ACCESS AND USE OF THE MEMBERS OF PARLIAMENT SHARE OF THE
DISTRICT ASSEMBLIES COMMON FUND IN SELECTED CONSTITUENCIES IN
GHANA

BY

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DECLARATION

I hereby declare that except for references to other people’s work which have been duly acknowledged, this work is the result of my own research and neither part nor in whole has been presented elsewhere for another degree.

Signature:……………………………. Date:……………………………………

Olivia Asante – Student

I declare that this research work was written under my supervision and that the candidate has been consistent in her interaction with me for guidance and direction.

I confirm that the student has my permission to present it for assessment.

Signature:……………………………. Date:……………………………………

Dr. Stephen Afranie – (Supervisor)
DEDICATION

This work is dedicated to my husband and children whose encouragement made it possible for this work to see the light of day.
ACKNOWLEDGEMENT

My first thanks goes to the almighty God for the gift of life. My next thanks goes to my supervisor, Dr. Stephen Afranie, whose patience and long suffering for me had made this work possible. Without their support I would have given up.

I also want to thank my family, my husband and children for being there for me through all the emotional ups and downs. I say ayeeko.

Finally I want to thank all my friends who through diverse ways have made this work possible. God richly bless you all.

Despite the above acknowledgements, I am solely responsible for any shortcomings in this thesis.

Olivia Asante
ABSTRACT

The question of how best developing countries must organize and allocate resources for effective decentralization and local governance has been one that scholars have been grappling with for decades. Several models have been proposed by scholars as a way of providing the most effective and judicious allocation of resources for local government. The focus of this study was to examine the issues of access and use of the Members of Parliament (MPs) share of the District Assemblies Common Fund (DACF) in selected constituencies in Ghana. The objectives of the study were to identify the amount selected MP’s receive from the District Assembly Common Fund, identify challenges MP’s encounter when accessing the fund, examine the use of the MP’s share of the District Assembly Common Fund, and assess the developmental performance of MPs share of the DACF in the selected constituencies over the years. The study adopted the qualitative approach and made use of the case study design in gathering the requisite data for the study. The purposive sampling technique was used to select 16 respondents for the study and data was gathered through interviews. The data gathered from interviews was transcribed, analyzed and organized into categories, based on themes, concepts, or similar features in order to bring order, meaning and interpretation to the data gathered from the samples selected. The study found that the MPs receive quarterly disbursements averaging Ghc 50,000. This sums up to a total of Ghc 800,000 in the four years in office for each MP. The study also found that the MPs share of the fund is always in arrears and is not paid on time, and even when the funds are released there are delays in administrative processes to get the funds paid to the MPs. In addition, the study established from the MPs perspective that the fund is inadequate to undertake big development projects. The study found that the fund is generally used for minor projects such as payment of medical bills of vulnerable people, payment of school fees for needy pupils, supply of portable water through digging bore holes, supply of agro-chemicals, fertilizers, and
farm implements at subsidized prices etc. it could be inferred from the findings that the
developmental impact/performance of the MPs share of the DACF is minimal because
constitutionally, no law supports the fund and this accounts for the paltry nature of the amount
and consequently the minimal developmental performance of the fund. The study recommends
that government either increases the amount allocated to MPs so that they can undertake
significant developmental projects or they should abolish it and make the position of
MCEs/DCEs electable so that MCEs/DCEs would have a political interest in using the monies
allocated for developing their constituencies judiciously. The study also recommends that the
challenges to accessing the fund - such as delays in the disbursement of funds, non-availability of
the MCEs and their officers for processing of release of funds, and too much bureaucracy when
the MPs party is no longer in government – should be addressed to make the process smooth and
less cumbersome. Furthermore, the developmental performance of the MPs share of the common
fund could be made significant by the MPs looking for additional sources of funds such as local
partners to bring development projects. Finally, the study recommends that there should be a
policy which requires MPs to bring their intended projects to parliament for vetting and open
tender processes to properly vet and monitor MPs use of their share of the common fund.
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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

For the last twenty years, decentralization has been a key factor of the “good governance” agenda and a common presence in the long list of reforms and related guiding principles shaping the agenda of the international community (EC Commission, 2001; UNDP, 1997; UNDP 2002; World Bank and IMF 2006;). A common feature of both political and administrative decentralization is the promotion of popular participation by focussing the processes of governance from command to consultation, and by devolving power, competence and resources and means to the district levels (Ahwoi, 2000).

Due to the importance of decentralization in accelerating development, Ghana, since 1988 has operated a decentralized political and administrative system aimed at establishing efficient and effective local governance. The Provisional National Defense Council (PNDC) in 1988 promulgated the Local Government Law, 1988 (PNDC 207) which gave birth to the District Assembly concept of decentralization as a form of fiscal, administrative and political authority across the length and breadth of the country. The promulgation of Local Government Act, 1993 (Act 462) repealed the PNDCL 207. The Act 462 mandated and empowered the District Assemblies as the district planning authority in the country. A Legislative Instrument (L1) 1589 was subsequently passed to establish the urban, Zonal, town, Area Councils and Unit committees which brought forward decision-making within the reach of the citizenry.

Assemblies are the highest political and decision making bodies at the local level and they are responsible for the overall development of the district; formulation, preparation and
implementation of the district development plans and budgets; effective mobilization and utilization of human, physical and financial resources for economic and social development; provision of basic infrastructure and levying and collection of taxes, rates, licenses, duties and fees among others according to Section (10) (3) of the Local Government Act, 1993 (Act 462).

**Figure 1: Hierarchical Overview of Ghana’s Decentralized System of Governance**

![Hierarchical Overview of Ghana’s Decentralized System of Governance](image)

**Source: Muruvi, 2019**

The illustration in Figure 1 shows that national governance is decentralized from the national or central government to the regional coordinating councils, down to the Metropolitan/Municipal/District Assemblies (MMDAs), and finally down to the Area Councils and Unit Committees and Villages.

**1.1.1 The common fund**

Chapter 20 of the 1992 constitution of the Republic of Ghana established the local government system and for that matter the District Assemblies. It categorically states that District Assemblies
shall be established for each local government unit with a sound financial base with acceptable and reliable sources of revenue. Article 252 of the Constitution created the District Assemblies Common Fund (DACF). The DACF, otherwise known as the common fund, is a statutory arrangement backed by the constitution of Ghana to transfer financial resources (not less than 5% of national tax revenue) from central government to MMDAs for investment in development projects and other purposes as defined in the Act that established the fund. The distribution of the fund is based on the recommendation of a formula by the Administrator of the fund, subject to approval by Parliament before disbursement to the District Assemblies (DACF Act 1993 (Act 455)).

The formula takes into account factors such as; the need factor; equalizing factor; responsive factor, service pressure factor and poverty factor. The factors have weights which are varied periodically after various levels of consultation. The DACF is utilized by the MMDAs for economic ventures (15.18%) e.g. energy, markets, agriculture, services (computers and accessories) roads etc; social services (27.43%) e.g. education, health, water, sports and recreation, self help projects, educational activities; administration (42.80%) e.g. human resources (capacity building of DA staff and Assembly Members, accommodation, office equipment etc; environment (9.86%) sanitation, disaster management; labour/MPs (4.73%) (Common Fund Secretariat, 2010).

From the preceding, it is obvious that the introduction of the DACF was a means to augment the revenue of the district assemblies to support various developmental projects as indicated above (DACF Act 1993 (Act 455)). Out of the DACF, an allocation is made for sitting Members of Parliament (MP) to help them directly address certain developmental challenges in their districts.
1.1.2 MPs Share of the Common Fund

The primary motive for the creation of the MPs share of the common fund was to enable the MPs undertake development projects so that they can protect their political interest in their districts (Boachie, 2001). Kunbour (2012) also supported this thinking and suggested that the creation of the MPs share of the common fund was based on the notion that, even though MPs are legislators, they are expected by their constituents to provide public goods and services and this requires funding which must come from the state rather than the MPs personal funds. Osei-Akoto (2007) also buttressed this by arguing that the success or otherwise of an MP in Ghana is assessed by the amount of projects during their tenure rather than by their legislative roles.

However, originating from the Local Government Act of 1993 (LGA), funding for projects within the LGA (mainly the DACF) is controlled by the MMDA executives which puts them in the limelight as the ones who are overtly seen as providing goods such as KVIP toilets, roads, renovating schools etc., Thus, it is believed that MPs are compelled to undertake development projects from their personal funds for fear of losing their parliamentary seats as a result of failure to undertake any project, or honoring the promises of development made during election campaigns.

It is also possible that even when MPs have advocated and lobbied for particular projects in their constituencies, their efforts may not be visible and credit for the projects may be claimed by the District Chief Executives (DCEs) (Thomi, 2000). The problem can further be exacerbated in instances where a DCE intends to contest as an MP in subsequent elections when DACF projects could be claimed as personal success stories. Arthur (2012) and Nyendu (2012) concludes that the MPs share of the common fund was born because of the conduct of some DCEs who were
believed to be undermining the ‘authority’ of MPs through the ‘personalization’ of the projects completed with the DACF.

Although the practice has continued till date, Ahwoi (2010) and others have maintained the illegitimacy of the MPs share of the common fund because it was based on an agreement between parliamentarians and the Executive rather than by legislation. Indeed the lack of legislative support has been the major basis for the call to abolish the MPs share of the common fund. Quite apart from that, Mensah and Kendie (2008) argues that the MPs share of the common fund has led to duplication and politicisation of projects and programs. Nyendu (2012) asserts that instead of carrying out development projects, some MPs hoard their share of the DACF for use in campaigning for subsequent elections. Further, Debrah (2009) believes that the MPs share of the common fund also introduces a new twist in the power struggle between MPs and DCEs with strong disagreements by both parties on the timing, schedule, use and accountability of the MPs share of the common fund.

1.2 Problem statement

Local governance in Ghana have turned to be the major instruments for local development in Ghana (Botchie, 2000). Local governance have induced local development through the provision of social, economic and cultural services at the local level, which hitherto could be achieved only through central government (Botchie, 2000). The financing of these local development projects have depended mostly central government sources (Crawford, 2004; NDPC, 2009). However, the provision of resources or funds does not in itself deliver developmental goals to the communities concerned. There is the need to ensure judicious allocation and application of development funds to ensure that funds are used for intended purposes and not misapplied. Many
local level developments have failed because of lack of appropriate policy and legislation to accompany the transfer of financial resources to local levels of government to ensure that they execute the functions legally devolved to them (Conyers, 1990). One of such funds meant for development is the MPs share of the common fund.

The use of the MP's common fund for development remains one of the largest problems on Ghana's political landscape (Ahwoi, 2010). According to Ahwoi (2010), the existence of the fund for MPs may even be unconstitutional. The MPs claim they use a large chunk of their allocations from the common fund for the payment of school fees for brilliant but needy students (Malik, 2018). However, with the introduction of the Free SHS policy, many Ghanaians are now questioning the relevance of the allocation to the MPs (Malik, 2018). The lack of transparency on how the fund is being used by MPs and the absence of a constitutional backing for the allocation to MPs has brought the usefulness of the fund into disrepute (Malik, 2018). The perception amongst most Ghanaian population is that most MPs rather spend the money on unnecessary things instead of investing it into developmental projects has also not helped the need for setting up the fund.

It suffices to say that even the DACF allocated to the districts which has laid down regulations regarding how it is supposed to be used has been mismanaged on countless occasions as contained in the report of the Auditor General on the management and utilization of DACF for the 2011 fiscal year. The fear is that the MPs allocation of the fund - which has no laid down regulations on the utilization process – would suffer a worst fate than the DACF as contained in the Auditor General’s report. Currently, there are many citizens calling for the abolishment of the allocation of portions of the DACF to MPs (Malik, 2018). In addition, there is virtually no study on how MPs have used the funds allocated to them over the years. It is in the light of the above
that this study seeks to conduct an investigation into the access and use of the MPs share of the DACF.

1.3 Research objectives

The overall objective of this research is to find out how MPs in Ghana access and use their share of the District Assembly common fund such that it impacts on the development of the communities in their constituencies. The specific objectives of the study are:

- To identify the amount these selected MP's receive from the District Assembly Common Fund,
- To identify the challenges MP’s encounter when accessing the fund,
- To examine the relevance of the MP’s share of the District Assembly Common Fund,
- To assess the developmental performance of MP’s share of the DACF in the selected constituencies.

1.4 Research questions

The following questions would guide the study:

1. What are the MP’s understanding of the use of their share of the DACF?
2. How much have selected MPs received over the years since they became parliamentarians?
3. What has been the challenges in the access of funds for MPs?
4. What are the guidelines regulating how the MP’s share of the DACF is to be spent?
5. How has the MP’s used their share of the DACF allocated them over the years?
6. What are the mechanisms for ensuring that MPs use their share of the DACF for its intended purpose?
1.5 Significance of the study

One major challenge to the development of Africa is the high level of corruption, mismanagement and misapplication of the vast resources intended for developmental projects. This study would help throw light on how the MPs are making use of their share of the DACF and help contribute to the discussion on the need to continue allocating funds to MPs or abolish it outrightly. Secondly, the study is significant in the sense that it would also help educate the general public about how the MPs have understood the use of the fund and how they have actually utilized it. This would help the public be in a better position to debate whether the fund should continue or be abolished. Thirdly, the study has examined what pertains on the world stage and Africa and has thrown light on how what pertains in Ghana differs from all other places. Finally, there is virtually no research on the subject matter and this current study would help set the tone for further research into the area thereby broadening knowledge on the various issues affecting the MPs share of the fund.

1.6 Scope of the study

The District Assembly is a central institution within the district responsible for planning, implementation and management of development programs. It is therefore an established structure assigned with the responsibility of integrating political, administrative and development resources to achieve more equitable allocation of power and wealth at the local level. From this definition, the concept of decentralization on which the idea of district assemblies was founded involved the ceding of political, administrative, and resources to achieve development within local communities. The focus however for this study would be limited to the resource allocation aspect of the functions of decentralization/district assemblies. Specifically, the study would focus on a portion of the DACF that is usually allocated to MPs.
for developmental purposes. The study seeks to assess the developmental impact the fund has had on constituencies over the years since it was introduced.

1.7 Limitation of the study

A major limitation to this study is that, out of the 275 Parliamentarian, in Ghana, only eight (8) were selected for the study comprising 4 current MPs and 4 past MPs. This is due to the extra cost and time the researcher might spend in increasing the number of MPs in the study. The researcher is also focusing on twelve (12) MPs because of the short duration within which this study must be conducted. To overcome this limitation and to bring some balance to the responses of the MPs, 2 current MMDCEs and 2 past MMDCEs and 4 community members were also added to the study to bring balance to the response of MPs. It is hoped that the responses from the above participants would provide useful insights into the issue of access and utilization of MP’s share of the DACF in Ghana.

1.8 Organization of the study

The study is organized into five chapters. Chapter one introduces the study by giving background information on the research problem, objectives, the scope and limitations of the study. Chapter two deals with the review of relevant literature and other related studies on the subject matter. Chapter three discusses the research methodology adopted for the study and relevant justifications. Chapter four presents the findings on the access and use of MP’s share of the DACF. Chapter five presents the conclusions drawn from the research findings and make appropriate recommendations based on findings.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section examines the conceptual framework and the relevant literature related to the access and utilization of MP’s share of the District Assemblies Common Fund (DACF). “Though there is much literature available on the DACF in general, there seems to be no concrete literature on the MP’s share of the common fund. The literature therefore examines the DACF in general in line with decentralization and allocation of resources for local development.”

2.1.1 Theoretical Framework

For purposes of the study, the decentralization theorem was used as a framework for the study. According to this theorem, advanced by Oates (1972), each public service should be provided by the jurisdiction having control over the minimum geographic area that would internalize benefits and costs of such provision, because:

- Local governments understand the concerns of local residents;
- Local decision making is responsive to the people for whom the services are intended, thus encouraging fiscal responsibility and efficiency, especially if financing of services is also decentralized;
- Unnecessary layers of jurisdiction are eliminated;
- Inter-jurisdictional competition and innovation are enhanced.

An ideal decentralized system ensures a level and combination of public services consistent with voters’ preferences while providing incentives for the efficient provision of such services
(Oates, 1972). Some degree of central control or compensatory grants may be warranted in the provision of services when spatial externalities, economies of scale, and administrative and compliance costs are taken into consideration. The practical implications of this theorem, again, require a large number of overlapping jurisdictions.

The challenge or the gap this theory has with regards to the MPs share of the common fund is that the MPs are not the agents of development in the decentralized governance system in Ghana. As such MPs are not responsible for collating the concerns of local residents as far as their developmental needs are concerned. The distribution of developmental funds to MPs therefore is tantamount to duplication of the functions of key local government actors for purely political and non-developmental reasons. This may jeopardize cost-effectiveness and efficient provision of services (Oates, 1972).

2.1.2 Conceptual Perspectives on Local Governance and Central-Local Relations

Several accepted theories provide a strong rationale for decentralized decision making and a strong role for local governments, on the grounds of efficiency, accountability, manageability, and autonomy. Stigler (1957) identifies two principles of jurisdictional design, namely:

- The closer a representative government is to the people, the better it works.
- People should have the right to vote for the kind and amount of public services they want.

These principles suggest that decision making should occur at the lowest level of government consistent with the goal of allocative efficiency. Thus, the optimal size of jurisdiction varies with specific instances of economies of scale and benefit-cost spillovers.
The principle of fiscal equivalency

A related idea on the design of jurisdictions has emerged from the public choice literature. Olson (1969) argues that if a political jurisdiction and benefit area overlap, the free-rider problem is overcome and the marginal benefit equals the marginal cost of production, thereby ensuring optimal provision of public services. Equating the political jurisdiction with the benefit area is called the principle of fiscal equivalency and requires a separate jurisdiction for each public service.

The correspondence principle

A related concept is proposed by Oates (1972): the jurisdiction that determines the level of provision of each public good should include precisely the set of individuals who consume the good. This principle generally requires a large number of overlapping jurisdictions. Frey and Eichenberger (1995, 1996, 1999) have extended this idea to define the concept of functional, overlapping, and competing jurisdictions (FOCJ). They argue that jurisdictions could be organized along functional lines while overlapping geographically, and that individuals and communities could be free to choose among competing jurisdictions. Individuals and communities express their preferences directly through initiatives and referenda. The jurisdictions have authority over their members and the power to raise taxes to fulfill their tasks. The school communities of the Swiss canton of Zurich and special districts in North America follow the FOCJ concept.

The subsidiarity principle

According to this principle, taxing, spending, and regulatory functions should be exercised by lower levels of government unless a convincing case can be made for assigning them to higher
levels of government (Olson, 1969). This principle evolved from the social teaching of the Roman Catholic Church and was first proposed by Pope Leo XIII in 1891. Subsequently, Pope Pius XI highlighted the principle of subsidiarity as a third way between dictatorship and a laissez-faire approach to governance. The Maastricht Treaty adopted it as a guiding principle for the assignment of responsibilities among members of the European Union (EU). This principle is the polar opposite of the residuality principle typically applied in a unitary country, where local governments are assigned functions that the central government is unwilling or thinks it is unable to perform.

2.2 The concept of district assembly common fund (DACF)

The District Assemblies Common Fund 1993, Act 455 states that there shall be a fund to be known as the District Assemblies Common Fund. According to the Act the Fund shall consist of all monies allocated by Parliament and any interests and dividends accruing from investments of monies from the common fund. The monies accruing to the DAs on the basis of a formula approved by Parliament and that the allocation shall be paid in quarterly installments.

Parliament shall annually allocate not less than five per cent of the total revenue of Ghana to the DAs through the Common Fund for development (The Constitution of the Fourth Republic, 1992). In defining the functions of DAs, Local Government Act 1993, Act 642 provides that a DA shall exercise political and administrative authority in the District, provide guidance, give directions to and supervise all other administrative authorities in the district. The DAs, according to the Act, shall be responsible for the overall development of the districts and shall ensure the preparation and submission, through the Regional Coordinating Council, the

Commenting on PNDC Law 207, Local Government Law 1988, Boachie-Danquah, (1990) made it clear that in Ghana the concept of rural development cannot fully be operationalized without talking about rural industrial development. The law therefore charges the DAs with the function of the comprehensive development of their respective areas. In his remark this comprehensive development approach should be in the form of promotion of small scale cottage industries to provide employment in the rural areas so as to mitigate the problem of rural urban migration.

In the argument of Ahwoi (1992), the strategy has been for the government, by means of the concept of ceded revenue to distribute funds to the DAs. According to him, this had been found to be much more reliable than the grants-in-aid which were not tied to any specific source of national revenue but depended on how much could be granted at any particular time. In his submission the Constitution improves on resource distribution obligation by providing for the establishment of the DACF into which allocation of not less 5% of the total revenue of the country would be made in favor of the DAs.

According to Rojas and Rosenbaum (1992) the issue of distribution of resources between the centre and the periphery is always a complex one in any society. They emphasize that it is even more complex in transitional societies where there is often a shortage of resource at the central level. In their view, this has certainly been the case in Sierra Leone over some time where there has been a steady concentration of power, authority and resources leading to
conflicts which had both geographic and ethnic implications on the issue of who is going to get what and how.

2.3 Benefits of decentralization and MPs Share of the DACF

Decentralization has numerous benefits for any nation or organization. In an organization or nation, top management is relieved of much day-to-day problem solving and is left free to concentrate on strategy, on higher level decision making, and coordinating activities. Through decentralization, the MPs share of the DACF also provides lower level managers with vital experience in making decisions. Without such experience, they would be ill-prepared to make decisions when they are promoted into higher level positions in the future. Added responsibility and decision making authority often result in increased job satisfaction. Responsibility and the authority, that goes with it makes the job more interesting and provides greater incentives for people to put out their best efforts. Lower level managers generally have more detailed and up to date information about local conditions than top managers. Therefore the decisions of lower level management are often based on better information. It is difficult to evaluate a manager's performance if the manager is not given much latitude in what he or she can do.

2.4 Disadvantages of the MPs share of the DACF

Though fund has advantages, there are also a few downsides to it. The first downside to the fund is that it is currently not backed by any legislation which currently makes it an illegality. This single issue of legality brings to question the whole concept of MPs share of the fund. Another challenge with the fund is that MPs who are elected officials may make political promises with regards to projects to be undertaken by the fund without having consulted with the community members. This would result in making decisions without fully understanding the ‘big picture.’ In a truly decentralized system, there may be a lack of coordination among
autonomous officials. This problem can be reduced by clearly defining the nation’s strategy and communicating it effectively throughout all the different levels of decentralization.

2.5 Decentralized funds as a tool for rural development

Greenstreet (1979) identifies that the main aim of the Ministry of Rural Development and Social Welfare was to devise for the rural areas, machinery for specific developmental projects and services. In his submission, a serious concern of the Ministry was to see to it that the phenomenon of the exodus of the youth from the rural to the urban areas in search of white collar jobs was reversed through the provision of infrastructural facilities in the rural areas. Osuji (1986) claims that the devise to achieve co-ordination in local government is to link the local developmental plans to that of state and national development goals. According to him this is important “because to ensure maximum contribution to a nation’s effort towards rapid socio-economic development, the growing self-help activities in the rural communities have to be planned and harmonized with state and national development programs. He concludes that, in the absence of such links, there could be disharmony between what the national government considers vital for socio-economic development and the developmental activities in which local committees engage spontaneously.

In her research work on decentralization of funds, Conyers (1983) identifies that decentralization programs of the 1950s and 1960s were closely related, especially in Anglophone Africa, with the transition from colonial status to political independence. In her assertion the local government was seen as a necessary part of the structure of an independent democratic government and more specifically as a means of removing some of the burden of providing local services from the central government. In conclusion, she says the role of funds in improving the planning and management of rural developmental programs which is part of a
general concern with rural development has manifested not only in efforts to increase the amount of resources devoted to rural development programs but also in increasing satisfaction of the limited achievements of such programs.

According to Ahwoi (1992), the DA concept was introduced against a back-drop of a discriminatory socio-economic system which includes the scourge of under-development and deprivation, especially in the rural areas, poverty, unemployment and under-employment. Therefore the DACF was designed to attack and resolve these problems through effective local level planning and development implementation.

In his contribution on rural development Opoku-Afriyie (1974) made it clear that one of the key problems confronting developing countries today is rural decadence. The situation is aggravated by rural-urban migrations, the causes of which are various and include lack of adequate social, economic and physical facilities in rural areas. According to him, to ensure an effective national development, rural development must be given increasing attention since most developing countries have 70% to 80% of their population living in rural areas. Therefore the primary objective of rural development is to modernize the rural economy so as to raise the living standards of rural dwellers above the marginal. In the argument of Wood (1986), local government is needed because there is no example of successful democratic state.

Therefore any modern state of any size will need to have some form of local autonomy in its system. According to him, local government should continue to exist because they are needed to handle human functions like education, basic health, sanitation and other issues that are best managed in small units. In his view, decentralization has failed to deliver the goods and that rural dwellers cannot rely on Ministries, Public Corporations and other Agencies centred in
Accra to bring efficient government that could bring about rural development. He recommended that the answer to the problem of managing the affairs of localities towards development lies within the local government system itself.

2.6. Revenue as pre-requisite for effective rural economic development

Ampiah (1996) states that over the last decade or so, thousands of families have benefited from the loans provided by micro credit institutions and programs which have had no impact on their living standards. Therefore to him, the policy objective of allocating part of DACF to Poverty Alleviation Fund is to remove the obstacle of access to credit to self-employed, micro, small and medium scale entrepreneurs. To implement this policy, District Assemblies are required to establish by resolution, a revolving credit scheme and appoint a bank preferably in the District, with proven ability to manage the Fund on its behalf for the benefit of citizens in the District.

In the view of Nwankwo (1984) even though the state of governments in Nigeria have exercised their constitutional powers to create more local government units, the viability of the new local government remains a crucial question. According to him, prospects are not promising due to their lack of adequate revenue to engage in capital projects. He therefore recommends the appointment of a Presidential Commission which can review the funding, functions and the creation of new local governments in order to suggest certain legislative and management measures that may strengthen the present local system in Nigeria which would in turn help in the release of funds for developmental activities at the local level.

Oppong-Fosu (1999) noted that the Assembly’s credit scheme which is from the DACF has come as a great relief for the farmers of his constituency. In his argument, these farmers who
lack access to credit and had to resort to private money lenders at an interest rate of 100% have had a great relief from the Assembly’s credit scheme and have enhanced their productivity and income levels. According to him “¢15 million was allocated to a Tomato Growers’ Co-operative group while another ¢15 million went to other groups in food crop production. This facility has improved the living standards of the people. He however said that some party activists constituted themselves into co-operative groups and took some loans and decided not to pay back resulting in the failure to achieve a 100% recovery rate.”

Dasoberi (1999) lamented over the timing for the release of the common fund which he said is irregular and does not follow a set pattern. He blamed the Parliament of Ghana for delay in approving the formula proposed by the Common Fund Administrator for distribution to the Assemblies. According to him, an informal discussion with some Members of Parliament revealed that the Administrator of the fund delays in presenting the formula for approval. Therefore he finds it very difficult to identify the source of delay of the release of the fund which is sometimes in the third quarter of the budget year.

2.7 Measurements of benefits of decentralized funds

In the assertion of Elizabeth (1979) the cost-benefit analysis of an investment decision of the government involves a weighing only of the costs and benefits to its constituents. According to her, it is always in the interest of the government making the decision to maximize the benefits and minimize the cost to the people residing in the area. She emphasizes that the problem for the State or Local Government is how to get the most benefit for their residents for the money they must raise through taxation. In his contribution on citizen satisfaction, Brain (1979) lays emphasis on the fact that policymakers might compare satisfaction levels in different geographical areas and conclude that an area reporting lower overall satisfaction receives
poorer quality services and perhaps even relocate expenditure accordingly. Similarly, satisfaction might be expressed by different types of citizens from different demographic groups. According to him, although such procedures may seem sensible in general, they are invalid and potentially misleading. He concludes that policymakers should not rely heavily on survey items asking citizens how satisfied they are with particular local services. In looking at the benefit of local government, Osuji (1986) maintains that any discussion of the impact of local government reform, particularly in the delivery of social services, has to be based on a proper appraisal of institutional arrangements and performance prior to the reform so as to make comparisons and determine the extent to which the reform has brought about the improvement expected of it.

2.8 Funding for local development in the United Kingdom

The United Kingdom (UK) of Great Britain is made up of three countries, England, Scotland, Wales, and the province of Northern Ireland. It operates a central two-house legislature located in the capital London made up of the House of Commons and the House of Lords. The house of commons, which is also known as the lower house, has 650 members elected using the first-past the-post system and each representing an individual constituency for a fixed term of five years. The members of the House of Lords, or upper house, are appointed. It is interesting to note that the UK does not have a written constitution, and as such does not have constitutional provisions for local government (Country Profile, 2018).

Despite the lack of constitutional provisions for local government, the UK has legislative local government Acts for England, Wales, Scotland, and Northern Ireland. Local government within Scotland, Wales and Northern Ireland each has a unitary, single-tier system of local government. England has a mixed system of either single-tier local government in the form of
unitary authorities, London boroughs and metropolitan district councils; or two-tier local government with county councils as the upper tier and district or borough councils as the lower tier. In England, Wales and Scotland, there are also smaller units of local representation, known as parishes in England and community councils in Wales and Scotland. However, these are not uniform and do not cover the whole population (Country Profile, 2018).

The government departments with primary policy responsibility for local government are: the Ministry for Housing, Communities and Local Government (MHCLG) for England; the Local Government and Communities Directorate in the Scottish Government; the Department for Local Government and Local Government Business within the Welsh Government; and the Department of the Environment within the Northern Ireland Assembly. The ministers with local government portfolios are responsible for local government legislation and the monitoring of policy implementation. Within this framework, local authorities are independently elected, autonomous bodies largely independent of central government. Central government does not have the power to intervene in their day-to-day affairs except where specific provision has been made in an Act. This differs from what pertains in Ghana where central government has power to intervene in the affairs of the local government and even appoints who should head the local authority (Country Profile, 2018).

In England, the relevant minister has powers of intervention under the Local Government Act 1999, where there are serious failures in the delivery of certain local services. In extreme cases the minister may direct a local authority to take action, including the transfer of responsibilities to another authority or third party. A similar range of powers is also available via their nation-
specific Acts to the Scottish, Welsh and Northern Irish ministers responsible for local government (Country Profile, 2018).

In England, areas outside London either have a single-tier unitary authority, or a two-tier system comprising a larger county authority and smaller district or borough councils. London has 32 borough councils and the City of London Corporation, as well as a further strategic authority, the Greater London Authority. In Scotland, Northern Ireland and Wales, there are single-tier unitary authorities.

The devolved administrations of Scotland, Wales and Northern Ireland can be considered the uppermost level of regional self-governance, even though they are not referred to as local governments. The first ministers of Scotland and Wales are nominated by their parliament and assembly respectively and appoint their own cabinets.

The Local Government Act 1999 requires councils in England and Wales to carry out consultation with residents for the continuous improvement of service provision. Local authorities are required to give public notice of all planning applications and residents are invited to comment on planning proposals. The Local Government in Scotland Act 2003 requires that local authorities demonstrate open consultation arrangements and a responsive ongoing dialogue with their communities. Additionally, in England and Wales the Localism Act gives residents the power to instigate local referenda on any local issue and the power to veto excessive council tax increases. Voluntary and community groups will also have the right to challenge local authorities over their services. The Local Government Act (Northern Ireland) requires councils to undertake community planning to strengthen community engagement.
Implementation Councils throughout the UK are experimenting with ways to enhance citizen participation in the democratic decision-making process. In England and Wales, councils have consulted their citizens during the preparation of their annual budgets using a range of techniques including travelling roadshows, referenda, citizen panels and/or business consultation.

Financial provision and supervision, including the examination of local authority procurement practices, is coordinated by the following authorities: the Accounts Commission for Scotland; the Wales Audit Office; and the Local Government Auditor (LGA) in Northern Ireland. In England, the system is different. The UK government has reduced the extent of monitoring and inspection for councils in England. Until 31 March 2015 the Audit Commission was responsible for the monitoring and inspection of councils in England. Under the Local Audit and Accountability Act 2014 it was closed in order to empower councils to appoint their own auditors and for local government to be primarily accountable for its performance to its electorate. The LGA has set up a new independent company to oversee a number of key transitional responsibilities, as well as managing contracts with private sector audit firms for the external audits of councils until 2017.

Where a service user feels he/she has suffered from local government maladministration, he/she may seek an administrative review of the relevant decisions through one of the following bodies: the Local Government Ombudsman in England and Northern Ireland; the Public Service Ombudsman of Wales; or the Scottish Public Services Ombudsman. Further the Commissioner for Ethical Standards in Public Life in Scotland considers complaints about councillors. The Commissioner can report the outcome of an investigation to the Standards Commission for Scotland which can apply sanctions (Country Profile, 2018).
2.8.1 Decentralization structure and funding in the United States of America

Each state constitution provides for the establishment of local governmental entities (Arnold, 2004). In all states, these local entities include counties and cities, but most states also provide for other types of local government, including wards, school districts, conservation districts, townships, and transportation authorities. These special types of local government have regulatory, administrative, or taxing authority as defined in the state constitution or in state law.

There are over 500,000 elected officials in the United States. Of these, fewer than 8,500 are at the national and state level. The rest are local government officials - city council members, school board members, mayors, sheriffs, and an array of other individuals who serve in various capacities (Arnold, 2004).

Counties are the basic territorial divisions within a state and range in size from under 100 square kilometers to over 200,000 square kilometers. In 48 states, counties are also the primary governing entity below the state government (counties in Connecticut and Rhode Island do not have governmental functions). Major functions of county governments include recordkeeping (births, deaths, land transfers, etc.), administration of elections (including voter registration), construction and maintenance of local and rural roads, zoning, building code enforcement, and law enforcement (especially in rural areas). Some counties also share responsibility with the state for providing social benefits for low-income residents, monitoring and enforcing environmental regulations and building codes, overseeing child welfare, and performing judicial functions. In some states, counties are the geographic units for public school districts, but schools usually have a separate administrative structure (Arnold, 2004).
Counties are run by popularly elected officials. There is typically a board of supervisors or a county commission which sets policy and often exercises executive functions as well. Other elected county positions may include sheriff, judge, justice of the peace, medical examiner, comptroller, assessor, or prosecutor, among others. In addition to these elected officials, many counties have a professional administrator, who is hired to manage the county government’s overall operations (Arnold, 2004).

Another layer of local government structure is the municipalities which are incorporated cities, towns, or villages within or independent of a county having their own governing and taxing authority. These taxes are used by the municipalities for their own development. This is similar to the district assembly system being run by Ghana. Congress members and senators therefore are not given funds for development. They range in size from small towns with fewer than 100 residents to large metropolises spanning several counties (such as New York City). Municipal government responsibilities include public safety, maintenance of city streets, parks and recreation, wastewater treatment, trash removal, zoning and building code enforcement, fire and rescue services, animal control, public transportation, and other essential services (Arnold, 2004).

Larger cities may also provide assisted housing, operate public hospitals, and administer social welfare programs funded by the city, the state, or the federal government. Many cities also own or regulate public utilities such as water, electric power, natural gas, and telecommunications. Cities and towns are governed by elected officials. These officials usually include a mayor and a city council which makes decisions and set policy. The mayor, who may or may not have a seat on the council, is the head of the municipal government and is responsible for overseeing day-to-day administrative functions. Some cities have adopted the city manager form of
government, where the city council hires a professional manager to run the operations of the city. A city manager is the chief administrative officer of the city and, though not elected, reports directly to the elected city council or mayor (Arnold, 2004).

According to the U.S. Census Bureau, over one-third of all governmental entities in the United States are so-called special district governments. Special district governments operate independently of other local governments and are usually established to serve a specific purpose within a specific geographic region. Examples include:

- Water and natural resource conservation;
- Fire prevention;
- Water supply;
- Emergency services;
- Transportation

Leaders of these governmental entities may be elected or appointed. Powers of special district governments vary widely, but many have significant regulatory and taxing authority. Their activities are commonly funded by a special sales tax or property tax collected within their area of jurisdiction, or by fees charged to users of their services.

2.8.2 Funding for Local Governance in Selected African Countries

2.8.3 Tanzania

General Features of the Local Government System

The Local Government (District Authorities) Act No. 7 of 1982 established the local government district authorities in rural areas, and the Local Government (Urban Authorities) Act No. 8 of 1982 established the local government urban authorities. Based upon the powers
conferred to the local government authorities by these acts, two layers of authority can be detected. The district authorities include district councils, village councils, and township authorities, vitongoji, and Ward Development Committees. All of them except the vitongoji and Ward Development Committees have powers to make by-laws, pass annual budgets and tax according to regulations within their area of jurisdiction. The vitongoji (kitongoji in singular) are ‘sub-villages’, which have mainly administrative functions. The vitongoji participate in the village planning and budgeting by submitting inputs to the village planning procedures. The areas of jurisdiction of the district councils are divided into divisions, and the divisions are divided into wards.

The Ward Development Committees are administrative units functioning between the villages and the district councils. One of their main tasks includes coordinating the planning and budgeting inputs of the village councils before they are submitted to the district council. The district councils possess more powers than the village and township councils. The urban authorities consist of city, municipal and town councils (often referred to as urban councils), and mtaas. The urban councils have powers to make by-laws, pass annual budgets and tax according to regulations within their area of jurisdiction. The areas of jurisdiction of the urban councils are divided into divisions, and the divisions are divided into wards. The each ward consists of mtaas, which can be described as neighborhood committees with elected members, but with only administrative functions. Some urban councils have also villages in their area of jurisdiction. The urban Ward Development Committees coordinate, facilitate and supervise the activities in the mtaas, and in some cases also the activities in the villages. The Regional Secretariats (RS) comprise deconcentrated arms of the central government. The Regional Secretariats are headed by a Regional Administrative Secretaries (RAS), who work in the
office of the Regional Commissioners (RC). The sector ministries linked to local service
delivery (health, education etc.) are all represented in the Regional Secretariats, which are
supposed to be the immediate point of referral for the local government authorities in their
dealings with central government. Although the Regional Secretariats do not operate as
superior organs of state in all respects, they have certain oversight (for example of local
budgets) and monitoring responsibilities regarding local government authorities. Both the RAS
and the RC are appointed by the President. The District Commissioner (DC), who is also
appointed by the President, assists the RC at the district level. The DC heads the District
Administrative Secretary (DAS). Local government elections on the mainland Tanzania and in
Zanzibar are held every five years under the first-past-the-post system with universal adult
suffrage at age.

Legislation and Revenue Sources

The Local Government Finance Act No. 9, 1982 defines the revenue sources of local
government authorities. The Local Government Finance Act provides that the revenue sources
consist of the main categories of local government authorities’ own revenue sources, shared
taxes, central government grants, and donor funding. The Local Government Finance Act 1982
has been amended several times, and for example some of the own revenue sources that used be
provided by the Act, such as the development levy, have been abolished during years 2003–
2004. In addition to the amendments to the Act, the revenue sources of the local government
authorities are also regulated by regulations made by the Minister responsible for local
government. Reforms initiated within reform programs such as the Local Government Reform
Programme (LGRP) play an important part in defining the revenue sources base of the local
authorities. The revenue sources defined in the Local Government Finance Act 1982 differ for
urban authorities, district councils, township authorities and village councils (see Sections 6–8 of the Local Government Finances Act). The own source revenues of local government authorities consist of various licenses and fees, and different kinds of taxes. Some of the tax revenues the local government authorities are allowed to use themselves in full, but some tax revenues that the local authorities collect have to be shared with the central government. For example, the municipal councils and district councils are entitled to 20 per cent of the revenues collected by the central government as land rent under the Land Act. The revenues from the land rent (leases on commercial, industrial and residential land in areas occupied under non-traditional forms of tenure) are collected by the local government authorities, deposited in the bank account of the central Treasury, and finally returned in the ratio of 20 per cent to those areas where they were collected from. However, the system is unreliable. Steffensen et al. point out that the three municipal councils within Dar es Salaam did not receive any payments of land rent in the beginning of 2000s. The local government authorities have powers to tax and set rates for levies, fees and charges by making by-laws prescribing them. All the funding meant for local development are channeled through the local authorities and not through the MPs as Ghana is the case in Ghana.

2.8.4 Kenya

Composition of Local Authorities

The Constitution of the Republic of Kenya is silent on the local government system. The Constitution prescribes that a local authority means a municipal, county, town or urban council, or a council for any other area, established by or under an Act of Parliament. The local authorities – municipal, county, town and city councils - are established by the Local Government Act (Cap. 265) of 1977.18 The Local Government Act (Cap. 265) of 1977 assigns
to the Minister of Local Government the power to establish local authorities, and substantial powers to regulate the composition and a large share of the functions of the local authorities. It can be said that the local authorities operate under the direct supervision of the Ministry of Local Government.

Section 5 (1) provides that the Minister, acting in consultation with the Electoral Commission may, either on receiving proposals under section 6 (Section 6 prescribes that a municipal council, county council or town council may make a proposal to the Minister) or without any such proposals, by order exercise all or any of the following powers:

Establish any area to be or to cease to be a municipality, county or township;
Assign a name to a municipality, county or township;
Define the boundaries of a municipality, county or township;
- Alter the boundaries of a municipality, county or township, whether by adding or subtracting from its area or otherwise;
- Alter the name of a municipality, county or township;
- Amalgamate two or more counties into one county;
- Transfer a part of a county to another county or to a municipality;
- Transfer a part of a municipality to a county or township.”

The Local Government Act prescribes that each local authority must have a council. The local Government Act also provides that each council is a body corporate, and shall be capable in law of suing and being sued, and of acquiring, holding and alienating land. The Local Government Act provides the Minister of Local Government powers to determine the number of councilors in the councils of the local authorities. In practice two thirds of the councillors are directly elected in single-member wards for a five year term. The Minister of Local Government
appoints the remaining third from the nominations made by the political parties or coalitions on the basis of their representation in the councils. The district commissioner (or his/her representative) heading the district administration is also a council member. Members of the National Assembly are not to be elected, nominated or appointed as councillors.

Financial Resources of Local Authorities

The local authorities collect revenue from different taxes, fees and charges. The local authorities also receive resources from the central government through the Local Authorities Transfer Fund (LATF) grants and the Road Maintenance Levy Fund (RMLF). The Local Government Act (Cap. 265) of 1977 provides that the local authorities may charge fees for any license or permit issued under the local government act or any other written law or in respect of any person or matter, premises or trade, whom or which the local authority is empowered to control or license. The local authorities may also impose fees or charges for any service or facility provided or goods or documents supplied by the local authority or any of its officers in pursuance of, or in connection with, the discharge of any duty or power of the local authority. All fees or charges imposed by a local authority shall be regulated by by-law, or if not regulated by by-law, may be imposed by resolution of the local authority with the consent of the Minister of Local Government. Such consent may be given either in respect of specified fees or charges, or may be given so as to allow a specified local authority to impose fees or charges by resolution in respect of a specified power or a particular matter.

Therefore the local authorities do not have significant power to determine the rates, because the Minister of Local Government also has to approve the by-laws made by the municipalities before they can be adopted. The local authorities have power and duty to impose taxes on land and buildings in the area of their jurisdiction under the Rating Act (Cap. 267) of 1963 and the
Valuation of Rating Act (Cap. 266) of 1956 to meet liabilities falling to be discharged out of the general rate fund, the county fund or the township rate fund, as the case may be. Before a local authority adopts any form of rating, it has to obtain the approval of the Minister of Local Government on the form of rating and the rating area in question.

The Local Government Act and Rating Act also provide that the Minister of Local Government may issue different kinds of directions and rules on various aspects of the regulation and administration of the financial resources of local authorities. The Local Government Act, the Acts on rating and the Local Authorities Transfer fund do not clearly state that the local authorities’ financial resources should be commensurate with their responsibilities provided for by legislation. Even though this requirement is not clearly defined in the legislation, the LATF grants represent a measure to assist the local authorities to meet the expenditures required to execute their duties and functions. The Local Authorities Transfer Fund (LATF) was established with the Local Authorities Transfer Fund Act No. 8 of 1998 as a result of the KLGRP. LATF became operational in 1999. LATF is a central-local revenue transfer mechanism to facilitate the disbursement of funds to local authorities with the object and purpose to supplement the financing of the services and facilities they are required to provide under the Local Government Act47. As can be seen, Kenya also empowers the local authorities to be the sole agents of development and funds are channeled accordingly to them and not through members of parliament.

2.8.5 Namibia

*Overview on the Local Government System*

Namibia gained independence from the apartheid rule of South Africa in 1990. The new Constitution of the Republic of Namibia of 1990 established a three-tier system
of governance in Namibia comprising of the central government, regional councils and local authorities. The parliament of Namibia consists of two houses: the National Assembly and the National Council, which is the second chamber of the parliament. The National Assembly has 72 elected seats, which are filled by the competing parties in proportion to the votes they receive. The President of Namibia has the constitutional power to appoint up to six additional members without voting rights to the National Assembly. The term of office for the members of the National Assembly is five years. The National Council consists of 26 members, who comprise of two members from each regional council. The term of office for the members of the National Council is six years. The National Council has the power to consider in terms of Article 75 of the Constitution all bills passes by the National Assembly, investigate and report to the National Assembly on any subordinate legislation, reports and documents which under law must be tabled in the National Assembly and which are referred to it by the National Assembly for advice, recommend legislation on matters of regional concern for submission to and consideration by the National Assembly, and perform any other functions assigned to it by the National Assembly or by an Act of Parliament. The President of Namibia is both the head of state and government. The President is elected by a direct national election for a term of five years.

The Cabinet consists of the President, the Prime Minister and Ministers appointed by the President. The Constitution of the Republic of Namibia provides that Namibia shall be divided into regional and local units for the purposes of regional and local government. Namibia was divided into 13 regions, and the Regional Councils Act No. 22 of 1992 established a regional council in each region. The regional councils are responsible for governing the affairs of the regional government. The regions are divided into constituencies for electoral purposes. Each
constituency elects one member to the regional council using a first-past-the-post electoral system. The term of office of the regional council members is six years. The regional councils elect from amongst their members two persons as members of the National Council. The local authorities of municipal councils, town councils and village councils were established by the Local Authorities Act No. 23 of 1992. These local authority councils are responsible for governing the affairs of the local authorities. There are currently in total 48 local authorities in Namibia. The Minister responsible for regional and local government is currently situated at the Ministry of Regional and Local Government, Housing and Rural Development.

The local authorities are established in urban areas, and the regions cover the rural areas. The regional councils are presently responsible for specified service delivery in rural areas, while the local authorities are responsible for service delivery in urban areas. Currently the only service provision responsibility of the regional councils specified in the Regional Councils Act is the provision of basic services in areas where settlements are proclaimed but no local authorities are established. This responsibility applied to only four regions in 2006. The regional councils have many consultative and advisory powers and functions. The Regional Councils Act provides that the regional councils may for example make recommendations to the Minister responsible for regional and local government relating to the Minister’s powers on local authorities affairs provided in the Local Authorities Act, and to assist any local authority council in the exercise of its powers, duties and functions.

Financial Resources of Local Authorities

The local authorities’ own source revenues in Namibia consist mainly of different kinds of rates, charges and fees, and revenue from letting and selling immovable property such
as land. The local authorities have power to determine by notice in the Gazette the charges and fees for the services, amenities and facilities provided by them under the Local Authorities Act No. 23 of 1992 subject to certain restrictions prescribed in other relevant Acts, such as the Acts regulating rates of interest. The local authorities may also determine rates for property. Levying some special rates, such as a penalty rate on rateable property, require the prior approval of the Minister responsible for regional and local government. Local authorities must share five percent of the revenue they collect on the property rates with the regional councils. The local authorities may also sell town lands with the approval of the Minister. The local authorities may let town lands for maximum of one year and sell other immovable property than town lands without having to acquire the approval of the Minister. The local authorities may also receive funds from other resources, such as donations from donors and transfers from the central government. The Trust fund for Regional Development and Equity Provisions Act No. 22 of 2000 was enacted to provide central government financial assistance to the implementation of the decentralization programs at regional and local authority levels, and also, among other things, to provide funding for developmental projects and formulation of other specific projects in the regions or local authorities.

2.8.6 Ghana

Composition of Local Authorities

District Assembly members are elected and the remaining 30 per cent of the members are appointed to the District Assembly. When the Minister responsible for local government establishes an Assembly for a district with a legislative instrument, the Minister also has to specify in the legislative instrument the numbers of persons that are to be elected to the Assembly and appointed to the Assembly by the President. However, the Local Government
Act No. 462 of 1993 prescribes special provisions for the establishment of Metropolitan Assemblies. The Local Government Act provides that the legislative instrument establishing a Metropolitan Assembly shall specify the appropriate and relevant provisions of the Local Government Act that are applicable to the Metropolitan Assembly in question; Sections 2 to 25 of the Local Government Act do not apply to Metropolitan Assemblies. Article 242 of the Constitution of the Republic of Ghana and Section 5 of the Local Government Act No. 462 of 1993 provide that a District Assembly shall consist of the District Chief Executive, one person from each electoral area within the district elected by universal adult suffrage in accordance with the regulations made by the Electoral Commission, the member or members of Parliament from the constituencies that fall within the area of authority of the District Assembly, but these members of Parliament shall not have a voting right at the District Assembly, and other persons not exceeding 30 per cent of the total membership of the District Assembly appointed by the President in consultation with the traditional authorities and any other interest groups in the district.

The district assembly elections are conducted by using the first-past-the-post system. The elected Assembly members may stand for re-election for any number of terms. The Constitution and the Local Government Act prescribe that a candidate seeking election to a District Assembly or any of the sub-structures of a District Assembly must stand at the elections as an individual, and not represent any political party. The members appointed by the President may be reappointed. Fifty per cent of the appointed members must be women, and another 30 per cent represent traditional authorities. The term of the District Assemblies is four years. Article 244 of the Constitution prescribes that the District Assembly elects a Presiding Member from amongst its members by at least two thirds majority of all the members of the Assembly. The
term of office of the Presiding Member is two years, and he or she is eligible for re-election. The Presiding Member convenes and presides over the meetings of the Assembly, and performs any other functions prescribed by law. The Presiding Member ceases to hold office if the Assembly votes by a majority of at least two-thirds of the total number of members of the Assembly to remove the Presiding Member from office. The District Chief Executive or a member of Parliament is not qualified to be elected as the presiding member. The Constitution provides that an executive committee is established in each District Assembly, and that the executive committee is responsible for the performance of the executive and administrative functions of the District Assembly. The members of the executive committee are elected by the members of the District Assembly from amongst themselves. The number of members of the executive committee may not exceed one-third of the total number of members of the Assembly. The Presiding Member of the Assembly may not be a member of the Executive Committee. The Executive Committee is headed by a District Chief Executive (DCE), who is appointed by the President with the prior approval of not less than two-thirds majority of members of the District Assembly present and voting at the meeting. The Constitution provides that the DCE is responsible for the day-to-day performance of the executive and administrative functions of the District Assembly, and that the DCE is the chief representative of the Government in the district. The term of office of the DCE is four years. The DCE may not hold office for more than two consecutive terms.

Financial Resources of Local Authorities

The Constitution of the Republic of Ghana, 1992, provides some provisions on the foundation of the financial resources of the District Assemblies. Article 204 (2) of the Constitution provides that “There shall be established for each local government unit a sound financial base with
adequate and reliable sources of revenue”. Section 252 of the Constitution envisages the establishment of the District Assemblies Common Fund, to which should be paid five per cent of the total national revenue, to be distributed among the districts through a formula approved by Parliament. The District Assemblies Common Fund was established with the District Assemblies Common Fund Act No. 455 of 1993. The Act provides that five per cent of the total national revenue is to be allocated to District Assemblies for infrastructure projects. The transfers from the District Assembly Common Fund may only be used to fund projects that are part of the approved development plan of the district, and this usually – but not exclusively-refers to capital expenditures.68 The Local Government Act No. 462 of 1993 prescribes ten categories of own source revenues, which in Ghana are called internally generated funds, to the District Assemblies. These taxes, rates, levies, fees and licences are listed in the Sixth Schedule of the Local Government Act.

The Minister responsible for local government, in consultation with the Minister responsible for Finance, may amend the Sixth Schedule with a legislative instrument. The Local Government Act establishes the District Authorities as rating authorities in their respective districts. The Minister responsible for local government may issue guidelines for the making and levying of rates. The guidelines for fees, rates licences, permits, rents etc. have not been updated since 1991. The local government finance system in Ghana is quite liberal in terms of the freedom of the District Assemblies to define rates and fees and to open bank accounts. The Local Government Act gives the District Authorities power to borrow. An approval of the Minister responsible for local government and the Minister responsible for Finance is required if the loan or overdraft to be raised exceeds 20 million Cedis. However, the level of borrowing is so low that it can be said that there virtually no municipal loans in Ghana. Most of the revenues of the
District Assemblies consist of transfers. In 2004, the total revenue of District Assemblies was 1,423 billion Cedis (USD 158 million), of which transfers from the central government and donors formed 84 per cent. Only 16 per cent were generated from internal revenues such as rates, fees and land revenues. In many districts the share of internally generated revenues of the district’s total revenues is minimal. The low level of revenues from rates and licences is mainly the result of the low property base because of the marginal amount of legal properties, the method of calculation of the rates and fees, and the inefficient system of tax collection. The central government ministries direct and control the financial administration of the District Assemblies, such as the modalities for preparing budgets, through various Acts and regulations such as the Financial Administration Act 2003 (Act 654) and Financial Administration Regulations, 2004 (Legislative Instrument 1802). Though Ghana also legally made provision for how local development is to be funded, it is currently paying part of the fund to MPs who are not agents of development in the localities and this has no constitutional backing.

2.9 Financing of Local Governance in other developing countries – The issue of accountability

State-centered policies related to socioeconomic development represent one of the most crucial features in Asian, African, and Latin American countries, although recently, such an interventionist policy stance has shifted more towards market institutions. Since their independence, most of these developing countries have pursued expansive development programs encompassing almost all socioeconomic sectors, especially in the context of weak private capital and entrepreneurship.

As the state began to play a more expansive developmental role, the successful implementation of development policies and programs became increasingly dependent on the nature of the state
bureaucracy. The transition from colonial administrative objectives of law and order to the postcolonial mission of development required corresponding changes in bureaucratic structures, functions, and norms. In other words, the overall perspective of bureaucracy had to become more development oriented: this led to the emergence of the so-called development administration allegedly characterized by innovation, decentralization, and flexibility as opposed to the rigid, centralized, and aloof nature of traditional colonial bureaucracy, although development administration itself came under serious criticism (Ekekwe, 1977). It is, however, the decentralization of bureaucratic structure that became a central concern in transforming bureaucracy into development administration.

The decentralization of development policies and programs to local institutions has been emphasized in developing countries due to the increasing recognition that expansive administrative responsibilities cannot be carried out by the central government alone, that socioeconomic progress requires active people's participation, that resource mobilization necessitates local initiatives, and that devolution of power is a precondition for a democratic mode of governance.

Despite the recent policy shift towards privatization and deregulation and the increasing transfer of state activities to the whims of market forces, the role of local institutions remains significant for the realization of people-centered development in developing nations. In fact, with the diminishing role of the state in programs such as poverty eradication, employment generation, public health, and basic education, the role of local institutions in addressing the needs of local communities has increased. This essential role of local governance in socioeconomic activities, however, requires that local institutions and their incumbents should be accountable to the local public (Manor, 1995). Since a considerable amount of state-run
programs under various ministries, agencies, or departments is implemented through local authorities, the accountability of central government has to be supplemented by the accountability of these local authorities to their respective constituencies.

On the other hand, the loyalty of local institutions to central government may not be sufficient for, may even be antithetical to, their accountability to the local communities. Very often, due to the politicization and bureaucratization of local institutions and the imposition of various programs on them by the central government, these institutions can hardly be responsive to the local needs. This overwhelming power of the central government over local authorities is usually due to their extreme dependence on the state for resources, technologies, and infrastructure.

In addition to this barrier to local-level accountability caused by the centralized and dependent nature of central-local relations, there are other constraints to such accountability, including the continuing colonial legacy of central control over local communities, the unequal local power structure that enables the rural elites to dominate local institutions, an alliance between the local elites and state bureaucracy that allows local authorities to ignore popular concerns and expectations, and the lack of civil society and organized interest groups to articulate the public voices. In short, although there is an increasing need to ensure the accountability of local institutions, there exist many obstacles to the realization of such accountability in developing countries.

**2.9.1 Modes of local-level accountability**

In studying the public accountability of local institutions, one needs to examine the modes or forms of governance practiced by such institutions. At the national level, the availability and
effectiveness of various means of accountability— including legislative committees, parliamentary questions, executive control, budget and audit, ombudsman, codes of conduct, opinion polls, and media scrutiny (Sethi, 1983) - depend on the forms of government ranging from parliamentary to presidential, single-party to multi-party, monarchical to representative, and autocratic to populist systems. Similarly, at the local level, the effectiveness of various mechanisms of accountability – including the elected chairman or mayor, local council or board, committees and sub-committees, public hearing, local media, rules of business, and scrutiny by the central government - is usually determined by the modes of local-level governance ranging from the centralized to decentralized, elected to appointed, and general-purpose to special-purpose systems of local institutions. In other words, the nature of local-level accountability can be understood largely in terms of the forms or modes of local governance.

In this regard, first, it is necessary to examine the nature and degree of decentralization enjoyed by the local government system. Rondinelli, Smith, and Uphoff (1983) observe some major variations in the nature of decentralization, including delegation (transfer of functions to the local level but the ultimate responsibility lies with central government), deconcentration (transfer of functions from central ministries to their field agencies), devolution (transfer of both functions and decision-making authority to legally incorporated local government), intermediation (transfer of functions to self-help organizations), and privatization (transfer of functions and responsibilities to the private sector) (Smith, 1985).

These varying modes of decentralization, especially delegation, deconcentration, and devolution, have considerable implications for local-level accountability. In his analysis, Uphoff (1983) identifies the modes of decentralization by using two basic criteria, including where decision-makers are located (central vs. local), and whom the decision-makers are
accountable to (central authority vs. the local electorate) (Uphoff, 1983). More specifically, when the decision-makers are centrally located and accountable to central authority, it is centralization; when they are centrally located but accountable to local electorate, it is democratization; when they are located at the local level but still accountable to central authority, it is deconcentration; and when decision-makers are located at the local level and also accountable to the local electorate, it is devolution (Uphoff, 1983). Among these categories, it is deconcentration and devolution that are more relevant to the issue of accountability at the local level while centralization and democratization are related to central government accountability.

The modes of accountability of local institutions also depend on their organizational nature, structure, and composition. For instance, in the case of field (local) administration run by various ministries or agencies, the local-level officials are largely accountable to their respective central authorities; in the case of elected local self-government, the councils and their members are accountable to local residents who elect them; and in the case of self-help organizations (e.g. water users' association) and cooperatives (e.g. farmers' cooperatives), the members are collectively accountable to their own organizations, and thus, to themselves (Uphoff, 1983). Thus, the accountability of a local organization is not only determined by the scope and degree of decentralization it exercises, it is also shaped by its organizational form and composition which, in turn, reflect the scope and degree of decentralization. However, more concrete or practical examples of local institutions with varying scope and degree of decentralization, and with diverse organizational forms and compositions, are the major traditions of local government systems found in different parts of the world.
For instance, the British system of local government found in South Asia, Africa, Australia, and North America, is characterized by devolution, local self-governance, representative elected councils, and citizens' participation; while the French system practiced in Western Asia, part of Western Europe, Northern Africa, and South America, is distinguished by deconcentration, executive dominance, and rigid hierarchy (Muttalib & Khan, 1960). Given these features of governance, while the British pattern of local government is likely to be accountable to the elected councils and local electorate, the French system appears to be more accountable to central authority. In summary, the accountability of local authorities is considerably determined by the mode, organizational composition, and tradition of local governance. When local governance is characterized by devolution - implying a considerable degree of local autonomy from the centre, the exercise of power by elected local councils, and effective people's participation - it is more likely that local authorities are responsive to local concerns rather than to the dictates of central government, and they are accountable to the local electorates rather than to government ministries and agencies. This mode of local governance that exists in representative local governments, self-help associations, and various cooperatives, provides greater power to local people who can influence the policies and programs of these local institutions and make them accountable for such policies and programs.

In addition, since these local institutions usually enjoy greater fiscal autonomy in terms of appointing their own staff and having their own local sources of revenue and sharing certain revenues with the central government, they are less dependent on the centre, and thus, have greater capacity to respond to the needs of local residents instead of being loyal only to the central government. On the other hand, when the mode of local governance is deconcentration - implying an extension of central government to the field administration based on the
appointment of government bureaucrats at the local level - the accountability of local authorities is predominantly to the central government rather than local people. This relatively bureaucratized mode of local governance, as found in many developing countries, is characterized by the dominance of central bureaucracy over local representatives, limited financial and personnel autonomy of local authorities, their economic dependence on central government, and the lack of opportunity for peoples’ participation. As a result, the accountability of local authorities based on deconcentration is accountability to the appointing authorities of central government rather than to the local communities. Although deconcentration as a mode of governance is quite conducive to the maintenance of strong central-local relations and coordination of various local institutions at the central level, such local governance often leads to excessive central control, local dependence, indifference towards local needs, and above all, the powerlessness of local people to make local authorities responsive and accountable to them. Despite the aforementioned variations in the nature of accountability of local institutions depending on their modes and structures of governance, local accountability remains essential, especially when the current trend is increasingly towards a reduction in the size and scope of state bureaucracy and the transfer of many government programs to the local level.

2.9.2 Significance of local-level accountability
At the national level, public accountability is extremely essential for maintaining public confidence in governance, justifying government activities, and ensuring the overall legitimacy of the state, although the mode and means of such accountability may vary among different societies depending on their socio-historical backgrounds, political cultures, and ideological
dispositions (Haque, 1983). However, public accountability at the national level remains ineffective, even unrealizable, without local-level accountability, because central government is too distant from the people, and it is at the local level where citizens have direct encounters with and can exercise control over government organizations. It is possible to find a positive correlation between the degree of decentralization and the significance of local-level accountability: the more authorities and responsibilities are decentralized to local government institutions, the more is the need for holding these local institutions accountable. For further understanding, the significance of local-level accountability can be explained in terms of its administrative, political, and economic dimensions.

First, in terms of *administrative significance*, although the central government has various agencies and programs to deliver goods and services, due to its physical distance from citizens, it is not fully aware of their actual needs that often vary from one community to another. This is common a problem in large countries, where it is not possible even through modern information and communication networks to inform the government of varieties of needs and problems faced by numerous local communities. Thus, it is quite difficult on the part of the central government to be responsive to such varying local needs and demands. In this regard, local institutions are in a better position to know the specific needs of local citizens and deliver appropriate (need-based) goods and services to them.

It is this local knowledge and information possessed by local-level decision makers that enable them to carry out programs and provide services with a higher degree of responsiveness. Thus, for administrative convenience and effectiveness, many government activities and programs - such as building rural infrastructure, ensuring law and order, managing local schools, distributing agricultural inputs, and maintaining sanitation facilities - have been transferred to
local institutions in developing countries. With these increasing responsibilities assigned to local authorities, there is an added importance to the realization of their accountability: they should be held accountable for performing these functions efficiently, providing necessary services to local communities, and satisfying the needs and demands of diverse social groups. In brief, the proximity of local authorities to the people makes them more effective than the central government to deliver goods and services based on actual (local) needs, and as these local authorities undertake more expansive responsibilities of delivering services and addressing local problems, it becomes more essential to ensure their accountability.

In addition to these basic responsibilities carried out at local level, the massive development programs adopted by most developing countries need people's participation and human resource mobilization at the local level, which constitute a basic task of local government institutions. However, in order to ascertain maximum initiatives and cooperation of local institutions to ensure peoples' participation and mobilization, it is necessary to make these institutions accountable for such a task. In other words, with the increasing developmental role of local institutions, there is a further need to maintain accountability of these institutions.

Second, in terms of political significance, local government institutions should be accountable for their various responsibilities that are political in nature. For instance, the distribution of goods and service by local government institutions is often politicized and monopolized by rural and urban elites, and thus, it is imperative that these local institutions are made accountable for a fair distribution of goods and services among various target groups such as landless and small farmers, underprivileged women, and ethnic minorities (Khanna & Bhatnagar, 1980). This problem of local-level accountability emerges from an unequal local power structure in developing countries, which requires serious consideration. It is also important to examine
whether local authorities are accountable predominantly to central government or local communities. Although it is expected that local institutions are accountable to local residents, in many cases, they may be responsive more to the policies and requirements of central government than to the concerns of local people, especially in countries where local institutions are bureaucratically controlled by the centre, where the ruling party creates political pressure on local institutions, and where there is strong alliance between the local and national political elites (Harris, 1990).

In such cases, the maintenance of local-level accountability becomes highly critical. Local-level accountability is politically significant to local residents, because they have more direct contact with, access to, and influence over the elected members of local institutions than the national-level political representatives such as parliamentarians, ministers, and prime ministers. In other words, in the case of local government institutions, people have a better opportunity to make these institutions directly accountable. In addition, since most developing countries are usually characterized by weak civil society and fragile and fragmented political systems, the process of exercising people's power to ensure local-level accountability can function as an effective means for political education and interest articulation, which in turn, may enable people to exercise their influence to make their national-level political leaders and institutions accountable. In short, for the masses, the lessons learned from the process of ensuring the accountability of local authorities can be helpful to pursue the accountability of central-government agencies and institutions. On the other hand, since most national leaders begin their political career at the local level, their habit of being accountable to local communities can be useful for their continuing commitment to public accountability at the national level (Harris, 1990).
Lastly, in terms of economic significance of local-level accountability, it is necessary to ensure that the economic programs and responsibilities assumed by local authorities are properly carried out. Local authorities have various public sources of revenue, including local taxes, proceeds from goods and services, and government grants, for which they must be held accountable. Such accountability becomes more significant in countries where there is a considerable degree of financial decentralization, implying the devolution of certain revenue-raising authority and the transfer of government funds and economic programs to local government institutions, which require these institutions to be accountable to both the local taxpayers and the central government. There are varieties of economic activities performed by local authorities, including utilities, infrastructure, low-cost housing, and market facilities, which involve financial transactions, and thus, require strict measures of accountability. It is because there is always a potential for corruption in the process of raising and spending public money (Khanna & Bhatnagar, 1980). Thus, local authorities dealing with public funds and assets have to be accountable for any abuse or waste of resources. In addition, local authorities have to be accountable not only for the quality of services expected by local residents, but also for satisfying the diverse needs of various social groups or communities.

In other words, the diversity of individual preferences has to be matched by the diversity of goods and services, and citizens have to be informed of such alternative packages of goods and services available (Khanna & Bhatnagar, 1980). In addition, local authorities should be accountable for fair or equitable distribution of goods and services, which are often, compromised in developing countries due to the dominance of affluent classes over the local government systems. In fact, the very objective of establishing decentralized local institutions in these countries is usually to ensure equitable distribution of benefits gained from various
development activities. It is often not possible or desirable to exercise excessive fiscal control by central government over the autonomous local government institutions, and such autonomy makes it more important to ensure their fiscal accountability to the local electorate. Despite the growing significance of local-level accountability, there are many socioeconomic and politico-administrative factors that often constrain the realization of such accountability. Although the intensity of these barriers to local accountability may vary from one country to another, there are certain common problems of such accountability in developing countries. These obstacles must be addressed and overcome in order to achieve an effective accountability system at the level of local institutions.

2.10 Problems of Local Accountability in Developing Nations

Irrespective of the levels (national and local) of public accountability, it is observed that in both developed and developing countries, the prevalent mechanisms of accountability have come under challenge and their effectiveness has diminished (Harris, 1990). The common concerns related to accountability include issues such as weak political institutions, excessive power of bureaucracy, people's dependence on government, and so on (Haque, 1983). However, there are certain accountability problems that are more prevalent at the local level and more common in developing countries, and thus, require special attention or treatment. Some of these major barriers to local-level accountability in developing countries are examined below.

*Unequal Local Power Structure*

One of the most crucial obstacles to the realization of local-level accountability in developing countries is the prevalence of extreme inequality in local power structure, especially in rural areas. Many Asian, African, and Latin American countries are characterized by a feudal or semi-feudal structure of property ownership composed of the elitist landowning class, small
farmers, and landless peasants. Although certain degree of capitalist development has occurred in agricultural production, such development is usually subsumed by the vestiges of feudal structure. This feudalistic component in social structure reproduces the tendency towards a rigid power structure based on dependence and inequality. This unequal local power structure has considerable implications for local governance and its accountability. It is usually the powerful local elites who exercise influence over local government institutions and often uses these local institutions for their own benefits. Since the majority of rural people are powerless and dependent on local elite, they can hardly influence the decisions and activities of these local institutions. Thus, the accountability of local institutions often remains accountability to the local elites rather than to the ordinary people such as the marginal and landless farmers.”

In fact, it is mostly these rural elites who occupy the leading positions in local councils or committees. Even when local authorities are elected and autonomous bodies, it is usually the local elites who get elected. The landless and small farmers are not only financially incapable to run for local elections, they are also not in a position to challenge or compete with candidates from the landowning class on whom they often depend for livelihood. In other words, due to an extremely unequal structure of power and dependency in many developing societies, the influential local elites are more likely to get elected as the leading members of local authorities. Once elected, they tend to use local institutions for their own personal gains without much responsiveness to the dependent and powerless electorate. Thus, the adoption of an elected local government system may not guarantee the exercise of power by local residents, although it may legitimize (through election) the hegemonic power of the local elite (Hasnat, 1985). The unequal local power structure, thus, constrains the realization of local accountability to the people.
**Overdeveloped Bureaucracy and Its Dominance**

In developing countries, the colonial origin of bureaucracy makes it too advanced or overdeveloped in relation to the political and economic realms of society. It is simply because, under colonial rule, while political participation and economic entrepreneurship were stifled, the bureaucratic apparatus was modernized and empowered to enhance the process of colonial exploitation. After independence, instead of introducing fundamental changes in postcolonial bureaucracy, the scope and power of such bureaucracy was expanded further as it assumed the role of enhancing socioeconomic development and undertook massive development activities. The power of bureaucracy has expanded further due to its modernization, technical expertise, coercive authority, and control over information and resources (Guy, 1984). As a result, bureaucracy is so overwhelmingly powerful that it is difficult to ensure bureaucratic accountability by the relatively weak and powerless political institutions such as parliament, political parties, and interest groups (Ahmed & Crouch, 1985). In fact, the bureaucracy (especially military bureaucracy) intervened in national politics and established control over these political institutions in many developing countries. Even the role of market forces has been undermined by state bureaucracy in these countries. This scenario of bureaucratic dominance exists at both the national and local levels. At the local level, when there are no elected local government institutions, it is the bureaucracies of various central-government ministries or agencies which constitute local administration, often known as field administration (Ahmed & Crouch, 1985).

This situation is usually prevalent at the higher tiers of local administration in developing countries such as Indonesia and Thailand. In such a case of bureaucratic dominance over local institutions, there is no obligation for these institutions to be accountable to local residents,
although they are answerable to the central government, especially in terms of the loyalty of field-level bureaucrats to their respective ministerial or departmental headquarters (Ahmed & Crouch, 1985). In other instances such as Bangladesh and Pakistan, the members of local councils include both government bureaucrats and elected local representatives. Under this system of local governance, the primary concern is regarding the power-sharing between these two groups of local government members. However, due to the overwhelming power of government bureaucrats mentioned above, it is these bureaucrats who tend to dominate the local councils while the elected local representatives have to comply with bureaucratic decisions. In other words, although people may elect their representatives for local councils, due to bureaucratic dominance, these representatives have limited power to respond to the needs of local communities. Even when local councils are composed of only elected members, their capacity to address public demands is affected by resource constraints, and very often, they have to rely on financial and technical assistance provided by the field administration of central government. In short, although the degree of bureaucratic dominance over local institutions may vary, it remains a major barrier to the realization of their accountability, because often they cannot address local needs and concerns due to bureaucratic control over decisions and resources.

Alliance between Local Elite and Bureaucracy

The aforementioned problem of local-level accountability caused by bureaucratic power and dominance is exacerbated further due to the formation of strong alliance between the field-level officials of central government and the local elites often elected as members of local councils. The blurred boundary between administration and politics that exists at the national level in many developing countries is also common at the local level (Jain & Bongartz, 1994). The field
officers from various ministries and agencies face political pressure to carry out policies and programs in such a way that they benefit local elites usually at the expense of common local interests. Many of these local elites are likely to be members of the ruling political party and have access to higher state authorities. Thus, these field-level officers are less likely to take the risk of contradicting or challenging the interests of local elites and jeopardizing their own career. Thus, it has been suggested by some scholars that the affluent social elites often manipulate the bureaucracy to divert government programs in their favor, whereas the common masses do not have adequate knowledge about and access to the bureaucratic system. The services provided by various field offices, including utilities, infrastructure, bank loans, agricultural credits, irrigation facilities, and land tenancy, are directed towards the interests of local elites (Briones, 1985). Briefly, even under a decentralized local government system, the dominant class, such as the local elites, pursues its interests at the expense of subordinate classes such as the rural poor (Briones, 1985). In fact, the local-level bureaucrats themselves may find it more rewarding to work in favor of local elites, because by serving the particularistic interests of few elites rather than the common interests of the whole local community, these local bureaucrats have a better chance to gain financially through various unfair deals or corrupt reciprocal exchanges. These mutual interests strengthen and perpetuate the alliance between local elites and bureaucracy, which poses a serious challenge to local-level accountability.

First, the accountability of local-level government officials is not only directed towards their parent ministries or agencies at the national level but also towards the affluent social elites at the local level, while their accountability to the poorer and relatively powerless local population remains weak or ineffective. Second, when the local elites themselves are elected as the leading
members of local councils, they do not feel obligated to be accountable to the local public: it is not only due to their overwhelming power over the local population (discussed above), it is also because of their alliance with the local-level government officials who tend to overlook and often share their undesirable acts such as extortion, bribery, and nepotism. In other words, the strong alliance between local bureaucrats and local elites undermines their motivation to evaluate or check on each other in terms of their malpractices. Third, local accountability may become more problematic and questionable when local councils incorporate both groups—the local elites as elected or nominated members and government bureaucrats as appointed members. In such a situation, local government units are not under any pressure to be accountable to the local people who are too powerless to control or influence these local organizations representing the alliance of the two most powerful groups (local elites and local bureaucrats) at the local level.

Central-Local Relations Based on Dependency

Historically, developing countries did not have much concern for local institutions under colonial rule characterized by centralization, bureaucratic control, and high level of local-level dependence on the centre. The colonial tradition of limited autonomy and dependence of local institutions continued during the postcolonial period despite various administrative reforms for decentralization. First, there is a significant gap between the responsibilities assigned to local government institutions and the resources they have to realize such responsibilities, which perpetuates economic dependence of these local institutions on the centre. In many developing nations, under state-centered development programs, the degree of such local dependence has expanded further. In the name of administrative decentralization, an extensive amount of development programs has been transferred or assigned to local government institutions,
although they do not have adequate financial means to carry them out (Phang, 1987). The scope of responsibilities has also increased due to the rising demands and expectations of local people for goods and services from local government institutions. These local institutions require sufficient financial resources and infrastructures to perform various development-related functions and to meet the needs and demands of local people. It is mainly because, in developing countries, the major sources of revenue (e.g. land and property tax, income tax, licenses and permits, profit-making enterprises, etc.) are often monopolized by the central government, and local institutions do not have adequate authority and means to raise revenue. They tend to overcome this gap between expansive responsibilities and limited resources by seeking help from the central government, which offer financial grants and infrastructural and technological supports.

This resource dependence has serious implications for local-level accountability: local institutions have to show loyalty to the central government, which often compromises their responsiveness to local citizens. Second, the accountability of local authorities is also constrained by their administrative dependence caused by an over-centralized decision process and the lack of skilled personnel in developing countries. This centralization of administrative decisions implies that local institutions have limited power to make decisions related to their own problems and activities, and they often have to wait for decisions to be made or approved by central government agencies. This administrative dependency is exacerbated further due to the scarcity of skilled human resource at the local level, especially, in countries with a low literacy rate. The central government attempts to resolve this personnel problem by posting a massive number of its bureaucratic officials to various regions, districts, and sub-districts, which ironically, leads to more bureaucratization of local governance.
The main implication of this administrative dependence of local authorities on central government for decisions and personnel, once again, is that they have to maintain an adequate degree of loyalty to the central government while being indifferent towards their accountability to the local populace. Third, there is also political dependence of local authorities on the ruling party, which limits their local public accountability to a great extent. In cases where a multi-party political system is relatively absent, and where the ruling party is not well known due to political instability and frequent changes in government, there is a tendency to create party networks all over the country by establishing a new set of local authorities. In such a situation, local government institutions usually represent the ruling party, their members are often party members, and they become local institutional means to legitimize the ruling party and enhance its power. For instance, in the case of Zambia, the representatives of the ruling party replaced the locally elected representatives in the early 1980s (Conyers, 1985). In the case of Bangladesh, there have been changes in the local government system with changes in the regime, and historically, most of the regimes used local institutions to achieve their political objectives (Harry, 1988). Similar scenario can be observed in the case of Nigeria (Graf, 1986). In Latin America, there are strong political ties between central and local governments. Due to such extreme politicization of local authorities, they are accountable more to the ruling party than to the local masses.

Finally, there is dependence of local people themselves on field-level government agencies controlling the distribution of goods and services. Due to bureaucratic dominance over economic policies and programs, the poorer classes are extremely dependent on government agencies for employment, health care, education, agricultural inputs, and other goods and services. It has been pointed out that in Latin America, government bureaucracy mediates and
regulates the interests of various classes and groups, and thereby, makes them dependent. It is often the case that the poorer sections of the population do not have any choice but to depend on the field-level bureaucracies for varieties of goods and services, especially because, their own local institutions are financially incapable of serving such goods and services. Thus, while local people are highly concerned for drawing attention of the field-level agencies in order to acquire necessary goods and services, they are relatively indifferent towards accountability of the resource-poor local institutions. The root of such excessive public concern for government officials and indifference towards local institutions goes back to the colonial rule that perpetuated a form of master-servant relationship between bureaucrats and citizens.

Lack of Civil Society and Democratic Culture

In the ultimate analysis, the accountability of both national and local governments depends on the people's capacity to articulate and exercise power, which requires the existence of a vibrant civil society and strong democratic political culture (Diogo, 1982). But in most developing societies, both of these prerequisites of people's power are relatively weak or absent. In general, civil society provides public space to facilitate rational and critical discourse, which is extremely essential to form critical public opinion regarding state policies and institutions, create organizational or associational bonds among citizens, enhance people's power to challenge the hegemony of central and local administration, and thus, make central and local authorities publicly accountable (Diogo, 1982). In addition to the prevalence of colonial politico-administrative legacy that discourages the development of a strong civil society (including organizations, associations, and groups emerging independent of the state and ruling party), there still exist the remnants of feudalistic social relations based on parochial ethnic and family bonds, which constitute a barrier to the process of critical and reflective discourse and to
the formation of human relations independent of family, racial, and ethnic bonds. In many developing countries, social relationships are often guided by a feudalistic form of patron-client relations (Diogo, 1982).

According to Mawhood (1987), “the common local culture in Asia is characterized by factors such as caste structure and status symbol, which often prevent common people from participating in civic activities. In the context of a weak civil society, while the powerless common people are largely contented with the immediate family and ethnic concerns and preoccupied with patron-client issues, it is the state and its bureaucracy that remain most organized and powerful. Thus, in the absence of a viable civil society to empower people, the local government system is influenced by and accountable to the powerful central government (especially government bureaucracy) rather than the powerless local citizens. Related to this absence of a dynamic civil society is the lack of a deep-rooted democratic political culture in most developing nations, which directly constrains the realization of accountability at both the national and local levels. At the national level, the political culture in many countries in Asia, West Africa, Latin America, and the Middle East has been characterized by one-party dominance, unrepresentative legislatures, rigged elections, and bureaucratic authoritarianism (Mawhood, 1987). In extreme cases, the bureaucratic-military oligarchy suspended elections, disbanded political parties, prohibited mass associations, and suppressed the free press.

Such a lack of genuine democratic culture and institutions in these countries is certainly detrimental to the issue of public accountability. This relatively undemocratic political culture and its challenge to accountability at the national level usually trickle down to the local level. It is almost impossible to have an autonomous, representative, and accountable local government system under a centralized, repressive, undemocratic, and unaccountable regime. It is often the
case that the mode and culture of local governance reflect the structure and political culture of central government. Corresponding to the absence of a strong democratic tradition at the national level, the political culture at the local level is characterized by loyalty, centralization, factionalism, and colonial mentality, which often persuade people to accept the dominance of government bureaucrats and local elites in managing local government institutions. Such a political atmosphere is not conducive to the development of critical consciousness among local people with regard to their basic political rights, and without such public consciousness it is difficult to make local institutions accountable to local communities.

2.11 Conceptual framework

In the words of Vengroff and Johnson (1987), financial autonomy is one of the most important aspects of successful decentralization. They noted that in Senegal, authority is commonly delegated to local organizations but they are not given the necessary resources to perform their new functions efficiently. Due to this there are no prospects for the rural communities to undertake actions designed to directly contribute to local productivity and rural development. In their opinion the involvement of the Councils in productive project only seems possible through external financing. A decentralized organization is one in which decision making is not confined to a few top executives but rather is throughout the organization, with managers at various levels making key operating decisions relating to their sphere of responsibility.
Decentralization is a matter of degree, since all organizations are decentralized to some extent out of necessity. At one extreme, a strongly decentralized organization is one in which even the lowest-level managers and employees are empowered to make decisions. At the other extreme, in a strongly centralized organization, lower-level managers have little freedom to make decisions. Although most organizations fall somewhere between these two extremes, there is a pronounced trend toward more and more decentralization.

The proper context within which the issue of DACF falls is the context of decentralization. It is believed that the DACF and the introduction of the MP’s share of the DACF was to maximize the benefits of decentralization for relevant and appropriate development within communities in Ghana. From the conceptual framework (figure 2), decentralization fosters closer links with the
people who are being governed. This means that through decentralization, authorities are able to get to know the actual needs of the people and would therefore be in a position to offer appropriate solutions to address their problems. Closer links with the people also means that the voices of the grassroots are being heard as far as what is important for them is concerned. This has strong linkages with democratization and participation and transparency which has great benefits for decentralization. The third linkage within the conceptual framework has to do with transparency/accountability. There would be transparency because of the democratization and participation of people in their own development and this would bring about more transparency and efficiency. Transparency would further result in more consultation and funds backed by legislation would render better services and ultimately result in less cost to central government.

Juxtaposing the above explanations of the conceptual framework against the use of the MP’s share of the common fund means that in order for the fund to work effectively, the MP’s must develop closer links with the people in their constituencies not just for satisfying their personal political goals but also as a way of ascertaining the developmental needs of their constituents. Secondly, the MP’s should be able to disburse their share of the common fund in a manner that is democratic and participatory. This means that after MPs have received their share of the common fund, they must decide on what projects they would undertake in agreement with the community members. This makes the beneficiaries of the projects feel involved in the determination of their developmental needs.

This would ensure that the MPs are held to a high standard of transparency in the use of the fund. This means they must keep proper records, perform value for money audits, and make all such reports available to the people in the constituency. This would go a long way to satisfy people that the funds are being used judiciously. This would also efficiency in the way and
manner the fund is being used by the MPs. If the MPs are able to build closer links with the people, make room for transparency and consultation, the resulting consequence would be better services and projects and less cost to government.
CHAPTER THREE
RESEARCH METHOD

3.1 Introduction
This chapter focuses on the research method of the dissertation. The chapter describes the research strategy, which includes the research method, the research approach, and the methods of data collection. It also involves a description of the selection of the sample, the research process, the type of data analysis, the ethical considerations and the research limitations of the project.

3.2 Research Approach
There are basically two main research approaches, and a third approach which is a mixture of the major two. These are the quantitative and the qualitative approaches. When the research is designed to include both it is known as mixed methods. Braun and Clarke (2013) explained that key features of many quantitative studies are the use of instruments such as tests or surveys to collect data, and reliance on probability theory to test statistical hypotheses that correspond to research questions of interest. The advantage of the quantitative approach is that the findings are normally captured in numbers and as a result, the research is seen as being more objective. Another advantage of the quantitative approach is that the data is capable of being generalized to a larger population. One disadvantage of the quantitative approach is that the research can take a lot of time and effort to enter large sets of data into data analysis software since quantitative studies usually use large data samples. Another key disadvantage is that quantitative approach takes away the human element from the results thereby reducing everything to numeric properties (Braun & Clarke, 2013).
The qualitative research approach on the other hand focuses on discovering and understanding the experiences, perspectives, and thoughts of participants - that is, qualitative research explores meaning, purpose, or reality (Dillman, 2007). Central to this inquiry type is the presence of multiple ‘truths’ that are socially constructed (Farrimond, 2013). The strengths of this approach are that the researcher is able to describe a phenomenon or characteristics of something in terms of how people experience, interpret and derive meaning from it. A qualitative approach also ensures openness through encouragement of participants to expand their responses which in turn may open up new topic areas not initially thought of. The most important disadvantage of the qualitative approach is that it normally includes only a small sample size thereby making it difficult to formulate generalizations. In addition, the approach also has the problem of ambiguity. It is difficult to make logical comparisons if people give different responses to similar questions - thereby making data analysis difficult.

For purposes of this study, the qualitative approach was adopted because the focus of the study was to discover and understand the issues surrounding access and utilization of MP’s share of the common fund. Under the qualitative approach, the study made use of triangulation, a technique which enabled the study to verify the information given by participants from the use of different methods. This ensured the validity and reliability of the responses of participants. Apart from taking the responses of current and past MPs, the study also took responses from MMDA executives (past and present), and selected community members. The study employed interviews and focus group discussions as a major means of getting the required responses from participants.
3.2.1 Research Design

There are several types of qualitative research method designs. There is the experiment, the quasi-experiment, the survey, and the case study designs.

The experimental design provides a step by step procedure by which a researcher is able to test a hypothesis and reach conclusions about the relationship between variables (Sandelowski, 2001). The advantage of the experimental design is that it ensures replicability of the findings of the research and the researcher has full control over both the dependent and independent variables. One major disadvantage of the experimental design is that it is difficult to be applied to studies that involve human behaviour and it also raises ethical concerns about subjecting human beings to experiments.

Quasi-experimental research designs shares similarities with the traditional experimental designs but they lack the element of control for the control group in an experiment. One advantage of the quasi-experimental design is that the researcher has control over the treatment group but not the control group. It also suffers from the same disadvantages of an experimental design (Sandelowski, 2001).

Fouche (2000) “indicated survey research design is also used to quantitatively describe specific aspects of a given population. These aspects often involve examining the relationships among variables. In qualitative design the data collected for survey research are collected from people and are therefore, subjective. Finally, survey research uses a selected portion of the population from which the findings can later be generalized back to the population. The advantage of surveys is that the researcher is capable of collecting information from large samples of the population and can easily make generalizations (Hank, Jordan, & Wildemuth, 2009). A disadvantage is that survey designs are generally unsuitable for understanding the
historical context of a phenomenon. There are also possibilities of biases in the nature of the questions asked and the accuracy of the responses received (Fouche, 2000).”

A case study research design is “the investigation of the one or more specific ‘instances of’ something that comprises the cases in the study. A case study can be something relatively concrete such as an organisation, a group or an individual, or something more abstract such as an event, a management decision or a change programme (Gomm et al. 2000, Yin 2009). One of the advantages of the case study design is its adaptability to diverse types of research questions and to different research settings. The use of multiple sources of evidence allows triangulation of findings which, according to Yin (2009), is a major strength of the case study design. Case studies also offer the benefit of studying phenomena in detail and in context, particularly in situations where there are many more variables of interest than there are observations. The disadvantage is that case studies are difficult to generalize particularly ‘single case’ studies. Secondly, a further concern about case study design is that since neither experimental nor statistical controls can be used in case study research, internal validity (at least as it is understood in quantitative research) may be hard to establish (Yin, 2009).”

For purposes of this study, the research design that was adopted was the case study research design. This design was chosen because the study examined the cases of the selected MPs as far as access and utilization of MP’s share of the DACF is concerned. Another reason for adopting the case study design is to afford the opportunity for studying the subject matter in detail and in context in order to understand the issues pertaining to each participants experience of issues relating to the access, and use of the MPs share of the DACF.
3.2.2 Research Site

The research site for the study is the Parliament of the Republic of Ghana with selected MPs. However, the respondents also include past MPs, current and past MMDCEs and some selected community members from the localities of the MPs. The justification for selecting Parliament as the main study area is because it serves as a central point of meeting MPs and thereby makes it easy when it comes to having access to them to participate in the study.

3.3 Target Population and Sampling

Target population is the whole group of respondents a researcher is interested in collecting information from to address the objectives of a study, while a sample is a fraction of the population of interest selected for the purposes of the study (Yin, 2009). The target population for the study is all sitting and previous MPs, and corresponding constituencies, existing and past MMDA executives in corresponding constituencies, and selected members of relevant constituencies.

Since the study is making use of a qualitative research approach, the non-probability sampling technique was adopted for the study. There are several techniques under the non-probability sampling methods. “There is the convenience sampling which involves collecting a sample from somewhere convenient to you. There is also haphazard sampling where a researcher chooses items haphazardly, trying to simulate randomness. However, the result may not be random at all and is often tainted by selection bias. Then there is the purposive sampling where the researcher chooses a sample based on their knowledge about the population and the study itself. The study participants are chosen based on the study’s purpose. Other types are expert, heterogeneity, modal instance, quota, and snowball sampling techniques. Expert sampling draws the sample from a list of experts in the field, and heterogeneity sampling attempts to
select participants such that all views are represented. Modal instance sampling selects the most
typical members from a set while quota sampling ensures that the groups in the sample are
proportional to the groups in the population. Snowball sampling is also where participants
recruit other members for the study.”

In selecting the sample for the study, the study made use of the purposive sampling technique.
The purposive sampling technique is a non-probability sampling technique which selects
samples based on certain characteristics of the study population in line with the objectives of
the study. It is also known as judgmental, selective or subjective sampling technique. The
purposive sampling method was employed in selecting all the relevant responders for the study.

A total of sixteen (16) respondents were included in the study. Out of this, fourteen (14) were
male while two (2) were female. Among the respondents, four (4) were existing MPs, four (4)
were former MPs, two (2) were current MMDA executives and another two (2) were former
MMDA executives. Finally, four (4) of the respondents were community members from the
constituencies of the former MPs.

3.4 Inclusion and Exclusion Criteria

In order to determine who gets included in the study and who does not, the study took into
consideration the time constraints within which the study must be completed. As such the study
focused on only MPs (current and former), MMDA executives (current and former) and selected
corresponding community members in the selected regions. The above category of persons who
represented constituencies outside of the selected regions is automatically excluded from the
study. This would save the researcher from travelling to all the communities within the ten
regions of Ghana to verify the outcomes of interviews with MPs and MMDA executives. Fresh
MPs were excluded from the study because they have done only few years in parliament and therefore are not in a position to accurately provide the information needed for the study.

3.5 Data Collection Techniques

Permission for the research was sought officially to obtain organizational consent. The MPs were then informed about the intended research and were briefed on the purpose and objectives of the study. The selected MPs were contacted for possible appointments to collect information through interviews aimed at addressing the questions raised in the research questions. These methods were chosen because they align best with the approach and the design adopted for the study which is the qualitative approach. According to Kvale and Brinkman (2008), an interview is a conversation where questions are asked and answers are given. It is usually a one-on-one conversation with one person acting as the interviewer and the other acting as the interviewee. Dipboye, Macan, and Shahani-Denning (2012) indicated that interviews usually involve a transfer of information from interviewees to the interviewer, which is usually the primary purpose of interviews.

3.6 Data Collection Method

The study adopted interviews and focus group discussions as the main data collection methods for collecting data for the study. As indicated earlier, Kvale and Brinkman (2008) defined an interview as a conversation where questions are asked and answers are given and is usually a one-on-one conversation with one person acting as the interviewer and the other acting as the interviewee. There are a few types of interviews. These are the structured, unstructured, and semi-structured interviews.
“A structured interview (also known as a standardized interview or a researcher-administered survey) is a quantitative research method commonly employed in survey research. The aim of this approach is to ensure that each interview is presented with exactly the same questions in the same order.

An unstructured interview or non-directive interview on the other hand is an interview in which questions are not prearranged. These non-directive interviews are considered to be the opposite of a structured interview which offers a set amount of standardized questions.

A semi-structured interview is a qualitative method of inquiry that combines a pre-determined set of open questions (questions that prompt discussion) with the opportunity for the interviewer to explore particular themes or responses further. In order to explore the responses of participants further, the study adopted the semi-structured interview guide for the study. An interview guide was designed to form the basis of the interviews. The guide was designed around the research questions of the study which served as a data collection instrument for the study.

Focus group discussions on the other hand are ways of collecting information from people by bringing together people of similar backgrounds and experiences so that they can discuss various topics of interest for the purpose of gathering in-depth information for a study.”

The data was collected by administering the interviews personally using a voice recorder to the selected participants at different times as and when they were available. After that a focus group discussion was held at parliament for current MPs and similarly a different focus group discussion was held for past MPs and former DCEs and community members.
3.7 Data Analysis/Interpretation

Data analysis is the way in which data that was collected are interpreted for the study. It involves modeling, and converting the collected data to bring about useful information which is necessary for decision making (Kvale & Brinkman, 2008). The data gathered from interviews were transcribed, and analyzed by organizing the data into categories, based on themes, concepts, or similar features. The themes, concepts or similarities from the data gathered were used to analyze the data to bring order, meaning and interpretation to the data gathered from the samples selected. Content analysis of the transcribed data was done for purposes of organization, summarization and presentation. Content analysis can be done at two levels, i.e. a basic or manifest level which gives a descriptive account of the data i.e. what was said, but no comments or theories as to why the matter was mentioned. The higher or latent level of analysis applies a more interpretative analysis that is concerned with the response as well as what may have been inferred or implied. The latent level of analysis was applied to the data gathered to make meaning of the data in line with the objectives and research questions of the study.

3.8 Validity and Reliability

Ensuring validity and reliability in qualitative studies has been problematic for some time now (Dipboye, Macan, & Shahani-Denning, 2012). Validity and reliability requires researchers to issue statements about the soundness of the research in line with appropriate methods and reliability of the conclusions. It is argued that qualitative research lacks scientific validity and reliability (Dipboye, Macan, & Shahani-Denning, 2012). In this study, the issues of validity, reliability and generalizability was addressed by ensuring that the perspectives of participants were clearly and accurately presented. Transcripts were given to participants for verification. Finally, for generalizability, the study would ensure that consideration is given to the
applicability of the findings to other contexts, settings, or groups. It was however not the intention to generalize the findings to a wider audience. It is rather to study the case in detail and to advise the government of Ghana.

3.9 Limitations of the Methodology

One of the limitations of the study is the small number of MPs involved in the study. This was however due to time and financial constraints in adding more MPs to the study. It would also have been more difficult to get individual consent from several MPs. To overcome this challenge, the study incorporated some past MPs and MMDCEs to assist with the relevant information needed for the study. The researcher hoped that the methodology could be replicated by any other researcher.

3.10 Ethical Considerations

The nature of the study does not present any serious ethical issues or challenges. However, the study ensured that both organizational and individual consent is sought as a form of showing respect to the Parliament of Ghana and the individual MPs to ensure that they participated in the study out of their own free will.
CHAPTER FOUR

DATA ANALYSIS

4.1 Introduction
This chapter analyzes the data gathered from 16 respondents made up of four (4) current Members of Parliament (MPs), 4 former MPs, 2 current MMDA executives, 2 former MMDA executives, and 4 members of community selected from the communities of the 4 former MPs. The section also gives some background information about the respondents, issues pertaining to the access of MPs share of the common fund, and the use of the MPs share of the fund.

4.2 General Information
The current MPs who participated in the study were asked about how long they have spent in parliament. The results showed that all the current MPs are in the second year of their second term. This means they are in their 6th year in parliament. Furthermore, respondents were equally represented from the political divide with the exception of the community members.

4.3 Accessing the MPs share of the District Assemblies Common Fund (DACF)

Delays
Under this section, MPs (both current and former) were asked if they have ever received their MPs share of the common fund. The analysis indicated that all MPs have received their MPs share of the common fund before. The MPs however indicated that the MPs share of the fund is always in arrears and is not paid on time. Some of the MPs indicated that sometimes funds meant for a particular year are not paid in the corresponding year but rather enters into the next year. The MPs were unanimous that the MPs share of the fund delays. This agrees with Conyers
(1990) who found that judicious allocation involves timely disbursement of funds to sectors where they are needed.

**Figure 3: Have you ever received your share of the DACF before?**

![Chart Title]

Source: Field data, 2018

Figure 3 above shows that all the MPs are in agreement that they have received their share of the MPs common fund before despite the indication that it always comes late and in arrears.

*Paltry nature of amount*

The MPs were also asked about other challenges they face when accessing the fund apart from the fact that it delays. The MPs indicated that the amount of the money released to them is too small. According to them they are unable to do anything substantial with the money due to its paltry nature. One MP indicated that the total amount disbursed for the year is approximately Ghc 200,000 which according to him cannot even build a 3-unit classroom block.
Unavailability of MCEs during office hours

The respondents also indicated that the MCEs and their officers are always not available in the office most of the time and this makes it difficult to disburse the funds when they have been released from the administrator of the fund to the MMDCEs. The process of disbursement starts when the administrator of the fund releases the funds to the MMDCEs who then processes payments for MPs as and when MPs present projects with budgets supported with price quotations. One MP indicated that it was so frustrating chasing after the MCEs and their officers that she had to employ someone purposely for chasing after the MCEs and their officers for their share of the fund. This is because the officers of the assemblies are always on the move so they are not available whenever the MPs visit the assembly with the intention to access their funds. The MPs indicate that these delays affect how they are able to pay people who render services for them. The MPs said they often resort to borrowing in order to pay people who have rendered services for them which comes at an extra cost. One MP however said that apart from the delays he had not experienced any other challenges as far as accessing the fund is concerned.

Under this section, MCEs were also asked if what the MPs had said was true regarding the difficulties with accessing the fund from the MCEs. The MCEs however denied and indicated that the complaints were not true. The MCEs however indicated that the MPs do not submit the necessary documentations necessary early enough for fast processing of their claims. The MCEs also said the MPs make a lot of mistakes in their documentations which must be corrected before funds could be released. All this contribute to delays.
Process for accessing the fund

Furthermore, the MPs were asked to explain the process involved in accessing the fund from the assembly. The MPs stated that the process involves formally writing to the MCE regarding the type of development project the MP wants to undertake. If it involves civil works, the assembly has engineers who would do their assessments and give their advice before the final go ahead is given and funds released. If the project the MP wants to undertake has to do with buying furniture for schools, the MP must identify the source, get invoices and if the fund is available the money is then released to make payments. So basically, the process of accessing the fund from the assembly involves outlining the various activities the MP wants to undertake and discussing it with the MCE and when it is approved the money is released. The MPs added that other processes involved include audit and internal control before the fund is finally released. The MPs were of the opinion that the above processes are too bureaucratic and contributes to the delays in accessing an inadequate fund.

The MCEs confirmed that the processes the MPs have outlined for accessing the fund was true, but maintained that the monies are public funds hence the necessary procedures must be followed before disbursements are made to respective MPs. The MCEs therefore maintained that the perceived delays were not their making.

Access to funds when MPs parties are in power/opposition

The study also investigated the experiences of the MPs in accessing their share of the fund when their parties are in government as against when they are out of government. Some MPs were of the opinion that it does not matter the party in power but rather the person in charge of the assembly. The MPs cited examples of themselves as NDC MPs and how the MCEs who were NDC members frustrated them whenever it comes to accessing their share of the fund.
According to them the MCEs were either interested in contesting them in the primaries or has a preferred candidate. This according to the MPs did not permit the MCEs to have cordial relations with them. According to them, NPP MCEs in their constituencies have been more cordial with them with regards to access to their share of the MPs common fund. Other MPs who also said there are no differences in experience regarding which party is in power as far as access to the fund is concerned. According to them, the party in power has no influence on access to the fund.

Other MPs however have a different experience. According to them the bureaucracy is more intense when you are in opposition as far as access to the fund is concerned. They were of the opinion that the process is now a little bit sluggish for them when their parties are in opposition. They believe that the scrutiny is more when you are in opposition. These MPs said they would prefer to access the fund when their parties are in government rather than opposition.

The MCEs however denied making the process cumbersome for members of the opposition. They claimed the process is the same for everyone whether your party is in power or out of power.
Figure 4: Ease of access when in opposition/power

Source: Field data, 2018

As illustrated in Figure 4, majority of the MPs (current and past, 7 out of 8) were of the opinion that it is much easier to access the fund when their party is in opposition than when in power because of the desire of MCEs in their own party to contest them or have candidates they would like to contest. This makes the MCEs frustrate the MPs so that they can have a chance in the future.

4.4 Use of MPs Share of the District Assemblies Common Fund

*Origin of the Fund and its Purpose*

Under this section, the MPs were asked about the use of the MPs share of the common fund. The MPs said that technically, they are not in charge of development. But because the MCE/DCEs are not elected, and the MPs are elected, the constituency sees MPs as the agent of development. The purpose of the MPs share of the common fund therefore is to assist MPs to also initiate certain programs to mitigate the erroneous impressions that MPs are agents of
development. According to the MPs, the problem can only be resolved when DCEs/MCEs are elected to shift the focus from MPs to MCEs/DCEs. The MPs get involved in development issues because it is their face that is on the ballot paper. The purpose of the fund is therefore to solve some minor problems in the constituency such as the payment of medical bills of vulnerable people, payment of school fees for needy pupils, supply of potable water etc. According to the MPs, the money is not meant for big projects such as school buildings and hospitals. The use of the fund as described by the MPs collaborates with the use described by the MCEs.

Availability of guidelines for use of fund

The respondents were also asked whether there are guidelines that detail how the MPs share of the common fund is to be used by the MPs. The MPs indicated that since the funds are public funds, they are regulated by the public financial regulations act, and also guided by the procurement laws of Ghana. They posited that when it comes to the projects an MP can do there are no restrictions as far as it would benefit their communities. The MCEs stated that there are guidelines regarding how the fund is to be used.

Specific projects undertaken by MPs with fund

In addition, the MPs were asked to point to specific projects they have undertaken with the funds allocated to them. The MPs mentioned projects such as the supply of agro-chemicals, fertilizers, and farm implements at subsidized prices to farmers in the constituency. Other projects include the construction of some culverts and some bridges on feeder roads and support for apprentices who are learning trades by paying fees for them and buying machinery for them as well. Other uses the fund is put to include paying of medical bills, procurement of motorbikes for security services in the area, re-grassing football fields among others. However, the top 4 projects that are mostly undertaken by the MPs are shown in Figure 5 below.
The analysis showed that a chunk of the MPs fund goes into scholarships (50%), followed by construction of classroom blocks (25%), construction of feeder roads (13%), and provision of classroom furniture (12%). The above illustration was based on the responses of all the 16 respondents who participated in the study.

Specific projects undertaken by the MP of Ayawaso West in the Greater Accra Region include scholarships for 100 students moving from SHS to tertiary level education. This was confirmed by the MCE for the area. Other projects undertaken by the MP include donation of cement bags for the building of toilet facilities in the area.

Similarly, the MPs for Asene/Akroso/Manso, Abetifi, and Mpraeso in the Eastern Region of Ghana have also given scholarships to needy students. In addition to scholarships, the above MPs have between them supplied over 1000 wooden desks for primary schools in their catchment areas. All these were confirmed by the locals and DCEs.
Furthermore, the MPs from Ketu North and North Dayi constituencies in the Volta Region were also interviewed to find out projects they have undertaken with the MPs share of the common fund. The projects confirmed include mechanized bore-holes, toilet facilities, and communal labor equipment’s such as wheel barrows, cutlasses, rakes, shovels and wellington boots.

According to the MPs, the motivation for these projects came from the community people themselves. The MPs assess the most pressing needs of the people and apply the funds to those needs. The MCEs who were included in the study confirmed that indeed the above were some of the projects the MPs usually undertake with the funds given to them.

*Monitoring of use of fund*

The study also sought to establish whether there are mechanisms in place to ensure that the MPs share of the common fund is used for the intended purpose. All the MPs suggest that there are mechanisms for ensuring that the funds are used for the intended purpose. Some of the mechanisms include the need to produce documentary evidence before funds are released and going through tender and audit processes. The former MCEs also confirmed that there are mechanisms of verifying projects to ensure that the funds have been used for the purpose for which they were released, and inspection of invoices and receipts to confirm payments to service providers.

*Audit of projects*

Furthermore, the individual MPs were also asked whether the projects they undertook are audited to ensure that they funds were used for the intended purpose. All the MPs and the former MCEs agreed that the MPs are audited for every project they undertake with the funds given to them.
In sharing their last thoughts, the MPs pointed out that the money is too small and as a result, it is not making the impact that it should make. They suggested that the money should be increased so that they can do more with it. It was also suggested that governments should focus on how fast the money can be released without it being in arrears. One MP however is of the opinion that the MPs share of the fund should be scraped so that MCEs/DCEs would be elected so that each can focus on their proper roles.

4.5 Views from community members Regarding MPs use of the DACF

The MPs submitted that they used their share of the common fund for projects such as the supply of agro-chemicals, fertilizers, and farm implements at subsidized prices to farmers in the constituency. Others indicated that they use their share of the fund for projects such as construction of culverts and bridges on feeder roads and support for apprentices who are learning trades by paying fees for them and buying machinery for them as well. Others also said they used the fund for paying of medical bills for constituency members, procurement of motorbikes for security services in the area, and re-grassing football fields among others.

Focus group discussions with community members indicated that members feel the MPs could do a lot more with the monies being given to them. The community members felt the MPs are using only a small part of their share of the fund to do the projects they are undertaking. They seem dissatisfied with the quantity of projects the MPs have undertaken so far with the quantum of cash available to them. The feeling on the ground is that the MPs have done something with the fund but judging from the quantum of the fund available to them for the full term (4 years) of their stay in office, the community members believed that the MPs could have done better.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The purpose of the study was to examine the issues of access and use of the MPs share of the District Assemblies Common Fund (DACF) in some selected constituencies in Ghana. The choice of study was necessitated by the fact that the use of the MP's common fund for development remains one of the largest problems on Ghana's political landscape (Ahwoi, 2010). According to Ahwoi (2010), the existence of the fund for MPs may even be unconstitutional. The lack of transparency on how the fund is being used by MPs and the absence of a constitutional backing for the allocation to MPs has brought the usefulness of the fund into disrepute. There is also the perception among many of the Ghanaian population that many of the MPs rather spend the money on unnecessary things instead of investing it into developmental projects.

The overall objective of the study was to explain how MPs in Ghana access and use their share of the District Assembly common fund such that it impacts on the development of the communities in their constituencies. The specific objectives of the study were to identify the amount the selected MP's receive from the District Assembly Common Fund, identify challenges MP’s encounter when accessing the fund, examine the use of the MP’s share of the District Assembly Common Fund, and assess the developmental performance of MP’s share of the DACF in the selected constituencies.
The study adopted the qualitative design where interviews and focus group discussions were conducted to collect data from four (4) current MPs, four (4) former MPs, two (2) current MMDCEs, two (2) former MMDCEs, and four (4) community members. The data gathered formed the basis of the analysis that was conducted to help answer the research questions objectives of the study.

5.2 Summary of findings in line with objectives of study

The following are the findings of the study which are discussed under the objectives the study set out to achieve.

Amount the MPs receive from the DACF

The study found that the MPs receive quarterly disbursements averaging Ghc 50,000 per quarter. This sum up to the tune of Ghc 800,000 for their four years in office for each MP. According to the MPs however, the amount is woefully inadequate to undertake any serious development project within their constituencies. The members of the community however think that the MPs could have done a lot more projects in their communities with the amount.

Challenges MPs encounter when accessing fund

The MPs indicated that the MPs share of the fund is always in arrears and is not paid on time. Some of the MPs indicated that sometimes funds meant for a particular year are not paid in the corresponding year but rather enters into the next year. The current MPs were unanimous that the MPs share of the fund delays. The MPs also indicated that the amount of the money released to them is too small. According to them they are unable to do anything substantial with the money due to its paltry nature.
The respondents also indicated that the MCEs and their officers are always not available in the office most of the time and this makes it difficult to disburse the funds when they have been released. This is because the officers of the assemblies are always on the move so they are not available whenever the MPs visit the assembly with the intention to access their funds. The MCEs however have denied these allegations and pointed out that the MPs do not process their documents correctly which accounts for the delays.

Majority of the MPs added that the processes the MPs must pass through before accessing their share of the fund is too bureaucratic and further delays access to the inadequate fund.

Some MPs also expressed the notion that the bureaucracy in accessing the fund is more intense when your party is not in government and as such would prefer to access the fund when their parties are in government rather than opposition.

Use of the MPs share of the DACF

The study found that the MPs usually use the fund for the following in their constituencies:

- Payment of medical bills of vulnerable people,
- Payment of school fees for needy pupils,
- Supply of potable water through digging bore holes,
- Supply of agro-chemicals, fertilizers, and farm implements at subsidized prices,
- Construction of road culverts and repair of feeder road bridges,
- Support for apprentices who are learning trades by paying fees,
- Buying machinery for apprentices,
- Procurement of motorbikes for security services in the area,
• Re-grassing football fields and recreational centers,
• Provision of subsidized local food processing machines (corn-mill, fufu pounding machine, cassava dough processing machine etc.),
• Renovation of classroom blocks,
• Supply of furniture for local schools,
• Construction of market sheds,
• Provision of community-based health planning and services (CHIPS) compounds,
• Award of scholarships,
• Building of public toilets,
• Supply of public address systems in the communities

Developmental Performance of MPs share of DACF

The study found that the original job of MPs was not to get involved in undertaking developmental projects in their constituencies. Development was supposed to be the sole right of the MCEs/DCEs. This explains why the chunk of the money is given to the assemblies to undertake developmental projects. The MPs explained that they got involved in developmental projects because they are elected officials whose political fortunes depend on the developments that take place within their constituencies. It was for this reason that 5% of the common fund was ceded to the MPs so that they can also undertake some minor developmental projects since their political fortunes depends on the developments they undertake. The MPs also complained that the amount given them is woefully inadequate to undertake major developmental projects. From this background it can be seen that the original intention of the DACF was for MCEs to manage it for developmental projects in their communities, and MPs only came onto the scene
for political expediency and not for developmental purposes. The developmental performance of the fund therefore is insignificant even as the MPs themselves have indicated the money is too small for any meaningful developmental project.

5.3 Conclusion

Based on the findings of the study, the following conclusions have been drawn in line with the objectives of the study:

- The study concluded that the MPs receive quarterly disbursements averaging Ghc 50,000 per quarter which sums up to the tune of Ghc 200,000 annually for each MP, and Ghc 800,000 for four years for each MP.

- The study also concludes that the MPs face some challenges in accessing their share of the common fund which comes in the form of delays in the disbursement of funds, non-availability of the MCEs and their officers for processing of release of funds, and too much bureaucracy when the MPs party is no longer in government.

- The study also concludes that the MPs use the fund for some minor projects in the constituencies such as payment of medical bills of vulnerable people, payment of school fees for needy pupils, supply of potable water through digging bore holes, supply of agro-chemicals, fertilizers, and farm implements at subsidized prices, construction of road culverts and repair of feeder road bridges, support for apprentices who are learning trades by paying fees, buying machinery for apprentices, etc. The community members however said the MPs could have done much more with the funds made available to them.
• Finally, the study concludes that the developmental performance of the MPs share of the common fund is insignificant because the money is inadequate and divides the little resources that would have been given to the assemblies for developmental projects. Moreover, some even believe that the MPs do not use all the funds for the intended purpose.

5.4 Recommendations

The study made the following recommendations based on the findings of the study.

• The study recommends to government to either increase the amount allocated to MPs so that they can undertake significant developmental projects or scrape it and make the position of MCEs/DCEs electable so that MCEs/DCEs would have a political interest in using the monies allocated for developing their constituencies judiciously.

• The study also recommends that challenges to accessing fund - such as delays in the disbursement of funds, non-availability of the MCEs and their officers for processing of release of funds, and too much bureaucracy when the MPs party is no longer in government – should be addressed to make the process smooth and less cumbersome. This can be addressed by releasing the funds directly to the MPs and making them solely accountable without passing through the MMDCEs

• The study also recommends that the MPs should focus on using their share of the fund on some key developmental projects such as hospitals and schools and encourage other MPs who take over from them to continue with old projects.
• The study recommends that the developmental performance of the MPs share of the common fund should be made significant by the MPs looking for other means to come into partnerships with local partners to bring big development projects into their areas without over relying on the fund as the sole source of funding.

• Finally, the study recommends that there should be a policy which requires MPs to bring their intended projects to parliament for vetting and open tender processes to properly vet and monitor MPs use of their share of the common fund.
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INTERVIEW GUIDE

ACCESS AND USE OF THE MPS SHARE OF THE DACF IN SELECTED CONSTITUENCIES IN GHANA

This interview guide is designed purposely to assist in conducting research into Access and Use of the MPs share of the DACF for development activities in four (4) constituencies in the Greater Accra Region of Ghana.

SECTION A: GENERAL INFORMATION

1. Gender

   For existing MPs:
   - How long have you been in parliament?
   - Which constituency do you represent in parliament and on which party’s ticket?

SECTION B: ACCESSING DACF

2. Have you ever received the MPs share of the DACF for each year that you have been in parliament? If no why? (if yes in some years and no in others, explain the reasons for each of the cases).

3. Have there been challenges in terms of access to the MPs share of the DACF? If yes, what are the challenges?

4. Can you kindly explain to me the processes involved in accessing the fund from the Assembly? (Probe for general challenges involved as well).

5. Would you say it is more difficult to access the fund when your party is in opposition? If yes, why? (Probe for the access experiences under when their parties were in government and out-of-government and what reasons could explain the differences in experiences).
6. Which is preferable: Accessing your share of the DACF from a DCE who belongs to your party and the one who belongs to another party? Explain.

SECTION C: USE OF DACF

7. In your understanding, what is the purpose/use of the MPs share of the DACF?

8. Are there guidelines that regulate how the MPs share of the DACF is to be spent? If yes, what are they? If no, why?

9. Can you me how you use the DACF allocated to you? Can you point to specific projects? (Probe for motivation, selection of activity, impact etc.)

For former MPs:

- How long were you in parliament? Kindly indicate the period.
- Which constituency did you represent in parliament and on which party’s ticket?
- If a former MP, which constituency did you represent in parliament and which party’s ticket?

10. How long have you been in parliament?

11. For the periods that you have been in parliament which of the parties have been in government

12. SECTION B: USE OF DACF

13. Based on your answer to question (4) are there mechanisms to ensure that the DACF is used for the intended purpose?

14. Are the individual MPs audited with regards to how they have used the DACF?

15. What are your last thoughts on the DACF?