



# NOPOOR POLICY BRIEF



nopoor

Enhancing Knowledge for  
Renewed Policies against Poverty

No.42

## THE QUALITY OF GOVERNANCE AND INCLUSIVE DEVELOPMENT OUTCOMES: THE GHANAIAN EXPERIENCE

May 2017

**Mohammed Awal and Franklin Oduro**

The Ghana Center for Democratic Development (CDD-Ghana): [m.awal@cddgh.org](mailto:m.awal@cddgh.org) ; [f.oduro@cddgh.org](mailto:f.oduro@cddgh.org)

In this policy brief, we examine the impact of the quality of democratic governance on inclusive development outcomes in Ghana. The research question that informs this study is: what forms of democratic politics and bureaucratic capacity are conducive to producing pro-poor inclusive developmental outcomes? We suggest in this paper that Ghana has managed to institutionalize democracy and an improved governance that has fostered sustained positive economic growth. However, while the country has addressed poverty and emerging social vulnerabilities, through economic growth and social protection policies and programmes, institutional and bureaucratic challenges still remain in the governance of the emerging pro-poor inclusive development agenda.

### INTRODUCTION

In the 1990s, many countries in the developing world witnessed a wave of democratic reforms that has changed their country's politics and governance. Multi-party democratic politics was seen as providing a space for more inclusive politics: enabling political accountability, increasing citizen participation in governance and improving human development. Yet, since the return to democratic politics, many countries in the developing world, continue to be challenged by growing poverty and inequality. The expectation of citizens for improved social and economic welfare – the provision of, and access to basic public services, employment and protection against social vulnerabilities – has remained largely unmet. These failures in many of the emerging democratic states are attributed to the quality of governance engendered by the

underlying democratic politics. This paper examines the correlation between quality of democratic governance and pro-poor development outcomes using Ghana as a case study

## EVIDENCE AND ANALYSIS

- ***Progress in consolidating democratic governance***

Ghana's successful transition from authoritarian rule to democratic multi-party politics is exemplary. Over the course of the last two decades the country has managed to institutionalize democracy. Ghana has held seven relatively free and fair elections and twice transferred power peacefully from one elected democratic government to another in 2000 and 2009<sup>1</sup> - institutionalizing the constitutionally mandated presidential two term limits - a rare feat in much of Africa (Oduro et al, 2014). This progress and achievement, in the view of one key informant,

*"...reveals some sophistication about Ghana's democracy which is not the case in other countries on the continent. When one compares this to Botswana, for instance, that country's government has never been democratically changed over the years" (Interview, 2016)*

- ***Progress in poverty reduction and human development***

The poverty reduction outcomes of Ghana's growth and shared prosperity agenda are impressive. Both absolute and extreme poverty rates have dropped dramatically in the last 25 years. To be sure, since 1991, the national poverty rate has fallen by more than half, from 56.5 percent that year to 24.2 percent in 2012. Similarly, extreme poverty rates have dropped dramatically within the same period, and the share of the extreme poor in the population declined from 37.6 percent in 1991 to 9.6 percent in 2012. Further, there was an equally impressive decline in poverty in rural areas, falling from nearly 65% in 1991 to 39% in 2006. This poverty reducing growth record has made Ghana one among the few countries in the global south to have met - ahead of time - the Millennium Development Goals (MDGs) target of halving extreme poverty by 2015 (Lenhardt, A et al 2015).

The implementation of the social policy interventions and programs have also seen Ghana making further substantial progress in key dimensions of non-monetary indicators of human development: For example, in the area of education, net enrolment rate in basic primary school rose from 55 percent in 1991 to 75 percent in 2012; with Ghana achieving universal primary enrolment by 2011. For health, for the first time, in 2011, the national coverage of supervised deliveries exceeded 50% and increased to 58.5% in 2012. Overall life expectancy at birth improved from 60 years in 2008 to 66 years in 2012 (Cooke, E. 2016)

- ***The quality of Ghana's democratic space and political governance***

However, despite the remarkable progress recorded in Ghana over the course of the last two decades, the quality of the democratic political space and bureaucratic capacity remain a challenge. Furthermore, rising inequalities has emerged as key challenges towards achieving sustainable inclusive development. Indeed, while Ghana has made progress in institutionalizing democratic politics, the country's political system has evolved into a crude brand of competitive electoral, patron-client political system. Consequently, despite the increase in the exercise of political voice and influence through elections by citizens, this has not led to increase effectiveness and /or accountability of governments.

*".....there are new governance challenges. The concern today includes: how can citizens curb the excesses of government? How can citizens ensure inclusiveness of all ethnic groups and women in governance? Citizens also want transparency in government... Above all, public accountability is also critical because while governments exist to provide public goods and services, all the money come from citizens by way of taxes and loans" (interview, 2015)*

---

<sup>1</sup> In 2017, Ghana, once again, successfully experienced another peaceful transition of political power from one elected democratic government to another following a general elections held in December 2016.

Similarly, there is growing consensus that, Ghana's democratic politics is failing to assure quality governance particularly in the management of the economy and effective use of public resources to address the country's social problems in a sustainable manner. In the series of expert interviews and Focus Group Discussions (FGDs) conducted as part of this study, our key informants note the growing lack of governmental effectiveness, evidence in declining quality in basic public goods and services delivery in key social sectors and growing public corruption as testament of the emerging poor state of governance in Ghana.

- ***Corruption: an emerging governance challenge***

Further, growing public corruption has emerged as a serious governance deficit challenging efforts to secure inclusive social development outcomes in Ghana. Corruption remains the single most important obstacle to sustainable growth, poverty reduction and it impedes effort to reduce social inequalities. While in the main, the anti-corruption agenda and rhetoric is alive, corruption remains pervasive in Ghana as noted by one of our interviewees.

*"There is a problem of corruption which affects the political system and the economy. The Whistle Blowers Act, etc. have been passed but corruption remains high and Ghana's score on the Corruption Perception Index is poor because of corruption in Savannah Accelerated Development Authority (SADA); Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA) and the judiciary" (Interview, 2015).*

- ***Weak bureaucratic capacity***

Ghana's democratic politics, it is argued has undermined or weakened bureaucratic capacity in Ghana. The civil service has become politicized because appointment and promotion are not done on merit, competency but on political affiliation. Reflecting on the deteriorating quality of the bureaucracy and its impact on state capacity an informant notes that:

*"In the 1960s, Ghana's bureaucracy was among the best on the continent, but the same cannot be said today due to the clientelization, ethnicization and politicization of the bureaucracy. These features of Ghana's emerging bureaucracy have weakened state effectiveness in delivering on pro-poor policies" (Interview, December, 2015)*

In reference to the impact of politics, on the bureaucracy and effective implementation of pro-poor policies in Ghana, a discussant in a FGD notes the following:

*"....politics does not allow policy to work. There is nothing wrong with the policies; if only the bureaucrats are allowed to do their work that is when the policies can be effective" (FGD Discussant, Kumasi, 2015)*

Another discussant also notes the following political interference in the implementation of pro-poor policies:

*"Politicians lock horns with the technocrats. Politicians want to influence decisions and hence constrained the technocrats in discharging their duties effectively" (FGD Discussants, Kumasi, 2015)*

These underlying political and institutional tendencies, which are a feature of politics and governance in Ghana in recent times, have weakened bureaucratic capacity in the implementation of pro-poor policies, limiting state effectiveness and the potential towards achieving sustainable, broad-based inclusive developmental outcomes in Ghana.

- ***Rising inequality and limited progress in social intervention***

Most worrying, alongside the sustained growth and poverty reducing record, inequality has become a key feature of development outcomes in Ghana. To be sure, whilst overall, Ghana's record of growth and poverty reduction is roundly acknowledged, poverty continue to remain high in some places, such as the three northern regions. There also remains significant diversity in achievement in both monetary and non-monetary dimension of poverty among certain socio-economic groups, especially those in the informal sector, youth, women and children. As noted by one key informant,

*"The statistics shows that inequality is growing. We have not addressed social inequality. The country has addressed gender gaps at the lower primary level but the gender gap exists at the higher level in addition to issues of child marriage, domestic violence and women disempowerment..." (Interview, 2016)*

Policy and institutional attempts to address the rising inequalities through social policy intervention and programmes have been bedevilled by poor coordination, lack of transparency and poor targeting and participation by citizens. Indeed, as one of the key informant noted;

*“.....the implementation of pro poor programs is characterized by weak compliance with key laws, program design, operational and administrative procedures. Citizens’ involvement in the implementation of social interventions is minimal. These factors lead to low levels of transparency and accountability in the planning and implementation of social interventions”.* (Interview, 2016)

## POLICY IMPLICATIONS AND RECOMMANDATIONS

Ghana’s progress and challenges point to three key institutional and policy lessons:

- *Democratic governance matters for inclusive development.* Ghana’s experience, show clearly that, democratic governance that secure and fosters sustained positive economic growth is necessary for enabling the state to pursue pro-poor inclusive development agenda.
- *However, the nature and dynamics of a country’s democratic politics has implication for the successful implementation or otherwise of a pro-poor inclusive development agenda.* While Ghana’s competitive democratic electoral politics has engendered governmental commitment to a pro-poor inclusive growth agenda; it has, however, also undermine bureaucratic and institutional effectiveness in the delivery of key pro-poor social and welfare services.
- *Improving transparency and accountability in governance as well as building an effective bureaucratic capacity for implementing/delivering pro-poor programs remain key to achieving inclusive development outcomes.* Achieving pro-poor inclusive developmental outcomes requires a political and institutional regime that fosters and secures governmental transparency and accountability, as well as the evolution of the necessary state bureaucratic capacities to undertake and implement pro-poor social policies.

## RESEARCH PARAMETERS

The methodology employed in this study is the case study approach. Data was collected using three key sources: first an extensive desk review was undertaken. The desk review focuses on the review of secondary literature (research reports, public opinion survey data) on the state of governance, the quality of institutions and inclusive development outcomes in Ghana over the last two decades. The second source of data involved conducting Focus Group Discussions (FGD) with participants drawn from the bureaucracy, academia, civil society representative, and political party activist. In all 26 participants participated in two FGDs in Kumasi and Tamale. The final data source involved interviewing selected key Experts. In all 10 key experts were interviewed. The process involved sit-down in-depth face-to-face interviews with policy makers, political actors, civil society activist, and representatives of Ghana’s development partners who were selected based on their involvement, knowledge and interest in Ghan

## FURTHER READINGS

- Awal, M and Oduro, F. (2017 Forthcoming) 'The Quality of Governance and Inclusive Development Outcomes: The Ghanaian Experience', NOPOOR Working Paper
- F Cooke, E. Hague, S. and McKay, A (2016): *The Ghana Poverty and Inequality Report: Using the 6<sup>th</sup> Ghana Living Standards Survey*. Accra: UNICEF Ghana
- Lenhardt, A, Menocal, R.A. and Engel, J (2015): *Ghana, the Rising Star: Progress in Political Voice, Health and Education*. London: Overseas Development Institute
- Oduro, F., Awal, M. and Ashon, M. A. (2014): 'A Dynamic Mapping of the Political Settlement in Ghana'. *ESID Working Paper 28*. Manchester, UK: Effective States and Inclusive Development Research Centre

## PROJECT IDENTITY

<b>PROJECT NAME</b>	NOPOOR – Enhancing Knowledge for Renewed Policies against Poverty
<b>COORDINATOR</b>	Institut de Recherche pour le Développement, Paris, France
<b>CONSORTIUM</b>	CDD The Ghana Center for Democratic Development – Accra, Ghana CDE Centre for Development Economics – Delhi, India CNRS (India Unit) Centre de Sciences Humaines – New Delhi, India CRES Consortium pour la Recherche Économique et Sociale – Dakar, Senegal GIGA German Institute of Global and Area Studies – Hamburg, Germany GRADE Grupo de Análisis para el Desarrollo – Lima, Peru IfW Kiel Institute for the World Economy – Kiel, Germany IRD Institut de Recherche pour le Développement – Paris, France ITESM Instituto Tecnológico y de Estudios Superiores de Monterrey – Monterrey, Mexico LISER Luxemburg Institute of Socio-Economic Research – Esch-sur-Alzette, Luxemburg OIKODROM - The Vienna Institute for Urban Sustainability – Vienna, Austria UA-CEE Université d’Antananarivo – Antananarivo, Madagascar UAM Universidad Autónoma de Madrid – Madrid, Spain UCHILE Universidad de Chile – Santiago de Chile, Chile UCT–SALDRU University of Cape Town – Cape Town, South Africa UFRJ Universidade Federal do Rio de Janeiro – Rio de Janeiro, Brazil UNAMUR Université de Namur – Namur, Belgium UOXF-CSAE University of Oxford, Centre for the Study of African Economies – Oxford, United Kingdom VASS Vietnamese Academy of Social Sciences – Hanoi, Vietnam
<b>FUNDING SCHEME</b>	FP7 Framework Programme for Research of the European Union –SSH.2011.4.1-1: Tackling poverty in a development context, Collaborative project/Specific International Cooperation Action. Grant Agreement No. 290752
<b>DURATION</b>	April 2012 – September 2017 (66 months)
<b>BUDGET</b>	EU contribution: 8 000 000 €
<b>WEBSITE</b>	<a href="http://www.nopoor.eu/">http://www.nopoor.eu/</a>
<b>FOR MORE INFORMATION</b>	Xavier Oudin, Scientific coordinator, IRD-DIAL, Paris, France, <a href="mailto:oudin@dia.pr.fr">oudin@dia.pr.fr</a> Delia Visan, Manager, IRD-DIAL, Paris, France <a href="mailto:delia.visan@ird.fr">delia.visan@ird.fr</a> Tel: +33 1 53 24 14 66 Contact email address: <a href="mailto:info@nopoor.eu">info@nopoor.eu</a>
<b>EDITORIAL TEAM</b>	Edgar Aragon, Laura Valadez (ITESM) Heidi Dumreicher (OIKODROM) Anne-Sophie Robilliard (IRD-DIAL), Hélène Lenoble (Paris-Dauphine-DIAL)

The views expressed in this paper are those of the authors and do not necessarily represent the views of the European Commission.

