity of these assumptions is not clear. Rather, in Ghana, decentralization has the potential to create more problems than it solves. There are numerous obstacles to making local government more effective that are important to consider before endorsing any efforts for greater decentralization in the country. This paper discusses these potential hazards.

Broadly speaking, decentralization can occur along three dimensions, administrative, fiscal, and political. Administrative decentralization extends jurisdiction over the civil service to local governments. Fiscal decentralization gives local governments the responsibility to raise their own revenue and/or provides them with unconditional transfers from the central government. Political decentralization aims to provide citizens and their elected officials with greater decision-making authority at the local level. All three are problematic in Ghana at the moment:

- *Administrative decentralization:* Most local governments in Ghana are located in rural areas that are unattractive places for educated civil servants to live. In order to avoid the inequalities that would result from rural areas being unable to attract and hire qualified civil servants, administrative decentralization plans must provide incentives for civil servants to go to these areas.
- *Fiscal decentralization:* Taxable economic activity is highly concentrated in a small number of urban areas in Ghana. For this reason, fiscal decentralization without large amounts of unconditional transfers will leave most districts without a viable financial base. Alternatively, substantial unconditional transfers are likely to lead to a significant amount of wasteful local government spending.
- *Political Decentralization:* Efforts to extend greater decision making authority to local governments in Ghana create two very distinct problems:
  - For reasons of national unity and security, the main political parties do not support extensive political decentralization.

- Political decentralization is likely to require the central government to address the very challenging issue of integrating traditional authorities (e.g., chiefs, sub-chiefs, and paramount chiefs) into formal local government structures.<sup>1</sup>

The next section of this paper examines the history of local government in Ghana. We then discuss the historic relationship between chiefs and the government. The following section describes the current powers of local government. Next, we analyze the likely areas that the current decentralization policy review is going to address. The penultimate section examines the aforementioned challenges to decentralization. In the concluding section, we provide our observations on the desirability of greater decentralization in Ghana.

### ***History of Local Government***

There has been great variation in local governance in Ghana over time. Since the British colonized the Gold Coast, successive governments have grappled with how to build the power of local government while maintaining central government control. Approaches to local governance have ranged from manipulation through traditional authorities by the British to elections of local officials under Nkrumah to the appointment of local government officials by both military and civilian governments. While a great deal of local government legislation has been drafted, frequent regime change has prevented much of it from being enacted. The current Fourth Republic came into existence in 1992 and is the longest period of uninterrupted civilian rule in Ghana's history with an unprecedented emphasis on decentralization.

The British governed the Gold Coast colony through local authorities, a system they called indirect rule (Crawford 2004, Guri 2006). The colonial government determined and approved of the paramount and divisional chiefs and rewarded those most loyal to the crown with leadership positions on municipal and native councils. Initially, the British set up local councils as elected bodies responsible for the oversight of public health, peace and order in the colony (see the 1859 Municipal Council Ordinance), but soon realized that appointing members to local councils was more amenable to achieving their interests and they abandoned elections. Over the next 90 years, the British yielded and withdrew administrative, fiscal and judicial responsibility to the traditional authorities they chose. The British thus initiated a pattern of local governance that has continued through today: the back and forth struggle between strengthening local authorities to the point they begin to threaten central authority, followed by periods in which traditional or local authority is deconstructed.<sup>2</sup>

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<sup>1</sup> In this paper, we use the terms chief/chieftaincy and traditional authorities interchangeably. Ghanaians typically employ the former terminology, while outsiders tend to use the latter.

<sup>2</sup> The 1878 Native Jurisdiction Ordinance formally recognized chiefs as the authorities of Native Councils. This gave chiefs the authority to make and enact bylaws enforced in both criminal and civil

The decade leading up to Ghana's independence in 1957 was filled with tension and conflict over British rule in the colony. The unrest during the late 1940s focused on poor living conditions and a lack of representation in the civil service. The British realized they were losing control over the colony and commissioned Aiken Watson to investigate the causes of the '1948 Disturbances.' Following the Watson Report, the British commissioned Sir Henley Coussey to head a committee to review Watson's recommendations and, in part, look into the possibility of introducing a democratic system of local government. As a result of the unrest and the recommendations of both the Watson and Coussey commissions, the British made important changes in governance of the colony. In 1950 and 1951 the British granted the Gold Coast internal self-government, representation, and greater participation in local government (Boafo-Arthur 2001).

The changes the British implemented were an interim measure prior to independence. Following independence in 1957, the Convention People's Party (CPP) led by Kwame Nkrumah came to power. Nkrumah attempted to sideline chiefs because the most powerful ones supported the opposition United Gold Coast Convention (UGCC). The competition between the UGCC (later turned National Liberation Movement (NLM)) and Nkrumah's government became clear when he attempted to initiate local government reforms. The CPP government created five regional, autonomous assemblies, but chiefs and the NLM forced the CPP to abolish the policy within a year (Knierzinger 2009).

The CPP tried again to implement local governance reform through the 1960 constitution. The constitution included the Local Government Act of 1961, which declared that local government be democratic, representative and responsible for its own financing. It divided Ghana into city, municipal and local councils. The CPP introduced council elections and made the presidents of the councils paramount chiefs who were appointed by the Ministry of Justice (i.e., the CPP government). Just as the British had done, Nkrumah quickly realized the importance of manipulating the chieftaincy to achieve his aims despite reforms meant to democratize local government structures (Crawford 2004).

The CPP was thrown out of government in 1966 by the National Liberation Council (NLC), which emerged from members of the former NLM opposition (Knierzinger 2009). Under this period, there was a marked shift in the approach to local government due to the NLM's ties to powerful traditional authorities.<sup>3</sup> In the three

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courts. While chiefs had always collected 'tribal' revenues, the Native Administration Ordinance was passed in 1927, which gave chiefs financial, judicial and administrative authority through State Councils. In 1936 and 1939, the Native Treasury Ordinances tightened fiscal regulation. In 1944, the Native Authority Ordinance distinguished between State Councils, determined by customary law, and Native Authorities who were appointed by the Governor for administrative purposes (much like the District Chief Executive of the current system).

<sup>3</sup> The NLC was backed by elites from the Ashanti Region, which has historically had the most powerful traditional rulers in all of Ghana: the Asanteman led by the Asantehene.

years of NLC rule, the military government commissioned three reports in order to develop the 1969 constitution and return the country to civilian rule.<sup>4</sup> Several recommendations from these reports regarding local governance found their place into the 1969 Constitution through the Local Administration Act of 1971, which, according to Ahwoi (2010: 23), “attempted to balance a system of quasi-autonomous elected councils and administration by agencies of central government.” The NLC returned the country to civilian rule in 1969 with the election of Kofi Busia’s Progress Party (PP). Many of the provisions on local government that emerged from the NLC were never implemented, however, because the PP was removed by a military coup in 1972 led by the National Redemption Council (NRC).

The NRC military government outlined a series of changes to local government structures to achieve its goals, as had the two previous regimes of independent Ghana.<sup>5</sup> The most extensive change was Local Government Amendment Act 359, which eliminated the distinction between central and local governments. The civil service, paid by the central government, subsequently became bloated with loyalists, friends, and family members of the NRC.

In addition to changes in administrative decentralization, the act abolished elections for local councils. Instead, the central government appointed two-thirds and traditional authorities chose the remaining one-third. The NRC also created the position of the District Chief Executive (DCE) as the head of local governments, which remains today. Although the NRC government envisioned the DCE as a technocratic appointment, since the civil service largely consisted of NRC loyalists, this was an unrealistic policy.

The NRC implemented few of its proposed changes to local government, however due to internal conflicts within the regime. The Superior Military Council (SMC) replaced the NRC in 1975 due to pressures to return the country to civilian rule. The SMC established the TA Mensah Commission to investigate how to achieve this task. Before any of their recommendations could be implemented, however, the Armed Forces Revolutionary Council (AFRC), a group of junior military officers led by Flight Lieutenant Jerry Rawlings, overthrew the SMC.

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<sup>4</sup> Mills-Odoi Report on the Structure and Remuneration of the Public Service, Siriboe Committee on to Enquire into Electoral and Local Government Reform, and the Akufo-Addo Commission on the Constitution of Ghana (Ahwoi 2010).

<sup>5</sup> Local Administration (Amendment) Decree, 1972, NRCD 138; Local Administration (Amendment) Decree, 1974, NRCD 258; Local Government (District Councils) (Establishment) Decree, 1974, NRCD 290; Local Government (District Councils) (Establishment) (Amendment) Decree, 1975, NRCD 352; Local Government (Amendment) Decree, 1976, SMCD 15; Local Government (Amendment) Decree, 1978, SMCD 196; Local Government (Amendment) Decree, 1979, SMCD 219 (Ahwoi 2010).

Rawlings' military government, quickly organized elections, and held elections that determined Dr. Hilla Limann of the People's National Party (PNP) as President in 1979. The constitution that followed included Chapter 20, which dealt specifically with issues of local governance. It introduced elections for two-thirds of local government councilors, with traditional authorities retaining the capacity to appoint the other one-third. The PNP was not able to enact the policy as Rawlings and his Provisional National Defence Ruling Council (PNDC) overthrew the PNP in 1981.

The PNDC's commitment to participatory democracy and decentralization was fundamental to its ideology. Rawlings set up the PARDIC (Public Administration Restructuring and Decentralization Implementation Committee) to review all the changes and initiatives of local governance that had been discussed and taken place since independence. In 1987, the Akuse group was commissioned and provided a blue print for the development of the local government system (Crawford 2004).<sup>6</sup>

The 1992 Constitution of Ghana's Fourth Republic incorporated the laws on local governance passed during PNDC rule and it remains the foundation of the current system of decentralization. The 1992 constitution included chapter 20 (altered slightly from the 1979 constitution) on decentralization and local government. The constitution reflected (at least on paper) the PNDC belief in grassroots participatory democracy at the local level. Article 240 laid out the specifics of the District Assemblies: the election of presiding members from council members, the appointment of a District Chief Executive (DCE) by the president, elections for 70% of council members, and presidential authority to appoint the remaining 30% in consultation with chiefs and special interest groups (Boafo-Arthur 2001, Crawford 2004, da Rocha 2002, Guri 2006, Ahwoi 2010). Consultations for appointed members rarely occur, however. Instead, these positions tend to go to party loyalists.

### ***History of the Chieftaincy***

Since the era of colonization, Ghanaian governments have struggled with how to use traditional authorities to achieve their own objectives without making chiefs more powerful than themselves. The back and forth between the strengthening and weakening of chiefs is an ever-present element of Ghana's history and politics. While the British used traditional rulers to implement indirect rule over the colony, the role of chiefs since independence has been less formal (Ayee 2007). Although chiefs wield informal power, their formal role in government is today limited to involvement in National and Regional Houses of chiefs as well as Traditional Councils, which have been set up to settle traditional disputes (mainly those of chieftaincy) and give advice to the government, which is often ignored.

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<sup>6</sup> The Akuse Group consisted of 27-members who gathered at Akuse to think, reflect and provide recommendations on decentralization in Ghana (Ahwoi 2010).

When the British arrived to the Gold Coast they set up the system of 'indirect rule' through using handpicked, loyal chiefs to rule over the population in neither a democratic nor representative manner. The British altered the institution of chieftaincy in order that they could use chiefs to achieve their own political aims. According to Brempong (2006: 28), the chieftaincy that emerged from colonialism was 'deformed,' because "the reasons for its existence, its modes of operations and its financial system were recast to suit the purposes of indirect rule and it no longer was rooted in its natural customs or traditions."

Following independence, the CPP attempted to minimize the political power of chiefs, as we have previously mentioned. Traditional authorities learned quickly that opposing the CPP was dangerous. For example, the CPP removed the Okyenene (the Akim king who was the second most powerful king in Ghana) in addition to over 100 of his minor chiefs from power for their opposition to the CPP (Knierzinger 2009). According to Brempong (2006: 30), the CPP "broke their [Chiefs] financial backbone and made them passive appendages of the central government."

Nevertheless, the CPP fell far short of its ambitions to remake the chieftaincy. Powerful royal Ghanaian families were an important part of the NLM's coalition that overthrew Nkrumah and the CPP in 1966. Despite initial efforts to revive the political power of the chieftaincy, the NLM was not an effective advocate for all chiefs. Rather, the 're-invigoration' of the chieftaincy under the NLM was really only the re-integration of the Akan chiefs (Knierzinger 2009). The NLM placed limits on parliament's interference into chieftaincy affairs and made the National and Regional Houses of Chiefs as well as Traditional Councils formal mechanisms for chiefs' involvement in government. As remains today, the main function of the councils was to deal with chieftaincy disputes and evaluate, clean up and codify customary law.

After coming to power in 1982, the PNDC, like the CPP, sought to reduce the power of chiefs (Brempong 2006, Knierzinger 2009). Under the 1992 Constitution the PNDC drafted, chiefs could be appointed to ministry positions, but could not participate in elections or partisan politics unless they gave up their power as chiefs. It also removed their capacity to appoint local government councilors. Nevertheless, chiefs play an important, if informal, role in politics and many are transparently partisan, as we discuss in greater detail below. Thus, while the constitution bans chiefs from participating in politics, the reality is much more ambiguous.

Today, the debate surrounding the role of traditional authorities in the government continues. While chiefs still hold a consultative role through the House of Chiefs, it is undeniable that they are influential in local government, albeit informally. The current decentralization review is exploring the possibility of a larger role for chiefs at the local level through more formal incorporation into district assemblies. We discuss the merits and challenges of this idea later in the paper.



## ***Current Powers of Local Government***

Four layers of government exist below the national-level in Ghana today (and five in the large metropolitan areas). Below we describe the level of administrative, fiscal, and political decentralization in Ghana at the assembly level, the main focus of the current decentralization review.<sup>7</sup> There are currently 170 assembly-level local governments in Ghana, divided into metropolitan assemblies (districts with more than 250,000 people), municipal assemblies (districts with between 75,000 and 250,000 people), and district assemblies (districts with less than 75,000 people). The acronym MMDA (for metropolitan, municipal, and district assemblies) refers to this level of government.

The 1992 Constitution, which produced the current MMDA system, created highly centralized local governments:

- *Administrative decentralization.* In practice, there is virtually no administrative decentralization in Ghana. While MMDAs occasionally have input into the civil servants who work in their areas and may hire staff at their own expense, almost all government officials at the local level are employees of the central government. Moreover, while the Local Government Service Act places many civil servants in the Local Government Service, at the moment this is still a central government agency, as it exists in the Ministry of Local Government. In addition, it excludes the majority of local-level civil servants, such as teachers, police, and judicial officials. They will remain employees central government ministries.
- *Fiscal decentralization.* MMDAs have very little fiscal autonomy. They derive approximately 85% of their budget from donors and central government transfers, mostly from the District Assembly Common Fund (DACF) and for salaries. While salaries are completely non-discretionary, DACF transfers could be, although in practice, they often are not. Moreover, the central government maintains the exclusive authority to raise the most lucrative and easy to gather taxes, such as income taxes. For this reason, many local governments are highly constrained in their ability to raise revenue.
- *Political Decentralization.* As with administrative and fiscal decentralization, there is little political decentralization.
  - MMDAs fall far short of being able to elect their own governments. Rather, the central government imposes on this capacity in three ways. One, the most powerful government official at the local level, the DCE, is a central government appointee (although MMDAs must approve of the appointment through a two-thirds majority vote of those present). Two, the president appoints 30% of MMDA councilors.

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<sup>7</sup> See Ahwoi (2010) for more information on these other layers of local government.

While the Constitution suggests the president consult with influential people in the district on these appointments, such as chiefs, there is no legal requirement for this. Three, traditional authorities, are not able to stand for office (although they may be appointed), despite often wielding considerable power at the local level.

- Each MMDA must produce a district development plan (which includes its budget). Districts must rely on central government appointed civil servants in devising their development plans and the cabinet must approve them.<sup>8</sup> For these reasons, MMDAs have little autonomy even within in their areas of jurisdiction.
- MMDAs have mandated responsibility over very few areas. While they may initiate efforts in a broad range of areas, such as health, infrastructure, and education, their exclusive responsibilities fall in relatively peripheral areas, such as sanitation, registering births and deaths, and environmental management. Moreover, given their very limited capacity to generate their own tax revenue, even MMDAs that wish to undertake more ambitious development plans face considerable challenges due to lack of revenue for implementing them.

### ***Decentralization Review***

Due to perceptions that local government is not effective, the National Democratic Congress (NDC) pledged to review Ghana's decentralization policy in its 2008 election campaign. As a result, the NDC government commissioned a decentralization review board. The board held a number of stakeholder meetings in 2009 and 2010 with citizens in each region of the country, political parties, and civil society groups. The board has submitted its recommendations to the Minister of Local Government. Within six months, the Minister is supposed to send his recommendations to the cabinet. The cabinet must approve the new decentralization policy and some changes may require approval from parliament. For these reasons, it is difficult to tell what the outcome of the process is likely to be, although we are able to make some informed judgments.<sup>9</sup> In general, two themes emerge from this analysis. First, the effects of the new decentralization policy are likely to be small, especially from the point of view of the average Ghanaian. Second,

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<sup>8</sup> The cabinet does not approve the development plan for each MMDA. Rather, MMDAs submit their plans to the Regional Planning Coordinating Unit (RPCU) for coordination among all MMDAs in the region. The RPCU forwards the plan to the Regional Coordinating Council (RCC) for approval and the RCC sends it to the National Development Planning Commission (NPDC). The NPDC creates the national development plan, which the cabinet must approve.

<sup>9</sup> These judgments derive from recent conversations we held with members of the commission and those knowledgeable about the process, the reports coming from stakeholder meetings, and media analyses.

it is highly likely that the government will not implement any contentious reforms prior to the 2012 elections.

### *Incremental Changes*

While any new policy is likely to address administrative, fiscal, and political aspects of decentralization, on the ground changes are much more likely to be incremental than transformational. Below, we discuss what we are likely to observe from each.

- *Administrative decentralization.* In December 2009, the Minister of Local Government released Local Government Instrument (LI) 1961, the legislation that outlines the new roles and responsibilities for local government. The LI lists the administrative areas that are to become the responsibilities of MMDAs. What is most important to highlight are the areas that are not mentioned in the LI, specifically education, judiciary, and police. Education is important to note because teachers, by far, comprise the vast majority of government employees working in MMDAs. Excluding the judiciary and the police are important, by contrast, because the LI makes clear that security and the judiciary will remain central government functions. While we do not know the exact number of employees LI 1961 impacts, experts believe it covers only a fraction of people working in MMDAs (about 30,000 out of approximately 400,000).

One area that remains unclear is the level of responsibility MMDAs will possess in hiring and firing employees. This is important because of the need to ensure that MMDAs will be able to attract qualified civil servants. Experts in Ghana believe that if MMDAs become responsible for the civil service appointments the LI 1961 covers, the policy will contain incentives for them to go to marginal areas and that the central government will set the number of civil servants to work in each MMDA.

- *Fiscal decentralization.* As with administration, fiscal decentralization is likely to be incremental as well. Most important, the central government will retain the responsibility to cover salaries of civil servants, which comprise the vast majority of spending in MMDAs. Fiscal decentralization is likely to widen the number of areas where MMDAs can tax, formally increase DACF transfers from at least 5% of total revenue to at least 7.5%, and reduce the amount of conditionality on those transfers. Such changes will increase the level of discretionary revenue for MMDAs.
- *Political decentralization.* The largest questions concerning political decentralization are whether the president will give up the capacity to appoint DCEs and 30% of MMDA councilors he currently appoints. The answer to the former is almost certain to be no. The latter is somewhat more likely and three potential alternatives exist, abolishing appointed members, allowing chiefs greater capacity to appoint them, and/or retaining

presidential appointments, but narrowing executive discretion over them. Below we discuss the reasons why changes in appointing DCEs are less likely than those for appointed assembly members, as well as the complexities surrounding these issues. Local elections also are likely to remain non-partisan.

### *No Imminent Action*

It is unlikely there will be any action on the more contentious aspects of decentralization - political decentralization - in the near-term and, perhaps, not until after the 2012 election. Neither the ruling National Democratic Congress (NDC) nor the opposition National Patriotic Party (NPP) has a strong interest in it. To understand this requires us to examine the politics of decentralization in Ghana.

The PNDC, the predecessor to the ruling NDC, created the current system of local government in 1992. The NPP, by contrast, advocated greater decentralization, especially the election of DCEs, yet after coming to power in 2000, did nothing to address the issue. In 2007, however, the NPP stopped supporting the election of DCEs and decentralization more broadly. The catalyst for the NPP's reversal was renewed calls for succession in the Volta Region, a stronghold of the then opposition NDC party. The modern state of Ghana is a combination of two colonies, the Gold Coast and British Togoland (currently Volta Region). Britain acquired the latter from Germany after World War I and governed it as a separate territory. Prior to Ghana's independence, the British merged the two colonies into one, over the objections of many Ewe living in British Togoland who feared domination from the more populous Asante. The current enmity between the Ewe and the Asante (at times manifested in fights between the NDC and the NPP) derives from the colonial merger. Demands for succession emerged in Volta Region as Ghana's 50<sup>th</sup> anniversary approached. Although the movement for independence was not widespread, it did cause the NPP government to reevaluate its position supporting political decentralization, as it feared elected DCEs could cause it to lose control of the Volta Region.

When the NPP dropped its support for decentralization, the NDC embraced it, although many suspect the move was opportunistic, not sincere. Far behind in public opinion polls at the time, the NDC believed that championing decentralization could gain it support because it is a popular policy. The NDC made the issue an important priority during the 2008 campaign. Nevertheless, the NDC fears political decentralization for the same reason the NPP does, loss of political control over certain parts of the country, specifically the NPP strongholds in Ashanti, Brong Ahafo, and Eastern regions. Two very powerful kings, the Asantehene (Asante king) and the Okyenhene (Akim king), wield an enormous amount of power in these regions and they are both strong and vocal NPP supporters (we discuss this in further detail below).

Besides lack of support for electing DCEs within the two main parties, many elected MMDA councilors do not want chiefs to have a greater role in local politics. Rather, powerful traditional authorities have been lobbying for this. Some of the mechanisms they have suggested are allowing chiefs to appoint people to district assemblies, giving chiefs direct representation, and/or lifting the ban on chiefs running for office. Many elected members of local assemblies see more direct participation of chiefs as a threat to their own political power. At the moment, many MMDA members actively seek the support of chiefs during elections and see themselves as surrogates of their chiefs (to a certain extent) in the MMDA. Granting chiefs a more formal role in local government would make such intermediation unnecessary and thus somewhat reduce the power MMDA councilors. As a result, many MMDA councilors do not support these changes.

For the aforementioned reasons, NDC leaders, NPP ones, and many elected MMDA councilors are not pressing for quick action on political decentralization and it is quite likely that no moves on it will occur before the 2012 election.<sup>10</sup> The government can easily delay action on political decentralization because it could require changes to the Constitution, and the country is undergoing a Constitutional review process that will not end until the middle of 2012. This would give the government only a few months to make the necessary amendments prior to the 2012 election and it is all too easy to envision it claiming that rapid action to amend the Constitution in the middle of an election campaign is unwise.

### ***Is More Ambitious Decentralization Desirable?***

The rather limited decentralization reforms the NDC government is likely to propose - a partial handover of the civil service to local governments, an increase in taxation powers and discretionary revenue for MMDAs, and perhaps a reduction in the president's exclusive authority to appoint MMDA members - may be uninspiring for proponents of decentralization. However, before reaching the conclusion that pressing for greater decentralization is beneficial for achieving more effective and democratic local government, it is important to examine the complexities surrounding the issue. Difficulties exist in three areas, administration and finance, national unity, and the role of traditional authorities. We examine each below.

#### *Challenges to Administrative and Fiscal Decentralization*

As in many developing countries, there are vast internal differences within Ghana. At one end of the spectrum, urban areas, such as Accra/Tema, Cape Coast, Kumasi, Sekondi/Takoradi, and Tamale are desirable places to live. They also have relatively large tax bases. For these reasons, urban areas of Ghana can easily attract highly skilled civil servants and afford to pay them well. At the other end of the spectrum, much of the rest of the country is rural and these areas are relatively unattractive

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<sup>10</sup> It is highly likely that the government will enact uncontroversial and popular aspects of decentralization, such as increasing DACF transfers and reducing conditionality on them.

places to live, especially for those with high levels of education who have employment opportunities in urban areas. Many rural parts of the country lack electricity, good roads, decent schools, and amenities, such as restaurants and shopping centers. Moreover, since they lack large tax bases, local governments are not able to offer high salaries for civil servants from their own revenue. For these reasons, it is difficult to attract highly skilled civil servants to these areas. While solutions to these problems exist, they are not possible without central coordination and/or risking inefficient local government expenditures.

One solution to encouraging civil servants to work in more rural parts of the country is to provide them with incentives to do so, such as enabling them to move to more desirable locations after serving in less attractive locales, and it is possible that the draft decentralization policy will provide these types of inducements. However, this is not possible without some form of centralized planning to ensure that positions in attractive locations are available for civil servants wishing to move to them after serving in more marginal ones. Given that 170 MMDAs exist and only a small number of them are in large urban areas, such efforts pose a significant logistical challenge, thus necessitating substantial centralized coordination. A second solution is to offer higher salaries to civil servants serving in the more marginal parts of the country. However, since these areas also lack the financial resources to pay high salaries, this is likely to require additional central government transfers for salaries, thus increasing fiscal centralization.

Fiscal decentralization poses a somewhat different challenge than administrative decentralization. Since many rural parts of Ghana lack wide tax bases while a small number of urban areas have large ones, fiscal decentralization that requires MMDAs to rely more on internal revenue is likely to exacerbate within-country inequality. One solution to this problem is to channel greater unconditional transfers to poorer areas of the country. While this would solve the problem of resource distribution under fiscal decentralization, it creates a different problem as such transfers are more likely to lead to bloated civil service employment and/or high civil service salaries, but not necessarily more skilled civil servants or greater provision of services. The solution to this problem is conditional transfers or fiscal centralization, something similar to the current situation.

### *Challenges to National Unity*

As we discussed above, neither the NDC nor the NPP support political decentralization, especially the election of the DCEs, due to fears of losing political control over parts of the country. Not only are DCEs the most powerful political officials in MMDAs, responsibility for district security (primarily the police) falls under the DCE as well. Thus, both parties worry that DCEs not aligned with their party would undercut central government control in those locales. These fears are somewhat valid. In the NPP strongholds in Ashanti, Brong Ahafo, and Eastern regions, the Asantehene and the Okyenhene are more powerful than the local governments in many ways, especially mobilizing the populations under their

control. It is difficult to overstate the power of these kings, especially the Asantehene, whose authority at times seems to rival or even be greater than the president of Ghana in some areas.<sup>11</sup> The World Bank provides a rather good example of their power. The Asantehene and the Okyenhene directly negotiated a \$4 million loan from the World Bank for them to run their own educational, environmental, and HIV/AIDS prevention programs. The Government of Ghana will repay the loan. There are no other traditional authorities in Ghana who have this capacity.

Likewise, the NPP has reasons to worry about the legitimacy of its rule in the eyes of many Ewe in the Volta Region, the NDC stronghold, as we described earlier. Moreover, both parties have reasons to fear losing control over parts of northern Ghana where chieftaincy disputes at times require police or military intervention to stop violence between supporters of contending claimants. One could argue that decentralization is a solution to some of these problems, especially enmity between the Asante and the Ewe. At the same time, decentralization could more deeply entrench the already considerable capacity of the Asantehene and, to a lesser extent, the Okeyenhene, to challenge the state, and exacerbate succession disputes, as we discuss below.

For the aforementioned reasons, the NDC's and the NPP's resistance to political decentralization rests on valid foundations, even if it aligns with their political incentives to keep power at the center. As with the challenges that administrative and fiscal decentralization pose, there are solutions to some of the aforementioned problems, but they create other ones. Specifically, placing the police under their own jurisdiction and creating a centralized police force (as exists with the military) could reduce concerns about losing control over parts of the country. This system currently exists in Tanzania. The problem with it is that at the local level, the police would be unaccountable to any authority, thus creating the potential for serious abuse of their power, especially in remote parts of the country, as currently occurs in Tanzania.

### *Problems of Incorporating Traditional Authorities*

The final challenge to greater decentralization in Ghana derives from problems of incorporating the chieftaincy into local government. As these authorities possess significant informal power at the local level in many parts of the country, it may be very difficult to give local governments more political influence, but exclude chiefs from it, especially as they have been some of the strongest forces pressing for political decentralization. Three problems exist with giving greater control to these

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<sup>11</sup> The relationship between the presidents of Ghana and the Asantehene is a very controversial topic in Ghana. Many accuse former President Kufuor, an Asante, of showing excessive deference to the Asantehene. The Asantehene, in turn, has received an enormous amount of criticism for his support for Kufuor and the NPP more broadly.

authorities, the difficulty of a one-size-fits-all model, the instability it could create, and the resistance among many people in Ghana to it.

It is difficult to create a standardized approach to incorporating the chieftaincy into local government in Ghana because the power of these authorities varies enormously within the country. At one end of the spectrum, chiefs have very little authority in the coastal parts of the country as the British actively sought to undercut it during the colonial era. In other parts of the country, especially the Volta Region, chiefs wield power within their villages, but there exists a weak chieftaincy hierarchy. A very different situation exists in much of northern Ghana, where there are hierarchical chieftaincies, but many succession disputes. Finally, at the other end of the spectrum, a stable, rigid, and powerful chieftaincy hierarchy exists among the Asante and the Akim as we have previously described.

Due to the vast discrepancies among the authority of chiefs, it is very difficult to reach consensus on a standard model for incorporating them into local government. For example, while powerful chiefs wish to have a direct role in local government, those with less power are somewhat reluctant because they understand that their authority exists only within their village. Giving them more formal political power could place them in direct fights with civil servants, chiefs from other villages, and other elected assembly members over resources. This is a serious concern among many chiefs in the Volta Region who recognize that much of their informal authority derives from the capacity to stay out of such political fights. These chiefs would rather have an indirect and advisory role than decision-making authority, as they do not wish to expose the limits of their influence. In general, as with administrative and fiscal decentralization, extending greater power to chiefs could exacerbate differences between them since much as it could strengthen powerful ones, but weaken those who wield less influence.

A second problem that emerges from creating a more formal role for traditional authorities is that it risks creating political instability at the local level. In the northern parts of Ghana, for example, where chieftaincy disputes exist, extending more power to traditional authorities is likely to result in dragging the state even more deeply into these violent disputes. This is far from a speculative concern. Succession fights are common in Ghana and the state, through the courts, the military, and the police, is already active in solving them. Currently, for example, in Buipe (Central Gonja District), the police and the courts are actively involved in settling a chieftaincy dispute. This is far from an isolated case. In fact, it is representative of what is occurring in many parts of Ghana today. In a recent nationwide survey, 50% of respondents claimed that there was a chieftaincy dispute in their district and 59% said that chiefs were a cause of tension between ethnic groups (Odotei, et al. 2006). Granting traditional authorities greater formal power risks fuelling such disputes, as these positions would be even more attractive to hold. This is far from speculation as many chieftaincy disputes involve access to material resources.



Third, it is not entirely certain how or whether Ghanaians want chiefs to exercise more authority in government. On the one hand, in the most recent Afrobarometer survey, 65% of respondents claimed they want chiefs to have more power. At the same time, there is no consensus on the role Ghanaians want chiefs to have in politics: 42% of respondents said they should be elected, 16% said they should be appointed, and 29% said they should have no role at all. In addition, 60% of respondents said that chiefs should treat all people equally. Such a position is difficult to maintain if chiefs have a more active role in MMDA politics as they would most likely have to take positions that benefit some people more than others at times.<sup>12</sup> The survey Odotei, et al. (2006) undertook shows similar ambiguity as 56% of respondents claimed that chiefs had respect in their community, while 44% said they did not or were uncertain. As a result, it is difficult to claim that a coherent demand for greater political inclusion for chiefs is coming from the people of Ghana. Rather, according to experts on decentralization, this pressure derives from powerful chiefs.

Moreover, it is significant to note that one reason chiefs in Ghana today garner respect is because people see them as being above politics. Unlike MMDA councilors, chiefs do not vote on assembly affairs, campaign for office, and/or attempt to get funds from the MMDA government to their area. A more direct role for chiefs in MMDA politics would force them to take part in these processes. As a result, we need to treat the argument that chiefs ought to have a greater role in politics because people respect and trust them with caution. It is possible these views exist precisely because chiefs are not involved with the day-to-day rancorous aspects of democratic politics. Involving them more directly in MMDA decision-making processes could destroy the legitimacy that undergirds the very argument for including them.

Further, there are undemocratic aspects of involving chiefs more formally in local government that are important to highlight. In many parts of the country today the chieftaincy is a hierarchical and, at times, an autocratic institution. As individual equality is a constituent element of democracy, giving greater power to chiefs who possess coercive power contradicts the argument that decentralization can improve democracy.

Finally, in many ways the chieftaincy is an institution whose authority is in decline and has been for years in many (although not all) parts of the country. Ghana is a rapidly urbanizing country and more people now live in urban areas than rural ones. These urban areas contain a range of different groups and the chiefs in them preside over many who are not members of their ethnic group. Why these figures ought to have authority over those who are not members of their group is not clear. Moreover, chiefs in urban areas at times are the cause of disputes over their

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<sup>12</sup> For example, since resources are scarce at the local level, chiefs would likely find themselves in the position where they will have to choose who is to benefit from government projects in the areas they control.

capacity to force residents in their area of jurisdiction to follow their decisions. The Ga Mantse who rules over Accra, for example, has come under an enormous amount of criticism for attempting to coerce non-Ga residents of Accra to respect Ga customs.

### ***Conclusion***

When Ghana implements its new decentralization policy, the changes are likely to be incremental, rather than transformational. However, instead of pressuring the government to embrace greater decentralization, it is important to recognize the real challenges it poses. Administrative, fiscal, and political decentralization can create as many problems in Ghana today as they solve and many of the solutions to those issues require re-centralization. Thus, while part of the reluctance to decentralize derives from political opportunism, that does not make the case for decentralization more compelling.

More broadly, Ghana faces a range of difficult problems and many of them are more exigent than decentralization. Ethnic tensions, fights within NDC and the NPP, and violent chieftaincy disputes remain contentious issues. Moreover, while the outcome of the 2008 election was a peaceful transfer of power, the country came dangerously close to violence and the issues that could have catalyzed it, parties mobilizing their supporters to protest the outcome and hostile relations between them, still exist. Decentralization could exacerbate these problems, especially if the center fears loss of political control at the local level, as leaders of the NDC and NPP do for valid reasons. Although it is possible that decentralization could help alleviate some of these problems, this is an issue that deserves further study, rather than assuming it to be true.

Finally, President Mills is making tough, but economically prudent, choices. Over the past year, he has cut spending, reduced the number of ministries and their budgets, and raised electricity and water tariffs. He is undertaking such measures in the face of relentless criticism from both the NPP and within his own party. Even if the merits of greater decentralization were strong, donor pressure on the NDC government to do so in the context of an administration that is governing well in difficult political circumstances is not a wise idea. Supporting Mills for the difficult choices he has taken seems to be a better use of donor influence.

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