

10. Subnational governance in Ghana: a comparative assessment of data and performance

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Summary

In this chapter, we conceptualise an ideal framework that captures three reinforcing levers for measuring local government performance in sub-Saharan Africa, specifically Ghana, namely policy pronouncement, political processes and internal operations, and policy implementation. Given data limitations we employ a ‘next best’ approach to apply this framework and measure local government performance by combining a weighted ‘quality of reporting’ measure with selected available measures on political processes and internal operations, and policy implementation, so as to construct a composite index for local government performance (LGI). We also look at the relationship between our performance indices and other indices of local government performance in Ghana, as well as poverty headcounts. We find that, on average, urban districts perform better than their rural counterparts and also districts located in the southern half of Ghana perform better. Our constructed composite index is positively correlated with indices from Ghana’s district league tables. It has a negative relationship with poverty headcount in districts, indicating that districts with lower poverty incidence are more effective and responsive to their citizens. The findings provide a snapshot of institutional performance across Ghana’s districts, and offer a more comprehensive basis for considering variations in subnational institutional performance, including the effects of decentralisation than previous studies of Ghana – or indeed African countries more broadly.¹

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By bringing government closer to the people, it has often been argued, decentralisation has the potential to make government more effective and responsive, with positive influence not only on accountability and political participation but also on public goods provision and economic outcomes (Bojanic and Collins 2021; del Granado, Martinez-Vazquez, and McNab 2018; Otoo and Danquah 2021). To assess such claims empirically, valid and reliable measures of subnational institutional performance are needed. How effective and responsive are local governments? How do they compare with central governments? What factors (including decentralisation) influence the performance of local governments? Where decentralisation processes have occurred, is there evidence of local governments becoming more effective and responsive as a result? The first of these questions is the focus of this chapter.

There is a substantial body of literature on the quality of local governance² (including comparative measurement in multiple contexts). Yet there remain significant gaps with respect to the conceptualisation and measurement of the quality of local governance in non-Western contexts, especially in sub-Saharan Africa (Iddawela, Lee, and Rodríguez-Pose 2021). Here we develop an ideal framework for measuring local government performance in Ghana based on three reinforcing levers – policy pronouncement (the institutional framework or rules), political processes and internal operations, and policy implementation. Adequate data for measuring all three levers for subnational units in Ghana are not available, so we employ a ‘next best’ approach that combines the weighted quality of reporting measure with selected available measures on political processes and internal operations, and policy implementation to construct a composite index for local government performance. We also look at the relationship between the local government performance indices and other indices of local government performance in Ghana as well as poverty headcounts. Ghana is one of Africa’s most stable democracies, and is among the countries in the region where statistical data are more readily available and progressively improving in quality. However, this is less true of subnational institutional data on multisectoral indicators that aid the measurement and understanding of variations in local governance. Given the lack of data on sub-Saharan African countries, many studies on this subject matter including Ghana compare only a few districts; thus, our comparison of all districts speaks directly to gaps in the literature.

Ghana is also an interesting case because local governance and decentralisation have been topics of significant recent public debate, especially prior to the presidential elections held in 2020, when a referendum was proposed for the election of metropolitan, municipal, and district assembly chief executives (MMDCEs). Although the referendum was eventually cancelled, with the president citing a lack of national consensus on the topic, Afrobarometer data suggest that voters favoured the election of MMDCEs (Armah-Attoh and Norviewu 2018).

Multiple definitions of good governance and alternative frameworks are used in the large literature on the subject (Gisselquist 2012; Weiss 2000). A common working definition of 'governance' is as given by the World Bank (2017, p.3): 'the process through which state and nonstate actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power'. This is applicable both at national and subnational levels.

Weiss's (2000) list of key attributes of (good) governance included: universal protection of human rights; non-discriminatory laws; efficient, impartial and rapid judicial processes; transparent public agencies; accountability for decisions by public officials; devolution of resources and decision-making to local levels from the centre; and meaningful participation by citizens in debating public policies and choices. He argued that these go beyond the Western construct of democracy and must be accompanied by the needed resources and situated within the relevant cultural context. In a similar vein, Gisselquist (2012) identified seven core components of good governance as the concept is applied in international development. These include (i) democracy and representation, (ii) human rights, (iii) rule of law, (iv) effective and efficient public management, (v) transparency and accountability, (vi) developmental objectives, and (vii) political and economic policies, programmes, and institutions (for example, elections, a legislature, a free press, and secure property rights).

Related terms used in the literature include institutional development and political development. Moore (2001), for instance, emphasised the exercise of legitimate authority over territory and active engagement with citizens from whom legitimate authority is derived and in the interest of whom legitimate authority is exercised as key defining elements for political development. The case for 'good' local governance is often premised on its potential to deliver public goods to heterogeneous groups whose varying needs would have likely been missed by central government. Thus, 'local' suggests some form of federalism, decentralisation, deconcentration, or devolution of power from a central authority to a subcentral or subnational unit. Decentralisation's links to beneficial development outcomes has been extensively discussed (Faguet and Pöschl 2015). Faguet, Fox, and Pöschl (2015) identified four mechanisms through which decentralisation impacts on the performance of a state:

- The ability of a subnational unit to exercise authority over territory and people, thereby maintaining peace and avoiding conflict.
- Policy autonomy and the ability to uphold law.
- Responsiveness and accountable service provision.
- Social learning achieved through citizenship participation.

Ahmad, Devarajan, Khemani, and Shah (2005) argued that the need to improve the quality of service delivery is the principal motivation for the adop-

tion of decentralisation, because, in essence, it is a path to transparency, inclusiveness, accountability, and, ultimately, responsive development. Despite the potential for decentralisation to have such positive impact on accountability and development, more evidence is needed on actual impact. Some studies suggest that, especially in developing countries, impacts in practice often fall short of what citizens expect (Brierley 2020; Yeboah-Assiamah 2016). We begin this chapter by examining the available subnational data for Ghana and then Section 10.2 looks at how our performance concept can be operationalised in the Ghanaian context given data constraints. In Section 10.3, we present our results on measuring local government performance in Ghana. The conclusion includes a discussion of areas for further study.

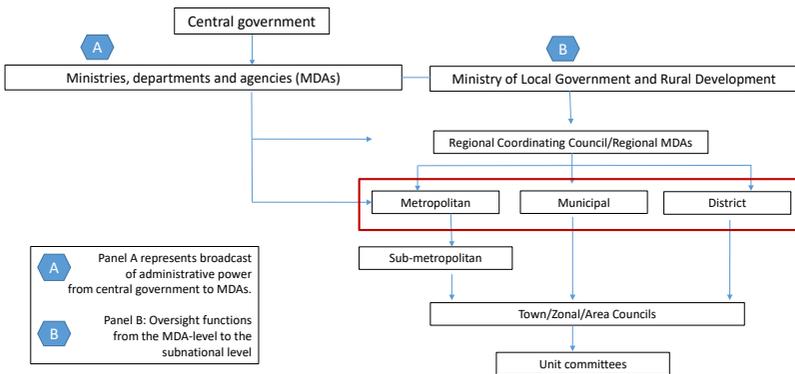
10.1 Subnational governance research and data in sub-Saharan Africa: the case of Ghana

Although there exists substantial literature on governance in sub-Saharan Africa, analysis is usually at the national level (Iddawela, Lee, and Rodríguez-Pose 2021). In terms of data, there are also an increasing number of living standard measurement surveys (LSMS), demographic and health surveys, censuses, and other databases that capture household-level data across multiple socio-economic (and in some cases governance) indicators. However, multiple-indicator-based data sets for subnational institutional entities are usually lacking. This challenge has implications not only for research but also for the effective monitoring of subnational governance. Many researchers rely on their own primary surveys of selected areas (Brierley 2020; Burgess et al. 2015) and available secondary data (Fumey and Egwaikhide 2018; Otoo and Danquah 2021). Other recent studies have employed satellite data (Dahis and Szerman 2021; Iddawela, Lee, and Rodríguez-Pose 2021) and elections data (Asunka et al. 2017).

For Ghana, various subnational data collection efforts have been undertaken, focusing on regional coordinating councils; metropolitan, municipal and district assemblies (MMDAs); and their sublevel structures. Most of these surveys have been of limited scope, but a few recent attempts have yielded large data sets, although these are not yet publicly available (Dzansi et al. 2018; Williams 2017). Data have also been drawn from community focus groups and household surveys of limited scale (Akudugu 2013; Debrah 2009).

Assessing the decentralisation–development nexus in Ghana

Ghana has a four-level governance structure shown in Figure 10.1 comprising: (i) national-level ministries and their sector agencies; (ii) decentralised structures such as the regional coordinating councils; (iii) MMDAs (also referred to as districts); and (iv) subdistrict structures such as urban, town,

Figure 10.1: Ghana's subnational governance structure

Source: Authors.

and zonal or area councils (Aye 2013). Local assemblies are at the core of the decentralised structures and have powers to function as political and administrative authorities, as well as development, planning, budget, and rating authorities (Aye 2013). These structures come under the direct supervision of the Ministry of Local Government and Rural Development, which is in turn subject to cabinet, headed by the president. In addition to being a deliberative and law-making arm of government, the parliament of Ghana also has the authority to hold levels of the subnational governance structure accountable.

During the pre-colonial era, local governance was mainly through traditional rulers and clan heads. The British indirect rule system led to the establishment of selective, formal native authorities through which the country was administered. After independence in 1957, Ghana went through several local government reforms that redefined the role of traditional authorities as heads and appointing authorities. In 1979 a new constitution made the president the appointing authority with support from traditional rulers (see Ahwoi [2010] for a review of Ghana's historical experience). The next important reform was the promulgation of a new local government law in 1988 (PNDC Law 207). It began a new decentralisation policy with the primary aim of bringing development and improved governance to the doorstep of the citizenry (Aye 2013). A direct product of this was the creation of additional MMDAs. Beginning with 65 MMDAs in 1988, by 2020 the number had increased to 261. The three main sources of revenue for MMDAs are:

- transfers from the central government mainly through the District Assemblies Common Fund (DACF);
- internally generated funds (IGFs), such as licences, rates, fees, and other charges; and
- donations and grants (for example, development partner support through the District Development Facility).

Except for the large metropolitan assemblies, which rake in more from IGFs, the most important sources of revenues for most MMDAs are decentralised transfers. By law, all expenditure is drawn from a budget approved by the local assembly. Local government expenses range from recurrent items covering staffing remunerations and administrative expenses to capital expenditure on programmes and projects covered in the district development plan.

Analyses of Ghana's decentralisation present a mixed picture of local government performance (Aye 2008; Osei-Akoto, Darko, William, George, and Adiah 2007), building on diverse methods and frameworks. Our analysis builds upon this rich literature (and see Chachu 2021). For instance, Crook (1994), who was among the first to assess the performance of the newly created districts, focused on performance in terms of output effectiveness, responsiveness and acceptability. Aye (1996) assessed local government performance against three objectives: participation, effectiveness, and accountability. Using Ho and Keta districts as case studies, he found marginal delivery of public goods despite signs of increased participation. In other work, Aye (2013) examined the political economy of creating subnational structures. In a study conducted in five districts, Mohammed (2016) considered how decentralisation promotes local participation. Collectively, the research literature on Ghana points both to the promise of decentralisation as well as a variety of factors contributing to its limits, including challenges of central government control over key local functions, limited local capacity, political capture, misplaced priorities, poor coordination, inadequate financing, and increased borrowing by local authorities (Aye 2013; Aye 2008).

Civil society organisations (CSOs) have also played a major role in analysis and public debate about local governance and decentralisation in the Ghanaian context. Over several years, the Integrated Social Development Centre (ISODEC) has monitored the disbursement and use of the District Assembly's Common Fund, while the Send Foundation of West Africa tracked the use of Heavily Indebted Poor Countries' (HIPC) funds at the local government level. The Local Governance Network, an umbrella of CSOs, has been engaged in research and policy advocacy on local governance since 2003, including participation in the nationwide subnational institutional performance assessment process under the District Assessment Performance Assessment Tool (DPAT).

With support from UNICEF, CSOs like the Centre for Democracy and Development (CDD) have led the development of the District League Table (DLT).³ The DLT, developed to promote citizens' awareness and social accountability, is an assessment tool that uses government data to rank all district assemblies on the basis of their social development, covering indicators in education, sanitation, rural water, health, security, and governance. One possible critique of this existing rich literature is that a number of indicators employed in analyses arguably are not valid measures of local government

performance because they fall outside the control of local district assemblies. For example, performance in the Basic Education Certificate Examination is used in some analyses but key factors that influence this outcome (such as training and deployment of teachers) are determined by central government and not locally.

10.2 A framework for studying local government performance

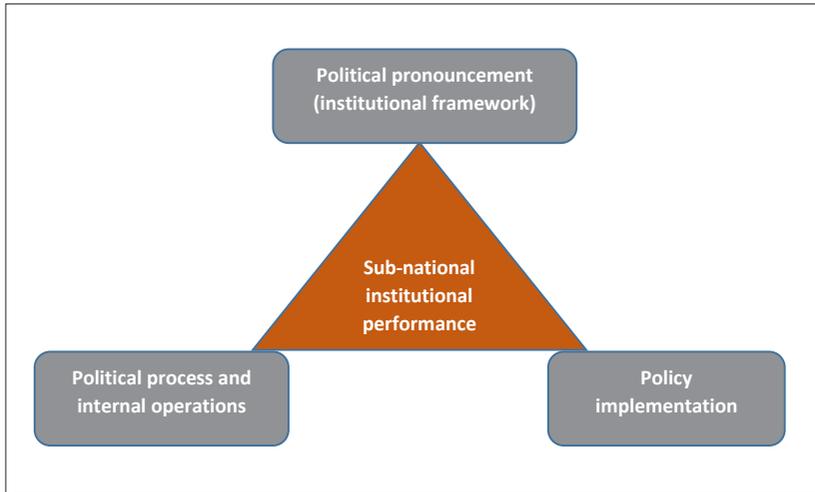
In developing our ideal framework, we draw inspiration from Putnam, Leonardi, and Nanetti (1994; hereafter PLN). Although best known for their argument about the role of social capital, their assessment of the quality of institutional performance across Italy's regional governments provides insights for setting up our framework. Core to PLN's assessment of local governance are 'responsiveness' and 'effectiveness'. Responsiveness represents the ability of institutions to demonstrate awareness of public needs, as well as their willingness and ability to engage with citizens towards meeting those needs. Effectiveness speaks to the extent to which those needs are met in a timely and satisfactory manner. The link between social demands and implementation is mediated by political interactions, the workings of government, and policy choices.

Following PLN, we consider three reinforcing levers of local government performance (Figure 10.2). The first is *policy pronouncement (institutional framework)*, or the rules and norms that constrain behaviour and guide interactions at all levels of a subnational polity. For example, does the local government have a set of comprehensive and innovative laws in place? While the concepts of 'comprehensiveness' and 'innovation' may be normative, they speak to how adaptable a local government is to the existing and changing needs of its constituents.

The second lever comprises the *political processes and internal operations* within the subgovernance structure. These include decision-making processes among the arms of the local government, the nature and timing of the local budget cycle and other procedural mechanisms determining how long it takes for meaningful action on local laws and policies. For example, how long does it take for a local government to develop and approve a budget? The constituents of this lever contribute to understanding the extent to which laws and policies can be translated into meaningful action.

The third (and last) lever is *policy implementation*, which encompasses how far local government actions are responsive to the needs of citizens, for example, in delivering an appropriate quantity and quality of public goods. Following PLN, we aim to focus more on *output* measures of local government performance, rather than *outcome* measures (which can be confounded by factors beyond the control of local governments).

Figure 10.2: Conceptual framework for analysing local government performance



Source: Authors' construct based on PLN (1994).

Subnational institutional performance then is conceptualised as a product of the existing institutional framework, policy processes and internal operations, and policy implementation (Figure 10.2).

Defining the measurement framework – list of indicators and measures

Putnam et al further offer several criteria to consider in the development of these output measures of local government performance:

- **Comprehensiveness:** the measures reflect the diversity of action and innovation.
- **Internal consistency:** indicators used to assess institutional performance will be 'multidimensional' but their use should display consistency.
- **Reliability:** rankings or evaluation outcomes must not change arbitrarily, especially at short intervals.
- **Acceptability:** measures applied in assessment exercises must not be alien to the constituency, audience or the context of interest.

Guided by PLN's measurement framework, we developed 22 indicators for Ghana based on the country's existing legal and policy framework for national and subnational governance (Republic of Ghana 2014a; Republic of Ghana 2014b), that are summarised in Table 10.1. Our extended list of measures is needed to capture the three levers described in Figure 10.2 and the multidimensional nature of Ghana's local governance, particularly where actual data for some measures may be missing.

Table 10.1: Indicator framework for Ghana

Theme	Indicator	Measures
Policy pronouncement (institutional framework)	Reform legislation	The extent to which a district assembly has comprehensive, coherent and creative by-laws
	Legislative innovation	How soon a model by-law is picked up and passed by a district assembly
Political process and internal operations	Cabinet stability	Number of times a district chief executive is replaced over a period of 8 years
		Number of times the executive committee of the district assembly sits for deliberations within a typical year*
		The average share of district assembly members that participate in district assembly meetings for a particular year/period
	Budget promptness	The average time it takes a district assembly's annual budget to be approved
		The average number of budget/public hearings conducted by a district assembly within a year*
		The ratio of IGFs to total annual District Assembly Common Fund (DACF) disbursement**
Statistical and information services	The availability of a statistical and information office in a district and the extent to which the office is equipped for its role*	
Policy implementation	Daycare centres	Ratio of total number of enrolled children in public kindergartens to the number of public kindergartens*
		Ratio of primary school enrolment to number of public primary schools with permanent structures*
	Family clinics	Number of CHPS compounds in operation per district standardised by the rural population*
	Industrial policy instruments	The number of potential tools of industrial policy deployed in a district in a reference year*
	Agricultural spending capacity	Number of agriculture extension officers per (farmer) population in a reference year
		Total agriculture expenditure standardised by district population in a reference year
		Total agriculture expenditure standardised by farmer population in a reference year*
	Local health unit	Total health expenditure per capita at the district level

(Continued)

Table 10.1: Continued

Theme	Indicator	Measures
	Housing and urban development	Total amount of funds disbursed towards housing and urban development standardised by district population
		Water supply coverage*
	Bureaucratic responsiveness	Number of building permits successfully granted or rejected as a share of total request for a given year*
		Percentage of reported cases on child rights protection (maintenance, custody, paternity and family reconciliation) successfully closed*
		FOAT Performance

Source: Putnam, Leonardi, and Nanetti (1994) and authors' construction.

Notes: ^a Though this measure could also be classified under policy implementation, we leave it here given that it is a critical prerequisite for any policy implementation. The DACF is a central government grant that is transferred to all district assemblies under a parliament-approved disbursement formula (variations largely based on needs and pressure on local government services due to migration). CHPS stands for Community Health and Planning Services. This is a national strategy for providing primary health care to communities. FOAT stands for Functional Operational Assessment Tool. This is an index that captures quality of government operations, service delivery and accountability. It is also now referred to as the District Assessment Performance Assessment Tool (DPAT).

* The starred criteria were incorporated into the measures included in the 'quality of reporting' index – see Section 10.3.

10.3 The Ghana data and data gaps

Moving from the ideal framework presented above to measurement underscores the limits of available data. In building our database on Ghana, we drew on several sources, in particular data compiled by the annual progress reports (APRs) of district assemblies. APRs constitute a key element of the national monitoring and evaluation system as set out in the legislation establishing local governments (Acts 462, 479, and 480). District assemblies are expected to produce and submit APRs to the National Development Planning Commission (NDPC), a state development planning, monitoring, and evaluation agency, through the regional coordinating councils (RCCs).⁴ As an accountability tool, APRs are intended to show how resources are generated and utilised for development at the MMDA level in each financial year. In principle these APRs should provide data for all Ghana's districts on most of the measures identified in our framework. But in practice they do not. They are not available for all districts in any one year and even when available they do not provide data on all performance measures. Given this problem of missing data, we complement the information compiled from APRs with additional data for selected districts compiled from other government sources.⁵

MMDAs also report on progress in the implementation of their annual action plans, which are usually drawn from the MMDAs' medium-term development plans. The latter are developed based on the national medium-term development plan with guidance and technical support from the NDPC. Reporting is also provided on key performance indicators defined under the national development policy framework.

At the time of data collation in early 2021, archived online reports covered the period 2015 to 2018. We draw here on 2016 APRs because they provided the most comprehensive coverage when compared to other years. In addition, 2017 and 2018 constituted a transition period following elections in some districts, when new MMDA chief executives were being appointed and confirmed, thus offering an uneven snapshot of government functioning across districts (some of which had accomplished transitions while others did not). Out of 216 MMDAs, 210 had 2016 reports online.⁶ We also complemented the data from these APRs with data from other reports (especially 2017) when they covered 2016.

Given the challenges of missing data in fully capturing our ideal framework, we employ a 'next best' strategy in three stages. First, we construct a new measure (quality of reporting), as a preliminary step, to reflect the comprehensiveness of MMDA reporting on key performance indicators. In essence, the measure speaks to the nature of 'missingness' in data relevant for assessing variations in local governance. Additionally, the measure, which describes the extent to which the MMDA fulfils a government reporting requirement at the heart of public accountability, provides an indicator of MMDA statistical and information services, that is one of the three core components of *policy process and internal operations* in our ideal framework.

Second, in the absence of better data, we consider three other alternative performance indicators that are available for most districts. We combine these data with our quality of reporting measure to arrive at a (second-best) measure of local governance for comparative assessment. Third, we assess correlations between our measures and other key indicators of subnational governance and development.

Stage 1: Quality of reporting measure

Comparing the indicators identified in our ideal framework (as set out in Table 10.1) against what is available in the 2016 APRs, we arrive at a list of 14 measures on which at least one district reports (most of which are indicated by a * in Table 10.1). In addition, two measures not included in the table also met our criteria and were included in the LGI alongside the starred items: number of general assembly meetings within a year, and population estimate.

Nearly two-thirds of these measures are in the area of *policy implementation*. In our coding, an MMDA gets a score of 1 for each indicator reported on. The highest score of 10 was recorded in Mfantseman Municipality (Central region), while five districts received scores of zero: Gushiegu (Northern),

Kadjebi (Volta), Kwahu South (Eastern), Nanumba North (Northern), and Wa East (Upper West). Only 16 per cent of MMDAs had a score of 5 or higher, while more than half recorded a score of 2 or below. The picture provided by these scores is broadly consistent with the NDPC's own assessment that about 93 per cent of districts were unable to comply with any of the reporting formats for 2016 (NDPC 2016).

Next, we adopt weights for each indicator to approximate the relative importance of specific sectors as revealed by government spending on social protection and poverty reduction (about 19.4 per cent of total government spending in 2016, mostly done at the ministries, departments, and agencies (MDA) and MMDA levels) (NDPC 2016). In other words, the greater the weight of an indicator, the larger the share of government spending on the sector associated with the indicator. Thus, lack of reporting on indicators covering sectors prioritised by government should be revealing of variations in the level of weakness in statistical and information services across MMDAs. Table 10.2 summarises spending and proposed weights across key sectors and indicators.

As Table 10.2 shows, the education sector receives the largest share of poverty reduction spending (over 45 per cent). Reporting on each of the two education measures is therefore assigned the largest weight of half that (see fourth column). The application of these weights to the reporting scores yields the weighted quality of reporting measure. Table 10.3 and Figure 10.3 show that the majority of MMDAs have very low weighted scores for their quality of

Table 10.2: Sectoral spending of poverty reduction and proposed weights

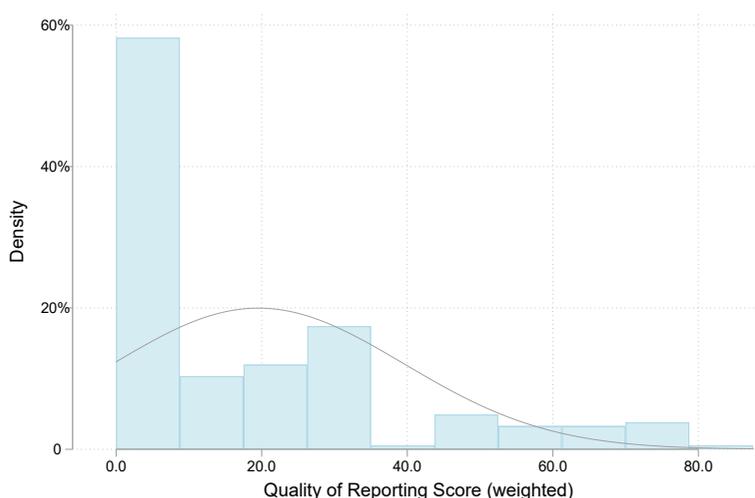
Key area of poverty reduction expenditure	Spending as a percentage of total poverty reduction spending (%)	Related measure	Weight per measure
Education (basic)	45.55	Kindergarten and, primary school enrolment ratios	$45.55 / 2 = 22.775$
Health (primary)	19.26	CHPS compounds	19.26
Agriculture	1.86	Agriculture expenditure	1.86
Water (rural)	0.45	Water supply coverage	0.45
Other expenditure (governance, housing, human rights, vocational/employment skills, roads, electricity, etc.)	32.88	<i>All other measures</i>	$32.88 / 9 = 3.65$

Source: Authors' construct.

Table 10.3: Summary statistics on quality of reporting (weighted) measure

Category	Standard			Minimum	Maximum	N
	Mean	Median	deviation			
All MMDAs	19.54	8.5	19.98	0	77.5	210
Urban MMDAs	20.11	8.5	23.37	0.5	87.5	58
Rural MMDAs	19.31	10.5	18.6	0	87.5	152

Source: Authors' construct.

Figure 10.3: Histogram of quality of reporting score

Source: Authors' construct (2022).

reporting. The variation in scores across all districts is also high and skewed to the right, with a standard deviation of approximately 20, a mean of 19.5, and a median of 8.5. The corresponding summary statistics for urban (that is, metropolitan and municipal assemblies only) and rural districts are also presented in Table 10.3.

A full list of district rankings is provided in Table 10.A1 in this chapter's Supplementary Materials.⁷ Overall, Mfantseman Municipal, which was first in the unweighted quality of reporting measure, retains the top spot in the weighted rankings. It also scores highly in terms of other reported results. For example, all reported cases on child rights protection were successfully resolved or referred for appropriate redress. About a third of its local revenue sources comes from internally generated funds, suggesting significant local government fiscal capacity relative to other district assemblies, which largely rely on the District Assemblies Common Fund. In the district, 91 per cent of its population has access to safe water sources, a measure at the 95th

percentile of the distribution. To some extent, variation in reporting quality can be explained by the variation in capacity of district administration as well as level of economic activities. Poorer performance of districts with respect to quality of reporting may be attributed to lack of staff and resources, among other factors.

Stage 2: Local government performance index (LGI)

Next, in line with pulling together the components of subnational institutional performance shown in Table 10.1, we construct a composite index that combines the weighted quality of reporting measure with measures on education delivery (policy implementation), district assembly financing (policy process and internal operations), and district assembly governance (policy process and internal operations) for the year 2016.⁸ The choice of the measures seeks both to optimise the application of our theoretical framework and achieve a comparative assessment of most MMDAs with available data. Although some information on other sectoral measures is available (for example, on policy pronouncement), significant gaps in the data across districts means that their inclusion would effectively reduce the number of MMDAs that can be scored and ranked, and thereby further limit a meaningful comparative assessment across the country. Given the extent of missing data, employing standard methods of data imputation in the construction of our index is not advisable. Thus, we focus on case deletion, an alternative option, taking advantage only of data available. The measures are shown in Table 10.4.

The measure of education delivery addresses the ability of districts to provide sufficient school structures for children in public primary schools. The finance measure gives an indication of a district assembly's capacity to raise revenues within its jurisdiction, relative to decentralised transfers from the central government. The governance indicator is a 'FOAT' score, an index that captures the effectiveness of district assembly operations, service delivery, and accountability.

The FOAT score is normalised to 100, and we normalise the education and finance measures as follows:

$$NormX_{di} = \left(\frac{X_{di} - Min(X)}{Max(X) - Min(X)} \right) * 100$$

where $NormX_{di}$ is the normalised score for variable X in district i , X_{di} is the raw score for variable X in district ' i ', $Max(X)$ is the maximum score for variable X , and $Min(X)$ is the minimum score for variable X . The composite index is then derived using the simple average of the three variables in Table 10.4, combined with the weighted score on quality of reporting.

Table 10.5 and Figure 10.4 depict this local government performance index (LGI) for different categories of local authority (the MMDAs). The full list of indices for the MMDAs is available in the online Supplementary Materials

Table 10.4: Measures for constructing the local government performance index (LGI)

Measure	Definition
Education delivery performance	Ratio of public primary school population to public primary schools
District Assembly financing	The ratio of internally generated funds to total annual District Assemblies Common Fund (DACF) disbursement
FOAT	Multi-indicator index measuring effectiveness of district assembly operations, service delivery, and accountability
Quality of reporting	Quality of APRs to capture indicators on MMDA performance in local governance

Table 10.5: Summary statistics on local government performance index (LGI)

Category	Standard					
	Mean	Median	deviation	Minimum	Maximum	N
All MMDAs	36.13	34.35	7.39	23.01	64.76	157
Urban MMDAs	40.2	38.08	8.74	27.44	64.76	46
Rural MMDAs	34.44	32.85	6.03	23.01	55.29	111

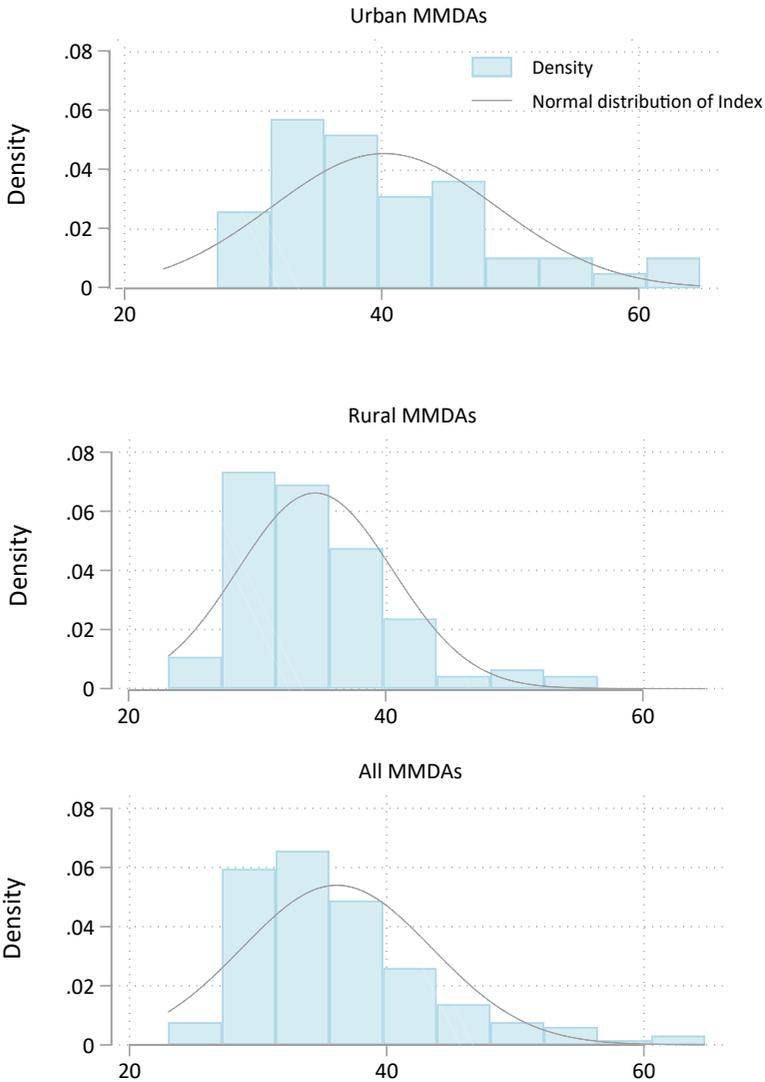
Source: Authors' construct (2022).

Table 10.A2.⁹ The distribution of the LGI for all 157 MMDAs with data is skewed to the right with a mean value of approximately 36. The minimum and maximum values are approximately 23 and 65, respectively. Table 10.5 and Figure 10.4 further depict summary statistics for other categories of the MMDAs. On average, urban MMDAs perform better than their rural counterparts. A test of difference in mean performance is statistically significantly distinguishable from zero at the 1 per cent level.

Figure 10.4 shows more dispersion in local government performance within urban MMDAs relative to rural MMDAs despite better performance, on average, for the former. Figure 10.5 further depicts that there is a concentration of better performance, on average, not just for urban MMDAs but also for MMDAs located in the southern half of the country. The challenge of missing data covering the index is also more concentrated in the north-eastern part of the country. These variations may be due to the availability and capacity of staff and resources as well as access to critical infrastructure for urban and southern districts compared to those in the rural and northern parts of Ghana.

Table 10.6 lists the top 20 MMDAs, which is mostly made up of urban MMDAs. Not surprisingly, the top three positions are dominated by three large urban metropolitan and municipal assemblies: Kumasi Metropolitan, Accra Metropolitan, and Adentan Municipal. This is largely attributable to the performance of these districts in mobilising IGFs, which expands the fiscal

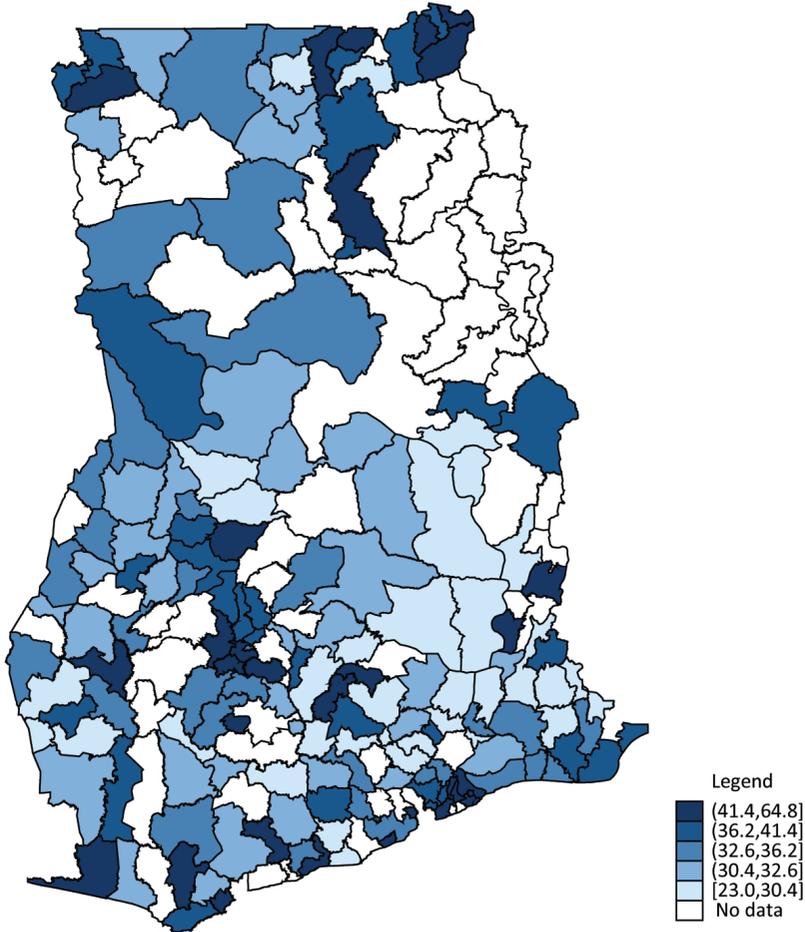
Figure 10.4: Histogram of local government performance index (LGI) by category



space for spending across priority sectors. Relative to rural districts, these larger MMDAs are less dependent on decentralised transfers from central government, which are often irregular and delayed. A sensitivity analysis that omits the IGF measure produces the result captured in Table 10.7.

Although the results in Table 10.7 still compare with those in Table 10.6, we see a number of rural districts rising further to the top. Besides Pusiga and Jirapa, others like Binduri and Bosomtwe districts occupy a top 10

Figure 10.5: Variations in local government performance index (LGI) across MMDAs for 2016



Source: Authors' construct (2022).

position. This result underscores the combined role of fiscal and administrative capacity in influencing variations in local government performance and merits further examination. These top-performing rural districts may be constrained in their efforts to mobilise domestic revenues owing to several factors including limited economic diversification, a greater dependence on rain-fed agriculture, and a lower population density. Yet they may also be benefitting from an institutional or administrative capacity dividend, a possibility that requires further study.

There might be a concern here that the quality of reporting measure is already captured in the FOAT variable and is therefore redundant in the composite measure. While this is not the case when the correlation coefficient is

Table 10.6: Ranking of LGI for the top 20 localities (MMDAs)

Name of region	Name of district	Total score	Overall rank
Ashanti	Kumasi Metropolitan	64.8	1
Greater Accra	Accra Metropolitan	61.1	2
Greater Accra	Adentan Municipal	60.1	3
Upper East	Pusiga	55.3	4
Upper West	Jirapa	54.9	5
Greater Accra	Tema Metropolitan	54.8	6
Central	Mfantseman Municipal	53.1	7
Greater Accra	La Nkwantanang-Madina Municipal	50.6	8
Greater Accra	Ashaiman Municipal	49.9	9
Greater Accra	Kpone Katamanso	49.8	10
Upper East	Binduri	49.7	11
Ashanti	Bosomtwe	49.0	12
Ashanti	Obuasi Municipal	47.1	13
Upper East	Garu-Tempane	46.5	14
Brong Ahafo	Nkoranza South Municipal	46.5	15
Northern	Savelugu Nanton Municipal	46.1	16
Central	Efutu Municipal	45.2	17
Eastern	Kwahu West Municipal	44.9	18
Volta	Hohoe Municipal	44.8	19
Central	Awutu Senya East Municipal	44.8	20

Source: Authors' construct (2022).

taken into consideration, we conduct additional sensitivity tests that exclude the FOAT score. The results are consistent with the broad patterns already described.

Stage 3: Selected comparisons with other indices

A key comparator for the local government performance index is the District League Table (DLT) for 2016. Although the DLT is explicitly a measure of social development, rather than subnational institutional performance, it similarly aims to track the effectiveness and responsiveness of all MMDAs. Thus, we would expect the two indices to be fairly correlated (even if measured differently). Figure 10.6 shows the correlation between the DLT and our composite index (LGI), suggesting a moderately positive and statistically significant relationship. The names of MMDAs that are abbreviated with the first three letters.

Table 10.7: LGI ranking for top 20 MMDAs, excluding the IGF/DACF indicator

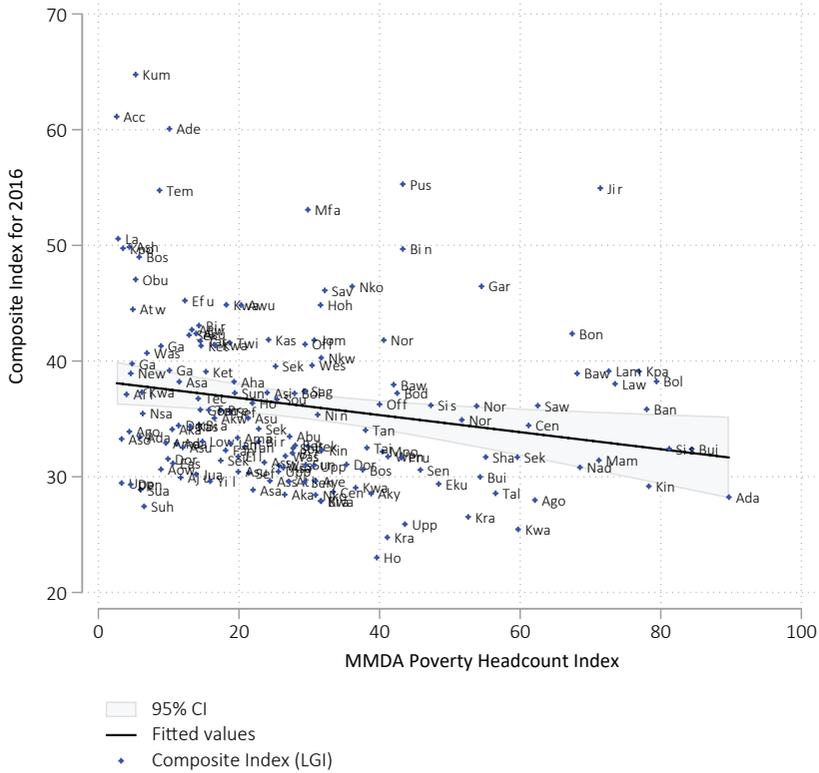
Name of region	Name of district	Total score	Overall rank
Greater Accra	Adentan Municipal	75.3	1
Upper East	Pusiga	73.6	2
Greater Accra	Accra Metropolitan	73.2	3
Upper West	Jirapa	73.1	4
Central	Mfantseman Municipal	70.2	5
Upper East	Binduri	66.2	6
Ashanti	Ejisu-Juaben Municipal	65.4	7
Ashanti	Bosomtwe	64.9	8
Greater Accra	Ashaiman Municipal	64.4	9
Greater Accra	Kpone Katamanso	64.1	10
Greater Accra	La Nkwantanang-Madina Municipal	62.9	11
Upper East	Garu-Tempane	61.8	12
B. Ahafo	Nkoranza South Municipal	61.7	13
Ashanti	Adansi North	61.2	14
Northern	Savelugu Nanton Municipal	61.0	15
Greater Accra	Tema Metropolitan	60.8	16
Central	Awutu Senya	60.5	17
Ashanti	Obuasi Municipal	60.4	18
Central	Efutu Municipal	59.8	19
Central	Cape Coast Metropolitan	59.3	20

Source: Authors' construct (2022).

On the other hand, one would expect a negative relationship between poverty headcount and local government performance. The fitted line in Figure 10.7 confirms a negative relationship in the data; in effect, districts that are more effective and responsive to their citizens are more likely to have lower poverty incidence.

Finally, given that our quality of reporting measure captures an element of subnational institutional performance and is more comprehensive in terms of data coverage across the MMDAs than our LGI, we also compare this measure with variations in poverty across MMDAs using heat maps. In Figure 10.8, the heat map depicts a north–south regional pattern in poverty. The Northern, Upper, and Volta regions are among the most deprived in Ghana, with poverty rates above the national average (Ghana Statistical Service 2018).

Figure 10.7: Comparison between local government performance index (LGI) and poverty headcount index



Source: Authors.

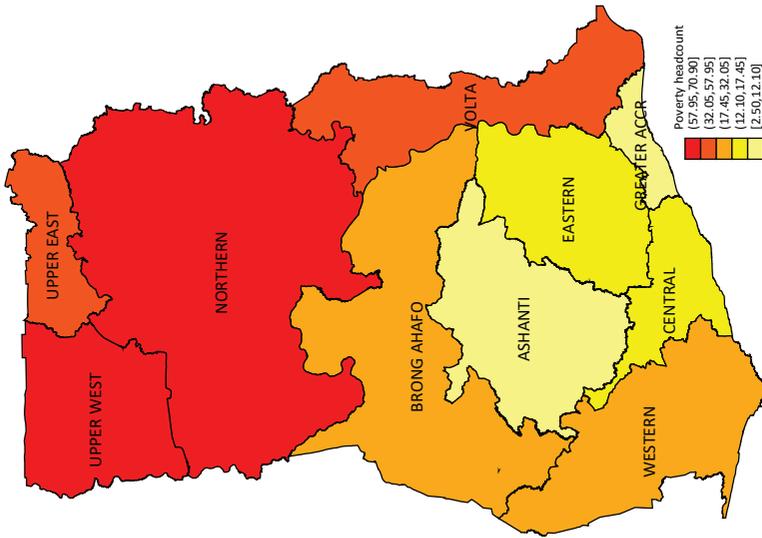
validity of these arguments with the data used here, we hope to address them in future research.

Conclusions – further areas of study

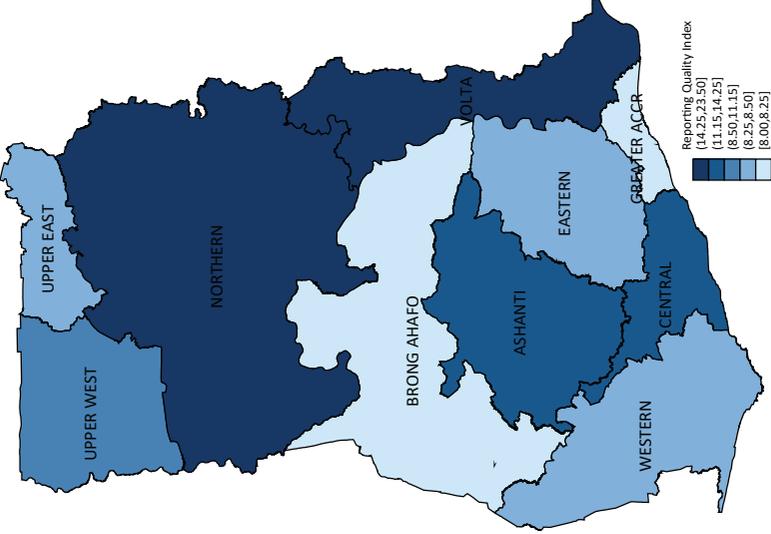
After conceptualising good local governance we have explored the available data for Ghana, moving from an ‘ideal’ set of measures to a streamlined ‘next best’ set that can be captured with existing data, despite significant limitations. The measures presented here provide a snapshot picture of institutional performance across the vast majority of districts and offer a more comprehensive basis for consideration of variation in subnational institutional performance than other studies of Ghana or other African countries more broadly.¹¹ Much of the extant literature on subnational institutional performance in African countries has compared two or several districts or regions; few studies draw

Figure 10.8: Regional comparison: quality of reporting measure (mean) and poverty gap

Variations in Poverty Headcount Across Regions – 2016/2017

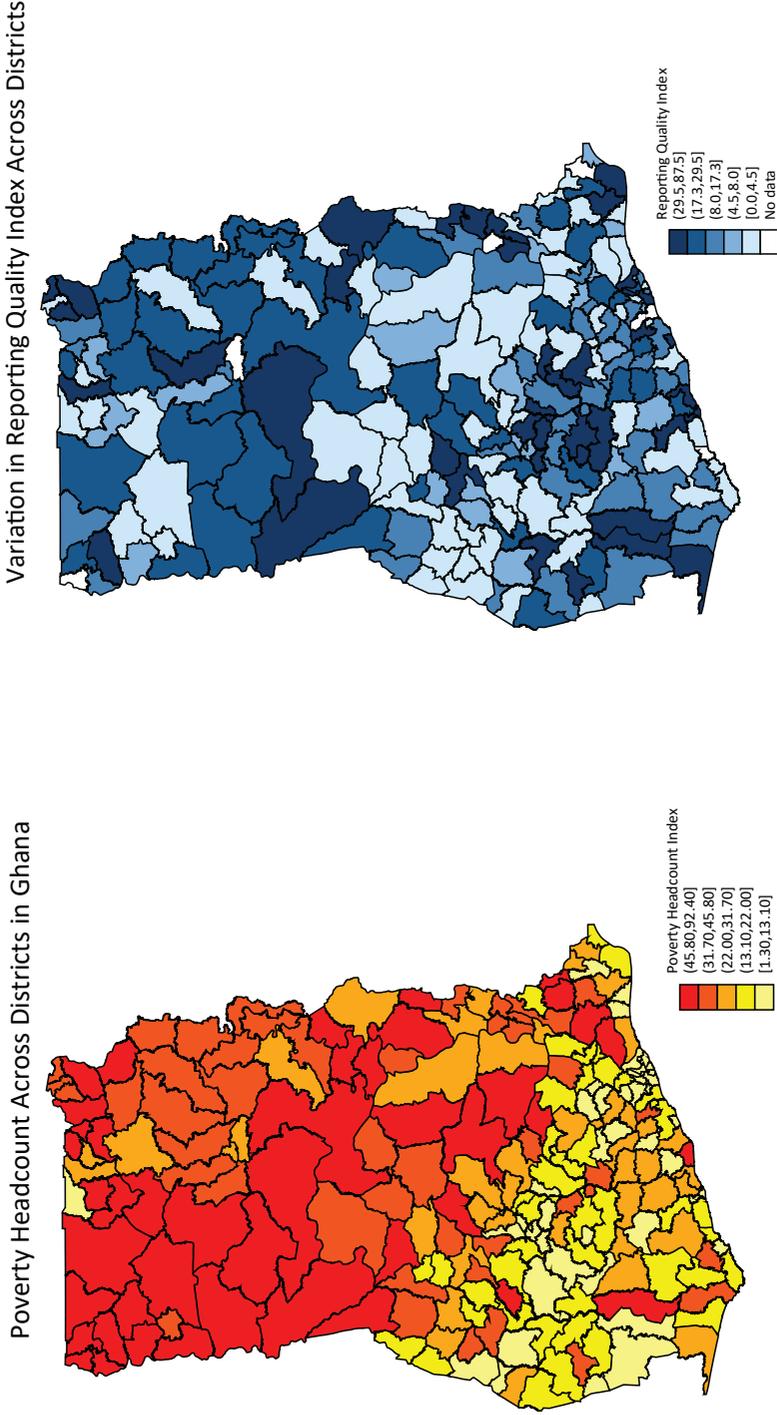


Variations in Quality of Reporting Across Regions – Median Scores



Source: Authors' construct based on Ghana Statistical Service 2018 (poverty headcount) and District Annual Progress Reports, 2016 (Quality of Reporting Index).

Figure 10.9: MMDAs comparison: poverty headcount and quality of reporting



Sources: Authors' construct based on Ghana Statistical Service, 2015 (poverty headcount index) and District Annual Progress Reports (Quality of Reporting Index).

on comparison of all districts or all regions in a country (Dahis and Szerman 2021; Iddawela, Lee, and Rodríguez-Pose 2021).

The lack of such comprehensive data for African countries has been a distinct challenge in research, limiting the study of many important research questions. In terms of decentralisation, these data can help us to consider one of the key claims in the literature, that bringing government closer to the people will result in greater public sector efficiency and accountability. While our data alone do not tell us whether local government is more/less efficient and accountable than central government, they shed light on how efficient and accountable local government in fact is across Ghana. On the basis of these data, it is clear that some local governments perform comparatively well and some poorly. Thus, if we expect to realise the promise of decentralisation optimists, we need to research the broader influences on variation in Ghana's local governments' performance.

The literature offers multiple hypotheses on the causes and correlates of such variation, but empirical examination of them has been limited for African countries, notably by data constraints. One key example is the 'diversity debit' hypothesis – that ethnic diversity drives negative public goods outcomes – which is routinely applied to African countries. For instance, Alesina, Baqir, and Easterly (1999) examined this hypothesis drawing on data from US cities, counties, and metropolitan areas, but it has not been possible to replicate such analysis at the subnational level in African countries. Efforts to test this hypothesis in African countries include studies in South Africa (Gibson and Hoffman 2013) and Zambia (Gisselquist, Leiderer, and Niño-Zarazúa 2016), but these draw on a more limited set of budgetary, census, and survey data.

Another key hypothesis to be considered in future work concerns the role of social capital, with roots in Putnam's work – which serves as a starting point in this chapter for our measurement framework (Putnam, Leonardi, and Nanetti 1994). The argument that institutions are shaped by the social contexts in which they operate, in particular the vibrancy of civic community, has been heavily critiqued. Yet it has also been deeply influential in contributing to a large body of subsequent research on the influence of civil society, social capital, trust, and associational life on the quality of governance and economic development (Boix and Posner 1998). Systematic exploration of this hypothesis within an African context is another key direction for future work.

Endnotes

Supplementary material for this chapter is available on LSE Press's Zenodo site (https://zenodo.org/communities/decentralised_governance/). See: *Supplementary material for*: Daniel Chachu, Michael Danquah, and Rachel M. Gisselquist (2023) 'Subnational governance in Ghana: A comparative assessment of data and performance', Chapter 10 in Jean-Paul Faguet and Sarmistha Pal (eds) *Decentralised Governance: Crafting Effective Democracies Around the World*, London: LSE Press. <https://doi.org/10.5281/zenodo.7919727>

- ¹ This research has been supported by UNU-WIDER and the University of Zurich's 'Equality of Opportunity' Research Priority Program.
- ² See Brierley (2020); Burgess et al. (2015); Dahis and Szerman (2021); Gisselquist (2012); Moore (2001); Weiss (2000), among others.
- ³ Currently mainstreamed into the national monitoring and evaluation system and led by the National Development Planning Commission (NDPC).
- ⁴ There have been no stringent penalties to districts that do not prepare and submit their APRs to the NDPC.
- ⁵ These include the Ministry of Finance and the Ghana Statistical Service.
- ⁶ The remaining six districts were Tamale Metropolitan Assembly, Shama, Nandom, Kpando, Ketu North and Ga South Municipal. Direct follow-ups with the NDPC also did not yield these reports.
- ⁷ See Supplementary Material for: Daniel Chachu, Michael Danquah, and Rachel M. Gisselquist (2023) 'Subnational governance in Ghana: A comparative assessment of data and performance', Chapter 10 in Jean-Paul Faguet and Sarmistha Pal (eds) *Decentralised Governance: Crafting Effective Democracies Around the World*, London: LSE Press. <https://doi.org/10.5281/zenodo.7919727>
- ⁸ In this stage, we complement data gathered on education and local resources from the APRs with data from other government sources such as the Ghana Statistical Service.
- ⁹ See Supplementary Material. <https://doi.org/10.5281/zenodo.7919727>
- ¹⁰ Data on poverty and inequality at the MMDA level is drawn from a Ghana Statistical Service Report (2015) that uses the small area methodology to derive MMDA estimates based on the sixth round of the Ghana Living Standards Survey and the 2010 Population Census.
- ¹¹ See Akudugu (2013); Ayee (2008); Debrah (2009); Osei-Akoto et al. (2007).

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