

WHAT ROLE DO POLITICAL FACTORS PLAY IN THE ALLOCATION OF PUBLIC RESOURCES TO COMMUNITIES WITHIN DISTRICTS?

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ABSTRACT

Decentralization reforms have been the overwhelming response to failures in the targeting of public resources by the central state in developing country contexts. The policy debate on decentralization typically revolves around several a priori hypotheses on how the design of formal institutions of local government, such as electoral rules, affects accountability in the provision and targeting of public goods. Yet a growing body of research suggests that many “rules of the game” that structure political incentives and policy outcomes are informal. Indeed it is widely acknowledged that informal rules such as legislative norms and clientelism can strongly influence political behavior and policy outcomes. This evidence makes a compelling case for both the impact of these informal institutions on political incentives, and their role in complimenting formal institutions and shaping the status quo when the latter are absent or weak. But how much do these formal institutions matter, and how do they shape policy outcomes? In particular, do they merely “fill the gaps” when formal institutions are weak or absent, or can they trump formal rules and institutions? In this paper, we examine the effect of informal institutions on decentralized public resource allocation in the case of Ghana. The decentralization policy debate in Ghana, as elsewhere, typically focuses on the role of formal institutions of local government in the targeting of local public resources. Through a comparative case study of two districts in northern Ghana, we argue that informal institutions, grounded in the rationale of partisan politics of the central state, are in fact the key determinant of decentralized public resource allocation outcomes. In particular, we show that this political rationale is expressed through an informal model of vote maximization; and this vote maximization is dictated by a national political agenda. Our findings suggest that ignoring this informal institution is likely to undermine the current efforts to reform decentralized public resource allocation in Ghana.

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SECTION 1: Introduction

Failures in the provision and targeting of public goods and services have long been a concern in the developing world. Analyses of direct spending by central government programs in several countries consistently show that such spending favors regions that are more politically important for the center. (Khemani, 2005). Given the importance of public services to development and poverty alleviation (Besley and Ghatak 2004; World Bank 2003), such mistargeting is expected to have serious developmental consequences. The failure of central governments to equitably distribute resources across regions and social divisions has been rooted in failures of accountability to these groups. Decentralization, meant here the devolution of political decision-making power to local governments, has been the overwhelming response to failures of centralized governance in developing countries. A priori it is supposed that local politicians' accountability to a smaller number of voters for electoral success, and local constituents' greater information about the performance of their representatives dampens the incentives to target resources to disproportionately benefit certain communities or specific social groups. Following this logic (or pressured by donors who do), states in a growing number of countries have shifted a considerable amount of resources to be distributed at the discretion of local governments.

Local political and administrative actors in many places thus play a newly significant role in affecting the targeting and allocation of public goods. While these decentralization reforms hold the potential to address these targeting failures, it is also widely acknowledged that formal rules or institutions of governance, implemented as they are by weak institutions, tend to be weak in developing country contexts (Bardhan, 2002). The limits of formal rules of governance could then limit the potential of these reforms. The debate on the effect of decentralization reforms typically revolves around the question of how the design of formal institutions of local government affects concepts such as accountability and democracy in the provision and targeting of public goods (Cite). However evidence from other democracies suggests that these formal institutions are not nearly a complete explanation for political incentives and therefore observed policy outcomes (Desposato, 2006). In China, for example, local officials compensated for the state's inability to raise revenues and provide public goods by mobilizing resources through temple and lineage associations they were a part of (Tsai, 2007). In the Indian state of Karnataka, traditional village leaders bolstered the authority of newly elected local councilors in some instances, while competing with them in others (Ananthpur, 2002). Hence informal institutions can complement or substitute for ineffective formal institutions like in the case of China; or they can define, depending on the context, the incentives to comply with formal rules or subvert new formal structures of the state like in the case of Karnataka.

Indeed, these examples are part of a growing body of evidence that suggests that many "rules of the game" that structure political life are informal, and that these rules are created, communicated and enforced outside these formal channels (Helmke and Levitsky, 2004).

This evidence on informal institutions makes a compelling case for considering both the impact of these informal institutions on political incentives, and their role in complementing formal institutions and shaping the political outcomes when the latter are absent or weak (Helmke and Levitsky, 2004). The key questions then are how much do these informal institutions matter, and how do they shape policy outcomes? In this paper, we examine whether and how informal institutions of decentralized public resource allocation in the case of Ghana. The decentralization policy debate in Ghana, as elsewhere, focuses on the role of formal

institutions of local government in the targeting of local public resources. Through a comparative case study of two districts in Northern Ghana we identify the informal institutions that are pertinent to public resource allocation outcomes; and we examine how these institutions influence the decentralized targeting of public resources. Ghana, with its relatively new class of political leaders and decentralized institutions of local government presents a particularly interesting case to study. While the decentralization reforms that have been adopted are far from complete, they have shifted a significant amount of resources to local governments or District Assemblies along with the devolution of what appears to be legitimate political power to local representatives (Crook and Manor, 1998). District Assemblies therefore now serve as the node for the within district targeting of village or community level public goods. Comparing two districts with identical formal rules of decentralized targeting, allows us to isolate the effect of informal institutions, while holding the effect of the formal rules constant.

The majority of work on policies of decentralized provision and targeting of public goods has hitherto focused on the Indian case, and more specifically on a formal rule of mandated representation. What emerges is that the performance of the formal mandate in Indian local government is highly context specific, and varies across the different implementation strategies, institutions of accountability and, one would hypothesize, informal institutions (Palaniswamy and Krishnan, 2008; Ban and Rao, 2008a; Ban and Rao 2008b; Besley et al, 2007; Besley, 2004; Bardhan and Mookherjee, 2006; Duflo and Chattopadhyay, 2004). But even within this growing literature, there is close to no evidence on the form and nature of informal institutions that simultaneously determine policy outcomes. In Ghana, the decentralization policy debate has focused largely on how the formal structures of local government affect the process of decentralization (e.g. Is it participatory? Is it democratic?). It rarely considers what shapes the outcomes of decentralization, as measured by resource allocation to needy populations, and completely fails to consider the critical impact of informal institutions -- either pre-existing ones or those created alongside new formal rules – on outcomes.

That informal institutions matter to the targeting of local public goods is evident from the story told by our case studies. We argue that informal institutions, grounded in the rationale of partisan party politics of the central state, are in fact the key determinant of decentralized public resource allocation. In particular, we show that this political rationale is expressed through an informal model of vote maximization; and that this vote maximization is dictated by a national political agenda. Our findings also suggest that ignoring this informal institution is likely to undermine the current efforts to reform formal institutions of decentralized public resource allocation in Ghana. How institutions of local government should be structured so as to ensure a fair and efficient use of public resources is a central issue in the debate on the role of decentralized governance in improving the quality of government in the developing world (Besley et al, 2005). This paper contributes to this debate in two important ways. First, from a theoretical perspective in contributes to the scarce empirical evidence on the determinants of decentralized public resource allocation outcomes in developing country contexts; and to the literature that tests for the impact of informal institutions. Second, from a practical standpoint it contributes to the question of how institutions of local government should be reformed and strengthened in the Ghanaian context.

The rest of this paper is organized as follows. Section 2 describes the formal institutional context within which local public goods are allocated in Ghana. Section 3 proposes a model of capture of this public good agenda through informal institutions of local governments. Section 4

describes the research design, and section 5 and 6 discuss the results of our case studies. Section 7 concludes.

SECTION 2: Formal institutions of local government and the targeting of local public goods in Ghana

In 1988, facing domestic and international pressure to democratize, the military administration of Jerry John Rawlings and his Provisional National Defense Council (PNDC) initiated Ghana's current decentralization program. These decentralization reforms, which, four years later, were institutionalized in the Constitution of the Fourth Republic, created a multi-tiered local government structure. The upper tier of this government is the District Assembly (DA), the highest political authority in the newly demarcated districts. The DA serves as a legislative body made up of elected and appointed Assembly members, and it includes an executive unit that is meant to incorporate under twenty-two deconcentrated line departments.

The legal framework for local governments assigns the DA with 86 total functions, most of which are related to local service provision including health, education, agriculture, public works, communications and public safety (Ayee, 2004). The DA also has responsibility for district planning and budgeting and the authority to collect taxes, tender contracts, and pass bylaws. In practice however, instead of broader formal mandate for the responsibility for specific services, the DA is assigned the narrower task of providing and allocating (targeting) local public goods within the district. For example, in the case of education, the DA is tasked with providing specific public goods relevant to education, such as school buildings. The overall responsibility for the provision of education however lies with several actors, most of whom are either outside the local government, are not accountable to these governments, or both.

While District Assemblies do have some funds that can be used entirely at their discretion, it is often the case that the use of these funds is often biased towards more visible physical infrastructure investments; and "soft investments" such as school quality are most often not a preferred use of public resources. Political incentives that are stacked against such "invisible" investments offers a clear explanation for such a pattern. (Keefer and Khemani, 2005). Providing local public goods- that are located in particular towns or villages (henceforth called communities)- is therefore the central mandate of the DA. District Assemblies therefore are the key providers of community-based public infrastructure- like schools, clinics, latrines, roads and water services- which garner clear political credit.

Local public goods provided by the DA are largely financed from two sources. The first source, the District Assembly Common Fund (DACF), is a central government grant that is allocated to districts based on a Parliament-approved formula. The second source is donor funds that are devolved, typically through specific projects, directly to the district. In our two study districts, the DACF represented between a third to a half of total district expenditures, while donor funds accounted for between one third to over one half of such expenditures. Together, these two funds account for over three quarters of total district expenditures. The majority of the DACF funds are not tied to use; and the DAs decide on the questions of what public goods to provide and where to locate them. Donor funds on the other hand, are typically tied to use, and the DA merely makes the decision of where to locate them. The task of the targeting of local public goods therefore rests primarily with the District Assembly.

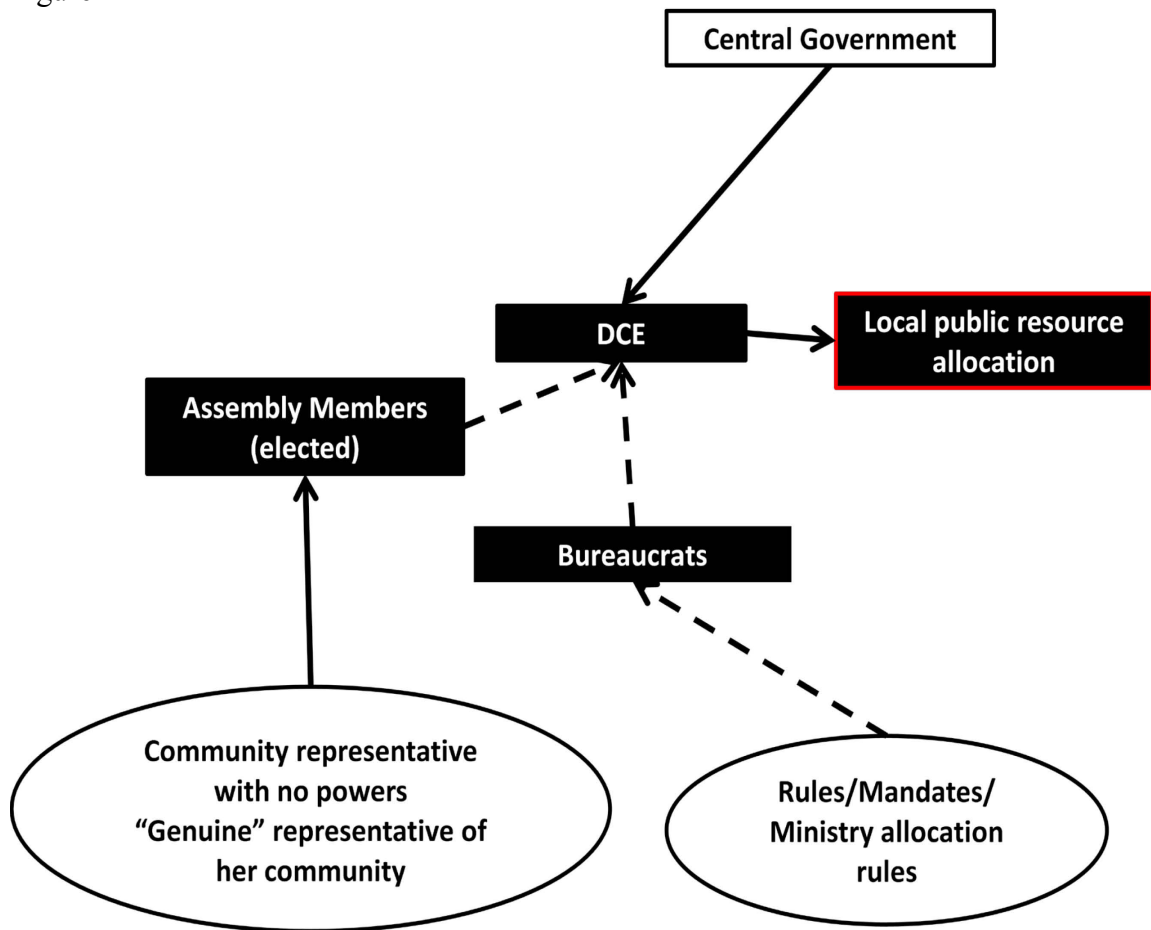
The DA is formally headed by the District Chief Executive (DCE), a presidential appointee with far reaching political and administrative influence within the District. The Constitution of Ghana mandates the DCE to chair the Executive Committee of the Assembly,

which sits atop the Assembly's sub-committee system. (Ayee(1995), Crook and Manor (1998), Crook (1994)).As such, the DCE must approve all decisions made by the elected and appointed membership of the DA. As the chair of the District Tender Board, the DCE plays a significant role in awarding contracts. And as the chief executive officer, the DCE signs off on all expenditure, correspondence, and public statements of the Assembly administration. Indeed, the formal rules that mandate the DCE as the “head of the district” accord overwhelming powers to this non-elected and politically partisan head of the local government; and the amount of discretion the DCE wields over management of DA affairs and its resources cannot be overstated.

The DCE also sits atop the legislative and the bureaucratic institutions of the DA. The legislative institution of the DA includes both elected members who represent specific electoral areas, and appointed members . Two-thirds of all members are elected, and appointed members are ostensibly prominent citizens of the district drawn from different walks of life. Formally, this legislature is supposed to make and approve all decisions made in this assembly. Yet because of the structural imperfections of a decentralization system that grants power over management and budgetary decisions to the executive office of the DCE , this legislative institution of local government exercises close to no control over the affairs of the DA. (Ayee (1995,6),Crook and Manor (1998), Crook (1994)). The formal rules also envisaged that the elected members of the DA would serve as locally rooted advocates for development in the communities that they represent. These elected members were, and are , for the most part genuinely ‘representative’ of their electorates. A large majority of them fulfilled official injunctions to work closely with their communities in eliciting needs, and in representing these needs to the DA (Ayee (1990),Crook and Manor(1994), Crook(1998)). It is also widely acknowledged that the DCE dominates the bureaucratic institutions of local government. This domination is manifest in the routine subversion of planning mandates that the bureaucracy is formally tasked with . The de-facto devolution of powers, both political and administrative, to local actors is then significantly more limited than that envisaged by the formal rules.

DCEs also routinely subvert planning mandates that are to be implemented by the bureaucracy to suit their ends. The de-facto devolution of powers, both political and administrative, to local actors is therefore significantly more limited than that envisaged by the formal rules. This de-facto form of decentralization is depicted in figure 1, where the solid lines represent the de-facto formal rules, and the broken lines represent the ineffective formal rules.

Figure 1



Decentralized provision of public goods typically calls for the devolution of power away from the hitherto all-powerful central state. Yet, de-facto, decentralization in Ghana is characterized by the domination of the formal institutions of local government- both political and bureaucratic- by an appointee of the central government. This dichotomy between the powers that should be devolved and that are devolved is however not particular to the Ghanaian case. In the 1980s in Kenya, the form of administrative decentralization was closely tied to the political ambitions of President Moi. (Barkan and Chege, 1989). More recently, the state legislature in the Indian state of Karnataka tried to pass a bill that sought to limit the powers currently accorded to local governments in the state². That political considerations of the central government play a role in designing de-facto devolution to local governments is not surprising. Indeed, Devarajan et al (2008) call this phenomenon of limited devolution to local governments “partial decentralization”; and they suggest that this phenomenon could in part reflect an attempt by

² <http://www.indiatogether.org/2009/jul/gov-prbillkar.htm>

higher-level governments to hold on to political and or financial powers. Khemani (2010) argues that such partial decentralization is selected by politicians in the face of increasing participation by swing voters in elections; and that this choice facilitates the vote maximization imperatives of the central government. Vote maximization, in this model, is manifest in the provision of targeted and clientilistic transfers to swing voters; and such vote maximization takes the place of providing more broad based public goods.

In this model then, the political capture of local governments is the result of the political imperatives created by swing voters. Political capture in this model however has implications only for the design of formal institutions of local government. In particular, it results in the creation of formal jurisdictions of local government that are both grant dependent, and small in size. Formal rules- that govern the design of both how local public goods are provided and of institutions of local government-then take precedence in this explanation of the political economy of decentralized public good provision. The relevance of informal institutions to political behavior and outcomes however suggests this exclusive focus on the formal presents, at best, an incomplete explanation for observed policy outcomes. Indeed, Helmke et al (2004) argue that a key motivation for creating informal institutions emerges when certain goals- such as the centralized control of public service provision- are not considered publicly acceptable. The inconspicuousness of informal institutions then allows the pursuit of these unacceptable goals. The questions that emerge then are : What are informal institutions of local government that are associated with this political economy of decentralized public good provision? And how do these informal institutions matter to the observed public good provision and targeting outcomes? Indeed, if informal institutions trump formal rules, as they do in several instances³, then an exclusively formal explanation can be both misleading and incomplete.

We now propose a model where the political capture of local governments takes place through informal institutions.

SECTION 3: Capture of local governments though informal institutions

We propose a model of political capture of the public-good provision agenda of local governments; and we argue that this capture takes place through informal institutions.

Even when the responsibility for service provision has been formally transferred to local governments, central governments may still have incentives to assume responsibility for service provision when citizens reward the sitting central government for such provision. In a system of partial decentralization citizens continue to place their expectations of service delivery with national governments. Indeed, citizens are more likely to punish national politicians rather than local ones for inadequacies of service delivery.(Devarajan et al, 2007). The strength of these political incentives however depends on the relevance and strength of identity based voting when citizens vote based on fixed social identities. (Keefer Khemani,2005). When identity based voting is widely prevalent, politicians are less likely to be judged on their record on public service provision. When such voting is less relevant, and voters tend to be swing voters, there are clear political incentives to capture the public service provision agenda of local governments.(Khemani, 2010)

How does such capture take place? The question of how, or the mechanism through which such capture takes place has hitherto focused on formal institutions. In contrast, we argue

³ See Helmke and Levitsky (2004) for examples

that informal institutions are more likely to shape, enforce and mediate such capture. Indeed, informal institutions have been known to shape the performance of formal institutions in unexpected ways, mediate the effect of formal rules and to create and strengthen incentives to comply with formal rules. In this context then, ignoring these institutions could even lead to misleading explanations for observed policy outcomes. (Helmke and Levitsky(2004)). While formal rules and institutions of local government could reflect political capture (as in Khemani, 2010), we argue that an exclusively formal explanation of such capture is at best partial.

Following Helmke and Levitsky(2004), we define informal institutions as “Socially shared rules, usually unwritten, that are created, communicated and enforced outside of officially sanctioned (formal) channels”. Vote maximization, in this paper, is defined as the strategic targeting of local public goods so as to garner political credit (votes) from the group that has access to the public good (Diaz Cayeros,2003). In particular, vote maximization in this paper does not refer to clientilistic and other private transfers targeted to individual voters⁴. At the time of this study, such clientilistic transfers to voters were negligible in the overall landscape of programs implemented by both the district and the central governments in Ghana.

While the formal rules stipulate that elections to the District Assembly be non-partisan, it is widely acknowledged in Ghana and these elections are in fact partisan; and that the local machineries of political parties play a critical role in the elections. National elections in Ghana are also closely contested. Indeed, studies of the empirical determinants of voting show that Ghanaian elections are unpredictable, and that the large majority of voters are swing voters who do not vote on fixed party lines. In particular, the vast majority of Ghanaian voters do not identify through fixed identities, with either of the two major political parties. (Bossuroy(2007), Fridy(2007)).As Fridy points out , the vast majority of Ghanaian voters, view the dominant parties as representative of Asante and Ewe interests but do not themselves vote as a block. Instead they base their evaluations of the ‘Asante’ and ‘Ewe’ parties ultimately on things other than ethnicity. This then makes the electoral game for votes a closely fought one. The control over the provision of local public goods could then be a very valuable tool in any attempt to win these elections.

In this context, vote maximization, on account of political imperatives, can take two forms. The first form of vote maximization is manifest in the agency of the central government - built into the formal design of decentralization policy (as is typical in a system of partial decentralization). The second form on the other hand takes place through the informal institutions that are manifest in party machineries, and that either operate alongside or dominate formal institutions of local government.

Both forms of capture, through the formal and the informal institutions, are determined by the electoral logic facing the central government. Following this logic, central politicians are likely to court electoral support through the *strategic* targeting of the provision of public goods. This implies that patterns of public good provision that obtain vary across the country, and that they depend on the nature of the electoral market in place. In regions of established support for a political party, where citizens vote based on fixed party identities-ethnic or otherwise-governments are likely to continue to court support through the provision of goods to the these core support groups. In regions where voters are not already so committed,they are more likely to hold politicians accountable for inadequacies in service delivery. Service provision then tends to be *broader based* in these swing regions relative to the regions of core support. Closely

⁴ Such vote maximization, through pork barrel politics is indeed a strategy used by governments all over the developed and developing world.

contested national elections however mean that in order to win elections, national politicians need to target to both core and swing voters. Hence, national politicians faced with partial decentralization and with electoral competition have incentives to capture the provision of local public goods. And in systems with entrenched political parties, party machineries are likely to be nature aid in this capture.

The incentives that underlie both formal and informal institutions through which vote maximization is implemented then lie in the nature of electoral markets; and party machineries are likely to be pertinent to both institutions. Even the formal institutions of local government- be it the creation of small grant-financed jurisdictions (see Khemani 2010), or the formal appointment of a central agent as the head of the district as in Ghana- are likely to require a mechanism through which vote maximization can be mediated and enforced. For example, even when jurisdictions are dependent on the central-grants, the knowledge of how these grants should be allocated across jurisdictions is likely to come from an institutions associated with the central government, such as parties and their machines, rather than the head of the state and the executive alone. However, political parties have not been accorded a formal role in local government in most decentralization reforms adopted by developing countries. This implies that the political party, or other informal institutions of a similar nature, cannot then find a public profile through the formal institutions of local government.

We hypothesize, that within a context of a system with contested elections and strong party machineries, political capture is likely to take place through informal institutions of vote maximization. We also hypothesize that such vote maximization through informal institutions is likely to be the dominant determinant of targeting of local public goods. Following Helmke and Levitsky's(2004) classification of informal institutions, vote maximization in our model is a competing informal institution ; where a competing informal institution is defined as an institution that structures incentives in ways that are incompatible with the formal rules. While the divergence from intended policy outcomes is not surprising per se, and while this can be inferred from the *formal agency* the central government in local government affairs, the question of how and why the divergent outcomes obtain is of critical importance. And we argue that informal institutions constitute a critical part of the answer to why. We now examine, through a comparative case study, whether these hypotheses hold in the case of Ghana.

SECTION 4: Research Design

Ghanaian districts, with their differences in the nature of political competition (electoral markets), and the associated differences in political incentives provide a perfect opportunity to test our hypotheses on the informal institutions of vote maximization. In particular, the differences in the nature of political competition, or electoral markets, across districts allow us to test if the provision of public goods is strategically targeted as a model of vote maximization through informal institutions would predict. Examining the variation in patterns of public service allocation within the same country also allow us to hold constant the force of the formal rules of governance in general and those of decentralized targeting of public goods in particular. This then allows us to isolate the role of informal institutions associated with electoral markets in determining outcomes. It is also widely acknowledged in Ghana and these elections are in fact partisan; and that the local machineries of political parties play a critical role in the elections. Indeed there is extensive anecdotal (though little systematic) evidence on the importance of political parties , both to local and national elections. The presence of partisan local politics,

alongside differences in the nature of electoral markets then presents us an ideal setting within which the role of informal institutions of vote maximization might be tested.

The research reported here was conducted by the International Food Policy Research Institute (IFPRI) during February and March 2008 in two neighboring districts in the Northern Region of Ghana. A multiple-case embedded research design was used, meaning that data was not pooled across the sample but rather clustered into cases (Yin). The primary unit of analysis was the individual service delivery case (e.g. a school, borehole, or electricity line). However because each individual case of resource allocation is embedded in and predicted by political institutions that operate at the community, electoral area, and DA levels, data used in the analysis of each case were collected at each of these levels. An electoral area is defined at the sub-district level. Each DA in Ghana comprises several electoral areas, each of whom are represented by an elected member of the DA (referred to as the assembly member or assembly person). This assembly member typically represents more than one village or community.

The case studies covered ten communities in six electoral areas in two districts. A larger IFPRI survey on decentralization and rural service delivery in 6 districts (including 3 district pairs) in Ghana defined the sampling strategy for the district pairs chosen⁵. The chosen district pair in the northern region presents us with a very interesting variation- one district is widely identified as district that votes based on fixed party lines, while the other second district in the pair is the quintessential swing voting. Three electoral areas were sampled in each district. These electoral areas were also a subset of a random sample of Assembly people covered by the larger IFPRI survey.

In each district, the case studies profiled the District Chief Executive, (several) bureaucrats of the local government and three assembly persons. Each of the assembly persons represented the chosen electoral areas. These electoral areas were selected based on their definition by multiple sources as "high-performing" as well as consideration of heterogeneity in gender, tenure, age, strategy, and religion. The profiles included information on individual cases of service delivery, and the determinants of each these individual cases. The major data collection techniques were key informant interviews, including home stays, focus group discussions with community opinion leaders, and community meetings. Secondary data on the provision of local public goods was also collected at the Electoral Commission and DA.

Since our primary unit of analysis, the individual service delivery case, is located at the level of the community we also collected data at the community level. Where the sampled Assembly people represented more than one community, two communities were studied: the Assemblyperson's hometown and either the biggest or the farthest community. The biggest communities yielded insights about Assembly people's accountability to locations with high service pressures and the farthest communities revealed intra-EA dynamics created by spatial dispersion in rural areas.

Our study districts- called districts "A" and "B" (in order to preserve anonymity of the respondents)- offer two models of electoral markets, each of which define a different model of vote maximization. Of our two districts, B has a long history of supporting one political party, while district A is known to be a swing voting district. Indeed, the sitting Member of Parliament (MP) from this district does not come from the current ruling party. Our districts also differ ethnically and politically. District A is also one of the most ethnically diverse in the region, and

⁵ In the IFPRI survey, the district pair was chosen to illuminate the effect of different DA administrations within similar physical, social, and financial environments. Including one district headed by a female DCE was also a factor in the selection.

the dominant and most populous ethnic group is long known as one that does not identify ethnically with either of the two major parties. District B, in contrast, is more ethnically homogenous and has historically been tied to a single party, with this fixity being rooted in more fixed and inflammatory ethnic identities. The dominant (and most populous) ethnic group in the district has been characterized as life-long supporters of a single party; and this a calcified identity based on their sub-ethnic group. Table 1 presents basic demographic information, ethnic fractionalization indices, and information on the local government structures from the two districts.

	District A	District B
Area	17,317 km ²	2389 km ²
Population	76,702 (2000) ⁶	132, 880 (2000)
Population density	8/km ²	55/km ²
Poverty headcount ratio	57.2	83.5
Ethnic Fractionalization Index	0.66	0.19
Number of Area Councils	6	12
Number of Electoral Areas	20	42
Percent of Unit Committees inaugurated	74% (2007)	7% (2007)
Number of communities	102	220
Total funds received in 2007	1,903,267 GHS	2,014,748 GHS ⁷
Percent IGF	7.6%	12.1%
Funds per capita	24.8 GHS	15.1 GHS

Our study districts neighbor each other in Ghana's disadvantaged Northern Region, and are predominantly agricultural, with more than 85% of the population categorized as rural. District A boasts the lowest poverty rate in the region and less than two percent of residents categorized themselves as food insecure in 2003 (Table 1). With a substantial population reduction when part of the district was carved off to create a new one, its total funds available per capita are also more than twice that of its more populous neighbor. Nonetheless, A still remains a large district, and this size defines the service delivery challenges for the DA. Mobility challenges caused by low road density, and low access to services centered in the district capital, such as secondary schools, hospital, and agricultural extension are particular constraints. The DA of district B serves a much larger and poorer population. More than 80 percent of district resident's fall below the poverty line, and the per capita expenditure is much lower than in the neighboring district. Yet in recent years total revenues in B have roughly equaled those of its neighbor.

⁶ No census has been conducted since the districts split, so population estimates of West Gonja District Assembly are an estimate.

⁷ Note: includes an estimate of HIPC funds for 2007 based on average of preceding two years.

Nevertheless, as Table 2 shows, district B has similar or better access to major infrastructure and social services compared to district A, notably roads. One reason for this may be its much closer proximity to and linkages with the regional capital - many staff commute daily from there to their jobs in the District. However, providing clean drinking water remains a severe challenge in the southern half of the district, where the water table is too low for tapping. Additionally, Guinea worm⁸ is endemic to the region and while district A has eradicated this parasite, most open water sources in district B remain contaminated. Our study districts therefore represent a case where access to services does not have clear relationship with poverty. Indeed, the district with better services is poorer. This can be seen in table 2 below.

Table 2. Access to services

	District A	District B	Region
Poverty headcount ratio	57.2	83.5	-
Access to safe water source (2007)	53.2	54.1	54.4
Access to sanitation	8.1	19.5	23.5
Road density	.04	.15	-
Access to roads	48	77.1	-
Access to electricity	14.3	18.4	28.8
Access to health facilities	41.3	54.2	35.0
Access to primary school	80.8	96.7	80.1

Source: Data is from 2003 CWIQ survey, unless otherwise noted. All access figure refer to the percent of households in the district who have access to the given public good or service

SECTION 5: Informal institutions of Local Government the targeting of Local Public Goods in Ghana
 In this section, we draw on the results from our case studies, to demonstrate that informal institutions are an empirically relevant and important determinant of vote maximization in Ghana. Vote maximization influences the targeting of local public goods in three important ways. First it influences this distribution through the incentives faced by the DC. These incentives then result in the exercise of the formal mandate of general oversight of the DAs affairs in rather far-reaching ways. Second, vote maximization influences the distribution of the local public goods through the informal domination by the DCE of both the legislative and bureaucratic institutions of the DA. And third, vote maximization rather paradoxically make the informally disempowered elected members of DA work as true advocates on behalf of their constituents. We now examine each of these informal institutions .

⁸ People contract this parasite – which eventually emerges as an adult worm from painful open sores on legs and feet – when they enter open water sources to bathe or collect water.

5.1 Vote maximization through the office of the DCE

“I am a politician. I am here to implement the programs of my government. My job is to work for my party, to help my party do well in the elections.”

-DCE, C14

There is a common consensus in Ghana that the work of the District Assemblies is tinged by partisan considerations, largely because of the clear political allegiance of the District’s most important actor. Per the Constitutional statute that created it, the DA system is officially non-partisan⁹. Yet at the helm of the local government sits an unconcealed partisan. The District Chief Executive is appointed by the President of the Republic of Ghana, and can be removed by him at will. In fact, individuals interested in the post apply directly to the party machinery: party executives at the constituency level handle recruitment, while the Regional Minister, Minister of Local Government, and Office of the President vet, interview, and nominate applicants. This selection process means that DCEs are first and foremost accountable to the national party machinery of the ruling party, a fact well documented in the literature on Ghana’s decentralization (Ayee (chap 2), Ayee(1996)). As an explicitly partisan actor, the DCE faces two types of political pressures. First, as a political appointee of the ruling party, one of the DCE’s key performance measures is his ability to increase the penetration of the ruling party in the district. As one DCE opined, “at the end of the day, if you are there and you don’t make an impact for the party, your stay might as well have been useless.” Second, District Chief Executives are often major contenders for the Parliamentary seat in their district, taking advantage of their proximity to the constituency relative to the Accra-based MP. Both these political pressures make the DCE a key player in electoral markets for national political gains.

In order to win votes and increase party penetration however the DCE must use DA resources to woo *communities*. The following two observations point to the mechanics of electoral markets in play. A Planning Officer noted that: “Which community gets what is politically-based. Because our current government has its supporters in some communities, okay. It will prioritize giving projects to such communities that support the current government more than those that do not support. Every government wants to stay in power. And that actually determines the siting of projects more than other factor.” In contrast, several DCEs argued that if there was any bias in their allocation decisions, it was in fact in favor of opposition communities. These competing observations lay out the two underlying political rationales of local electoral markets. It follows that the DCE therefore need to buy votes, and how she does this depends on the nature of the electoral market that she faces. If she presides over a district with several swing voters then the allocation of public goods needs to be more broad-based. In a politically unpredictable region, public goods clearly need to reach a wider range of communities as targeting core support is no longer sufficient. If however the district has several voters who vote, for whatever reason, along fixed party lines then public goods need only be targeted to those communities that offer their loyal support. Therefore, while public resource allocation

⁹ Candidates seeking election to a District Assembly (or lower local government unit) may not affiliate with any political symbol, and no political party can endorse, sponsor, or campaign for a candidate (Secs. 248.1-2).

decisions in core voting regions might resemble a quid *pro quo* or patronage, these decisions are in effect determined by the underlying political logic of electoral markets. And this logic finds expression through the exercise of wide-ranging informal authority by the central government, through the office of the DCE. Indeed, vote maximization is the ubiquitous response to this logic, and it emerges as a critical determinant of public resource allocation in the status quo.

The incentives of the DCE, to act in the genuine interest of the party are driven by her political aspirations. Indeed, the tussle between the aspirations of the DCE to be a member of parliament (MP) and the aspirations of the sitting member of parliament have been well documented (Aye, chapter 2). If a DCE plans to run for MP in the nearest national election, his thoughts will turn towards campaign finance. His campaign finance hinges on doling out “favors,” especially for wealthy party activists. This means that his own political aspirations pressure him to channel resources to instrumental individuals. The DCE, as chair of the Tender Board, has a strong influence over who does work on DA contracts. Where contractors are also District party powerbrokers, our evidence suggests that the DCE may give them undue preference to win their support of his candidature.

In the district where contractors in the district did not have close ties to the DCEs party, there were therefore fewer party-based pressures to favor certain contractors over others. Indeed, several people¹⁰ in the district noted that “her party people are not contractors, except one man in community x”. In the district where the candidate was running for MP in the upcoming elections, and where her party had a strong presence, it was reported that on the party machinery played a key role in handing out contracts, and therefore locating public goods. Indeed, a number of observers also pointed out that the need to favor particular contractors meant that the parts of the district where these contractors had a dominant presence would be favored in the provision of public goods. Hence our evidence show that the strength of the party machinery and the instrumental value of this machinery to the DCE are critical in linking campaign finance pressures to targeting of community based public goods. In particular, a weak presence of the party machinery in the district on the other hand reduces such campaign finance induced biases in the targeting. Party machineries and their instrumental value to DCEs therefore play a critical role in connecting the dots from the political rationale defined by electoral markets to vote maximization in the allocation of local public goods. Indeed, the political rationale is consistent with the incentives of the key political actors in the DA- the DCEs. The fulfillment of the latter’s current and future aspirations hinge upon how useful they are to the goal of increased party penetration.

In both the political imperatives and contracting pressures facing the DCE therefore , political parties play a critical role in brokering the status quo. Indeed, despite the formal non-partisanship in the DA, partisan political imperatives are the driving force behind the capture of the targeting of public resources.

¹⁰ A8,A9,A10,A11,A14,A15,A17,A27

5.2 Vote maximization through the Domination of Political Institutions of Local Government

“I thought the truth came from Assemblyman. But now that I'm going to Assembly I'm thinking that the Assemblyman don't have truth. No, you must crucify yourself before your people can get the good services. All I am is a glorified beggar.”

-Assembly member, B10

Despite the formal assignment of the power for the within-district distribution of local public goods to the institution of the DA, it is widely known that the DCE makes the final decision on this distribution. (Ayee(1995), Crook and Manor (1998), Crook (1994)). Yet we find that despite their limited powers assembly members are not passive observers in the District Assembly. Rather, the most effective of them act as lobbyists, working vigorously to attract resources to the communities within their constituency. Indeed assembly members lobby all people for all things that they lack.

Why would these assembly members, who go neither exercise control over the resources of the district, nor receive any remuneration to speak of go to such lengths to represent their constituents? They lobby because they feel accountable, in some sense, and find their position desirable. Our evidence suggests the desirability of this position seem to be closely tied to the avenue (and associated incentives) for upward mobility provided by the party machinery. Several assembly members in our sample cited the desire for upward mobility that was the driving force that led them to activate incentive structures to win resources in a game of pork-barrel politics controlled by others.¹¹ We find that the rewards from this game of pork barrel depend, in large measure, on the strategic compulsions of the electoral politics in play. Assembly members in our sample repeatedly reported that they deployed electoral politics in their lobbying strategies- by playing into deciding actors' extant motivations. For example, knowing the DCE is concerned with securing the votes of their Electoral area, Assembly members may highlight the political case for investing Assembly resources in their area. Alternatively they may send the party chairman to do so.

But they too don't know the processes by which they finally merit a project. Indeed, an institutional structure that keeps them ignorant of allocation criteria naturally incentivizes pork barrel politics as the only thing they can do for their constituents. Ultimately therefore, individual political loyalties and social networks also come in to play. How this happens is more complicated. In a bid to strengthen their chances of success, Assembly persons draw heavily on their political connections. The instrumentality of party chairman on the ruling in the lobbying process is particularly evident. There is evidence that at least some Assembly members are, in fact, known party activists, and that almost all identify with a particular party, at least privately.¹² The formal rule of a non-partisan local government dictates that members must be strategic in how they publically wield their party identity in order to best position themselves to extract public goods from the partisan DCE¹³. As one Assembly member said: “Where the government

¹¹ In this role they (also) act as the key intermediaries between community and state.

¹² One MP admitted to sponsoring known NDC party members to run for Assembly so that they could increase the partisan voting bloc, which was especially relevant during the confirmation of the DCE.

¹³ However, a majority of our sample preferred to portray themselves as non-partisan, often citing the statute that stipulates it. One Assemblyman even recounted a verbal argument engaged in with a party executive when he was accused of being a member of the opposition party in front of the DCE. For these actors, keeping secret their

is in power, you should have a bit of a close relationships with the NPP(ruling parties) [Ward] Chairman (Assembly member, A4).” Even opposition activists at the community level acknowledged the expediency of exploiting the potentially fuller access to the DCE enjoyed by Ward Party Chairmen: “If you want to go to Assembly, seeing that NPP is in power, then they will not listen to any problem unless we consult the NPP Chairman. So he will lead us to Assembly. If they know you are opposition, they won’t heed you, but if the Chairman leads people, they will listen (Assembly member, A48).”

Assembly members also exploit their social networks in non-party spheres of influence. Instances of influential community members, such as members of the local Chief’s house, Unit Committee members¹⁴, and local businesspeople, themselves lobbying on behalf of the assembly person at the DA are frequently cited. It is no surprise that extant political imperatives are drawn upon to dominate the institution and the public good allocation function of the district assembly. It is however imperative to note that the elected members of the assembly – who lobby wily nilly to bring public goods to their communities - are incentivized to do so by the avenues for upward mobility provided through political parties.

Vote maximization imperatives then dominates the legislative institution of the DA; and this vote maximization is mediated, enforced and implemented by party machines. Indeed, that party machineries reward assembly members- through party position or instrumental support for their personal political aspirations- provides these members with a potent incentive to lobby. It should also be noted, that these rewards are handed out by the party, and are closely tied in to factors that are instrumental in their efforts to win support at the national polls.

5.3 Vote maximization through the political accountability of elected members of the District Assembly

“ As a newly established assemblyman , it is not easy. The people are always on [him] and [he] does not want a failure

- Newly elected assembly member, A52

“If you don’t lobby, if you just keep quiet, you might get, but at the time they feel like giving it to you. And if you want to wait until they feel like giving it to you, you may not get anything.”

-Assembly member, A30

In 1998, Crook and Manor argued that the paradox of genuine political representation by the assembly people combined with their lack of political power to bring resources to their communities was increasingly making this position an undesirable one. That the large majority of the members in their sample did not want to stand for re-election was argued to be

sympathy for the opposition maintains their ability to lobby the DCE on other grounds. In contrast, having a clear opposition party identity will likely close fruitful avenues to the DCE. While relevance of revealing party identity is unclear, our evidence on the location of public goods suggests that it is electoral logic that determines which communities receive public goods; and that the role political parties are intricately tied to this logic. Indeed, our case studies also show that a key lobbying strategy adopted by assembly people is in fact to play into the extant motivations to increase party penetration in the district.

¹⁴ Unit committee is a unit of local government that sits at the level of the community.

representative of the latter. Yet we find that the position of an assembly member continues to be a contested and coveted one. Almost all elections in both our districts had more than one candidate contesting elections. Indeed, most elections had more than one candidate, and the winning margins in several instances were small. The District Assembly was also seen as legitimate and worth participating in by voters. The election turnout in all the electoral areas in our sample exceeded the district average of 50%- with the number as high as 74% in some electoral areas. Assembly members, in some sense, also felt and were held accountable. While the residential proximity of the assembly member enabled the constituents to exert pressure on her, these constituents were also widely aware of the limited powers of the assembly members in the DA. As a result, their communities held them accountable for their “efforts” to bring resources, as evidenced by letters written to the DA, and taking other members of the community along to the DA at the time that the lobbying request was being made. Indeed one local observer referred to assembly members as the “doorstep governors” of their communities.

Indeed, this political accountability of assembly members plays a critical role in incentivizing their lobbying efforts. Our case studies show that assembly members lobby anyone who could influence the allocation of resources to their community. Knowing that the DCE is concerned with securing the votes of their electoral areas means that the DCE presents their first port of call. Drawing on party loyalties is also something that all members do, vested as they are in these party machineries, do. The second port of call for assembly men lies at the door of NGOs, who sometimes implement public projects outside the purview of the DA. While the NGO public good agenda is largely pre-determined, often times there are a choice of location involved. Assembly members actively seek out and lobby these NGOs to bring these public goods to their communities. From the point of view assembly person therefore, it makes sense to adopt a scattershot approach to lobbying, and to therefore lobby anyone and everyone who could matter. This scattershot lobbying approach is exemplified in the following example.

The case of a junior high in one of the study communities explicates this lobbying process. The Assemblyman first identified the need for a JHS in his community through his own observation as resident and parent. He then lobbied for the individual pieces necessary for the whole, drawing on preexisting social networks, persuasion, and persistence to gain success. He approached the District Office of the Ghana Education Service (GES) to apply for official recognition and the assignment of teachers in his community. As a teacher, he had maintained good relationships with supervisors and former teachers in the District Education Office. He decided to “let them all be aware” about his community’s need for a school and told them “they should fight, always be on the Director...so they also pushed their hands” and he was able to get the school.¹⁵ He also successfully lobbied the GES for classroom furniture. To secure funding for the school block, he lobbied both the Director of Education and District Chief Executive. In particular, he made himself a nuisance of the DCE, visiting him anytime he was at the DA, which was at least weekly to pick up his pay-check. He also tried to activate the DCE’s sympathies as a former Assemblyman, reminding him that “as a newly established Assemblyman it’s not easy. As this story demonstrates, one major strategy Assembly people use to strengthen their lobbying is to exploit existing social capital. Networked relationships are particularly important. As this story demonstrates, these grassroots lobbyists must target the entire array of actors who can help their case, including the DCE, DA staff, MPs, line departments, NGOs, and fellow Assemblypeople, especially the Presiding Member and Executive Committee of the DA.

¹⁵ He was told that if he collected the names of all the students who would comprise the incoming class, they would consider his case.

To do so, they may activate loyalties or call on old favors deriving from membership in schooling, employment, religion, ethnic group, hometown or other networks. For example, one Assemblyperson (xx) attributed both her electoral success and the public goods she was able to secure early in her tenure to the fact that the DCE and her sister were classmates and had maintained a close relationship. The Assemblyman depicted above drew on professional connections to push his hand at the relevant line department.

Elected members of the DA therefore have strong incentives to lobby for public resources. This lobbying in turn reflects, in part, the strong political accountability of these members to their constituents.

5.2 Vote maximization through the capture of bureaucratic institutions of local government

“Sometimes the nature of your problem will let you get the project.”
-Assembly member, B8

In several instances- like in the construction of boreholes or the allocation of funds for fighting malaria- formal rules envisage that bureaucratic targeting by need, loosely defined, will determine within district allocation of resources. However these targeting mandates are uneven in their presence and implementation. While the Directors of Departments are thought to be most influential in proposing project selection, ultimately the DCE - as both chair of the Executive Committee and Chief Executive -must approve the project. As discussed above, the DCE can all too readily subvert bureaucratic targeting if it suits other needs of hers.

However, to the extent that DCEs feel that their performance on development metrics affects the sustainability of their job, they have incentives to support this type of targeting for two reasons. First, they have reason to believe that the adequate implementation of needs-based projects can result in the flow of more resources to the district. In one of the study districts, the DCE referenced a major donor funding modality in this respect. Project money for the “District Wide Assistance Program” was time-bound, and the DCE felt that if she distributed contracts along partisan lines, she would likely be pressured to hire less skilled contractors, who, in doing shoddy or incomplete work may not meet the donor’s timeline. This could impede future funding. Because this happened in three of the districts in the Northern Region in 2007, she saw these sanctions as having real teeth. And she felt this was important because the DACF allocation to the district was too small on its own. The District Assembly relies on donor money to deliver development, and in turn, to reflect the DCE’s competence in this realm. She felt that as a DCE “you must deliver; otherwise you cannot remain at your position.”

Second, as the President’s man or woman in the district, DCE’s are implicitly (or explicitly) held responsible for the performance of central government flagship initiatives in their areas. This metric means the DCE must steer her bureaucracy to make investments that will help them conform to regional or national statistical trends. Indeed, in a few service delivery cases in this study, the overriding logic appeared to be need-based targeting. The case of the Wantugu borehole is illustrative. Not only were women there spending hours daily searching for water during the dry season, but the community also had one of the highest incidences of guinea worm in the Northern region. People contracted this parasite – which eventually emerged as an adult worm from painful open sores on legs and feet – when they entered contaminated open water sources to bathe or collect water. The community had a break of luck when one of the NGOs in the district drilled a borehole outside of town and hit a major aquifer. Seeing the high water

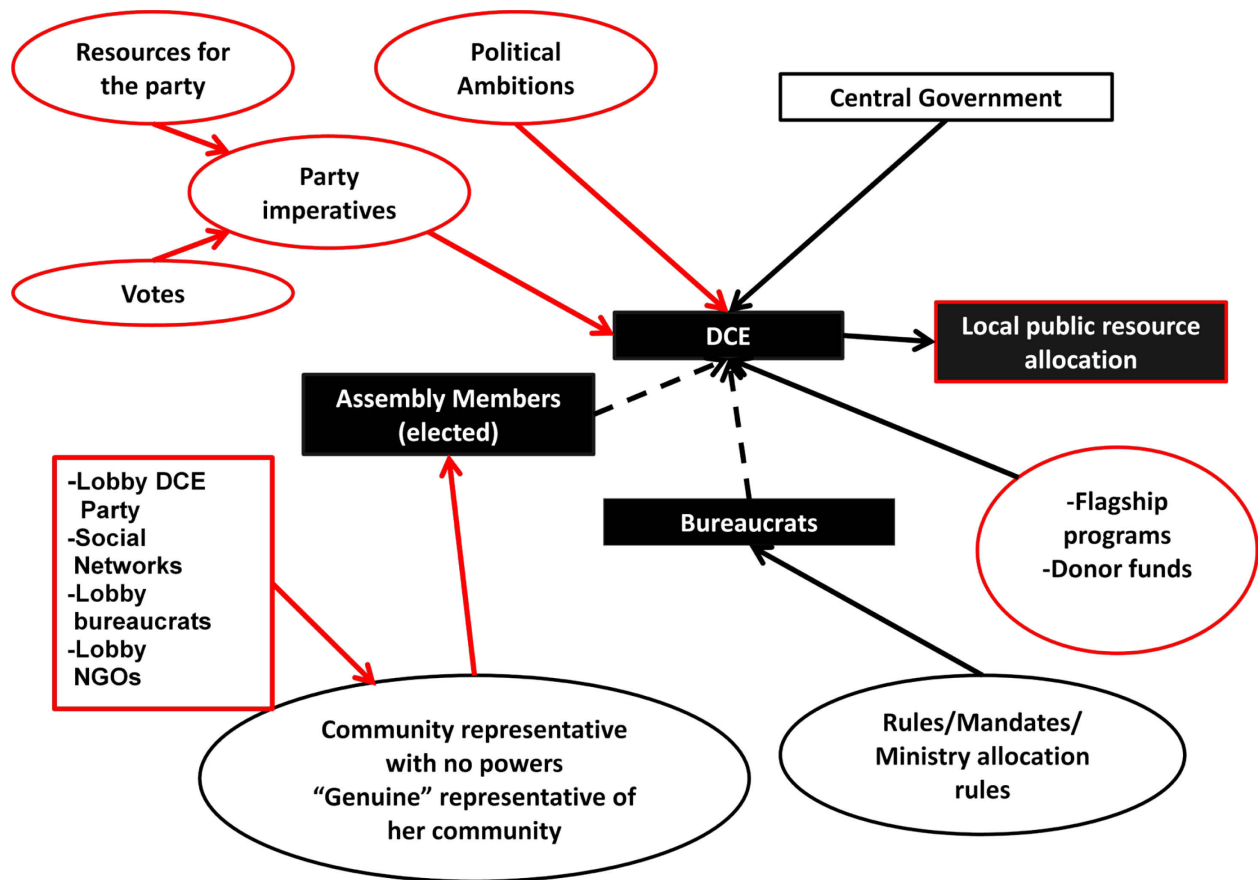
yield, the DA's Water and Sanitation Team sought funds for the mechanization of the borehole. After several donors with sanitation or infectious disease missions signed on to the project with tied funds, the DA staff informed the Assembly member that he would be receiving the project and that he would need to organize community contributions of cash and labor.

In the Wantugu borehole project, the motivating logic for project distribution appeared to be developmental and referent to the needs of beneficiary populations. Wantugu in fact presented a classic case of a problem that was visible, and on the radar of the national government. For example, in 2008, the national press media covered the declining incidence of guinea worm in the northern regions of Ghana where it is endemic, citing star and lagging districts (e.g. (cite)). Northern DCE's thus had a political interest in achieving this developmental outcome. This political interest resulted in the motivation to steer their DA to deliver its water infrastructure in a way that would best achieve this outcome. Enrollment in the NPP government's National Health Insurance Scheme, School Capitation Grants, National Youth Employment, and a school feeding program are other examples of cases where the DCEs political interest motivated the implementation of need-based targeting mandates. And, of course, the DCE does still accrue political credit through the disbursement of projects, whether or not they were actually targeted by need.

Hence targeting mandates that are both visible and deemed to be of national importance are implemented. Mandates not deemed to be of importance on the other hand are routinely subverted; and this subversion is often in pursuit of the logic of national politics. Once again, the imperatives of electoral politics and the political aspirations of the DCE determine how his discretion is used, and this in turn determines which planning mandates will be implemented and how. That bureaucrats are for the most part passive observers of this capture is not surprising. Although the DCE does not directly hire and fire the bureaucrats, she is their boss, and could likely lobby the relevant central ministry in Accra to get them moved. Bureaucrats in the District Assembly are likely to follow her demands, especially in the absence of competing demands/sanctions from elsewhere. Hence the formal rules that stipulates some degree of need-based targeting of public goods are held hostage to the discretion of the DCE, and to the imperatives of vote maximization.

In summary then a model vote maximization, defined by informal institutions, defines the key political incentives that determine the targeting of local public good. Importantly, the model of vote maximization is not defined by the design of formal institutions alone. This landscape of political incentives includes both formal and informal institutions, can be seen in Figure 2. It can be seen in this figure, that the determinants of targeting when viewed through exclusively through a formal lens (in black) are starkly different than when the informal institutions are included in this landscape (in red).

Figure 2



It is also instructive to note that effect of informal institutions is not uniform. While three of the four Informal institutions of local government in Ghana lead to divergent policy outcomes; one institution- that of political accountability of assembly members- actually leads to an outcome envisaged by the formal reforms.

We use Helmke and Levitsky’s framework of the effect of informal institutions on policy outcomes to identify the nature of four informal institutions. The powers of the office of the DCE represent a competing institution, where the wide ranging powers of the DCE structures incentives in ways that are incompatible with the formal institutional rules. The domination of the legislative and bureaucratic institutions of local government in turn define an accommodating institution. In these accommodating institutions, incentives of partisan politics combined with the powers of the DCE creates incentives for members of these two institutions of local government to act in a manner that alter the substantive effect of formal rules; but without directly violating them. Indeed, both these sets of institutions are created by actors who dislike outcomes generated formal rules, but are unable to change or openly violate them. In contrast, the political accountability of assembly members emerges as a substitutive institution, where local partisanship helps achieve what the formal institutions were designed to achieve, but failed

We now use our case studies to examine if the patterns of public good provision in the electoral areas in our sample match the predictions of the model of vote maximization through informal institutions.

SECTION 6: Case Studies

While it is clear that a partisan political rationale defines informal institutions through which vote maximization obtains, it remains to be seen if the pattern of public resource allocation reflects this rationale. We now use our case studies in two northern Ghanaian districts to examine if the informal institution of vote maximization as the key determinant of the targeting of local public goods; and to examine whether the nature of the electoral markets shapes the political rationale and therefore the patterns of public goods allocation in the status quo. In order to do so, we examine data on the allocation of local public goods across the electoral areas in our districts. Table 3 presents the results from District A, the swing voting district; and table 4 presents the results from District B, the core voting district. Ghana has two major political parties that have been in close elections over the last two decades – The New Patriotic Party (NPP) and the National Democratic Congress (NDC). The NPP held power from 2004-2008; and was in power at the same of this study in March 2008.

We first examine the results from district A (table 3). The data on party affiliation shows that district is indeed a swing district. One of the three electoral areas (EA), EA3, elected an MP from the opposition party, though the margin of victory was very small. And EA3 voted for an MP from the current ruling party, even though it was identified as being a weakly dominant area for the opposition NDC. EA4 provides an interesting contrast: it is traditionally a stronghold for the NDC party. That table shows that the allocation of public goods across these DAs closely follows the voting patterns in the EA. Indeed, EA3, which voted for the ruling party despite not being strong supporters of this party, got a plethora of public goods, ranging from several boreholes to a clinic. Electoral Area a (EA3), which the opposition party won by small margin, was also awarded public goods. Notably, this included a small check dam- a high-value and a coveted investment in the semi-arid regions of Northern Ghana. EA4, which stand out as a core voting region within a largely swing district presents an interesting contrast. Indeed, this EA received almost no public goods, despite the fact the assembly members lobbied for several. The only project granted to this EA came from a donor funded program, which was not implemented through the DA. The table also shows evidence of the intense lobbying for projects by these elected members of the DA.

The results from district B (table 4) present a stark contrast. Notably, all EAs in this district were core voters for the NDC in all parliamentary elections. Surprisingly, one of the DA members identified as belonging to the ruling NPP. It should be noted that within this core voting district, one part of the district was widely identified as being the “home region” of the DCE. Not surprisingly, the EA (EA3) that was located in this “home region” of the DCE received a very valuable public good: piped water to all communities in the EA. It is also interesting to note that the EA which had voted for the ruling NPP received no public goods at all. Once again, there is strong evidence of lobbying from assembly members. In this district however it is interesting to note that the assembly members from the “non-home” regions lobbied far more than the member from the home region.

In summary then, these tables suggest that the pattern of public good allocation closely track electoral imperatives; and that the affiliations to political parties and voting patterns play a critical role. Indeed, the swing district A got many more public goods overall than core voting district B. We argue that this is a result of the fact that granting these public goods in district A represented ways in which community allegiances and therefore electoral support might be courted. The political imperatives in District B in contrast offered no such incentives.

Table 3: DISTRICT A

	Electoral Area 1 Voters: 482 2 communities		Electoral Area 2 Voters: 2153 5 communities		Electoral Area 3 Voters: 931 6 communities	
ELECTION	2006 -- Turnout: 61.4% 3 candidates		2006 – Turnout: 57.5% 5 candidates		2006 – Turnout: 75.3% 4 candidates	
PARTY AFFILIATION EA	<ul style="list-style-type: none"> • NDC for MP • Small margin: swing voting community 		NDC stronghold		1. NDC dominant, NPP for MP	
PARTY AFFILIATION (of assembly member)	Not publicly partisan		NDC		NPP	
COMMUNITY	Community 1 Pop:665	<i>Community 2</i> Pop:890	<i>Community 1</i> Pop:3871	<i>Community 2</i> Pop:434	Community 1 Pop:1363	<i>Community 2</i> Pop:251
PROJECTS GRANTED	<ol style="list-style-type: none"> 1. C1-C2 Dam 2. Road 		1. C1 market (CBRDP)		<ol style="list-style-type: none"> 1. C2 Clinic 2. Boreholes: Most of the communities 3. Grinding Mills: All but one community 4. Tractor from Assembly to pick up produce and plough 	
PROJECTS LOBBIED FOR /FROM EXTERNAL SOURCES	2. Lobbied for: 3 unit classroom block ,C1 school feeding center		3. Lobbied for: Teachers quarters in C1, School block in C2, boreholes		<ol style="list-style-type: none"> 4. Lobbied for: Shea butter processing machine, solar panels 5. Roofing for schools- NGO 6. Beekeeping 	

Table 4 :DISTRICT B

	Electoral Area 4 Voters: 3303 8 communities <i>("Home" region of the DCE)</i>		Electoral Area 5 Voters: 1058 2 sections of a community	Electoral Area 6: Voters: 3166 10 communities
ELECTION	2006 -- Turnout: 57% 2 candidates		2006 – Turnout: 47% 3 candidates	2006 – Turnout: 43.6% 2 candidates
PARTY AFFILIATION OF EA	NDC stronghold		NDC stronghold	NDC stronghold
PARTY AFFILIATION (of assembly member)	NDC		NPP	NDC
COMMUNITIES	<i>Community 1</i> Pop: 2505	<i>Community 2</i> Pop: 26 hh	<i>Community 1</i> Pop: 12,598/4	<i>Community 1- Pop: 640</i>
PROJECTS GRANTED	1. Piped water system to all communities			1. Electricity poles provided by the DA
PROJECTS LOBBIED FOR /FROM EXTERNAL SOURCES	1. Organized community labor to dig a dam		1. Lobbied for sanitation assistance (KVIP), Garbage removal truck 2. Lobbied for loans for women from HIPC fund earmarked for women 3. Community labor- cleaned up KVIP	1. Lobbied for wires to provide electricity, repair of water pipes to 4 communities, road 2. UNDP repaired pipes, 3. UNICEF provided wires. 4. School built through the EU microprojects.

SECTION 7: Conclusion

In conclusion, our case studies of the targeting of local public goods in two northern Ghanaian districts tell a story of how national political imperatives capture the provision of community based public goods. This capture, while reflected to some degree in the design of formal institutions of local government, is primarily implemented through informal institutions of vote maximization. These informal institutions of vote maximization in turn are embedded in the imperatives of partisan politics.

The targeting of local public goods in the current status quo is then tied to the nature of these electoral markets. Moreover, this targeting is mediated and enforced by the local machineries of political parties. Following this electoral rationale, the swing district in our sample received several local public goods; and several communities in the district shared in this allocation. In the core voting district on the other hand, public good provision was much more limited; and this provision resembled a clientilistic transfer to the “home region” of the DCE.

Our case studies also tell a story of an informal institution that depends in no small measure on the political aspirations of individual agents. The desire of DCEs to gain the ticket for member for parliament, and the desire of assembly members to move up a very similar political ladder are critical elements of this institution. Indeed, such aspirations- set within this partisan and politically competed environment –are central to the informal institution of vote maximization. While the divergence from intended policy outcomes on account of these informal institutions is not surprising per se, and while this can be inferred from the formal agency the central government in local government affairs, the question of how and why the divergent outcomes obtain is of critical importance. When viewed through the lens of formal accountability alone, this divergence would be attributed to imperfections in local political accountability; and a commonly recommended solution would be to make this central agency politically accountable in some way.

Yet while formal accountability is weak or absent, the targeting of local public resources allocation is not merely characterized by this weak or absent formal accountability. Instead this targeting follows the logic of the informal accountability embedded in the institution of vote maximization; and this institution defines a complex and potentially perverse set of accountability relations. Indeed while the central agent does not govern through the imperatives of local political accountability, she follows vote maximization imperatives defined by these informal institutions. Indeed, with partial decentralization alongside a strong informal party presence in local government affairs, the political aspirations of local government actors who represent the agency of the central government are always likely to be tied to incentives provided by these party machineries. Making the formal institution of the central agency or agent accountable, whilst ignoring the presence and persistence of informal institutions that run counter to local accountability is therefore unlikely to effect any change in formal accountability. Indeed, we argue that in these contexts, the same partisan political incentives are likely to characterize the central agency within the local government- regardless of whether this agency is formally elected or nominated.

This finding finds resonance in a currently policy debate focused on the question of making the position the District Chief Executive an elected one. One prominent group, lead by donors and multilateral agencies, argue that making these position elected is a precondition for local accountability. Local observers of the system however argue that such election, amidst

sharply partisan national politics, would undermine a fair flow of resources to districts. In particular, they argue that districts where the elected DCE is from the ruling party will get a disproportionately large share of the transfers from the central government. Indeed, our results suggest that such national political partisanship have even larger implications, and that the latter shapes the informal institutions that in turn determine local targeting outcomes. Given partial decentralization, alongside the role of party machineries and partisan politics it could well be argued that an elected head of the local government will face the same political incentives as the appointed DCE currently does. More generally the proponents of formal accountability rarely consider the fact that the micro-politics engendered by vote maximization could engender incentives that run counter to broad based accountability in the provision of public goods, even with a formally politically accountable actor.

Our case studies also point to the presence of a critical, and often missing element of in several decentralization reforms- that of genuine political representation of villages or communities. Assembly people in our sample though effectively without power to effect public good provision, constantly elicit information on community needs and are indeed the “doorstep governors” of these communities. They then exploit extant political motivations of vote maximization, draw on their social networks and use their political capital to bring “development projects” or community level public goods to their constituents. The incomplete nature of the formal rules governing sub-district allocation, combined with the overarching power of the DCE however restricts them from making to case for political relevance of their communities, and to lobbying anyone who could matter. Specifying a formal sub-district allocation formula- which does not exist at present- could lay the basis for a drawing upon this extant political accountability, even within a partially decentralized system. The success of such a formula will however clearly depend on increasing the de facto power of the assembly people relative to the DCE. Given partisan local politics, reducing the relative powers of the DCE in affecting the targeting of local public resources might be done more effectively through increasing the power of elected assembly members. One way of doing so would be to implement a formula based transfer to all electoral areas. This formula too, might however face implementation problems on account of partisan local politics, as previous studies have shown. This suggests a formula, would need third party monitoring, and require transparency in allocation.

Overall, these results suggest that any impetus to institutional change must take into the informal institution of vote maximization into account. Specifically, in the presence of this institution reforming the formal rule of local government is unlikely to wield any influence on outcomes. Finally, collecting data on allocation of public goods-at the level of both electoral areas and communities within these electoral areas- would make this public resource allocation more visible. This visibility in turn could improve the incentives that DCEs face to achieve need-based performance metrics, even though these incentives might be restricted to politically relevant public goods programs. In the absence of such political relevance, leveraging the fact that the political careers of local government actors are built through the use of district funds can be useful. For example, in the case of district B where donors fund modalities were cited as a reason for the quick execution of public good construction. Building on this example, making the flow of funds to the district – whether from the central government or from donors- contingent on the achievement of some measure of needs-based allocation could affect an improvement in the targeting of local public goods.

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