

DECENTRALIZATION, THE DISTRICT ASSEMBLIES
COMMON FUND AND POVERTY ALLEVIATION:
THE EXPERIENCE OF THE KPANDO DISTRICT

BY

WOYRAM BOACHIE-DANQUAH




A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER
OF PUBLIC ADMINISTRATION (MPA) TO THE SCHOOL OF
ADMINISTRATION, UNIVERSITY OF GHANA, LEGON

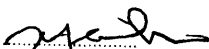
AUGUST 2000

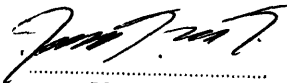
DECLARATION AND APPROVAL

I, Boachie-Danquah Woyram, author of this thesis, do hereby declare that except for references to other people's work which have been duly acknowledged, the work presented here was done by me as a student of the School of Administration, University of Ghana during the 1997/2000 academic year. This work has never been submitted in whole or in part for any degree of this University or elsewhere.


.....
BOACHIE-DANQUAH WOYRAM

This work has been submitted for examination with my approval.


.....
DR. S.K. ASIBUO


.....
DR. A.I. ABDULAI

Date:

Date: 19th Sept, 01

DEDICATION

Dedicated to all Honest and Peace-loving people.

ACKNOWLEDGEMENTS

I am ever grateful to God. My sincerest gratitude goes to Dr. S.K. Asibuo of the School of Administration, University of Ghana, whose corrections, suggestions and advice have actually made this study complete.

To Mr. Vincent Okine, who helped me a great deal with my statistical analysis, I say a big thank you. My good friend, Esther Aggor was very helpful during the field survey. I owe her a debt of gratitude. Matilda Tetteh has been extremely helpful in typing out the scripts. She did a wonderful job and I really appreciate it.

Emma Afriye Banning will always be remembered for her tremendous assistance. The District Chief Executive and the entire administrative staff of the Kpando District Assembly and the Manager of the Co-operative Bank, Kpando are hereby duly acknowledged. I appreciate their cooperation. Finally, I thank Mr. Boachie-Danquah very much for his support and assistance.

I may not be able to mention all those wonderful people out there who supported and encouraged me in one way or the other, but deep in my heart I remember them all and I am very grateful. May Good richly bless them.



LIST OF ABBREVIATIONS

ACDR	-	Association of Committees for the Defence of the Revolution
DACF	-	District Assemblies Common Fund
EPS	-	Extended Poverty Study
NDPC	-	National Development Planning Commission
NGO	-	Non-Governmental Organisation
PAMSCAD	-	Programme of Action to Mitigate the Social Cost of Adjustment
PPA	-	Participatory Poverty Assessment
SAP	-	Structural Adjustment Programme
SAPRI	-	Structural Adjustment Participatory Review Initiative
CAC	-	Credit Approval Committee
PAF	-	Poverty Alleviation Fund



TABLE OF CONTENTS

		Page
Declaration and Approval	... ..	i
Dedication	... ..	ii
Acknowledgements	... ..	iii
List of Abbreviation	... ..	iv
Table of Contents	... ..	v
Abstract	... ..	ix
CHAPTER ONE : INTRODUCTION AND GENERAL OVERVIEW OF POVERTY SITUATION IN GHANA		
1.1.	Introduction	1
1.2.	Centralization and Poverty	1
1.3.	Poverty as Management Problem	3
1.4.	Nature of Poverty	4
1.5.	Approaches to address Poverty in Ghana	6
1.6.	Statement of the Problem	10
1.7.	Objectives of Study	10
1.8.	Significance of the Study	11
1.9.	Theoretical Framework	11
1.9.1.	Poverty - Effect of Underdevelopment	11
1.9.2.	Poverty – Cause of Underdevelopment...	12
1.9.3.	Poverty and Decentralization	14
1.9.5.	Limitation of Study	15
1.10.	Definition of Concepts	15
1.11.	Methodology	16
1.11.1	Population	16
1.11.2	Sample	17
1.12	Data Collection	19
1.12.1.	Primary Sources	19
1.12.2.	Procedure	19
1.12.3	Secondary Source	20
CHAPTER TWO : LITERATURE REVIEW		
2.1.	Introduction	24
2.2.	Definition of Poverty	24
2.3.	Background Information	25
2.4.	Some Measures Adopted by Past Governments to Improve the Socio-Economic Status of the Citizenry....	27
2.5.	Poverty Profile in Ghana	31
2.6.	Upsurge of Poverty – the Economic Recovery and Structural Adjustment Programmes	33
2.7.	Some Studies on Poverty in Ghana	36

2.8.	General Views, Perceptions and Concerns on Causes Prevention and Measurement of Poverty	40
------	--	------	------	----

**CHAPTER THREE : PROFILE OF THE KPANDŌ DISTRICT
AND AN APPRAISAL OF ITS
ACTIVITIES**

3.1.	Location	....	....	47
3.2.	Population	....	....	47
3.3.	Climate	....	....	47
3.4.	Vegetation	....	....	48
3.5.	Political Structures	....	....	48
3.6.	Natural Resources	....	....	49
3.6.1.	Water Resources	....	....	49
3.6.2.	Other Resources	....	....	49
3.7.	Tourism	....	....	50
3.8.	Social-Economic Infrastructure	....	....	50
3.8.1.	Education	....	....	50
3.8.2.	Health	....	....	51
3.8.3.	Bank	....	....	51
3.8.4.	Police Post	....	....	52
3.8.5.	Hotels/Rest Houses/Motel	....	....	52
3.9.	Problems Militating Against Development	....	....	52
3.10.	Decentralised Departments	....	....	52

**CHAPTER FOUR : DECENTRALISATION AND THE
DISTRICT ASSEMBLIES COMMON
FUND (DACF)**

4.1.	Introduction	....	....	55
4.2.	Significance of Decentralisation as Policy Measure	....	....	55
4.3.	Decentralization	....	....	57
4.4.	The District Assemblies Common Fund (DACF)	....	....	62
4.4.1.	Factors for Developing the Fund	....	....	64
4.4.2.	District Assemblies Common Fund Accounts	....	....	67
4.4.3.	Guidelines for the Utilisation of the Fund by the District	....	....	67
4.4.4.	The 20 Percent of the DACF for Income Generation and Poverty Reduction Programmes	....	....	68
4.4.5.	The District Assemblies Common Fund (DACF - Problems	....	....	69

**CHAPTER FIVE : ADMINISTRATION AND FINANCING OF
LOCAL GOVERNMENT IN GHANA FROM THE
COLONIAL PERIOD TO 1992**

5.1.	Introduction	....	....	75
5.2.	The Concept of Local Government	....	....	75

5.3.	Local Government During the Colonial Period	....	....	76
5.4.	Local Government in Ghana (1951-1966)	....	....	76
5.5.	Local Government Under the National Liberation Council (NLC) 1966-1969	....	....	82
5.6.	Local Government Under the Progress Party (PP) Government 1969-1972	....	....	84
5.7.	Local Government under the National Redemption Council (NRC) 1972-1979	....	....	87
5.8.	Local Government Under the People's National Party (PNP) 1979-1981	....	....	89
5.9.	Financing Local Government Before the Period of the Provisional National Defence Council (PNDC) and the National Democratic Congress NDC Government, Local Government Reform	....	....	90
5.10.	Local Government under the Provisional National Defence Council (PNDC) and the National Democratic Congress NDC Government (1988-1992)	....	....	94
5.11.	Financing the New Local Government System	....	....	96

CHAPTER SIX : POVERTY ALLEVIATION EFFORTS WITHIN THE KPANDO DISTRICT – THE ISSUES INVOLVED

6.1.	Introduction	....	....	101
6.2.	Analysis of Data	....	....	102
6.2.1.	Age District	....	....	103
6.2.2.	Education Distribution	....	....	105
6.2.3.	Sex Distribution	....	....	105
6.2.4.	Marital Status	....	....	105
6.2.5.	Occupational Distribution	....	....	106
6.3.	Group Activities	....	....	108
6.3.1.	Akpini Porters Association	....	....	109
6.3.2.	ACDR, Peki Dzake	....	....	110
6.3.3.	31 st Lolowu Beads and Crocheting Association	....	....	111
6.3.4.	National Inland Canoe Fishermen Association, Torkor	....	....	111
6.3.5.	Kpando Market Fishmongers	....	....	111
6.4.	Beneficiary Responses	....	....	112
6.4.1.	Implementation	....	....	112
6.4.2.	Credit Recovery	....	....	114
6.4.3.	Operational Problems	....	....	116
6.4.4.	Monitoring	....	....	116
6.4.5.	Participation	....	....	117
6.5.	The District Chief Executive	....	....	118
6.5.1.	Knowledge and Information Level	....	....	118
6.5.2.	Size, Timing and Control of the DACF	....	....	119
6.5.3.	The Poverty Alleviation Fund	....	....	120
6.5.4.	Guidelines/Modalities	....	....	120
6.5.5.	Feedback	....	....	121
6.6.	Problems	....	....	121
6.6.1.	Decentralised Departments	....	....	121
6.6.2.	Party Functionaries and Activist	....	....	122
6.6.3.	Applicants	....	....	122
6.7.	Assembly Members	....	....	123
6.7.1.	Knowledge and Information Level	....	....	123
6.7.2.	Development Projects	....	....	123

6.7.3. Beneficiaries	....	....	123
6.8. Management Bank	....	....	124
6.8.1. Role	....	....	124
6.8.2. Problems	....	....	125
6.8.3. Credit Recovery	....	....	126
6.9. Summary of Findings	....	....	126
6.9.1. Criteria	....	....	126
6.9.2. Group Business	....	....	127
6.9.3. Amount	....	....	127
6.9.4. Politics	....	....	127
6.9.5. Time	....	....	127
6.9.6. Bribery and Corruption	....	....	127
6.9.7. Logistics	....	....	128
6.9.8. Applicants	....	....	128
6.9.9. Technology	....	....	128
6.9.10. Credit Recovery	....	....	128
6.9.11. Employment	....	....	128
6.9.12. Age	....	....	129
6.9.13. Outside Interference	....	....	129
6.9.14. Supervision	....	....	129

CHAPTER SEVEN : SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1. Introduction	....	....	132
7.2. Summary	....	....	132
7.3. Conclusion	....	....	136
7.4. Recommendations	....	....	136
7.4.1. Education	....	....	138
7.4.2. Management	....	....	139
7.4.3. Credit Size	....	....	140
7.4.4. Technology, Information and Skill	....	....	140
7.4.5. Funding	....	....	140
7.4.6. Credit Recovery	....	....	141
7.4.7. Timing	....	....	141
7.4.8. Partisanship	....	....	142
7.4.9. Local Government Service	....	....	142
7.4.10. Non-Governmental Organisation	....	....	142
Appendix	....	....	145
Questionnaire	....	....	147

ABSTRACT

The downward socio-economic trend of the 1970s, which was largely due to the poor management and administration of the resources of this country, compelled the Provisional National Defence Council (PNDC) government to embark on Economic Reform and Structural Adjustment Programmes. Besides in 1988, government embarked on a democratisation process. Decentralisation became a major policy through which the democratisation process could be enhanced.

Decentralisation is not a new phenomenon in Ghanaian politics. However, with local government reforms in 1988, decentralisation as a process assumed a new dimension. It was embarked upon by the Provisional National Defence Council (PNDC) regime, to make the people part of the decision-making process at the local level. It was also meant to ensure total socio-economic transformation of the country and to eradicate poverty. Consequently, structures and institutions, backed by legal instruments were put in place to enhance the process. Some of these are the District Assemblies and their sub-structures, the National Development Planning Commission (NDPC) and the District Assemblies Common Fund (DACF). The roles of other institutions have also been redefined. For instance, the civil service has been restructured and its role redefined to enhance the decentralisation process. The process sought to transfer means, skills, power and competence to the District Assemblies to enhance their efficiency and effectiveness.

A major innovation with the decentralisation process is the institutionalisation of the District Assemblies Common Fund. This Fund is a generous amount that is disbursed through the office of the District Assemblies Common Fund Administrator to the District Assemblies. The Fund constitutes five percent of the total national revenue. It is meant for development. The Assemblies are further directed to use twenty percent of this Fund for poverty alleviation.



This study assessed the impact of the decentralisation process, the Common Fund and poverty alleviation efforts on the Kpando district. The assessment was based on information gathered through questionnaires and interviews that were administered. The sample were 24 beneficiaries of the poverty alleviation fund. In addition were 11 members of the District Assembly sub-committee on Finance and Administration, the District Chief Executive, and the Bank Manager of the Managing Bank. The questionnaire for the beneficiaries consisted of two parts. Part I consisted of ancillary information on biodata, such as age, sex, marital status etc. Part II was designed to measure the impact of the Poverty Alleviation Fund (PAF). There were twenty-four (24) questions, of which three were open-ended. The response format was structured as "Agree", "Somehow", and "Disagree".

The major findings are that the decentralisation programme is on course. Infrastructural development is going on. However, there is still more to be done. There is the problem of the reluctance of the decentralised departments in the district to accept the authority of the District Assembly fully. The poverty alleviation fund is yet to make an impact due to problems of inadequacy of the fund, ill-timing and delay in release of the fund, low-rate of repayment, lack of supervision, diversification of the fund, low-level technology, and political interference among others. Some of the recommendations are that the Local Government Service should be established without delay; the poverty alleviation fund should be de-politicised and partisan politics should be introduced into the conduct of affairs of the District Assemblies.

CHAPTER ONE

INTRODUCTION AND GENERAL OVERVIEW OF POVERTY SITUATION IN GHANA

1.1. INTRODUCTION

Underdevelopment, vis-à-vis poverty has taken its toll on the people of Ghana, especially on the rural community for a very long time. The 1997 Human Development Report on Ghana, reported that over 30 percent of the population are poor with 15 percent extremely poor.¹ This study is on decentralisation and poverty alleviation. The idea in this linkage presupposes that centralisation contributed to poverty situation in Ghana. In discussing poverty alleviation, it might be important to bring to the fore, overview of poverty situation in Ghana. In this discussion the focus is on centralisation and poverty as a management problem, nature of poverty in Ghana and finally, approaches to address poverty in Ghana. Further in this chapter is statement of the problem, objectives and significance of study, the theoretical framework, limitations of study, definition of concepts, and methodology of study,

1.2. CENTRALISATION AND POVERTY

According to Ahwoi, extreme centralisation of functions and powers internalised in the people an attitude of central government patronage, with many of our people seeing themselves as passive recipients of largesse from central government.² This implies that, the people failed to take their destinies completely into their own hands, and therefore expected "manna" to fall from central government. Centralisation is undemocratic in nature. Under a centralised administrative system the majority of the people were relegated to the background in decision making. For instance, before the civil service reforms in Ghana, advice on national affairs and access to political leadership were only

reserved to a few, such as the then principal secretaries of the ministries. The principal secretary was the official head and also chief official adviser to the political head.³ The majority had no say in whatever action government took, which in the words of Ahwoi, "even abuses of their freedoms appeared in the past to have been accepted as part of the processes of governance."⁴ An instance of such abuse is given in a scenario below. According to Afrifa, the objectives of constructing the Volta, Bui and Weija Dams in Ghana were achieved but:

"In doing so, however, the dams destroyed the people's lifestyle and occupation, hence the very basis of their existence. Downstream, whole villages lost their livelihood due to the destruction of the marine ecology. Farmers upstream abandoned their farms as the minerals left on the land by irrigation water ruined the land. In addition, since the dams were built, there has been a disturbing increase in Bilharzia."⁵

It was possible that no proper environmental impact assessment was made. It may be of interest to know that years later, a memorandum of understanding for the development of the Bui hydroelectric project has been signed. This time round, a detailed review of the environmental impact assessment would be made and measures would be developed to mitigate any adverse effects that would be identified. To do this, extensive public consultation will be held with District Assemblies, Non-governmental Organisations, affected communities, Department of Game and Wildlife and other stakeholders.⁶ This intended move is a credit for decentralisation, where consultation is the bedrock of decision-making.

1.3. POVERTY AS MANAGEMENT PROBLEM

Ghana is rich in cultural and natural resources, yet it is financially very poor and physically underdeveloped.⁷ What is more puzzling about this contradiction is that, it also has human resources with ideas, to turn the resources of this nation around, for the benefit of the larger society. According to Buame, it is no exaggeration to say that Ghana, like many other developing countries, is endowed with a great deal of natural and human resources. Yet the country's socio-economic development seemed to be arrested. He noted that there is a striking contrast between its "low" socio-economic development and the "high" potentiality of its natural and human resource base. He further opined that the basic economic, social and cultural rights of the majority of Ghanaians such as the rights to adequate standards of living: decent housing, a balanced diet, clean water, environment, secured employment, education, reliable and adequate transportation are yet to be fulfilled.⁷ Similarly, Tanoh, in his address to the delegates of the "Reform Movement" said, "This country has never been short on leadership ability. On the contrary, Ghana is well endowed in this area. Our main problem is that this capacity is not applied to national affairs. Our political culture is negative."⁹

In addition to poor management, other reasons could be advanced to explain the state of underdevelopment and poverty situation in Ghana. Some of these reasons are: political instability, low agricultural output, over dependence on foreign goods with its attendant foreign exchange problems, and the dismal performance of most state-owned enterprises (SOEs) which denied the country of necessary and needed revenue for development, and which also became a drain on the national economy. Most of the SOEs came under divestiture for non-performance, Negative socio-cultural and religious practices, and corruption which are so endemic in public life are also possible causes for poverty in Ghana.

Agbenyega postulates that government is the main catalyst that triggers development. Its failure or its inability to do so incapacitates the development process. He believes that government must also serve as a facilitator in the process of effecting a change and to directly plan towards the alleviation of poverty.¹⁰ There is no doubt that past governments in Ghana showed concern for the welfare and the general well being of their people. Nevertheless, they failed to adopt a system that would encourage widespread participation in government; a system that would bring dynamism into the management and administration of the resources of this country; and above all a system that would challenge and empower the people to take their destinies into their own hands. "For in pursuance of the relentless war that needs to be waged against poverty, a consensus decision-making mechanism needs to be built into the democratic system",¹¹

There was evidence of lack of this practice in the conduct of affairs of local government administration throughout the regimes we have had since independence – Nkrumah, the National Liberation Council, Busia, Acheampong/Akuffo, Rawlings (1979) and Limann.

1.4. NATURE OF POVERTY

Talking about poverty in Ghana brings into sharp focus, the level of deprivation of basic necessities of life. These basic necessities include food, clothing and shelter. According to Agbenyega, in the underdeveloped countries, poverty may be complete denial of a square meal all day.¹² Ghana, being an underdeveloped country, this plight cannot be ruled out. The problem is further compounded by the lack of infrastructure. The President of the Republic lamented that our people are grappling with the provision of basic needs such as safe drinking water – be it from hand-dug wells, boreholes or piped supplies, educational facilities especially at the basic level, health care facilities; good sanitation;

adequate housing; road and transport facilities and access to means of production to enhance their productivity.¹³

In Ghana, poverty is overwhelmingly a rural phenomenon. The World Bank Annual Report indicates that about 280 million people live in absolute poverty in the rural areas of Africa.¹⁴ However, in Ghana, poverty is not confined only to rural areas. Equally poor living conditions and situations are found in the cities and other big towns. In Accra for instance, one could identify poor living conditions with suburbs like Chorkor, Nima, Sukula, Abeka, James Town and New Town among numerous others. Overcrowding, filth and pollution have characterised their daily lives. The squalid surroundings and the ever increasing numbers of children living in the streets in these places present all the symptoms of poverty.

The Ghana Statistical Services conducted a Ghana Living Standards Survey (GLSS 1991/92). The Survey sampled views on socio-economic life of some rural communities. It categorised the areas into savannah, coastal and forest zones. Results of the survey generally, indicated that conditions of life in these areas were worse than conditions ten years earlier. The reasons given were high cost of living, job retrenchment, lack of adequate rainfall and increase in population leading to pressure on food and social amenities like shelter. Others were lack of adequate social and economic infrastructure and lack of jobs, lack of potable drinking water and an upsurge of attacks from certain diseases.¹⁵

Touching on the poor state of education in the country, Agbenyega writes:

“The child from a poor home in Ghana who typically lives mainly in the rural areas or in the inner city ghettos cannot compete with peers from private schools. The public schools are in shambles. They lack almost all the logistics that make for good education. They also lack teachers and the few that work in the system lack

motivation. English and Mathematics, the subjects on which future learning rests, are poorly assimilated. Recent criterion referenced test in these two subjects indicated very poor results in Ghana public schools as compared with good results from private schools. This degeneration is not of recent occurrence. It has been the bane of poverty".¹⁶

The absence of socio-economic infrastructure translate into problems of ignorance, illiteracy, disease, hunger, malnutrition, misinformation, low level technology, unemployment, underemployment, low income levels, crime, high infant mortality rate, low life expectancy and apathy among others. These conditions make life in the rural areas of Ghana, not only poor but also unbearable. For instance, Dr. Ankuvie expressed concern about the harsh conditions of underdevelopment under which the people of Afram Plains live. He reported that harsh conditions take toll on the people. He mentioned particularly that hernia, malaria and cholera are having a heavy toll on the hardworking people of the Afram Plains.¹⁷ Indeed, the ordinary rural dweller is overwhelmed with socio-economic problems and a feeling of helplessness and anomie considering the magnitude of the situation.

1.5. APPROACHES TO ADDRESS POVERTY IN GHANA

Rural problems in Ghana are so immense that on their own, the affected people cannot cope. Since colonial times, governments have brought up ideas, given directives, initiated policies and development programmes aimed at enhancing the quality of socio-economic status of the citizens especially that of the rural dwellers.¹⁸ Coupled with government efforts were also the activities of other bodies such as voluntary organisations, associations, clubs, religious groups, ordinary individuals, Non Governmental Organisations, donor agencies, the Departments of Community Development and Social Welfare and

indeed the communities themselves. Unfortunately, not much was achieved in this direction. The quality of life in the rural areas falls far below expectation. The successes of such policies and programmes have however varied because of their design and implementation arrangements which in most cases did not involve the beneficiaries of these policies and programmes.

On outside assistance Agbenyega stipulated that many foreign programmes grafted onto institutions in underdeveloped countries have failed simply because the proposed changes were not established in some organic relationship with what the societies are already doing. He went further to say that neither the democratic institutions, as they are at present constituted nor the military juntas have been able to effect any significant change in development towards the alleviation of poverty or its eradication.¹⁹ In effect, the country remained underdeveloped and the people remained poor, and vice-versa.

It may be argued that previous efforts failed to eradicate poverty not because the procedures, processes and methods were necessarily wrong, but probably because they lacked sustainability. Ahwoi is on record to have said that the country's economic problem currently can be summed up as one of recent growth that has not been sustained for long and as such is yet to be translated into increasing opportunities for income earning among large sections of the rural population.²⁰ Consequently, the problem to be addressed is how to ensure balance in the development of the rural areas on a sustainable basis. President Rawlings also pointed out that there is yet a lot more to be done to address the imbalances in development between the urban and rural areas.²¹

In the 1970's Ghana suffered a steady economic decline. According to Jones Ofori-Atta during this period a decline in per capita income distribution increased the incidence of absolute poverty accompanied by a worsening income distribution. To reverse these

negative trends, the government of the Provisional National Defence Council (PNDC) launched a series of reform initiatives namely:

1. The Economic Reform Programme (ERP) 1983-86
2. The Structural Adjustment Programme (SAP) 1986-90
3. Accelerated Growth and Poverty Reduction 1993.²²

Meanwhile in 1988, the PNDC government embarked on decentralisation as a policy measure. It was, among other things aimed at addressing the issue of poverty and to bring about national socio-economic transformation. Basically, the programme was meant for management and administrative reforms. In this regard, decentralisation and local government became synonymous with administrative reforms. The establishment of District Assemblies marked the beginning of the process of wider participation in government. In the new scheme of things the search is for a democratic system that would benefit the majority of the people. "Democracy for envisioned Ghana must both in theory and practice be a government of all people-weak, strong, rural, urban, rich, poor, literate, illiterate and not minority for the whole people."²³ Further, the democratic system must facilitate the provision of basic needs and services to enable the people to escape poverty and gain tolerable economic, social and political status.²⁴

At the 42nd and 43rd Afro Asian Rural Reconstruction Organisation (AARRO) conference held in Cairo, Egypt from March 16-20, 1996, Ahwoi mentioned that in Ghana, the issue of poverty alleviation/reduction has to do with empowerment issues. He stressed on an effective institutional restructuring, which will allow all stakeholders, particularly the disadvantaged poor to participate in decision-making. He cautioned that until such is done, the poor will continue to be marginalised and the envisaged reduction of poverty will just be wishful thinking if not a mirage.²⁵

The essence of democratic reforms and decentralisation for development is that there must be transfer of functions, powers, means, competence, skills, and responsibilities to local government bodies. Regarding the transfer of means, the 1992 Republican Constitution of Ghana made provision for the institution of the District Assemblies Common Fund (DACF) to aid District Assemblies in their developmental efforts. The Fund came into operation in 1994. Currently, the Districts are witnessing infrastructural development through the assistance of this fund. A practical demonstration of the fight against poverty by government is seen in the directive to District Assemblies to use 20 percent of the DACF for that purpose.

Ordinarily, the issue of poverty alleviation as regards the 20 percent of the DACF means that the people should be given the necessary assistance and encouragement in any form by their District Assemblies, through the use of this "special" allocation to enhance their socio-economic status and total development.

Apart from economic gains that might come to the individual in particular, and the district in general, other benefits come to the individual in the form of knowledge, competition, skill, competence, decision-making, sense of achievement and progress; elements that are ingrained in the concept of personal development. It should be pointed out that the infrastructural development currently going on in the districts entail a lot of responsibilities for the rural dweller. The use of the facilities that are provided such as potable water, places of convenience, and electricity are not free. The unskilled and unemployed rural dweller may unduly suffer from the effects of the decentralisation programme and process, if one is not engaged in any gainful economic activity. Thus the phenomenon should be tied to poverty alleviation for the positive impact of the districts developmental efforts to be felt by the people.

1.6. STATEMENT OF THE PROBLEM

The ongoing decentralization programme is a timely intervention for local government. It is a programme that seeks to empower district assemblies and sub-district structures for rural development and poverty alleviation. It is also empowerment of the people for their own development and progress. Some successes have been chalked since the inception of the programme in 1988. However, a lot still remains to be done. For instance, the Guideline for the Utilization of the District Assemblies Common Fund (1998) points out that there is growing incidence of poverty, despite the provision of basic infrastructure for the districts. In rural areas, job avenues are so limited (GLSS, 1991/92). Illiteracy rate is still high. Despite the efforts of the non-formal educational programme, two thirds of the Ghanaian population remain functionally illiterate.²⁶

In a summary prepared by Kwesi Jonah on poverty reduction in Ghana, he mentioned that despite the gains Ghana has made, poverty remains a serious and extensive problem. He pointed out that 32 percent of the population or about 5 million of Ghanaians expenditure per capita in 1992 was less than US\$25 per month.²⁷

The central research question in this study is: Can the District Assemblies Common Fund, particularly the 20 per cent allocation of it for poverty alleviation, adequately meet and sustain the challenges, considering the enormity and the endemic nature of rural poverty?

1.7. OBJECTIVES OF STUDY

The objectives of the study are:

1. To examine the PNDC/NDC decentralisation programme and the institutionalisation of the District Assemblies Common Fund (DACF).

2. To find out how the DACF in general is being used, and particularly, how effectively that portion allocated for poverty alleviation is really being used to address poverty within the Kpando District.
3. To make recommendations to the Kpando District Assembly such as may be necessary, so as to enhance the process of decentralisation and poverty alleviation within the District.

1.8. SIGNIFICANCE OF THE STUDY

This study seeks to unravel the major problems that might impede the programme put in place by the Kpando District Assembly to combat poverty in the District. It will draw attention to them and subsequently suggest means by which the programme can be sustained. It is anticipated that this study would be recognized as one of the pioneering works that has been done in this direction (The implementation of the poverty alleviation scheme). It would therefore set the stage for future research into the viability of the programme.

1.9. THEORETICAL FRAMEWORK

The theory supporting this work is based on the assumption that poverty is both the cause and effect of underdevelopment.

1.9.1. Poverty-Effect of Underdevelopment

It was established earlier in this chapter that the non-responsive nature of central administration in the management of the country denied the country infrastructural development. This stagnated socio-economic activity. The provision of infrastructure in any given economy should be seen as an investment. If this investment is taken care of

and managed well by those who have a stake in it, it will yield returns and profit. These in turn will be used to satisfy one's want in the form of goods and services, and enhance the quality of life. For example, the justification of rural electrification programme in Ghana is that the extension of electricity to the rural areas would encourage the setting up of cottage industries and the development of income generating activities. Even though this is debatable, the lifestyle of the people with regards to the availability of power/energy supply might be different from the period without it. Those who might have taken advantage of it and are engaged in economic activities, would reap the benefits. It means that before this period, such people were denied the opportunity of having a favourable environment to improve their lives and therefore had no reliable or regular source of income which is characteristic of poverty.

Buame cited poor environmental conditions to explain the differences among the economic well being of different groups of people. He holds the opinion that the unfavourable economic, political, historical, institutional and socio-cultural environment accounts for underdevelopment and organization of entrepreneurial activities in Ghana.²⁸ Writing under the heading "who is to blame for poverty?" Afrifa feels strongly that the government, the economy, the system of justice, education and health are to blame. He posits further that the weight of sociological evidence suggests strongly that the inequities of society are to be blamed for poverty.²⁹ For instance, Rogers maintains that there is a strong correlation between bad housing and disease, delinquency and other manifestation of social deviance.³⁰ These are manifestations of underdevelopment.

1.9.2. Poverty – Cause of Underdevelopment

People who are poor and grappling with the basic necessities of life such as food, shelter and clothing could hardly take interest in national affairs and their environment.

People who are poor easily and readily give up on life. A nation that has majority of its people wallowing in poverty is unlikely to make a headway in development and no matter how hard a government may try to provide the necessary infrastructure, and lay the foundation for economic take off and growth, the economy will remain stagnant. When people are poor, they could hardly make use of available improved technology, no matter how well informed and knowledgeable they may be. Further in his argument to show the helplessness of the poor, Afrifa writes:

“Many of the poor do work but do not earn enough to rise above poverty. Commonly, the poor lack the education and skills necessary for skilled jobs. They must work then at low-paying menial tasks. They want to achieve but they are blocked by the lack of opportunities and being victimised by the more powerful. The poor cannot afford to send their children to school. If they go to school at all, they are more likely to drop out or fail. Thus there is a vicious cycle of poverty. The poor will tend to remain poor, and their children also tend to perpetuate the same cycle.”³¹

Following from the above proposition it may be plausible to suggest that any developing country, and Ghana for that matter which calls for development, involving wider participation should have an intervention package for the poor. A package that should lift them from the doldrums and make them active participants in nation building. If the structures and conditions of the poor are not changed either by themselves or by society, underdevelopment would for a long time be the bane of developing nations. With specific reference to Ghana, economic recovery and structural adjustment programmes notwithstanding, the economy might remain stagnant, if the majority of the people remain poor. What is needed therefore is a pragmatic approach towards poverty alleviation and in the process bring about fairness and equity in development.

1.9.3. Poverty and Decentralization

In arguing for a decentralized machinery of government, the Mills Odoi Commission identified some of the problems involved in centralisation in administration in Ghana as:

- (i) Corruption
- (ii) Lack of programme achievement
- (iii) Absence of initiative
- (iv) General apathy and divorce of citizenry from government
- (v) Non-responsibility of officials
- (vi) Rural-urban migration and rural underdevelopment
- (vii) Imbalance in the allocation of both human and material resources between the rural and urban areas, this imbalance being at the expense of the rural areas.³²

Decentralization is supposed to be the reverse of this. In his write-up on Problems And Prospects of The Implementation of the New Local Government System Under PNDC Law 207, Asibuo stated that widespread participation in decision making is vital to the process of development. According to him, decentralization is seen by development analysts as a potential strategy for rapid development of depressed areas. The argument continues further that decentralization will facilitate the spread of benefits of growth. It encourages the use of scarce resources more effectively. In addition, it creates direct access to government and stimulates the spirit of nationalism and patriotism.³³ This would mean an opportunity for the people to take part in the decision-making and implementation processes. It might be easy then for the people to identify the structures that promote poverty, and equally take advantage of the opportunities and the various options that are made available through the process of decentralization to improve their lot and turn their destinies around.



Logically, therefore, decentralization is the administrative and management tool with which to fight poverty.

1.9.5. Limitation of Study

As with every study, this study is not without problems. Some limitations of the study include the following:

- (a) The imbalance of the sample distribution, based on the given population does not give a fair view of the state of affairs. There was only one group of beneficiaries from the whole of South Dayi as against forty-six beneficiaries from North Dayi. Ideally the scope of this work should have covered all beneficiaries of the poverty alleviation fund. However, due to time, financial and logistic constraints, the sample size remained small.
- (b) It was not possible for this researcher to get in touch with the members of the District Assemblies Common Fund Credit Approval Committee (CAC). This was due to the problem of timing. However, the District Chief Executive (member of the committee) answered questions on the performance of the committee during the interview session with her.
- (c) The research used simple statistical tools to the exclusion of elaborate statistical tests. This may, to some extent affect the results and analysis.

These limitations, no doubt, may affect the reliability of the conclusions of this study.

1.10. DEFINITION OF CONCEPTS

For the purposes of this research, the following terms would be conceptualised to mean:

Dependants – includes not only biological children but also other persons who are dependent upon the beneficiary. For example, grand children, househelp etc.

Working Experience - includes periods of both formal and informal economic activities, such as formal government and private employment, as well as self-employment.

Occupation – It has to do with any economic activity, irrespective of the magnitude of scale of that activity.

Educational Background – It refers to the formal educational achievement/level of the subject.

Decentralization: Decentralisation is the process of stretching power from institutions at the national level or centre, to regional and district levels. It is a process that forms an integral part of the larger national socio-economic transformation. It is a concept that is dynamic and action oriented.

1.11. METHODOLOGY

1.11.1. Population

The total population consisted of forty-seven entities, who were beneficiaries of the Kpando District's twenty percent Common Fund allocation for poverty alleviation.

The population can also be divided into seventeen groups and thirty individual beneficiaries. Further analysis of the population revealed that thirty-four of the beneficiaries were from Kpando township and its immediate environs, three from Awate, two each from Gbefi, Vakpo, and Anfoega and finally one each from Botoku, Wusuta, Peki and Sovie.

In addition to the population of forty-seven beneficiaries were twenty-five assembly members of the Finance and Administration sub-committee of the District

Assembly, together with the District Chief Executive, and the Bank Manager of the Ghana Co-operative Bank, Kpando.

1.11.2. Sample

In selecting the sample for the research, a combined use was made of stratified, purposive, random and incidental sampling techniques.

The total sample was made up of twenty-four entities, which consisted of nineteen individual beneficiaries and five groups of beneficiaries, selected from the forty-seven beneficiaries of the Common Fund for poverty alleviation.

There was also a focus group of eleven assembly members, selected from the twenty five assembly members. In selecting the eleven, the purposive sampling technique was employed to choose the elected members, leaving out the government appointees; since the responses of the government nominees were likely to be politically motivated and consequently bias the research findings. The issue of the Common Fund borders on finance and administration. It was therefore in order that some members of this committee were interviewed. The District Chief Executive [DCE] who is also a member of the District Assemblies Common Fund Credit Approval Committee [CAC] was interviewed.

Similarly, the Bank Manager of the Ghana Co-operative Bank, Kpando was interviewed. The Bank is the Managing Bank of the credit scheme.

In selecting the twenty-four beneficiaries from the population of forty-seven beneficiaries, the population was first stratified into the various towns in the Kpando District that have benefited from the credit scheme. The stratified sampling techniques gave the following results:

TABLE 1

Town	No of Beneficiaries
Kpando	34
Awate	3
Vakpo	2
Anfoega	2
Gbefi	2
Botoku	1
Sovie	1
Wusuta	1
Peki	1
Total	47

The purposive sampling technique was used to select the beneficiaries from Botoku, Sovie, Wusuta and Peki. The rationale for purposively selecting those beneficiaries was to make the sample as representative as possible of the Kpando District as represented by the population.

Finally, in using the random sampling techniques, one subject each was selected from the three beneficiaries from Awate, the two beneficiaries from Vakpo, the two beneficiaries from Anfoega and the two beneficiaries from Gbefi. The last seventeen subjects were finally selected randomly from the thirty-four beneficiaries from the Kpando township. It was not possible to contact one person. This was due to inadequate address and information on direction, for easy access. Hence the actual sample number from Kpando stood at sixteen.

Final analysis of the sample showed that five out of the twenty-four selected were groups and the remaining nineteen were individual beneficiaries. The views of the executives of the group beneficiaries were generalised to represent the views of the other members, of the various groups accordingly.

The distribution is as follows:

TABLE II

Town	Population Distribution	Sample Distribution
Kpando	34	16
Awate	3	1
Vakpo	2	1
Anfoega	2	1
Gbefi	2	1
Botoku	1	1
Sovie	1	1
Wusuta	1	1
Peki	1	1
Total	47	24

Individual Beneficiaries	-	19
Group/Association Beneficiaries	-	<u>5</u>
		<u>24</u>

1.12. DATA COLLECTION

Data were gathered from 2 main sources. These were primary and secondary sources.

1.12.1 Primary Sources

24 Beneficiaries.

11 Assemblymen

The District Chief Executive, Kpando.

The Manager, Ghana Co-operative Bank, Kpando.

1.12.2 Procedure

A fieldwork was embarked upon within the area of study (Kpando District). It was to enable the researcher contact directly the beneficiaries and other stakeholders of the

scheme. A list of beneficiaries was collected from the Co-operative Bank (Managers of the Credit Scheme). This was made possible with the permission of the Kpando District Chief Executive. Consequently, no problem was posed in talking to the selected beneficiaries. Questionnaires (Interview schedule) and interview were the data gathering instruments that were employed to gather information. The questionnaires were self administered. The interview was jointly used as a means to probe the questions. Consequently, the respondents answered the questions to the best of their understanding and ability. Much use was also made of the local language (Ewe) where respondents could not express themselves in the English language.

1.12.3 Secondary Source

The secondary sources came from information from Textbooks, Newspapers, Ministry of Local Government Information Digest, Articles in Journals, Seminar Papers, Reports, Decrees and Act on Local Government, World Bank Publications, Lecture Notes, Magazines and Position Papers.

These were mainly obtained from the library of the School of Administration, Institute of African Studies library, the library of the Ghana Institute of Management and Public Administration (GIMPA), Balme Library of the University of Ghana, the Department of Sociology library, University of Ghana, the Ministry of Local Government and Rural Development, the Office of the Common Fund Administrator and the Office of the Kpando District Assembly.

NOTES/REFERENCES

1. The 1997 Human Development Report on Ghana.
2. Ahwoi, K. (1996) "Changing Political Configuration" Local Government Information Digest, vol. 9, No.4, July/August, p.4-5.
3. Woode, S.N., (1984) Art Restructuring of the Ministerial Organization in Ghana (African Administrative Studies, No.23).
4. Ahwoi, K. (1996) "Keynote Address at Commonwealth Local Government Forum" Local Government Information Digest, Vol.9, No.4 July/August, p.5
5. A scenario over which the ordinary people had no control. Since it was a central government action, it went unchallenged. Afrifa, A.A. (1996): Project Document, (Department of Psychology, Legon).
6. The Daily Graphic, October 16, 1999, p.1-3.
7. Agbenyega, C.O. (1998) Development: The Poverty Alleviation Dilemma, p.4. (Mamatta Rays Enterprise, Accra).
8. Buame, S.K. (1996) Entrepreneurship: A Contextual Perspective, p.21 (Lund University Press, Sweden).
9. The Reform Movement is a breakaway faction from the ruling National Democratic Congress Party government. The Ghanaian Chronicle, 1999, February 8-9, p.12)
10. Agbenyega, C.O. (1998) Development: The Poverty Alleviation Dilemma, p.4. (Mamattah Rays Enterprise, Accra).
11. Ibid 78
12. Ibid 13
13. Rawlings, J.J. (1994) Rising Above Partisan Interests And political Pressures. In Selected Speeches and Papers. P.5 (Ministry of Local Government and Rural Development, Accra).
14. World Bank Annual Report (1989). P.38 (Washington D.C.)
15. Ghana Living Standard Survey (GLSS 91/92) p.54-62 (Ghana Statistical Services).
16. Agbenyega, C.O., (1998) Development: The Poverty Alleviation Dilemma, p.18 (Mamattah Rays Enterprise).
17. The non-responsive nature of central administration led to the almost total neglect and alienation of the rural poor, who did not fairly or equally benefit from the share of the national cake. The Ghanaian Chronicle, 1998, December 4-6. Vol.7, No.36, p.6.

18. Examples of these are the award of Cocoa Marketing Board Scholarship to support the education of wards of cocoa farmers, the fee-free education policy for the North, and agricultural development programmes nationwide. Ahwoi, K. (1996) "Problems of Poverty", Local Government Information Digest, Vol.9, no.3, May/June, p.7.
19. Agbenyega, C.O. (1998) Development: The Poverty Alleviation Dilemma, p.78 (Mamattah Rays Enterprise, Accra).
20. Ahwoi, K. (1996) "Problems of Poverty" Local Government Information Digest, Vol.9, No.3, May/June, p.7.
21. J.J. Rawlings (1994) "Rising Above Partisan Interests And Political Pressures" In Selected Speeches And Papers, p.5 (Venus Publications).
22. Ofori-Atta, J., (1998) "Economic Recovery and Structural Adjustment Ghana – The Macro Framework" In Summaries (SAPRI) p.2.
23. Rawlings, J.J. (1992) "Democracy" From the Centre to the Grassroots. Excerpts from selected speeches on the PNDC's Decentralisation Policy, Vol.II p.20 (Ministry of Local Government and Rural Development, Venus Publications Accra).
24. Zanu, S.Y., (1995) The Constitution, Decentralisation And Local Government. In Decentralisation as a tool for Democratisation. P.18 (Konrad Adenauer Foundation, Accra).
25. Ahwoi, K. (1996) "Institutional Restructuring, "Local Government Information Digest, Vol.9, no.3, May/June, p.8.
26. Literacy and Functional skills Project (LFSP) February 28, (1992-1995). In Summaries (SAPRI) p. 95 of World Bank and Government of Ghana Documents On the Structural Adjustment And Economic Recovery Programme For the Structural Adjustment Participatory Review Initiative.
27. Ibid. 103.
28. Buame, S.K. (1996) Entrepreneurship: A Contextual Perspective p.21 (Lund University Press, Sweden).
29. The Ghanaian Chronicle, Mar 15-16, 2000. p.5
30. Rogers, A.W. (1960) Rural Planning Problems, p.86, (Robert Maclehose & Co. Ltd, Great Britain).
31. The Ghanaian Chronicle, March 15-16, 2000, p.15.
32. The Mills Odoi Report (1967).

33. **Asibuo, S.K., (1993) Problems and Prospects of the Implementation of the New Local Government System under PNDC Law 207.**

CHAPTER TWO

LITERATURE REVIEW

2.1. INTRODUCTION

The literature review will discuss the definition of poverty. It will briefly look at some measures adopted by past governments to improve the socio-economic status of the citizenry. Further, it will touch on the background information, and the upsurge of poverty in Ghana. Some studies done on poverty will also be looked at and finally, the general views, perceptions and concerns that are expressed on the causes, measurement and prevention of poverty will be noted.

2.2. DEFINITION OF POVERTY

Poverty is a relative term. This means that people's perception of poverty differ from place to place. It connotes different levels of consumption in different communities and even among people in the same community. Thus the concept is difficult to define. Various attempts, however, have been made to define it.

The Advanced Learner's Dictionary defines poverty as a state of being poor, lacking money and the necessities of life.¹ According to Asante-Frimpong, in monetary terms, a person can be described as poor if his/her income or expenditure falls below a defined level, which is taken as the minimum to assure a satisfactory living.² He however cautioned that poverty is not measured by income alone, because of the multi-dimensional nature of poverty. Other proxy measures such as literacy, nutritional status and life expectancy need to be considered in poverty measurement. His further assessment of poverty in non-monetary terms is the lack of a minimum set of basic amenities or facilities.

Agbenyega gave the operational definition of poverty in his book, "Development: The Poverty Alleviation Dilemma" as inadequate supplies of basic needs for the biological

structure of the human species – food, water, health, shelter and security. He contends that education may come into play as an instrument that helps to create awareness. According to him the broadest meaning of poverty, however implies a lack of the resources for a secure, stable, adequate, if not comfortable living.³

Ahwoi's opinion is that poverty is a complex issue and in Ghana, poverty is generally understood to mean a state of serious deprivation of basic needs in terms of food, water, health, shelter, education and lack of means and opportunities to fulfill these needs.⁴

Presenting a paper at a symposium of the 50th Annual New Year, School, Mensah, Chief Rural Planning Officer (MLGRD) gave a general definition of poverty as the lack of means of providing material needs. In the said paper, under the subject heading (Poverty Defined), he quoted Armatya Sen and other economists as having defined poverty as the lack of an entitlement to a bundle of goods and services postulated by the needs of people as consumers. Stan Burkey went further and identified as many as seventy-six different "lacks/deficiencies" e.g. lack of schools, lack of employment, lack of good soils etc. By this approach, Stan Burkey was trying to indicate the complex nature of poverty. He also believes that poverty should be considered as either absolute or relative. Absolute poverty connotes the inability of the individual, community or a nation to satisfactorily satisfy their basic needs which in this instance means food, drinking water, shelter, clothing, schools, etc. Burkey defined relative poverty as a condition in which basic needs are met but where there is an inability to meet perceived needs and desires in addition to basic needs.⁵

2.3. BACKGROUND INFORMATION

The government of Ghana has launched an onslaught on poverty, through a series of poverty reduction programme initiatives. This onslaught has brought into sharper



focus, the overwhelming evidence that the overall improvement in the lives of the vast majority of ordinary Ghanaians would take a long time to achieve.⁶ At the National level to help fight this social canker is the combined effort of the United Nations Development Programme (UNDP) and the National Development Planning Commission, under the National Poverty Reduction Programme. At the district level is the effort of District Assemblies, through the assistance and judicious use of the DACF, and through the collaborative efforts with other bodies.

According to the 1993 World Bank Report on Ghana, entitled "Ghana 2000 and Beyond, Setting the stage for Accelerated Growth", Ghana by the end of the 1980s was placed among the poorest countries, despite her improved economic performance since 1983. Real growth has only been about 5 percent per annum with per capita income rising at about 2 percent per annum. The report further states that, if the average poor person's income also grows at this rate, then it will take 20 years for him or her to cross the poverty line. For the extreme poor person, with standard of living half that of the average poor person, a per capita income growth of 2 percent per annum would put the crossover time in an incredible 53 years. This according to the report is clearly unacceptable. The report highlighted the need for accelerated growth and for a well targeted and concerted effort by the government to improve the access of poorer Ghanaians to the social and economic infrastructure of the country. It concluded that given the right conditions, economic growth in Ghana would be effective in reducing poverty.⁷

2.4. SOME MEASURES ADOPTED BY PAST GOVERNMENTS TO IMPROVE THE SOCIO-ECONOMIC STATUS OF THE CITIZENRY

Period before 1970

During the colonial period, especially during the rule of Governor Guggisberg (1919-1927), Ghana witnessed a lot of infrastructural developments. Guggisberg's rule was considered as very important for this country.⁸ Price describes him as Gold Coast's most popular Governor.⁹ Based on his Ten-year Development Plan, roads and rail network were constructed to link up the rural areas. He built a total of 368 kilometres of railway lines and 5,300 kilometres of road. Additionally, he built the Takoradi Harbour. The essence of investing in these areas was to facilitate the movement of people and goods to commercial centres, and open up the country. During the period under review, education, health and water works saw a boost. In education, the teaching and learning of practical subjects such as agriculture, technical and vocational skills were encouraged. One very significant achievement about his educational policy was that, he encouraged the education of girls. The Korle-Bu Hospital is a living testimony of the success of his health policy for the country. In agriculture, he encouraged the growing of other crops like oil palm, sisal and groundnuts apart from cocoa. During this time, Ghana became the largest producer of cocoa and supplied more than half of the world's cocoa.

Sir Alan Burns became the Governor of the Gold Coast in 1942. He continued with the development of the country. In 1946, a Ten-Year Plan was announced. In this plan, more houses were to be built for workers in the towns. This was meant to ease accommodation problems of the growing population. Consequently, A Town and Country Planning Board was set up to plan new types of buildings. Local Boards were also set up to develop the villages.¹⁰

Nkrumah became leader of government business in 1951. In this year an Accelerated Development Plan of Education was drawn up. Under this plan, a large

number of schools were built. Six years of free primary education was to be provided for all children of school going age. The supply of textbooks were free.¹¹ The Education Act of 1961 made basic education free and compulsory. The importance that was attached to education was to improve the quality of the labour force. It was Nkrumah's avowed aim to "search for a better life and happiness for all, in the building and construction of a new, progressive and dynamic society in Ghana".¹² Significantly, his government pursued an enlightened policy in the training of the handicapped: cripples, the blind, and the deaf and dumb.

Ghana made strides in the social sphere under Nkrumah's leadership. The government was active in the provision of improved housing (Including roof loans for existing houses) for both urban and rural populations, implemented the social security programme contained in the Social Security Act of 1965. The State Housing Corporation was set up, as a government agency to provide housing units for the people. Other organisations like the Tema Development Corporation and the Ghana Cocoa Board also provided houses for their workers. Rural housing scheme was also started, which provided low-cost houses for people in the small towns and villages. In the area of health services, hospitals and clinics were built in all regional capitals. Between the period 1960-1966, the First Republican Government of Ghana adopted Workers Brigade Camps to engage in construction, agricultural ventures, the training of women in home management and other skills required for development. State Farms also offered a means of livelihood for a sizeable number of employable youth in the rural areas. State Enterprises also provided job for the people. After Nkrumah's overthrow by the National Liberation Council (NLC) most of his development programmes came to a halt.

The period 1970-1981

With reference to the Progress Party's (PP) Rural Development Programme, i.e. (1970-71 Development Plan) Rural Ghana witnessed infrastructural development. In the words of Danso-Boafo, one area in which the Progress Party government seemed to have achieved success was in rural development in which the government sought to prevent the drift of young men/women to urban areas in search of non-existing white collar jobs and to boost the cocoa industry. Danso-Boafo catalogued other actions of the government as:

- (1) An expanded programme of feeder road construction and maintenance.
- (2) An extensive medical care to the rural population.
- (3) An elaborate rural electrification programme.

Between 1969 and 1971, the PP government completed a total of 35 water projects and had 64 others under construction. The Busia administration paid equal attention to transport and communication. The Ho-Denu, Kintampo-Surumuasi and Techniman-Hamile, Bolgatanga-Navrongo-Paga, Nsawam-Bunso roads are under reference. In the words of Danso-Boafo,

"The implementation of the government's rural development programme gave hope to Ghana's hinterland. At least some of the impoverished rural masses saw new health centres and roads spring up at places previously considered too remote for such projects. The communities in which these projects were located therefore developed a strong sense of identification with Busia and his party."¹³

Tamakloe et al confirmed Busia's achievement when it said "Although Busia's rule was short, his government tried to develop the rural areas."¹⁴

The PP government was toppled in 1972 by the National Redemption Council (NRC) headed by Colonel Acheampong. In course of their seven year stay in office, the regime also tried to improve the lot of Ghanaians. In the early part of their rule, they introduced the idea of 'Operation Feed Yourself'. The idea inculcated in Ghanaians the importance of agriculture and self-reliance. Many indeed embraced it and took to farming to supplement their incomes. Slogans such as "There's money in the soil go for it", caught on very well. In other areas, the Department of co-operatives was established to register groups who needed assistance or guidance to engage in economic activities. The Limann government hardly settled down to do business before its overthrow in 1981 by the Provisional National Defence Council.

The period 1981 – 1992

The early 1980s witnessed the formation of Committees for the Defence of the Revolution (CDRs) and the National Mobilisation Programme Unit, under the Provisional National Defence Council (PNDC) government. These were intended to mobilise people for development. Between 1983 and 1990, the government embarked on Economic Recovery and Structural Adjustment Programmes to revive the economy. The discussion on these will come later in this chapter. The PNDC also introduced the Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD) which was designed to cushion the vulnerable groups against the ill effects of the Structural Adjustment Programme. The vulnerable groups are women, the poor, the unemployed, the rural poor, the small-scale peasant farmer, the urban poor and the redeployed. The programme was meant to address the following critical issues of development:

- Community Initiated Projects
- Basic Needs (Water and Sanitation, Health, Nutrition and Shelter)



- Employment
- Education.¹⁵

The Reform and Decentralisation Programmes are ongoing processes that are aimed at enhancing economic growth, and addressing poverty issues.

2.5 POVERTY PROFILE IN GHANA

Ghana 2000 and Beyond gave a summary profile of the poor in Ghana, based on the first year GLSS:1987/88), and updated Ghana Living Standard Survey (GLSS3), 1992 household survey data. The profile explored various characteristics of the poor. It defined the poor as living in households with per capita expenditure below two thirds of the mean. It was found out that 35.9 percent of the total Ghanaian population fall below the threshold of the first poverty line. Of this 27 percent were of non-Accra urban residents, and only 4 percent made up of Accra residents. It was thus established that poverty in Ghana is predominantly a rural phenomenon. The urban poor are much less numerous and as demonstrated by further analysis, are in general less poor than their rural counterparts. According to this profile, over 43 percent of rural inhabitants are below the poverty line. The incidence of poverty in rural areas is more than 13 times the incidence in Accra.

The profile further indicated that while the most vulnerable groups are rural there is significant regional variations. It divided Ghana into a number of ecological zones.

1. The coastal strip
2. The forest belt
3. The northern Savannah
4. The Volta Basin region
5. The mid-coast zones

The GLSS indicated that poverty is important in the mid-coast region as well as the Savannah region and the Volta basin region. Using the head count index, the Savannah region has a poverty incidence of 56 percent, accounting for 18 percent of the nation's poor and 35 percent of the extreme poor, compared with a population share of 12 percent. The Savannah, Volta Basin, and mid-coast zones account for 64 percent of the nation's poor although they account for only 32 percent of the population. Consumption patterns show that the share for food is the major expenditure for the poor (69 percent) and the non-poor (66 percent) alike.¹⁶

According to Mensah, A study on poverty in Ghana "A poverty profile for Ghana" and updated Ghana Living Standards survey has estimated that about 31 percent of the total population live in poverty. Poverty was measured on welfare level and was defined in terms of per capita expenditure. A higher poverty line was set at a level of two-thirds of mean per capita consumption expenditure per annum. A lower line was set at one half of per capita consumption expenditure. There was a higher poverty line of ₵132,230 and a lower poverty line of ₵99,173 all based on prices of May 1992. According to him, it is presently known that about 31 percent of the total population of Ghana had expenditure below the higher poverty line and could be classified as very poor. He gave out the information that 6 percent of the poor live in Accra, 22 percent live in "other urban areas" and the remaining 72 percent live in the rural areas. He further stated that, though poverty is predominantly rural, it is not confined to rural areas. 34 percent of people in rural areas were classified as poor, 23 percent in Accra were classified as poor and 28 percent of other urban areas were classified as poor.¹⁷

Ghana's New Decentralised Development Planning System document (1995) says it is estimated that 32 percent of Ghana's population live in poverty. However, the incidence of mass poverty is greatest in the rural areas of the country, with exceptional severity in

deprivation occurring in the Savannah belt of Northern, Upper East and Upper West Regions.¹⁸

2.6. UPSURGE OF POVERTY – THE ECONOMIC RECOVERY AND STRUCTURAL ADJUSTMENT PROGRAMMES

It might be important to look at the ERP and SAP in relation to the incidence of poverty in Ghana, since in the first place, the very programmes that were put in place to ensure economic growth are viewed to be partially responsible for the high incidence of poverty among particular segments of the society. Secondly, that realisation has now influenced government's thinking on ensuring that economic growth is tied together with poverty reduction. Hence the exclusive, deliberate, conscious and targeted effort on the part of government to alleviate poverty, taking note of shortcomings in the past.

The policy package in the Economic Recovery Programme (ERP) sought to reform prices and restore production incentives, arrest a run-away rate of inflation, realign interest rates, reduce budget deficits, rehabilitate the rundown physical infrastructure and establish the proper priorities for the allocation of scarce foreign exchange resources.

The objectives of the Structural Adjustment Programme (SAP) were to:

- (a) establish an incentive framework that would stimulate growth, encourage saving and investment, and strengthen the balance of payments; and
- (b) improve resource use, particularly in the public sector and direct resources to key areas of adjustment, while ensuring fiscal and monetary stability.¹⁹

The implications of these programmes for the country were to restore hope in the economy.

According to Weiss the distributional effects of economic reform has become a central issue in policy discussions. This is partly because of the very serious position of many of the very poor, which in some countries worsened significantly in the 1980s, and

partly because of the perceived neglect of distributional issues in the initial application of stabilisation and structural adjustment programmes.²⁰ A publication in 1987 by UNICEF entitled *Adjustment with a Human Face* recognised that adjustment was necessary, but argued that the way it had been implemented in the early 1980s in most countries was highly damaging to many of the poor and particularly to the most vulnerable – children, the elderly and the infirm.²¹

Concerns have been expressed in government circles about the ERP/SAP and the incidence of poverty. At the briefing course on PAMSCAD held at the University of Ghana Legon (September 13-17, 1988), the minister for Local Government, Mr. Kwamena Ahwoi said that we are now faced with the reality that the Economic Recovery Programme and the Structural Adjustment Programme put in place, are creating problems which affect mostly the vulnerable groups of the society. He reported that the vulnerable groups are small scale farmers and women throughout Ghana, especially those who live in the North of Ghana, and are subjected to drought and scarcity of food.²²

According to Nartey the removal of subsidy on agricultural inputs as a result of the government's ERP has caused a steep decline in the agricultural sector of the economy.²³ A human rights activists with the Centre for the Employment of the Vulnerable, Doku, told participants at the SAPRI forum that the removal of subsidies on social services as a result of the Structural Adjustment Programme has impoverished several homes in the area of Kenyasi, weakening the economic power of women. At the same forum, Ofei Aboagye said that the impact of SAP, be it retrenchment or redeployment affected households. She said the introduction of user fees combined with lower incomes as a result of the falling rate of the Cedi made it more difficult for poorer sections of the population such as women to access even health services.²⁴



Those who hold the view that ERP is partly to blame for the high incidence of poverty especially in rural Ghana, questioned the efficacy of the programme. By the end of the 1990s the critics of the SAPs have marshalled views to the effect that adjustments though necessary could be designed to have a human face, that is, reflect much greater sensitivity towards poverty issues in general and social development in particular.²⁵

But others hold a contrary view. For instance Chao, at a SAPRI forum, argues that SAP was structured taking into consideration its impacts on the vulnerable groups such as women with the introduction of PAMSCAD. It was just that it did not work. She however, mentioned that data available indicate that poor women in Ghana are not using health facilities available and the inequality between men and women that persisted before the introduction of the SAP has not changed.²⁶

Weiss asserts that theoretically it has been established that it is not possible to generalise about the distributional effects of adjustment programmes. How particular groups are affected will depend on factors like the extent of relative price shifts, the technology used to produce different goods, labour market managements for different activities, the consumption patterns of different groups and the types of expenditures that are out of or of taxes that are raised. He continued further, by saying that these are factors about which it is very difficult to generalise.

However, what is clear is that in many countries, the position of the poor and vulnerable worsened as a result of the economic decline caused by either internal imbalances or external shocks. There is relatively little evidence to sustain the generalisation that economic reform actually contributed to this worsening of their position. Nonetheless, equally there have been a number of countries in which reform programmes initially at least, ignored the distributional dimension and made insufficient effort to protect the poor.²⁷

Under the heading “Mainstream gender issues – SAPRI” participants at the SAPRI forum highlighted the problems of women. Ofei Aboagye referred to the 1997, Human Development Report on Ghana which she said has classified women and young people as vulnerable, particularly women in the northern parts of the country. The report, according to her, said that women have comparatively little education, are in poor health, face food insecurity and are mostly engaged in small scale low-output agriculture. She gave out the reasons that limit women’s participation in new initiatives such as the legalisation of small scale gold mining, as social perceptions, taboos, lack of adequate capital, technical expertise, assertiveness and other public arena skills. She also mentioned that women more than men have been limited from borrowing from the banks because they lack collateral, and also due to the smallness of their operations. Ofei-Aboagye therefore called for gender concerns to be mainstreamed in all aspects of macro economic planning.²⁸

Cate Bob Millar of the National Council on Women and Development (NCWD) opined that even though women are supposed to benefit from 20 per cent of the District Assemblies Common Fund, rural women are even not aware of the existence of such opportunities.²⁹ If the goals of Vision 2020 are to be achieved, then gender issues such as those of women need to be vigorously tackled. Particular assistance could come to them in the form of credit facilities, loans, education and entrepreneurial training among others from their district assemblies, if, women are to overcome poverty.

2.7. SOME STUDIES ON POVERTY IN GHANA

The Extended Poverty Study (EPS) in 1992 adopted a quantitative approach in seeking to understand poverty present in Ghana. It utilised the results of the 1992 round of the GLSS conducted by the Ghana Statistical Service (GSS), emphasising poverty in

terms of mean expenditures in the base year – 1988. Details of the specific procedures used to compute the poverty lines in the EPS work can be found in Ghana Statistical Service (1995) and Coulombe and Mackay (1995). With adjustment to the expenditure date (1988/89), the EPS *1992) fixed upper poverty line of two thirds of mean household total expenditure per capita in 1988 (expressed in constant May 1992 Accra prices) as $\text{c}132,230$ per person per year. A lower poverty line was fixed at $\text{c}107,188$ per person per year.

The EPS quantitative poverty assessment approach used as a measure, poverty line, poverty index, demographic and economic characteristics of the poor, household expenditure (expressed in per capita terms) to arrive at some conclusions:

- Just over 31 percent of Ghanaians were indicated to be below the upper poverty line in 1992 and just under 15 percent were recorded as below the poverty line.
- 'Although all areas and groups in Ghana appear to experience poverty, there are noticeable variations among the groups. Poverty is greatest in Rural Savannah and Rural Forest. The poorest are Rural Savannah'.
- A similar picture emerges from the socio-economic groups, that all appear to experience poverty but some more than others.³⁰

The analysis of the quantitative poverty assessment relied entirely on the results of the GLSS and the quantitative measures of welfare and poverty that was derived from it. Surveys such as GLSS are unable to measure all dimensions of poverty especially those of qualitative nature. Household surveys of this kind have not proven very effective in obtaining information on people's attitude towards their circumstances and their views about how best to resolve their problems.

Indeed Agbenyega has warned that the current time-worn methods of assessment of economic progress that are based on logic and mathematics, and the concept of Gross National Product (GNP), the statistics of averages and per growth rate calculations and so on have not been able to explain adequately the perpetual dilemma of the existence of poverty in the midst of rich natural resources.³¹

To make up for the defect in quantitative approach, the EPS conducted a participatory poverty assessment (PPA) in 1994. It was conducted over three phases. A total of fifteen communities were involved. The selection was done to give a reasonable representative picture of the living conditions of the poor in Ghana (Norton et al, 1995, Karbor, 1995). The rural and urban dimensions of poverty were well represented in terms of geographical differences and socio economic groups.

The overall objective of the study was to contribute to social policy formulation through improving our understanding of the processes that produce and reproduce poverty in different environments and among different groups. The third round of the study focused on the use of publicly provided health and education services – obtaining information from service providers and users. Generally, the PPA reviewed the attitudes of the poor towards their poverty, and their views about how best to resolve their problems. Gender issues emerged as an important dimension of poverty, especially in northern Ghana.

Some of the features of the poor which were noted are limited access to basic services, larger households, food insecurity and high expenditure on food. Others are high incidence of poverty amongst agricultural food crop farmers and least amongst household where the principal economic earner is in formal employment.

The PPA tested local conception of poverty and vulnerability. The summary of the findings is as follows:

- conditions which result in individuals having no control over labour resources of any kind: Disability, age combined with lack of adult children, widowhood and childlessness were significant. Female headed household was also significant in the rural north particularly when linked to age, widowhood and childlessness.
- Lack of community assets, such as access to water for domestic and productive use, access to abundant natural resource base or access to transport infrastructure were important indicators for rural groups than for urban groups.
- The view of poverty as being a dynamic condition impacting on entire communities was particularly relevant in the northern rural areas as a result of vulnerability due to drought.
- In urban areas poverty was more of an individual feature with key element in defining well being as access to stable employment.
- Also, individual's social network and membership of social institutions formed key dimensions of well being.³²

Idrisu conducted a study into The Role of NGOs in Poverty Alleviation in Ghana with reference to the Tolon/Kumbungu District. The research tried to examine the impact of the Ghana-Danish Community Programme (GDGP) in the areas of employment, health, nutrition, education and water supply. The author was of the opinion that the GDGP is creating a significant impact in the improvement of nutrition and creation of income generating activities. He recommended that there should be a very strong coordination between NGOs and District Assemblies.³³ Commendable as his work is, he failed in his recommendation to be specific on areas that need strong coordination and collaboration

between the GDCP and the Tolon/Kumbungu District Assembly, since the specifics would call for special attention and emphasis.

In another development, Abedi-Boafo, on Rural Poverty Alleviation in Northern Ghana: A Study Of The Bimoba Literacy Farmers Cooperative Union (BILFACU), in his recommendations for helping to alleviate poverty among the said group, mentioned the supply of improved seedlings at subsidised prices as the only form of external assistance.³⁴ However subsidies alone are not enough. Something more concrete in addition is needed in the form of credit and loan facilities for expansion, supply of information, and exposure on modern technologies of processing, and modern marketing strategies that would enhance their income.

2.8. GENERAL VIEWS, PERCEPTIONS AND CONCERNS ON CAUSES PREVENTION AND MEASUREMENT OF POVERTY

Different views and opinions have been expressed on the causes, nature and effect of poverty, and how to combat it, and its measurement. The Accra Metropolitan Director of the National Commission on Civic Education (NCCE) (Eric Bortey) made a call for assault on poverty. He identified ignorance and illiteracy as major causes of poverty. He underscored the need to harness indigenous resources and technology to minimise reliance on foreign assistance to prevent indebtedness, if we are to alleviate poverty.³⁵

The Ghanaian Chronicle, Dec. 1 1998 (p.6) reported Naadu Mills as having said that the success in curbing corruption among opinion leaders and institutions would tend to reduce the level of poverty because productivity will increase appreciably.³⁶ On women and poverty, Grant stressed the need to review the conditions under which women operate and increase their access to resource in order to increase their productivity. The

call was made at the 18th observance of the World Food day under the theme "Women Feed the World".³⁷

In an article which appeared in the December, 10 1998 edition of the Ghanaian Chronicle (p.9), under the heading: The Economy And Festivities Extravaganza, the writer, Daniel Buor attributed poverty, especially to the lifestyles of government officials. He writes about how it is sad to note that, on the African continent, lifestyles, especially of government officials, are not compatible with the general state of the economy. Such a trend, which has been almost consistent since independence, explains the dismal and hopeless state of the economy, mass poverty, and even crippling political environment. He also feels it is about time leaders and their cohorts became sensitive to the plight of the masses, and adopted lifestyles that reflected the general state of the economies of their respective countries.³⁸

The 24th October 1998 edition of the Ghanaian Times featured an article under the heading "for the sake of helping stave off poverty". The writer posits that no country can secure sustainable economic growth or reduce poverty without healthy, well-nourished, and well educated people who have ample opportunities to participate in their own development.³⁹

Concern has been expressed in the literature about problems that are related to the criteria for measuring rural poverty, the definition of who really are the rural poor, and why the poor are becoming poorer. At a workshop held in Dakar in 1992 to discuss various themes that are germane to the dynamics of rural poverty in Africa, Professor Mafeje pointed out that the poverty alleviation approach was favoured by agencies such as FAO, UNICEF, ILO, and IFAD. However the units of analysis and criteria they used for measuring rural poverty were different. For instance, FAO used individual incomes, ILO consistently used household surveys to determine the rate of poverty in rural areas. IFAD

was interested in small producers and access to food and productive resources as major indices for measuring poverty. UNICEF used caloric in-take. This therefore suggests that there is a choice in both the indices and the unit of analysis of rural poverty.

The discussions drew the attention of Africans to this and how to determine which ones to use, bearing in mind the prevailing social conditions. In Mafeje's view prevailing realities dictated a preference for households and not individuals as the unit of analysis. Access to land, technology and financial resources is important in determining who are the rural poor. He warned that the dynamics of rural poverty cannot be approached technically since it is a social process. This calls for taking into account accessibility to all resources, including social services. These should not be separated from the productive forces.

Further, participants at the workshop cautioned against the use of the statistics provided by the donor countries, especially as comparisons between relative and absolute poverty. They called rather for qualitative indicators which take into account the concrete daily experiences of the rural poor. Participants also drew attention to elements within the rural population which they found very important and relevant to the study of rural poverty. It was pointed out that rural social stratification is complex and should be taken seriously in any study on rural poverty in Africa.⁴⁰

These submissions cannot go without comments. In underdeveloped nations such as Ghana, the problem does not lie with the lack of knowledge about the causes of the predicaments of these countries or how to handle them. In my view, the problem lies with the lack of zeal, determination, will and commitment that are required for solving such a debilitating problem as poverty. Most of the time, there is an abuse of a programme or system put in place to address critical or important national issues. As argued by Chao in the literature, "the Structural Adjustment Programme (SAP) was

structured taking into consideration its impacts on the vulnerable groups such as women with the introduction of PAMSCAD. It was just that it did not work." Evidence will be led to show in chapter six that the poverty alleviation scheme is being abused.

NOTES/REFERENCES

1. The Advanced Learner's Dictionary of Current English (1961), (London Oxford University Press).
2. Asante Frimpong (1999) Reducing The Incidence of Poverty in Ghana: The Realities (Presentation at the 50th Annual New Year School.
3. Agbenyega, C.O. (1998) Development: The Poverty Alleviation Dilemma. (Mammatah Rays Enterprise, Accra.
4. Ahwoi, K. "Problems of Poverty" Local Government Information Digest, 1996, Vol.9, No.3. p.7.
5. Mensah, M.K. (1999) Presentation at Symposium of the 50th Annual New Year School, Legon.
6. Extended Poverty Study Series, EPS, 1994. In Ghana Poverty Past, Present and Future, Report no.14504-GH.
7. Ghana 2000 and Beyond. Setting the Stage for Accelerated Growth and Poverty Reduction (World Bank Publication, 1993).
8. Tamakloe et al, (1988), Social Studies For Junior Secondary Schools. P.11 (Adwinsa Publications (GH) Ltd).
9. Price. J.H, (1977) Political Institutions of West Africa, (Hutchinson, London) p.22.
10. Tamakloe et al, (1988) Social Studies For Junior Secondary Schools, (Adwinwa Publications, (GH) Ltd). p.35
11. Ibid 35.
12. Price, J.H. (1977) Political Institutions of West Africa, (Hutchinson, London) p.120
13. Danso-Boafo, K., (1996) The Political Biography of Dr. Kofi Abrefa Busia, (Ghana Universities Press Accra). p.114-118
14. Tamaklo et al, (1988) Social Studies For Junior Secondary Schools.
15. Selected Speeches and Papers, (Ministry of Local Government and Rural Development). p.79-80.
16. Ghana 2000 and Beyond (1993) Setting the Stage for Accelerated Growth and Poverty Reduction. Africa Regional Office Western Africa Department (The World Bank).
17. Mensah, M.K. (1999) Presentation At Symposium of The 50th Annual New Year School, Legon.



18. Ghana's New Decentralised Development Planning System (1995). ~~p.8~~ (National Development Planning Commission, Accra), p.8
19. Ofori-Attah Jones, "Economic Recovery And Structural Adjustment in Ghana. The Macro Framework "in Summaries of World Bank And Government of Ghana Documents on The Structural Adjustment And Economic Recovery Programme For The Structural Adjustment Participatory Review Initiative (SAPRI), p. 2-6.
20. Weiss, J., (1995) Economic Policy In Developing Countries. The Reform Agenda ~~p.108~~ (London, Prentice Hall), p.108.
21. Cornia A, Jolly R and Stewart F. (1987) Adjustment with a Human Face, (Clarendon Press, Oxford).
22. Ahwoi, K., "Selecting Projects For PAMSCAD" Address at the briefing course on PAMSCAD. September 13-17, 1988.
23. Free Press, October 28-29, 1998, p.7.
24. Public Agenda, Nov. 23-29, 1998, p.8.
25. Mensah, M.K., (1999) Presentation At Symposium of The 50th Annual New Year School, Legon.
26. Public Agenda, Nov. 23-29, 1998, p.8.
27. Weiss, J., (1995) Economic Policy In Developing Countries The Reform Agenda, p.14 (Prentice Hall).
28. Public Agenda, Nov. 23-29, 1998, p.8.
29. Public Agenda, Nov. 23-29, 1998, p.8.
30. Ghana Poverty Past, Present and Future (1995) Population and Human Resources Division West Central Africa Department Africa Region. p.3-15 , Report No. 14504 - GH
31. Agbenyega, C.O., (1998) Development: The Poverty Alleviation Dilemma (Mammattah Rays Enterprise, Accra).
32. Ghana Poverty Past, Present and Future (1995) Population and Human Resources Division West Central Africa Department Africa Region. p.3-15 , Report No. 14504 - GH
33. Iddrisu Yakubu (1998), The Role of NGOs In Poverty Alleviation In Ghana: The Case of Ghana-Danish Community, Programme (GDGP) In The Tolon/Kumbungu District (MPA Long Essay, Unpublished).
34. Abedi-Boafo (1992) Rural Poverty Alleviation in Northern Ghana: A Study Of The Bimoba Literacy Farmers Cooperative Union (BILFACU). (MPA Long Essay Unpublished).

35. Daily Graphic, Jan.13, 1999 p.3.
36. The Ghanaian Chronicle, December 1, 1998 p.6.
37. Daily Graphic, October 17, 1996, p.12.
38. The Ghanaian Chronicle, December 10, 1998, p.9.
39. The Ghanaian Times, October, 24, 1998.
40. Report of the FAO/IDEP/CODESRIA Workshop on The Dynamics of Rural Poverty in Africa, 1992 (IDEP, DAKAR SENEGAL).

CHAPTER THREE

PROFILE OF THE KPANDO DISTRICT AND AN APPRAISAL OF ITS ACTIVITIES

The Kpando District is an old District. It has been in existence since the First Republic. It is one of the twelve (12) Districts in the Volta Region. Its District capital is Kpando. The people of the District are Ewes.

3.1. LOCATION

The District lies within latitudes 6°20' and 7° 05' N and is approximately on Longitude 0° 17' E. It shares boundaries with the Jasikan District to the North, Hohoe in the East and Asuogyaman District in the South, while the Volta lake forms its western boundary. It covers an area of 1,229.5 sq. km. The District is easily accessible by road.

3.2. POPULATION

The estimated population for 1995 was 140,000. By the year 2,000 the District will have about 158,000, or 164,000 according to projections by the Regional average growth rate of 2.1%, or the National average growth rate of 2.8% respectively. The District is made up of 299 communities.

3.3. CLIMATE

The climate of the District is tropical. It is greatly influenced by the South-West Monsoon from the South Atlantic Ocean and dry harmattan winds from the Sahara. There are two rainy seasons. The major one from mid-April to early July and the minor one from September to November. The annual rainfall varies from 900mm to 1300mm.

Temperature is 27°C and the minimum and maximum vary from 22°C to 33° respectively. The average relative humidity is about 80%.

3.4. VEGETATION

The vegetation of the District is a mix of guinea savannah woodland and deciduous and teak forests. These dot the Dayi basin. The semi-deciduous forests are found in the Wusuta, Tsatee, Avere, Kpalime and Dzemeni areas. Much of the forests have however been lost due to lumbering and farming by the communities.

The teak forests are re-forestation projects in the District. These are at:

- (a) The Kpando Range (Dayi Block)
- (b) The Kpando Range (West Block)
- (c) The Kpando Plantation Forest Reserve
- (d) The Awate Forest Reserve
- (e) Tsrukpe
- (f) Tsatee .
- (g) Agate

There are also small forest reserves at Wusuta, Avere, Sabadu, Vakpo, Botoku and Tsoxor. These reserves cover about 40% of the total area of the District.

3.5 POLITICAL STRUCTURE

The District is made up of 16 traditional areas, each with its own Paramount Chief. There are 48 electoral areas. Each area has a representative in the District Assembly which is made up of 71 members. The distribution is as follows:

48 elected members

20 Government appointees

The District Chief Executive

2 Members of Parliament from the

2 Constituencies in the District.

The District has 1 Urban Council, 10 Town/Area Councils and 141 Unit Committees.

3.6 NATURAL RESOURCES

3.6.1 Water Resources

(Volta and Dayi Rivers, and draw areas).

The Volta Lake runs virtually along the whole of the Western boundary, while the Dayi River bounds the District to the east and its basin provides a prime farming land suitable for the cultivation of various food and industrial crops. The Volta Lake provides a thriving fishing ground for communities along it. It also provides opportunity for lake transport irrigation and tourism. Together with the Dayi River, they provide water for all-year-round farming.

3.6.2. Other Resources

In addition to the water bodies are the following natural resources:

- (1) Kaolin Deposits at Anfoega Agatanyigbe.
- (2) Marble Deposits at Tsatee.
- (3) Clay Deposits – Kpando, Gbefi, Kudzra, Botoku, Peki.
- (4) Traces of Diamond – Kpando Dzigbe
- (5) Agricultural land for mechanical farming is available throughout the District.
- (6) Mountain ranges with rocks for quarry industries.
- (7) Forest reserves for timber – Kpando, Vakpo, Tsrukpe, Botoku, Wusuta.

(8) **A Vibrant Labour Force.**

As a result of these natural resources, farming, commercial and manufacturing activities do go on in the District, Farming activities include the cultivation of crops such as maize, cassava, yam, water yam, cocoyam and plantain.

The District also serves as a major marketing centre, with markets located at the following areas: Kpando Central, Kpando-Torkor, Anfoega, Vakpo, Kpeve and Dzemeni.

Manufacturing activities and crafts include brick and tile production, gunsmithery, pottery, carving and bead making.

3.7. TOURISM

The tourism potentials of the area, include the natural attractions and scenic areas such as the lakes and islands, the estuary of the Dayi River, the Volta lake and the monkey mountains and caves. There are also historical places. For instance, the Gbefi Bridge built by the Germans before the First World War, and which is still operational. There is the official residence of Captain Lilly, the German Governor in the Trans-Volta Togoland, and the graves of German colonial administrators, and until recently, the residence of Dr. Amu, a renowned musicologist at Peki Avetile. The District can also boast of festivals that are occasionally celebrated and the Borborbor dance that is popular in all the sixteen traditional areas. Religious attractions include Christian religious monuments, prayer and healing camps, as well as traditional religious shrines.

3.8. SOCIO-ECONOMIC INFRASTRUCTURE

3.8.1. Education

The following educational institutions are available in the District:



	<u>Type</u>	<u>No</u>
1.	Nursery/Kindergarten	81
2.	Primary Schools	114
3.	Junior Secondary School	62
4.	Secondary/Technical	3
5.	Senior Secondary School	5
6.	Vocational Institute	4
7.	Technical Institute	1
8.	Teacher Training College	1

3.8.2. Health

The following health facilities are available in the District:

	<u>Type</u>	<u>No</u>
1.	Maternal Health and Child Care	8
2.	Health Post/Clinic	12
3.	Health Centre	1
4.	Hospitals	4

3.8.3. Bank

There are four Commercial Banks in the District. These are the Ghana Commercial Bank at Kpando and Peki, the Agricultural Development Bank at Vakpo, the Weto-Rural Bank at Kpeve and the Co-operative Bank at Kpando,

3.8.4. Police Post

There are five Police Posts in the District. They are located at Kpando, Peki Vakpo, Kpeve and Toh-Kpalime.

3.8.5. Hotels/Rest Houses/Motel

There are two Motels at Kpando. These are the Syllia Lodge and Retco Motels. The Government Rest Houses at Kpando, Vakpo and Peki are not functioning, due to lack of maintenance and permanent occupancy by workers of the District Assembly. The Assembly is taking steps to take-over and rehabilitate the rest houses. A new hotel has recently been opened at Kpando Tokor.

3.9. PROBLEMS MILITATING AGAINST DEVELOPMENT

- The high and rapid population growth puts a strain on the adequate use of public utilities.
- Inadequate and poor condition of infrastructure like roads.
- Lack of funds, equipment and facilities for routine office works.
- Absence of qualified staff for some decentralised departments.
- Inadequate and high price of inputs for rapid agricultural development.
- Heavy reliance on erratic rainfall for agricultural production.
- Apathy of people towards the development of the District.
- The poor state of roads in the District.

3.10. DECENTRALISED DEPARTMENTS

Sixteen (16) out of twenty-two (22) decentralised Departments are in place, these are: the Ghana Education Service; the Information Services Department; the Department

of Social Welfare; the Department of Community Development; the Controller and Accountant-General's Department, the Department of Feeder Roads; the Public Works Department; Ghana Library Board, Town and Country Planning Department; the Statistical Services; Births and Deaths Registry; the Department of Parks and Gardens; the Ministry of Health; the Department of Agricultural Extension; the Department of Animal Health and Production and the Department of Crop Services.¹

NOTE/REFERENCE

1. Kpando District Assembly

CHAPTER FOUR

DECENTRALISATION AND THE DISTRICT ASSEMBLIES COMMON FUND (DACF)

4.1. INTRODUCTION

This chapter intends to look at the decentralisation concept, what it means, and what it entails; and its implication for local government in Ghana. It will also discuss the District Assemblies Common Fund (DACF), which according to Ahwoi, has the most direct impact on decentralisation among all the institutions brought into being by the 1992 constitution.¹

4.2. SIGNIFICANCE OF DECENTRALISATION AS POLICY MEASURE

In its quest to ensure an accelerated and balanced socio-economic development of the country, the PNDC/NDC government settled on decentralisation as a policy measure. Additionally, the practice of democracy in any form and shade is now the most accepted model worldwide. Failure of governments to do so will attract a whole lot of sanctions, such as trade sanctions, aid withdrawals, etc.² As Ghana is in the process of restructuring and reforming its economy, the reliance on foreign donors for support makes it mandatory for her to abide by democratic requirements. These include consensus building and upholding of human rights. Ahwoi expatiated on this point. At a seminar on "Management of Local Government Reforms" in Accra at the Novotel Hotel in July 1996 he declared:

"The local government reforms are taking place amidst a growing world movement towards the exposure of national arrangements for local democracy and local self government to international discussions and experience sharing, a subject

which hitherto had been considered to be exclusively within the domestic domain of each country."³

It should however, be pointed out that the PNDC/NDC government was not the first to have given a thought to decentralisation as a means of making government responsive and sensitive to the needs and aspirations of the people of Ghana. For instance various commissions and committees of enquiry on public administration reforms in the past, namely, the Mills Odoi Commission (1967),⁴ the Siriboe Commission (1968),⁵ the Okoh Commission (1977),⁶ and later, the Kaku Kyiama Committee (1982)⁷ and Sackey Committee (1982)⁸ recommended not only structural reorganisation and improved conditions of service, but also, the decentralisation of the machinery of government.⁹ Indeed some of the arguments that are put forward presently in defence of decentralisation, were the same arguments put forward in the past. For instance in 1974, the government maintained that :

"the new local government structure was designed to take the decision making function in specified areas of government away from Accra closer to the areas where the decisions were implemented by devolving on local units of administration functions then centralised in government Ministries and Departments in Accra. It was also hoped that the new arrangement would give practical effect to the new democratic principle of self - determination at the local level and create opportunities for the optimum involvement of the individual in the whole process of Government and of development".¹⁰

However, what was significant about the PNDC/NDC programme, was the political will and commitment on the part of government to give it a real meaning, as expressed through the creation and establishment of new structures and institutions,

such as the District Assemblies and Unit Committees, among others and the reviewing of existing ones to support the programme.

4.3. DECENTRALIZATION

Decentralisation as a concept defies a universal definition. According to Olowu the concept evokes different images among policy makers, administrators, political scientists and the public.¹¹ The United Nations defined decentralisation as "the transfer of authority on a geographical basis, whether by deconcentration (that is delegation of authority) to field agents of the same department or level of government, or by devolution of authority to local government units or special statutory bodies."¹²

In management theory, decentralisation is usually described as the process of stretching power from institutions at the national level or centre, to regional and district levels. It is the transfer of a large number of management functions and the implementation of national policies from central government agencies to regional and district authorities. Asibuo discussed forms of decentralisation, which he enumerated as Functional Decentralisation, Areal Decentralisation, Devolution, Delegation and Privatisation. According to him, these forms are different approaches to decentralisation, which can be distinguished primarily by the extent to which authority to plan, decide and manage is transferred from the central government to other up-country organisations and the amount of autonomy granted to these organisations to carry out such tasks.¹³ In whatever form, decentralisation implies some form of sharing power and responsibility between levels of government, or institutions.

In the view of Zanu, decentralisation means different things to different people at different times and different places. According to him, the 1992 Constitution of Ghana has defined our concept of decentralisation, to mean the transfer of functions, powers and authority and has focused local government units as beneficiaries of the

decentralised functions, powers and authorities.¹⁴ For the purpose of this study, however, the concept of decentralisation will be discussed within the Ghanaian context of public administration.

By the policy and programme of decentralisation the Government of Ghana is concerned with the low level of development, and the lack of infrastructural facilities, with its attendant poverty, especially at the local level. Vice-President Mills intimated that any attempt at alleviating rural poverty should involve increase in on-farm activities as well as improvement in rural road and rail networks, improved market structures, developed fishing landing sites and expanded storage and processing facilities.¹⁵ It is to be assumed that the means to bring development to the people is decentralisation. Decentralisation no doubt, is a tool for democratisation and development. In a sense, development embraces the totality of processes or goals, driven by man's primal anxieties about security for food, shelter, clothing, health and education, achieved through the linkage of technology to resource, to bring about an enhancement of the quality of a people.¹⁶ In talking about Ghana's development, the President of the Republic, Ft. Lt. J.J. Rawlings in his opening address at an induction course for District Chief Executives at the Accra International Conference Centre on July 18, 1994, declared "Development for our rural areas means for me the provision of the basic necessities of life".¹⁷

Article 240 of the 1992 Fourth Republican Constitution, provides that Ghana shall have a system of local government and administration, which shall as far as practicable, be decentralised. In pursuance of this objective, new institutional structures and the roles and functions of various planning agencies have been defined in a number of legal instruments and promulgated into law to give effect to the policy of decentralisation of public administration in Ghana. These laws include:

- (a) The Constitution of the Fourth Republic of Ghana, 1992

- (b) The Civil Service Law, 1993 (PNDC Law 327).
- (c) The Local Government Act, 1993 (Act 462).
- (d) The National Development Planning Commission Act, 1994 (Act 479)
- (e) The National Development Planning (System) Act, 1994 (Act 480)
- (f) The Local Government (Urban, Zonal and Town Councils and Unit Committees)(Establishment) Instrument, 1994 (L.1. 1589).

However, it needs to be mentioned that all these laws were preceded by local Government Law (1988) (PNDC Law 207). This law provided for the establishment of 110 elected District Assemblies, and empowered them to formulate, implement and monitor development plans and programmes for their Districts.

Ghana's Vision 2020 policy document is also very significant in the discussion on decentralisation and poverty alleviation. Ghana's Vision 2020 is a 25-year National Development Policy Framework. The framework document represents the long-term perspective vision that by the year 2020, Ghana will have achieved a balanced economy and a (high end) middle income country status and standard of living. To realise this, institutional structures, roles and procedures are designed, such that all policies, programmes and projects reflect a priority for human development with relative social and spatial equity. The expected manifestation of the vision is a transformation of the economy and society in which significant changes will be observed in life styles and cultural and social norms. Within the rural environment, the vision is expected to manifest itself in the form of structural changes. Through this, there will be evenness between lifestyles and facilities in both town and country.¹⁸

Boachie - Danquah writes that the Civil Service Law, 1993 primarily seeks to restructure the ministerial organisations and decentralise public administration. It also seeks to **replace** the vertical system of administration and development control with a horizontal system. Thus administratively, the new system is designed to expand

operational capacity at the local level and to promote the involvement of the local people in governance.¹⁹ Local Government Act 462 is emphatic on popular participation in development decision-making at grassroots levels. In support of this provision, Ahwoi said decentralisation means that within the framework of national policy, there is scope for local initiative, local policy formulation and local mobilisation for development.²⁰

The structure of the decentralised civil service under the Civil Service Law, 1993 is as follows:

- (1) The office of the Head of the Civil Service as the overall body to oversee the Civil Service
- (2) Ministries, Departments and Sectoral Agencies -at the national level to prepare sectoral development plans and programmes in line with the national development goals and objectives, etc.
- (3) Offices of the Regional Co-ordinating Councils at the Regional level to co-ordinate and harmonise development plans and programmes of the District Assemblies with the national development objectives.
- (4) Offices of the District Assemblies at the district level - assume responsibility of planning development for their areas of authority.

On planning for development within the framework of decentralisation, Boachie-Danquah hinted that the new political structure and the logic inherent in administrative decentralisation, provide for formal plan - making, as a statutory requirement at two levels, first at the national level, by the National Development Planning Commission and the ministries, and at the district level by the District Assemblies. The hitherto dominant role of the regional administrations in planning for the districts has been curtailed, to that of co-ordinating and monitoring of district development plans.²¹

The planning agencies that are to ensure the effective and efficient administration of the new decentralised planning system under the Act are:

- (1) The District Planning Authorities.
- (2) The Regional Co-ordinating Councils.
- (3) The Ministries and Sector - Agencies
- (4) The National Development Planning Commission (NDPC).

Under the Act, the NDPC is the national co-ordinating body of the development planning system. All the other planning agencies are therefore to submit their development plans and programmes to it for approval. It is also incumbent on the NDPC to monitor the implementation of the approved plans, programmes and projects of the other planning agencies, with the aim of evaluating and reviewing, or revising (where necessary), national development plans to respond to the dynamics of both the internal and external environment. Abu was right in saying that decentralisation has put dynamism into the governance of this country.²²

The advantages of a decentralised system of public administration in Ghana cannot be overemphasised. Participation and co-operation in national programmes will lead to an increased understanding of the mechanics and dynamics of administration, since in developing countries like Ghana, governments are faced with special obstacles of general antagonism, social and political instability, and resistance to rapid change, misunderstanding and lack of appreciation of national goals. Decentralisation will empower the people, both politically and economically.

In Ghana, the decentralisation policy forms the basis of the new local government system. It is premised on the assumptions that:

- (a) Development is a shared responsibility between central government, local government, parastatals, non- - governmental organisations, and the people, who are the ultimate beneficiaries of development.

- (b) Development is that which responds to peoples problems and represents their goals, objectives and aspirations
- (c) Virile local government institutions are necessary to provide focal points or nuclei of local energies, enthusiasm, initiative and organisation to demonstrate new skills and leadership.²³

4.4. THE DISTRICT ASSEMBLIES COMMON FUND (DACF)

There is no doubt that the decentralisation policy in Ghana has placed enormous responsibilities on the District Assemblies. Section 10 of Act 462 spells out the function of the District Assemblies. Subsection (93) (a) and (c) respectively, charge the Assemblies to be responsible for the overall development of the districts, the promotion and support of productive activity and social development and the removal of any obstacle on initiative and development.

It is unimaginable how the District Assemblies could live up to the onerous task of developing their communities, without adequate financing. Nkrumah cautioned that there cannot be any meaningful and feasible system of decentralisation, if the allocation of functions is unaccompanied by a commensurable allocation of resources with which to undertake the functions and responsibilities.²⁴ Without adequate financial resources, the District Assemblies cannot implement their decisions and they will lose the credibility and confidence of their constituents. According to Agbenyega the power of money seems to control everything and therefore directs development exclusively.²⁵

The revenue that accrues from traditional sources to the District Assemblies is woefully inadequate to meet the challenges, considering the available sources of revenue and methods of mobilisation, as pointed out by Agbo.²⁶ According to Zanu, prior to the introduction of the decentralisation programme, local governments had the rather low yielding revenue areas. In a study in 1985 on local government revenue

as a percentage of national revenue, Ghana placed 38th out of 39 countries and its ratio was only a dismal 3.3%.²⁷ In light of this the financial legislation on local government is meant to strengthen the financial base and at the same time, improve the financial resources at the disposal of the District Assemblies.

Article 252 of the 1992 Constitution provides for the establishment of a District Assemblies Common Fund, which shall:

- (1) be annually replenished by Parliament from not less than five (5) percent of the total revenues of Ghana and payable in quarterly instalments for development;
- (2) be disbursed among District Assemblies on the basis of a formula to be approved by Parliament; and
- (3) Be administered by a District Assemblies Common Fund Administrator.

The objective of the Fund is to make available to the District Assemblies, additional resources for development. The front-page caption of the June 13 1998 edition of the Daily Graphic reads: Districts to share 135b. from Common Fund for Development.²⁸

The January 7, 1999 edition of the Daily Graphic, in its editorial: Sharing Common Fund equitably, acknowledged the level and volume of development projects being undertaken by the District Assemblies as phenomenal, since the DACF came into operation.²⁹ In a similar vein, an article by Amoah in the January 13, 1999 edition of the Daily Graphic also stated that through the District Assemblies Common Fund, substantial resources have been made available to the District Assemblies for development projects.³⁰

Act 455 of 1993, which established the District Assemblies Common Fund, defines the total revenue of Ghana for this purpose, to mean " all revenue collected by, or accruing to the central government other than foreign loans, grants, non-tax

revenue and revenues already collected by or for District Assemblies under any enactment in force."³¹ The Act also made provision for the office of the Common Fund Administrator, his functions and other related purposes. The functions of the administrator are to:

- (1) Propose a formula for the distribution of the Fund for approval by Parliament.
- (2) Administer and distribute monies paid in the Common Fund among the District Assemblies in accordance with the formula approved by Parliament.
- (3) Report in writing to the Minister on how allocations made from the Common Fund to the District Assemblies have been utilised by the District Assemblies.
- (4) Perform any other function that may be directed by the President.

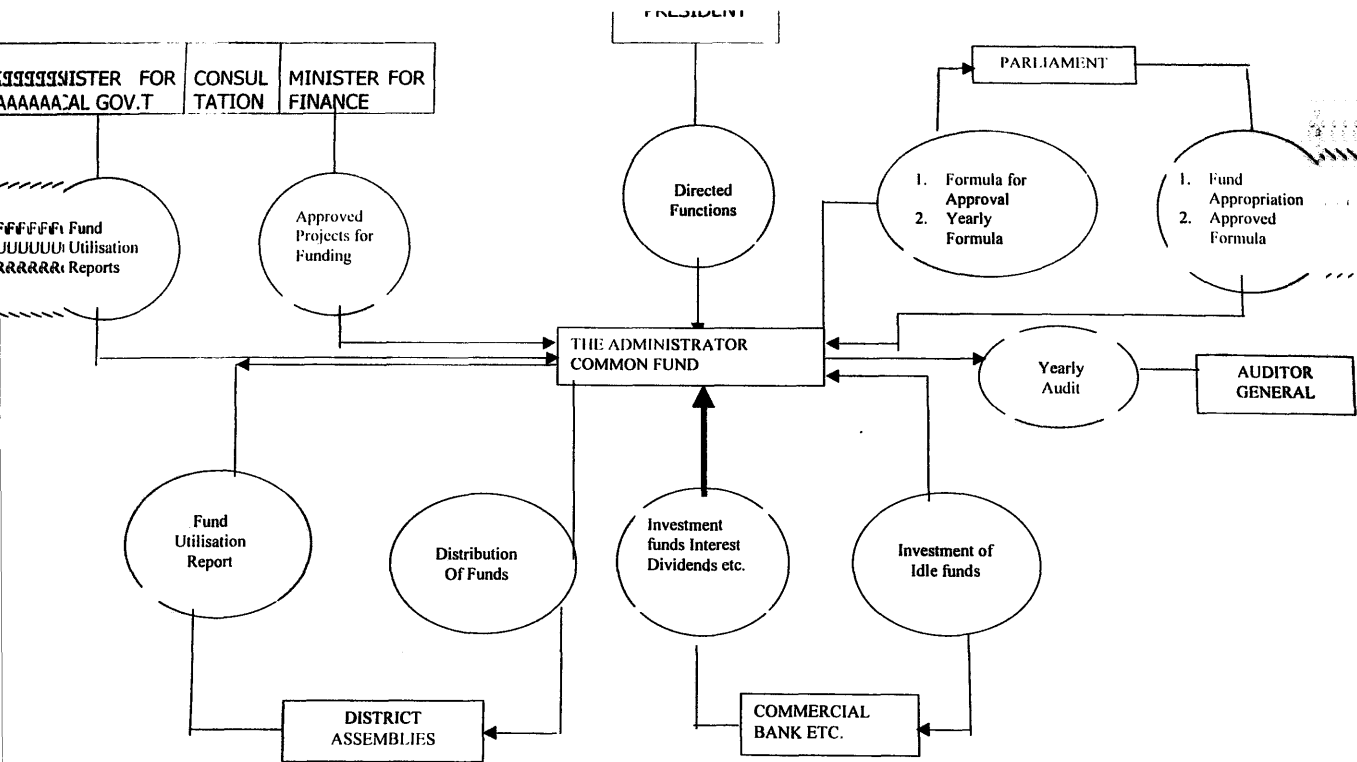
4.4.1. Factors for Developing the Fund

Five factors were accepted as the basis for sharing the Common Fund. These were: needs, responsiveness, equalisation service pressure and contingency. The rationale and the weights attached to these factors, which were finally approved by parliament, were:

<u>Factor</u>	<u>Weight</u>	<u>Rationale</u>
1. Needs	35%	To address imbalances in development
2. Responsiveness	20%	To motivate the districts to generate more income.
3. Equalisation	30%	To ensure that each district has access to a specified

		minimum sum from the fund
4. Service Pressure	15%	To assist in Improving existing services, which, as a result of population pressure, are deteriorating faster than envisaged.
5. Contingency	10%	To take care of unforeseen events. (It is deducted before the balance is shared among the other four factors.)

The formula for sharing is subject to constant review, with the view to improving it. The interested parties in the sharing of the Fund are mainly, the Common Fund Administrator, the District Assemblies (as recipients) and the legislators i.e. Parliament. The figure below shows the functional relationship among all the interested parties.



SOURCE: OFFICE OF THE COMMON FUND ADMINISTRATOR

Since 1994, disbursement of the District Assemblies Common Fund has been as follows:

<u>YEAR</u>	<u>BUDGETED ESTIMATES</u>	<u>ACTUAL (IN BILLIONS)</u>
1994	34	38.442
1995	55.97	58.74
1996	82.13	86.44
1997	109	106.3
1998	141.75	136.23
1999	165	82.5

(SOURCE: OFFICE OF THE COMMON FUND ADMINISTRATOR)

4.4.2. Districts Assemblies Common Fund Accounts

Separate Bank accounts have been opened for each of the 110 Districts. This is to make the monitoring of Common Fund monies easy. The signatories to these accounts are:

- (1) The District Co-ordinating Directors, and
- (2) The District Finance Officers.

The District Chief Executives also sign disbursement forms with the above mentioned officers. This is to ensure that the District Chief Executives are aware of disbursements.

The Districts are obliged to submit monthly reports on the use of the Fund. They are to provide information on how much monies they have received, together with any interest they had earned from their balances, and expenditures made during the particular month, indicating to whom payments had been made and on what projects.

4.4.3. Guidelines For the Utilisation of The Fund By The District:

Under Section 6 of Act 455, the Minister of Finance, in consultation with the Minister for Local Government and Rural Development, defines the areas of development, which could be funded with the Common Fund. Under Section 9 of Act 455, the ministers referred to, shall determine the category of expenditure of the approved development

budget of the District Assemblies that must in each year, be met out of amounts received by the Assembly from the Fund. Initially, the designated areas for funding were Health, Education, Local Administration and Rural Development projects.

Under the guidelines, district supplementary development budgets are to be approved by their assemblies, of which copies are to be submitted to:

- The Ministry of Finance and Economic Planning
- The Ministry of Local Government and Rural Development
- The National Development Planning Commission
- The Administrator, District Assemblies Common Fund

Since the Fund became operational, guidelines have been made to cover the following periods:

- (1) Transitional arrangements covering the period between 1994 and 1996 i.e. Pre-Development Plan Preparation Period and
- (2) Five year Medium Term Plan Period - 1995-2000.

4.4.4 The 20 Percent of the DACF For Income Generation and Poverty Reduction Programmes:

There is no doubt that the District Assemblies Common Fund has contributed to the development of the districts. A report quoted from one Regional Co-ordinating Council in the Local Government Information Digest says it has been possible to undertake a total of 189 projects across the Districts with the 1994 allocation.³²

According to the Ashanti Regional Co-ordinating Council within three years of its operation, several development projects had been executed through the Fund to raise the socio - economic status of the people.³³

However, according to the document on Policy Guidelines For The Use of The DACF For Productivity and Income Generative Activities By District Assemblies, although the provision of basic infrastructure stands out as a valid priority area in most districts, there is

a growing incidence of poverty. This, according to the paper, emanates from the lack of a significant expansion in productivity and employment opportunities. This situation raises serious concern and calls for appropriate policy interventions. Within the Ghana Vision 2020 Policy Document and the Five-Year Medium Term Plan Period (1996-2000), efforts to stimulate poverty reduction-oriented programmes would have to be made. In other words, problems that hamper development initiatives have to be addressed. Consequently, the Ministry of Local Government and Finance directed the District Assemblies to set aside 20 percent of their allocations from the DACF for income generation and poverty reduction programmes. The money to be set aside is to create a line as a Revolving Credit Fund. The objective among others, is to remove the obstacle of lack of access to credit for the self-employed and micro, small and medium scale entrepreneurs, who have potential, but are constrained by lack of access to formal finance, to enhance productivity, create employment and improve the income of the population.

The modalities that guide the operation of the credit scheme have been clearly stated. They centre around the Methodology; Eligible Enterprises; Target Beneficiaries; Type of Credit, Commitment of Borrowers; Credit Limits; Credit Duration; Management of The Credit Scheme, The Managing Bank; Charges; Interest Rate; Security; Credit Approval; Selection of Activities For Credit Support; and Monitoring And Evaluation. (See document on Modalities For Managing A Revolving Credit Scheme Of The 20% District Assemblies Common Fund Allocated For Productivity And Income Generating Activities For District Assemblies).

4.4.5. The District Assemblies Common Fund (DACF) – Problems:

The idea behind the introduction of the DACF is laudable. However, there are problems with its implementation. Like any new beginning, there might be problems. It is important that these problems are brought to the fore and dealt with so as to prevent the

stagnation of development activities in the Districts. The problems with the Fund centre around its inadequacy, ill-timing and subsequent delay in its disbursement to the Districts, and central control of the Fund. In his write up on "The Common Fund, its benefits and problems" Bawa indicated that five years after its inception, problems keep mounting, despite all the good uses it has been put to. Among the reasons he gave, he cited the criteria for sharing of the Fund, the timing of the release of the Fund, its inadequacy and central control of the fund. He suggested that the five percent of the total national revenue for the Fund should go up to twenty percent. Further, he called on the Administrator of the Fund to ensure an early release of the Fund. Above all, the Assemblies should be allowed to utilise the Fund, as they deemed fit.³⁴

There are also concerns about how the Fund is being managed and utilised at the District level. The Ministry of Local Government and Rural Development expressed its dissatisfaction about the imbalance in the use of the DACF on programmes such as basic administrative services and infrastructure, to the neglect of expansion in productivity and employment opportunities. This has led to high incidence of poverty among the people (see document on policy guidelines).³⁵ In another development, the Manual for the utilisation of the District Assemblies Common Fund – (Ashanti Regional Co-ordinating Council), stated that despite the provision of infrastructure and other facilities under the Common Fund, the utilisation and management of the Fund have been beset with a number of problems and lapses.³⁶

Further, there are allegations of corruption and all that it entails against some District Assemblies in the management and utilisation of the Fund. The Ghanaian Chronicle of April 6, 1999 reported a probe of some District Chief Executives. It mentioned that three former District Chief Executives in the Northern Region were undergoing the test of probity and accountability in a controversy that centred around the allegation of a missing ₵120 million from the Tamale Municipal Assembly's Common Fund.³⁷ The Kpando District

Assembly which is the main interest of this study has also been similarly accused, and a call was made to probe the District Chief Executive.³⁸ The Upper Regional Minister, Sulemana lamented that the purpose of the Common Fund was being defeated. This was due to problems such as the Districts ignoring the guidelines for its utilisation, awards of dubious contracts, and shoddy contract executions.³⁹

These problems notwithstanding, suffice it to say that the Assemblies have made their mark in infrastructural development. How to ensure that these problems are contained within bounds should be a matter of concern for all.

NOTES/REFERENCES

1. Ahwoi, K. "Emerging Institutions: Implications For District Management Capacity", Selected Speeches And Papers, July 18-22, 1994, (Venus Publications). p.12.
2. Agbenyega, C.O. (1998) Development: The Poverty Alleviation Dilemma, (Mamattah Rays Enterprise). p.70-71.
3. Ahwoi, K., (1996) "Management of Local Government Reforms" Seminar Paper, Local Government Information Digest, Vol.9. no.4, July-August, p.4.
4. Mills Odoi, Reports of the Commission on the Structure and Remuneration of the Public Services, 1967.
5. Siriboe, Report of the Commission into Electoral and Local Government Reform (Part III), 1968.
6. Okoh, E., Main Report of the Commission on the Structure and Procedures of the Ghana Civil Service, 1977.
7. Kaku Kyiama, Report of the Committee on the Restructuring of the Civil Service Machinery, 1982.
8. Sackey, G.S., Report of the Sackey Committee and the Status of Recommendation Approved For Implementation of the Restructuring of Ministerial Organisations, 1982.
9. Ayee J.R.A., (1994) "Civil Service Reform In Ghana; An Analysis of the Year 1993 Civil Service Law. The Journal of Management Studies. Vol.II, Jan-Dec. Third Series. P.13-24.
10. The New Local Government Structure", Handout by Ministry of Local Administration, 1974, p.1.
11. Olowu, D., (1989) "Local Institutions and Development: The African Experience", Canadian Journal of African Studies Vol.23, No.2.
12. UN Publication, Decentralisation for National and Local Development, 1962, p.88.
13. Asibuo, S.K., (1993) Problems and Prospects of the Implementation of the New Local Government System Under PNDC Law 207, p.6-8.
14. Zanu, S.Y. (1995), Art. "The Constitution, Decentralisation And Local Government", Decentralisation as a tool for Democratisation and Development, p.26. (Konrad Adenauer Foundation, Accra).
15. The Ghanaian Chronicle, 1998, 2-3 December edition, p.5.
16. Johnson, C. (1990) Art. "Concept of Development And Its Application to the District Assemblies", Selected Speeches and Papers. p.78

35. District Assemblies Common Fund – Guidelines
36. Manual for the Utilisation of the District Assemblies Common Fund (Ashanti Regional Coordinating Council).
37. The Ghanaian Chronicle, 1999, 1-6 April, p.6.
38. The Ghanaian Chronicle, 1998, 24-25 Aug. p.1.
39. The Daily Graphic, 1999, 12th April, p.13.

CHAPTER FIVE

ADMINISTRATION AND FINANCING OF LOCAL GOVERNMENT IN GHANA FROM THE COLONIAL PERIOD TO 1992

5.1. INTRODUCTION

This chapter seeks to look at the historical perspectives of Local Government Administration and Financing in Ghana from the Colonial Period to 1981. If there is no strong system of local government, which will mobilize and harness resources, there cannot be any meaningful development at the rural level. Consequently, if poverty is to be alleviated especially at the rural level, then the suggestion is that there must be viable local government units, operating a system that is efficient and effective. In this regard, and in retrospect, one needs to review the local government systems that had existed in Ghana, This may give an insight into what went wrong, and in light of the current system, try to find out whether Ghana as a nation, is on the right path to ensuring development, progress and prosperity.

5.2. THE CONCEPT OF LOCAL GOVERNMENT

Local government has no precise definition, since various writers have differently defined it. The underlying reason for local government, according to Price is that central government cannot possibly attend to every detail of local administration, giving full weight to local preferences and prejudices on every issue. If it tries to, it would probably cause a great deal of resentment and unpopularity. It therefore attempts to make use of its citizens' local loyalties, by delegating local functions to local Administrative bodies, which may be of various types, such as a locally elected representative body.¹

Jackson sees local government as essentially a method of getting various services run for the benefit of the community.² According to Awa local government is a political

authority set up by a nation or a state, as a subordinate authority for the purpose of dispensing, or decentralizing political power.³ To Barrat local government is a democracy on the doorsteps.⁴ Stewart argued for local government as a political institution constituted for local choice; and that in a changing society facing complex problems, local government has the potential to contribute much to the system of government of that changing society.⁵

A research project on local government by the Department of Political Science, University of Ghana, submitted in its interim report that local government serves a dual function, of which on one hand, it is the lowest level of the governmental control structure which executes certain functions based on delegated authority or the principle of deconcentration. On the other hand, it is the first level of the consensus structures in which the specific goals of different groups are integrated on the basis of common values.⁶

The foregoing suggest that local government is necessary for any society with simple or complex political system. Local government units should have separate legal existence, independent budgets, and should be representative, They must have and perform different ranges of functions, and they should be in control of resources both human and material, guided by the locality principle. All these, notwithstanding, they remain subordinate systems of the central government.

5.3. LOCAL GOVERNMENT DURING THE COLONIAL PERIOD

Local government in Ghana is not a new phenomenon. However modernization was introduced into local government in the Gold Coast with the advent of colonialism, when the Municipal Councils Ordinance was passed in 1859.⁷ When the Indirect Rule system was introduced, chiefs became more powerful and wielded much more influence and control over their subjects than they used to. In his thesis Brukum discussed the

Indirect Rule system and stated that it was aimed at preserving the traditional state and its institutions but fashioning them to suit the modern world. Its essential ingredients were the existence of an administrative structure, a bureaucracy to implement policies, a viable system of taxation and above all, a system of administering justice.⁸

According to Asibuo the colonial masters recruited eminent indigenous chiefs and assigned them with the responsibility of maintaining law and order, collecting taxes, settling disputes and managing essential social-economic services. These traditional authorities represented stability, cohesion, and moral force in a society that was undergoing a complete, transformation.⁹

Local government in the Gold Coast was regulated by separate Ordinances. For example, The Native Authority (Northern Territories Ordinance (Cap 80,1932), The Native Administration (Togoland Southern Section Ordinance of 1933) and the Native Authority Ordinance for Ashanti (1935) and the Colony (1944). According to Nsarko, the 1944 Native Authority Ordinance, for the first time, (at least in theory), distinguished between the functions of Native Authorities and those of State Councils.¹⁰ Laws were also passed to regulate the provision of services devolved upon traditional chiefs. These were:

- (1) The Native Administration Ordinance (1927).
- (2) The Native Treasuries Ordinance (1936).
- (3) The Native Authority Ordinance (1944).

Whatever was done with, and to local government administration in the Gold Coast, during the period under review with regards to its structure, size, membership, functions and financing, it is important to mention that there was general dissatisfaction on the part of the natives, especially, the educated ones. Both the Watson Commission (1948) and Coussey Committee (1949) confirmed this. The two bodies recommended an effective decentralization system for local government and for entirely new councils, that were more democratic in composition, and more efficient and effective in the discharge of

greater responsibilities for the social welfare and well being of their local communes.¹¹ Asibuo recounted how the British, through, the Indirect Rule system, made use of decentralized structures in the form of native administrative institutions to elicit some degree of local participation.¹² This however displeased the masses, but against the backdrop that the British Treasury was not willing to pay bills for colonial administration, the colonial government could not do otherwise. As alien rulers, they found it difficult to increase taxes to the point where revenue could be sufficient to support improved local administration. Meanwhile, "The British Treasury expected each colony to be self-supporting financially. Consequently, the colonial government could only rely on chiefs and other traditional rulers for revenue support from traditional sources."¹³ By the time that Nkrumah became leader of Government Business in 1951, plans were far advanced to reform the local government system in the Gold Coast.

5.4. LOCAL GOVERNMENT IN GHANA (1951-1966)

The 1951 Local Government Ordinance was a complete departure from the Indirect Rule system of local government. The 1951 Local Government Ordinance marked the end of Indirect Rule. It introduced modern, democratic and representative Local Government System; but how local government fared until 1966, could best be described with what Asibuo wrote that the increasing interest in decentralization during the 1970s emanated from mass disillusionment and dissatisfaction with the disappointing results of highly centralized planning and control of development activities in the 1950s and 1960s.¹⁴

In 1953, the Municipal Councils Ordinance empowered the Minister for Local Government to establish the Kumasi, Accra, Cape Coast and Sekondi-Takoradi Municipal Councils. By 1956 26 district councils, 14 urban councils and 238 local councils had been established.¹⁵ The elective principle was applied, and provision was made for one-third traditional representation. This however was done away with in 1961. Some of the

councils were too small and too weak financially to be stable units of local government. Therefore, they survived only on government grants. District Commissioners were appointed by central government to take responsibility for local administration.

In November 1956, the Greenwood Commission was appointed to inquire into local government in Ghana. Its terms of reference were to look at and report on the structure; methods of revenue collection; methods of control of expenditure; methods of financing local authorities; the level of rates and taxation; and the sharing of responsibility between the centre and the periphery.

The Commission came out with its findings and recommendations. The report made two main assumptions. These were:

- (i) Local government should continue to be democratic in form and should perform as wide range of functions as lies within its capacity.
- (ii) Local government must finance its services as far as possible out of resources at its own disposal, and that undue dependence on the central government is to be avoided.

The commission found the existing local authorities too many, fragmented and weak financially. It favoured fewer local authorities. The reasons being that the fewer the local authorities, the greater the opportunity of supervision and advice from the centre. Also, that the development of services can be planned much more efficiently and economically. Two main approaches were suggested for reconstructing local government in Ghana. These were Plan 'A' (divisional councils) and Plan B. These dealt with the subject of the level of rates and taxation and the sharing of responsibility between the centre and the periphery. The councils would continue to make bye laws. Revenue derived from local services and imposition of fees would be retained by the councils. As a means of controlling expenditure, Greenwood recommended the following:

- (1) A strict compliance with the financial memoranda;

- (2) The production of quarterly financial statements.
- (3) Examination of prospective financial liabilities before embarking on capital projects or new services, together with a revised form of estimates;
- (4) Financial code for municipal councils and training of officers followed later by internal auditing and cost accounting.
- (5) A closer system of supervision and inspection.

Finally, on methods of financing local authorities, the Commission made particular reference to central government grants and loans. It recommended that the search for a satisfactory formula by which to measure need should be sustained. Further, it recommended that population should be the basis of distribution. On loans, the Commission felt that loans must assume a much greater importance in the realm of local government finance than hitherto, if development grants were to be curtailed.

The implementation of these recommendations was to meet some difficulties. For instance, the amalgamation of some councils would pose a threat to traditional authority and influence. It was feared that this would also lead to loss of stool lands revenue. There were the problems of political affiliations to be considered. Petty quarrels, ill-feelings, hatred and resentment among neighbouring communities also posed a threat to the implementation of these reforms with regards to local government levies and rates. This particular fear, however, was to be abated by the amendment of section 94(I) (a) of the Local Government Ordinance, 1951.¹⁶ As a consequence of the recommendations made by the Greenwood Commission, the number of local authorities was reduced to 70 in 1958 and the then two-tier arrangement abolished.¹⁷

However, in 1961, government decided that there should be one principal consolidating enactment for local government. The passing of the Local Government Act, 1961 (Act 54) consolidated some of the provisions of the Local Government Ordinance, 1951 and the Municipal Councils Ordinance, 1953. The Local Government Act 1961

divided Ghana for Local Government purposes into areas administered by City, Municipal, Urban or Local Councils.¹⁸ In 1962, the Act established 104 Districts, 139 Local Councils, 12 Urban Councils, 3 City Councils and 1 Municipal Council. Councillors were directly elected and held office for three years. Between the centre and the units were regional authorities with less political power and influence. Further in 1965, the Local Government (Amendment) Act 1965 established a Unified Local Government Service for the whole country.

The functions of the local government bodies were classified into four main categories and these depended on their sizes. These were:

- (1) Essentially personal welfare services; (eg. education, sanitation, health, water supplies).
- (2) Essentially communal or environmental services; (eg. recreational grounds, feeder roads, streets, postal agencies).
- (3) Protective services; (eg. control of sale of food, traffic control, fire service).
- (4) Commercial undertakings. (e.g. markets, lorry parks, ferries, bus services, light industries).

The councils came under central government control, rendering them less autonomous. Areas of control were in finance, legislation and administration. Financially, the councils depended on central government grants (Percentage and Block Grants). Other sources of revenue however came through local taxation or rates. These were the Basic Rate, the Graduated Rate, Property Rate and Rates on assessed possessions. Apart from government financial control, the councils themselves suffered from poor taxable capacity, the smallness in size and population of the councils and poor rate collection methods. Corruption also plagued the councils.

the CPP at the local level. Systematically, new local government arrangements were made. Although they were intended to be of temporary nature, a culmination of certain factors made the changes linger on until 1974.²³

Local government during this period was directed by the Local Government Interim Administration Amendment Decree 1968 (N.L.C.D. 229). The Decree constituted City and Municipal Committees in the first part. Part two constituted Urban or Local Management Committees.

Management committees came to be established in place of the former urban and local councils. Members were nominated; they were mainly locally based civil servants. The committees came under the chairmanship of high-powered central government District Administrative Officers. In 1968, the membership of the committees was increased, to include traditional representatives, local traders, professional men and retired civil servants. The town and village committees also underwent changes in structure and functions. Meanwhile, the NLC set up a number of Commissions of inquiry, namely; Akuffo-Addó, 1966; Mills Odoi, 1967 and Siriboe, 1968 to inquire in to the administration of, the country. It is important to note that their terms of reference overlapped to involve them in local government. The Mills Odoi Report described the existing sorry state of local government. The Siriboe Report reviewed the new ideas on local administration at that time gaining currency in the outside world, and in its recommendations set these into a Ghanaian context.

Based on their work, the model of local government structure that emerged was four tier in nature, namely Regional, District/Municipal, Local Councils and Town and Village Development Committees. Their work also reflected the need for the devolution of administrative power than mere delegation of authority. It is worth noting that, the NLC's interest in local government administration with regard to the Commissions reports marked a watershed in Ghana's administrative thinking. The Commissions came up with different

viewpoints and recommendations, but had one objective. This required central government to decentralise and create a strong and viable local government that would be capable, efficient and effective in planning for their district, and carry out those functions for which they were set up. It also served as a reference point for reforms to the present time.²⁴

Paradoxically, however, the NLC government held on tight to centralization. Its background was bound to make it dictatorial. It was also wary of conferring any substantial measure of autonomy to any local institution, should that go to undermine its power and authority. Further, there were problems of implementation; namely financial, personnel, administrative, and bureaucratic opposition. Some conservative elements within the regime felt that the transfer of powers functions and means would negatively affect their authority,

The outcome was that local government under the NLC was undemocratic, lacking representation and mass participation. In the view of Ówusu Ansah the lack of representation meant that the general public was deprived of an important medium through which understanding of the issues involved in local government could be obtained.²⁵

The pattern and system of financing were not different from what existed under its predecessor administration. The problems of inadequate financing made local government under the NLC regime also very inefficient and ineffective. The next stage in the discussion on local government in Ghana is on the Progress Party era, the regime that took over from the NLC in Ghana.

5.6. LOCAL GOVERNMENT UNDER THE PROGRESS PARTY (PP) GOVERNMENT (1969-1972)

The Progress Party was voted into power in September 1969, under the leadership of Dr. K.A. Busia. A significant step that the Party took in local government

administration was the introduction of the Local Administration Bill, 1970. Woode pointed out that the Bill sought to satisfy the need for efficient and economic administration on the one hand, and the need for responsive, convenient and sympathetic administration on the other. He however cautioned against the dangers involved in the arrangement. One particular danger that he mentioned was the tendency towards centralization.²⁴ This was confirmed by Harris that within two years of the Progress Party government there was increasing evidence of centralization.²⁷

The Local Administration Act, 1971 Act 359 affectionately referred to as the Birmingham Model,²⁸ had under it three types of local authority namely: Regional Councils, District councils, and Local Councils. The Regional Councils were made up of members elected by the District Councils, traditional representatives and ex-officio members. There was a Chairman of Council (Regional Chief Executive), and a Regional Administrative Officer. The councils were primarily planning and resource allocation bodies, approving, co-ordinating and supervising the activities of their constituent district councils and allocating to them, central government funds made available by the Local Government Grants Commission.

The District Councils were the basic local government units. They were responsible for the provision of public services. They could go beyond normal statutory functions of development and public services on the authority of the Minister or the Regional Council. Their functions, which also included commercial activities, were therefore prescribed in very broad and general terms,

Local Councils were the "grass root" local authorities. They were to be essentially the prime community development agencies. They were to assist the District Councils in rate collection and of performing any tasks, which might be delegated to them by the District Councils, Traditional representation was one half of each council membership. This was an opportunity to mobilize traditional opinion in support of community

development projects. Section 29 and 30 of the Act empowered the Minister of Local Government to modify at will, various provisions of the Act. The control of the machinery of local government from the centre was expressed in the fact that District Councils were to discharge their functions, subject to the "general guidance and directions" of the Minister, acting through the Regional Councils. According to Price the Act was believed by many to have created a local administrative system, which was in effect, a hierarchy of central agencies.²⁹ The appointment of the chairmen of the Regional and District Councils gave the central government a very great influence over the local decision-making process.

The sources of financing local government were clearly spelt out in the 1969 Constitution and the Local Government Administration Act, 1971. A major source of revenue was the Local Government Grant, to be administered by a Local Government Grants Commission, headed by a commissioner. The grants-in-aid to be paid by the Commission to the Council were fixed for a period of five years at a time. Other sources of revenue came from traditional sources; In addition, the District Councils could levy special rates for special projects in a particular area. It may be of interest to know that the National Redemption Council regime did not favour the payment of any development levy when it took over power in 1972.³⁰

To all intents and purposes, the Progress Party regime was committed to rural development yet it did not demonstrate the political will and enough commitment to make it work.³¹ Agbozo accused the Busia government of inconsistency between intentions, objectives and actions.³¹ No major administrative reorganization took place. By implication, the Progress Party regime did not depart from the system of local government that it inherited.

Given the abrasive and confrontationist political style of Dr. Busia, and the powerful leverage over potential or existing areas of opposition, the Progress Party

government became unpopular. There was evidence that the Local Administration Bill (1971) which was originally drawn up for presentation in 1970 had to be withdrawn and then reworked to take account of the government's much-reduced support. Considering the poor morale and general apathy of the civil service at this time, it was doubtful whether the government could have undertaken administrative reorganisation on any scale.³³ In January 1972, through a military take over, the government of the National Redemption Council (NRC) came into office. How local government fared under the NRC, comes next under discussion.

5.7. LOCAL GOVERNMENT UNDER THE NATIONAL REDEMPTION COUNCIL (NRC) 1972-1979

Reform of local government in Ghana got underway during this period under review. In 1973, through NRCD 140, Regional Development Corporations were established. In this connection, the regime believed that in the areas of decentralization and rural development, efforts were to be made to address rural problems and issues.

The 1974 Local Administration (Amendment) Decree NRCD 258 introduced reforms in the administration of local government. The decree sought to abolish the distinction between local and central government at the local level and to create one common monolithic structure (District Councils). District Councils were assigned the responsibility of the totality of government at the local level. Under this arrangement, certain ministries were to decentralize and to become departments of the district councils. Chiefs were to be given their due recognition, in local administration. "On our part we will continue to give Nananom every encouragement in the implementation of the Chieftancy Act".³⁴

The District Chief Executive, a government appointee became the administrative head of the district. He was to co-ordinate the programme of all government agencies in the area, to ensure their harmony with those of the council. Members to the council were

to be appointed by the government. There was a chairman of council, elected from amongst the members. He had limited powers. The NRC, however, reserved the right to appoint its own executive chairman.

The relationship between the centre and the council regarding the conduct of affairs of the council clearly indicated that the centre controlled the periphery. To this must be added the powerful position of the Regional Commissioner, who had discretionary powers to establish village, town and area committees.

With regards to finances, a Financial Administration Decree, 1979, SMCD 221 (FAD) and the Financial Administration Regulation 1979, LT.1234 (FAR) were enacted, and provided exhaustive direction and control of financial administration in the country. This enactment centralised all fiscal controls in Accra. The attempt created a monolithic service at the local level with central government taking responsibility for the payment of all remuneration.³⁵ It should also be seen as an attempt to relieve the councils of some of their financial predicaments. With the absorption of all former local government employees into the civil service, the government had taken over the responsibility for the payment of salaries and wages of council staff. With this change in government policy, funds collected at the local level would be available for the provision of local amenities; and each locality should, therefore, be in a position to see the results of its revenue collection efforts in concrete terms.³⁶ However, there were problems. According to the handbook on the New Local Government system, (1996) this attempt created a rat race for recruitment by the District Councils. The end result was that the payroll of the District Councils; the bureaucracy and other staff of the District Councils became over-bloated and financial discipline broke down.³⁷

It is significant to note that apart from central government grants and the traditional sources of revenue for the districts under the NRC regime, District Councils engaged in commercial activities and increased their efficiency in revenue collection.³⁸

The system of reformed local government never worked. Decentralisation as a policy did not receive the enthusiastic support and attention of those who had the power, political and administrative leadership to make effective decisions in these matters. Akuoko-Frimpong felt this failure was due to the fact that since 1974, there had been as many as five Commissioners for the Ministry of Local Government. It was needless to say that the frequent changes in the political leadership of the Ministry had an adverse effect on the implementation programme. Besides, the pre-occupation of the military government, since 1976, with a search for a new constitutional government for Ghana has shifted the emphasis, and government priority, from local to national reforms. He felt that these contributed to the failure in implementing the decentralisation policy to its logical conclusion. In his judgement, he asserts that only some little headway were made by the creation of the new local government system.³⁹ In November 1978, the first local government elections in over twenty years were held. The Armed Forces Revolutionary Council (AFRC) took over power in June 1979. After a three-month stay in office, it handed over power to the Peoples National Party (PNP).

5.8. LOCAL GOVERNMENT UNDER THE PEOPLE'S NATIONAL PARTY (PNP 1979-1981)

The Administration of the PNP government was uneventful and therefore, it did not register much along its policy of decentralization and rural development; despite its green revolution policy.

The 1979 Constitution made provision for local government administration.⁴⁰ By all indications, the government was under obligation to decentralize. The model of local government that was stipulated was a three-tier structure of Regional and District Councils and Town, Village and Area Committees.

The Regional Councils were to be headed by Regional Ministers. The functions of these Councils generally centred on the coordination, planning and implementation of

regional development programmes and the control of the operations of any Development Corporation or authority. Membership of these bodies was to include two representatives each from the district, two chiefs from the region and regional heads of the ministries in the region.

The District Councils were to comprise of members of parliament of the area, two-thirds elected members and one-third to be chosen by traditional authorities. The Councils were to be responsible for the administration of the area in consultation with the village, town or area committees. There was to be a clerk to the District Council who was to be responsible to the council and a council chairman and vice who were to be elected from amongst the members of the council.

The sources of finance came from traditional sources, levying of taxes, rates and duties, etc. A development fund was also to be established. Local government councils were also to enjoy local government grants, to be administered by the Local Government Grants Commission.

Buame contends that the Limann government was paralyzed from birth and further that his government could be described as an era of political and economic inaction and confusion.⁴¹ This could be believed because, the system of local government during this era was a confused one which lacked clarity and direction.

5.9. FINANCING LOCAL GOVERNMENT BEFORE THE PERIOD OF THE PROVISIONAL NATIONAL DEFENCE COUNCIL (PNDC) AND THE NATIONAL DEMOCRATIC CONGRESS (NDC) GOVERNMENT, LOCAL GOVERNMENT REFORM

Local government in Ghana was financed mainly through central government grants. According to Price, central government grants formed the most important single source of income for local authorities in Commonwealth West Africa. It formed 40-50 percent of their revenue. Grants were designated and administered as block and

percentage grants. Block grants were paid in a lump sum, and were not connected with the provision of particular services. Generally, they were intended to assist poor local authorities more than rich ones. Percentage grants were based on the percentage of what the service provided will actually cost, as in the case of education where the grant for maintenance of schools and furniture was a specific percentage of the total expenditure. Percentage grants enabled the central government to control in detail the services for which the grants were paid. They also made it possible to introduce new services. Councils could also raise loans. However, this was subject to the approval of the Minister responsible for local government.

The second largest source of revenue for local authorities was rates from traditional sources. The rates came in various forms such as property rates, basic rate (poll tax), graduated rate and special rate. The minor sources of revenue for local government finance came from court fines and fees, market fees and tolls, rents, regulatory fees, licences and municipal trading. According to Price, these constituted about 20 percent of local revenues.⁴¹ There were also instances that district councils engaged in commercial activities such as transport operations. Sometimes certain duties were imposed upon local authorities (e.g. maintenance of health services, or the provision of primary education). Under such a situation, if it was too expensive for a local authority to support out of its own revenue, the central government paid an annual grant to the local authority to cover the whole or part of the cost.

There were Local Authority Treasuries which were later replaced by District Treasuries. The 1974 Local Government system requested that proceeds from the traditional sources: basic rate, market fees and tolls, general rate or property, regulatory fees and licences, should be paid into a separate Bank Account specifically in the name of the District Council. This separate Bank Account was to be maintained in respect of the Controller and Accountant General.⁴¹

Each year, local authorities were required to prepare draft estimates, or expenditure for the forthcoming financial year. These estimates were then submitted to the Minister of Local Government for approval. When it became necessary, supplementary estimates were prepared for the approval of the Minister. For instance, in 1996, government decided that Local Authority estimates were to be considered by the Ministry of Local Government and the Ministry of Finance, and finally submitted to Parliament for approval as subsidiary to the main national budget. At the end of the financial year, Annual Accounts were prepared. They showed actual revenue and expenditure, and were subject to audit.

In spite of the various commissions reports on local government reforms, financing of local government remained a critical problem. In the opinion of Nsarkoh, Local Authorities have had an incurable problem of finance as most of the revenues of local taxation had been annexed to the Central Exchequer without any satisfactory arrangement for reimbursing them for monies properly due them, which was collected by central government.⁴⁴ Similarly, Sarpong observed that government arrogated to itself practically all the lucrative sources of revenue to the disadvantage of local authorities.⁴⁵

With reference to the 1974 Local Government Structure, Akuoku-Frimpong contends that a crucial problem which militated against the successful implementation of the decentralisation policy, in relation to finance, was the absence of composite budgets at the District level; funds that had in the past been allocated to decentralised ministries and departments had not been transferred to the office of the District Chief Executive. Estimates were prepared separately (as had been the case under the "dual hierarchy model") by District heads of the field agencies instead of composite estimates or budgets at the district level. This frustrated the efforts of District Chief Executives to control the finances as well as co-ordinate the activities of the departments of the District Councils.⁴⁶

The Okoh Commission (1974) disapproved of this practice. In order to be in tune with the 1974 new local government system, it recommended that the budgetary process should start at the district level to ensure that the needs of the people in the local area are taken into consideration when preparing the estimates and development plans. It also recommended that all the projects envisaged in the district should be determined, budgeted for, and co-ordinated at the District level.⁴⁸

The Financial Administration Decree, 1979, SMCD 221 (FAD) and the Financial Administration Regulation 1979, L.I. 1234 (FAR), which were earlier referred to, even though shifted the financial responsibility of paying salaries and wages of council staff to government, it would be argued that, this did not solve the problem of local government financing. There was still heavy dependence on the basic and property rates. The problems associated with the collection of these were yet to be solved. Within the new local government dispensation, there is the need to review and reconcile the FAD/FAR and the financial provisions of Local Government, 1993 Act 462 to consolidate the advantages of both.⁴⁶

To conclude, throughout the changing faces of local government in Ghana, inadequate financial resources had always been with us. Apart from the Councils own problems of poor method of revenue collection, corruption, operational inefficiencies and unnecessary waste of material and human resources, which undermined financial sufficiency, there were other problems which militated against the same. These problems were mainly due to the following:

- (a) The passing of the Administration of Lands Act, 1962 (Act 123). It shifted the management of stool lands from the councils to the Minister responsible for lands. This had the effect of depriving councils and the stool of substantial revenue for development.

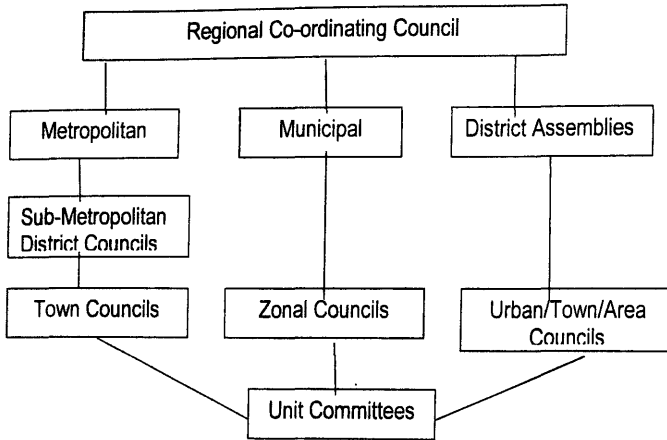


- (b) Pre-emption of traditional sources of Local Authorities income, which are essentially local in character e.g. licencing of beer, wine and spirits. The establishment of the National Omnibus Services Authority took over the transport undertakings of local authorities. This led to loss of income.
- (c) The divestment of Councils of responsibilities such as the administration of local courts.
- (d) The restricted base of tax incidence.
- (e) Lack of effective control of expenditure.
- (f) The abolition of government loans to finance capital expenditure.
- (g) The Budgeting procedure.⁴⁸

5.10 LOCAL GOVERNMENT UNDER THE PROVISIONAL NATIONAL DEFENCE COUNCIL (PNDC) AND THE NATIONAL DEMOCRATIC CONGRESS (NDC) GOVERNMENT (1988, 1992).

The PNDC under the chairmanship of Flt. Lt. J.J. Rawlings came to power with the launching of the 31st December (1981) Revolution. The PNDC came to power determined to restructure Ghanaian society; and one of the institutions to attract its immediate attention was the public service.⁵⁰ The ultimate aim was to break away from the old administrative practices, and make the civil service practical, responsive and sensitive to the needs and aspirations of the people. In 1988, government embarked on local government reform. Decentralisation was a major component in this exercise.

Figure 2: shows the structure of the new local government system.



The new local government system is backed by Local Government Act, 1993 (Act 462) and other supporting legal instruments. (refer to Chapter Four). Under the Act, a Local Government Service is to be established by an Act of Parliament. Under the decentralisation process, the Assemblies are the pivot of administrative and developmental decision-making in the district and the basic unit of government administration. The Assemblies are primarily responsible for the implementation of development policies and programmes. These are to be co-ordinated by the National Development Planning Commission (NDPC).

The membership of the Assembly comprised of the District Chief Executive, who is nominated by the President, and approved by two-thirds of the members of the District Assembly. The members are directly elected by universal adult suffrage. There is a presiding member who is elected from among the members by two-thirds of all the members of the Assembly. The President, in consultation with chiefs and interest groups in the district appoints one-third of the members of the Assembly.

The following sub-structures exist under the Metropolitan, Municipal and District

Assemblies:

- (1) Sub-Metropolitan District Council.
- (2) Urban Council.
- (3) Zonal Council
- (4) Town/Area Councils.
- (5) Unit Committees.

Elections to all local government bodies are on a non-partisan basis. In performance of its functions, the District Assembly works through the Executive Committee, and its subsidiary committees of Development Planning, Social services, Works, Finance and Administration, and Justice and Security.

Under the new system, the Regional-Co-ordinating Councils (RCCs) perform the following functions:

- (a) monitor, co-ordinate and evaluate the performance of the District Assemblies in the region;
- (b) monitor the use of all monies allocated to the District Assemblies by any agency of the central government.
- (c) Review and co-ordinate public services generally in the region; and
- (d) Perform any other functions as may be assigned to it or under any enactment.

5.11. FINANCING THE NEW LOCAL GOVERNMENT SYSTEM

The financial provisions for the new local government system are contained in Article 245 and 252 of the 1992 Constitution and Section 34, Part VII, Part VIII, Part IX and Part X of Act 462. Revenue from these sources are classified as follows:

- (a) Locally generated (traditional).

(b) Central government transfers.

Locally generated revenues are Rates, lands, Fees, Licences, Trading Services and Miscellaneous Sources, Central government transfers comprise of Grants-in-Aid, Recurrent Expenditure Transfers, Ceded Revenue, District Assemblies Common Fund and Specialised Transfers. There are other financing arrangements such as revenue from lotto operators and special payments made by agencies and companies operating in areas of jurisdiction of the Assemblies. So far, the major innovation in local government financing has been the introduction of the District Assemblies Common Fund (DACF). This has already been discussed in Chapter four.

The new budgeting system allows for the preparation of a composite Budget and an integrated District Budget. The authority for these preparations are derived from Section 92 and Section 10(3) (a) (ii) of Act 462 respectively. There are budgetary controls which have also been provided for under Act 462. Despite the bold steps in improving financial assistance to the District Assemblies, two major financial constraints remain. These are:

- (1) decentralisation of the national recurrent budget.
- (2) effective mobilisation of local revenues.⁵¹

NOTES/REFERENCES

1. District Assemblies in Ghana are examples of such bodies.
Price, J.H. (1977) Political Institutions of West Africa, (Hutchinson, London). p.20
2. Jackson, R.M., (1958) The Machinery of Local Government, (Macmillan & Co. Ltd., London). p.1
3. Awa, E.O. "The Theory of Local Government" Quarterly Journal of Administration, Vol.XV, Nos 1 and 2, Jan-October, 1981, p.3-15.
4. Barrat, C., In Nsarkoh, J.K. (1964) Local Government in Ghana, p.12.
5. Stewart, J. (1986) The New Management of Local Government, (Allen and Unwin. Ltd. London). P.4
6. Research Project, (1972-74) "A systematic Approach to the Study of Local Government", (Department of Political Science), University of Ghana. p.22.
7. Nsarkoh, J.K., (1964) Local Government in Ghana.
8. Brukum, J. K. (1998) The Northern Territories of the Gold Coast Under British Colonial Rule, 1897-1956. A study in political change (Ph.D Thesis Unpublished)
9. Asibuo, S.K. (1991) "Decentralisation in Ghana - Myth or Reality, (An Inter-faculty lecture). P.7.
10. Nsarkoh, J.K. (1978) Metropolitan Accra, p. 48.
11. Price, J.H., Political Institutions of West Africa, 1997. (Hutchinson, London). p.51-52.
12. Asibuo S.K. (1991) Decentralisation in Ghana – Myth or Reality, (An Inter-Faculty lecture). P.7.
13. The colonial government was careful not to destabilize traditional authority which represented cohesion and order.
Price, J.H., Political Institutions of West Africa 1977, (Hutchinson, London). p.20.
14. Asibuo, S.K., (1991) Decentralisation in Ghana – Myth or Reality (An Inter-Faculty Lecture). p.2.
15. These were democratically elected bodies which had replaced native administration units. Nsarkoh, J.K. (1964) Local Government in Ghana (Ghana University Press, Accra). p.10.
16. Ibid. 18-29
17. Nsarkoh, J.K. (1978) Metropolitan Accra. p.56.
18. Ibid. 56

19. Price, J.H., (1977) Political Institutions of West Africa (Hutchison, London). p.249-250.
20. Tamakloe et al (1988) Social Studies for Junior Secondary Schools. Pupils Book 2 (Adwinsa Publications). p.32
21. Asibuo S.K. (1991) Decentralisation in Ghana – Myth or Reality (An Inter-Faculty Lecture).
22. Amonoo, B., Ghana The Politics of Institutional Dualism 1957-1966.
23. Harris, D., (1985) Art “Central Power and Local Reform: Ghana during the 1970s” In Mawhood, P.(ed), Local Government in the Third World. The experience of Tropical Africa, (John Wiley & Sons, New York). p.202.
24. Ibid 203.
25. Owusu Ansah, K.A., K.A. “Ghana’s New Local Government System in the context of Development Administration.
26. Woode, S.N., “District and Local Councils” The Legon Observer, Vol.6, No.1-13. March 12, 1971. p.9.
27. Harris, D. (1985) Art Central Power and Local Reform: Ghana during the 1970s” In Mawhood, P.(ed), Local Government in the Third World. The experience of Tropical Africa, p.206 (John Wiley and Sons, New York).
28. Nsarkoh, J.K., (1978) Metropolitan Accra. p.58
29. Price, J.H. (1977) Political Institutions of West Africa (Hutchison, London). p.252.
30. Ibid. 139.
31. Obeng Manu, “Rural development and Our Chiefs” Legon Observer, Vol.6, No.1-13 January 15, 1971 p.16.
32. Agbozo “The Economy, Rural Development and Economic Development” The Legon Observer, Vol.7, No.1-26, May 19, 1972 p.232.
33. Harris, D., (1985) Art Central Power and Local Reform: Ghana during the 1970s. in Mawhood (ed) Local Government in The Third World. The Experience of Tropical Africa (John Wiley and Sons, New York). p.206.
34. Speeches and Interviews by Col. I.K. Acheampong March 23, 1972, p.82.
35. Ghana – The New Local Government System (1996) (Ministry of Local Government and Rural Development). p.5.
36. The New Local Government System (1974) (Ministry of Local Government). p.15.
37. Ghana – The New Local Government System (1996) (Ministry of Local Government and Rural Development). p.5.

38. Harris, D., (1985) Art "Central Power and Local Reform Ghana during the 1970s. In Mawhood (ed) Local Government in The Third World. The Experience of Tropical Africa. p. 213.
39. Akuoku-Frimpong, H., "Problems of Local Administration In Ghana Today "In a Revival of Local Government and Administration. Collected Seminar Papers No.23, (University of London, Institute of Commonwealth Studies). p.24.
40. The 1979 Republican Constitution of Ghana, Chapter 20, p.134.
41. Buame, S.K. (1996) Entrepreneurship: A Contextual Perspective, p.22 (Lund University Press).
42. Price J.H., (1977) Political Institutions of West Africa. p.246.
43. The New Local Government System June, 1974 (Ministry of Local Government). p.15.
44. Nsarkoh, J.K., (1978) Metropolitan Accra. p.61 & 79.
45. Sarpong, M.A.B. "The Case for a new Local Government in Ghana" (J.B. Danquah Memorial Lectures, Accra).
46. Akuoku-Frimpong, "Problems of Local Administration in Ghana Today "In A Revival of Local Government and Administration. Collected Seminar Papers No.23. (University of London, Institute of Commonwealth Studies).
47. Okoh Commission Report
48. Ghana – The New Local Government System (1991) (Ministry of Local Government and Rural Development). p.47.
49. Nsarkoh, J.K. (1978) Metropolitan Accra p.60-61.
50. Woode, S.N. (1984) "Restructuring of the Ministerial Organisation in Ghana "African Administrative Studies. p.1-59.
51. Ghana – The New Local Government System (1996) (Ministry of Local Government and Rural Development). p.1-59

CHAPTER SIX

POVERTY ALLEVIATION EFFORTS WITHIN THE KPANDO DISTRICT - THE ISSUES INVOLVED

6.1. INTRODUCTION

Chapter six gives a graphic presentation of how the credit scheme (20% of the DACF) for poverty alleviation is being implemented and how it is being utilised by the beneficiaries. The chapter discusses the performance of individual and group beneficiaries, while focusing on their perceptions, expectations and misgivings about the Poverty Alleviation Fund. These aspects are captured under variables such as age distribution, education, sex, marital status, occupation, sector distribution, dependency distribution, group activities. There is also a general discussion of beneficiary responses.

Further, the chapter focuses on an interview with the District Chief Executive of the Kpando District, and some selected assembly members of the Finance and Administration Sub committee, and the Bank Manager of the Ghana Co-operative Bank, Kpando (Managing Bank of the Credit Scheme).

The poverty alleviation credit scheme had been in operation in the Kpando District for less than a year. On account of this, it might be too early to draw any conclusion, or give any judgement concerning its failure or success. What one can say at this point is that, the problems that have surfaced so far and are about to be discussed, should be tackled with concern in order to put the scheme in its proper perspective and thus save it from collapse.

6.2. ANAYSIS OF DATA

6.2.1. Age Distribution

In the introduction to the document on the Policy Guidelines For The Use of The DACF For Productivity And Income Generation Activities By District Assemblies, it is stated that Ghana's Vision 2020 identifies unemployment, especially among the youth and other vulnerable groups at both the urban and rural areas, as a major problem affecting national productivity. There is no doubt that the old belong to the vulnerable group. Therefore, any scheme or programme which seeks to address the problems of low productivity, unemployment and low income, and which targets the vulnerable, should necessarily consider the old in society.

The age distribution according to the data suggests that it was mainly the old, and not the youth, who benefited from the poverty alleviation revolving credit scheme. The age distribution ranges between 40 and 70 years. The age of the average sample is 54 years. The distribution is as follows:

Table 1

Age Distribution

Year	No	Percentage	Average Age of Sample
41 - 50	4	21.1	
51 - 60	11	57.8	
61 - 70	4	21.1	
	19	100	54.4

According to this study, the youth is defined as those between the ages of 18 and 50. The old is defined as those from 50 years and above. The youth are people who are strong and energetic. They can withstand the hassles of modern business activity. From the data on individuals that benefited from the scheme, only 4 subjects fell within the

youth category. The remainder fell within the old age group. Furthermore, the members of the groups sampled were almost always older than 50 years, judging by their physical appearances. While one is not against the old working to earn a decent living, their number is rather amazing. The old are rightful citizens of the country, and like anybody else, they are also entitled to benefit from the resources of the nation, however, the scheme is not meant for sustenance living. The money is not meant to be used to support the old on daily basis until they pass away. Rather, it is money that is meant to be invested in viable projects that could bring returns for others to benefit from. It is a revolving credit scheme, not a gift. One of the respondents (a pensioner) argued that he created employment for a Junior Secondary School leaver in his shop, who he pays daily to tie polythene bags with ice water in them for sale. The feeling is that, due to the reduced physical strength of the old, they are mainly in petty trading which constitutes almost 21 percent of all the occupations

The old have had long working experience of over 10 years behind them, whether in private or government business. The majority of beneficiaries have enjoyed the productive segments of their lives. Looking at their ages and working experience, the loan would not make any appreciable impact on their lives, let alone affect others through them. The old may lack innovative ideas, creativity and energies that are required for vibrant socioeconomic demands of modern times. With the youth, the situation might be different, taking age, and modern scientific knowledge and technological advance plus the years ahead of them into consideration.

6.2.2. Educational Background

According to Agbenyeya education in relation to poverty may come into play only as an instrument that helps to create awareness.¹ It is therefore important that the level of education of respondents should aid them to become aware of the problems, the

responsibilities and the commitments that the scheme demands to help eradicate poverty; and most importantly, when it comes to the repayment of the loan. Scanning through the distribution, one notices that (73.7%) of the respondents have low levels of Education, with only basic and non-formal education.

Table 2

Education Distribution

Educational Level	No	Percentage
Non Formal Education	4	21.1
Basic	10	52.6
Post Secondary	4	21.1
University	1	5.2
	19	100

In fact, people with no formal and basic education constitute the majority. Those with high levels of education (Post Secondary and University) are in the minority. They form 26.3% of the sample. Going by Agbenyega's assertion and judging from the negative attitude of repayment, it may be said that the low level of education of respondents among other things, has impacted negatively on the scheme. The future of the scheme depends much on its repayment. Refusal or delays in payment might jeopardise it, as belatedly warned by the Minister for Local Government and Rural Development, threatening to withdraw the Poverty Alleviation Fund if beneficiaries continue to default in the payment of loans granted from the fund.²

Ideally, the beneficiaries should have read the Policy Guidelines (DACF) and understood the reasons for introducing the scheme, to become aware of how it would effectively operate, to alleviate poverty. To cite an example, it would be ridiculous to have a parliamentarian who is ignorant of what the constitution says. As indicated in the procedure, the Ewe Language was used to gather data at certain instances. There is no gainsaying that the majority of the respondents had not read the policy guidelines. Even though the answers to questions 1,6 and 7 are positive to prove that respondents are

knowledgeable about government policies and programmes, the negative answer to question 13 which addresses the repayment of the loan (which indeed is very crucial to the survival and sustainability of the scheme) suggests that the respondents are not committed to the programme.

6.2.3. **Sex Distribution**

Table 3

Sex Distribution

Sex	No	Percentage
Male	9	47.4%
Female	10	52.6%

The above distribution portrays some relative equity in numbers along gender lines. The Extended Poverty Study (1994) showed that women suffer most from poverty and are more vulnerable, especially in the North.³ Jonah in his summary on poverty reduction in Ghana mentioned that women in particular bear a disproportionate share of the burden of being poor.⁴ Since it has been identified that women are more vulnerable than men, the position of men against women in the communities would further be strengthened. If it is a policy or concern on the part of government to empower women in all spheres of national life, then implementation of related policies should be such that women can catch up with, but not to trail behind, men. Otherwise, empowerment of women becomes a mere lip service.

6.2.4 **Marital Status**

Another variable considered was marital status. In the researcher's view, this would reflect how the family set-up could help prevent or encourage poverty situations. The Ghana living Standards Survey (GLSS3) showed a high proportion of female-headed households, (single parent). In the North, they are amongst the poor and the very poor.⁵

Rev Asante mentioned widows among those at the lowest end of the poverty line, in his book "Stewardship". He referred to the work of Patricia and Harold Wells to support his claim. According to them, women if widowed, had no way of earning a living, and they and their children had to rely on relatives or the charity from pious societies and the temple offerings.⁶ The marital status distribution showed that the number of married people were more than the divorced and widowed.

Table 4

Marital Status

Status	No	Percentage
Married	15	79%
Single	0	0
Divorced	2	10.5%
Widowed	2	10.5%

Whichever way one looks at it, whether one is divorced or widowed, such a person becomes a single parent. Married people are in a better position to confront problems and responsibilities than those who are single. If the essence of the scheme, among other things is to salvage the vulnerable from socioeconomic deprivation, then it must be pointed out that the widowed and the divorcee are more vulnerable than the married. The adage that two heads are better than one supports this claim.

6.2.5. Occupational Distribution

The policy guideline on the scheme is clear on eligible enterprises. These are viable productive activities (agriculture, fishing, agro-processing, cottage industries, etc). The service sectors include haulage of produce to market and trading centres; repair of machinery, vehicles and equipment. Other service areas are creches, Day Nurseries, primary schools, and the promotion of culture and tourism. The guideline was emphatic that the activities which generate employment and which use indigenous

inputs should be given preference. The target beneficiaries should be highly motivated individuals and groups of persons.

However, these considerations were underplayed. For instance, trading, which in Ghanaian parlance means buying and selling involves no indigenous creation, and the very nature of the trading can hardly generate employment for others. The buying and selling form of trading involves less cost and the returns come relatively faster than that of manufacturing or farming. In the sample, in addition to crop and animal farming, traders were in the majority. They were five and constituted almost 21% percent. (see occupation and sector distributions below). This picture thus places more emphasis on trading than other eligible enterprises.

Table 5
Occupational Distribution

Occupation	No	Percentage
Crop Farmers	5	20.83
Animal Farmers	5	20.83
Traders	5	20.83
Fishing	1	4.17
Pottery	1	4.17
Catering	3	4.17
Beads and Crocheting	1	4.17
Bees Keeping	1	4.17
Kente Weaving	1	4.17
Batik Production	1	4.17
	24	100



Table 6
Sector Distribution (OVERALL POPULATION)

Sector	Amount (Millions)	Percentage
Animal farming	4.4	13.5
Crop farming	9.5	29.1
Local industries	5.7	17.5
Fishing	1.5	4.6
Other services (Trading)	11.5	35.3
Catering		
	32.6	100

Table 7

Dependant Distribution

No. of Dependent	No of Sample	Percentage
0 – 3	4	21.1
4 – 7	12	63.2
8 – 11	3	15.7
		100

From this distribution, (Table 7), the average number of dependants of the sample was 5. The ages of the beneficiaries, especially in the case of the women, suggested that they had passed the child bearing age. It means therefore that the dependants were mainly grandchildren. Some of the dependants that were seen were actually young and below 18 years. Most of the respondents rely on the labour support of their dependants. The implication is that the nature of their businesses neither creates employment nor generates income for others outside the immediate family. There was only one pig farmer who had employed one farm hand.

The rather high number of dependants could put a strain on the returns from the business activities. The dependants would have to be catered for. Catering for them might also affect the deposits that should be sent to the bank. Indeed, some of the beneficiaries admitted that they used the money to pay for school fees and to meet other pressing needs. In the light of the above, the beneficiaries welcome the assistance rather as a form of relief instead of a loan.

6.3. GROUP ACTIVITIES

There were 5 groups in the sample. These were:

- (1) Akpini Porters Association
- (2) ACDR, Peki Dzake
- (3) 31st Lolowu Beads and Crocheting Association

- (4) National Inland Canoe Fishermen Association, Torkor
- (5) Kpando Market Fishmongers

6.3.1. Akpini Porters Association

The group was made up of women. Originally, two different groups teamed up with the Akpini Porters for the purpose of receiving financial assistance. The two have since left. According to the leader of the Akpini Porters, the original group applied for 20 million cedis but were given only 1.2 million cedis. This was woefully inadequate. According to her, the 1.2 million cedis was shared equally among the three groups. Each group had ₺400,000. Due to the scanty nature of the amount, their group shared the money amongst themselves. She said the money could only buy fish. On behalf of the group, she expressed regret for going in for the credit, since it had become a debt for them to clear. They did not know how they were going to settle that.

It was remarkably noticed that the young and energetic youth were absent from the group. The members were mainly old women whose average age stood at 54-years. When an explanation was sought for this, the response was that the young people who initially, were part of the group felt disappointed and withdrew. They withdrew because the expectation that the District Assembly was going to pre-finance the project, did not materialise. The young ones felt they were going to waste their time and energy, with no adequate financial resource and facilities in place to undertake pottery business. They preferred to go and sell in the market. This way, they felt that their aim of enhancing their economic life would be faster.

Almost all the stages and processes of production were operated manually. This portrayed a low level of technology in use. The leader complained that the work was tedious and energy sapping. They felt that the District Assembly had not been of help in this regard. She claimed that they had made several appeals to the Assembly to provide

them with tools and vehicles, to cart clay, and transport their produce to marketing centres outside Kpando, but these appeals had however proved futile. The group also felt aggrieved about the refusal of the District Assembly to pay for the arrears of cement that they used for the construction of their factory, for which cost the Assembly had guaranteed.

The workers on site poured venom on the researcher. The presence of the researcher was an opportunity for them to air their ill-feelings about the scheme and to show how disappointed they were. It was one group which strongly felt that their financial position had rather been worsened by going in for the loan.

6.3.2. ACDR, Peki Dzake

The ACDR, Peki Dzake had no poultry nor piggery project as indicated against their name, on the list of beneficiaries. Since a project would have to be inspected and its viability assessed, before the money was advanced, it was rather strange that 1.2 million cedis was disbursed to the group. The ACDR chairman noted that, the amount they received was not enough. Meanwhile, he claimed that they had spent ₵300,000.00 of the amount on various activities. The expenses included the processing of their application. They had ₵900,000.00 remaining.

This amount was shared equally among the leaders of the 3 Unit Committees in the town. One of the leaders, who happened to be the chief of the town was not available for his comments. A 56 year old woman and a tomato seller, who is also a 31st December Women's Movement Organiser got ₵300,000.00. She invested ₵100,000.00 in her tomato trade. She gave out ₵100,000.00 as a loan to a friend, which was to be paid back with 100% interest and had deposited ₵100,000.00 at the bank. The third person, an unemployed, loaned out ₵150,000.00, to be paid back with



100% interest. He pocketed the remaining ₦150,000.00 of which he gave ₦50,000.00 to his wife. The wife sells cassava in the market.

6.3.3. 31st Lolowu Beads and Crocheting Association

It was difficult locating this group. The researcher kept moving from one known 31st DWM activist to the other. The impression gathered was that none of those contacted was prepared to accept responsibility. The group got 2 million cedis, which was the highest amount so far disbursed. According to the Co-operative Bank officials, the group was not originally on the approved beneficiary list. Their inclusion was a last minute and a hasty affair. The pressure to include them came from the District Assembly. The money was collected to produce beads for sale at an exhibition show. The amount was supposed to be settled after the show. As at the time of the research, no refund has been made to the Bank, though the exhibition had since taken place.

6.3.4. National Inland Canoe Fishermen Association, Torkor

Torkor is a fishing community. The secretary, and the president of the Association were met and interacted with. They claimed that they had applied for the credit but denied having received any money. It came out that, there was a rival group within their ranks. They were not sure whether they had gone ahead and used the Association's name to collect the amount. They lamented about confusions that had plagued the group, and incapacitated its activities. They, however, said they would check up from the Bank to ascertain the truth. The amount allocated to the group was ₦1.0m.

6.3.5. Kpandu Market Fishmongers

It was also difficult locating this group. From the Kpandu main market the researcher moved to Kpandu Torkor, (Fishing community) There were a lot of women

produce to the market and trading centres. It is also possible that the amount would not be invested in anything at all. This was the case with the Akpini Porters Association. The money was just shared among members and consumed. This situation could make repayment impossible. It indeed signals doom for the poverty alleviation programme. Insufficient capital could also limit the rate of employment, as business gets constrained, and lacks expansion. A pig farmer mentioned that he was not able to attract permanent labour because of the small size of his business, with low returns. He wished, he had more money to put up more structures for expansion. The intended assistance to boost production rather became a disincentive and demotivating.

Probably, the idea of those involved with the implementation of the programme was to manage the fund in such a way that as many people as possible could benefit at a time. The feelings that had been expressed about the amounts disbursed was an indication that the people were dissatisfied and disappointed. Therefore, the idea to cast the net wide for a wider coverage, has to be revisited.

The policy objective of creating a line of credit in each District was to remove the obstacle of lack of access to credit for self-employed, micro, small and medium scale enterprises which have potential, but are constrained by lack of access to formal finance, to enhance productivity, create employment and improve incomes of the population. Accordingly, the poverty alleviation programme should be devoid of any known obstacles that would undermine it. There were problems with the procedure for getting the credit. The problems had to do with delays in payment and the greasing of the palms of some banking officials who handled the processing. Once problems or obstacles that are associated with formal finance rear their ugly heads, the programme becomes subject to abuse. People, other than those for whom the programme is directed at, are going to enrich themselves at the expense of the beneficiaries.

Already, the 20 percent of the DACF meant for the poverty alleviation programme is not sufficient. Judging from the large number of applicants and those that are given, any unauthorised deduction from what the beneficiaries receive, would only go to trivialise the programme. The earlier the problems are addressed, the better it will be for the scheme. The Peki Dzake ACDR, claimed that their expenses reduced their money to ₦0.09 m. The fact that they refused to disclose what those expenses were, sent the signal that something was amiss. The chairman alleged that they had to "do something" for those who processed the loan documents.

The delay in receiving the money affected mainly farmers. Since their work is seasonal, the scheme should avoid delays. For instance, the first batch of money was paid out in November. A poultry farmer lamented that the period did not favour him since he could not get his birds ready for sale in December (peak season) during the Christmas period. According to him, it was the singular reason that had caused him to default in payment. A pig farmer also expressed similar sentiments. Delays could also create room for speculations and create anxiety among the public and should therefore be avoided.

6.4.2. Credit Recovery

On the repayment of the loan, it was only one respondent who had made some repayment. The rest advanced all sorts of reasons for not being able to do so on time. Some said that the payment period was too short (though it has been extended from six months to one year). Others claimed that business was not encouraging, due to the increasing costs of production, while others had not actually settled down to business. One vegetable farmer said that he was waiting for the rains, to start cultivation. Generally, they felt that repayment should be based on one's circumstances and not on any fixed period. Against this background, repayment was bound to be delayed. This picture smacked of lack of understanding and appreciation of government's concern to address

poverty issues in the rural areas. It also showed an attitude of non - commitment towards the programme, It was as if the beneficiaries were not poised for business. Much as some of them did have a case, a serious entrepreneur should be able to honour loan obligations, especially for the first time. Since it is supposed to be a revolving scheme, its survival, depends mainly on how promptly and fully beneficiaries pay. It might be possible to prosecute defaulters. But there is the fear that this will deter others from applying for the credit. Apart from this, there is the problem of loss and waste of resources that accompany court proceedings. Already, the District Assembly is saddled with problems of scarce resources and cannot afford any waste arising out of litigation.

According to the policy document, the scheme should rely on social, community or peer group pressure for credit recovery. In line with this, the beneficiaries were questioned to find out from them if they mentioned to others that they benefited from the scheme. Without the community members knowing who the beneficiaries were, there was no way they could bring pressure to bear on them to pay back. A major advantage to the community for knowing who the beneficiaries are, would be the fact that knowing them would also serve as a means of encouraging others, (where a beneficiary is doing well) to also get engaged in activities that would enhance the quality of life. It would also indicate how widespread the information about the scheme is. Some did mention the existence of the scheme to others. The 54.67 percent who did not, gave their reasons that since what they received was not enough, there was no need to inform others. Their understanding of the scheme was that if they were able to pay back, they would be reconsidered for reimbursement. It might not be easy to rely on the community for credit recovery. The policy guideline only referred to the community as a means that could be used, but did not confer any authority on it to do so. How they were to do it and the methods and actions to employ were not stated.

6.4.3. Operational Problems

All the respondents agreed that they had financial problems, in relation to their businesses, and mentioned their inability to meet some of their social responsibilities. With their businesses, the problems were basically inadequate finance and indebtedness. They all claimed that they started their businesses with their own meagre resources. A pig farmer was concerned about the under weight and loss of his animals due to his inability to raise enough capital to purchase feed, drugs and other logistics. For other responsibilities, respondents mentioned as their main problems: feeding, payment of hospital bills, school fees and for the utilities. Notwithstanding their criticism of the amount that was disbursed to them, respondents were quick to acknowledge that, it helped them in a way. Their position was that "half a loaf is better than none". They had use for the money. Somehow, their financial burden was relieved, no matter how small. As one respondent put it "it covered somewhere." This position explains their "somehow agree" response to the questions (15, 18) that sought to find out, if business specifically, and conditions generally had improved since they accessed the credit.

6.4.4. Monitoring

There had not been any follow up in the form of monitoring or supervision of the activities of the beneficiaries, The beneficiaries indicated that, for six months, they were left on their own. No officer, either from the Assembly or the Bank visited them. This helped to create a situation where some beneficiaries collected the money and did nothing with it (like the Peki-Dzake ACDR), or misapplied it. There was a female beneficiary who left town after collecting ₵ 0.8m. She left for Accra to baby-sit for her daughter. She said that, because she would be away for a period, she could not operate her catering business. She therefore gave the money to a friend to run a poultry farm for her. Assuming there

were any monitoring system in place, situations such as this, could easily be noticed and the beneficiary brought to order.

A monitoring process would prove to the beneficiaries that the Assembly is serious with the programme. It will also motivate them. Furthermore, it will create the opportunity for the beneficiaries to discuss their business problems with them. Poverty alleviation is more than just handing out cash. It is about organising people to make, informed choices in the field of income generation to improve their lives. Some indeed complained about many people doing the same thing. This kills competition and poses no challenge to entrepreneurship. It is not just enough calling for repayment. Equally important should be the interest in knowing what the beneficiaries do with the money.



6.4.5. Participation

Except for a few, the rest of the sample beneficiaries were apparently political activists, and people within the community who wield some authority. The beneficiaries were either an assemblyman, assembly woman, a unit committee member, a cadre, ACDR member, a member of the 31st December Women's Movement, an opinion leader, or a chief. This came to light through the answers to questions 1, 2, 7 and 21. It therefore came as no surprise, when respondents declared that, they were abreast with government policies, understood the decentralisation programme, and expressed satisfaction with developments that had gone on within their communities. They claimed to know about the District Assemblies Common Fund (DACF) and were satisfied with its utilisation. They all conceded that they benefited from the credit on merit. The available sources of information on government programmes opened to them were Assembly meetings, Unit Committee meetings, durbars and political fora. These submissions suggested that beneficiaries are involved with, and actively participate in the decentralisation programme. It could also mean that they were part of the decision

making process. However, the rather impressive response could be politically motivated: It might not be the true reflection of the situation. It could also be doubtful whether they benefited on merit, because of their political affiliations and the positions of authority that they occupied within their communities.

The District Assembly and its sub-district structures are supposed to be non-partisan in character. This will enable them to provide clear and effective policy guidelines and programmes for implementation. Anything short of this, is likely to antagonise interested parties, in a programme such as the one under study. Conflict situations are likely to emerge. Valuable time and useful energy will be dissipated on partisan rivalries. The criteria for benefiting may become questionable and unacceptable. If such a crucial and sensitive programme should be subjected to political undercurrents what is likely to happen is that, the financial assistance would elude those who are poor but really need help. The help might go to political loyalists, whether they need it or not. Should such people default in payment, prosecution may also become difficult. In the interest of the scheme and the determination to alleviate poverty, a thorough investigation of applicants needs to be done. The money should go to only those who are poor by an established standard.

6.5. THE DISTRICT CHIEF EXECUTIVE

6.5.1. Knowledge And Information Level

The interview with the District Chief Executive was both frank and cordial. According to her, the people within the district are well informed about government programmes and policies, She emphasised that, the people have adequate information on the DACF, and the twenty percent of it for poverty alleviation. The Chief Executive gave as her reason, the background of Assembly members, She referred to the debates, discussions and suggestions that are put forward by members at assembly meetings as

evidence to support her claim. This had caused her to believe that, members are knowledgeable and well informed on government issues. Therefore they go to the people, well equipped and are able to explain issues to them. The Chief Executive also felt that, the provision of infrastructure in the communities (however inadequate) is enough evidence that there is a fund available and it is being utilised. Apart from the assembly members, other sources of information available to the people are durbars, festivals, graduation ceremonies, (of apprentices) the radio, and events such as farmers day.

6.5.2. Size, Timing And Control of the DACF

On the above, the District Chief Executive expressed negative sentiments. In her words, the amount is woefully inadequate. She lamented that the capital needs of the people are many and the Common Fund is inadequate to meet them. She described the timing as very controversial. The year 1999 had entered the second quarter, meanwhile, the Common Fund allocation for the last quarter of 1998 had not been released. The delay in the release of the fund puts the Assembly in a very tight position. Implementation of projects and programmes get delayed. This is not good enough. She also abhorred the rigid control measures for obvious reasons. She mentioned for instance, community projects, where a community's contribution to the total cost is mandatory. This condition does not favour smaller and poorer communities, as the people cannot contribute. Thus the bigger communities would always benefit. By implication, smaller and poorer communities would continue to be left out. If the control measures were not rigid, the District Chief Executive could use her discretion, to identify and target such communities. They could then be given priority attention, through the assistance of the Common Fund.

6.5.3. The Poverty Alleviation Fund

The District Chief Executive explained that the DACF had been used to develop facilities such as schools, roads, markets, electricity and potable water. However, the comfort that these facilities provide is not free, it comes at a cost. The people need income to pay for their use. Regrettably, the level of economic activity in the district is low. To prevent a worse off situation, the vulnerable need to be supported to engage in some form of income generating activity. In this view, she was particularly happy, that a poverty alleviation scheme to bring relief has been put in place. It demonstrates government's concern for the people. While the scheme would help to improve the socioeconomic status of beneficiaries, it would also put them in a position to pay for the use of infrastructural facilities that are provided. Money then becomes available for the maintenance of these facilities, for their continuous use.

However, in the opinion of the Chief Executive, the twenty percent allocation of the Common Fund for the purpose is ridiculous. The number of applicants was high and the amount that they requested for far exceeded what was available. She cited that the first instalment was ₦32.6 m, and the number of applicants was 54. She felt that, if the scheme was to make any impact then the minimum to be disbursed, should be ₦5.0 m, taking certain factors into consideration. Anything below this was unrealistic.

6.5.4. Guidelines/Modalities

The Chief Executive also commented on the policy guidelines for managing the Poverty Alleviation Fund. To her, the existence of the guidelines make the fund easy to handle. However, it calls for review. She believed that certain local factors and considerations were overlooked in drawing up the guidelines. According to her, the District Chief Executives are on the ground, closer to the people, understand their feelings, and therefore know their felt needs better, Consequently, they should be allowed to handle the

situation, the way they feel best, with some minimum measure of outside control. The disbursement procedures and processes should not necessarily be subjected to the guidelines.

6.5.5. Feedback

On feedback and recovery rate, the Chief Executive admitted that, the Assembly had not instituted any means for getting feedback from beneficiaries. They also lack logistics which would enable them to effectively undertake monitoring of the activities of the beneficiaries. They do, however, receive and rely on verbal reports from the beneficiaries. Apart from this, the bank officials get feedback during official visits and this is relayed to the Assembly. Reports from the bank indicated that the recovery rate was not encouraging.



6.6. PROBLEMS

6.6.1. Decentralised Departments

The decentralised departments do pose a problem from time to time and it is somehow not easy dealing with them. These departments tend to ignore the District Assembly in planning their programmes for the district. They approach it only when they are in need.

The Chief Executive felt that, the main cause of this problem is due to the absence of the existence of the Local Government Service, She alleged that the head of these decentralised departments owe double allegiance, first to their head offices and secondly to the District Assembly. If the allegation is true, then it means that the decentralisation programme is experiencing problems with its effective implementation. As a matter of urgency, these problems need to be identified, and addressed, to prevent unpleasant situations of this nature that occurred with local government systems in the

past. She was however hopeful that a reorientation programme for the departmental heads would go a long way to make them accept the authority of the District.

6.6.2. Party Functionaries and Activists

The major problem that confronted the District Chief Executive on the disbursement of the Poverty Alleviation Fund came from the National Democratic Congress (NDC) party supporters in the Assembly. They wanted the laid down procedures to be disregarded. They wanted to control the District Chief Executive, and dictate to her on how the money should be disbursed. They wanted to be given the authority to vet applicants and do the selection. Their behaviour posed a problem to the smooth take off and implementation of the programme. It also posed problems to the Presiding Member and almost undermined his authority. These did not encourage a healthy atmosphere. The Chief Executive expressed the view that, this was a problem which could be handled through constant education. This could come mainly from the party end.

6.6.3. Applicants

Those whose applications were turned down, did not feel well about it. They complained bitterly to the Assembly. They felt that once they applied, they stood the chance of being considered. They expressed the feeling that the selection was not fairly done. The managing bank, however, tried to educate applicants on the modalities that were considered before disbursing the funds.

Those who benefited also complained that the amounts they received were not enough. They suspected that the Common Fund Credit Approval Committee (CAC) unduly reduced the amount. They could not appreciate that the Poverty Alleviation Fund was limited, and that the Committee did its best under the circumstance, more so when it was guided by the laid - down guidelines.

6.7. ASSEMBLY MEMBERS

6.7.1. Knowledge and Information Level

From the questionnaire, the ten assemblymen agreed that the people in their communities were fully aware of the government's decentralisation programme. They showed interest and participated in community activities. This, they claimed, was due to their efforts as assemblymen, They however conceded that there was still a lot more to be done in educating the people.

6.7.2. Development Projects

Through the use of the DACF, their communities had witnessed some form of development. However, the people feel dissatisfied and disappointed at certain instances. Their complaints stem from the following against the District Assembly:

1. Feeling of neglect
2. Inadequate funding of community projects.
3. Lack of support and assistance.
4. Unfair treatment.
5. Lukewarm attitude
6. Provision of poor quality infrastructure

6.7.3. Beneficiaries

Only 3 out of the 11 assemblymen selected, which is just 27.2% reported that members of their communities benefited from the Poverty Alleviation Fund. There were 2 each from 2 communities and a 31st December Women's Movement group from the third community. Of the remaining eight, 2 assemblymen said they had no idea, whether anyone from their communities had benefited or not. The assemblymen of the areas that benefited, said that although they knew, they had no knowledge about whether the

people were doing well in their businesses or not. Generally, the assemblymen expressed dissatisfaction about the disbursement, and the inadequacy of the amount. They were of the view that, the assemblymen should be involved in the screening of the applicants. Four stated that the monies should be channelled through them to the beneficiaries. The reasons they gave were that, they represent the people, live with them and know them better. Their main point of concern however was that, the fund should be increased for more people to benefit.

6.8. MANAGEMENT, BANK

6.8.1. Role

The conditions for the management of the revolving fund are established to facilitate the operation of the poverty alleviation programme. Under the conditions, there shall be a Managing Bank which shall:

1. manage both credit delivery and recovery.
2. process all credit applications for approval by the District Assembly's District Assemblies Common Fund Credit Approval Committee.
3. Appoint one of its officers as Business Promotion Officer in relation to the scheme.

6.8.2. Problems

Applicants

In performing its role, the Bank was faced with some problems. For instance, some applicants were found to be dishonest in the information they supplied. This came to light through the interview process. Such problems delayed the processing as time was taken to do much more detailed investigation. This indeed put a lot of strain on the limited resources of the Bank. Applicants lacked understanding of the Poverty Fund. Their

conception and perception about the fund was that, it was "free" money, the benefit of which did not call for any serious scrutiny. They felt so impatient with the Bank and were full of suspicion. The suspicion might have arisen from the ignorance in understanding of the processes that were involved.

6.8.3 Credit Recovery

Credit recovery had become a problem. According to the Bank Manager, the Bank disbursed ₦32.6 m to 47 beneficiaries in November 1998. As at March, 1999, only ₦2.144m had been recovered. According to him, the agreement on repayment was by monthly installment. The concern of the Bank was that if it had to use its resources to chase defaulters, the expenses incurred would be charged on the Fund. This would further reduce the already insufficient amount by some margin. Their inability to chase defaulters was partly due to this reason.



6.8.4. Political Interference

The major problem to the Bank however, was outside interference. There was political interference. The Bank came under pressure from the District Assembly to favour certain individuals or groups, who by the Bank's estimation were not qualified. The role of the Bank to process all credit applications for approval, by the CAC was therefore undermined. For instance, credit applications of the second batch of beneficiaries were processed by the CAC. It was only forwarded to the Bank for loan processing. This was the reverse of what should be done. This practice could create conflict between the Assembly and the Managing Bank.

6.9. SUMMARY OF FINDINGS

6.9.1. Criteria

Although there were clearly laid down modalities for managing the revolving fund, these were not followed. Otherwise, the Peki-Dzake ACDR who had no business activity on the ground could not have been beneficiaries. Therefore the criteria used in the selection and approval of the beneficiaries were questionable.

6.9.2. Group Business

Target beneficiaries included groups of persons. However, the concept of group business did not go down well with the people, where groups existed, the people came together solely for the purpose of receiving credit. The five sample groups all had problems with settling down to engage in business profitably. Another observation about the groups was that members hid behind the group and refused to accept responsibility. The conclusion was that the groups were not well organised, nor poised for business.

6.9.3. Amount

From all indications, the amounts that were disbursed were not enough. Beneficiaries expressed gross dissatisfaction and disappointment at the amounts that were given them. They were concerned about the fact that the credit had not been of much assistance. Due to its size, some of the beneficiaries invested the amount in nothing. Example was the Akpini Porters Association. The credit had in some instances rather become a source of worry as to its repayment. The impact the credit made on their businesses was insignificant.

6.9.4. Politics

Political considerations and favouritism put undue strain on the implementation of the programme. The answers to some of the questions revealed that partisanship and considerations of political affiliation featured prominently in the selection of beneficiaries. The District Chief Executive expressed concern about the pressure from the National Democratic Congress party activists that they should be given priority over others. The Bank Manager also accused the District Assembly of putting undue pressure to favour certain personalities. Further, he accused the Credit Approval Committee (CAC) of hijacking the Bank's function of processing all credit applications.

6.9.5. Time

The timing of the release of the fund was another source of worry. In business, time is money. By implication, any business entity that is not time conscious is likely to grind to a halt. Some of the beneficiaries attributed their inability to make quick returns and pay back on time to the timing of the release of the credit.

6.9.6. Bribery and Corruption

Developments during the course of credit processing and implementation pointed to acts of bribery and corruption. Some beneficiaries lamented that although the amounts that they received were not enough, they were compelled to part with some amount for some of the bank officials. A case in point was that of the Peki- Dzake ACDR.

6.9.7. Logistics

The Bank Manager complained about the lack of a vehicle which could provide the means of easy contact with loan defaulters. This was also the main cause for the lack of supervision. He also expressed concern that the cost of credit recovery to the

Bank would be charged on the Poverty Alleviation Fund, a Fund that is already under pressure.

6.9.8. Applicants

Some of the applicants supplied wrong or inadequate information about themselves and their business operations to the Bank. This led to delays in the release of the fund. In some cases, it led to complete deletion of applicants name. It is however doubtful whether due scrutiny was applied in all such cases.

6.9.9. Technology

Access to relevant technology use was an important component requirement of the scheme. It needs to be mentioned however that this was not the case. The situation looked like the beneficiaries were left on their own, it did not matter whether or not, they had the entrepreneurial skill, the technical know-how or the technology to operate.

6.9.10. Credit Recovery

A total loan of 32.6 million cedis was given out. Four months after, only 2.144 million cedis had been recovered. This constituted only 6.57%, when 66.67% of the loan should have been recovered. There is thus a default rate of about 60.1%. Should it continue this way, the scheme is bound to fail and collapse eventually. According to the Bank Manager, payment was to be by monthly installments. Payment was to be completed in four months. Payment period has however, been extended to one year.

6.9.1 1. Employment

Apart from the pig farmer who employed one farm hand, and the trader who employed a junior secondary school leaver in his shop the others relied on the labour of their family members. With this trend of employment, the scheme might not achieve the objective of increasing productive employment opportunities, and the promotion of sustainable employment opportunities.

6.9.12. Age

Whereas the scheme was targeted mainly at the youth, data collected from the research indicated that the majority of the beneficiaries were pensioners, retirees and the aged, who had already exhausted the productive prime phases of their working lives.

6.9.13. Outside Interference.

The major problem to the managing Bank was interference from outside. The interference came mainly from the District Assembly. The Bank came under pressure from the District Assembly to favour certain individuals or group of individuals who by the Bank's estimation were not qualified to benefit from the credit. This situation undermined the role of the Bank to process all credit applications for approval by the CAC. For instance, the second batch of credit applications was processed by the CAC instead of the Bank. The names were then submitted to the Bank for credit processing. In the Bank Managers view, this practice could lead to conflict between the Bank and the CAC over the performance of their respective roles.

6.9.14. Supervision

Supervision of the economic activities of the beneficiaries was poor. The managing Bank defaulted in this exclusive function. The upshot was that some beneficiaries did what

they liked with the credit and not what they had applied to use the money for. An example was a woman who collected the loan to cart yams from Krachi area but diverted into bench manufacturing and hiring. Similarly, another woman beneficiary transferred the credit to her daughter to trade with. Her reason for doing so was that she was old and could no longer handle vigorous trading activities.

NOTES/REFERENCES

1. Agbenyega, C.O. (1998) Development: The Poverty Alleviation Dilemma. (Mamattah Rays Enterprise, Accra. p.67.
2. Daily Graphic, 1999, 14th June p.1.
3. "Extended Poverty Study" In Ghana Poverty Past, Present and Future (1995) Report no. 14504-GH (Population and Human Resources Division, West Central Africa Department Africa Region).
4. Jonah, K. "Poverty Reduction in Ghana" (Summary) In Summaries of World Bank And Government of Ghana Documents on the Structural Adjustment and Economic Recovery Programme for the Structural Adjustment Participatory Review Initiative (SAPRI) p.103.
5. Report of a national rural community survey carried out as part of the third round of the GLSS 1991-92. (Ghana Statistical Service).
6. Asante, E., (1991) Stewardship – Essays on ethics of Stewardship (Wilas Press Limited). P.56-57.



CHAPTER SEVEN

SUMMARY, CONCLUSION AND RECOMMENDATION

7.1. INTRODUCTION

Chapter seven is the concluding chapter of this study. It contains the summary, conclusion and recommendations. This chapter is only meant to reiterate what is contained in the succeeding chapters. It also makes contributions as to how best some of the problems that have been raised in the study could be addressed.

7.2. SUMMARY

This study started with an overview of poverty situation in Ghana. It was pointed out that the incidence of poverty especially, among the rural community, was mainly due to the centralised approach of management and administration of the resources of this country. Other reasons such as political instability, illiteracy and poor agricultural output, among others, were also given as causes of poverty. These have led to a poor socio-economic environment and hence, low productivity. The nature of poverty was also looked at, by discussing situations and conditions that characterise poverty in Ghana. For instance, the lack of basic needs such as food, clothing and shelter was mentioned. Others were the lack of infrastructure such as good roads, communication facilities, health, educational facilities and potable water. In the absence of these, the people suffer from ignorance, illiteracy, disease, malnutrition and misinformation among others. In the cities, conditions such as overcrowding, poor sanitation, pollution and the ever increasing numbers of street children were also noted as characteristics of poverty.

Although attempts have been made by governments in the past to address these unfortunate issues, not much has been achieved. When the Provisional National Defence Council took over the reins of government, measures were taken to restructure the economy and restore hope. The Economic Recovery and Structural Adjustment

Programmes were launched. Administrative reform measures were also introduced, which culminated in the policy of decentralisation. Institutional structures were put in place to support the programme. In 1993, government embarked on a programme of accelerated growth and poverty reduction initiatives. In 1994, the District Assemblies were empowered through the use of 20 percent of their share of the Common Fund, to encourage initiatives, that would enhance productivity and development within their areas of jurisdiction. Chapter one ended with the statement of the problem, objectives and significance of the study, the theoretical framework and the limitation of study. Further, the main methodological approaches adopted in the conduct of the research were also discussed.

This was followed in Chapter two by a literature review of the concept and phenomenon of poverty. By this, I looked at the definition of poverty from various sources. Briefly, attempts were also made to examine some measures adopted by successive governments to alleviate poverty. I also touched on the upsurge of poverty, by linking it to the Structural Adjustment Programme, a Programme which has brought its own challenges; but has also negatively impacted on some segments of the society. Further studies, both general and specific on poverty alleviation, were noted with necessary critiques. Finally, the general views, perceptions and concerns that are expressed by others on the causes, prevention and the measurement of poverty were noted and fairly commented on.

Chapter three examined the profile of the Kpandu District. By all indications, the District is not a deprived one. It does not lack natural resources. However, productivity is still low. The responsibility is now on the District Assembly to mobilise and harness these resources for the development of the area.

In chapter four, decentralisation as a concept, and the District Assemblies Common Fund (DA CF), a major innovation in local government administration in this country were discussed. Decentralisation was looked at within the context of Ghanaian public

administration. Within this context, there is a transfer of means, resources, authority, skills and competencies from the central government to the district and sub-district structures. In a simplified form, this means the empowerment of the people to be part of the decision-making process; and having control over their own destinies. The laws that gave effect to the policy of decentralisation were outlined, as well as the structure of the decentralised civil service. Planning for development is very important. Thus the planning agencies under the National Development Planning Commission (NDPC) were also outlined and their roles briefly discussed. The Vision 2020 document was also mentioned as having a significant bearing on the decentralisation process. On the Common Fund, the rationale for giving out this substantial amount was given as development. Since there are competing demands and pressures on the nation's budget, there must be criteria for fair and equitable distribution mechanisms. In this vein, there are criteria for disbursement, drawn by the Office of the Common Fund Administrator, with the approval of Parliament. Additionally, there are guidelines for the District Assemblies on how to use the Fund. The stakeholders, or the interested parties were duly mentioned. There are problems that have beset the operations of the Fund. These problems have to do with the inadequacy of the amounts disbursed, the ill-timing of the release of the Fund, and corruption in the use of the Fund, mainly at the district level. These problems have negatively impacted on the 20 percent of the Fund earmarked for poverty alleviation.

Chapter five was devoted to a retrospective account of local government administration and financing from the colonial period to 1992. The discussion started from the Indirect Rule System, which was a very significant period for local government in Ghana. Before the local government reforms in 1988, there had been various commissions and committees such as Mills Odoi (1967). Siriboe (1968) which recommended decentralisation in the machinery of government. These recommendations were not fully implemented. One common feature of local government throughout the regimes was that,

local government bodies lacked autonomy. They were weakly structured and poorly financed, but centrally controlled. Financially, the District councils relied on traditional local government sources of revenue which are Rates, Lands, Fees, Licences, Trading Services and miscellaneous sources. These were in addition to government grants in the form of percentage and block grants.

Much as the desire was there to ensure a viable and effective local government system, there was the lack of political will and commitment to push the idea through. With civilian regimes, local administration became a party affair. The military were more concerned with consolidating power at the centre and therefore paid little or no attention to local administration. Whichever way it went, it did not augur well for local administration. The numerous problems of finance, lack of adequate resources, central control, incompetence and inefficiency reduced local administration in the past to a "non-entity". It also lacked majority representation and therefore did not attract the confidence of the natives. Confidence was restored in local administration with the inception of decentralisation programme and the establishment of the District Assemblies, and above all, the introduction of the District Assemblies Common Fund, meant for the development of the districts.

Chapter six gave an analytical description of poverty alleviation efforts within the Kpandu District. Variables that came under analysis were age, education, sex, marital status, occupation and dependants. There were 24 sample beneficiaries which comprised of 19 individuals and 5 groups. In addition were the District Chief Executive, eleven Assembly members and the Bank Manager (Managing Bank). It is of concern to know that all those interviewed expressed misgivings about some aspects of the operations of the poverty alleviation fund. The problems associated with the implementation of the scheme are mainly with the size, timing and control of the fund. Others are lack of supervision, political interference, credit recovery, lack of logistics, bribery and corruption.

7.3. CONCLUSION

This study was embarked upon with the following objectives in mind:

- To examine the PNDC/NDC Government's decentralisation programme and the institutionalisation of the District Assemblies Common Fund (DACF).
- To find out how the DACF in general is being used, and particularly, how effectively that portion allocated for poverty alleviation is really being used to address poverty within the Kpando District.
- To make recommendations to the Kpando District Assembly such as may be necessary, so as to enhance the process of decentralisation and poverty alleviation within the District.

The study has shown that the decentralisation programme is on course, judging from the responses concerning decentralisation. There was no reservation about it. The impression was created that the process is well assimilated and indeed, the people are a part of the decision making process. It was noted that, there were avenues of information dissemination opened to the people both at the district and sub-district levels. This serves as a pointer to the fact that the people get informed about government policies and programmes and through the same, channel their grievances, complaints, concerns and appreciation to the Assembly. The District Chief Executive expressed satisfaction with the performance and confidence in the assembly members so far. The Assembly members themselves felt they were doing their best for their communities, and cited in support of their claims, the active participation of community members in community efforts. In the instance where the District Chief Executive complained about the uncooperative attitude of the decentralised departments in planning for the district, she was quick to say that this could be improved through a re-orientation programme. This meant that the situation was not out of hand and therefore could be remedied. She also cited the establishment of the Local Government Service as the main solution.

On the Common Fund, the response was an overwhelming appreciation of its institutionalisation, and its use for the provision of infrastructural development within the various communities. The Assembly Members however expressed misgivings about the role of the District Assembly in this regard. In my view, the complaints were mainly as a result of the inadequacy of the Fund to meet the numerous demands of the communities. Thus they felt that the Assembly was not responding as they would have expected. The complaint became more serious on the issue of disbursement of the Poverty Alleviation Fund. There was a near crisis situation as pressure from political activists within the Assembly mounted on the District Chief Executive and the Presiding Member. In the end however, good sense prevailed, but the fact remained that most of the beneficiaries were political activists. The Poverty Alleviation Fund vis-à-vis, the scheme had its own operational problems to the extent that, it made an insignificant impact. Generally, the District Chief Executive felt she was to use her discretion to use the Common Fund more to the advantage of very deprived communities, but for the guidelines on the use of the Common Fund and the poverty alleviation fund.

From the foregoing, it could be said that the decentralisation programme is on course despite some inherent problems; the decentralised departments are yet to fully accept the authority of the District Assembly; partisanship at the district level has become an issue; the Common Fund is inadequate; there are problems with inadequate resources for effective performance, and the poverty alleviation fund/scheme is so bedevilled with problems that it is not making much impact. Care should be taken to avoid mistakes of and problems with local government in the past where local government institutions became inefficient and ineffective due to myriad of problems such as these.

7.4. RECOMMENDATIONS

In order to save the poverty alleviation scheme from collapse, and to strengthen its operations, the following are recommended:

7.4.1. Education

The populace should be educated on why government found it necessary to introduce the poverty alleviation scheme/programme. In other words, the rationale for its introduction should be made clear. This would disabuse the minds of people of seeing the programme as a kickback for political loyalty. The education should not be channelled through political affiliate bodies such as the Association of Committees for the Defence of the Revolution (ACDR) and the 31st December Women's Movement. The political connotation that was given to the disbursement of the poverty alleviation fund was enough to make others apathetic. This would not augur well for the decentralisation process. The Unit Committees and the assemblymen should mainly be in the forefront of this education campaign. To give the scheme a community dimension, other mediums like the chiefs, churches, and market places and the non-formal education could be used to carry the message across. The guidelines for the utilisation of the Common Fund and the poverty alleviation fund should be printed in the local languages for the benefit of those who have problems with the English language. Professionals such as social workers, sociologists and community psychologists could also be contracted to undertake the educational campaign. Above all, the District Assembly should spearhead the educational campaign. It should work through the National Commission on Civic Education, which would educate the people on their civic rights and responsibilities with regards to the programme under study.

7.4.2. Management

With adequate audit check in place, the management of the credit scheme should be the sole responsibility of the Managing Bank. The Bank in collaboration with the Credit Approval Committee should process all credit applications and give approval. The following issues should be considered:

- (1) The existing situation where the Bank processes credit applications for approval by the District Assemblies Common Fund Credit Approval Committee is creating potential conflict and tension between the Assembly and the Managing Bank.
- (2) Investment is a technical issue and should be treated as such. There should be professionalism in the exercise of this function. So far as this is concerned, the Assembly is a novice. Banks are less likely to give approval for operations of a non-profitable venture.
- (3) The staff of the Managing Bank are not political appointees and should therefore be circumspect and objective in their dealings with credit applications. It is believed the team will effectively handle the issues of age, sex, occupation etc., given the modalities for managing the scheme.
- (4) The situation as it exists now, does not hold either the Assembly or the Managing Bank totally responsible for any shortcoming of the scheme from the implementation to the execution stage. The present arrangement appears to be a shared responsibility. This could work against efficiency. The Bank and the Assembly must foster a closer relationship. Eventually, responsibility should be located in one body.

Based on the above concerns, the Bank's Business Promotion Office and the Budget and Planning Unit of the Assembly should jointly form the Monitoring and Evaluation Team. The team should periodically visit beneficiaries and monitor their activities. This

would ensure that the beneficiaries put the loan amounts to what it was intended for. The team should periodically submit a report to the District Assembly.

7.4.3. Credit Size

The quantum of the loan should be high enough for its impact to be felt. It should take into consideration the country's economic trend, the exchange rate, the value of the Cedi, value of goods and services and the inflationary trend in the country. The implication is that the loan amount to be given out should not be arbitrary. It should be related to the type of business activity being or to be undertaken by the beneficiary. It is further being recommended that to augment the amount that a beneficiary gets, the amount should be disbursed to very few entrepreneurs at a time. This would enable a substantial amount to be generously invested in economic activities that would generate income as well as employment for others. Through this, the interest of the people in the programme might be sustained.

7.4.4. Technology, Information and Skill

Beneficiaries should have access to technology, information and skill, that could help them to manage and run their businesses successfully. The management body of the scheme should ensure that this is done. Investment is about making appropriate choices – location, processing, packaging, pricing, marketing, sales etc. The point needs to be made that beneficiaries should be made aware of these factors and be prepared to factor them into their operations. When and where help is needed, it could be readily made available.

7.4.5. Funding

The allocation given to the District Assemblies (DACF) for the development of their respective areas is already not enough. It is therefore not prudent enough to allocate 20

percent of it for something else. It would be more viable and economically prudent if the poverty alleviation scheme is funded from some other source than the Common Fund. In light of this, the recommendation is that the funding of the scheme should be charged on the consolidated fund.

7.4.6. Credit Recovery

The repayment period of the loan should be such that the beneficiaries would not come under severe pressure to repay. The scheme is a socially oriented one and not necessarily economical or profit oriented. For instance, with farming, the gestation period is quite long. There could also be hazards such as poor rainfall, flood, disease outbreak, loss of animals etc. These would need to be taken into account in fixing time periods for farmers, or have their repayment periods reviewed. However, other beneficiaries whose periods of getting returns from their investment is shorter and of less risk could be made to pay within a shorter time. In a gist, the repayment period of the loan should be treated on individual basis. This would depend on the type of business activity engaged in by the beneficiary. Assemblymen could serve as emissaries of the Assembly to recalcitrant loan defaulters within their communities.

7.4.7. Timing

The release of the Common Fund should be timely so that beneficiaries of the poverty alleviation fund could plan properly. The loan timing should necessarily coincide with a particular economic activity. "Time is money", therefore government must be up and doing.

7.4.8. Partisanship

The District Assemblies and the sub-district structures are supposed to conduct their businesses in a non-partisan manner. However from the study, partisanship featured prominently, to the disadvantage of non-party members. These structures are the immediate avenues opened to the people. No one should feel marginalised. For the sake of fairness and to remove suspicions, partisanship should be officially allowed in the conduct of affairs of these structures.

7.4.9. Local Government Service

To ensure total commitment of the decentralised departments to the development of the district, the government should without further delay establish the Local Government Service. This will augur well for effective planning, and monitoring at the district level, with District Chief Executives in total control.

7.4.10. Non-Governmental Organisation

No non-governmental organization (NGO) should be allowed to benefit from the poverty alleviation fund. NGOs are supposed to supplement government effort and not to depend on government. As the name suggests, the funding of their activities should not come from government. Even though the guidelines favour group access, it is to be believed that NGOs are not part of the package. If they do, then there is no moral justification for existing as non-governmental organisations.

Finally, poverty is an age old problem. It dates back to antiquity.¹ By implication poverty with all its ramifications, is a deep-rooted problem. It equally needs a deep-rooted solution. The disbursement out of Poverty Alleviation Fund by government to fight poverty is a head-start in the right direction. However, we must be cautious not to make poor people be seen as beneficiaries of government largesse. This might not work. In addition

to what has been started, we may begin to work at long-term solutions, where it might not be necessary to queue for a poverty alleviation fund. Perhaps, the right thing to do is to focus on policies and programmes that are people-oriented, or have a human face. We should increasingly focus on the rights to education, employment, health, reproductive freedom and participation. In addition, people should be free to mobilise for collective action to alleviate poverty. This approach recognises the inherent dignity of all members of the human family. It will discourage the classification of others as beneficiaries.

NOTES/REFERENCES

1. Ekpenyong, C., Poverty Alleviation. "Strategies For sustainable Livelihood In The West African Sub-Region." A paper presented on the occasion of the 1st West African (Biennial) Regional Conference on Management and National Development held on 23rd to 25th August, 2000 (at Accra International Conference Centre, Ghana).

APPENDIX

RAW DATA

No	Educational Background	Age	Sex	Marital Status	Occupation	Working Experiences	Dependent	Location
1*	-	-	-	-	Poultry & Piggery	-	-	PEKI
2*	-	-	-	-	Beads & Chotchely	-	-	KPANDO
3.	Non formal	61	M	Widowed	Farmer	23	5	BOTOKO
4.	Post Sec.	51	M	Married	Farmer	12	7	SOVIE
5.	Post Sec.	53	M	Married	Poultry	25	10	ANFOEGA
6*	-	-	-	-	Fishing	-	-	KPANDO
7*	-	-	-	-	Pottery	-	-	KPANDO
8.	Basic	54	F	Married	Veg. Farms	22	8	VAKPO
9*	-	-	-	Married	Trading	-	-	KPANDO
10.	Basic	56	F	Married	Traders	-	6	KPANDO
11.	Basic	68	F	Widowed	Yam Seller	27	5	KPANDO
12.	University	54	F	Married	Catering	18	10	KPANDO
13.	Basic	53	M	Divorced	Farmer Lotto Receiver	25	3	KPANDO
14.	Basic	42	F	Married	Cooked food seller	13	2	KPANDO
15.	Basic	66	F	Married	Book-keeping	36	-	KPANDO
16.	Post Sec.	48	M	Married	Poultry	25	5	KPANDO
17.	Post Sec.	48	M	Married	Kente Weaving	15	3	KPANDO
18.	Basic	54	M	Married	Poultry	26	6	KPANDO
19.	Non-formal	58	F	Married	Trader	20	6	KPANDO
20.	Basic	52	F	Married	Bank Prod.	10*	4	KPANDO
21	Non-formal	46	M	Divorced	Piggery	16	2	KPANDO
22.	Basic	54	M	Married	Sale of Drinkable	14	7	KPANDO
23.	Non-formal	42	F	Married	Fish Seller	18	5	KPANDO
24.	Basic	59	F	Married	Farming	20	6	KPANDO
KEY	*	GROUP						



RESPONSES						
AGREE			SOME AGREE		DISAGREE	
QUES.	NO.	PERCENTAGE SCORE	No	PERCENTAGE SCORE	NO	PERCENTAGE SCORE
1.	13	54.17%	8	33.33%	3	12.5%
2.	15	62.5%	6	25%	3	12.5%
3.	15	62.5%	7	29.17%	2	8.33
4.	12	59%	6	2.5%	6	25%
5.	13	54.17%	8	33.33%	3	12.5%
6.	15	62.5%	7	29.17%	2	8.33%
7.	17	70.83%	6	25%	1	4.17%
8.	24	100%	-	-	-	-
9.	10	41.67%	8	33.33%	6	25%
10.	24	100%	-	-	-	-
11.	1	4.17%	5	20.83%	18	75%
12.	24	100%	-	-	-	-
13.		-	1	4.17%	23	95.33%
14.	12	50%	4	16.67%	8	33.33%
15.	1	4.17%	20	83.33%	3	12.5%
16.	20	83.33%	3	12.5%	1	4.17%
17.	-	-	-	-	-	-
18.	2	8.33%	16	66.67%	6	25%
19.	-	-	-	-	24	100%
20.	9	37.5%	2	8.33%	13	54%
21.	7	29.17%	-	-	17	70.83

QUESTIONNAIRE

I am a final year Masters Student in Public Administration, of the University of Ghana, Legon. I am conducting a study on "***Decentralisation, the District Assemblies Common Fund and Poverty Alleviation: The Experience of Kpandu District Assembly***".

The Study is purely for academic purposes and the answers provided will strictly be limited to that exercise

I wish to assure you in all confidentiality that your responses will not be used in any other way.

It would be deeply appreciated if you could sincerely provide answers to the questions below.

PART ONE

Age:

Sex: Male/Female

Marital Status: Married []
 Single []
 Divorced []
 Widowed []

Household: Number of children/Dependants

Educational Background: No formal Education []
 Basic []
 Post-Secondary []
 University []

Occupation:.....

Period of work:.....

How long have been working?.....

PART II

1. I know about government policy of decentralisation

Agree [] Somehow Agree [] Disagree []

Source: Media, Assembly man, Friend,

Others-specify.....

2. I know my community unit committee members and assembly man.
 Agree [] Somehow Agree [] Disagree []
3. I see obvious signs of development taking place in my community.
 Agree [] Somehow Agree [] Disagree []
4. I feel satisfied with whatever development project that has gone on/is going on in my community.
 Agree [] Somehow Agree [] Disagree []
5. It/They have affected my life positively.
 Agree [] Somehow Agree [] Disagree []
6. I know about the District Assemblies Common Fund .
 Agree [] Somehow Agree [] Disagree []
 Source: Media, Assembly man, others-specify.....
7. I have heard of the 20% of DACF for poverty alleviation.
 Agree [] Somehow Agree [] Disagree []
 Source: Media, Assemblyman, friend, others-specify
8. I am a beneficiary of this fund.
 Agree [] Somehow Agree [] Disagree []
9. The procedure for getting it was simple.
 Agree [] Somehow Agree [] Disagree []
10. I got the credit on merit (as an individual or group) specify.
 Agree [] Somehow Agree [] Disagree []
11. The amount that I was/we were given was enough.
 Agree [] Somehow Agree [] Disagree []
12. I/We have had the amount for sometime now (specify)
 Agree [] Somehow Agree [] Disagree []
13. I/We have already made some re-payment.
 Agree [] Somehow Agree [] Disagree []

14. I was having difficulty in running my business and responsibilities before I got the loan.

Agree [] Somehow Agree [] Disagree []

Could you name briefly some of those responsibilities.

.....

15. Things have improved since I got access to this credit.

Agree [] Somehow Agree [] Disagree []

16. I was already engaged in some form of income generating activity (specify)

Agree [] Somehow Agree [] Disagree []

17. How was it financed?

Friend, Relative, Bank loan, Money from abroad/Savings, others-specify.

.....

18. My business situation has improved with the credit assistance.

Agree [] Somehow Agree [] Disagree []

19. Apart from the credit, I get other forms of assistance from the Assembly (Specify).

Agree [] Somehow Agree [] Disagree []

20. I have recommended the credit scheme to some other person(s) or group(s) because it is good.

Agree [] Somehow Agree [] Disagree []

21. I have had the chance to complain to my Assemblyman about aspects of administering the loan that I do not like and also commended them for the good things that I have noticed about it.

Agree [] Somehow Agree [] Disagree []

22. What recommendations would you make towards the improvement of revolving credit or are you satisfied with the present situation?

.....

23. Briefly, discuss the nature of your business activity.

.....

.....

24. Do you feel that the system as it operates now has a future and that more and more people would benefit from it?

Explain:.....

.....

DISTRICT CHIEF EXECUTIVE

1. Can you say that the people understand the government's policy of decentralisation? What about their participation in the running of the affairs of the district with regards to inputs made by their assembly members?

2. What can you say about the common fund in terms of size, timing, control?

3. Some development facilities i.e. schools, roads, markets, electricity, potable water have been provided through the CF – ostensibly for the benefit of the people – i.e. to take advantage of to better their lot – why in your opinion do you think that a special fund needs to be allocated for poverty alleviation?

4. Number of beneficiaries? – If I may know the means by which the people get to know of any such fund being available.

- 10. Does the assembly have feedback from beneficiaries that their condition have improved as a result of the credit facility?

- 11. How about recovery rate – Is it encouraging?

- 12. In your opinion as DCE, what are your likes and dislikes about the allocation and disbursement of the DACF in general and the 20% PAF in particular.

- 13. What would you recommend generally towards their improvement?

Thank you.

ASSEMBLY MEMBERS

Please indicate your constituency and sub-committee.

1. What would you say about the people that you represent with regards to government's decentralisation policy and the call for popular participation in government? Do they show understanding and interest?

2. At the local level, are they aware of the DACF and the 20% PAF?

3. Would you say your community has benefited from the above? In what areas?

4. Have you had complaints from members of your community on not being satisfied with development projects going on in their community?

5. If yes, what has been the nature of the complaints?

6. How many people have benefited from the PAF in your community?

7. How did they get to know of the availability of such a fund?
8. Any feedback from the beneficiaries considering an improvement in their socio-economic status as a result of this benefit from the credit?
9. What about paying back for others to also benefit?
10. Do you see any future for the PAF/sustainability?
11. Your recommendations towards the improvement of the system of allocation and disbursement?

Thank you