

Paper Summary

What Role do Political Factors Play in the Allocation of Public Resources to Communities Within Districts?

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Background

In 1992, Ghana adopted decentralization reforms that transferred the responsibility for key functions from the central government to a multi-tiered local government structure. Like in many other countries, these reforms intended to improve governance by bringing government closer to the people.

Strengthening accountability in the provision of public goods, and thereby promoting more equity in access to these goods, was also one of the key goals of the decentralization reforms. Given the importance of public services for development and poverty alleviation, improving access and equity in public service provision is expected to have a far-reaching impact on development outcomes (cf. Besley and Ghatak 2004).

Since the adoption of the decentralization reforms, the Government of Ghana has taken important steps in support of the decentralization process. In particular, political and administrative institutions of local government have been established, and transfer systems to local governments, in particular the District Assembly Common Fund (DACF) have been created. The District Assembly (DA) was set up to be the highest political authority in the local government structure. The DA serves as a legislative body and comprises elected and appointed assembly members.

As is well known, Ghana also engaged in a far-reaching process of democratization since the 1990s. Both decentralization and democratization have important implications for the provision of public goods and services. Yet, there is limited information available on the effects of these reforms on the allocation of public resources at the local level. Assessing these effects can be an important contribution to the design of

decentralization policies, particularly at the time when this policy is under review.

Objectives and approach of the study

Using a case study approach, an IFPRI team examined how the District Assemblies in Ghana allocate or target public goods to different Electoral Areas and communities under their jurisdiction¹. This brief reports the findings from the study, which was conducted in two neighboring districts in Northern Ghana in 2008. The chosen district pair represent one swing voting district (a district that does not always vote for any one political party) and a core voting district (one that always votes on fixed party lines, regardless of the political platforms or performance of the respective party). A multiple-case embedded research design was used, and the primary unit of analysis was the individual service delivery case. Because each individual case of resource allocation is embedded in and predicted by political institutions that operate at the community, Electoral Area, and District Assembly levels, data used in the analysis of each case were collected at each of these levels.

Overall, the case studies covered ten communities in six electoral areas and involved in-depth interviews with local policy-makers, members of the public administration, and community members. In addition, statistical data on election results and on intra-district public resource allocation were used. Obviously, a case study approach does not make it possible to generate results that are statistically representative at the national or regional level. It rather elicits in-depth information of processes and underlying mechanisms that are often informal, and

¹ Each DA is comprised of several EAs, and each EA elects a member to sit on the District Assembly.

therefore are not easily discovered in survey-based and other types of research.

Main findings

In a nutshell, the main findings of the case study are the following:

- The study found strong evidence that the elected members of the District Assembly are politically accountable to their constituents and to their communities. District Assembly members are very accessible, constantly elicit information on community needs and serve as the “doorstep governors” of their communities.
- Even though the local government system is formally non-partisan, the study found clear evidence that accountability, and therefore the targeting of public goods, follows partisan national politics. The District Chief Executive (DCE), who is appointed by the central government to serve as the head of the DA, appears to play a key role in shaping this partisan accountability. Political party units located at the local (district) levels play a critical role in mediating and implementing partisan accountability.
- The study suggests that the targeting of public goods varies significantly across swing and core districts. Districts where voters are known not to vote on fixed party lines tend to get more public goods. Moreover, these public goods tend to be better distributed, or their provision is more broad based in swing voting districts.
- When broad-based public service provision is explicitly a strong goal of programs implemented by the national government, such provision is successfully implemented by the District Assembly in both swing and core voter districts.

The following sections explain these findings in more detail.

Accountability in the local government system

One of the key promises of the decentralization reform rests on eliciting better information on local

needs relative to the centralized system. It is also supposed that locally rooted and politically accountable actors will act on this information in an attempt to fulfill these needs. How well does current system pass the test of local accountability? Our results suggest that the following:

- Election to the position of the District Assembly member is contested, and the position is coveted. Almost all elections in our sample had more than one candidate, and the winning margins were for the most part rather small. The election turnout in all our electoral areas exceeded the district average of 50%- with the number as high as 74% in some electoral areas.
- The Assembly members have strong incentives to lobby for public resources. This lobbying in turn reflects the political accountability of these members to their constituent communities. This accountability, for the most part, obtains from the role of the members as political partisans who operate in a competitive political system.
- Assembly members are held accountable by their constituents. In the study districts, the Assembly members live in their communities, which enabled their constituents to easily access and exert pressure on him or her. Indeed, the Assembly members were often referred to as the “doorstep governors” of their communities.
- Yet, the power of the Assembly members to cater to their communities’ needs was limited, and the study suggests that this limitation was caused by the de-facto powers of the District Chief Executive (DCE) as the head of the district. The wide-ranging de facto powers of the DCE effectively limited the exercise of formal authority that the elected Assembly members have regarding the distribution of the resources of the District Assembly. In fact, one of the interviewed Assembly members described her role as that of a “glorified beggar.” Due to the limited powers of District Assembly members to influence the allocation of resources, they resorted to lobbying anyone who could influence the allocation of resources to their community.

- Community members or constituents were well aware of these limited powers. On account of these limited powers, they held their representatives accountable for their “efforts” to bring resources. Accepted evidence of such effort included showing constituents letters written to the district administration requesting resources, and taking community members along to the district administration to request resources. This then results in a system of incomplete accountability, where Assembly members are held accountable for “efforts” to provide public goods, rather than for providing these public goods.
- Given the limited powers of the Assembly member, it makes sense for them to adopt a scattershot approach to lobbying. The study found that they lobby anyone and everyone who could matter. The actors lobbied ranged from the DCE to the local bodies of political parties to bureaucrats of the District Assembly and NGOs working independently in the district.

The role of party politics

Why are the powers of these politically accountable local actors so constrained? The case study suggests that the answer to this question lies in the rationale of partisan electoral politics. Following this partisan rationale, the DCE appears to use his powers to allocate public goods within the district in a manner that maximizes the ruling party’s likelihood of winning forthcoming elections. If the DCE presides over a district with predominantly swing voters, that is voters who do not have a strong commitment to a particular party, then the vote maximizing² allocation of public goods needs to be more broad-based, since more communities need to be reached in order to win more votes. In politically unpredictable regions, therefore, public goods need to reach a wider range of communities as targeting core supporters is no longer sufficient. If, however, the district has predominantly voters who vote along fixed party lines, then public goods need only be targeted to those communities that offer their loyal support. Though targeting in core voting regions might

resemble a quid *pro quo*, which is referred to as “patronage” in the respective literature, these decisions are in effect determined by the underlying political logic of electoral markets. Indeed, the study suggests that it is this political logic that finds expression through the exercise of wide-ranging authority by the central government, through the office of the DCE. The resulting model of accountability is therefore one that operates through partisan local politics.

How is this allocation of local public goods implemented? Our results find that the district (local) units of political parties play a critical role in the implementing such targeting. In particular, these party units help highlight which electoral constituencies are important to the party’s political goals, and they influence the resulting allocation of public goods. The influence of the party is, for the most part, manifest in their role in influencing contracts, and in their direct access to the DCE. This link between the DCE and political parties is not surprising. In fact, that the officially-non partisan District Assembly system in Ghana is in effect a partisan political system has been noted by several observers. What this study suggests is that the imperatives of such partisan politics have important effects on public resource allocation *within* districts.

Public resource allocation within districts

Tables 1 and 2 report the case study findings from the two districts regarding resource allocation. The results suggest that the patterns of targeting follow from partisan accountability in swing voting district A and core voting district B³. The tables indicate that the allocation of public goods or resources closely tracks electoral objectives of the central government; and that the affiliations to political parties and voting patterns play a critical role in this allocation. The swing district A got many more public goods overall than core voting district B. Granting these public goods in district A can be seen as a strategy to court community support, and therefore electoral support.

² From the point of view of the central government

³ Districts (and electoral areas and communities) are not named to preserve anonymity

Table 1: DISTRICT A (Swing Voting)

	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 in Electoral Area	Swing Electoral Area		NDC stronghold		Swing Electoral Area	
Party affiliation of Assembly member	Not publicly partisan		NDC		NPP	
Population of case study community	#1 <i>Pop:665</i>	#2 <i>Pop:890</i>	#1 <i>Pop:3871</i>	#2 <i>Pop:434</i>	#1 <i>Pop:1363</i>	#2 <i>Pop:251</i>
Number of projects granted, notable projects	<ul style="list-style-type: none"> Two projects Including a small reservoir and a road (indicating major investments) 		<ul style="list-style-type: none"> One project (from donor program) 		<ul style="list-style-type: none"> Four projects Including a clinic, several boreholes and grinding mills and a tractor. 	
Number of projects lobbied for	<ul style="list-style-type: none"> Two projects 		<ul style="list-style-type: none"> Three projects, one of which was lobbying for several boreholes 		<ul style="list-style-type: none"> Four projects 	

Table 2 :DISTRICT B (Core Voting)

	Electoral Area 4 Voters: 3303 8 communities (Home region of DCE)		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 in Electoral Area	NDC stronghold		NDC stronghold		NDC stronghold	
Party affiliation of Assembly member	NDC		NPP		NDC	
Population of case study community	#1 <i>Pop: 2505</i>	#2 <i>Pop: 26 hh</i>	#1 <i>Pop: 12,598</i>		#2 <i>Pop: 640</i>	
Number of projects granted, notable projects	<ul style="list-style-type: none"> One project Including piped water system 		<ul style="list-style-type: none"> No projects 		<ul style="list-style-type: none"> One project Electricity poles 	
Number of projects lobbied for	<ul style="list-style-type: none"> One project 		<ul style="list-style-type: none"> Four projects 		<ul style="list-style-type: none"> Four projects 	

In District B, the political imperatives required no such strategies. This political logic also extends to targeting within the district, and this can be seen from the data on which electoral areas got projects,

and which did not. Swing voting Electoral Areas 1 and 3 in district B received a plethora of public goods- ranging from a dam to boreholes serving all their communities. Core voting Electoral Area 2 on the other hand received no public goods. In district

B, the home region of the DCE was apparently awarded with public goods. Electoral Areas outside this home region received a smaller share of public goods. Given the fixed voting behavior of the electorate, the electoral logic within the district also had less force in district B. In particular, Electoral Area 2, which went against its past patterns, and voted for an Assembly member from the ruling party in the current term still received no public goods.

The case study method does not make it possible to establish that there is--in a statistical sense--a causal relationship between party politics and public resource allocation. Obviously, there are other factors that may also influence public resource allocation, such as different community needs and different levels of already existing public infrastructure. By choosing neighboring districts that are located in the same agro-ecological zone, an effort was made to keep as many factors as possible constant. Moreover, as can be seen from the above description, the case study did not only collect the data presented in Tables 1 and 2, but elicited substantial qualitative information on the processes that led to the allocation reported in the tables. Therefore, the study makes a plausible case that the targeting of public goods under the current institutional arrangements is determined by the partisan accountability; and this accountability is embodied in a representative of the central government, the DCE, and implemented through the local branches of the political parties. Further research, including quantitative analyses using data on public resource allocation and voting patterns, may further substantiate the findings of this case study.

Policy implications

How can the allocation of public resources be improved so as to become more broad-based, in spite of the existing political incentives to target public resources according to voting patterns? Based on the evidence collected in this study, further deepening the democratic nature of the institutions of local government is a promising approach. This may involve the following elements:

How to improve transparency about local public resource allocation?

To create “popular pressure” for a more equitable resource allocation, it might be useful to make the information on local public resource allocation publicly available and easily accessible. This strategy can be used under the current system, even without any institutional changes. Collecting data on the allocation of public goods--at the level of both electoral areas and communities within these electoral areas--would be a pre-requisite to use this strategy. In particular, it might be useful to highlight discrepancies in planned and in received allocations as well as discrepancies across communities and electoral areas in the district.

Transparency could be improved not only regarding resource allocation, but also regarding targeting outcomes. In one notable example identified in the study, a DCE implemented the need-based targeting mandates specified in a program rather than the dictates of partisan accountability. The visibility of this need-based mandate followed from the fact that the program was a flagship program of the central government, which was on the radar screen of the national media.

Whether more visibility and transparency will be used to hold policy-makers accountable critically depends on the media and civil society. While it is possible to place information on local resource allocation and targeting outcomes on a website and report it in newspapers, it remains a major challenge to make such information available to rural citizens, especially in remote areas. However, the local media, especially the radio, which has a wide outreach in rural areas, could play a role in this regard. Moreover, NGOs and think tanks that have improved governance on their agenda and have a “watch-dog function” may play a role in this regard, as well.

Fiscal incentives for improved targeting

Fiscal incentives for district governments to achieve targeting goals may also play a role in achieving a more equitable resource allocation. In one example identified in the study, a DCE cited donors fund modalities as a reason for the quick execution of public good construction projects. Indeed, in the

previous year, more than one of the neighboring districts had lost a major source of donor funds on account of delays and poor quality of construction. This indicates that making the flow of funds to the district contingent on the achievement of some measures of needs-based allocation could lead to an improvement in the targeting of local public goods.

This strategy is, however, not without its own challenges. First, it requires the collection of ground-level data on targeting outcomes, which is a challenging task if necessary at a large scale. Second, this strategy relies on resources that are under the control of actors, such as donors, who operate outside the political party system. Such donor conditionalities do not fit the goal of country-owned development approaches. Alternative strategies to reward needs-based targeting that do not rely on donor conditions may involve the use of formula for resource allocation, a strategy that is further discussed below.

Would direct elections of the District Chief Executive change the political incentives for local public resource allocation?

In the current policy debate on decentralization, it has been suggested that the DCE be elected rather than be a political appointee. The advocates of this proposal, which include development partners, argue that making this position elected is a precondition for local accountability. Based on this study, we can only comment on the possible implications of directly electing the DCE for intra-district public resource allocation. Obviously, this is only one among many important factors to be considered regarding this question. The study findings suggest that the formal election of the DCE is not likely to lead to a more broad-based targeting of public resources. In view of the prevailing partisan nature of local politics, elected DCEs are likely to face the same political incentives to allocate public goods/resources according to voting considerations as are unelected ones. Indeed, several local observers of the system argue that the election of the DCE could even increase the inequality in resource allocation since districts headed by a DCE from the opposition party may receive lower transfers of central government

funds. Our findings indicate that this may in fact be the case, especially if they do not preside over districts that are predominately swing-voting. Hence, the study indicates that if a system of directly electing the DCE is introduced, it becomes even more essential to put measures in place that foster a needs-based and equitable local resource allocation.

Would making the system officially partisan result in different outcomes?

Another topic in the debate on decentralization in Ghana is the question whether the local governance system should be officially partisan. Again, there are many factors to be considered regarding this question, and this study can throw light only on the aspect of local public resource allocation. The study provides strong evidence to the widely held view that the system is already de facto partisan, and given the strong links between local and national party politics identified in this study, the prospects to make the local government system less partisan are not promising. Hence, it might be useful to make it officially partisan, since this will help to increase the transparency in public resource allocation, along the lines discussed in the first point.

How to strengthen the powers of the District Assembly members?

Since according to the study findings, District Assembly Members are highly accountable to their constituencies, increasing their powers vis-à-vis the DCE is also a strategy to be considered. How to increase their influence on the use of the funds that districts receive? One strategy could be a formula for allocation of public resources to Electoral Areas within the districts. Such a formula might include rewards for needs-based targeting achievements, as discussed above. As a study of the formula guiding the District Assembly Common Fund by Banful (2008) showed, a formula-based allocation mechanisms can indeed limit political discretion in the allocation of public resources. However, the same study also showed that a formula is not “water-proof”, especially if there are ample possibilities of changing the formula prior to elections. Hence, in the absence of strong third

party monitoring and transparency, the implementation of such a formula at the Electoral Area level may also fall prey to partisan local politics.

Another mechanism could involve a minimum allocation (like the fund given to members of parliament), to each Assembly Member. Making the information on these minimum allocations public-- so that all Assembly Members and their constituents -- are aware of this and can demand it-- could present a strategy that leverages the accountability of the Assembly members.

Strengthening the functioning of the District Assembly as a collective body could also play a role in improving the powers of the District Assembly Members. In the current system, the District Assembly meets rather infrequently, Assembly members have no office at the District Administration, and they hardly receive any compensation for the costs they incur in serving their constituents. Addressing these shortcomings could play an important complementary role to other efforts of increasing the authority of Assembly members in allocating public resources.

References

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