PN-ABK-878
76466

Decentralization: Improving Governance in Sub-Saharan Africa

Ghana Case Study

25 March 1992

Prepared by:
Dr. Felix Fiadjoe
David Green
Christopher Schwabe
Dr. Tina West

Sponsored by:

The U.S. Agency for International Development,
Research and Development Bureau,
Decentralization: Finance and Management Project
(Contract No. DHR-5446-Z-00-7033-00)
and
The U.S. Agency for International Development,
Africa Bureau

Managed by:

Associates in Rural Development, Inc.
in collaboration with:
The Metropolitan Studies Program,
Maxwell School of Citizenship and Public Affairs
Syracuse University
and
The Workshop in Political Theory and Policy Analysis
Indiana University

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List of Acronyms

ARD	Associates in Rural Development
CDR	Committee for the Defense of the Revolution
DAO	District Administrative Officer
DEO	District Education Officer
DFO	District Financial Officer
DFR	Department of Feeder Roads
DHMT	District Health Management Team
DMO	District Medical Officer
EDSAC	Education Sector Adjustment Credit
EIU	Economic Intelligence Unit
EP	Evangelical Presbyterian
ERP	Economic Recovery Program
GCE	Ghana Certificate of Education
GES	Ghana Education Service
GLSS	Ghana Living Standards Survey
GWSC	Ghana Water and Sewage Company
IMF	International Monetary Fund
JSS	junior secondary school
KVIP	Kumasi Ventilated Improved Pit (latrine)
MCH	maternal and child health
MOE	Ministry of Education
MOH	Ministry of Health
ODA	Overseas Development Agency
ORS	oral rehydration salts
P6	Primary 6; sixth grade
PAMSCAD	Program to Mitigate the Social Costs of Adjustment
PNDC	People's National Defense Council
PREP	Primary Education Program
PTA	parent teacher association
SAP	Structural Adjustment Program
SSC	Social Services Committee
SSS	senior secondary school
TBA	traditional birth attendant
TTC	Teachers Training College
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VRA	Volta River Authority

PREFACE

This document was prepared by Dr. Felix Fiadjoe, David Green, Chris Schwabe, and Dr. Tina West based upon their field research in Ghana during the month of July, 1991. The work was sponsored by the Decentralization: Finance and Management Project (DFM), and funded by the Africa Bureau of the U.S. Agency for International Development (USAID). DFM (contract No. DHR-5446-Z-00-7033) is sponsored by the Office of Economic and Institutional Development, Bureau of Research and Development, USAID.

DFM is managed by Associates in Rural Development, Inc. of Burlington, Vermont, in collaboration with the Metropolitan Studies Program of the Maxwell School of Citizenship and Public Affairs at Syracuse University, and the Workshop in Political Theory and Policy Analysis at Indiana University.

The DFM Project is designed to assist developing country governments and USAID field missions to address problems associated with decentralization of services. The project's primary focus is the analysis of institutions that perform key funding, management, and maintenance functions in order to suggest ways in which these institutions can improve performance and establish policies which encourage sustainability.

The research team would like to thank and acknowledge the assistance provided by the USAID mission in Accra for this study, especially Mr. Robert Wuertz and Mr. Joseph Goodwin. We would also like to thank Ms. Joan Atherton of USAID/AFR/DP for her continued support and assistance for all phases of this project.

I. INTRODUCTION

Tremendous political and economic changes have swept across Sub-Saharan Africa during the past decade, creating a dynamic atmosphere of change. To understand the combined effects of such changes on the rural populations of these nations, the Africa Bureau of the U.S. Agency for International Development (USAID) contracted with the Decentralization: Finance and Management (DFM) Project to undertake a research project entitled "Decentralization: Improving Governance in Sub-Saharan Africa."

The research project was to examine programs of political decentralization in nations that had also agreed to economic programs of structural adjustment. By examining delivery of services (specifically, health and education) in those countries, USAID hoped to explicate the rationales emerging from economic reform for a decentralized approach to economic management and governance. It was anticipated that recommendations could be made as to how decentralization can be used to improve the institutional and financial restructuring required by economic policy reform. The research program included both secondary source research, and field research in Ghana, Nigeria, and Ivory Coast.

The following case study was prepared based on information and data collected during a one-month research visit to Ghana in July of 1991, and on secondary source research conducted both before and after the field work. The research team, consisting of Dr. Felix Fiadjoe of the University of Ghana at Legon, David Green of Associates in Rural Development, Inc. (ARD), and Chris Schwabe and Dr. Tina West both under contract to ARD, met in Accra with Ghanaian ministry and donor agency officials to discuss the country's current economic recovery program, its program of political and administrative decentralization, and its current primary education and health sector policies. Information regarding these national-level programs is included in Section II of this case study.

The remainder of the team's time was spent in three rural Ghanaian districts--Asante Akim South in the Ashanti region, Bongo in the Upper East region, and North Tongu in the Volta region. These districts were chosen on the advice of the officials interviewed in Accra and the experiences of the research team, with a few criteria in mind: the districts were (1) to be predominantly rural, (2) represent the country's geographic diversity, and (3) approximate a low, medium, and high range of economic prosperity. It so happened that all three districts selected had been newly created as a result of the 1988 law (Law 207) that established Ghana's current program of political and administrative decentralization. Findings regarding the districts, their governmental processes, and their

health and education departments are included in Sections IIIA, IVA, and VA for Asante Akim South, Bongo and North Tongu, respectively.

In all three cases, research and interviews were conducted both in the district capitals with District Government officials and in one village within the district--Odubi in Asante Akim South, Namoo in Bongo, and Mafi Kumasi in North Tongu. These villages were chosen on the recommendations of District Government officials. All of the villages were rural and had at least one primary school and at least one health center (either government or private). At the village level, the research team interviewed the chief and elders, the village's district assemblyman, health center staff, the primary school headmaster, and a selection of teachers. Discussions about the villages, their education and health systems, their development, and their institutions of local self-governance are included in Sections IIIB, IVB, and VB for Odubi, Namoo, and Mafi Kumasi, respectively.

The research findings and conclusions for each of the districts and villages are presented in Sections IIIC, IVC, and VC, respectively. Overall conclusions for the field research conducted in Ghana are included in Section VI. Ghana is a small yet diverse country. The total land area is approximately 240,000 square miles. That area includes a coastal plain, a central forest, and a northern savannah. The population of approximately 14 million includes about 20 ethnic/language groups (Murdock, 1959, map). With such diversity, the districts and villages visited during the course of the field work cannot be considered statistically representative. However, by choosing diverse areas, using a multi-national and multi-disciplinary study team, and employing methods of rapid rural appraisal, it was possible to record an accurate picture and draw accurate conclusions regarding the current functioning of local governments and the current delivery of health and education services in rural Ghana.

Though apparently well-intentioned, Ghana's program of decentralization has not gone far enough in devolving true authority to the nation's rural populations and their local government units. There appears to be a degree of success with regard to the political aims of Law 207. There was substantial voter turnout for the first election, and according to interviews there will be even greater interest in the upcoming election. There is also recognition that incumbent office holders will be ousted at the next election if they do not deliver benefits to their constituencies. This last point perhaps reveals the most about the current state of Ghanaian district-level politics. According to both the elected assemblymen and the district

government staff (district secretaries, who are the political appointees of the Peoples National Defense Council (PNDC) government, and the district administrative officers, who are the chief civil servants), the districts are currently incapable of delivering goods and services.

Though the elected District Assembly has the power to direct district staff to implement programs, there is a severe shortage of resources for services. The districts have dual, competing priorities. On one hand, the districts are responsible for 22 decentralized departments and 86 specific tasks. They also have to house and provide office space for the employees of this centrally mandated bureaucracy. On the other hand, they are required to raise the operational funds needed to provide services. Across the board, in all the districts that were the subject of research, the overwhelming majority of funds raised through local taxes was spent on the district government's bureaucratic structure. Virtually none went toward services. The district governments are well aware that, as a result of their inability to be anything but parasitic at this point, they are losing credibility. Some taxpayers, perceiving the lack of return for their investment, are already refusing to pay their taxes.

The focus of Ghana's decentralization program has become construction of a central-government-designed bureaucratic structure, at the expense of efficient delivery of services as directed and designed by the service recipients. Though the program may have partly started as an effort that would work in tandem with the Economic Recovery Program (ERP) to make both the Ghanaian economy and public service delivery more efficient, it has failed to do so.

This paralyzed bureaucracy, stuck between development of its own structure and delivery of the services for which it is responsible describes not only the district government in general, but also the health and education sectors specifically. In education especially, the district-level bureaucracies are large and require substantial resources. The health department bureaucracies are not as large as those of education, but health services at the district level also suffer by virtue of their central design. Health care in Ghana continues to take a centrally controlled, curative care, hospital-based approach, versus a lower cost, decentralized and village-based primary health care worker approach.

To a great extent, Ghana's district-level governments and health and education services, reflect their design by and continued dependence on the central government. They have achieved a degree of administrative decentralization, but not true devolution of authority and responsibility.

A district government presence was almost invisible in all of the villages visited. Whatever development was occurring was for the most part locally funded and/or organized: a meeting area in Odubi, animal watering dugouts in Namoo, and a water project in Mafi Kumasi, for example. The district government did support school maintenance in all cases, and construction of a latrine in Namoo, all on a labor-for-materials basis. The dynamism in the villages, however, depended much more on the residents, their leaders, and their history than on any official government ties between the village and district. In fact, in Mafi Kumasi, the district government was impeding the development process by taking market fees away from the village and doing a poorer job (according to the villagers) of market repair and maintenance.

To redress the situation, the districts must (1) become more economically efficient, (2) have greater discretion as to what bureaucracies are needed to deliver the services demanded by their populations (and therefore how much of their financial resources are earmarked for overhead and personnel versus operations), and (3) become more service oriented by identifying, supporting, and promoting local self-governing village institutions which in many cases are already providing services, and which will continue to provide services in the future.

II. LOCAL GOVERNMENT IN GHANA

The following section describes the context within which district governments in Ghana and the villages within those districts presently find themselves. Factors influencing this context include:

- the history of local governments in Ghana, which is characterized by change;
- the current structure of district government, which is renewing attempts at decentralization; and,
- the country's economic history; specifically, its present Economic Recovery Program (ERP).

All of the above affect both the districts and the villages in general, and delivery of health and education services in particular.

A. History of Changes in Local Government Structure

Since 1957 there have been eleven Commissions of Enquiry on local government structures and functions in Ghana, and sixteen laws or decrees related to decentralization (Ayee, 1991: 260). PNDC Law 207 is therefore only the latest of many attempts to extend effective government to all corners of Ghana.

In 1965, the Local Government Act (Amendment 3) removed from the Local Government Service Commission (created in 1958) the responsibility for hiring, firing, and paying local government employees, and vested this responsibility in the Ministry for Local Government (Ayee, 1991: 75). Although local government employment remained stable throughout the 1960s, with little turnover even after Nkrumah's overthrow, popular participation in local government was discouraged by the ruling party, which had its own hierarchy extending to the local level and which made decisions on local matters independently of local government. In 1965, the central government took over the function of collecting property taxes on behalf of local government. Central government funding for local government, which had already fallen from 1960 levels, became lower and slower (Ayee, 1991: 77-84).

In 1974, when the Local Government Service was absorbed into the Civil Service, local government officials only qualified for low civil service grades. Many local employees were laid off, but civil servants resisted rural postings for local government assignments.

By 1974, when a major decentralization effort was launched, the Ministry of Local Government was weak compared to the line ministries with units operating in rural areas (Ayee, 1991: 312). Six changes of Minister between 1972 and 1977 weakened the capacity of the ministry to implement the 1974 reforms (Ayee, 1991: 320). By 1978, the ministry had been shorn of two new functions (revenues sources, and statistics, research, and programming), which had been assigned to it in 1974 (Ayee, 1991: 314). Its primary functions continued to be general administration (with a bias toward urban services), the inspectorate unit, and property valuation (Ayee, 1991: 312). Thus, by the early 1980s, the history of local government in Ghana was marked by almost constant changes of form and strong administrative and financial ties to the central government.

B. Current Structure of Local Government

1. The Districts

At the same time that Ghana's economy is currently being restructured, through a structural adjustment program, its political administration is also being changed through a program of decentralization, mandated by PNDC Law 207. Decentralization is officially said to be motivated by a political need for power sharing, and is not driven by a need for economic or administrative efficiency, although those potential benefits are recognized. Elected District Assemblies were established and the nation's districts were expanded from 65 to 110, in order for the government to expand the potential for grassroots democracy. The newly created districts are fully legislated and have operating district assemblies. They do not in all cases (including the three districts visited by the study team) have their full complement of staff. The Ministry of Local Government is charged with making the districts administratively viable and able to meet their development goals.

The government's decentralized departments are responsible for implementing the decisions of the local assemblies. There are 22 departments (of 49 total) to decentralize within seven Ministries. The 22 departments to be decentralized in each district are: Ghana Education Service, Ministry of Health, Information Services Department, Department of Social Welfare, Department of Community Development, Department of Rural Housing and Cottage Industries, Births and Deaths Registry, Department of Animal Health and Production, Crop Services Department, Department of Fisheries, Department of Agricultural Extension, Ghana Library Board, Department of Town and Country Planning, Ghana Highways Authority, Public Works Department, Department of Parks and Gardens, Statistical Services, Department of Forestry,

Controller and Accountant General's Department (to be merged in each district with the District Treasury), Department of Feeder Roads, Fire Service Department, Department of Agricultural Engineering.

The decentralization effort was launched in 1987 with much of the planning done jointly by the Ministry of Local Government and the National Democratic Commission. It culminated in the elections to the new District Assemblies in December 1988-February 1989. The turn out for the elections was high: 89 percent of the electorate registered to vote, and over 60 percent voted (Europa, 1990: 515).

The preparatory steps for the decentralization effort included:

- the creation of new districts, expanding the number of local governments from 65 to 110;
- extensive, organized, public discussion of the decentralization measures outlined in the "Blue Book;"
- an audit of the physical plant of all district governments;
- a public appeal for contributions-in-kind to supply district governments (which indeed resulted in contributions from the public and from private business);
- the provision of basic office equipment for each new district;
- renovation of government offices and housing in new districts (Ministry of Local Government officials acknowledged that this effort was far from complete, which was found to be true in the districts visited);
- provision of a four-wheel drive vehicle for each district;
- hiring staff for the new District Assemblies;
- an orientation program for new District Assembly members; and

- extensive training of public servants (with heavy donor involvement--the World Bank provided training on fiscal decentralization for the PNDC Secretariat, i.e., ministers, and top-level personnel in the Ministry of Finance and other central agencies; the World Bank and the Overseas Development Agency (ODA) jointly provided training for the civil service; and UNDP provided training on district management for the ministries whose functions are to be decentralized) (Ayee, 1991: 325-329).[1]

According to an official of the Ministry of Local Government, the key issues the districts face are: fulfilling their personnel requirements; construction and placement of the new district infrastructure; and planning (which is presently centralized, but will be decentralized in a phased manner).

2. Public Finance

Financial decentralization, measured by the financial autonomy of the districts (which represents a key measure of true independence), has yet to be resolved. Also, whether the district assemblies will gain financial control over hiring, firing, and promotion of the Ministry staff remains uncertain. Nonetheless, despite this uncertainty, substantial attention has been paid to the raising of revenues at the national and district levels. The percent of GDP due to taxes (including income tax, corporate taxes, cocoa "taxes", and import duties) has reportedly increased from 4.5 percent to 14 percent.

Ultimately, each district will recruit and pay for its own staff. For the time being, financial authority will remain centralized. Some districts (such as those with large market towns) will have substantial revenue-raising ability. To increase revenues, certain taxes (five taxable areas) have been ceded to the districts; for example, a transportation or parking tax for transportation is being collected through the lorry drivers association. Where districts lack mechanisms to collect taxes, the Internal Revenue Service collects, and the funds are disbursed via a formula.

In 1989, there were 400 million *cedis* to share. One hundred and ten million of this was divided among the 110 districts. The rest was shared based on population (60 percent) and a

[1]The district-level officials met by the study team had not had the benefit of such intensive training.

development status index[2] (40 percent). The revenue sharing pool is expected to expand to 1 billion *cedis* with the newly ceded taxes. These block grant transfers are made to the districts, which can spend the money based on their own budgets. District Assemblies can also impose rates for property taxes.

Despite recent efforts to decentralize, control over the provision of public goods and services (such as health care and primary education) is vested with the central ministries, which delegate responsibilities to employees posted at the local level. Administration, finance, management, planning, and supervisory functions are all controlled centrally. Local service production directives are issued centrally rather than at the community level.

Under this centralized system of health and education service provision, the majority of funding for local-level service production is transferred directly from central line ministries to their personnel posted at the local level. Local public finance arrangements, therefore, do not have a great quantitative effect on the provision of these services. Depending on how local revenues are expended, however, they can have a significant effect on the quality of service production by marginally increasing outlays on factors of production that are complementary to those purchased with line ministry funds. Examples of these marginal, quality-enhancing, expenditures include: (1) outlays on monitoring and supervising service production; and (2) outlays on essential drugs or other medical supplies that are not supplied by the central ministry. In addition, local public finance arrangements may significantly affect the incentives faced by local, non government producers of health and education services.

The evidence gathered from an assessment of local public finance arrangements in three of Ghana's new districts (Asante Akim South, Bongo, and North Tongu) suggests that these new local government authorities do not have a large enough tax base from which to generate sufficient revenues to fund anything but the costs of local government administration. While Ghana's policy of increasing the number of districts has succeeded in improving local tax administration and has thus significantly increased the revenue yield per capita, it has also reduced the average size of the districts and thus their ability to finance even marginal expenditures on local service provision from own-source revenues.

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[2] Index figured by a ranking based on access to service.

Given their extremely weak fiscal position,[3] the only expenditures that local government units in rural Ghana make on service production are those that are financed by closed-ended, categorical grants disbursed by the central government for specific-purpose investments. While these grants have undoubtedly increased the level of investment in the production of public services, and have exerted a positive equalizing effect (i.e., have reduced disparities between the North and the South), they have not provided districts with the necessary discretion to initiate investments that would elicit one of the significant benefits of decentralization: improved efficiency in the supply of public goods.

The districts' relatively heavy dependence on grants has also created uncertainty in their budget and planning process, since the coming fiscal year's grant receipts are never known in advance. Given this uncertainty, local government budget officers budget very conservatively and assume there will be no increase from these revenue sources over the previous year. This invariably means that by the end of the fiscal year, the districts are running a substantial budget surplus--an indication in some people's eyes that the new districts do not have the absorptive capacity to warrant increased financial transfers. In the case of Asante Akim South, for instance, total reported expenditures in FY 1990 amounted to only 76 percent of total own-source revenues and only 58 percent of own-source plus shared tax revenues.

In spite of their inherently weak fiscal position, the evidence gathered suggests that rural local governments are exerting a substantial revenue mobilization effort--an effort that has virtually exhausted available own-source revenue growth potential. All three districts have made politically bold decisions to substantially increase statutory rates and have actively pursued new tax instruments.

The merits of this aggressive local revenue mobilization effort must be questioned on at least three grounds. First, since the districts do not have large enough tax bases from which to finance even marginal public service production, then local taxpayers are clearly, not paying for an improved supply of needed services. Instead, they are supporting the establishment

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[3] *Fiscal position* is defined as the ratio of fiscal capacity to fiscal need. *Fiscal capacity* is the revenues that would be obtained by applying a standard (the same across all jurisdictions) tax rate to the available local tax base. *Fiscal need* is the total cost of providing a uniform standard (quantity and quality) of public service per capita to the populations in different jurisdictions.

-10'

and maintenance of a local government bureaucracy that has no effective power with which to improve the quality of their lives.

Second, the aggressive local revenue mobilization effort has resulted in the adoption of ad hoc tax rate schedules which differ for different taxable activities. Not only have these ad hoc tax policies created inefficiencies in the allocation of resources to directly productive activities, but they may also have created disincentives for private or other nongovernmental, production of health and education services.

Third, since local revenue sources tend to be regressive--they place a greater burden on the poor than on the wealthy--the aggressive tax mobilization effort is likely to have further exacerbated inequities at the local level. In all three districts visited, but particularly in Bongo district which was experiencing a severe drought and famine, local taxes are likely to be inequitable since they rely heavily on market fees levied on food sellers. Given that the demand for food is generally inelastic, the burden of market fees tends to be shifted forward onto the consumers. Since the share of food expenditures in the budgets of poor Ghanaian households is greater than in wealthier households,[4] the fees place a greater burden on the poor.

The debate over the merits of local taxation may become increasingly academic in nature, however, since the ability of local governments to sustain the present tax effort is clearly linked to their ability (or inability) to supply public goods. Their poor performance in this regard has already led to an increasing problem of noncompliance.

The insignificant impact that local government units make on the welfare of their constituents is made evident by comparing total local expenditures per capita to income estimates for Ghana's poorest household. According to Ghana's 1989 Living Standards Measurement Survey, it is estimated that total district expenditures per capita in Asante Akim South amount to less than one percent of the average annual total expenditure per capita of Ghana's poorest households.[5]

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[4] See Ghana's 1989 Living Standards Survey (Statistical Service, 1989).

[5] In FY 1990 total expenditures per capita (including those financed from grants and ceded revenues) in Asante Akim South were 187 *cedis* per annum (16,495,026/87,870). If administrative and finance (treasury) expenditures are subtracted, per capita district expenditures amounted to only 100 *cedis* per year. The Living Standards Measurement Survey reported that the average household expenditure for households in the poorest quintile of the income distribution was 175,790 *cedis* per year (Statistical Service, 1989).

The inability of the districts to finance development investments places them at great risk of losing their political credibility. Unless local governments begin to be seen by their constituencies as able to meaningfully respond to some of their demands, local interest and support for the decentralized political process will likely wane. Simply deconcentrating line ministry functions to the districts and channeling central subsidies for these sectoral activities through the district finance structures will not generate the necessary credibility. The districts must have some discretionary revenue source with which to undertake their own development expenditures.

C. Ghana's Economic Recovery Program

1. Economic Decline

In April 1983, Ghana began a new economic development effort in the face of effective insolvency. From independence in 1956 until 1983 the path of the economy had been mainly downhill. By the 1970s, Ghana received little aid; its economic decline attracted little attention from the Western donors because of the corruption of the military governments then in power. At the same time, its lack of creditworthness prevented its governments from financing consumption through external loans and protected the country from acquiring an enormous debt burden.

Since Ghana depended on its foreign exchange earnings to provide vital inputs in almost every sector, the decline in the purchasing power of its earnings set up a vicious downward cycle. For example, 75 percent of the costs of maintaining and repairing the road and rail networks required using foreign exchange. Maintenance was not done, the infrastructure crumbled, and rolling stock and truck fleets deteriorated at accelerated rates. By 1983, 70 percent of the heavy vehicle fleet of 92,000 was not roadworthy, 40 percent for lack of tires (Smillie, 1986: 21). Often there was no diesel fuel or petrol available. The manufacturing sector could not import intermediate inputs; capacity utilization rates dropped from about 60 percent in the early 1970s to 25 percent or less by the early 1980s (ibid).

The economic decline reduced the government's capacity to provide services and fund development because (1) government revenues had dwindled to very low levels and were used almost exclusively to pay salaries to civil servants who were spending little time on the job, and (2) most economic activity had effectively and consciously withdrawn from the government's reach. Additionally, the highly skilled and educated departed in droves for better job opportunities: by 1979 many departments of the University of Ghana were staffed at one-third capacity. Most

Ghanaian doctors left, as did many secondary school teachers. Black-market activities (*kalabule*), or the diversion of formal sector resources to the informal sector, increased. Smuggling became widespread and large scale. Most cocoa production was smuggled out of Ghana, as was a significant amount of rice, timber, and gold (Chazan, 1989: 19). Black marketeering included 1) hoarding and price manipulation, 2) the development of alternative transport and distribution systems, 3) corruption and embezzlement, particularly by public employees, and 4) organized urban crime. At the same time, the annual inflation rate was typically more than 50 percent.

2. The Economic Reform Program (ERP)

On December 31, 1981, Flight Lt. Jerry Rawlings took power for the second time, in a coup. Ghana has been ruled since then by a military council, the PNDC. In the early 1980s, the PNDC turned to the IMF, the World Bank, and Western bilateral donors after it had lost hope of receiving adequate aid from Eastern block countries. During its first year, the PNDC tried to govern through revolutionary committees to regulate people's economic behavior. In late 1982, however, the PNDC sanctioned close cooperation between Ghanaian technocrats and the International Monetary Fund (IMF) and World Bank.

Since seeking a program of structural adjustment, the government has successfully implemented stabilization measures, many trade measures, and reform of cocoa marketing. It has been less successful at reforming institutions--ministries and state-owned enterprises--and at creating private sector confidence. Nonetheless, Ghana's Economic Reform Program (ERP), was deemed a success on a macro-economic level by donor officials interviewed in Accra. The real price of food in the country has dropped, and because conditions were so poor in Ghana prior to the ERP/Structural Adjustment Program (SAP), austerity already existed. The IMF has recently reviewed Ghana's program and has publicly commended the government's actions, agreeing to continue support for another year.

The ERP, undertaken with the cooperation of the World Bank and the IMF, is unusual in two respects: 1) Ghanaian negotiators took firm stands in the interests of implementation paths that they felt were politically possible and succeeded in persuading IMF and World Bank officials to cooperate with them, and 2) they put great care and attention into crafting the program and took full "ownership" of it in persuading the Ghanaian public to accept its implementation.

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Not surprisingly, therefore, the initial implementation of the ERP proceeded fairly smoothly (despite initial donor skepticism about the government's resolve), aided by the ability of a new military government to enforce the law. Initial measures were primarily designed to stabilize the economy and to encourage increased exports and import substitution. The most urgent measure, to devalue drastically, was carried out in such a politically astute way, by a series of small and seemingly unrelated steps, that popular protest was not aroused (Herbst, forthcoming). The government budget deficit was reduced to two percent of GDP from the 1982 level of seven percent. (Younger, 1989: 164).

The government's actions did not halt the drastic real decrease in middle-class incomes that has had negative effects on the efficiency of the public sector through 1) the exodus of qualified Ghanaians in search of better job opportunities outside Ghana and 2) the entrenchment of moonlighting by public servants at the expense of their primary jobs. Decontrol of the prices of essential consumer goods did not hurt urban consumers who had already been paying black market prices as much as the nominal price increases implied, but urban consumers were convinced that official inflation statistics underestimated the real increases in the cost of living. The ERP's first year was during a devastating drought. Food shortages in cities forced urban and formal sector workers' to grow some of their own food. Demand for imported consumer goods dropped in 1983, yet the ERP was not blamed, perhaps because of the drought and the PNDC's political adroitness.

The ERP's continuing objective is to undo the effects of years of mismanagement by stabilizing, rehabilitating, and restructuring the entire economy. This means allowing prices to respond to market signals, strictly controlling government expenditures to hold inflation rates down, and instituting market mechanisms to replace administrative controls (Younger, 1989: 139). It also means restoring infrastructure as donors or the government budget provide the means.

In the first year of the ERP, the government focused on controlling its expenditure and "getting prices right," particularly the exchange rate. Largely because of the drought, the first year's economic results were not positive, but the government succeeded in convincing Western donors of its commitment to economic reform because it had taken and maintained tough measures in adverse conditions (Younger, 1989: 142-143). 1984, the second year of the ERP, showed very positive results because the weather was good and because external aid more than doubled. There are advantages to being the first country to undertake the economic reform measures advocated by the Western

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donors; Ghana has benefitted since 1984 from very high levels of external assistance, even though in the last two years it has not moved as quickly on reform agenda items as it did on the beginning measures (Herbst, forthcoming).

3. Current Economic Climate

The PNDC has been steadfast at maintaining an appropriate exchange rate and at keeping the government budget deficit small by African (and American) standards. A number of problems remain, and the government has not always moved quickly to solve them. The reform of the financial sector is one problem. The radical change in relative prices affected both private sector firms and state-owned enterprises severely; with many prices increasing, particularly the cost of foreign exchange, companies needed to borrow more working capital at the same time that banks became cautious about additional lending in the new, unsettled conditions. The result was a liquidity crisis that drastically reduced the ability of the banking system to lend to companies trying to respond to new opportunities. In Ghana, the inflows of aid have disguised the problem; should the level of aid decrease, the banking system would lack sufficient capital to lend as much to the private sector as it requires for rapid growth. The government has begun to reform the banking sector. The private savings rate is still alarmingly low. This is partly because of low real interest rates and partly because many Ghanaians do not use bank accounts--the government's past use of bank deposit records to locate tax evaders has discouraged people from depositing their money in banks (Younger, 1989: 146).

Two other major problems involve employment in the public sector, in both government agencies and state-owned enterprises. So much of recurrent expenditure goes to emoluments (salaries, wages, and allowances) that funds for other recurrent expenditures are unavailable. The government has been trying to reduce the number of "ghost" and unqualified workers while increasing remuneration for those with the relevant skills. For example, the Cocoa Board employed 100,000 people, including 30,000 "ghost workers." The ghost workers have been eliminated, as have about 10,000 of the 20,000 people that the World Bank considered unnecessary (Younger, 1989: 147). The government has recently increased the pace of divestiture of state-owned enterprises. The government has been laying off civil servants, but not quickly enough to resolve the dilemma it faces: when civil servants are paid less than they consider adequate to meet the needs of their families, they moonlight and efficiency suffers; in order to raise their wages, many other people have to be fired first. With few jobs being created by the private formal sector, the scarcity of job opportunities has become a

national political issue. At the village level, parents are concerned about the poor employment prospects of their children.

Because of the economic chaos that prevailed for so many years, Ghana's industrial sector is relatively undeveloped, and the failure to attract new investment in manufacturing since the economic recovery programs began is a major stumbling block to a sustainable recovery. Industry's share of GDP declined from 19 percent in 1965 to 12 percent in 1980, and recovered somewhat, to 17 percent, in 1989. Agriculture accounted for 49 percent of GDP in 1989, and services for 34 percent (World Bank, 1989d: 224-225 and 1990: 228). Ghana's main export is cocoa, which in most years makes up at least half the total value of all exports. Timber, gold, and to a lesser extent other minerals are Ghana's other traditional exports. Investment in new gold production is increasing. One feature of the economic recovery plan is to encourage new, non traditional exports. These mainly manufactured or processed goods performed disappointingly in 1989; the government and the donors hope that by 1995 they account for 15 percent of total export value (EIU, 1990: 3, 24).

Agricultural output has been growing slowly, by an average of 0.5 percent annually between 1980 and 1988 (World Bank, 1990). Food prices are exceptionally sensitive to changes in domestic food production as a result of the poorly developed distribution system for domestic food crops. To survive periodic food shortages and low salary levels, large numbers of formal sector workers grow food for their own use. Farmers reported to the research team that their incomes had not risen significantly; stagnant rural incomes have important implications for the viability of new local government structures, for community mobilization, and for family efforts to improve their health and educational status.

The government has responded to the hardships imposed by the ERP on segments of the population through its Program to Mitigate the Social Costs of Adjustment (PAMSCAD). PAMSCAD was designed by the sector ministries, includes 23 programs, and to a degree compensates for the lack of district resources by providing funding to villages for local development projects. There are 400 Community Initiative/Self-Help projects. The maximum grant from the program is one million *cedis*. PAMSCAD is for short-term projects only and mostly consists of small construction projects--schools, which comprise 55 percent of the projects (mostly junior secondary schools) pit latrines; and health posts.

PAMSCAD builds upon the Ghanaian tradition of self-help for community projects. A PAMSCAD, school construction project, for example, would receive a grant funding partial construction after the project had been started. It presently costs about nine

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million *cedis* to build a six-classroom school with a tin roof, storage, and an office. PAMSCAD can provide about one million *cedis*. The remainder comes from the community, in both cash and labor contributions.

Ghana's structural adjustment has been designed with both vigorous debate and cooperation between Ghanaian technocrats and donor officials. It has been well funded (not in relation to Ghana's absolute needs, but relative to donor funding for other African structural adjustment programs). There has been continuity of leadership; both the President and the Secretary for Finance have been part of the entire process. By design, the successive phases of the program have flowed into each other, rather than representing distinct phases: continuing stabilization policies underpin rehabilitation, liberalization, and institutional reform.

D. Current Form of District Education

The study team's investigation of primary education in Ghana focused on three issues at the district and village level:

- decentralization of the education system, as it appeared at the time of our visit;
- improvements in the quality of primary education at the village level that have occurred in recent years; and
- strategies that parents and communities use that affect primary education in the village.

1. Background

As in Nigeria, primary education in Ghana had strong local involvement before World War II that was eroded in later years by central government decisions and line ministry actions. Prior to 1948, communities built and furnished schools. Teachers' salaries were paid by levying a shilling tuition fee per child; communities encouraged parents to enroll their children in order to bring the total tuition collection to a level high enough to meet the teacher's salary requirement. At the same time, schools were spaced so that the catchment area was large enough to bring in tuition sufficient to pay a salary. In many areas, churches either supported community schools or built schools themselves. Not until community development associations were formalized in 1948 did communities start to look to government for help.

By the mid-1970s, central government control over basic education was dominant. Some church schools were taken over by government, and church support of education dropped. There was no church involvement in primary schools in two of the districts we visited; in the third, church support was reported in the district, but in the church school visited material support had lapsed. The government is now the principal actor in primary education, even paying the salary of church school teachers. Although private education was never outlawed, most private primary schools were urban and were intended to provide middle-class children with the education required to pass the Common Entrance Exam and thus to proceed directly to secondary school from P6.

The Ghana Education Service (GES) was created in 1974 with a monopoly of control over teachers in government-supported schools. It had the power to hire, fire, transfer, register, and pay teachers. This power was transferred to it from the District Councils. The Financial Administration Decree transferred the last shreds of local financial autonomy to the line ministries (Ahwoi, 1989: 5). Communities continued to bear legal responsibility for school maintenance and provision of school furniture, but in the villages visited primary school maintenance was badly neglected and there was no furniture provided for school children by the community. Reports from other areas indicated similar conditions.

From the early 1970s to the late 1980s, the crisis in the economy affected government delivery of primary education across the country. Although virtually the entire education budget went to emoluments, teachers' salaries were too low to provide a living wage, and teachers responded by spending little time in the classroom. Many trained teachers left the profession; by 1984/1985 almost half the primary school teachers were untrained. (USAID 1989, 99) There was no money for teaching materials; students had no textbooks, and teachers lacked even chalk. Neither communities, local government, nor central government maintained school facilities; they deteriorated badly, many to the point of becoming unusable. Under such circumstances little learning takes place, as Urwick (1991) found in Sokoto.

2. Recent Reform and Decentralization

Education System Reform Measures

In 1986, when the Ghana government began to change its education system, the system educated a small number of Ghanaians well, following the British model of national entrance exams for secondary school, national "O-" and "A- level" exams to complete

secondary school, and a small number of university places. Most of the country, particularly outside the major cities, was served by a primary school system; however, it barely functioned and allowed very few non-elite children through to higher levels of education. It was clear to observers that at the end of six years of primary school, with a national policy of automatic promotion from class to class, most children in P6 (sixth grade) were not literate or numerate.

Since 1986, the government and the Ministry of Education and Culture have undertaken reforms in several areas, in conjunction with a number of donor programs. The government has agreed to spend at least 38 percent of its budget on education, and the Ministry of Education (MOE) has agreed to allocate more resources to primary education, freeze the number of employees at 1987 levels, and increase the proportion of recurrent expenditure on non-salary items.

By 1989, 32 percent of the government's total recurrent budget went to education, and although the amount was insufficient to provide adequate education services, a further significant increase in the education allocation was clearly not feasible. Nor, given the poverty of most of the population, was trying to raise the needed funding from fees, although some fees have been imposed for textbook rental and exercise book purchases. The strategies to improve services without additional cost include cost-cutting measures, reallocation of existing revenues, and additional funding by donors. Reallocation of the education budget increased the total allocation to primary education from 40 percent to 42 percent between 1987 and 1988 (Cobbe, 1989: 79). Data on actual expenditures on teaching materials and other non-personnel items was not available for 1985 to 1988, but were estimated to have reached about 2.5 percent for supplies and 1.9 percent for other non-personnel items in 1988 (Cobbe, 1989: 80).

USAID's Primary Education Program (PREP), implemented in 1991, is the largest donor project concentrating exclusively on primary education. PREP is a five-year $34 million project which uses counterpart funds to enhance government funding for primary education. Its principal objectives are to increase the supply of textbooks and other teaching materials, to improve teachers' skills and to address some of the inequalities in educational opportunities of disadvantaged children. It strongly supports the government's decentralization efforts.

In 1987, the structure of education changed from the British model to an American model of primary school, junior secondary school (JSS), and senior secondary school (SSS). Automatic promotion ceases at the end of JSS with a national exam to

determine admission to SSS. Preparation in SSS is not as advanced as the old "A" levels, but the undergraduate university course will increase from three years to four.

The primary school and JSS curricula were the first to be changed, with more emphasis on practical skills and less on academic, rote learning. The new primary school curriculum went into effect in 1987. The school year was also lengthened from 33 to 38 weeks, although the length of the school day (four hours of instruction) remains short.

One objective of the recent reforms in local government has been the restoration of links between the communities and their schools. Special grants and donor assistance were made available to communities to build the new JSSs and their associated workshops, and considerable pressure was applied to communities to undertake the construction.[6]

Education System Decentralization Plan

Structural change, the new curriculum, and decentralization in the education system are not new ideas. Many of the reforms were initially proposed in the policy document *New Structure and Content of Education in Ghana*, approved by the government in 1974 but never fully implemented. The system that is evolving now is a combination of these long-standing Ghanaian-designed reform measures and conditions agreed to by the major external funders of education. The MOE, like a few other ministries, had a history of operating at the district level, and because it was already engaged in implementing systemic reforms when the District Assemblies were created, it has been one of the first to begin to implement a formal decentralization program as called for in Law 207. The plan was submitted to the PNDC in mid-1990 for approval, and had been partially implemented at the time of the study team's visit.

Three major components of the plan are:

1. *Appointment of District Education Officers* (DEOs) to head the district offices of the Ghana Education Service (GES). The DEOs have director status, i.e., they are at the top of the GES hierarchy, on a par with division chiefs in the MOE. They are appointed on merit, not seniority, and must be university graduates. DEOs will be expected to use their increased

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[6]Based on the study team's experience, however, community involvement in primary schools appeared to be more a function of the community's attitude toward education than a function of changes that the reforms have made so far.

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district-level authority to make decisions about the district's schools without involving the MOE in Accra, according to an MOE official. Eventually they will manage all schools and personnel in the district, ensure close supervision of schools, take budgetary and financial control of schools in the district, and collect and analyze district data and statistics. DEOs report to the District Assembly, although their salaries are paid by the GES.

The pressures on the new DEOs to respond to both the MOE and the District Assemblies, and the expectation of the MOE and the donors that DEOs will exercise their new powers to improve education create a set of incentives that were not explored in this study, but raise some red flags. How DEOs actually behave in their new posts would be worth field investigation in 1992.

2. *Inspection and Supervision*. Another as yet incomplete component of decentralization is changing the inspection system from one based on district inspectors responsible for a circumscribed, rigid inspection schedule, to a system of circuit (divisions within the districts) supervisors who combine inspection and supervision functions for a small number of schools. The circuit supervisors, who will be new appointees rather than re-trained inspectors, will report through circuit monitoring assistants to the MOE monitoring unit MOE in Accra, as well as to the district GES offices. Because the circuit supervisors will be under pressure from several directions, it would be interesting to interview in the field in about a year to determine what incentives and disincentives circuit supervisors face in the new system.

3. *Administration*. The major "decentralization" effort that is in place is the transfer of many administrative functions from regional GES offices to district GES offices. In all of the three new districts visited, the GES office was more or less fully staffed, although office space was cramped and there was little office equipment beyond a few typewriters and calculators. The new system will organize the staff into four divisions, each headed by an assistant director: Supervision, Guidance, and Counselling; Budget and Finance; Data Collection; and Administration and Planning.

GES District Offices

Although the staff interviewed (primarily the office head, his assistant, and the statistics and accounting personnel) were knowledgeable about their district, there was little formal analysis of the raw data they were collecting, often on new MOE forms. In one case, the accounting department had not determined which schools in the district were primary and which were JSS and

was requiring schools to submit basic information that the statistics department could have supplied. Many staff seemed underemployed, with little more than basic routines to perform. The workbook for the composite budgeting exercise designed by the MOE Planning, Budgeting, Monitoring, and Evaluation Unit seemed appropriate to sharpen the skills of the current staff, many of whom are ex-classroom teachers rather than specialists trained for their jobs. There seem to be few rewards at present for using either the accounting process or statistics collection as part of a feedback loop that would alleviate the problems that staff eloquently describe: the inadequacy of the budget to meet decentralized obligations and the struggles of some of the small, remote schools.

Under decentralization, the GES district office reports to the District Assembly. All of their financial transactions are handled through the district accounting system (although the amount of funds they control is very small--about $2,500 per year in the smallest office and about $10,000 in the largest) However, since the District Assemblies are not providing meaningful oversight of the GES offices' operations (District Assembly members are part-time and unpaid, and district administration staff are not assigned to oversee the decentralized departments), district GES offices appear to operate without oversight. All of the offices exhibited some of the following noticeable consequences of this lack of accountability: staff absenteeism or offices that were deserted by mid-afternoon; juggling accounts to give the GES office funds that should have gone to schools (the amounts involved were minute); a huge increase in the number of teachers in one district with apparently no repercussions; a poor system for distributing textbooks that put the cost burden on the schools or the head teachers; and non-reimbursement of legitimate claims from teachers for travel and medical expenses, which may be partly due to non compliance with MOE procedures.

GES district offices carry out two responsibilities. They assign teachers to schools annually from lists provided by the regional office. In North Tongu, communities lobby the office and watch how appointments are made; in the other two districts, the GES offices apparently have a free hand. GES district offices also determine whether communities that want to build schools have sufficient potential pupils and resources to justify a new school. The GES office presently has no reason to worry about the increased recurrent costs of new schools since the GES office does not have to work within a budget that includes salaries and teaching materials. It is not clear who makes decisions to close schools.

Regional offices will eventually be reduced to a coordinating role under the current decentralization plan. Since there are clearly problems with primary education that are common to a number of districts within a region, there would seem to be a case for some regional-level functions; for example, information sharing, dispute resolution, and monitoring exams.

3. Quality of Education

Changes in conditions in primary schools are recent. Primary education did not improve during the first years of the PNDC government. During the first phase of the ERP (April 1983 to late 1986) both the government and the external donors concentrated on stabilization measures. However, in 1986 the government and the World Bank prepared a program for educational reform that became the basis of the World Bank's first Education Sector Adjustment Credit (EDSAC I--$34 million). Implementation began in 1986. While the program addressed the problems of "basic education," i.e., Grades 1 through 9, the main emphasis was on putting the new JSS system in place. Primary education, i.e., Grades 1 through 6, benefitted from the significant real raise in teachers' salaries awarded in 1986 and from programs to increase textbook production and distribution.

The quality of primary education never reached uniformly high levels nation wide, although by developing country standards it was a good system prior to the 1980s. The northern half of the country was always poorer than the southern half in its educational opportunities as well as in other respects. Gender disparities and inadequate educational facilities for the urban poor were not eliminated.

The Ghana Living Standards Survey (GLSS) of households in 1987/1988 showed the low educational attainments of the ages nine to 14 cohort. In rural areas only six percent could write a letter, versus 34 percent in Accra and 15.5 percent in other urban areas. In this cohort only there was little difference between genders. Although this figure has been used to infer a drop in the quality of primary education, it appears to show that many children in Ghana begin primary school late and, particularly in rural areas, drop out in large numbers (Statistical Services, 1989: 56). The ages 15 to 24 cohort also attended primary school after the economic decline had hit the education budget, and their literacy rate was almost equal to that of the ages 25 to 34 cohort (overall, 49.1 percent versus 49.4 percent) (Statistical Services, 1989: 57). In a more direct

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measure of educational quality, a 1989 World Bank and government study found that the majority of children who had completed P6 in rural areas could not read. The problem was worst in the North (World Bank, 1989e).

The primary school system has improved somewhat in the past two years. In 1989, primary schools in rural areas still suffered from the absenteeism of headmasters and teachers, severe shortages of teaching materials, and an almost non functioning inspectorate (USAID 1989, 3). The team's 1991 visit indicates improvement in all three areas, but also indicates that children in rural areas are still probably not receiving an education that results in functional literacy and numeracy by the end of six years of primary school. The teachers themselves reported that only the brightest and most motivated pupils achieved literacy and numeracy by the end of primary school; most average children did not.

Communities have neglected primary school maintenance partly because of recent government pressure to focus efforts on the new JSS system--building or rehabilitating schools and building and equipping workshops. This heavy expenditure of effort and money has left nothing for primary schools.

The blurring of community responsibility to provide classroom furniture may have perpetuated the long-standing shortages that are probably keeping some children out of school. Some parent-teacher associations (PTAs) are asked by the head teachers to provide furniture. Some furniture is distributed to the schools by the regional GES office; in other places, district administration has provided some. The amount of available furniture is grossly inadequate, presenting a distribution problem for the GES district office. As one Acting Director asked "How do you distribute 45 desks and chairs between 85 schools?" This ad hoc provision dilutes responsibility. Legally, the burden falls to the community. The responses of the thirteen P6 teachers in rural schools who completed our questionnaire suggests that few, if any, rural schools have enough furniture for all students.

The problem of furniture needs to be addressed. The regional GES office and district administration may win some popularity for providing some, and the PTAs make sporadic efforts. The communities may be avoiding what is technically their responsibility because school maintenance and school furniture for primary schools are not their top priorities and their resources are extremely limited, but the absence of a clear policy making one of these five actors responsible and accountable for ensuring a minimally adequate provision of furniture for all students is a current weakness in the system.

Currently, the actual responsibility now rests on the parents of the pupils to provide furniture for their children; this creates a division within classrooms between poor children and those who are more advantaged. Since the high private cost of education is the main reason why parents keep children out of school altogether, encouraging the community to create innovative, low-cost solutions (possibly donor-assisted) could have a positive effect on enrollment.

4. Indicators

Total enrollment in primary schools in 1989/1990 was 1,703,074. After stagnating for most of the 1980s, it increased by an average of 7.5 percent between 1987/1988 and 1989/1990. In all three districts visited enrollment increased again in 1990/91. In 1986, with the significant real increase in teachers' salaries, the percent of GDP devoted to education jumped to 3.3 percent from 2 percent in the early 1980s. In 1987 the effort to build new JSSs began. Parents, after sending fewer children to school during the 1980s, apparently responded rapidly to new resources and policies.

One of the most obvious indicators of the decline in quality had been the increasing percentage of untrained teachers in primary schools. This peaked in 1985 and 1986 at about 50 percent. In all three districts visited the percentage of untrained teachers declined in 1990/1991. Trained teachers have returned to the profession; the short school day is an incentive to return because it allows teachers to grow food for their families or to carry on a second income-producing activity. Teachers, like other civil servants, cannot maintain a family on their salaries alone. Another trend related to hard times is that many more teachers now prefer to teach in their natal village because they can obtain better housing and better access to land there, as well as help from their families and a sense of helping their communities. As one teacher said, "Now, when you go, you suffer." The standard living conditions for teachers posted to rural areas seemed generally uncomfortable and expensive: a rented room in a villager's house, rented land, little transport, and "stranger" status. Not surprisingly, young men reported wanting to see bright city lights for a change from rural schools, but many teachers preferred postings in or near their home town.

All teachers interviewed felt that conditions had improved in the last two years. During the worst years rural schools must have been very isolated, and with the exodus of so many trained teachers, professional standards dropped. Now, with some textbooks, in-service training, and inspection, teachers are again part of a professional network.

Although salaries jumped in real terms in 1986, increases since then have been small. Teachers' salaries are low, particularly when compared with those in Ivory Coast (Zymelman, 1989) (see Table II-1).

Textbooks and other teaching materials were virtually non-existent in rural schools for most of the 1980s. Apart from a few posters and chalk, the team saw few teaching materials. In two districts, there were significant numbers of textbooks in the 1989/90 academic year; in the third, they did not arrive until September 1990. Two head teachers complained that textbooks did not arrive at the beginning of the academic year, suggesting again that the distribution system for textbooks has been inefficient. In most of the 16 schools covered by the questionnaire, 60 percent of the pupils had English and math textbooks. In a few, almost all pupils had textbooks, and in the worst three schools, less than one-fifth of the pupils had text books. A number of parents interviewed expressed a preference for the old system of buying textbooks outright because the child could bring the book home to do additional work and because the book could be passed on to other children. In-service training for primary school teachers and inspection of schools both occurred at the time of the team's work. All the district teachers of a particular primary school grade gather for two weeks for a training course. The course observed was the fourth in the series and was taught by three teachers from the district who had attended a training-of-trainers course the week before. The courses are funded by the MOE.

The new curriculum (see Table II-2), with its emphasis on practical skills as well as academic learning, generated more praise than complaint from parents. Shortages of materials for the life skills classes seemed to be widespread. With the amount of time devoted to academic skills reduced, the need to use that time effectively clearly demands well-trained and well-organized teachers. All head teachers reported that their schools received inspection visits, but not frequently. One teacher noted that close supervision by the head teacher of the other teachers' notebooks was not as intensive as it used to be.

Despite the general approval for the new curriculum, there was widespread nostalgia in Ghana for the old primary school system. People over thirty particularly believed that they had received a much better education than was offered today.

TABLE II-1. TEACHER SALARIES - JULY 1991

Civil Service Grade	Teacher's Grade	Salary
	Uncertified Teachers	
11-15	Middle School Leaving Certificate	15.6-17.1
16-23	GCE- O Level	17.5-20.1
21-28	GCE- A Level	19.5-22.7
	Trained Teachers	
31-43	Certificate A - 4 Years	24.0-30.8
36-43	Certificate A - 2 Years + 3	26.8-30.8
	Administrators	
41-47	Assistant Superintendent	29.7-33.2
57-58	Superintendent	35.8-41.1
56-63	Senior Superintendent	39.6-45.3
61-67	Principal Superintendent	43.6-48.6
67-73	Assistant Director	48.6-53.7
73-79	Director	53.7-58.7

Note: Salary figures in thousands of *cedis* per month. Salary includes allowances, minus deductions. At the time of field work, $1.00 equaled approximately 370 *cedis*

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TABLE II-2. GHANA PRIMARY SCHOOL TIMETABLE (P3-P6)*

Subjects	Hours per week	Percent
English language	3.5	17.5
Ghanaian language	2	10
Mathematics	3	15
Elementary Science	2	10
Social/Cultural Studies	4	20
Agriculture/Life Skills	4.5	22.5
Physical Education	1	5
Total Class time	20 hours	100 percent

*P1 and P2 vary slightly
Source: Ministry of Education Class Timetable for 1990/1991

In a sense, this nostalgia for the old primary school system represents an unmobilized resource for improving the quality of the schools: many people do have a sense of how much can be accomplished by a P6 leaver.

Reports on rural primary schools in Ghana for more than a decade have stressed the problems with the physical plant. No improvements in 1991 over earlier years were apparent. None of the four primary schools visited had been maintained by the community in recent years. None of them had furniture for children except what parents provided for their own children. Three of the schools were not fully usable on rainy days. Classrooms did have blackboards.

The GES offices in all three districts reported that more primary schools had formed PTAs in recent years. In two of the villages we visited there were PTAs, but they met when head teachers convened them, usually to ask for contributions that the parents were too poor to make. In these two villages, small PTA fees were imposed but were not vigorously collected, and there appeared to be no other school-related fund-raising efforts. In the third village, the teachers and students worked together to repair the school and to raise funds. The PTA imposed a small fee and a larger levy on parents that benefitted the kindergarten. Our overall impression was that PTAs existed but were not providing significant resources for primary schools.

There are a number of actors with partial responsibility for the quality of education in individual schools, but no single actor whose career depends on it. The head teacher has

production responsibility for taking what inputs are given to him from other parts of the system and managing the school. Unfortunately, there are few financial or professional rewards at present for head teachers who are outstanding in their jobs; the GES promotion ladder is based on exams rather than merit and leads out of teaching into administration.

Presently, there is no quantitative national measure of educational achievement in primary schools. The proposed system of evaluating schools using a national achievement test for a sample of P6 students could also be used to reward good teachers. Head teachers have little control over teacher assignment (a GES district office responsibility) or promotion (a circuit officer and GES responsibility), curriculum or in-service training or textbook provision (the MOE), or physical plant (the community and PTA). However, since Chubb and Moe (1990) found that the ability to create a team improved education more than hiring teachers with higher qualifications, it would be fair to offer head teachers incentives based on quantitative improvements in children's achievements. Head teachers would presumably lobby to equalize resources: the percentage of trained teachers, teacher/pupil ratios, textbook availability, etc.

5. Communities' and Parents' Strategies

The private cost of education that parents bear to send children to school can be high, although some schools and parents follow strategies to lower it. In all three locations, education officials and parents were asked about the costs of sending children to primary school. In all three districts officials reported that the total for school fees, textbook rentals, exercise books, and supplies--for most of which parents must pay in order to enroll a child--was 1,000 to 1,200 *cedis*.[7] Parents in two villages reported these non discretionary costs to be higher than school officials reported. There may well be some reporting error by parents; however, posting fee schedules in each school would be a worthwhile measure.

The costs of discretionary items were similar in all three districts:

- Uniforms: 1,500 to 2,500 *cedis*;
- Shoes or sandals: 1,200 to 3,000 *cedis*;
- School furniture: 2,000 to 3,000 *cedis*;
- Money for food: 50 *cedis* per day, or about 9,000 *cedis* per year.

[7]Charges vary by grade, and some schools required more supplies than others.

Head teachers can waive requirements for uniforms, sandals, and furniture; most head teachers strongly encourage parents to provide them but do not absolutely require them. Parents then treat these costs as discretionary. In one village, interviews on household expenditures provided a range of parent strategies. In one household with five children in primary school (and three in apprenticeships), the two children in P6 were provided with uniforms and furniture, but expenditure on the youngest three was no more than the school fees. The two P4 children in a wealthier household were provided with all the discretionary items, including food money, and sending them to school cost about 16,000 *cedis* apiece. Additionally, in large farm families with no mechanization, the opportunity costs of keeping children in school can be assumed to be significant. Parents clearly sacrifice to send children to school, and they may not expect primary school to produce a pay off, although they expect education beyond primary school to do so. Parents expressed frustration that there was now little guarantee that education--whether academic or an apprenticeship--would result in jobs for their children.

When parents are squeezed financially, anticipate few job opportunities in the modern economy, and perceive that the quality of education is lower than it used to be, it is not surprising that they do not send all their children to school. Ninsin (1991: 111-113) gives the example of a fishing village on the southwest coast, where increased returns to fishing resulted in less investment in education, which was not a qualification necessary for fishermen. Enrollment dropped sharply. In Namoo, the poorest village visited, only the brightest children, mostly boys, stayed through primary school and beyond. In Odubi, more children finish primary school and JSS, but parents do not invest in further education because they want their children to farm. In Mafi Kumasi, the richest village of the three visited, investment in education has paid off for many families in the past, and so the community makes an effort to maintain the quality of primary education and parents expect some of their children to go on to higher education. Even in this village, however, some children were not in school because parents could not afford to send them, and children were kept out of school at times when their labor was needed.

Teachers report that parents generally come to school on open days to get their children's term reports, look at their exercise books, and find out their class ranking. If the parents are illiterate, they consult the teachers. Teachers sometimes send for parents to discuss problems. In Namoo and in Mafi

Kumasi, parents appeared equally interested in their children's progress in school; in both communities, parents had expectations and strategies for choosing which children to educate (see village case study sections).

6. GES District Offices

District GES offices have little autonomy over expenditures. Teachers' salaries and allowances go directly from GES headquarters in Accra to the District Treasurer at district administrative headquarters. Regional GES offices buy stationery in bulk and distribute the district's share, although the district GES office has a small, cash, stationery budget. GES headquarters releases quarterly to the district GES office's accountant the small sums allowed for travel and transport, reimbursement of medical expenses of teachers and their households, furniture and maintenance of schools and the GES district office, etc. The accountant has some discretion as to how these sums are allocated; the funds are inadequate to meet all claims. Each of the three districts had devised slightly different ways of dealing with claims that it was unable to pay in full. To the extent that these claims, mostly from teachers, are not met, they represent a subsidy to the government education budget.

Some money allocated for schools probably goes instead to the GES district office. If district communities have not met their duty to furnish the new GES district office, the furniture budget for schools may go to provide the GES office with furniture. In any event, the amount per school is minuscule (3,000 *cedis* or $9 per quarter) in Asante Akim South; in Bongo, the amount is folded into the GES district offices's stationery line.

An important consequence of inadequate travel funds in GES district office budgets is the direct impact on the provision of textbooks and other teaching materials to the schools. The current system places head teachers in a position where, if they are to do a conscientious job, they must dig fairly deeply into their own pockets. The head teacher in Odubi, who is a conscientious and well-organized individual, estimates that he must make six visits to Juaso per term (800 *cedis* round-trip taxi fare) and about five to Kumasi (costing 1,400 *cedis*). His monthly take-home pay is less than 31,000 *cedis*; if he always pays the full taxi rate and is never reimbursed, his official travel expense equals about one month's take-home salary. Head teachers in more remote villages presumably face even higher transport costs. The head teacher in Odubi goes to Juaso to collect textbooks when he is notified that the school has been given an allotment. He also goes to collect teachers' salaries.

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He collects money from parents and buys exercise books for pupils from the GES district office. In other words, he, and not the GES district office, provides the distribution link between the GES office and the school, and he does so partly out of his own pocket. The acting director of one district, when asked why the ten P6 teachers answering the questionnaire had reported widely varying textbook/pupil ratios, responded that the most important explanation was the varying willingness of head teachers to come and collect them. He indicated that some head teachers did not collect their textbook allotments and added that some schools might also not take as good care of their textbooks as others. Textbooks were, however, initially allocated in proportion to the number of pupils enrolled in the school. The situation was similar in the other districts we visited, although the head teachers reported a smaller number of official trips.

School construction is not part of the district GES responsibility; the contracts are awarded by the MOE in Accra, although the district office advises on the choice of site. For example, if a community wants a school in Asante Akim South, it must first apply to the GES district office. The district office ascertains whether: 1) there is a large enough number of pupils to justify an additional school; 2) whether the project has enough community support to complete at least three classrooms initially; and 3) whether the community is prepared to supply sufficient furniture for the school's initial needs. All three conditions must be met before the district office will recommend to the regional office that the community be given a go-ahead. At the start of the first academic year after the school is completed, the district office will provide teachers and textbooks.

The assignment of teachers to schools does not give much choice to individual schools or communities. The GES regional office annually gives the GES district director a list of teachers assigned to the district. From this list the director assigns teachers to schools. Teachers other than those on the list may be available to teach in the district. Teachers who are new transfers to the district often have husbands or wives who are also qualified teachers and want to teach. (Equally, the district may lose some teachers in the same way.) Retired teachers in the district may apply for re-engagement on one-year contracts. Untrained teachers may only be hired on one-year contracts, but they may be all that is available; the regional office, not the district office, makes decisions regarding hiring untrained teachers. The district director has a monopoly over the assignment of teachers within the district, but that is the only decentralized personnel function.

E. The Health Sector In Ghana: Financing Arrangements and Their Implication for the Provision of Health Services

One of the most critical decisions regarding health services provision is the type of financing arrangement to adopt. Different financing arrangements create different incentives for both consumers and producers of health services, which are critical in shaping supply and demand for health services.

Health financing arrangements affect the demand for health services through their effect on consumer prices. When financing arrangements require consumers to pay for services they consume, then changes in the unit price can induce consumers to change the quantity and/or quality of care they consume, and in some cases to exit the market altogether. Depending on what mix of public and private financing is adopted, these consumer choices may, in turn, influence the types of services that are produced, the technologies employed, the kind of inputs used, and ultimately, how sustainable the chosen service mix is.

In summary, health financing arrangements affect who does and who does not consume health services, what type of health services can and will be supplied, and who or what kind of organization will produce the services.

Health Sector Financing in Ghana

Revenues for financing health sector recurrent and development costs originate from one of two levels: (1) the central government resources channeled through the Ministry of Health (MOH); and (2) local revenues generated from user charges at health institutions and/or one-time community contributions. The following observations pertain to the second of these arrangements.

Since 1971, the MOH has officially sanctioned the use of user charges to finance the recurrent costs of individual health institutions at the local level. In 1983, fees for adult outpatients were raised to 5 *cedis* per visit (2.5 *cedis* for children), and patients were charged 3 *cedis* per drug prescribed. In addition, patients were charged 2 *cedis* for lab tests and 20 *cedis* for x-rays.

In 1985, the Government of Ghana responded to the critical fiscal situation in which it found itself as well as to World Bank loan conditions by raising user fee levels and authorizing

for the first time the sale of all drugs at full cost.[8] Under the 1985 changes, rural hospital and health centers were authorized to retain 50 percent of the revenues generated from these charges while the balance was to revert to the central MOH.[9] Interestingly, the 1985 policies made no attempt to link these cost-recovery efforts to specific MOH expenditure requirements such as the procurement of drugs and other essential supplies. As such, it is not clear whether the revenues generated displaced previous government resource commitments (and thus reduced the level of public expenditures on health services), or added to the total pool of resources from which to fund health sector service production.

In 1990, the MOH launched a "cash-and-carry" drug scheme that seeks to link drug sale revenues with the supply of drugs to the health centers. While there is some uniformity in the way the new cash-and-carry financing arrangement is being implemented throughout Ghana, it is clear that there are some important differences between the regions. Given the time constraints of this study, it was not possible to visit all of the regions. Never the less, visits to both the Ashanti and Volta regions, where innovative financing approaches were being experimented with, produced the following observations.

According to the MOH scheme, users can be charged for drugs and can be charged separately for services rendered. Drug charges are tied exclusively to revolving drug funds maintained by individual health centers and are based on a cost-plus-inflation price schedule. User fees are set independently of drug prices and revenues can be used to finance any recurrent expenditure incurred by the health center. Revenues from the two sources are accounted for separately and are kept in accounts opened for each health institution.

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[8] User fees were raised in the urban areas to 50 *cedis* per adult outpatient and 30 *cedis* per child. Slightly lower fees were adopted in the rural areas: 30 *cedis* per adult visit and 20 *cedis* per child visit. Since 1985, user fee levels have not been increased. In fact, evidence from the rural health centers visited suggests that the 30 *cedis* fee level may never have been adopted in full. All the rural health centers visited were charging 25 *cedis* per adult outpatient.

[9] Waddington and Enyimayew (1989b) cite a July 1986 MOH circular that reduced the share that health centers could retain from 50 percent to 25 percent. Evidence from the Mafi Kumasi Health Center in Volta region, however, reveals that this policy change was never implemented--at least at this facility.

In the Ashanti region, two sources of drugs feed the revolving drug fund scheme. First, there are MOH drugs that are stored at the regional medical stores in Kumasi. These drugs are purchased in bulk by the central MOH on the international market, and are ostensibly intended to be distributed free of charge through the government's health institutions. The second source of drugs is purchased by the Regional Ministry of Health in Kumasi on the open market from pharmaceutical companies licensed to operate in Ghana. A Regional Coordinator serves as purchasing agent for the revolving fund and determines the cost-plus-inflation prices that can be charged at the health centers.

The revolving fund in the Ashanti region was reportedly capitalized from regional MOH resources, and each health center was allocated a supply of essential drugs and a price list. Revenues generated from the sale of these drugs were then placed in an account maintained for the health center under supervision of the District Medical Officer (DMO) who is a cosignatory on each account. On a periodic basis, before stockpiles of drugs in the health centers are depleted, the DMO withdraws funds from each account to purchase a new stock of drugs. He first checks the Regional Medical Stores to see if any of the drugs required are in stock. If so, he takes these without paying. He then proceeds to the Revolving Fund Stores to purchase the balance. The drugs are then distributed to the health centers according to their demand.

Under the Ashanti region scheme, health centers are allowed to distribute MOH drugs free of charge to patients that are exempted from payment, but the drugs can also be sold at the revolving fund price.[10]

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[10] An epidemiologically based exemption criterion has been adopted that exempts patients suffering from communicable diseases such as leprosy, tuberculosis, cholera, and meningitis, and those suffering from malnutrition. No formal provision is apparently made for exempting indigents given the recognized difficulties in distinguishing the truly indigents from those who are simply trying to free ride. In cases where true indigence is suspected, the official procedure is for the Social Welfare Department to investigate and certify indigence, a process that one health official reported is far too complicated to work effectively. It should also be noted that there is currently some debate occurring in government over whether to exempt all civil servants from paying for care. Under this arrangement, the Ministry of Finance and Economic Planning would pay the MOH a lump sum (500 million *cedis* per annum has been suggested) to cover the cost of attending to civil servants. There is a real concern, however, that such a scheme would promote excessive use of health services by civil servants and would thus leave the MOH in a deficit financing position. The experience with free care provision for MOH staff and their relatives supports this view.

Since MOH drugs are free to the health center, revenues earned from their sale creates a buffer fund that can be used in the event that cost-plus-inflation prices were underestimated.

The current local financing arrangement being employed in the Ashanti region has several important advantages over alternative arrangements often adopted in other developing countries. First, by dividing the user charges into drug charges and user fees and requiring that revenues from the sale of drugs be used only to purchase new drugs, the Ashanti region's arrangement eliminates the incentive for health workers to over-prescribe medication to increase their earnings.[11] Since the health center is only allowed to fund other recurrent expenditures from user fee revenues, it must be responsive to demand conditions in order to generate sufficient revenues to fund its activities. Setting fees too high will reduce the demand for services and thus reduce the fee revenues.[12]

The second advantage with the Ashanti region scheme is that the majority of drugs are purchased on the open market from established pharmaceutical companies. The advantage here is that the transport and handling functions are handled by the pharmaceutical companies, and purchase prices reflect these logistics costs. Thus, the typical inefficiencies that plague

[11] A study conducted in the Volta region revealed that despite the lack of incentives for over-prescription, drug utilization actually increased after the introduction of the cash-and-carry scheme. The average patient in the study was found to have been prescribed six different drugs per illness episode. The explanation for this was that health workers had greater access to drugs under the new scheme and so were more liberal in their prescriptions. Under the previous arrangement they had rationed drugs because their supplies were limited. Unfortunately, the health workers often did not take patient ability to pay into consideration when prescribing and dispensing the extra drugs. The MOH in Volta region has reportedly attempted to address this problem of over-prescription by intensifying its on-the-job training of health workers.

[12] The prices health centers can charge depends to some extent upon the prevailing market conditions. Where health provider substitutes exist (this was generally the case in all three districts visited), the price elasticity of demand for publicly provided care will be greater than in areas where few or no substitutes exist. Where substitutes exist, the user fee price will have to be fairly closely related to competitors' prices so long as there are not substantial quality difference between the alternatives, or the non-pecuniary cost of using the different services vary greatly. Only in cases where public providers are the sole suppliers will they be able to exact monopoly profits by charging a price above marginal cost. In such cases, the MOH can set price ceilings within which health centers must operate. In fact, perhaps because it fears that health centers will seek to generate rents, the MOH has not allowed the pricing mechanism to operate independently, but has regulated fee rates and kept them at 25 *cedis* per visit since the cash-and-carry scheme was introduced.

public sector drug storage and distribution systems are avoided, and drug prices more closely reflect their marginal cost. Because the Regional Ministry is a large purchaser of drugs and because it is able to pay for the drugs with cash up front, it is able to obtain the most favorable prices.[13]

The only major problem with the Ashanti region scheme is that it makes no provision for patient ability to pay and thus places a disproportionate burden on poor patients. To the extent that these poor patients are also those in the greatest need of care, the scheme thus also discriminates against the most needy patient.[14] Readers are referred to the case study from North Tongu district (Section V) for a more complete analysis of the effects of cost-recovery efforts on the utilization of health services by different consumers.

In Volta region, regional health authorities have adopted a slightly different approach in order to address the problem of ability to pay. Under the Volta arrangement, the region draws on central ministry drug stocks to ensure that 20 percent of the drugs distributed through regional health facilities are given away free of charge. Under these arrangements health workers are allowed to dispense free drugs to indigent patients (they are given the authority to determine who is and who is not indigent),

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[13] The consultants learned that the World Bank is funding the establishment of a MOH drug supply and logistics unit that is intended to interface with the Ghana Supplies and Procurement Board, which handles all public sector procurement. The stated objective is to reduce the cost of procuring and distributing drugs to public sector health facilities. In our view, MOH would be better served if it adopted the Ashanti region arrangement and allowed Regional Medical Stores to purchase their own drugs from pharmaceutical companies. This strategy would: (1) eliminate the need for a central MOH procurement and logistics entity; (2) enhance efficiency; and, (3) further the decentralization process and help to develop the district-to-region institutional linkage.

[14] As noted above, the Ashanti region's scheme only exempts patients suffering from malnutrition or communicable diseases such as TB, leprosy, cholera, or meningitis. Regional MOH authorities reportedly believe that exemption mechanisms to protect those who are unable to pay for health services are unworkable. In particular, they cite the difficulty in accurately distinguishing the indigent from those who simply look poor but actually could pay. Prices could, however, be set to allow for some cross-subsidization of the indigent. There are two sources of error that can occur under progressive pricing schemes: the first is to erroneously exclude those who are unable to pay from using the services (this is a Type I error), and the second is to erroneously allow those who are able to pay use the service for free (this is a Type II error). The objective should be to minimize Type II errors subject to a zero Type I error level. So long as the Type II error is not allowed to become too great, drug prices can be set to cross-subsidize non-paying indigent patients.

to themselves and to their immediate families. The only requirement is that the user must be registered so that the dispensing of drugs can be monitored--an approach that the regional director reports has been shown to discourage flagrant abuse of this exemption provision.[15]

The advantage with this approach is that it not only provides a mechanism for protecting the poor, but it also recognizes the incentives that health workers face to give free medication to their relatives.

The major disadvantage is that the prices charged for drugs do not cover the cost of the 20 percent exemption provision.[16] The region is therefore dependent upon the central government drug subsidy. Marking up the prices of drugs sold to patients would not only be a simple way to increase the progressivity to the financing arrangement, but would also eliminate the justification for sustaining the inefficient central ministry drug procurement and supply apparatus.

F. Conclusions

The current context within which the study team found three district-level governments and villages in Ghana can be summarized as follows:

- the form of the local government units has changed throughout the years but has continued to include strong fiscal and decision making ties to the central government;
- the current structure is looking to decentralize politically and administratively, but financial autonomy has yet to be resolved, the district's resources are minimal, and the central government has mandated that a bureaucratic structure (consisting of 22 departments and 86 specific responsibilities) be duplicated 110 times;

[15] Some analysts have expressed concern that this scheme has resulted in a substantial leakage of drugs from the system. Evidence presented in the North Tongu district case study (Section V) suggests that these concerns may be exaggerated.

[16] Evidence presented in the North Tongu district case study indicates that the 20 percent exemption level may be unnecessarily high and that there may be some scope for reducing it.

- several macro-level indicators show that Ghana's ERP, which was started in response to years of economic mismanagement, has been successful; still, there has not been progress in all areas and with five percent economic growth per year combined with three percent population growth, progress will be slow, especially in rural areas;

- education, particularly in regards to provision of books and the qualifications and motivations of teachers, appears to be on the upswing; however, it is too early to tell if the decentralized education structure will result in further innovation and improvement in quality; the education system remains bureaucratically top heavy and it remains to be seen if primary education has been improved;

- the health system's incentives continue to promote a centralized (and expensive) program versus a lower cost, decentralized system (as illustrated by current drug distribution programs).

III. ASHANTI REGION FIELD RESEARCH

A. The Asante Akim South District

1. District Description

The Asante Akim South district in the Ashanti region of Ghana is approximately 30 miles south of Kumasi, the regional capital, on the main Accra-to-Kumasi highway. The district is 469.84 square miles and is bordered on the north and northwest by Asante Akim North district, on the west by Amansie East district (both in Ashanti region), and Kwahu South District in the Eastern region. Juaso, the district capital, is a town typical of those in southern Ghana--square and rectangular compound houses made of clay bricks with a light mortar of cement; beaten clay roads; a central town area with kiosks, shops, and a market area; and a few government ministry buildings.

The site of the new district office complex is across the highway from the main part of town, set on a hillside. The buildings stretch up the hill, looking down the valley and across other hills to the north and toward Kumasi. The present facilities remain from the time that the site was the location of the area's council seat of government. Some of the buildings have been renovated to house the new district staff offices; others have not. The main office building is in very good condition, especially the District Assembly hall. It is large, to accommodate more than 70 seated members, with standing room around three sides for spectators. A dais seats the presiding member, district secretary, and district administrative officer. The entire room is screened, with a view over the vegetation and down the hill to the north. The District Secretary's house, the old British District Commissioner's home, is on the very top of the hill.

District population is projected to be 95,000 in 1991. The district is overwhelmingly populated by the Ashanti, which has been the dominant ethnic group in south-central Ghana since approximately the 16th century. Forty percent of the population has an estimated annual income below 120,000 *cedis* per year. There are 6,950 houses in the district. Most farm holdings are less than six acres. Fifty-nine percent of the labor hired is day labor.

The area's economy is based on a combination of subsistence and cash cropping of plantain, cassava, oil palm nuts, some cocoa and coffee (a state-owned plantation). There is also a state-owned oil palm nut plantation. Individuals sell produce by the roadsides and trucks frequent rural areas of the district, buying

produce to take to Accra. There are some cooperatives, the most successful of which, according to district staff, are for *akpeteshie* (distilled palm wine) distillers and for bakers.

District officials and farmers claim that poor feeder road conditions affect the prices farmers receive. Buyers with trucks pay farmers less because of the time and difficulty in reaching the rural areas over bad roads and then charge consumers in Accra more for the same reasons. Potentially, buyers would not travel to the area at all if they thought they could not recoup their high transport costs.

Still, according to a survey conducted by district planning staff, the district is a net exporter of agricultural goods. Cassava is the major export crop. The district is a net importer of industrial goods. The enterprises in the district with the largest number of businesses are *akpeteshie* distillers (224), *akpeteshie* sellers (136), artisans (103), and kiosk operators (87). There are 42 corn millers in the district.

According to the same survey, average cultivation per acre, based on the whole population, is:

Food crops:

- plantain - 400 bunches/acre
- coco yam - 6 to 7 maxi bags/acre
- cassava - 7 to 8 maxi-bags/acre
- maize - 8 to 10 maxi bags/acre
- pepper - 4 maxi-bags/acre
- garden eggs - 6 maxi-bags/acre
- tomatoes - 8 boxes/acre

Cash crops:

- cocoa - 6 to 10 bags/acre
- palm oil - 500 bunches/acre
- citrus - 400 mini-bags/acre

2. Government Processes in Asante Akim South District

District Administration

Juaso was at one time a council seat. The seat was then moved north on the main road to Konongo, which then became the capital for the Asante Akim district. When the district was split into Asante Akim North and Asante Akim South districts in 1988, the capital for the new Asante Akim South district was sited in Juaso, using some of the old council buildings. Konongo is now the capital of the Asante Akim North District. The

borders of the new district were established based upon geographic size and population size; essentially, the old district was divided into a north and a south.

At one time, the villages in the district were divided into 11 subcouncils. Though there are no longer any formal sub-councils, district staff stated it is convenient to conceptually divide the district into the same subcouncil divisions. These 11 subcouncils (Banka, Ofoase, Obogu, Komeso, Buonu, Kumatifi, Asankare, Pra-Ano, Dwendwenase, Juaso, and Morso Krofo) include a total of 87 towns and villages.

Of the 22 departments which are to be decentralized in the district as mandated by Law 207, seven are operational in the district: Forestry, which has an historical presence in the district; Animal Health and Production; Ministry of Health; Ministry of Education, which has had an office in Juaso for approximately one year; Department of Social Welfare/Community Development; Births and Deaths Registry; and Agricultural Extension. The Department of Rural Housing and Cottage Industries has an assigned officer who has been officially posted but has not yet arrived. The Control and General Accounting department will merge with District Assembly Accounting. Some offices and houses have been renovated to accommodate new district staff, but not enough to accommodate everyone. With the exception of Forestry, Education, and Animal Husbandry, the departments only have junior staff.

There are accommodation problems both for office space and housing. There are one-room offices across the road in Juaso town for some of the departments. Without space available, some of the departments are refusing to decentralize. To close this gap in coverage, the district at times asks for assistance from the Asante Akim North District staff in Konongo. According to a district official, staffing requirements could in some cases be accommodated by having one senior staff person on board.

The District Politically

The district's enabling legislation, based on Law 207, dictates that the Assembly include no more than 64 people--42 elected and 21 appointed. Those appointed should comprise "traditional authorities or their representatives," appointed in consultation with "the traditional authorities and organized productive economic groupings in the District" (Republic of Ghana, 1988). The District Secretary of the PNDC in consultation with various groups made the nominations, which were forwarded for government approval and appointment.

There are currently 56 District Assembly members. The Assembly meets four times a year, and to date has never sat for more than three days at a time. The Assembly has a presiding officer and an Executive Committee made up of one-third of the entire body. District administration is responsible for the Assembly's seating and travel allowances; because of the number of assemblymen and the frequency of their meetings, this responsibility has reportedly added to the district's budgetary burden. However, the division of the district was designed, by the PNDC to bring greater representation to the villagers, both geographically and in terms of representation from various groups. Therefore, the size of the Assembly is unlikely to be a subject of debate. District staff did, however, question the actual access people had to Assembly members and noted that some members had even moved out of the area.

Assembly members are elected from electoral areas that are determined by population size. In some cases, small villages were joined together. Examples of Assembly member professions, include: administrator, educator, farmer, health worker, traditional ruler, transporter, clergy, seamstress, and policeman.

At the time of the initial elections, people were reportedly apathetic and some qualified candidates did not run. The need to stand before the community and potentially subject themselves to ridicule was evidently a disincentive. People who might have contributed did not stand, but some of these were appointed nonetheless and have become very effective members, according to district officials. Elected members are described as varied in their abilities to contribute to the Assembly's work. District officers reported that the Assembly has been seen favorably enough to gain the population's interest, and it is hoped that the next election will be more successful in interesting people in running.

According to the minutes of the February 1991 meeting, concerns centered on how to generate resources for the district's development projects. Current revenues are not sufficient to fulfill the district's development plans. Previously, development in the area focused around Konongo, the site of the former district capital. The south side (the new district area) was neglected and hence its present development requirements may be proportionally greater. The District Administrative Officer admitted that the budget submitted was known to be inadequate from the start but was considered to be all that was realistically possible.

Development of the District

The district's development plan, prepared with assistance from the University of Science and Technology's Planning Department and the National Planning Commission's Mobile Planning Unit, was (at the time of the research) in draft form, to be submitted to the Assembly for its approval. To date, without an approved plan, development decisions are made on an ad hoc basis. The District Administrative Officer hoped the plan might be ready by the final meeting of the Assembly in 1991. He reported that the Regional Coordinating Council had been very helpful, providing technical assistance for budget preparation and oversight to avoid unnecessary overlaps between projects from different districts.

The district's development priorities as stated in a district survey include: tree planting, establishment of rural banks, construction of market facilities, upgrading of the health center, establishment of vocational/technical schools in second order settlements, construction of feeder roads, construction of KVIPs (Kumasi Ventilated Improved Pit latrines), construction of drains in acute road erosion areas, and construction of borehole wells.

In practice however, Assembly members reportedly lobby for projects for their own areas. The district staff said it has tried to advise Assembly members to concentrate on a few designated areas, but all members want to be able to demonstrate that they have accomplished something for their areas, especially before the next election. For example, there was a limited amount of materials to use for repair and maintenance of a few schools. Instead of concentrating on a few schools that the school inspector had deemed top priority, the Assembly voted to give small amounts of materials to many places, thereby lessening the development impact.

The District Administrative Officer noted that Ghana's program of decentralization was losing credibility because it had not translated directly into more village projects. This was due, he said, to a lack of funds. In the past year, the district had only embarked upon two projects--market stall construction in two different villages. At the same time, people were becoming apathetic about paying their levies. The money that was available went to recurrent costs, leaving nothing available for new projects.

The District Administrative Officer recounted that the realities of working with a deliberative body also affect the progress of the district's development projects. One of the district's top priorities was improvement of the market in Juaso.

The market women lobbied for construction of stalls. A few Assembly members, however, advocated construction of market stores. The Assembly debated the issue (eventually resolved in favor of stalls), which delayed the work for one year.

To compensate for a lack of funds, the district tries to cooperate with communities, for example, by providing materials in exchange for labor. District staff, however, report that villagers believe that if the district did not do all the work, then the district had really not helped at all, and had in fact "failed." The possibilities for contributions from the community, for example for construction of market stalls, are limited because of the people's poverty. Repair, maintenance, and improvement of the market is still seen as the district's responsibility, along with many of the other areas of community responsibility listed in the enabling legislation.

Villagers appear to recognize that the central government in Accra cannot supply all their needs, but they expect the district to pick up the slack. Villagers complain that they have not seen the district's impact and that the Assembly has only worked in two towns. From the district administration's point of view, the people are not committed to self-help and are not providing enough in either labor or levies.

Sanitary conditions in the village indicate the district's level of development. The village has three KVIPs under construction (two in the district capital of Juaso), two bucket latrines, eight septic tank latrines, and 392 pit latrines. There are 400 boreholes in the district, four of which are in the village of Odubi.

Resource Mobilization in Asante Akim South District

Of the three Ghanaian districts visited, Asante Akim South's local government administrative functions are the least supported by grant-in-aid resources from the central government. Grants plus ceded revenues from shared taxes accounted for only 27 percent of the district's total revenues in FY 1990--an amount equal to approximately one third of that received by Bongo District and half that of North Tongu District.[17]

[17] The actual level of central support for the district was lower than these figures suggest, however, since it is the only district to be ceded land stool revenues from the region for commercial use of traditional Ashanti lands. Revenues from the stool tax accounted for 6.78 percent of the district's total revenues.

This low level of central government support reflects the weight placed on developmental status in the allocation formula for ceded revenues and grants. Because it has a much more developed basic services infrastructure, Asante Akim receives less grant support.

Though no explicit provision is made to reward revenue mobilization effort by the districts, the fact that grant allocations are not tied to local own-source revenue yield prevents districts that have large revenue bases but exert relatively little effort to collect, from appearing more needy because their revenues are low, and thus receiving a greater share of grant resources. Thus, although Asante Akim South's own-source revenues in FY 1990 were the lowest for the three districts (21.7 million versus 25.9 million for Bongo and 26.5 million for North Tongu), it received the least grant assistance because it has the largest revenue base of the three districts.

Like the other districts, the majority of Asante Akim South's own-source revenues come from fees (38 percent of total revenues in FY 1990) and licenses (27 percent of total FY 1990 revenues). It is distinguished from the other two districts by being the only one which collects a significant portion of its own-source revenues from rates. In all, rates accounted for 16.82 percent of own-source revenues in FY 1990, and their projected yield is expected to increase in nominal terms in FY 1991. The largest share of total rate revenues (78 percent in FY 1990) is derived from the Basic Rate levied on those over 18 years old in the district. The remainder is derived primarily from property rates (20 percent of total rate revenues in FY 1990).

A review of the Basic Rate's performance reveals that after a substantial increase in collections in FY 1989, the nominal rate of increase slowed significantly. In real terms, receipts actually fell by 22 percent between FY 1989 and FY 1990. Real performance is declining because the tax rate itself has remained constant at 200 *cedis* per adult since its introduction. What nominal growth has occurred has been due exclusively to improvements in the administration of the tax.

To understand the extent to which improved tax administration has succeeded in tapping the available base, estimates of the available base were derived from population projections for the district. These estimates suggest that actual Basic Rate collections for FY 1989 and FY 1990 captured 46 percent and 47 percent, respectively, of the projected total

available base.[18] Though these collection rates suggest substantial room for improvement in the tax administration, it is important to recognize the effort that the district has exerted to collect this tax.[19] Estimates indicate that further improvements in the Basic Rate collection could increase total own-source revenues by as much as 17 percent in FY 1991.

As indicated above, Asante Akim South is the only district visited that generates significant property tax revenues. Altogether property rates account for approximately five percent of total own-source revenues in FY 1990.

Since the district's creation in 1988, revenues from property rates increased substantially. Projections for FY 1991, however, suggest that the strong past performance will not be matched again this year. A closer analysis of the FY 1989 to FY 1990 period reveals that actual nominal collections increased by 105 percent (47 percent in real terms). During this period, the district raised the property rate by an average of 20 percent[20], suggesting that approximately one-fifth of the nominal revenue increase was due to the rate increase and four-fifths was due to improved rate collection or improved assessment. Based on the projected property tax receipts for FY 1991, however, the district's ability to raise total property tax receipts through improved administration appears virtually exhausted, and future

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[18] According to the 1984 census, the total population of Asante Akim South District was 69,963, and the proportion of Ghanaians 18 years or older was 0.4878. Assuming that the population has grown at an average annual rate of 3.3 percent, then the taxable population in 1989, 1990, and 1991 would have been 40,143, 41,463, and 42,863, respectively. Assuming a 100 percent collection rate, the maximum possible revenue obtainable from the Basic Rate would have been 8,028,600 *cedis* in FY 1989, 8,292,600 *cedis* in FY 1990, and 8,567, 200 *cedis* in FY 1991. Collection rates reported in the text are derived by dividing actual reported revenues by these maximum values.

[19]Some indication of the relative effort exerted by the district is derived by noting that the World Bank reported in FY 1986 that the collection rate for Ghana as a whole was 33 percent for the Basic Rate.

[20]Unfortunately, the property tax rate reforms reduced the progressivity of the tax. Rates on commercial and second class residential buildings in Juaso, Obogu and Bompata were left the same in FY 1990 as they had been in FY 1989, while the rate for third class residential buildings was increased by 33 per cent, and the rate for unassessed residential premises was increased by 50 per cent.

increases seem possible only through rate increases.[21] Though such rate increases may be politically difficult to pass, they would be easily and fairly costlessly administered, and would improve the equity of the district's taxes without adverse efficiency effects.

One potentially large source of property tax revenues that has eluded the district until the current fiscal year is the revenue generated from taxing central government properties located in the district. Article 83 of PNDC Law 207 authorizes districts to collect taxes from these properties. Recent estimates indicate that the Cocoa Marketing Board and Ghana Railways owe the district 3,474,162 *cedis* per year for each of the last three years for taxes on commercial properties and an additional 1,860 *cedis* each year on residential properties located in the district. Had these revenues been paid to the district, its total own-source revenues would have increased by 22 percent in FY 1989, 16 percent in FY 1990, and 15 percent in FY 1991. Though the district has been informed that it will be paid these rates in the future, all arrears have been canceled by the central government.

Another unique feature of the Asante Akim South District is that it employs both commissioned tax collectors and salaried collectors.[22] The other two districts use commissioned collectors and hire a few salaried collectors to supervise the rate collectors. The district thus provides a unique opportunity to examine the tax collection performance of the two types of collectors (see Table III-1).

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[21] This assumes, of course, that the number of properties remains constant.

[22] The other two districts use salaried collectors to supervise commissioned collectors, but all revenues are actually collected by the commissioned collectors.

TABLE III-1. A COMPARISON BETWEEN THE COST OF SALARIED AND COMMISSIONED TAX COLLECTORS

Commissioned Collectors	***CEDIS***
Revenues collected through May, 1991 by commissioned collectors	5,833,731
Average commissioned collector's monthly yield [(5,835,731/30)/5]	38,900
Average monthly commission	7,780
Revenue yield to commission ratio [38,900/7,780]	5.00
Salaried Collectors	
Revenues collected through May, 1991 by salaried collectors	3,270,000
Average salaried collector's monthly yield [(3,270,000/15)/5]	43,600
Average monthly collector's salary	28,000
Revenue yield to salary ratio [43,600/28,000]	**1.56**

Table III-1 suggests that the yield-to-remuneration ratio for commissioned collectors is over three times greater than for salaried collectors, even though their yield-per-month is actually less. Thus, salaried collectors, appear to bring in more revenues, but they cost the district much more.[23]

The cost of revenue collection in Asante Akim South is not the highest of the three district, but given the district's comparatively low revenue yield, the cost of revenue collection as a percentage of total yield is the highest. Using actual district treasury expenditures to approximate the cost of revenue collection[24] reveals that Asante Akim South's cost-to-revenue ratio is 0.165, compared with 0.119 for Bongo District and 0.148 for North Tongu District.

3. Primary Education in Asante Akim South District

Characteristics of Primary Education in the District

There are 84 government primary schools in Asante Akim South district, which are subdivided into six circuits. The only private primary schools are in the towns; there are no church-supported schools. The GES district office in Juaso supervises education in the district. At the time of the field work, the GES was headed by an assistant director who was a knowledgeable veteran of the system. A District Education Officer had not yet been appointed. Circuit officers head the circuits, supervising teams of inspectors and liaising with the communities.

Total enrollment in the district's primary schools is 13,517 for 1990/1991, up 4.9 percent from 1989/1990 (see Table III-2), constituting roughly 68 percent of the six to 12 year olds in the district. Everyone interviewed believed that the principal reason some children were not in school was poverty. The two top GES officials detected some signs that parents in the district were better able in recent years to afford the private costs of education: more children had uniforms, shoes, and exercise

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[23] It is interesting to note that the District Finance Officer for Asante Akim South had the impression that salaried collectors outperformed commissioned collectors and viewed the latter as a drain on district resources. Apparently, the opposite is true.

[24] Using treasury expenditures probably leads to a slight overestimate since not all treasury expenditures are for tax collections. Some are for the general administration of district finances.

books; more appeared to have lunch money, and the incidence of malnutrition seemed to be lower. (Since both officials lived in Juaso, their observations may have applied more to town than rural children.)

The percentage of untrained teachers declined from 35 percent to 33 percent between 1989/1990 and 1990/91. The number of classroom teachers increased dramatically from 429 to 594. The assistant director remarked on the increasing numbers of trained teachers willing to teach in the district since improvement of the roads. Trained teachers had formerly refused to teach in villages that were often inaccessible, leaving some schools to be managed and staffed entirely by untrained teachers.

The number of schools has increased by four since last year. The district received one donor-funded "pavilion" primary school; the other schools were built entirely by the communities. Although the physical condition of many schools was still bad and few communities had undertaken repairs, PTAs were now in place for most schools. Five years ago, only town schools had PTAs.

Girls begin primary school in almost equal numbers to boys; by P6 (sixth grade) they make up 43 percent of the class. Girls go on to Junior Secondary School (JSS) at about the same rate as boys (88 percent of girls, 85 percent of boys, according to one year of data). The proportion of girls in P6 classes is about the same as the regional and national averages for 1989/1990. The number of repeaters is small, as it is throughout the country, because of the national policy of automatic promotion.

Asante Akim South seemed to be the mid-range district of the three visited with regard to both primary education and economic prosperity. There was a larger percentage of children in school than in Bongo District and fewer than in North Tongu. The proportion of trained teachers fell between that found in the other two districts.

The circuit officers and inspectors, who are stationed in the largest town in each circuit, come primarily under the purview of the district inspector. The district inspector sets the inspection schedule. Each school is supposed to be intensively inspected every other year, as well as visited regularly. Newly trained teachers are inspected, as are those due for promotion. Despite transport difficulties, inspections are now being carried out more frequently, as the teachers in Odubi confirmed. The circuit officers also transmit policies from the GES district office to the communities.

TABLE III-2. EDUCATION STATISTICS: ASHANTI REGION AND ASANTE AKIM SOUTH DISTRICT

	Region 1989/90	District 1989/90	District 1990/91
Number of schools	1616	81	84
Number of schools with P6 classes	1487 (92%)	75 (92%)	80 (95%)
Average size of school	199	159	163
Number of classes per classroom	1.10	1.26	NA
Average size of class	30.6	25.5	25.9
Classroom teacher/pupil ratio	33.1	30.0	22.8
Number of classroom teachers	9,688	429	594
Percent teachers untrained	33.2%	35.2%	32.8%
Total enrollment	321,143	12,884	13,517
Percent in P1	20%	21%	20%
Percent in P6	14%	13%	14%
Proportion of girls in P1	49%	48%	47%
Proportion of girls in P6	44%	42%	43%
Percent of repeaters	3.7%	2.8%	1.5%
Percent of P6 girls enrolled in JSS1		88%	
Percent of P6 boys enrolled in JSS1		85%	
Percent of estimated cohort enrolled		68%	

The Primary 6 teachers in the district were gathered in Juaso at the time of the team's visit for a two-week in-service training course on teaching math and science. Of the total number, ten from rural primary schools, including the school at Odubi, were selected by the acting director to complete a questionnaire for teachers designed for this research project. (Ten men were selected, but there were only half a dozen women in the total group of about 150.) The sample cannot be assumed to be representative; however, nine of the teachers were from rural schools, so their responses probably illustrate fairly accurately the range of problems teachers perceive. Lack of furniture was cited as a problem by all but one teacher; seven of the nine who cited furniture as a problem listed it first. Six teachers cited disrepair of the schools' physical plant as a serious concern; lack of textbooks and other teaching materials was mentioned eight times. Lack of teacher accommodation and transport were raised three times each.

All of the teachers rented their accommodation, paying from 400 to 1,000 *cedis* per month. Several complained about lack of access to land for farming, or the expense of obtaining land; one cited as a positive aspect that he was able to farm in the village in which he was teaching. Teachers are unable to support their families on their salary alone; trading and farming are the two most common activities to supplement their salaries. The short school day is regarded as a major incentive to remain in the profession because it allows for devoting time to a second activity. Although some schools have enough land to provide plots for teachers, teachers in the district generally must negotiate as individuals with village leaders for land to farm. They may rent land (for roughly 2,000 to 3,000 *cedis* per acre) or they may give the owner a share of the crop. Some teachers in the remote parts of the district are preparing land for cocoa planting; some are reportedly doing so well from their farming efforts that they refuse transfers. One teacher complained that he was paying both a cash rent and a share of his crops; this was his main reason for wanting to leave the school he was in. There is apparently wide variation among teachers and among communities, although circuit officers make a point of encouraging communities to help teachers.

Community Links with the GES District Office

According to the minutes, the top two GES district officials were conscientious about attending sessions of the District Assembly, more so than many of the representatives of decentralized departments. The minutes also indicated that education was not a frequent subject of deliberation by the District Assembly.

An innovation by the assistant GES director, intended to increase community interest in the schools, was organizing team sports based on competition between circuits. The teams' expenses are funded by the communities, but the GES office has provided some equipment.

The assistant director says that he is most often approached by communities requesting help with school repairs or requesting approval for a new school. There is currently little funding for repairs. Before recommending to the regional GES office that the community be allowed to go ahead with construction of a new school that will be staffed and run by the GES on completion, the GES district office determines whether the community will be able to 1) enroll a sufficient number of pupils; 2) complete at least three classrooms initially; and, 3) provide school furniture for these classrooms. The budgetary implications of operating new schools do not, as yet, affect the district.

Overall, the links between the GES district office and the communities seem to be limited and more concerned with sports and the physical plant than jointly improving the quality of education provided in the primary schools. Innovations concerned with improving performance have not been initiated by the GES district office, nor by the District Assembly and the GES district office working together.

Effects of Decentralization

The observation made by an official in the Ministry of Local Government in Accra that the Ministry of Education was ahead of most line ministries in decentralizing its functions was validated by field observations in Asante Akim South. The GES district office was established in somewhat spartan quarters, with a sufficient number of staff engaged in carrying out the designated duties of the office. Its operations appeared to be well organized, and well linked to the GES regional office above and the circuits below. Its in-service training program for P6 teachers also appeared to be running smoothly.

It appeared, however, to be an organization more geared to carrying out standard procedures than to solving problems. It was not assuming leadership for problems that it acknowledged existed in the district: the disrepair of many primary schools, the shortage of school furniture, and the unequal efforts by head teachers to supply their schools with textbooks. Nor were GES district officials treating the need to improve the quality of primary school education as a direct concern, apart from the series of in-service training programs mandated by the central ministry.

The Ministry of Education in Accra asserts that innovation will begin once the newly appointed District Education Officers, chosen on merit rather than seniority and required to have university degrees, take up their jobs. They will have more authority than assistant directors have had to make decisions without referring to Accra. It was not clear from any of our discussions what incentives the new DEOs will be offered to reward independent problem-solving initiatives.

4. Asante Akim South District Health Assessment

Health Service Provision and Production

Curative and patient-related preventive health services in Asante Akim South District are supplied by public, private, and traditional providers. Government-subsidized health services are available at three static health centers located in Juaso, Bompata, and Ofoase and at a dressing station in Obogu.[25] Private curative services are available through clinics in Juaso, Obogu, Mankukwa, and Dampong, while private maternal health services are available through a maternity center in Obogu. A more limited curative service is also available at the large number of drugstores located in most of the larger villages and even some of the smaller ones like Odubi. Traditional health services are available from a large number of herbalists, traditional healers, and religious practitioners, as well as from traditional birth attendants (TBAs).

In principle, the publicly subsidized health services in Asante Akim South District are managed by a District Health Management Team (DHMT) under the technical direction of the District Medical Officer, a Ministry of Health (MOH) appointee. Other DHMT members include the heads of the departments of Environmental Health, Nutrition, Epidemiology, and Public Health, as well as the District Administrative Officer and representatives from Agricultural Extension, Water and Sewerage, Community Development, Education and the Committee for the Defense of the Revolution (CDR).

In practice, few of the non-health sector representatives attend the monthly DHMT meetings. This lack of participation by non-health sector representatives is not surprising given that

[25] Dressing stations are distinguished from health centers by the qualifications of their staff and the scope of health services offered. Dressing stations are staffed by untrained or low-level paramedics and offer only a minimal curative service, while health centers offer curative and patient-related preventive services and are staffed by higher-level paramedics and medical officers.

the DHMT is (1) a MOH-conceived institution chaired by the District Medical Officer and (2) an institution whose exclusive function is to plan, monitor, and evaluate the delivery of health services in the district. Representatives of other service sectors have little incentive to participate in the DHMT since its principal intent is to harness non-health sector inputs for health sector purposes without explicitly addressing how health sector inputs could help further the objectives of the other sectors.[26]

From an institutional perspective, it is also important to note that the DHMT's functions duplicate a subset of those assigned to the District Assembly's Social Services Committee under PNDC Law 207. The essential difference between the two is that control over the Social Services Committee's activities is legally vested with the District Assembly and not with the MOH. As such, it is designed to provide more balance between sectors in the development of intersectoral service initiatives.

The existence of these two parallel institutions reflects an underlying struggle ongoing in Ghana over which government organization should be empowered to serve as the representative agent for Ghanaian citizens in determining how health services should be produced and provided. Under Ghanaian plans for decentralization reflected in PNDC Law 207, the MOH stands to lose full control over district health sector expenditure decisions and the distribution of central health sector subsidies. As such, MOH efforts to strengthen DHMTs can be interpreted as an attempt to maintain control over its share of the public fisc, while appearing to be genuinely interested in fostering decentralized intersectoral strategies.

Even if these missed opportunities for decentralized intersectoral collaboration are overlooked and the DHMT is judged strictly in terms of its ability to promote the development of health sector activities in the district, it is clear in Asante Akim South that the DHMT has, as yet, had little success. Part of this lack of success can no doubt be explained by the recent establishment of the Asante Akim South DHMT; consequently, it has

[26]The official functions of the DHMT include: (1) to plan and budget district health and hospital programs; (2) to supervise implementation of district health programs; (3) to manage the human and material resources of the district; (4) to evaluate district health programs; (5) to coordinate health programs in the district; (6) to collect health data; (7) to formulate district policies within the framework of national health policies; (8) to promulgate by-laws; and, (9) to perform any other functions delegated by the MOH.

not had sufficient time to acquire the experience necessary for success. Part of the problem, however, is that the institutional arrangements it has inherited from the MOH impair its ability to serve as an effective vehicle for development.

The most limiting of these MOH-inherited arrangements is that health service functions are compartmentalized and designed to operate more or less independently of one another. At the district level, this compartmentalization is manifest in the establishment of separate production units for curative care, environmental health inspection and education, school health, nutrition education and supplemental feeding, disease surveillance and public health monitoring, ante-and post-natal maternal care, family planning and child health. Since these production units operate independently, they are unable to benefit from potential efficiency gains inherent in joint production technologies-- gains that are only realizable through the adoption of integrated service provision strategies. The compartmentalization of health service functions reduces the quantity of services that can be supplied at given budget levels and increases the unit private cost of consumption to the potential users of these services.[27]

The adverse effects of this compartmentalized service provision strategy are most clearly manifest in the provision of maternal and child health (MCH) services at the government health centers in Asante Akim South. The service delivery schedule presented in Table III-3 shows that, with the exception of family planning services, mothers and children can only obtain patient-related preventive and curative care on a few specified days per month. Moreover, if they need more than one of the MCH services, they are forced to come on different days.

Postnatal care, for instance, is divided into separate Child Welfare, Nutrition, and Postnatal clinics. The Child Welfare Clinic provides growth monitoring services for infants and children up to five years of age. Mothers and their children are divided into four groups, and each group is assigned a specific day of the week to attend the clinic. Each mother, therefore,

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[27] A good example of the inefficiency inherent in this compartmentalized approach is the district plan to build four nutrition centers rather than to integrate nutrition services into the services currently offered at existing health centers. While the district plan will no doubt increase the share of the health sector subsidy captured by the Nutrition Department, it will increase the capital and recurrent costs of providing health services. For a fuller discussion of the costs of health service provision and their effect on the utilization of health services refer to the following subsection, "Health Service Utilization".

TABLE III-3. MATERNAL CHILD HEALTH SERVICE DELIVERY SCHEDULE ASANTE AKIM SOUTH DISTRICT, 1991

Health Center	Health Service	Clinic Days per Month
Juaso	Prenatal Clinic	1
	Child Welfare Clinic	4
	Nutrition Clinic	2
	Postnatal Clinic	1
	Family Planning Clinic	24
Bompata	Prenatal Clinic	1
	Child Welfare Clinic	2
	Nutrition Clinic	2
	Postnatal Clinic	1
	Family Planning Clinic	24
Ofoase	Prenatal Clinic	1
	Child Welfare Clinic	1
	Nutrition Clinic	2
	Postnatal Clinic	1
	Family Planning Clinic	24

attends the clinic once a month. In cases of malnourished children, the mother is referred to a separate Nutrition Clinic which is open on different days, once every two weeks. As at the Child Welfare Clinic, children attending the Nutrition Clinic continue to be weighed, but emphasis is placed on educating mothers about the nutritional needs of their malnourished children. Immunizations are not available at either the Child Welfare Clinic or the Nutrition Clinic; to have children immunized, mothers must return on a separate day to attend the Postnatal Clinic which is open on a different day during the month.

Dividing MCH services and providing them on separate days unnecessarily inflates the private cost of consuming patient-related preventive care. Rather than having access to the full complement of these services at the same site and time (i.e., being able to obtain growth monitoring, nutrition educating, immunization, and curative care as needed on the same day from the same health facility), mothers are required to return on successive days. To fully benefit from MCH services (including gaining from the synergism inherent in jointly consuming these services), mothers must incur the added travel and time costs of making repeated visits to the health center.

Health Service Utilization

Given the unnecessarily inflated private cost of consuming MCH services, it is not surprising that coverage rates for these services have been disappointingly low in Asante Akim South District throughout 1990 and the first half of 1991.[28] Using population proportions and projections derived from the 1984 census, the DHMT estimated that the 1990 district coverage

[28] Coverage rates are defined as the proportion of the population in need of a given health service who actually use the services. The convention determining the populations in need of immunization, growth monitoring, and prenatal and postnatal care uses the under-one-year-old population, the under-five-year-old population, and women between the ages of 12 and 44 years. According the to 1984 census, the proportion of the total population falling in these need cohorts were 3.8 percent, 20 percent, and 20 percent, respectively. In order to calculate the coverage rates presented herein, the population in need has been estimated by multiplying the district's total estimated population in 1991 (95,000 inhabitants) by these percentages.

rate was only 22 percent for Child Welfare Clinics and 37 percent for Postnatal Clinics.[29] Since immunization services are provided as part of postnatal services, it is no surprise that immunization coverage rates for the district are also disappointingly low. Estimates of immunization coverage are presented in Table III-4.

TABLE III-4. IMMUNIZATION COVERAGE ESTIMATE ASANTE AKIM SOUTH DISTRICT, 1991

Vaccine	1st Quarter	2nd Quarter	Fall-off Rate[a]
BCG	9.3	25.5	NA
DPT I	10.2	28.0	NA
DPT II	10.4	23.6	-15.7
DPT III	8.5	23.0	-2.5
OPV I	10.7	28.4	NA
OPVII	11.7	25.3	-10.9
OPVIII	9.2	21.0	-17.0
MEASLES	7.2	18.7	NA

Notes: Immunization coverage is expressed as the percentage of children in the under-1-year-old age group who have been immunized.
NA = Not Applicable
(a) fall-off rate is calculated for 2nd quarter data.

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[29] It is interesting to note that utilization of postnatal services was greater for the 22 percent of district women who delivered at a health center. The coverage rate for mothers who delivered at health centers was reported to be 67 percent. Aside from the obvious role that information undoubtedly plays as a determinant of prenatal care utilization, it is also conceivable that the observed utilization pattern indirectly results from a greater price sensitivity on the part of poorer women in the consumption of preventive services. If this is the case, of course, it suggests that the current institutional arrangement governing the provision of maternal and child health services is regressive in the sense that it discourages consumption by the poor more than by those who are better-off. The validity of this conclusion depends upon acceptance of the following line of reasoning. First, it is assumed that birth weights are positively correlated with incomes (this would be expected if women from wealthier households eat an appreciably better diet than women from poorer households). Second, fewer than 1 percent of all babies born at the government clinics in 1990 and 1991 were reportedly below 2.5 kgs, suggesting that women from wealthier households disproportionately used clinic-based delivery services. Had more poor women delivered at health centers, the percentage of low birthweight babies would likely have been higher (see, for example, the evidence from the Ivory Coast Case Study). Third, it is assumed that individuals living on smaller incomes are more price sensitive than those living on larger incomes because an incremental price rise uses up a larger proportion of a poor individual's disposable income than it does for a wealthier person. If these assumptions are accepted, then the lower utilization rate by women who did not deliver at the health centers is explained by the fact that they tend to be poorer and are thus more sensitive to the inflated private cost of consumption.

Anecdotal evidence from interviews with mothers in one of Asante Akim South's villages suggests that the low immunization coverage rates may be attributable to an excessively high private cost of child immunization,[30] as well as insufficient information about the potential benefits these preventive health interventions can confer.

The private cost of care and information inadequacies may also partly explain the low utilization of family planning services in Asante Akim South District. Other factors such as attitudes and beliefs, however, may explain the reported fall in family planning coverage among old users (those that had previously used contraceptive methods). A comparison of 1991 family planning utilization data with similar data for 1990 reveals that out of an estimated 15,418 women of fertile age in Asante Akim South in 1990, only 625, or 4 percent, reportedly used either barrier, injectable, or oral contraceptives. Of these 625 users, approximately 40 percent were new users and the rest were old users. In 1991, the number of old users was reported to have fallen to 231 while 174 new users were added. This suggests that over 60 percent of the women who chose to use contraceptive devices in 1990 stopped using them in 1991. When 1991's projected new users are factored in, overall utilization

[30] An interview with DHMT members suggests that there is only an indirect appreciation on the part of government health staff for the effect of private costs on the demand for health services. DHMT members indicated that the low immunization coverage rates are due primarily to supply-side factors such as a lack of adequate transport for district medical staff and a lack of trained manpower which keep the government from producing adequate quantities of care, rather than to demand-side factors (e.g., high prices and insufficient information) which keep potential beneficiaries from consuming adequate quantities of care. Clearly, the two issues are related since increasing the supply of health services at the village level will also reduce the time price of obtaining care and thus increase demand. However, it seems likely that the emphasis on supply-side explanations for the low coverage rates may result indirectly from MOH desires to maintain strong, centralized control over health service delivery in the rural areas. This desire is evident in the view that community health services are best provided through mobile outreach services produced by well-trained health manpower rather than through stationary, community-based health facilities that rely on less extensively trained community health workers. Since community health workers are less easily controlled by the MOH (they are not civil servants), the ministry is willing to forego the potential efficiency gains of this type of service delivery approach in order to maintain control over the provision of health services. If the MOH believed that demand-side factors were primarily responsible for the low coverage rates, it would have a greater incentive to implement community-based services.

of contraceptives is still projected to decline by approximately 7 percent compared with 1990. If these projections are correct. they suggest that the family planning coverage rate will fall from 4 percent to 3.6 percent.[31]

A similar decline in coverage rates is projected to occur for health-center based deliveries in 1991. Table III-5 presents the available utilization data for deliveries at the three health centers in 1990 and 1991.

The data suggest that utilization of health center delivery services is projected to fall by an estimated 40 percent from 1990 to 1991. Given that the expected number of pregnancies should increase from year to year as a result of the expected continued growth in the female child bearing age population, the projected decline in utilization implies that modern delivery care coverage will decline even more.[32]

The decline in patient-related preventive service coverage is particularly discouraging when it is recognized that many of the most prevalent illness conditions reported in Asante Akim South District can be prevented. Malaria, diarrhea and upper respiratory infections, (all of which are amenable to preventive strategies), are the three most prevalent illness conditions treated in government health centers through the first half of 1991.

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[31]Unfortunately, data on the utilization of the 30 outreach clinics periodically conducted by health center staff in specified villages were not available. It is not possible, therefore, to ascertain whether overall utilization of growth monitoring and immunization services has been increased because of the availability of outreach clinics. To the extent that the price of time has acted as a barrier to access in the consumption of these patient-related preventive services, however, it would be expected that the establishment of outreach clinics reduced the private costs of care and thus increased demand and possibly utilization. If this has been the case, then it would also be expected that some consumers would have substituted village-based outreach care for care offered at the more distant sedentary health centers. Depending on the size of this substitution effect, an observed reduction in health center use might be consistent with an overall increase in utilization.

[32] Using the data from Table III-5, the projected coverage rate for modern delivery care is estimated to fall from 67 percent in 1990 to 22 percent in 1991. While this marked decline in coverage is a serious problem that warrants further investigation, it is worth noting that its potentially negative impact on maternal and child health may be offset to some degree by the training of TBAs in improved delivery technique. The district is currently participating in a MOH-sponsored training program for TBAs. As part of this program, staff from the MCH-FP unit at the Juaso Health Center recently underwent a training of trainers course for TBAs. Seven TBAs have been trained to-date in the district, but the expectation is that more TBA training will be organized in the near future.

TABLE III-5. HEALTH CENTER DELIVERIES IN ASANTE AKIM SOUTH DISTRICT

Health Facility	# Deliveries		<2.5 Kgs	
	1990	1991(a)	1990	1991(a)
Juaso	629	300	5	–
Bompata	219	158	3	–
Ofoase	518	372	3	2
Total	1,366	830	13	2

Notes: (a) 1991 utilization data are projections based on actual utilization data reported for the first 6 months of 1991. It has been assumed that monthly utilization levels will remain the same for the second half of the year as they were for the first half of the year. The data provided by the DMO indicated that 100 percent of the births in the two years were live. Given that the health center maternity services ostensibly serves as a referral facility for home delivery complications, the total absence of recorded stillbirths in the health center data suggests that these data may be unreliable.

B. The Village of Odubi

1. Village Description

Odubi is about 15 miles and 30 minutes south of Juaso on a hard-packed clay road. There is significant erosion in places, but the road is completely passable. The thick vegetation reaches directly to the side of the road and the only evidence of the farming that occurs in the interior are the walking paths and occasional vehicle tracks that diverge from the road through the vegetation. One passes through the larger towns of Nkwanta and Obogu before reaching Odubi. Taxis, trucks, and *tro-tros* ply the road. There are poles for electrical power as far as Obogu, but no lines have been strung yet.

Odubi straddles both sides of the road. The home of the village chief, the *Odubihene*, is a substantial concrete structure with small rooms and an alcove which serves as the palace surrounding the central courtyard. Most of the house is freshly painted. There are a few other improved block homes in the village, but most of the housing is unimproved mud block on a swish frame (either bamboo or palm stalks).

Originally, the settlers of the village came from farther north in the area, having moved because of warfare. All original settlers were from one "family", i.e., one Akan tribal group. Because of good farming they were joined by other Akans, some Ewes, and some northern Moslems. The Moslems now live in the

town's *Zongo* (the area reserved for "strangers"), but they and all others are welcome and participate fully in the village. The village is small and basically homogeneous. What cultural and ethnic differences that do occur do not appear to stand in the way of village development.

The chief sits on the *Akona* stool and rules Odubi and some other smaller areas. The people (after much debate among those attending a meeting with the chief and elders) date their settling of the village at approximately 1914. The area is good for farming, and therefore the village has gradually grown to its present size. According to a 1990 census, Odubi has 100 houses and a population of 738 (156 adult men, 180 adult women, and 402 children ages 0 to 17).

Farming practices, specifically what crops are grown, do not appear to have changed dramatically for the people of Odubi, at least not during the period recalled by their oral history. Contact with the British likely occurred not long after the area was settled in the early 1900s. Cocoa production probably began soon after that. Originally cocoa was sold to "societies" and companies sanctioned by the British.

Along with the cocoa, villagers grow yams, coco yams, and plantains. Currently, most people grow sufficient food for themselves and some to sell, both in Odubi at the small twice-per-week market (which is clearly depleted by noon), and at other larger village markets up the road toward Juaso. There are traders in the town who do the buying, though none who owns a truck. Trucks do come to Odubi to purchase produce, conveying it to Kumasi and Accra for resale.

There is no more farming land within easy reach of the village. Currently some farmers walk up to 10 miles to their farm plots. Farmers claimed, however, that given the correct conditions more crops could be produced and sold. These conditions would include improved feeder roads for easier conveyance to the market. Also, it was stated that more money is needed to be able to hire the laborers needed to work more fields and crops. Last year's cocoa harvest was reportedly more than 100 tons, but farmers said it could be increased, possibly even doubled.

The village market is very simple--three-sided stalls made of bamboo poles and thatching. Land adjacent to the present market area which is available to expand the facility. Other smaller villages, those under the *Odubihene*, come to the market because Odubi is their market center.

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Other than the market, the other common meeting area is a space similar to the market, with poles supporting thatched roofs, that is used strictly for meetings and is located in the center of the village.

Other community structures include four pit latrines located throughout the village, two for men and two for women. The latrines are rudimentary structures--approximately 15- to 20-foot-long, narrow ditches spanned by several *odum* (hardwood) boards, surrounded by waist-high mud walls and poles supporting a thatch roof. The mud walls and roof are in disrepair. Sanitary conditions were not maintained; corn cobs and scrap paper had been casually tossed to the back of the latrine and covered a small open field. There was some dispute as to whether the latrines could even be considered operational. The assemblyman said they were not because they filled with water. Others said they were because they were used. The assemblyman agreed they were used and when asked said the people would prefer to use the latrines, such as they were, in preference to the bush. A KVIP was considered desirable but would cost more than 1 million *cedis* to construct.

The village has four hand pumps. Two are in the center of the village and two are on opposite sides of the village. They are owned and maintained by Ghana Water and Sewerage Corporation (GWSC), but the village has to pay a fee for their use. The two observed were India Mark IV types, in good repair. The other two, however, were closed off by GWSC because the village is in arrears by approximately 175,000 *cedis*. In fact, all four could be shut off for non payment. It was only through GWSC's consideration that two were kept open. The two in the center of town are directly next to one another (literally within ten feet of one another). One is open and one is closed. Usage was light at midday, but the queue gets long at peak usage times. A nearby stream is used for washing water, but the assemblyman reported that the people do not drink from it.

Presently, the community farm grows cassava and plantain. There are plans to grow cocoa. The land was donated by the chief, and the harvesting is done by the Women's 31st December Movement. Last year 50,000 *cedis* was raised from the farm. It was used for expenses incurred for such things as sending villagers to meetings in the area. The produce grown is sold at the local market and to traders.

The junior secondary school (JSS) workshop was built strictly by the village with no outside assistance. The village supplied all labor and all materials. Representatives of the central government reportedly stated that any village that wanted a JSS had to have a workshop. Those who did not provide a

workshop would not get a JSS, and it would be sited somewhere else. Therefore, there was a sense of competition to get the JSS and, since Odubi wanted one, the community built the workshop. It is very nearly completed. So far it has cost approximately 1 million *cedis* (nearly $3,000). Money was raised through the harvest festival (men contributed 2,000 *cedis*, women 1,000 *cedis*, and non-residents 3,000 *cedis*). This first round of contributions brought the building to its present state. Another 50,000 *cedis* will probably be needed for completion; this is to be raised through a deduction of one kilo of cocoa (about 200 *cedis*) for every load of cocoa sold at the cocoa marketing board station in Odubi.

The primary school in Odubi is a standard eight-room block, constructed in the 1940s. It was originally a Presbyterian school, but it has not been church-affiliated for many years. Although basically sound and well-swept, the building had clearly not been repaired in years. Both walls and floors needed resurfacing with cement. The roof was in place but had 1-inch rust holes and was overdue for replacement. New windows and doors were needed. Since it was vacation, there was only minimal furniture present: benches belonging to a local church, the head teacher's office furniture, and a few pupil's chairs and desks locked in the store-room. The playground was an uneven dirt space. In contrast to the well-kept secondary school in Juaso, Odubi's primary school was shabby. There were no posters, although the blackboards were adequate. The kindergarten next door was a small, two-room, thatched pavilion with mud-brick half-walls. The teachers confirmed that there had been no systematic maintenance performed for at least ten years.

Neither the community nor the PTA had taken charge of supplying the school with desks and chairs for the pupils. Children brought furniture supplied by their parents or did without. The head teacher did not exclude children who could not bring furniture.

2. Health Care in Odubi

Curative Health Care

Residents of Odubi have no curative health facility located directly in their village, though there is a private drugstore. A retired medical assistant who resides in the village treats a number of patients who are unable or unwilling to travel to the

nearest available facility.[33] The closest curative care facility is a private clinic in Obugu, which is 15 minutes away by car (three hours walk round trip). The next closest curative facility is the Juaso Health Center which is a half-hour drive from Odubi. Patients can travel an equal distance in the opposite direction to Komeso if they prefer to be treated by a traditional herbalist.[34] Finally, two hospitals are located more than a half-hour drive from Odubi. The first is the Agogo Hospital run by the Presbyterian Mission but subsidized by the government (it is located one-and-one-half hours by car), and the second is the Catholic Family Hospital located in Nkawkaw (also one-and-one-half hours by car).

Since there are no full-service curative care facilities in Odubi, consumers have little choice but to travel long distances and thus incur the associated travel and opportunity costs to obtain treatment. In fact, estimates based on interviews with a limited number of curative care users suggest that the direct pecuniary outlays for travel to and from the health facilities plus the opportunity cost of time may account for as much as 60 percent of the total private unit cost of care.

The following example is typical of the responses obtained from interviews with recent curative care users in Odubi. The patient interviewed was a cash-crop farmer in his mid-30s who had suffered from acute "stomach troubles" for three days before seeking treatment at the Catholic Family Hospital in Nkawkaw. The man said he chose to bypass the more proximate alternatives and travel the extra distance to the hospital because he felt it offered the highest quality care available. In retrospect, he said that he was disappointed in the quality of care he received and was particularly upset that he had to wait so long for treatment. It took him nine hours in all from the time he left for the hospital until he returned to Odubi--time that he would otherwise have spent cultivating.

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[33] According to the family of an elderly patient in Odubi, the retired medical assistant provides his services free of charge, and directs his patients to the local pharmacy shop to purchase the prescribed drugs. The patient relies on the retired medical assistant because he is too old and frail to travel the long distances to alternative providers--none of whom had previously been able to cure his respiratory problems.

[34] According to the respondents, there are no other traditional healers in the area nor are there any drug peddlers (the latter, people claim, have been outlawed). It was impossible to confirm this report, but it seems likely that the respondents may have interpreted the question about traditional healers to refer to a particular type of healer. If this is the case, then it may be that other traditional options are available that did not come out in the interviews.

To better examine the incentives that contributed to this man's choice of curative care provider, it is useful to derive estimates of the unit price he paid for treatment. The unit price (or, the private cost per curative care visit) is summarized by the following accounting formula:

$$pc = p + drg + oc + dpc - t$$

where *pc* is the unit private cost of obtaining care from a given provider, *p* is the unit user fee, *drg* is the unit cost of drugs, *oc* is the unit opportunity cost (the value of time taken to travel to and from the health center plus queue and obtain treatment), *dpc* is the unit direct private cost (the cost of transport), and *t* is the unit transfer payment received by the individual (e.g., insurance).

The unit private cost incurred by the man from Odubi is estimated to have been 3,225 *cedis*, which was broken down as follows (in current *cedis*):

Unit Cost Components	Percent of Unit Private Cost
p = 50	1.5 percent
drg = 1,150	35.7 percent
oc = 225	7.0 percent
dpc = 1,800	55.8 percent
t = 0	0.0 percent
pc = 3,225	100.0 percent

Though this single unit private cost estimate only provides a rough notion of the prices faced by a typical consumer of curative health services in Odubi, it highlights several important issues.[35]

[35] While the pecuniary prices paid by this Odubi curative care consumer are thought to be fairly accurate (he had been treated only a week and a half before the interview), the estimated unit opportunity cost is much more problematic. The estimate was derived by multiplying the total number of hours the man reported spending from the time he left Odubi until he returned (nine hours), by a crude estimate of the average hourly income of a "typical" Odubi resident. In order to generate the average hourly income estimate, three income interviews were conducted in Odubi on households that were pre selected by the village elders as being representative of the bottom, middle, and top of Odubi's income spectrum. In each case the household head was asked to list all members actively engaged in any income-generating activities in 1983 and 1990, respectively, and then to estimate their income net of factor costs. In addition, in each case the household head was asked to estimate: (1) the value of remittances received in cash or in kind in both years; and (2) the total income received from rental properties. No attempt was made to impute the value of owner-occupied housing

One of the most important issues to note from this analysis is the large role that appears to be played by travel costs in the total cost of obtaining care. According to these estimates, direct payments for transportation to and from the health facility account for as much as 55 percent of the unit private cost of care. When the opportunity cost of time is added, the travel and time costs account for as much as 60 percent of the total cost of obtaining care.

An important implication of this finding appears to be that the private cost of care could be substantially reduced by the establishment of more proximate curative care providers. Given the man's revealed demand for high quality care, however, (he exhibited that he was willing to pay the sizeable marginal transport and time costs to consume what he thought would be a higher quality service at the more distant mission hospital), it is clear that the alternative would have to be of a fairly high quality.

Work by Waddington and Enyimayew (1989) in Asante Akim South District indicates that consumers of curative care view quality as being a function of (expected) treatment efficacy, the attitude of the provider toward the patient, and the availability of drugs. Evidence from their focus-group interviews confirms that consumers are willing to pay for higher quality care.

The feasibility of establishing a sustainable health care provider alternative near Odubi that would reduce the private cost of care and thus increase access to curative and patient-related preventive services hinges in part, therefore, on redistributing the private costs of care away from travel and time outlays towards fee and drug outlays, and then to use the added fee and drug revenues to ensure that a high quality alternative is supplied. Theoretically, so long as the consumer is faced with the same unit price or total private cost per visit and is offered care of a comparable quality, he or she will be indifferent to the composition of the unit price. Thus, the level of demand will be unaffected by an increase in user fees and drug charges so long as these price increases are offset by an equal or greater reduction in travel and time outlays *and* the quality of service provided remains constant.

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nor to impute the value of home production activities. Since Odubi was the first of the three sites visited by the research team, the income interviews invariably were not as successful as in the latter two sites. Particular problems were encountered in eliciting income estimates for 1983 and so these results have been discarded. Given the problems encountered in constructing a measure of opportunity cost, the reader is warned that they may be subject to considerable error.

If increasing access to curative health services is a policy objective, then it may not be enough to simply redistribute the cost of care from travel and time outlays to fee and drug outlays. It may also be necessary to reduce the total private cost of care for consumers who are unable to pay and are thus precluded from obtaining modern curative care. Further analysis is necessary to more precisely determine who can and cannot pay for curative care, or what unit prices are affordable, but the private cost estimate presented above does suggest that the prevailing private cost of care places a substantial burden on the typical consumer in Asante Akim South.

Using the crude income estimates derived from Odubi and the estimated unit price paid by the man in the preceding example, it is apparent that a single acute illness episode can account for as much as one-sixth of the *monthly* earnings of an average *household*. Clearly, when more than one household member is sick, or when chronic illness occurs, the burden of paying for curative care can be exorbitant.[36]

Patient-Related Preventive Care

Despite MOH recognition of the need to subsidize patient-related preventive care consumption, the limited evidence gathered in Odubi suggests that the unit price faced by consumers may still significantly reduce the demand for these services. To the extent that this reduced demand and utilization diminishes the external benefits accrued by the community at large, then the prevailing prices are not optimal from a social perspective.

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[36] Waddington and Enyimayew (1989) reveal that many individuals feel a necessity to pay for the care needed by extended family members and that these payment obligations erode their ability to pay for their own treatment or for the treatment of other nuclear family members. In addition, they quote one individual as saying, "the payment of this money and the subsequent buying of drugs coincided with the re-opening of school. [The] money spent on [this] illness was earmarked for payment of the children's school fees and buying of school uniforms" (ibid. 29). Paying the high cost of curative care can thus have important negative implications for household ability to pay for education and other basic services. It is also worth noting that the incentive to meet these reciprocal social obligations is undoubtedly intensified during periods of increased economic uncertainty when an individual's own ability to pay is not assured. In this context, it can be argued that one of the indirect negative effects of structural adjustment is that by changing the prices and institutional arrangements (incentives) faced by individuals, the policies increase the level of uncertainty and thus intensify the incentives to adopt risk-averse strategies such as meeting these reciprocal payment obligations. To the extent that this occurs broadly, the feasibility of successfully implementing one of the principal conditions attached to the health sector structural adjustment loans (i.e., transferring financing responsibility to consumers in order to reduce the public subsidy) is undermined by the overall structural adjustment program.

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Interviews with five pregnant women in Odubi suggest that the unit price of prenatal care most likely exceeds the socially optimal level and thus precludes the use of these preventive services. Table III-6 reveals that the total private cost of five prenatal care visits would be approximately 4,800 *cedis* at a private maternity and 5,000 *cedis* at a public maternity. When these unit cost estimates are combined with the income estimates obtained for Odubi, it appears as though the total private cost (exclusive of opportunity cost) for a typical prenatal care user amounts to approximately 25 percent of the monthly income for an average household in Odubi. It is not surprising that the five women interviewed waited an average of

TABLE III-6. THE UNIT PRIVATE COST OF PRENATAL CARE AT PUBLIC AND PRIVATE HEALTH FACILITIES IN ASANTE AKIM SOUTH DISTRICT IN 1991

	pc	p+drg	dpc	oc	t
1st Visit:					
Private	2,000	1,800	200	?	0
Public	1,300	700	600	?	0
Subsequent Visits:					
Private	700	500	200	?	0
Public	900	300	600	?	0
Total Unit Private Cost (5 visits):					
Private	4,800	3,800	1,000	?	0
Public	4,900	1,900	3,000	?	0

Legend: pc = unit (per visit) private cost; p = unit user fee; drg = unit drg charge; dpc = unit direct private cost (transport); oc = unit opportunity cost; t = unit transfer payment.

four months before their first prenatal visit, and that in each case they sought care because they feared that they were experiencing some complication with their pregnancy, not because they perceived any other benefits of prenatal care. Furthermore, in two cases where the women had sought care at the private maternity in Obugu, they had not heeded the midwife's advice to

come back for follow-up visits. Only in one case (a woman who traveled to the Juaso Health Center) was more than one follow-up visit made.

Table III-6 also reveals that drug charges and user fees together constitute a large portion of the total cost of consuming prenatal care. Evidently, private providers are able to charge twice as much for drugs and for services rendered than the public provider in Juaso because the unit travel costs (and presumably the unit opportunity cost) are lower for users of the private option. In addition, Waddington and Enyimayew (1989) suggest that consumers may be willing to pay the higher drug and user charges at private maternities because they think that higher prices mean higher quality care.[37]

Since each of the women interviewed in Odubi sought prenatal health care in response to a perceived medical complication in the early stages of her pregnancy, it seems logical that their perceptions of the quality of prenatal care received centered on the effectiveness of the curative treatment they received. In fact, since the private maternities offer primarily curative services, it is clear that most women in Odubi place little value on the preventive prenatal services offered at the Juaso Health Center.

The lack of revealed demand for preventive prenatal services no doubt correlates with a lack of information about the availability and benefits of patient-related preventive care. Without this knowledge, women are unable to make informed decisions about the type of health care to consume, and as a result, are poor coproducers of their own health and that of their children.

The interviews in Odubi strongly suggest that the women's inability to act as effective coproducers of health results primarily from this lack of information about health services, rather than from a lack of education. None of the five women interviewed had received any formal education, and their husbands had only completed between two to four years of primary school. And yet, one of these women chose to use the Juaso Health Center and return for successive maternal immunizations and nutrition education. The difference appears to be that she was the only one who knew that these services were available in Juaso and that they were available at approximately the same total cost as the

[37] Waddington and Enyimayew (1989:33) quote a nurse as telling them "I know a woman who went to the eye clinic. When she was charged 70 *cedis* she told us the drugs were not good. We did all we could but she insisted that the drugs were not good because she had paid large sums of money at Komfo but she was never cured. But we had given her all those drugs for 70 *cedis*."

curative services in Obugu. She had learned about these services from her sister who had been referred to the Juaso Health Center because of a complicated delivery. All that was necessary to induce this woman to consume prenatal preventive services was the information that these services were available. Even without any formal education she was able to make an informed decision.

The potential importance of formal education was more obvious in the women's total lack of knowledge about the benefits of immunization or growth monitoring. Unlike the prenatal care case, all the women had heard about immunization, and four out of five had actually had an older child immunized. Without exception, however, they could not recall the reason children should be immunized nor how many vaccinations their older children had received.[38]

3. Primary Education in Odubi: The School and the Community

The teachers interviewed could recall only one student from Odubi who in the last nine years had gone on to secondary school and a teachers' training college. Parents in the village seemed willing to send their children to school through JSS, but then expected them to marry and begin farming. Several teachers mentioned that there were bright children interested in learning currently attending school, but agreed that they were unlikely to be supported for education beyond JSS. There appears to be no history of community scholarships or individual sponsors for particularly good students.

A group of village elders interviewed believed that a school education was no more necessary now to a farmer than it was twenty years ago. It was considered important to be able to do basic arithmetic, but to be able to read English on fertilizer or pesticide labels was unnecessary, as was an ability to communicate with the agricultural extension service, since the service was not considered to be much help. Few people in the

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[38] It is also interesting to note that several of the women reported having been asked to pay for immunization services, despite the fact that the 1985 Hospital Fees Regulation Act exempted payments for all vaccinations. Either the women were paying for complementary services and thought they were paying for immunization (i.e., they did not have accurate information on prices), or they were being required to make an unofficial side-payment to the health care provider. The possibility of the latter cannot be ruled out since Waddington and Enyimayew (1989) also reported wide spread side-payments being paid to obtain care. Schwabe (1991) found that unofficial side-payments served an important market equilibrating (rationing) function in cases where prices are fixed by the Ministry of Health.

village appeared to be comfortable speaking English. This implies that schoolchildren have few opportunities outside of school to practice their English. An informal quiz of about 20 children (mostly P3 and P4, and a few up to JSS2) in the village indicated their literacy in English. Of five words written on cardboard, they read only "cocoa." (The other words were "mother," "road," "chicken," and "egg.") They could name all the letters in the words easily but could not read the words. Similarly, they could understand and respond to familiar English questions, ("How are you?" "What is your name?"), but not more complex ones ("Is that boy your brother?" "How many sisters do you have?").

In Asante Akim South communities perceive themselves to have very little say in the staffing of their schools. One consequence is that both villagers and teachers themselves view teachers as strangers. In Odubi, the locally born teachers are untrained; the trained teachers report having no friends from the village community (although the head teacher appears to be well-integrated and intends to work there for the few remaining years of his career. He had served in 10 schools during his 29 year career; the younger trained teachers did not appear to have moved as often.)

The relationship between the school and the community is somewhat awkward. There is a PTA, but it does not meet regularly. Meetings are most often called by the head teacher when there is a specific issue to address. The last meeting was about six months ago, called to discuss the welfare of the school. The PTA helped with an immediate item, the purchase of cooking utensils for the kindergarten to be used to prepare food for the children, but again postponed the issue of basic repairs to the primary school. The teachers do not characterize the PTA as active or particularly responsive, but they recognize that the basic problem is poverty, not a refusal to cooperate.

The primary school in Odubi illustrates that the head teacher's has the discretion to get rules that effect which village children attend school. Although he claims that enrollment has increased since his arrival in 1985, some of his policies, designed to improve the functioning of the school, seem to have the unintended consequence of excluding some poor children. When he arrived, many children came to school in tattered uniforms; he now enforces a requirement that pupils come to school in decent uniforms. The cost of buying a uniform is approximately 2,000 *cedis* (although they may be made at home). He is also strict about collecting fees from students: 230 *cedis* per pupil per year for stationery (exercise books, pen, pencils, eraser) and 620 *cedis* per pupil per year for textbook rental, assembly, cultural, and sports fees.

The official school policy is that every child should bring a chair and table from home; this policy is not strictly enforced since all the teachers report that some pupils have furniture and some do not. To provide school furniture for a child costs about 2,000 *cedis*. Similarly, the official policy is that all children in the community attend the adjacent kindergarten in order to enroll in primary school. Kindergarten costs 100 *cedis* per month per child. The head teacher says that he would not refuse entry into primary school to a child whose parents could not afford kindergarten, but he clearly puts some pressure on parents to send their children there. He and the other teachers agreed that there were 10 children who had dropped out of school this year because their parents were too poor to send them to primary school; the head teacher visits these parents in an effort to persuade them to send the children back to school. The head of the PTA put the number of children not in school at greater than 10, but could not estimate a more precise number.

Teacher morale appeared to be good. Teachers agreed that conditions were improving gradually. They recognized that the community was not able to provide as much as was required but did try to meet the school's occasional emergency needs.

Because school was not in session, it was difficult to form an impression of the teachers' competence. Some spoke English well, some spoke very little English. Their completed questionnaires were uninformative; they had been delivered to the head teacher during the first day in the village and collected two days later. The answers were brief and virtually identical down to spelling errors. The questionnaire answers did not demonstrate great fluency in written English compared to the P6 teachers met in Juaso, but the circumstances did not provide a fair opportunity for the teachers to demonstrate their mastery. Although the head teacher appeared to manage the school effectively, he did not appear likely to be a better than average teacher, judging both from his ability to articulate his views and from his career accomplishments.

4. Village Governance in Odubi

Odubi has a formalized community development structure based on the Committee for the Defense of the Revolution unit, which meets every Sunday to discuss development priorities. Sometimes the chief and elders attend. Examples of issues discussed include school repairs, latrines, roads, boreholes, the market, and roadside weeding. At the Sunday meetings, decisions are made about what activities to undertake on market days (Tuesdays and Fridays), which are also considered communal labor days because people do not farm on those days. The gong is sounded for communal labor and all residents over 18 are required

to report and assist with communal labor activities. There are labor group leaders who keep tabs on who is or is not present. Elders who cannot work contribute cash or purchase labor instead of actually working themselves. Fines of 3,000 *cedis* can be levied for non participation. Work runs from approximately 8 a.m. to 1:30 p.m. People reportedly do not mind participating and the activities are made to be enjoyable--women provide food and water, and sometimes people sing as they work. Overall the level of participation is considered high.

On the Tuesday prior to our visit, one work group went to work at the community farm, and another cleaned the borehole site. On the Friday after our visit, planned activities were to weed areas of the bush that adjoin the village to keep down the mosquitos and snakes, and to do some repairs of the kindergarten kitchen.

Communal labor was described as a long-standing tradition in the village, as is the hierarchical structure which determines the projects to be done and the sanctions for not contributing. There is reportedly more communal labor now than in the past. Traditionally, Tuesday is a taboo day; i.e., people are forbidden from going to farm on Tuesdays. In the past, if they did, they had to sacrifice a goat. It is even forbidden to collect water from the river on Tuesdays. Now the non farm taboo day is a communal labor day. In addition, on Sundays children clean the latrine sites, or pay 50 *cedis*.

The village also meets once per year, at Christmas time, to discuss the village's development priorities. The meeting is held at that time in the hopes of including villagers who presently do not reside in the village, but will come home for the holiday. The meeting (*durbar*) is something of a harvest festival. Collections are taken at that time--300 *cedis* for resident men, 200 *cedis* for resident women, and 1,000 *cedis* for non residents. This money is deposited in a village development fund bank account.

The village development fundraiser generated approximately 70,000 *cedis* for the bank account (about $200). The assemblyman was disappointed in the amount collected and said many of the absent sons and daughters did not contribute anything. The chief, the assemblyman, and the CDR unit do the planning and budgeting for the fund. To-date, they have used the money to hire a grader to level the *durbar* area, and to make temporary stalls (bamboo poles and thatch roofs) for the market.

Constraints and Problems and Issues

Odubi is essentially a small, poor village. The assemblyman reported that villagers grow enough to feed themselves, but do not have any money in their pockets. The only time there is a surplus of cash is at the time of the cocoa harvest. This lack of cash translates into an inability to fund the projects which the village equates with development. The village is well organized, but that organization did not seem to translate into advances for the village. Status quo was maintained but there did not seem to be great strides towards improvement.

Education is considered the village's top priority development concern; second priority is the road, specifically improving drainage to reduce erosion.

Because the returns from the harvest festival were disappointing, the village is trying the cocoa deduction as a fundraising method. Therefore, only those who sell cocoa are contributing. The assemblyman recognized this fact, but said many did not contribute to the harvest festival either, so either way there is free-riding.

Those who did not contribute to the harvest festival fund can be taken to court; the village has that power. This sanction is not enforced, however, because turning an individual over to the authorities is considered too drastic. The thought of possibly sending someone to jail was clearly seen by the assemblyman as horrifying. The extended family concept and the reality that almost everyone in the village is related influences how much village authorities are willing to evoke sanctions. Though traditional sanctions (those evoked by the village on another villager) are considered reasonable, court is viewed as turning a brother over to some other, ill-understood power.

Those who do not contribute to village fundraising efforts say that their income levels are limited and there are multiple demands on their cash resources. For example, daycare (kindergarten) now costs 20 *cedis* per day for food and 100 *cedis* per month for fees. Though traditionally children are left in the care of relatives while the parents go to farm, daycare is now considered to be a good idea because children are better attended than when they were left at home. Another demand is the borehole contribution, which costs 1,004 *cedis* per year per house, regardless of house size or water usage.

A 300-*cedis* contribution was not viewed as a large amount, but people are unaccustomed to paying taxes and generally expect that services of the kind targeted by the village be provided by the government free of charge. It was also considered difficult to determine who is truly needy and incapable of contributing, and who is shirking.

Boreholes cost the village 98,000 *cedis* per year for all four wells. Originally, the villagers thought the boreholes were for free. They were later charged for several years of arrears that they were never informed they owed. The village plans to use the kilo cocoa deduction to pay the arrears and to get all four wells operational. Another payment will be made in July and it is hoped the arrears will be cleared within a year. At that time, monthly payments will be instituted to keep the account balanced - 200 *cedis* per house per month. The assemblyman acts as collector, going house to house for the money. He did say that if the village was threatened with losing all four boreholes, he would take the step of invoking the courts and making examples of a few people, which would prompt all others to pay. Though some people would evidently be just as happy to use the river as the boreholes, the water is bilharzia contaminated, and the assemblyman said there was a "law" against using the river for drinking water.

The villagers are basically subsistence farmers. They grow enough to feed their families well, with a little left over to sell in order to buy essentials such as kerosene. It is very difficult, however, to make the next leap to growing more to raise more cash, even though there is land available to do so. The villagers' time is spent growing their own food, and the extra time required to grow extra to sell is not available without hiring extra help; however, there are no funds available to hire laborers. Borrowing money from the bank is laborious and too often the loan is received too late to help with the planting, ends up being used for something else, and is not repaid; so, the banks are reluctant to lend. Farming is currently very labor intensive--farming methods could be improved with better management practices, but technological advances would be expensive.

C. Conclusions

1. District and Village Governance

Though the District of Asante Akim South is making substantial efforts to increase its revenues, it is capturing less than half of its potential basic rate. More importantly, however, what revenues are collected are almost completely earmarked for development of the district government structure rather than for services for district residents. This trend, even after two years, does not appear to be turning around, and there are still demands for office space and housing for district government staff.

Residents, district staff, and assemblymen alike are aware of the new district government's lack of credibility resulting from its inability to provide services. They also appear to be aware of the district's lack of available resources. Assemblymen are concerned about losing the next election because they have been unable to provide for their electorates, and therefore lobby the district administration for services and supplies for their constituencies.

At the village level, there appears to be greater potential for development than has occurred to-date. There is little infrastructure in Odubi, and though there have been many efforts to raise funds for various development purposes, they have met with mixed results at best, according to residents. There is, however, a tradition of communal labor, as well as a village development institution (which appears to be more based around the local Committee for the Defense of the Revolution than around the traditional ruling structure). The district as a whole is a food exporter and the farmers of Odubi expressed confidence that they could potentially increase their yields and their earnings. Thus, there are the makings for public entrepreneurship at the village level to be expressed through Odubi's self-governing development body. To-date, however, those potentials have not been reached.

2. Primary Education

At both the district and village level, continuing poverty and the increased costs associated with education were cited as the main factors preventing children from attending school. Villagers also expressed a belief that children should be trained for farming and that education was not a necessary prerequisite for that endeavor. This belief manifested itself in the

noticeable absence of community involvement in the primary school in Odubi. Even the most academically inclined students did not advance to secondary school, and the amount of education actually taking place at the primary school was questionable.

3. Health Care

At the district level, poor coordination and management of health services has resulted in an ineffective use of Asante Akim South's meager health resources. The compartmentalization of the various health-related departments has not best served the needs of the users. Furthermore, over centralization has not resolved a major issue in the district: high private costs have had a direct impact on utilization rates throughout the district in general, and in the village of Odubi in particular. Poorly coordinated services conceivably also contribute to a lack of concerted efforts to educate the populace about health issues so that they can be effective coproducers of their own health. Interviews with health care users in Odubi demonstrated a severe lack of information regarding how health services should be used.

IV. UPPER EAST REGION FIELD RESEARCH

A. Bongo District

1. District Description

Bongo, in Ghana's Upper East Region, is one of Ghana's 45 newly created districts. It was formerly the northern part of the Bolgatanga district. The population of the district is estimated to be 75,000. It is a small district which can be circumnavigated by car in two or three hours. The district is bordered on the north by the border with Burkina Faso, on the east by Zebilla district, on the west by Navrongo district, and on the south by Bolgatanga district. The exact boundaries are yet to be surveyed. Though no general survey of the district has been completed, some of the individual departments have completed surveys specific to their interests.

The town of Bongo, capital of Bongo District, is located 15 kilometers north of Bolgatanga (the regional capital) on a dirt road that is in good condition with relatively minimal erosion. The area is savannah with scattered trees along the way. Near Bongo, there are an increasing number of rocky outcroppings.

As is typical of northern Ghana, the settlements around Bongo town consist of scattered compound homes with mud walls and round rooms. A plaster of mud and cow dung over the walls prevents erosion. Roofs are mostly thatched and conical, although zinc roofing sheets are used for rectangular rooms. Some rooms have flat roofs that are used for grain drying and sleeping during the hot season. These flat roofs are also made of mud that is plastered around timbers. During the rainy season the area is very green--the fields are full of ripening millet, corn, and groundnuts.

Bongo itself is a small town at a crossroads of two dirt roads leading to the north towards the Burkina Faso border. There is a small market area in the center of town. Housing in the center of town is mostly traditional in style, although homes are closer together than they are outside of town.

The economy of the district is almost exclusively subsistence farming. There are two millet crops--early and late. The early crop is harvested in July and supports the family until the late crop is harvested in September. Groundnuts are also harvested in September. Crops are stored, mostly in unimproved mud constructed silos, and eaten during the six to eight month dry season.

In 1990, the early and late millet crops both failed due to drought. Because the rains stopped early, the ground hardened and the groundnuts could not be harvested. The district alerted the regional government in September regarding the crop failures and the pending disaster. The regional government then alerted the central government. CDR Units also passed their warnings up their chain of command. Food aid did not arrive, however, until July 1991.

There are five major markets in the district--Zoko, Namoo, Soe, Beo and Bongo--and a number of minor ones. In 1990 virtually no millet was sold on the market because of the crop failure (the district government in turn collected no revenues from those sales). Traditionally, animals are held for their savings value. There is, however, some marketing of poultry (chickens and guinea fowl), cattle, sheep, and goats. This year in particular animals have been sold to raise cash to buy food. Wild shea nuts, to make shea nut butter oil, are collected and sold to societies that in turn sell to the Cocoa Marketing Board. Sorghum is grown and sold for the brewing of *pito*, a local beer.

When sales of crops do occur, the transactions take place in Bongo; little is transported to Bolgatanga for sale. Animal sales are also transacted in Bongo; trucks convey the animals to Kumasi. The district government takes advantage of the market by levying a tax on animal sales.

The Vea dam is located in the district. It is the water source for Bolgatanga and is also the site of dry season gardening. Tomatoes are grown and transported to Kumasi. Rice is also grown at Vea as a cash crop. In bad harvest years, however, farmers are not able to generate the capital they require for dry season cash cropping.

In summary, household economies are almost totally subsistence-based with a small surplus from the sale of animals, beans, or rice. According to the District Secretary, the majority of the district's residents have enough of a surplus, specifically through the sale of their animals, that they are not dependent on food aid. The poor, however, do suffer and at the time of our visit, there were clearly famine conditions, in rural villages, mostly affecting mothers and children.

2. District Government Processes

The District Administration

Bongo district has seven zones, 36 electoral areas, and 31 traditional chiefs and villages. There is one traditional, paramount chief--the Chief of Bongo. Presently, the Bongo chief's seat (the skin) is not filled because two chiefs have died within the past year.

When the district was first established in 1988, there was no infrastructure for the administration. The District Secretary conducted his work under a tree in the center of Bongo and had a desk in Bolgatanga. The administration sees building its offices and infrastructure as its first task. Though no specific budget has been prepared to estimate what those infrastructure requirements are, the District Secretary and District Administrative Officer noted there are plans to improve the administration's infrastructure, but no resources to complete that plan.

Office accommodation in Bongo is, according to the staff, a problem. A new district office block was completed in stages between 1989 and 1990, strictly through local resources. Presently, some of the government low-cost houses in Bongo are being used as offices instead of for accommodations. Housing is not as great a problem as office space because staff live in Bolgatanga and commute to Bongo via the local *tro-tros* (trucks converted to passenger use). There is a travel allowance for this commute. There is some housing for district administration staff in the center of town. Some of it is improved local housing; i.e., local-style compounds have been improved with tinned roofs and cement plastered walls. There is also some concrete block housing for the staff.

The district's second administrative priority is to decentralize its departments. Eleven of 22 are decentralized: Ghana Education Service, Information Services Department, Ministry of Health, Department of Social Welfare, Department of Community Development, Department of Rural Housing and Cottage Industries, Births and Deaths Registry, Department of Animal Health and Production, Crop Services Department, Department of Fisheries, and the Department of Agricultural Extension. Services from those that are not decentralized are provided by the regional offices of those departments, which are based in Bolgatanga (15 kilometers away).

The District Politically

There are 51 members of the Bongo District Assembly. The district's enabling legislation calls for 54 members, but one has died and two have gone to school. Thirty-six of the 51 are elected and 15 are appointed. The majority of the district's assemblymen are teachers, with some civil servants and farmers.

The appointed members were selected for their technical qualifications and their potential contribution to the efficient operation of the Assembly. The requirements of the various subcommittees were reviewed and members were appointed based on those needs. For example, building technicians were appointed and worked for the Infrastructure Subcommittee on the office block construction. According to the District Secretary, the system has worked well, and the assemblymen are working well together.

The District Secretary uses the assemblymen to convey information to the villages, as well as to receive information from them about the villages and their needs. For example, the assemblymen were given a lecture on family planning that they then communicated to the villages. To bring information to the villages, the assemblymen work with the chiefs and their elders, and the local CDR units within each CDR zone.

The Assembly meets four times per year; the minutes of the July 1991 meeting included the following:

- Basic Rate: people are not able or willing to pay their rate because of the famine; the Assembly agreed to collect the arrears but not by force during the dry season, and agreed to undertake an education program to try to prompt people to pay;

- PAMSCAD Projects: villagers undertaking PAMSCAD projects appealed to the Assembly for technical assistance for those projects;

- GLOBAL 2000 Loans: loans to farmers for fertilizer were in arrears (251,000 *cedis* collected out of 1,200,000 *cedis* loaned); the Assembly agreed to ask that the loan be rescheduled;

- Food Aid: the Assembly discussed how the needy should be identified so that food aid would be distributed directly to them;

- Revenue Collection: during the first quarter of 1990, 8,210,200 *cedis* were collected; in the first quarter of 1991, 6,453,880 *cedis* were collected;

- Feeding Centers: there was a concern that the feeding centers were not being patronized to a large enough degree and if they were not, they would have to be closed.

In the interim between the July and September meetings the various sector subcommittees were to meet to discuss their issues and forward items for the September meeting agenda to the Executive Committee.

Development of the District

Electrical lines have been strung along the Bolgatanga-Bongo road as far as Vea, but not into the town of Bongo. The district has many Ghana Water and Sewerage Corporation boreholes with handpumps which are the major source of the district's drinking water. Eventually Bongo town will have pipe-borne water delivered from the Vea dam and water plant. The district has 11 pit latrines and three KVIP latrines.

There are no paved roads in the district. Some of the district's roads are impassable in the rainy season. A river passes through the district but is not bridged at any point. The existing roads cross the river bed and are therefore impassable after the rains. The Feeder Roads Department has informed the district that bridges would be too expensive to construct. Nonetheless, the District Secretary classified the district's roads infrastructure as fair, on the basis that there were only three or four months of inconvenience due to rain.

A district development plan is being prepared with the assistance of the national mobile planning team. The team met with the assemblymen for input on the district's development priorities, and then worked with the Executive Committee to initiate preparation of the plan. The medium-term plan has been completed, the short-term plan has been drafted but not yet approved, and the long-term plan is scheduled for completion this year. The approved, medium-term plan is very general in nature and appeared to be an adoption/adaptation of the generic plan used for the Mobile Planning Unit's goal setting exercise.

The district's specific goals, some of which it hopes to achieve this year, include: construction of a primary school; assistance to communities that initiate projects by supplying them with materials; development of an animal sales and loading area; construction of market stalls; development of the town of

Bongo as a district capital; improvement of roads so that they are passable year-round; construction of a JSS workshop and classrooms; provision of supplies and furniture for a JSS; construction of health clinics in Dua and Adaboya with assistance from the PAMSCAD program (these are currently under construction and are to be manned by district health staff); development of four nutrition centers; and development of a family planning education service (the district is considered to be heavily populated).

Feeder roads are a top priority. It is believed that better access to the interior of the district would encourage raising and sale of animals and crops. Roads would also more easily allow for providing goods and service to the most remote areas in the district.

Literacy is also considered a top district priority. The District Secretary guessed that approximately 60 percent of the district's residents have not attended school. The Community Development Department has been tasked with planning and establishing a literacy campaign which will be based on the use of trained supervisors who are village residents.

There are a number of projects on-going within the district's villages at this time. They are the responsibilities of the District Assembly or the affected communities, or are community based and PAMSCAD assisted. They include bungalow construction for district staff, a KVIP, health post preparation, and school construction.

The District Secretary believes communication between his staff, the District Assembly, and the villages is quite good, chiefly because of the district's small size. Due to limited resources, all district requirements cannot be met, but the district is quickly able to inform those whose requests are denied, he said. Also, because the district is so ethnically homogeneous, the villages are closely related and understand that resources have to be shared among all the villages.

The District Secretary said establishment of the Bongo District has meant better services for district residents. Furthermore, he believed the villagers recognized this fact. The decentralization program was also a success, he said, with regard to improved revenue collection, so that even though the economy was not better, collection of revenues was more efficient and was more quickly and efficiently translated into service delivery. The key, according to the District Secretary, is that supervision is now local, immediate, and constant.

The District Secretary also stated that the district's small size and autonomy have also allowed for improved communications and development of an awareness of development needs and concerns.

On the negative side, the District Secretary said decentralization was not a complete success because funding is not completely decentralized. He is convinced that the district can use funds much more effectively and efficiently than the central government. As an example, he noted that construction of his bungalow, which was the responsibility of the central government, was to be completed in three months; after three years, it is still unfinished. The district, on the other hand, was able to generate 10 million *cedis* for two JSS workshops and finish construction of both within three months. He believes all budgeting should be done by the Assembly, and a block grant should be provided by the central government.

Much of the district's time and energy is currently concerned with malnutrition and hunger in the area. The district distributes food aid, much of which is sent to the villages via donkey carts. Village-level distribution is supervised by the CDR Units. The CDR, the Chief, and the Assemblyman agree as to which village households require the food aid. The district also runs a feeding program.

The District Secretary displayed a good understanding of what was and was not realistic regarding the district's development potential, at least in the foreseeable future. For example, he cited the lack of discussion with villagers about the extension of electricity, recognizing that such discussion would be irrelevant because of the struggle to get sufficient food.

Resource Mobilization in Bongo District

While it was a zone within the Bolgatanga District, the Bongo Zone collected an average of 80,000 *cedis* per month in revenues. The current District Secretary says his first problem when the district was formed was to determine how the district could survive on that level of funding. By 1990, the District had achieved a high of 3.5 million *cedis* collected in a month, and a low of 2.2 million *cedis* per month. This phenomenal increase was attributed to the new local, district-level supervision of the revenue collectors, he said.

Despite being in the weakest fiscal position of the three new districts visited[39]--a position that recently has been eroded even further by the onset of a devastating drought and famine--Bongo District's total revenues were the highest of the three districts in FY 1989 and FY 1990. Bongo's total revenues in FY 1990 were nearly two times greater than those of Asante Akim South and North Tongu districts. Bongo's relatively strong revenue performance in recent years can be attributed to the following: (1) it has exerted a surprisingly strong own-source revenue collection effort, and (2) it has been the largest recipient of grant-in-aid from the central government. The district's categorical grant receipts have been so much larger than the other two districts that, even without receiving any shared tax revenues,[40] its combined grant plus shared tax revenues were 1.5 time greater than those received by North Tongu District and 3.8 times greater than those received by Asante Akim South District in FY 1990. Bongo has clearly benefitted (and, from available indications, will continue to benefit) from Ghana's commitment to using grants for redistributive purposes.

Evidently, the relatively generous central revenue support that Bongo has received since being created in 1987 has not reduced the effort it has exerted to increase it own-source revenues. In fact, nominal own-source revenues grew at an amazing average annual rate of 300 percent from FY 1988 through FY 1990, compared with the similarly impressive growth rates of 160 percent in Asante Akim South, and 140 percent in North Tongu. By FY 1990, Bongo's total own-source revenues were the highest of the three districts examined. Given that the district had the smallest tax base of the three, its revenue mobilization performance indicates that it exerted the strongest tax effort of the three districts.

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[39] *Fiscal position* is defined as the ratio of fiscal capacity to fiscal need. *Fiscal capacity* is the revenues that would be obtained by applying a standard (the same across all jurisdictions) tax rate to the available local tax base. *Fiscal need* is the total cost of providing a uniform standard (quantity and quality) of public services per capita to populations in different jurisdictions.

[40] Bongo authorities reported that they had received neither their ceded revenues (shared taxes) nor the 50 percent of local salary payments that were to have been funded by the central government. The Ministry of Local Government explained that Bongo did not receive its shared tax revenues from FY 1988 through FY 1990 because it owed the central government 1,727,757.85 *cedis* as repayment for a start up investment loan obtained by the district at the time it was created. Apparently, the lack of salary payments was an administrative mistake. Bongo is slated to receive almost 5 million *cedis* in shared tax revenues in FY 1991.

The largest supply of own-source revenue came from fees levied on imports and exports of foodstuffs, local market activities, and cattle handling and transport. Fee revenues from all sources accounted for almost 83 percent of total own-source revenues and approximately 42 percent of the district's total revenues (including grants) in FY 1990. From FY 1988 through FY 1990, fee revenues grew at an average annual rate of 362 percent (195 percent in real terms).

With this year's drought and famine, it is not surprising that this impressive growth in fee revenues is projected to be reversed in FY 1991, falling by an estimated 25 percent, since the three principal fee earners are tied to agricultural activities. The District Secretary said average monthly revenues are now approximately 1.5 million *cedis*. Projections based on actual revenue performance through June, 1991 indicate that the most serious decline will occur for fees levied on foodstuffs imported and exported from the district. Revenues from this source are expected to fall to half their 1990 level.

While most revenues can be expected to decline as a result of the drought and famine, fees for handling and transporting cattle may actually increase. Under current tax policies, cattle that are exported from the district are corralled by the district for several days so that veterinary inspections and immunizations can be conducted. During this time, a daily fee is levied on each head of cattle. If local pastoralists sell off more of their cattle during the drought because they need the added disposable income to compensate for lost home production, fees from this source will increase as projected. Since these fee revenues accounted for approximately 15 percent of total fee revenues in FY 1990, the projected increase will tend to mask the ill-effects of the drought on incomes and thus on tax revenues.

The Bongo case reveals one of the issues the Government of Ghana must confront if it is to carry through with its stated desire to decentralize. Given that the vast majority of Bongo district's economically active population is employed in agriculture, and that the prevailing climate, soil conditions, and production technologies relegate most of these producers to a subsistence lifestyle punctuated by periodic famine, there seems little doubt that local government taxes place a real (and in some cases unbearable) burden on local tax payers. Unfortunately, tax payers seem to be getting very little in return for incurring this burden. Despite an aggressive tax mobilization effort, local revenues have been insufficient to finance even the basic administrative and legislative functions of local government, let alone to finance the purchase of some of the inputs to the production of health services. Under Ghana's

current political arrangements, the residents of Bongo district would be better off without paying for a local government that is totally unable to provide needed public goods and services.

3. Primary Education in Bongo

Characteristics of Education in Bongo

Primary education in Bongo district demonstrates some of the long-standing problems of rural primary education in the northern part of Ghana: attendance is seasonal; the overall dropout rate is high; and many fewer girls than boys complete primary school. Bongo is a small district with 28 primary schools, a total enrollment of 5,887 in 1990/91, and 141 teachers, half of whom are untrained. Although the percentage of untrained teachers has dropped from 57 percent in 1989/90, 51 percent is a significantly higher proportion than was found in the other two districts (33 percent in Asante Akim South and 25 percent in North Tongu). The regional GES office is responsible for replacing untrained teachers with trained teachers. Some uncertified teachers in the district are participating in the National Union of Teachers courses to prepare for the qualifying exams. The courses are offered in Tamale, five hours away. Teacher absenteeism in the district has declined, but most teachers have a second economic activity that supplements their salaries.

Two new government primary schools opened in the district this year, both with large P1 classes. Five donor-funded pavilions have been built in the district to provide new primary schools. The guidelines for completion by the communities have just been received. The pavilions will not be completed by the start of the 1991/92 academic year because communal labor is done only during the dry season.

The government primary schools fall into three groups. In the first are the three English/Arabic schools in the district, all small and struggling. They represent only 4 percent of the district enrollment. In these three schools, the proportions of girls in total enrollment and enrolled in P6 are slightly better than the district average (Table IV-1). Second, 28 percent of the children enrolled in the district attend three large schools, two in Bongo town and one at the site of a major dam and irrigation project (the Vea dam). The acting DEO said that a significant proportion of the parents of children at these schools were better educated and/or from outside the district (civil servants and project workers). In these three schools, girls

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represent 42 percent of total enrollment, and complete P6 in about equal numbers to boys. In the third group, the remaining rural schools, are the schools with the lowest proportion of girls enrolled (27 percent), and those with the smallest proportions of girls in the P6 classes. There are no private or church-affiliated schools in the district.

For the district as a whole, P6 pupils represent only 6.5 percent of total enrollment, while P1 makes up 42 percent, confirming the well-known fact that the dropout rate is high. This is also indicated by the projection of primary-school-age children in the district population: it suggests that only 38 percent are enrolled (versus 68 percent in Asante Akim South and 87 percent in North Tongu). However, the one year of data available shows that P6 leavers in Bongo seem to enter JSS at about the same rate as those in Asante Akim South. This is consistent with what people we interviewed implied: that parents and children may make decisions in the early years of primary school about which children will stay in school.

As in the other districts we visited, the GES district office subdivides the district into circuits. There are three circuits in Bongo district.

A visit to a primary school in the village of Namoo found few children in school and suggested that attendance during the rainy season was a small fraction of that during the dry season. The current school calendar ignores two major hindrances to school attendance during the rainy season: it is the time when children's labor is most needed by the family and the time when transport is most difficult. All of those interviewed agreed that children's education would be better served by concentrating school time during the dry season, but that the necessary authority to do so lay with the MOE in Accra. The acting DEO said that some years ago the regional office had backed a recommendation to change the calendar, but that nothing was accomplished. A measure of the degree of local autonomy under the decentralization program might be the authority of district or regional offices, in conjunction with district or regional government, to implement changes that suit local conditions.

The solution to the problem of seasonal attendance is probably not simple or single. A change in the school calendar to concentrate school hours during the dry season when child labor is less urgently needed would partly address the problem, but would raise issues of how to compensate teachers and how to keep some necessary

TABLE IV-1. EDUCATION STATISTICS: UPPER EAST REGION AND BONGO DISTRICT

	Region		District		
	1988/89	1989/90	1988/89	1989/90	1990/91
Number of schools	287	313		26	28
Number with P6	224 (78%)	240 (77%)		23 (88%)	23 (82%)
Average size of school	157	163		165	211
Number of classes per classroom	1.0	1.9		2.4	
Average size of class	27.2	26.6		24.7	30.8
Classroom teacher /pupil ratio	23.6	32.5		35	42.0
Number of class-room teachers	1906	1567		122	147
Percent untrained	44%	31%		57%	51%
Total enrollment	45,022	50,933	3617	4279	5920
Percent in P1	29%	31%	35%	39%	42%
Percent in P6	10%	9%	16%	7%	6%
Proportion of girls in P1	40%	42%	30%	36%	36%
Proportion of girls in P6	34%	36%	36%	24%	30%
Percent of repeaters	4.4%	5.0%		7.1%	
Percent of girls enrolled in JSS1				86%	
Percent of boys enrolled in JSS1				79%	
Percent of estimated cohort enrolled				38%	

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synchronization with the rest of the system: exam dates, entrance dates to other schools, etc. Perhaps the "shepherd schools" provide a model. Shepherd schools are night educational programs for boys who spend their days with the family's herd. In the longer term, changes in agricultural practices that reduce the need to use children for weeding, increased use of bullock traction, or intercropping could also reduce the opportunity costs of sending children to school. There is perhaps a need to convince people in the community of the benefits of education, but there is no doubt that the food supply is so marginal for many families that they have no choice but to employ their children.

Keeping disproportionate numbers of girls out of school altogether, on the other hand, is an issue that, along with inculcating preventive health habits, may be appropriate for multi-departmental outreach programs from the district. Liaison with the existing private voluntary organizations and community organizations that are working in the same directions would reinforce the effort.

Those who have used their education as a means to leave the region for better jobs in the south, do provide some remittances to their families in the district. There is also a tradition of sponsoring the brightest boys for education. Expatriates were mentioned several times as sponsors. Sponsorship by the clergy has declined; since most are now Ghanaian, they seem to help their own families rather than parishioners. Nonetheless, the possibility of using an educated family member as a source for increased family income is an incentive to participating in the educational system.

GES Links with the Community

District GES staff report that parents visit the GES office for two main reasons: to petition for materials when they are involved in school construction or repair, and to ask for help with problem children (the acting DEO can send a guidance or welfare officer to talk to the child). He reports that parents most frequently request help to persuade girls who have eloped to return to school (evidence that some parents care about their daughters' education).

The three circuit officers lecture parents on the importance of keeping their children in school; this message is reinforced by other organizations including the CDRs, 31st December Women's Movement, and the National Council of Women in Development. Circuit officers attend PTA meetings if they are invited.

Teachers volunteering as facilitators for the new adult literacy classes also interface with the community. Bongo district is a pilot area for the National Functional Literacy Program, and the community response is reported to be good.

Effects of Decentralization

The acting DEO of the Bongo GES district office is also the District Assembly member for Namoo and is thus involved with a village, local government, and the education system. Decentralization has meant to him that the originals of written reports now go to the District Assembly with copies to the regional GES office. The District Assembly, however, clearly has little ability to affect the operation of the schools in the district, nor does the acting DEO have much latitude. As in Asante Akim South, the district GES office handles district school inspection, acts as a distribution point between Accra or the regional office and teachers for textbooks, stationery, and salary complaints, and manages a very small budget.

4. Health in Bongo District: Provision and Production

The provision and production of health services in Bongo district differ significantly from those of both Asante Akim South and North Tongu districts. Unlike the other two districts, Bongo district has no hospital (either public, private, or mission funded), but relies instead on the single government health center located in Bongo town. The health center provides both curative and patient-related preventive health services and serves as a first-stage referral facility for patients who are initially treated either at one of the four government outreach clinics, one of the 13 mission outreach clinics (11 Catholic and two Presbyterian), or at the private clinic in the village of Namoo.

While investment in the establishment of a health care infrastructure has been much lower in Bongo district than in the other two districts visited, the majority of its residents have benefitted paradoxically from this relative underinvestment. Since the public sector has invested minimally in health infrastructure for the district, the health sector fiscal gap[41] has historically been larger than in other regions of Ghana. As a result, the missions have felt compelled to adopt health

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[41] The *fiscal gap* is the difference between the existing level of public expenditures and those required to meet the district's needs.

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service delivery strategies that would meet the needs of the largest proportion of the population possible. Rather than investing in a single, high quality, referral hospital as better-served districts have, the missions invested in community outreach programs designed to supply a lower (though more than minimally acceptable) quality service to as many communities as possible. As a result, rural inhabitants of Bongo district are better served (i.e., have better access to health services) than rural residents in the other two districts visited.

Perhaps because of limited public involvement in the health sector in Bongo district, the MOH has relied on a Medical Assistant rather than a Medical Officer (medical doctor) to act as the senior district health officer. The Medical Assistant made it clear, however, that all major decisions are made by the health authorities in Bolgatanga, the regional capital. Though a District Health Management Team (DHMT) has been set up, it is not active and receives virtually no input from representatives of other co-opted ministries. Health care is still seen both by health staff and other public sector employees as a line ministry function that does not require the assistance of other sectors.

The lack of cooperation between the different government sectors in the provision of health services is matched by an equal lack of cooperation between public and mission providers of health care. The latter has a much more profound effect because of the significant impact missions have on the delivery of health services. Catholic and Presbyterian missions in Bongo look for guidance, support, and supervision from their central administrations, and then only through these and the Christian Health Association of Ghana to the central MOH. The effect of their independence from the local government health establishment is clearly seen in the lack of coordination in site selections for their outreach clinics. While approximately three-quarters of the villages in the district do not have an outreach clinic, several villages have both a government outreach clinic and a mission clinic. The village of Namoo, described in greater detail below, is an example.

Government-provided health services are essentially restricted to those offered at the Bongo Health Center.[42] As in Asante Akim South and North Tongu districts, there is no attempt to supply curative and patient-related preventive health services in an integrated manner that can benefit from the economies

[42] The government has also begun operating an outreach program in the villages of Beo, Adobanyo, Dua, and Namoo in 1991, but the scope of the services they provide has been largely restricted to alleviating the acute malnutrition being experienced by a large proportion of the infant and child population.

inherent in joint production technologies. Instead, separate Child Welfare, Antenatal, Malnutrition, and Curative clinics are scheduled. By the same reasoning detailed in the Asante Akim South case study, consumers of publicly provided health services in Bongo district are thus faced with an unnecessarily inflated unit price of care.

The effect of the unnecessarily high price of care plus the limited scope of government involvement in the provision of health services is reflected in the very low coverage rates reported for child welfare clinics and for health center-based deliveries. Health authorities in Bongo estimate that only 4 percent of the target population use the child welfare clinics and only 2 percent of all deliveries take place at the Bongo Health Center.

While it was not possible to evaluate the impact of mission outreach efforts on health services provision in the time available for this study, the immunization coverage results for the district suggest that these efforts have been quite successful. Since immunization services are only offered through mission outreach clinics and the government health center in Bongo, it seems fair to conclude that the majority of vaccinations recorded in the district are attributable to mission activities. Table IV-2 indicates that immunization efforts have succeeded in vaccinating a large percentage of the children in need.

TABLE IV-2. IMMUNIZATION COVERAGE ESTIMATES FOR BONGO DISTRICT AS OF NOVEMBER, 1990

Vaccine	Coverage [a]
BCG	57.3%
DPT III	49.0%
OPV III	71.5%
Measles	86.5%

[a] *Coverage* is defined as the percent of children under the age of 5 who have reportedly been vaccinated.

Though the data presented in Table IV-2 suggest that a significant effort has been expended on immunizing children in Bongo District, they also suggest problems with the administration of the immunization outreach activities. The first problem is suggested by the uneven coverage rates reported in the table. While 71.5 percent of children in need of immunization have been vaccinated with the third dose of oral polio virus (OPV), only 49 percent have been administered the

third dose of diphtheria, pertussis, and tetanus (DPT). Normally, OPV and DPT are administered to children at the same vaccination sessions, so the discrepancy between the two coverage rates suggests that the supply of DPT has been erratic and insufficient to keep pace with the demands of the outreach program.[43] Local health authorities did complain that the cold chain had been operating inefficiently and that they had experienced difficulty maintaining the recommended storage temperatures. This, of course, raises an added concern about the potency of the vaccines that were administered.[44]

The second problem suggested by the data in Table IV-2 is that missions may have adopted a campaign approach to vaccinate children against measles (i.e., conducting one-time mass vaccination outreach drives), rather than integrating these vaccination activities within regularly scheduled outreach clinics. While the campaign approach allows for impressive immunization coverage statistics, it does little to develop either sustainable delivery mechanisms or to educate parents on the benefits of immunization and the need to bring their children for inoculations in the future.

Evidence from Namoo village suggests that the outreach program conducted in large part by the missions has failed to provide adequate information to health care users so that they can be effective coproducers of health.

B. Namoo Village

1. Village Description

The village of Namoo in Bongo district is 10 kilometers north of the town of Bongo, approximately one mile from the border with Burkina Faso. The road from Bongo to Namoo is little more than a dirt track that has been worn repeatedly by vehicles. It crosses three river beds and is impassable after heavy rains.

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[43] An alternative explanation which cannot be ruled out is that the immunization coverage data is incorrect. Unfortunately, there was no way of independently confirming the accuracy of the data provided by the local health authorities.

[44] We were unable to discuss this issue with mission health personnel, but it is not inconceivable, given the lack of coordination between government and mission health programs, that the missions were unaware of the extent of the cold chain problems or felt that it was not their responsibility to assist the government in improving the cold chain.

An alternate route intersects the road into Namoo and uses a better road but is much longer. The landscape is savannah with scattered trees and rocks.

The village is small. The 1984 census estimates the population of Namoo to be 488, but this only included the most concentrated areas around the market. The population is actually bigger when the subsections surrounding the market are included.

There is a primary school and a small but obviously well established market. The homes are of the typical compound style, concentrated in the village center and gradually spreading out at the fringes.

The ancestors of the current residents were Mamprusi, who came from the Ganbaga area in what is now the Northern Region of Ghana. They came to the area because their ancestral home was overcrowded and the "family" had to divide itself. Originally, the Busasi, from what is now Burkina Faso, also resided in the area. The two groups lived together, but the Busasi gradually moved away leaving the current residents' ancestors alone in the area. Gradually they learned to speak the local dialect--*Gruni*, or *Fra-Fra*. The area was and continues to be very homogeneous; there is no *Zongo* or "strangers" section. Recalling their ancestral origins, the word *Namoo* means people who live in the bush, or bush settlers.

The first contact with the British came very long ago, long before any of the elders could remember. They do remember, however, hearing stories of District Commissioners being carried, after they ran out of navigable road, by *palaquin* from village to village.

The economy of Namoo is simple and basically unchanged. Traditionally the residents grew guinea corn, early and late millet, rice, a local sweet potato, both round and common beans, groundnuts, vegetables (leaves) for soup, and a local squash which is used for its seeds. The same crops are still the basis of the local economy. The elders stated that in their grandfathers' times the land was fertile and the yields were high. When extra crops were grown, they were sold for cowrie shells, which were the means of exchange (the current currency, *cedi*, means cowrie). Sales took place in the Namoo market; the village was a center that people visited for marketing.

Currently there are only a few commercial farmers in the village; just two were mentioned by name. These farmers have large plots of land outside the village in the bush toward the north where they can grow larger amounts of crops to sell within

the district. The other, subsistence farmers crop the land surrounding their homes, and keep plots for groundnuts in areas away from but within easy walking distance of their compounds.

Subsistence farmers sell small amounts of their crops, just to get enough cash to buy spices, fish, and meat. They keep poultry (chickens and guinea fowls), sheep, goats, and cows that are sold only on rare occasions and are infrequently butchered for personal consumption.

2. Primary Education in Namoo: the School and the Community

Facilities

The primary school facility in Namoo is a four-classroom concrete block of the same pre-independence construction as the one in Odubi. It was, however, more dilapidated than that in Odubi. No maintenance had been done for years; the floor and walls and veranda all needed resurfacing, the roof was intact but old, and doors and shutters were functional although in need of painting and repairs. The partially completed JSS buildings are about a quarter of a mile up the road and will not be completed until at least October 1992 because communal labor is only done during the dry season. The primary school, CDR headquarters, the Catholic Church's Social Center, and the new JSS are all located near a road junction. There were no houses nearby, so all pupils must walk some distance to school. The Chief's house was about one and one-half miles away. The settlements closest to the Burkina Faso border are about three miles from the school.

As in Odubi and Mafi Kumasi the community is not fulfilling its responsibility to repair and furnish the primary school for roughly the same reasons. In the past few years, the JSSs and senior secondary school (SSSs) have absorbed both district and community resources. The District Assembly did help with district-wide roof repairs for primary schools after a storm in August 1990.

Responsibility for providing school furniture has been diluted: the regional GES office has provided some, the community has provided some, and individual parents have provided some for their own children. The result is that some children, primarily the poorest, sit on the floor while others use benches or desks.

In Namoo, there are three possible avenues for the provision of furniture for all children. The crafts teacher would supervise the making of furniture as part of the instruction in life skills if the materials were provided. A grant that he expected to receive from the MOE had not been received. The CDR carpenter would be a free source of labor as well, if wood and

nails were available. Wooden furniture is expensive in the district: the two sizes of childrens' tables would cost 2,000 *cedis* and 3,000 *cedis*; a "high bench" for five pupils would cost 3,600 *cedis*. The District Assembly recommended that communities build "short walls" of mud brick as a cheap substitute for wooden furniture. Some communities have implemented this, particularly in primary schools that are also being used for adult literacy classes. Namoo has not. This seems to be more a symptom of the unclear assignment of responsibility than an absolute lack of capacity.

Residents and Education

The northern Ghana problem of seasonal attendance in primary school was well illustrated in Namoo, as was the low attendance of girls from villages where traditional beliefs predominate. The study team's visit to Namoo coincided with the first day of the new term. At eleven o'clock, none of the primary school teachers were present; the head teacher arrived at eleven-thirty from Bongo on his bicycle. The head teacher is also head of the JSS, which is operating temporarily from the Catholic Church's Social Center about 100 yards away from the primary school.

The number of children present to register for the new term was much lower than the number that had registered in October 1990: eight of 43 in the P1 class; four of the 143 in the other five classes. There were a number of reasons for the small turn-out; it was a market day in Bolgatanga and, since no teaching took place on the opening day, some pupils had gone to market. However, this is the term (during the rainy season) that typically has low attendance because children are needed to farm and to tend livestock.

The rainy season also makes transportation difficult for some teachers. Three of the four primary teachers are trained teachers who are also natives of the village and who live in Namoo. The five National Service personnel teaching in the JSS rent a room at the Social Center. Two other JSS teachers rent accommodations locally, but the head teacher and several others live in Bongo and use their bicycles to get to school. During the rainy season, they miss a significant number of days of teaching because the roads are impassable.

The teachers described the effects of the famine on primary school enrollment as unequivocal: fewer children came to school. Families were not only hungry but also without money to pay school fees. Before the famine, enrollments had been increasing. Teachers said parents realized the importance of education and did send children in good economic years. There were now enough textbooks to share one between two students in all classes and

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all subjects. The books had arrived in September 1990; there had been very few textbooks in 1989/90. There were few materials for the Life Skills classes--some cloth and some carpentry tools.

The head teacher in Namoo reports that the PTA in Namoo is not very active. Parents are reluctant to come to meetings because they know they will be asked for contributions that most cannot afford. The teachers accept the reality of the absolute poverty of many parents and their need to put the family's survival ahead of education. School uniforms are not required. Most of the children who attended the first day of term were not in uniform; all of the P1 children were barefoot.[45]

The head teacher made it clear that children who attended school were well-disciplined and eager to learn. Parents, even though most were illiterate, attended open days at the school to check their children's progress. In fact, one of the main criteria for parents' choices about which children to send to school was whether the child was doing well in school, as judged by their annual exam results and class ranking, and whether they enjoyed school. Boys who would rather tend cattle were allowed to drop out; boys who were eager to learn were supported by their parents if possible and sometimes by other sponsors as well. All of the teachers present spoke English well. Enrollment proceedings for the new term were carried out in English (except for P1) and JSS students explained in English why fellow students were absent. Two of the JSS boys spoke well enough to contribute to the joint interview session. Girls are still required to help at home more frequently than boys. Only two of the eight JSS students present on the first day of term were girls; none of the P2 to P6 pupils were girls.

The private costs of primary education are perhaps somewhat less in Namoo than elsewhere in the country, not because items cost less but because the head teacher does not require uniforms and because children reportedly eat breakfast and lunch at home. School fees, textbook rentals, and exercise books are charged at the national rate and total about 1,000 *cedis* per child per year. In Bongo town, parents pay a special levy of 1,000 *cedis* per family for school repairs and equipment, but such a levy has not been attempted in Namoo. Many people outside the Upper East region discussed the national education subsidies for northerners; we saw no evidence of this at the primary school

[45]One child showed symptoms of protein deficiency; the others looked fairly healthy; there was no way to ascertain what proportion of children do not attend school because of the long-term effects of malnutrition and ill-health, but it seems likely that there is a significant number of malnourished school-age children based on the number of severely malnourished younger children at the feeding center.

level. One of the secondary school leavers we interviewed said that since she had gone south for secondary school, her school fees had been the same as anyone else's at the school. There is clearly a more extreme filtering process here than in the other villages visited, whereby a few bright children, disproportionately boys, receive an education, but most children get very little.

3. Village Governance

Traditionally, Namoo was ruled by the Chief, in consultation with his elders. Though there were rules and sanctions regarding behavior, according to the present chief, the community did not come together in a communal fashion to implement village projects. There was cooperation in farming; i.e., assisting each other with weeding or harvesting. *Pito* (millet beer) would be brewed and food would be served during these cooperative efforts. Participation was purely voluntary--there were no sanctions for non-participation. This lack of traditional community development was not replaced by government provision of services once the colonial powers administered the area. The elders could only recall one school serving the area during the colonial era, and it was approximately 30 kilometers away. The only road was the dirt track that served (and still serves) as a road between Namoo and Bongo.

Currently, if a community project is to be planned and implemented, the Chief is consulted first, and he in turn discusses the ideas with the elders. If approved, the various sections of the village are assessed a levy. In the case of the construction of a dugout for animal watering, for example, all males contributed 400 *cedis* and all women contributed 200 *cedis*. If people do not contribute and they are considered truly poor, no sanctions are invoked. If, however, a person is considered to be wealthy enough to contribute but does not, the local CDR can take a fowl or goat from that person. According to the chief, this does not happen often. The money collected is given to the Chief who turns it over to the assemblyman to be put into a village development bank account. A health clinic is being contemplated as the next project.

The village hopes to promote a development fund through a yearly contribution of 400 *cedis* per person. This money will be collected house-to-house. The nearby Catholic Social Center periodically sponsors a harvest festival, the proceeds of which go to the development fund. Money from the fund was recently used for the nutrition/feeding center, and though no one knew exactly what remained in the account, it was clearly not very much. All projects stop, however, when there is hunger, as is presently the case.

The village has four GWSC handpumps. The pumps cost 20,000 *cedis* per year. The cost for each is paid by the houses in the immediate vicinity to that pump. Hence, the more houses that are near a particular pump, the less the cost per house for that pump. This year, the fee has not been paid because of the famine. GWSC could shut the pumps off if they are not paid up.

Those who do not contribute to the cost of the borehole are not allowed to use it, and they will not try to do so; though there are no formal sanctions, people seem reluctant to free-ride. Many choose to not pay their share and get their water elsewhere; some individuals have hand-dug wells and others travel to pumps in adjacent villages for their water. The District Community Development Department tried to organize community labor for hand-dug well construction by contributing the cement required, but the project failed. According to the Assemblyman and the Chief, many individuals did not cooperate because they wanted private wells instead of community wells.

Constraints, Problems, and Issues

The elders of Namoo said the changes in the village since the first contact with the British have been tremendous. Chief among the changes are the opportunity for schooling and access to fertilizer. An additional improvement is the use of bullock plowing, used widely in Namoo. Those who do not own the animals or equipment rent from those who do.

The village has, however, never enjoyed significant services from any level of government, although there have been several community-led projects. There is a primary school and a latrine is being constructed by the community, with materials provided by the District Assembly. The road to Bongo has at times been improved through communal labor. The village also built a customs office at the Burkina-Faso border and contributed money to hire a bulldozer to dig a dugout for animal watering. Molding of cement blocks for construction of a JSS continues, and construction of a second dam is in progress.

Regardless of community efforts, the essential issues determining the success or failure of development of the village of Namoo seem to begin and end with the chronic problem of hunger and malnutrition. The Chief and elders stated there have always been stories of famine, hunger, and bad farming seasons in the area, and added that previous cases were worse because no food was shipped in.

The Chief and elders also reported that the land has become less fertile with time. As yields have decreased and population has increased, more land is required for the same yield. Much of

the land currently cropped is marginal, thus increasing the need for fertilizer. The crops presently grown are essentially the same as those traditionally grown, though some improved fast-yielding varieties have been added.

Those interviewed stated that the last good farming season was three years ago. 1990 was uniformly considered very bad, and at the time of the research team's visit in 1991 the early millet had not had sufficient rain, so the yields were down.

Though development projects per se are at this time not a high priority, because of the drought, the Chief and elders listed the following as development goals:

- Improved roads, to establish better communications and to provide better access to services such as the Bongo health post; also, bridges to make the most direct road passable year-round;
- Additional water sources (dams and dugouts) for animal watering (the International Fund for Agricultural Development organization visited the area and said an expanded dam would be provided for irrigation for dry season farming);
- A health clinic; and
- Drinking water; the four hand pumps are not considered sufficient because of the length of the wait at peak usage times and because of the length of some people's walks.

The village's perception is that it will be better serviced now that it is within a smaller district. The elders commented that Namoo did not receive much in the way of services from Bolgatanga, but does receive services from Bongo, such as the JSS and the latrine which is nearing completion. Previously, it seemed that money was sent away to Bolgatanga and nothing was received in return; now there is a greater sense that the local government is responsive, they said.

4. Health in Namoo

Namoo has experienced chronic food shortages during the last decade but is now experiencing a serious famine caused in part by the drought of 1990. At the time of this field work, approximately 250 children in the village had recently begun an

emergency supplemental feeding program and were receiving two meals a day. The supplemental feeding program was organized by the District Assembly, and food is distributed at the village level by CDR members and other community volunteers.

While accurate data on the extent of malnutrition is not available, five of the children observed were severely malnourished, and most exhibited signs of moderate protein and calorie deprivation. In most cases, the children were observed to be suffering from acute malnutrition associated with the current famine, but it was also evident that many had been chronically malnourished. Significant stunting and developmental delays were observed in several of the children, including one case of a two and one-half year old boy who weighed only five and one-half kgs, was unable to walk, and even had difficulty holding up his head.

Availability, Access, and Utilization of Preventive Care

Despite the current problems, interviews with four women attending the supplemental feeding center suggest that the availability of primary health care services--in particular patient-related preventive services--has improved significantly in Namoo in recent years. This is largely due to the recent establishment of a mobile community health outreach program funded and administered by the Catholic church.[46] The outreach program has significantly reduced the access costs associated with obtaining pre- and postnatal care. In addition, the program's strong emphasis on postnatal child health services has improved awareness of the availability of these services and has resulted in an increase in utilization of immunization and growth monitoring.

Even before the establishment of the community outreach services, however, women from Namoo revealed a strong demand and substantial willingness to pay for prenatal health services. Each of the women interviewed had traveled to a health center outside of the village to obtain prenatal care during her last pregnancy. On average, they attended five prenatal clinics each prior to giving birth. Two of the women had used the Bongo health center, walking three hours to and from Namoo and paying on average 200 *cedis* to 300 *cedis* per visit for services rendered. The other two women had traveled even further, to Bolgatanga. One of them had hired a car to drive her from Namoo

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[46] A similar outreach program has been supported by the Presbyterian church in other villages.

to Bolgatanga and back for each of her three visits. She paid 600 *cedis* per trip for transport and an average of 140 *cedis* for services rendered. The other woman walked to Bongo and then took a bus to Bolgatanga at a round-trip cost of 300 *cedis*.[47]

In the absence of survey data on the demand for prenatal services, it is impossible to accurately assess the effect of pecuniary and nonpecuniary costs of obtaining care on the demand for these services. Clearly, the four women interviewed were willing to pay to obtain prenatal care. A 200-*cedis* service fee alone represents four percent of the average estimated monthly income for households in Namoo. It would not be surprising, therefore, to find that a substantial number of women did not use prenatal services because they were unable and unwilling to pay. Estimated immunization coverage data for the district suggests that fewer than 4 percent of the pregnant population has been fully immunized against neonatal tetanus. Such low coverage rates provide anecdotal support for the view that the price of prenatal care is likely to be prohibitively high for some women in the district.[48] Given the social benefits associated with the private consumption of patient-related preventive services, the current pricing policies should be studied in depth. Achieving an optimal use of preventive services may require a reduction in the price of care.

Interestingly, the interviews suggested that women use patient-related preventive services without having specific knowledge about what the exact benefits of these services are. In all four cases, the women had initially sought prenatal care because they wanted to know that their pregnancy was proceeding normally. From then on, they returned for follow-up visits because they were told to do so, not because they had any specific knowledge about the nature of services they would be provided. None of the women, for example, knew why they or their

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[47] This woman was not aware that similar services were offered in Bongo and said that had she known this she would not have paid to go to Bolgatanga. Her lack of awareness for the availability of services in Bongo in part seems to reflect the lack of information transfer among women in the Namoo community. It seemed evident from the non-uniform distribution of knowledge that little sharing of information takes place, thus increasing the transaction costs associated with obtaining care. It is also worth noting that this woman stopped going to Bolgatanga when the mobile outreach program was established in Namoo. Clearly, it was much less costly for her to learn about services offered in her own village than to learn about services offered in distant towns.

[48] It also may suggest, among other things, that insufficient information is provided to women concerning the availability and benefits of immunization.

children were being immunized, nor that the injections they were receiving were a series whose efficacy depends upon returning a prescribed number of times.

This lack of knowledge about health issues makes these women poor producers of health, since they have no idea which health inputs to invest in to improve their health status. They are also inefficient coproducers of health because they are unable to act on the health information provided to them by health staff. This was particularly evident in the case of one woman who when asked about her child's immunization history reported that the child had not been vaccinated, when in fact, the child's immunization card recorded that the child had been fully vaccinated. Clearly, the woman was only playing a minimal role in the production of her child's health, and only her willingness to return to the clinic when instructed by the supplier ensured that her child was fully vaccinated. Had the directions been misunderstood or miscommunicated, she would not have known the importance of returning to the clinic again.

Lack of information also can unnecessarily raise the cost of producing health. When women do not know how often to obtain care, they may seek it more often than necessary and thus inflate the total opportunity cost of care. Similarly, lack of knowledge about the benefits of preventive care can lead to unnecessary use of costly curative care. In the Namoo case, this was particularly evident for the treatment of diarrheal diseases. Only four of the 50 women attending the feeding center knew what oral rehydration was and understood when and how it should be used. The vast majority thought the only way to handle diarrheal episodes was to take the child to the clinic for treatment. Rather than pay 300 *cedis* for six sachets of oral rehydration salts (ORS), they paid on average 1,800 *cedis* for a variety of anti-diarrheal medications.

Unfortunately, the Namoo experience reveals that even where health information has been imparted, women are not always in a position to act on the information. An example of this is nutrition education. While several women indicated that they had learned what types of foods to eat during pregnancy and what types of foods to wean their children on, the drought and intrahousehold allocation constraints precluded their access to available (and dwindling) sources of nutrients. One woman could not remember the last time she and her children had eaten meat, and they had only had beans two times in the previous month.

Availability, Access, and Utilization of Curative Care

There are two primary sources of curative care in Namoo: the mobile outreach service and a private clinic which is open in the afternoons three times a week. All three illness episodes examined during the village interviews had obtained care from these two facilities. In two of the interviews, the respondents said that they preferred to use the mobile services if they were in the village, but when they were not they did not hesitate to use the private clinic. The quality of care in both cases was considered good.

The preference for the mobile clinic undoubtedly is related to the price differential between the two facilities. The average unit pecuniary private cost (drugs plus consultation fee) reported for treatment of a diarrheal episode at the mobile clinic was 100 *cedis* compared with 1,900 *cedis* at the private clinic. In both cases, the children were given ORS, but at the private clinic antibiotics were prescribed as well.[49]

The availability of the mobile outreach clinic and the private clinic in Namoo have undoubtedly reduced the private cost of curative care consumption for the villagers. This is a welcome situation since the famine will cause a rapid rise in the incidence of communicable and infectious diseases. Even so, the effective subsidy provided by the Catholic church (it probably does not price its services according to the marginal cost of supplying them at the village level) is unlikely to be sufficient to offset the combined effects of a decline in disposable incomes and an increase in the quantity of care needed because of the famine. Households can be expected to spend an increasing share of their dwindling incomes on health care expenses, thereby reducing their ability to pay for other essential services such as education.

The decline in household incomes is also eroding the district government's revenue base and thus undermining its capacity to subsidize the provision of health and other basic services during this time of increased need. Without the infusion of central government grant funds or added donor assistance, it is clear that the living standards of the

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[49] It is not possible to determine whether the antibiotic prescription was warranted for the diarrheal episode treated at the private clinic. Clearly, one of the concerns with a private curative service is that the private provider may have an incentive to overprescribe medications to maximize earnings. It is also likely, however, that the provider is aware of the deterioration in disposable incomes and reduced his prices accordingly (by reducing the quantity of drugs prescribed) to reflect changes in the income and price elasticity of demand.

population in Bongo district will continue to fall below the poverty line. The heavy dependence on agriculture in this district means that the famine has increased the fiscal gap between the cost of providing a minimally acceptable level of services and the capacity of the district to finance these services.

C. Conclusions

1. District and Village Governance

According to Bongo district officials, development of the district government's infrastructure and resolution of housing and office shortages are the district's first priority. Therefore, as in Asante Akim South, it is likely that Bongo's resources will continue to be earmarked for development of the government, as opposed to provision and production of services.

The district has had remarkable success improving revenue collection. Collection is up significantly from what is was when the district was formed, though it has recently dropped some as a result of the poor economy caused by some drought conditions. Still, even with improved revenue collection, district officials admitted that service delivery by the district was minimal, due to the overall lack of resources. The District Secretary stated that decentralization has not gone far enough, specifically in regard to financial responsibility for decision making.

Those interviewed in Namoo expressed little expectation that the district administration would provide services, because of the district government's lack of resources and because there was little history of government services and infrastructure in the area. This lack of government provision of services was not necessarily off set by village-level service production. The village has no tradition of communal labor. Though attempts in this direction are now being made, collection of fees within the village for community projects is currently difficult because of the poor economy caused by the drought.

2. Primary Education

The state of primary education in Bongo District, and the village of Namoo, illustrates a number of the problems that plague Ghana's education system, and hint at some of the possible solutions.

Seasonal attendance is a significant problem throughout Bongo District. During the rainy season, when all families farm, attendance at school decreases markedly. The school calendar,

which is established by the central government, has not been flexible in regards to the needs of northern Ghana, and the program of decentralization has not given the districts the discretion to make adjustments in these areas.

High drop out rates are also a problem in the district. The area's subsistence agricultural economy continues to require labor, which does not (at least in the eyes of the population) require education. Nonetheless, families do make decisions regarding education. There is a definite filtering process by which families make economic decisions regarding the potential gain of educating a select number of family members, based in part on achievement. With greater flexibility, the education program could perhaps adjust to the reality of less-than-universal education by designing specific programs to meet the needs of those who are not served by the current system. The shepherd schools and adult literacy programs are examples. As in Odubi, the lack of primary school maintenance illustrates not only that the community is not connected with the school, but also that the reason for the lack of the connection may be because of a lack of relevancy.

3. Health Care

Regarding primary health care services, Bongo district is better served than either Asante Akim South or North Tongu because of the number of government and privately operated mobile outreach clinics that serve the district. As with the other districts, however, there is a noticeable lack of coordination at the district level between both the health providers and the various departments who have responsibility for health and related issues.

This lack of coordination and poor central management contributes to high costs, which in turn contribute to low utilization. Also, as in Asante Akim South, health users in Namoo demonstrated little knowledge regarding their health and available health services, and therefore proved to be very poor coproducers of their own health.

V. VOLTA REGION FIELD RESEARCH

A. The District of North Tongu

1. District Description

The North Tongu district in Ghana's Volta region is approximately 70 miles east of Accra on a high quality paved road that continues on to the Togo border. The district comprises widely dispersed settlements with a few areas of concentration, specifically along the Volta River. The river runs through the district from north to south basically along its western border. The district is mostly low lying, less than 100 feet above sea level, and is in the southwest corner of the region.

The district capital, Adidome, is north of the paved road by 20 miles. The dirt road to Adidome is in reasonable repair, and the trip takes approximately 30 minutes. The area is a coastal plain savannah of grass and scattered trees. The widely scattered homes are made of woven palm fronds or mud plastered over palm fronds. The yards of the compounds are neatly swept sand. A number of homes have corrals for cattle.

North Tongu is a rural district. Its residents are mostly farmers who grow maize, cassava, beans, groundnuts, and vegetables. There is also substantial cattle herding, fishing in the communities along the Volta river, and a few cottage industries. These include pottery making and the production of paint pigment from oyster shells.

The shells are collected from naturally occurring piles along the river. They are burned, and the resulting lime powder is bagged and sold to traders who ship it to Accra. Presently, individuals produce and sell the lime. The district is trying to regulate the industry, however, and has banned further collection and production until individuals register and pay fees. The district itself is also interested in participating in the industry. One bag of pigment sells for approximately 200 *cedis*, and in two weeks, approximately 200 bags can be produced.

Most farmers in the district grow enough for their own needs and produce a surplus for sale. The surplus is sold locally and to traders. There are also several large commercial farmers who grow and market maize, beans, and rice. The commercial crops are sold both locally and to traders who convey them to Accra. The majority of residents also have cattle, which are raised to be sold, unlike in northern Ghana. There are two large ranches, but most of the cattle are raised by small farmers who graze them on open land. The cattle are sold to traders who ship them to Accra.

The district has major markets in Mafi Kumasi, Juapong, and Battor. There are lesser markets in Agorva, Zongo, and Adudorneu. These lesser markets have been established at the behest of the residents and with the assistance of the district. The district improved the feeder roads to these towns by grading what were basically dirt tracks. Stalls at the new markets were prepared by the local traders. In addition, there are five, small, local markets along the river in the south.

2. District Government Processes

The District Administration

North Tongu is one of Ghana's 45 new districts. It was formerly a part of Tongu district, which has now been divided into North and South Tongu. According to the District Administrative Officer (DOA), the population of North Tongu district is approximately 90,000 people. The district is 1,128 square miles in area. It covers eight traditional areas: Mafi, Bakpa, Volo, Battor, Mepe, Fodzoku, Dorfor, and Torgorme. No exact count of villages is available, but maps of the district produced by the National Mobile Planning Unit list more than 200 villages. The district is bounded on the south by South Tongu district, on the east by Akatsi district, on the north by Asuogyaman district, and on the west by Ho district and Dangbe West district. The district has not been surveyed as of yet.

The district capital, Adidome, stretches along an east-west road for approximately one mile. There are a number of large concrete block houses in the town, and the district administration buildings are spread throughout the town. The center of the district administration is a renovated office block that onced housed a district council building, and the district's large newly constructed District Assembly building.

The present DAO arrived at his post in 1989. His administration has its full complement of staff. Of the 22 departments to be decentralized, 14 have been: Ministry of Health, Ghana Education Service, Department of Agriculture, Social Welfare Department, Community Development Department, Department of Parks and Gardens, Treasury, Ministry of Information, Births and Deaths Registry, Cooperatives Department, Rural Housing and Cottage Industries, Forestry, Meteorological Services, and the Department of Feeder Roads. If the district requires assistance in an area that is the responsibility of any of the eight non-decentralized departments, it relies on the appropriate regional offices in the regional capital, Ho, for assistance.

Some of the decentralized departments, however, only have skeleton staffs. There is also a shortage of office space, so some departments share offices. There are plans for the administration to rent one large building in Adidome for office space. Housing is also a problem. A few district administration bungalows are allocated to staff. The remainder of the staff rents housing in the town. The DAO reported that some staff reported for work and then left the new district because of the shortage of housing and office space. The district has appealed to the central government for assistance with housing construction.

The DAO said the district is prepared to operate independently, but is unable to do so because of financial constraints. He said the district's financial resources are not sufficient to fund the area's development; central government grants are therefore required to help the district develop its capacities. With insufficient funds, the district is unable to respond to village requests for assistance and therefore advises local resource mobilization. The DAO said the villages understood the constraints under which the district operated and were responsive to the call to raise their own funds.

The District Politically

There are 60 members of the North Tongu District Assembly - 21 appointed and 39 elected. Two elected members have died. Elected members include farmers, teachers, lawyers, self-employed businessmen, and artisans. The appointed members were selected based on technical expertise and include bankers, agricultural experts, engineers, economists, and medical doctors. The DAO said the Assembly works well in regard to debate and discussion, but that implementation of programs is a problem because of a lack of funds.

As in all District Assemblies, the various decentralized line ministries are involved in the Assembly process through subcommittees. Department heads are ex officio Assembly members who attend meetings and in the case of North Tongu District are said to actively participate. The various sector subcommittees of the District Assembly depend on the heads of the various departments for technical information. The subcommittees feed information to the Executive Committee which makes recommendations to the Assembly.

The minutes of the April 8 to 12 Assembly Meeting included the following items: a list of guinea worm endemic areas was sent to Ho to be sent to Accra; UNICEF has adopted the district for five years for water and sanitation projects, and there are plans

for constructing 56 hand-dug wells in 1990 and 1991 and training 24 carpenters; the veterinary service appealed for monetary assistance for anti-rinderpest vaccinations; the Assembly agreed to pay the 2.8 million *cedis* balance for construction of the Battor-Averyime Agricultural Secondary School; the Assembly discussed registration and fares for river crossing; an electrification project is scheduled to begin in the District in late 1991.

Development of the District

There are no paved roads in the entire North Tongu district. Communication therefore is very poor because of the poor roads network. There are two major dirt roads, both of which are considered to be in good condition. There are no secondary-level roads and tertiary roads are in poor condition. To get to some parts of the district, long indirect routes must be taken. There are no bridges in the district and some river and stream crossings are impassable during the rainy season. Most of the roads are on the periphery of the district--there are few through the center. The district, according to a National Mobile Planning Commission map, has two first-class roads, four third class-roads, and no second class-roads.

The District Administration is working with the Department of Feeder Roads (DFR) to improve certain roads in the district, such as the roads to the three new markets. Road improvements are arranged in somewhat of a self-help manner. During the dry season, the district reserves a grader from the DFR. Villages along the route of the improved road contribute fuel money; villages were reportedly very responsive and willingly contributed. In fact, more villages were interested than there was time for, so some left money on deposit to reserve the grader for the next season. Last year, approximately 20 villages contributed about 500,000 *cedis* for the program, which concentrated on the south side of the district. This season, the program will work on the north side. Improved roads are considered vitally important because of the access to markets and services they provide.

The district has nine health posts, most of which are along the river in the west, and two mission hospitals. Three villages have expressed interest in having health clinics. To acquire a health post, the villages must build the structure. If completed, the district will train the village health workers at the Adidome hospital.

The district has several development projects on-going. School assistance projects are occurring in 10 locations. In some of these cases, the district makes donations of materials; there are also PAMSCAD-assisted school projects in the district.

Water supply is also a district priority. The drinking water is of poor quality in North Tongu. Traditionally, residents use the river and streams; recently, people have begun using the dugouts that are built for animal watering. Waterborne diseases, specifically bilharzia and guinea worm (which is said to affect 40 percent to 75 percent of the people in some areas), are a serious problem. The district has only three handpumps. The cost of putting in new handpumps is high--approximately 2 million *cedis*. The only pipe-borne water system in the district is in Mafi Kumasi. To partially remedy the problem, the district is assisting with a hand-dug well project that will target five villages.

Construction of the Akosombo Dam is blamed for much of the district's drinking water problem. Construction of the dam slowed the river's flow and promoted weed growth and bilharzia. Now, 60 percent of those living along the river have bilharzia because the river is their only water source. The slow flow also turned the river sand to silt and killed lobster and shellfish resources. The waterborne diseases and loss of resources have caused people to leave the district.

Only the villages of Juapong and Mafi Kumasi have electrical power. There are plans, however, for various combinations of private power, power from the national grid, and institutional power to service other villages and towns.

Though the district has a KVIP latrine program, there is not much interest in it because of the cost--approximately 2 million *cedis* per latrine. As an alternative, the Regional administration sponsored a workshop for a different kind of improved, ventilated latrine. There was more interest in this alternative which costs just 400,000 *cedis*. Artisans from the district office will give demonstrations in villages to try to spark further interest.

The district's development priorities are to improve the roads and to develop its existing resources. These resources include: clay deposits for brick making (there is one brick and tile factory in the district); stone deposits for a quarry; and the cattle industry. The district is contemplating constructing a corral so that it can buy and sell cattle.

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The district is in the process of preparing its short-, medium-, and long-term development plans, which will be prepared and submitted to the Assembly for approval.

Resource Mobilization in North Tongu District

Like the other two districts visited, North Tongu district is understaffed. The district lacks a treasurer, and budget and planning officers. The responsibilities of all three posts are being assumed by the District Finance Officer (DFO) with assistance from a senior accounts officer and two junior accounts officers. The DFO believes that three additional accounts officers will be needed in addition to the treasurer and budget and planning officers in order to efficiently handle the composite budget responsibilities that are currently being devolved.

Pressure on the existing finance staff has increased considerably this month with the commencement of recurrent budget transfers directly to the district for the decentralized departments. Under the new system, all recurrent funds for the decentralized departments are transferred directly to the districts instead of to the regions as was the practice in the past. While this is an important step in devolving authority to the districts, it clearly puts added pressure on the already understaffed finance department of the district.

North Tongu District's receipts grew appreciably between FY 1988 and FY 1990, both in nominal and real terms. The increase was due not only to an annual increase in the level of grant-in-aid, but also to an annual increase in own-source revenues. Grants, however, increased at a faster rate than own-source revenues, reducing the district's dependence on local fees, licenses, and taxes. By FY 1990, approximately 60 percent of district revenues were from local sources, down from 93 percent in FY 1988.

The overall revenue situation for North Tongu district in FY 1991 is still somewhat unclear given that some grant revenues have yet to be distributed. It appears likely, however, that total own-source revenues will decline in real terms relative to FY 1990. This is due primarily to a decrease in Basic Rate collections and to a decrease in revenues from district government sales of basic commodities. Projections based on actual revenue performance through June, 1991, suggest that the overall level of decline will be significantly offset by a 107 percent increase in nominal license revenues and a 45 percent increase in nominal fee revenues--the district's two largest individual revenue sources. Despite this, it seems fairly

certain that the district's ability to sustain its past expenditure level will largely depend on an increase in the level of grant-in-aid disbursed by the central government. The two fold increase in centrally ceded revenues from FY 1990 to FY 1991 will certainly help, but much will depend on the level of other grant disbursements, including the level of PAMSCAD funding.

Despite continued dependence on grant-in-aid, North Tongu district has done a remarkable job in raising the yield from its own-source revenues. Evidence suggests that the district has probably exerted as much revenue effort (defined as the proportion of the revenue base actually collected) as could realistically be expected.

The district's political commitment to maximizing own-source revenues has been manifest in substantial yearly statutory increases in many of its license and fee rates. In some cases, these large rate increases have increased the progressivism of local taxes, but overall, it appears that own-source revenues place a disproportionately high burden on the district's poorer inhabitants.

This is because the largest local source of revenue in North Tongu are market fees, levied primarily on food sellers. Since the demand for food is generally fairly inelastic, it can reasonably be assumed that the burden of these taxes is shifted onto the consumers of food. And, since the proportion of total household expenditures on food is reported in the 1989 Living Standards Survey of Ghana to be the highest for poorer household (Statistical Service, 1984), it can further be assumed that the poor bear a disproportionately high burden. The extent of the regressivism, however, clearly depends on the extent to which poorer households can substitute home produced foodstuffs for market-purchased food.

One of the potential negatives of the aggressive policy of instituting rate increases on market activities is its possible effect on resource allocation decisions in the district, including decisions by private health producers to supply services. The problem is that rates have been applied in a seemingly ad hoc manner, affecting some retailers or enterprises more than others. This horizontally inequitable policy has distorted prices and has undoubtedly created investment disincentives leading to inefficient resource allocation decisions. Among the numerous examples of such price distortions are: (1) the recently revised fee structure which discourages the sale of charcoal packed in larger volume sacks, since fees on

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"full" bags were increased by 25 percent from FY 1990 to FY 1991 while fees on "mini" bags remained unchanged; and (2) fees on the sale of peppers were increased 100 percent, while the statutory rate on cloth sellers was actually decreased.

Ad hoc rate increases have also been applied to goods exported for sale from the district. The largest increase has been on oyster shell exports (used for paint manufacturing). To the extent that other neighboring districts also export oyster shells, the demand should be fairly elastic, causing the tax burden to be borne in large part by local oyster shell exporters. While these taxes are attractive for local governments given their relative ease of collection, the loss to the district may be substantial.

The effort mounted by the district to increase the yield from its own-source revenues and the problems it is facing in sustaining this effort are revealed through closer examination of the Basic Rate. Basic Rate collection has been constrained by the absence of a nominal role for the district. To improve its revenue collection performance, therefore, the district recently charged Assembly members with compiling a list of all eligible taxpayers in their electoral areas. To date, nominal roles for 34 of 42 electoral areas have been completed. Dissatisfied that population counts had not yet been completed in all electoral areas, the presiding member of the District Assembly recently withheld allowances for assemblymen who had not yet completed the task.

The DFO reports, however, that even when the nominal roles have been completed, the district will still have difficulties administering the Basic Rate since people increasingly complain that they see no benefits from the taxes they pay. The DFO reports that such sentiments explain the poor revenue collection performance this year to-date. If the collection rate for the second half of FY 1991 continues as it has for the first half of the year, total Basic Rate receipts will be only 9.8 percent of the 10 million *cedis* budgeted--a 62 percent decline from FY 1990 receipts.

Using the 1990 district population estimate of 90,000 provided by the DOA, the collection rate for the Basic Rate (the percentage of estimated total revenues based on 100 percent compliance that is actually collected) for North Tongu District in FY 1990 was 30 percent--a rate slightly below the 33 percent collection rate estimated for Ghana as a whole in FY 1986.

The poor apparent performance in collecting the Basic Rate is no doubt partly explained by the widely dispersed population of North Tongu, which makes access difficult for rate collectors.

The DFO has attempted to address this problem by further decentralizing the rate collection process by appointing collectors in each Unit Committee. If successfully implemented, this strategy will increase the total number of commissioned rate collectors in the district from 42 to 144.

3. Education in North Tongu District

Characteristics of Primary Education

Enrollment in primary schools has increased rapidly in the North Tongu district, up 13.5 percent over the past two years. With 13 new primary schools, built during the same period, the average school size has remained constant at 136. (In Mafi Kumasi, the three primary schools are all over 200 students). The number of classroom teachers has declined significantly, although the proportion of trained teachers has risen from 47 percent to 75 percent. An almost equal number of girls and boys have been enrolled in P1 for the last three years. P6 classes are 43 percent girls, and 88 percent of whom went on to JSS1 in 1989/90. Ninety-five percent of the boys went to JSS1, by far the highest percentage in any of the districts visited. As much as 87 percent of the school-age cohort is estimated to be enrolled (see Table V-1).

There are mission schools in the district, primarily belonging to the Evangelical Presbyterian (E.P.) and the Roman Catholic churches. The schools were taken over by the government in 1961, but were returned to the churches two years later. For the past several years, the E.P. church in Ghana has been engaged in a bitter struggle between the Moderator and much of the rest of the church hierarchy. As a result, financial support from the church to its hospital in the district has been erratic, and financial support to the E.P. primary school in Mafi Kumasi has been negligible. According to the deputy director, there are primary schools in the district in which the sponsoring church is actively involved.

The missions originally built and ran their own schools. The current situation is a hybrid one. Since the churches operate and fund Teacher Training Colleges, the mission primary schools make strong efforts to get teachers who have been trained in their own colleges appointed to their schools. These teachers are certified and registered with the GES on the same basis as all other trained teachers, and are paid and promoted by the GES in the same way. They can express to the GES their preference for teaching in mission schools, and the mission schools can make clear to the GES that they would like these teachers appointed.

TABLE V-1. EDUCATION STATISTICS: VOLTA REGION AND NORTH TONGU DISTRICT

	Region		District		
	1988/89	1989/90	1988/89	1989/90	1990/91
Number of schools	1066	1197	105	113	118
Number with P6	949 (89%)	1061 (89%)	94 (90%)	96 (85%)	
Average size of school	161	165	135	135	136
Number of classes per classroom	1.0	1.6	1.0	1.26	
Average size of class	24.9	25.2	22.5	22.5	
Classroom teacher /pupil ratio	26.2	28.7	24.5	29.3	33.2
Number of class-room teachers	6558	6858	578	522	484
Percent untrained	35%	29%	53%	41%	25%
Total enrollment	171,499	197,036	14,168	15,294	16,080
Percent in P1	22%	21%	25%	24%	24%
Percent in P6	13%	13%	12%	12%	13%
Proportion of girls in P1	45%	48%	49%	49%	50%
Proportion of girls in P6	42%	42%	43%	42%	43%
Percent of repeaters	3.3%	3.8%	2.3%	3.1%	
Percent of girls enrolled in JSS1				88%	
Percent of boys enrolled in JSS1				95%	
Percent of estimated cohort enrolled				87%	

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GES policy has normally been to comply with these requests; however, there has recently been a slight shift in policy to place some non mission-trained teachers in mission-run schools and some mission-trained teachers in government schools. Mission schools adhere to the national curriculum, but add religious instruction. They are inspected by the GES circuit officers, but there is also significant additional oversight of the school's operations and the performance of teachers and pupils by the school committee.

There are no private primary schools in the district, although there are a number of for-profit and community-run kindergartens, a private technical school, and several private secondary schools.

The desire of many families to produce at least one well-educated child creates some problems for the school system. Unlike Asante Akim South, where nearly all the children who registered for P1 did so at age six, in North Tongu 40 percent of the children are age eight or more when they begin primary school. There were three explanations given, but the most common reason appears to be that when parents have as many children in school as they can afford to send, some of the younger ones are held out of school until the older ones finish. Another reason is that families with cattle may keep boys out of school to herd cattle until they are eight or nine. A third reason is that families believe that six year olds are not old enough to be allowed to go to school if the walk is long or hazardous.

The teachers laughed when asked about the pedagogical problems of teaching six year olds and ten year olds in the same P1 class; the established solution is to divide them into two age groups and teach them separately. The GES deputy director said that the official policy instituted in 1987 is that parents must begin to send their children to school at age six; one wonders whether this is wise in a district where families clearly value education and, have found their own solutions to sending as many children as possible to school despite resource constraints. The 1990/91 enrollment data shows, however, that the policy is not being enforced: 72 percent of the children in P1 in a sample of 23 schools were older than six.

Like communities in Asante Akim South and Bongo districts North Tongu communities construct and also operate schools. This has been demonstrated recently in two ways. There are few kindergartens in the district attached to primary schools and run by the government. A number of communities, however, have built kindergartens, hired staff, and now manage them. District policy

does not require children to attend before enrolling in primary school, since kindergartens are not yet fully supported by the government. District statistics indicate, however, that about 2,000 children are enrolled in kindergartens.

District communities have also built, staffed, and operated schools and applied for their absorption into the government system. This happens in three stages: 1) when the community has demonstrated its ability to complete and furnish the school, GES gives its approval for the community to proceed; 2) after the community has hired staff and is paying them and managing the school, it can apply for partial absorption whereby GES pays the staff; 3) with full absorption, the secondary school also becomes eligible for MOE grants.

Links with the Community

In North Tongu, the relationship between the GES district office and the communities and individual schools is markedly different from the other districts visited. In Asante Akim South, delegations of parents visited the office reportedly only in connection with school construction. In Bongo, parents visited to petition for school construction materials or to request help with children's problems. In neither district did teachers report that the community provided any support to teachers.

The deputy director of the GES office reported a higher level of community support for teachers in the district than was actually found in Mafi Kumasi. He understood that in parts of North Tongu the community does provide support to the teachers in the form of free land to farm and, in some communities, rent-free accommodations. He indicated that communities are anxious to retain good teachers. In return for their support, the community expects the educational system to provide good service. Community school committees are very active in overseeing the schools. Committee membership normally includes the traditional ruler, teacher and PTA representatives, a CDR member and, in the case of mission schools, church officials. They supervise school operations, make efforts to provide teachers accommodations, and try to meet teachers' requests for equipment for the schools. The GES deputy director reports that visits from community delegations are frequent. They lobby actively during the teacher allocation process, either to retain certain teachers or to obtain experienced, trained teachers for the school. They report on teachers who are too frequently absent or misbehave in other ways. They also request help with repairs to

the schools. In Mafi Kumasi, while the level of community involvement with the schools was as high as the deputy director reported, support for teachers was not: they were not provided with free accommodation or free access to land.

A possible explanation for the high level of community involvement in the schools might be that the presence of mission schools in the district may provide both a management model and a sense that government school services should be equally good.

The GES district office's relationship with the District Assembly is less strong than that which exists between the schools and the communities they are in. Formally, the GES office reports to the District Assembly, and the District Secretary signs GES payment vouchers. The District Assembly has not completed its obligation to provide accommodations for GES district staff. The GES office block is too small for its staff. A dilapidated bungalow has been assigned to the DEO, but neither the district nor the GES office have the funds needed to renovate it.

4. North Tongu District Health Services

Provision of Health Services

North Tongu district provides a good example of the difficulties encountered in Ghana in reformulating the institutional arrangements for the provision of health services so that they conform to and operate efficiently within the newly decentralized administrative and political structures. Three years after the old Tongu district was divided into North and South Tongu, the administrative arrangements for health services in the area remain essentially unchanged. Health services in North Tongu are still administered by the district staff of South Tongu. Not only is there no District Health Management Team (DHMT) in North Tongu, but the district is not even represented on the DHMT for South Tongu. Only recently has this become a source of concern for the North Tongu District Assembly, since UNICEF has chosen the district as one of ten districts in Ghana in which to pilot its Bamako Initiative Project. The UNICEF project calls for its inputs to be administered through the DHMT. As a result, the District Assembly recently delegated the chairman of the Finance Committee to establish what steps are required to allow the district to institute its own DHMT. One of the interesting implications of this situation is that it seems to demonstrate that the District Assembly was unable or unprepared to activate its Social Services Committee (SSC) to plan the development of health services in its district without the technical impetus and input from a DHMT.

In Asante Akim South, the DHMT was established to perform parallel functions to the SSC. Given the situation in North Tongu, however, it might be argued that DHMT is still necessary because the SSC is not a viable entity. Alternatively the North Tongu experience simply indicates very clearly that the District Assemblies need technical assistance in setting up the SSC. The answer to the problem is not to invest in establishing a parallel institutional arrangement that simply duplicates a subset of the SSC's responsibilities.

Another interesting feature of North Tongu district is that it is an example of a district where missions invested heavily in the construction of large, relatively high quality hospitals rather than in a community-based health infrastructure. The district has two mission hospitals--one on each side of the Volta river. On the east bank is the E.P. Church Mission hospital at Adidome and on the west bank is the Catholic Church Hospital at Battor.

The E.P. Church Hospital was established in 1957 as a joint project between the Government of Ghana and the United Church Board for World Ministry, based in the United States. The last missionary working in the hospital left in 1978, and since that time the MOH has provided the services of doctors at various times. Currently, however, the hospital does not have a doctor and is managed by a business manager and a medical assistant.[50] The business manager reported that attendance at the 150 bed hospital has fallen markedly in recent years as the quality of care it has been able to offer has slowly deteriorated.[51]

Despite the hospital's deteriorated state, and despite the reduced demand for its services, the MOH continues to have to meet the hospital's substantial monthly wage bill. The wage bill for the month of June, 1991 was 7,407,628 *cedis*--an amount equal to approximately 24 times the annual expenditures made by North Tongu District on public health activities in FY 1990. The annual wage bill for the two hospitals is 142,476,660 cedis which is three and a half times the total recurrent expenditures

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[50] The hospital has apparently suffered because of a reduction in support from the E.P. Church. Partly in response to this, hospital workers struck for a period in August, 1989. According to the business manager, the government has promised to post two doctors to the hospital by the end of August, 1991.

[51] The cutbacks in church funding have also meant that the hospital has had to shut down the 16 outreach clinics it once operated in surrounding villages. Undoubtedly, this has had a significant impact on the unit cost of care faced by consumers in the vicinity of the hospital.

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for North Tongu District as a whole in FY 1990. With the E.P. Church Hospital functioning as little more than a glorified dispensary, there can be little doubt that it is a waste of public resources.[52]

Cost-Recovery and Its Implications for Health Services Production

Much of the current interest in health sector cost recovery initiatives is motivated by a recognition that past government efforts at providing "free health care for all" have failed to ensure a sustained provision of reasonable quality care to the majority of consumers. In most cases, user fees and other cost-recovery instruments have been proposed for supplementing public resources so that the recurrent costs of essential non-labor inputs such as drugs and health center maintenance can be met. It is often argued that developing an administratively feasible and efficient user fee financing arrangement that ensures the procurement of these essential inputs could raise the quality of health care enough that consumers would be willing to pay the higher unit cost of care.

The assumption underlying arguments for the introduction of cost-recovery arrangements is that the revenues derived from these instruments: (1) will be available for use by health facilities to defray the recurrent cost of procuring these essential non-labor inputs; (2) will be accurately accounted for and managed by health facility staff; and (3) will be spent by the health facility for the purposes intended.

As indicated in the background section on health care financing in Ghana (II-E), the government has agreed in recent years to allow health facilities to retain 100 percent of the revenues from user fees and drug sales. Thus, in principle the first problem does not appear to exist in Ghana. In addition, interviews with health facility personnel in the rural areas suggests that in some cases the basic required accounting and financial management skill exists, and that where they do not, they can probably be developed at a modest cost. The problem seems to arise more in terms of the ability and even willingness to spend these revenues for the purposes intended.

Discussions with health center staff in Mafi Kumasi confirm Waddington and Enyimayew's (1989b) conclusion that it cannot simply be assumed that raising revenues will lead to improvements

[52] The same does not appear to hold for the Catholic Hospital in Battor. According to information provided by district authorities, the hospital is in excellent condition and has four resident doctors on its staff.

in the production of health care since most health facilities have demonstrated a consistent inability to effectively invest the revenues in quality improvements. At the Mafi Kumasi health center, for instance, only a small fraction of the revenues generated from user fees and drug charges had been used for the purchase of essential non-labor inputs prior to the introduction of the "cash-and-carry" drug scheme in November, 1990.[53] By September, 1990 the health center had built up an unspent reserve of 1,400,000 *cedis*.[54] In November, the health center was required to pay 100,000 *cedis* to the MOH to purchase the first allotment of "cash-and-carry" drugs. Since then, the health center has covered most of the cost of the drugs it has used, and so the reserve fund remains largely untapped.[55]

The health center staff in Mafi Kumasi indicated that they had not spent the reserve fund revenues because the expenditure approval system is too complicated. Authority to spend any of their savings must be obtained from the District Medical Officer (DMO) and from a health committee member. Apparently, it had been difficult in the past to get all parties to agree on expenditure decisions. In addition, the DMO had not allowed any of the revenues to be used to defray the cost of transportation from the health center to his office and back when expenditure approvals were sought.

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[53] Prior to November, 1990, the health center was authorized to retain 50 percent of the fee and drug sale revenues in its community account. The other 50 percent reverted to the MOH. Under this arrangement, revenues from the sale of drugs were not explicitly linked to the supply of drugs received by the health center. Therefore, the principal innovation of the "cash-and-carry" scheme was explicitly to link drug sale revenues to the purchase of drugs for the health center.

[54] The negative implication of not spending the available revenues was compounded by the fact that they were held in a non-interest-bearing account and so declined in real value from year to year.

[55] Because the Volta Region "cash-and-carry" scheme only requires the health facilities to purchase 80 percent of their drug needs (20 percent is provided free of charge by the MOH), and because the estimated average cost of drugs dispensed free at Mafi-Kumasi is 8 percent of total drug costs, the health center has been able to generate some additional profits that it has added to its savings account. The current balance (July, 1991) thus stood at 1,395,210 *cedis*.

B. The Village of Mafi Kumasi

1. Village Description

Mafi Kumasi is approximately 24 kilometers east of Adidome. The dirt road to the village is in reasonably good condition. It is a relatively large, prosperous village with a wide main street; several shops and kiosks; a large, permanently established market; and several primary schools. There are a surprising number of large, improved concrete block homes in the village. The chief said the population of Mafi Kumasi was 5,000. The 1984 census book lists Mafi Kumasi as having a population of 1,200. The difference is probably due to a definitional difference; i.e. what the chief calls Mafi Kumasi was probably broken down differently by the census takers.

The ancestors of the present residents migrated to the area from what is now Benin in perhaps the 15th or 16th century. Virtually all residents are Ewe, though the village does have a Zongo.

Traditional agriculture was centered on cultivation of cassava, maize, groundnuts, and beans, and collection of tiger nuts, coconuts, and palm oil nuts. Trade was conducted through barter and sales, with cowrie shells as currency.

With the arrival of the British, more goods reached the area, including cloth, guns and powder, and improved agricultural tools such as cutlasses. Due to the area's relative inaccessibility (i.e., its distance from the coast), the area was not as directly influenced by the British as others. Also, cocoa does not grow in the immediate area; the only cash export crop is coconuts.

The majority of the residents are farmers. They grow or gather cassava, maize, groundnuts, beans of all kinds, tiger nuts, pepper, okra, garden eggs, coco yam, potato, yam, banana, plantain, sugar cane, and coconuts. In addition, some people maintain charcoal production pits or ovens. The area is considered good for farming and virtually every farm grows a surplus. The surplus helps supply the coast of the Volta region, and the Greater Accra region.

There is a large, once-per-week market in Mafi Kumasi. Merchants with trucks come to purchase produce and convey it to other areas. The majority of the village's marketing is done in the village. Food is so abundant in the area that prices at the market have recently been dropping markedly.

Most of the farmers use tractors for plowing, but plant, weed, and cultivate by hand. Few own their own tractors; tractor services are hired from outside the village. The farmers use fertilizer, purchased at a local depot, for the maize crop. The farms are close to the village and no one has to walk more than two miles to their fields.

2. Health Care in Mafi Kumasi: The Effect of Pricing Changes on Curative Care Utilization

The Volta region provides an unusual opportunity to begin to examine the effects of government-mandated pricing changes on the utilization of curative health services by rural Ghanaians. The region has been the focus not only of the current study (which examines the utiliztation effects associated with price increases introduced as part of the 1990 "cash-and-carry" drug supply initiative), but also of a previous study by Waddington and Enyimayew (1989b) which assessed the utilization effects of the large increase in user fees and drug charges introduced throughout Ghana in 1985. These two sets of data provide insights into the effects of recently instituted cost-recovery policies on health services utilization. Since the institution of cost-recovery within health sector activities is also one of the conditions for World Bank financing, the Volta region experience also provides a unique opportunity to study the indirect effects of structural adjustment policies on the Ghanaian population.[56]

The data from the two studies bring into serious question the desirability (both from a social welfare and a health production perspective) of the cost-recovery approach currently being implemented in Ghana. By uniformly increasing the price of care to all consumers, the cost-recovery strategies have shifted the burden of paying for treatment equally onto all Ghanaians regardless of their ability to pay or their need for curative care. Though the average rural Ghanaian does not appear to be excessively sensitive to the price he/she must pay for curative care, the vast price increases required to realize the cost-recovery targets set, have resulted in large absolute reductions in the utilization of curative services. Unfortunately, the data

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[56] The government of Ghana agreed to recover at least 15 percent of its total recurrent expenditures in 1986 to 1988 through user fees and drug charges as one of the special conditions for the World Bank's 1985 Health and Education Rehabilitation Project. Estimates based on user and drug charge revenues actually reported to the MOH indicate that the government came close to realizing this objective. From 1986 through 1990, respectively, these revenues accounted for 8.0, 12.4, 9.9, 7.3, and 6.1 percent of the total budgeted recurrent health sector expenditures.

also raises the distinct possibility that the poor and those in the greatest need of care have been disproportionately affected by these price increases, and thus have reduced their utilization more in the long run than their wealthier and healthier counterparts. To the extent that this has actually occurred, then the data suggest that the current cost-recovery policies have been regressive in the sense that they have transferred the benefits of public health sector expenditures away from the poor and needy, and towards the wealthier consumers who are less in need of care. Tables V-2 and V-3 summarize the findings on the utilization responses associated with the 1985 and 1990 price increases respectively.

Table V-2 uses Waddington and Enyimayew's data collected from all but one district in the Volta region, while Table V-3 uses data collected from only one health center in the region. Though the conclusions drawn from Table V-3 concerning the effect of the 1990 price increases on utilization need to be viewed with greater skepticism than Waddington and Enyimayew's conclusions because they are based on a much more selective set of data, it is important to recognize that neither data set allows for a partial analysis of the effect of prices alone on utilization. Observed utilization responses may, therefore, reflect not only the exogenous price changes introduced by the government, but also uncontrolled-for changes in incomes, the incidence or severity of disease, or the quality of care.[57]

Both tables reveal that utilization of curative health care services in the Volta region fell significantly after prices were raised in 1985 and again in 1990. Table V-2 reveals that average monthly utilization in the year following the 1985 price increases fell to 50 percent of the average level for the year preceding the price rise. Table V-3 indicates that utilization levels fell again after a second round of price increases was implemented in 1990. This time, however, average monthly

[57] It is possible, for instance, that the observed utilization responses disguise the true consumer price responsiveness and that what is actually being observed is the combined effect of a large decrease in demand offset by the effects of a vast improvement in the quality of care being offered. In an attempt to remind the reader of this analytic shortcoming, the text refers to "utilization" rather than to "demand", and talks about "apparent price responsiveness" rather than the "price elasticity of demand".

TABLE V-2. ESTIMATED PRICE RESPONSIVENESS FOR CURATIVE CARE IN RURAL AREAS OF VOLTA REGION, 1985[a]

Average monthly utilization for 12 months prior to price increase:	5,755
Average monthly utilization for 12 months after the price increase:	2,917
Percent change in average monthly utilization between two periods	- 49%
Unit cost of "typical"([b]) malarial episode after price increases:	11 *cedis*
Unit cost of a "typical"([b]) malarial episode after price increase:	200 *cedis*
Percent change in unit cost between two periods:	+ 1,700%
Estimated utilization "elasticity" [c]	- 0.03

Notes: ([a]) The data for this table are drawn from Waddington and Enyimayew 1989b:9, Figure 2. The average utilization levels may be slightly incorrect because the values had to be extracted from the figure since there were no tables that reported the exact utilization levels.
([b]) A "typical" malarial episode is one that is treated with 10 chloroquine tablets (100mg) and paracetamol. The pre-1985 pricing policy charged adult outpatients 5 *cedis* per visit, and 3 *cedis* per medication (regardless of quantity or type).
([c]) The estimated utilization "elasticity" is the percentage change in observed utilization for each 1 percent increase in the price of care.

TABLE V-3. ESTIMATED PRICE RESPONSIVENESS FOR CURATIVE CARE AT THE MAFI KUMASI HEALTH CENTER, NORTH TONGU DISTRICT

Average monthly utilization for 18 months prior to cash-and-carry price increase (March, 1989 to October, 1990):	204
Average monthly utilization for 18 months after the cash-and-carry price increase (November, 1990 to July, 1991):	190
Percent change in average monthly utilization between two periods:	-7.4%
Average expenditure per visit for 18 months prior to cash-and-carry price increase (March, 1989 to October, 1990):	134 *cedis*
Average expenditure per visit for 8 months after the cash-and-carry price increase (November, 1990 to July, 1991):	279 *cedis*
Percent change in average monthly expenditure per visit between two periods:	+ 108%
Estimated utilization "elasticity":	- 0.07

Notes: (a) The data for this table are drawn from Table V-4.
(b) The estimated utilization "elasticity" is the percentage change in observed utilization for each 1 percent increase in the unit price of care. Note that in addition to not controlling for non-price determinants of utilization, the utilization "elasticity" derived above also does not control for the severity of illness or for variations in the quantity of drugs provided per patient. In this regard, the health center staff reported that the availability of drugs actually *decreased* after the introduction of the cash-and-carry scheme in November, 1990. They indicated that they had reduced the number of drugs prescribed in order to ration their stocks. If anything, therefore, the "elasticity" estimate overstates the utilization response associated with the price increase since the per-patient cost of drugs (the unit price of drugs) was actually larger than reflected in the expenditure levels above.

attendance for the eight months following the price increase fell by only 7.4 percent compared with the eight-month period preceding the change in prices.

Although the absolute decline in utilization was much greater in 1985 than in 1990, a closer look at the data reveals that the relative price responsiveness of rural Ghanaians (the so-called "utilization elasticity") was virtually the same after the two sets of price increases. In other words, when the magnitude of the utilization responses is examined relative to the magnitude of the price increases, the extent to which consumers reduced their utilization in the two time periods was almost identical. In both cases, the evidence suggests that the utilization response was relatively mild or "inelastic".

In 1985, the average consumer of curative care in the Volta region reduced his/her utilization by 0.03 percent for each one-percent increase in the unit (per treatment visit) price of care. In 1990, the average consumer reduced his/her demand by 0.07 percent for equivalent increases in price. In both time periods, therefore, the data suggest that consumers were not excessively responsive to the price increases implemented as part of the cost-recovery initiatives.

This *relative* unresponsiveness to increases in the unit price of curative care explains why health center earnings in 1991 increased at the same time as average attendance fell. Had consumers been more responsive to the price increases (i.e., had utilization been more "elastic"), then total revenues would actually have shrunk as the rate of decrease in utilization exceeded the rate of increase in unit prices.

That health center revenues grew after the 1991 mandated increase in drug prices suggests that the cost-recovery policies were successful from a revenue generating standpoint. In addition, these results tend to confirm *a posteriori* that the average rural Ghanaians are able and willing to pay a higher unit price for the care they consume and, therefore, that it is both advantageous and feasible to shift the financing burden onto consumers of curative care. By tapping this apparent ability and willingness to pay, the government has seemingly been able to meet two of the goals of structural adjustment: (1) to improve the efficiency of curative care provision; and, (2) to reduce the level of public expenditures required to sustain these services.

Unfortunately, Waddington and Enyimayew's data also suggest that the net benefits (unit benefits minus unit costs) derived from these pricing policy changes may have been inequitably distributed, favoring wealthier Ghanaians as well as those who were in less need of medical treatment. Examining the

utilization responses of rural and urban consumers in the Volta region over a three-year period after the 1985 price increases, Waddington and Enyimayew found that despite nearly identical negative utilization responses immediately after prices increased, utilization among urban consumers eventually rebounded to pre-price-change levels while rural utilization remained depressed.[58] Since rural incomes are on average lower than incomes in urban areas, the evidence suggests that in the long run Ghana's cost-recovery policies reduced utilization among the poor more than among the rich and thus reduced the proportion of the public health sector subsidy captured by the poor. Apparently, the indirect effects of health sector structural adjustment policies--specifically, the cost-recovery policies to which the supply of World Bank credits is tied--has been to cause a regressive redistribution of the benefits of public health sector expenditures.

If the need for curative care is negatively correlated with incomes (i.e., that the poor suffer more often from illnesses that require medical treatment), then it is also likely that Ghana's existing cost-recovery policies have reduced health production efficiency, instead of promoting it as alleged. Following the line of reasoning presented in the previous paragraph, it becomes evident that by shifting the responsibility for health care finance uniformly onto all consumers, Ghana's cost-recovery policies may actually have reduced efficiency by redistributing the public subsidy from those in the greatest need of curative care to those in the least need. The World Bank's conditions for health sector structural adjustment may therefore have reduced the unit private cost of consumption for individuals

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[58] Some of the post-price increase in utilization is no doubt attributable to the fact that the real price of care (i.e., the price adjusted for inflation) fell from 1986 through 1988 since the user fee rates and government subsidized drug prices remained fixed. With the urban rate of inflation exceeding the rural rate of inflation, the real price for urban dwellers would have fallen at a faster rate than for rural inhabitants. Undoubtedly, however, other factors such as differences in the rate of growth in incomes and variations in the quality of available services also explain why urban utilization rebounded more than rural utilization.

in less need of care, thus stimulating the demand for discretionary care and reallocating public resources away from curing individuals in genuine need of care.[59]

In light, of the fact that the burden of Ghana's cost-recovery initiatives appear to have fallen disproportionately upon the poor, it is troubling that the existing system makes very little effort to protect or exempt the indigent from paying for curative care. As indicated in the background section on health care financing, some MOH officials are skeptical about accurately discerning who cannot afford to pay for care. Thus, while the 1985 Hospital Fees Act allows for exempting the poor, there is very little evidence that such exemptions are made in practice. In fact, the evidence presented in Table V-4 from the Mafi Kumasi Health Center suggests that the percentage of patients exempted from paying for care decreased significantly after the 1990 price increases.[60] The health center went from exempting an average of 12 patients per month in 1990 to not exempting a single person after the price increases.[61]

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[59] The validity of this argument rests critically on the definition of health need. It is interesting to note in this context that Waddington and Enyimayew found no evidence that utilization by women and children--the two groups that health care professionals most often identify as being in need of health services--had been significantly more affected by the 1985 price increases than other cohorts of the consumer population. They did, however, find that utilization by the elder population (those over 45 years of age) had fallen more than proportionately when compared with the general population. Since their study does not control for incomes, it is not possible to look separately at the utilization rates among poor versus rich women and children. The point here is simply that health need (however defined) cannot be ignored when examining the efficiency effects of changes in health sector pricing policies.

[60] Waddington and Enyimayew (1989b:24) note a similar reluctance to exempt the poor from paying for curative care. As they put it, "inability to pay is clearly an issue for some people... It is thus worrying to find a reluctance to use the exemption clause for paupers."

[61] Waddington and Enyimayew (1989b:5), for example, cite a study by Dakpallah (1988) in which he estimated that the total revenues lost from all exemptions in 1986 (i.e., for health workers and their dependents, for paupers, and for patients suffering from communicable diseases such as leprosy, tuberculosis, cholera, etc.) amounted to 21 percent of total revenues from fees and drug charges.

Though few exemptions appear to be accorded to the poor, some analysts have expressed concern that excessive use has been made of the exemption provision for health workers and their immediate dependents. Donaldson (1991) and Waddington and Enyimayew (1989a & 1989b) have argued that revenue leakages from this exemption provision have seriously eroded efforts to meet agreed-upon cost-recovery targets.

This admittedly selective evidence from the Mafi Kumasi Health Center suggests that the problem may not be as great as these analysts have feared and that it should be possible to adjust drug prices so as to recover the revenues lost through this exemption.[62]

Table V-4 reveals that the value of drugs consumed by staff members and their dependents at the Mafi Kumasi Health Center averaged just under 5 percent of total revenues generated by the health center in consultation fees, drugs sales, and lab fees in the two and a half years for which data were available. Interestingly, the data also suggest that the health workers' willingness to use the exemption decreased after the 1990 price increase. Comparing the average monthly value of staff consumption in the eight months prior to the 1990 price increase with the eight months that followed reveals that the value increased by 45 percent from 2,072 *cedis* to 3,006 *cedis*. Since the unit price of care is estimated to have increased 108 percent (see Table V-3), the number of times in which health workers and their dependents were exempted must have fallen by 30 percent. Evidently, health workers were less willing to use the exemption clause when the price of care to others in the community had been increased and when they were no longer exempting those who were unable to pay.

[62] Recall, that it was argued earlier that this exemption is considered important since it recognizes the incentive health staff have to attend to their own and their families' health needs before attending to the needs of others.

TABLE V-4 REVENUES FROM USER FEES AND THE SALE OF DRUGS MAFI-KUMASI HEALTH CENTER (JANUARY '89/JUNE '90)

Month	Number Patients Treated	Total Revenues	Fee Revenues	Drug Sale Revenues	Lab Fee Revenues	Staff Consumption	Per Patient Fee	Per Patient Drug Expend	Number Patients Exempted	% Exempted	Fees as % total Revenues	Drugs as % total Revenues	Staff Consumption as % total Revenues
1/89	241	46,858	5,730	38,290	80	2,758	24	159	10	4.15%	12.23%	81.71%	5.89%
2/89	152	27,038	3,850	20,130	1,080	1,978	25	132	0	0.00%	14.24%	74.45%	7.32%
3/89	176	30,580	4,410	23,900	560	1,710	25	136	0	0.00%	14.42%	78.16%	5.59%
4/89	236	35,454	5,900	26,840	640	2,074	25	114	0	0.00%	16.64%	75.70%	5.85%
5/89	279	45,296	6,750	35,220	240	3,086	24	126	9	3.23%	14.90%	77.76%	6.81%
6/89	244	45,434	6,010	35,800	1,160	2,464	25	147	4	1.64%	13.23%	78.80%	5.42%
7/89	279	70,740	6,950	56,300	1,140	6,350	25	202	1	0.36%	9.82%	79.59%	8.98%
8/89	214	57,910	5,350	47,310	1,260	3,990	25	221	0	0.00%	9.24%	81.70%	6.89%
9/89	200	47,265	4,820	38,740	940	2,765	24	194	5	2.50%	10.20%	81.96%	5.85%
10/89	226	51,529	5,700	43,530	620	1,679	25	193	0	0.00%	11.06%	84.48%	3.26%
11/89	336	74,275	7,149	64,160	700	2,266	21	191	36	10.71%	9.63%	86.38%	3.05%
12/89	259	63,922	6,030	54,170	0	3,722	23	209	18	6.95%	9.43%	84.74%	5.82%
89 AVG	237	49,692	5,721	40,366	702	2,904	24	169	7	2.46%	12.09%	80.45%	5.89%
1/90	288	76,428	6,410	61,180	3,180	5,658	22	212	32	11.11%	8.39%	80.05%	7.40%
2/90	230	54,916	5,130	42,390	5,460	1,936	22	184	25	10.87%	9.34%	77.19%	3.53%
3/90	235	60,164	5,350	46,340	4,890	3,584	23	197	21	8.94%	8.89%	77.02%	5.96%
4/90	188	33,569	4,380	25,590	2,520	1,079	23	136	8	4.26%	13.05%	76.23%	3.21%
5/90	170	35,680	4,370	25,400	4,430	1,480	26	149	0	0.00%	12.25%	71.19%	4.15%
6/90	176	42,720	4,200	31,120	3,710	3,690	24	177	8	4.55%	9.83%	72.85%	8.64%
7/90	205	36,625	4,760	27,220	2,880	1,765	23	133	15	7.32%	13.00%	74.32%	4.82%
8/90	225	47,076	5,530	33,330	6,160	2,056	25	148	4	1.78%	11.75%	70.80%	4.37%
9/90	193	36,590	4,670	25,320	4,940	1,660	24	131	6	3.11%	12.76%	69.20%	4.54%
10/90	240	45,156	5,710	30,910	7,270	1,266	24	129	12	5.00%	12.65%	68.45%	2.80%
11/90	208	42,002	5,010	34,860	1,980	152	24	168	8	3.85%	11.93%	83.00%	0.36%
12/90	202	61,576	4,880	54,350	80	2,266	24	269	1	0.50%	7.93%	88.26%	3.68%
90 AVG	213	47,709	5,033	36,501	3,958	2,216	24	169	12	5.11%	10.98%	75.71%	4.45%
1/91	227	72,040	5,590	59,000	3,480	3,970	25	260	0	0.00%	7.76%	81.90%	5.51%
2/91	175	55,855	4,380	45,860	2,620	2,995	25	262	0	0.00%	7.84%	82.11%	5.36%
3/91	168	63,080	4,130	55,880	60	3,010	25	333	0	0.00%	6.55%	88.59%	4.77%
4/91	208	66,733	5,210	59,050	580	1,893	25	284	0	0.00%	7.81%	88.49%	2.84%
5/91	166	54,139	4,320	44,290	3,080	2,449	26	267	0	0.00%	7.98%	81.81%	4.52%
6/91	165	75,985	4,240	64,400	2,880	4,465	26	390	0	0.00%	5.58%	84.75%	5.88%
91 AVG	185	64,639	4,645	54,747	2,117	3,130	25	299	0	0.00%	7.25%	84.61%	4.81%

3. Primary Education in Mafi Kumasi: the School and the Community

Mafi Kumasi appears to emphasize primary education more than other study sites visited in Ghana, for a number of possible reasons. It is larger and there are more adults with at least some education. In addition, as one Ewe said, "There are no cocoa plantations here; our children are our cocoa." The expectation that educating children well enough to get good jobs will result in the continuing involvement of those children with their families and the community has proved accurate and reinforces the emphasis on education. However, even for an Ewe community, Mafi Kumasi seems to be exceptional in its ability to carry out large projects. The chief has been in place since 1962, is an educated man, and is clearly an able community leader. The good track record of completing projects and managing them well is paralleled in the apparent ability of the community to manage its primary schools well and ensure that so many of the teachers are qualified.

In Mafi Kumasi, one committee oversees all three primary schools. The committee member interviewed at the greatest length was a retired school inspector. The chief and the District Assembly member, who are both committee members, are themselves teachers. The committee is therefore well qualified to judge the performance of the schools. Its relationship with the two head teachers interviewed appeared to be smooth. It appeared that greater authority was given to the school committee than to the head teachers.

The school committee had sent a delegation to the GES district office the previous week to petition for building materials. The GES deputy director reported with a smile that he sees such delegations often, that dealing with them takes a significant amount of time, that they are sometimes "troublesome", and that their demands are varied, all evidence that the links between the GES office and the communities are both active and two-way. It is also evidence that in education, as in other areas, communities have the skills to deal with government bureaucracies in a sophisticated and effective way. The delegations to the GES office are most active when the GES office is assigning teachers to schools, based on its list received annually from the regional office. Delegations lobby hard to keep good teachers and to be assigned experienced, trained teachers rather than new teacher training college graduates. That eleven of the twelve teachers in the schools visited are trained, a higher proportion than for the district as a whole, is indicative of the Mafi Kumasi school committee's success. Since Mafi Kumasi is a large village, it may be better

able to attract and hold good teachers than smaller, more remote villages. On the other hand, nine of the twelve teachers are natives of the village or adjacent villages, evidence of the marked shift since approximately 1987 in teachers' preferences for assignments in their home villages. This is primarily for economic reasons--accommodations are better and cheaper, and access to land is easier and cheaper.

The perception of government officials that mission schools get more support from the churches than government schools get from the government was not borne out by the E.P. school in Mafi Kumasi. The original 1920s primary school building was destroyed in a major rainstorm in 1988 and subsequently demolished. In 1989, the teachers and pupils constructed two pole and thatch pavilions that still serve as the classrooms. Last year, a small, one-room concrete block building was constructed to serve as the head teacher's office and school storeroom. The total contribution from the E.P. church to date has been three bundles of roofing sheets.

The open-air school presents some obvious difficulties: in heavy rain school must be canceled; with 240 children in the school and no walls, conditions are noisy and distracting; all classrooms have easel blackboards but no other visual teaching aids. A new E.P. church is being built with local contributions and is approximately one-third complete. The head teacher indicated that when it is finished it may be used as a temporary school. Both he and the head teacher of the government primary school across the road, which has been housed since 1963 in abandoned market stalls and is an equally inadequate physical plant, hope that the community development association will turn its attention to the need for new primary school buildings once the JSS facilities are finished. Lobbying the GES for funds and materials has occurred; from our knowledge of the GES's limited discretionary funds, little help seems likely from that source. The two head teachers and the school committee member agreed that the community development association will build the E.P. school and not put the burden on the E.P. congregation. In practice, the E.P. primary school seems to be no different from the government primary school.

Both schools have organized school self-help efforts. As stated above, teachers and pupils built the temporary E.P. school structure. The head teachers expect that they and the pupils will participate in building the permanent structures. In both schools, teachers organize pupils to do odd jobs for pay within the community in order to raise funds for the school. The funds in these school coffers finance small official expenses, such as the transportation cost of the head teachers' official trips to the GES district office.

Last year, a group of parents requested that the E.P. teachers hold extra classes for their children. These are held three afternoons a week during the term and cost 400 *cedis* per month per child. The head teacher characterized the group of parents requesting the classes as teachers or other educated people. The less educated parents interviewed were not sending their children to these extra classes. Children from all three primary schools attended the classes. This was the only village visited where part of the community demanded such a service.

4. Village Governance in Mafi Kumasi

Traditionally, decisions in the village of Mafi Kumasi were made by the chief in consultation with his elders. When a decision was made to undertake a project, the *gong-gong* was sounded and an announcement was made regarding the date of the project and what materials and/or equipment the people should bring. Work projects often took place on taboo days; that is, the days that people were forbidden from working on their farms. Participation was mandatory for everyone except the old and the sick. Those who refused to participate were brought before the chief and fined. Fines were traditionally a number of cowrie shells or money (in later times) or drink (i.e., palm wine, or *akpeteshie*). At times, the chief and elders would agree beforehand on the punishment for non-participation.

Examples of typical traditional community projects include preparation of paths between two villages (in which two villages would cooperate) and market construction and development.

Currently, village project decision making is the responsibility of the Town Development Committee. The committee includes the chiefs from Mafi Kumasi and the surrounding village areas, the Assemblymen, and prominent people, including the CDR Units. The Town Development Committee has been in existence since 1958. The present Mafi Kumasi Chief, who is now chairman of the committee, has been a member of the committee since its inception (he has been village chief since 1962). Inclusion of the CDR units is obviously a recent adaptation; the committee was clearly well established before the current government took power, and before CDR units and District Assemblies were established.

The committee makes decisions regarding what projects to undertake, and committee members then inform their constituencies about the project. The committee is responsible for paying any artisans needed for the work. The various constituencies are formed into labor groups and labor rotations are established.

Because some of the projects undertaken are quite substantial, labor may be required on a number of days; therefore, community work is no longer reserved for taboo days. As in the past, all residents must participate. Those who do not are fined a specified amount, in *cedis*, which is established prior to project initiation.

As projects are formulated, subcommittees are formed to be responsible for each particular project. For example, there are subcommittees for the schools, electricity, market, water supply, town sanitation, and health clinic projects.

Village Development Projects

The Town Development Committee maintains no regular fund that is fed by regular contributions from residents. Funds are raised on an as-needed, project-by-project basis and are solicited from both residents and former residents. Mafi Kumasi and its adjoining villages have managed to tap the area's surplus resources through this ad hoc method for a number of successful community development projects.

Current village development priorities include continuation of a KVIP project, completion of a second dam, and improvement of a road that would link the village and the water pumping station and extend to other parts of the area.

Water Project

Water is always a need for Mafi Kumasi and the surrounding villages. The traditional sources were rivers, and waterborne diseases were a problem. The former residents who had left the village were aware of the village's water supply problem. One former resident, a civil engineer, contacted a Swiss organization, CARITAS, for assistance. Local residents held a fundraising rally to get initial start-up funds, and got a commitment from CARITAS for materials. The Town Development Committee planned the project with the assistance of a consultant. The villagers supplied the labor in rotation--each participating village sent a work force on its assigned days.

The water source for the system is a dam. The water is pumped through a sand filtration system, to a water tank on a hill, and is distributed by gravity feed. The filtration system and pumps (one primary and one stand by) are housed in a modern, concrete block building. The system came on-line two years ago.

All men and women residents contributed 1,000 *cedis* to help start the project. Former residents, who now live outside the village but who maintain contacts there, contributed 4,000 *cedis*

each. The system is maintained through a regular contribution from each resident over 18 of 50 *cedis* per month. This represents an increase from 20 *cedis* last year. The money is put into an account and is used to pay a watchman, a caretaker, and a coordinator. Because the system uses sand filtration, no chemicals are required. Spare parts as needed have to-date been purchased through the monthly rate account. There has not yet been a need for any special contributions. However, the chief admitted that when funds are needed on an emergency basis, he and other prominent members of the Committee front the money and are repaid after funds are raised.

If a resident does not contribute his or her monthly rate, he or she receives a visit from the headman who appeals for payment. At times the local militia may be called and the recalcitrant individual may be hauled before the chief or taken to court. Most people pay willingly, but there are those who do not. The chief said most everyone pays because they understand money is needed to pay the wages of those who work with the system and the costs of maintaining the machines. One can also expect that social pressures associated with traditional community norms help to assure that individuals take the rate seriously.

A special fundraising event was held on the system's first anniversary. The funds raised are earmarked for construction of a second dam. A second dam will increase the capacity of the system and allow water to be piped to other villages and to individual homes. Presently, all taps are communal; Mafi Kumasi has 21 communal taps. The Canadian Embassy has agreed to contribute for the second dam.

The area currently served by the water project and the area apparently represented by the Town Development Committee encompasses 13 villages within a radius of five kilometers around Mafi Kumasi. (Mafi Kumasi acts as the center because of its market). Of the 13 villages, nine participate in the water project: Mafi Kumasi, Mebiawoe, Tsrinyikofe, Nukporfoe, Aburi, Dzoyadze, Agbodrafor, Mediage, and Asitsoare. Asiekpe, Tsati, Gborkofe/Havenu, and Adzorkoe do not participate. The traditional chieftancy area is larger than the area served by the water project, approximately 12 miles, but this distance was determined to be unworkable for the purposes of the project.

Latrine Project

As a follow-on to the water project, the village, with the assistance of CARITAS, became interested in sanitation issues, and decided to pursue a latrine project. The village currently has seven communal latrines; six are simple pit latrines, and the seventh is a KVIP latrine at the market. The present project, however, is designed to provide latrines for private homes.

CARITAS supplied a donation to be used to start a revolving fund. Those interested in constructing latrines for their homes can borrow money and pay it back on a monthly installment basis (1,350 *cedis* per month). The latrines cost about 80,000 *cedis* each--60,000 *cedis* for materials and 20,000 *cedis* for labor. The latrines are an improved, ventilated type with two chambers. When one chamber is full, it is closed until the other is full. At that time the contents of the first chamber have dried and can easily be emptied. Both chambers are vented with black plastic pipe. The latrines are made of concrete block and are raised over the dual chambers. Each latrine requires 20 bags of cement, three iron bars, two roofing sheets, timbers and nails, and the ventilating pipes. One hundred of these latrines have been started and are in varying degrees of completion.

Electricity Project

In the entire North Tongu district, only Mafi Kumasi and Juapo have electricity. Adidome has the power lines, but no power. In 1985, Mafi Kumasi approached the Volta River Authority (VRA), which was at the time constructing a substation in the area, about extending power to Mafi Kumasi. The village molded concrete poles for the high tension lines, purchased wooden poles for the distribution lines, and got the cables from VRA. Individuals interested in having power in their homes paid VRA for their connections and pay a monthly rate.

Schools Projects

The village is in the process of constructing a JSS and a kindergarten. In addition, a secondary school that was built is being expanded. The JSS is constructed as high as the lintel, and the kindergarten is built to the window level. A new four-classroom block is being added to the secondary school, which was constructed and opened in 1983. The secondary school expansion is being financed through voluntary contributions. The JSS and kindergarten projects are being financed through the village's share of the market tolls and head tax.

The village's primary schools were damaged in a heavy rainstorm a few years ago. The present structures appear temporary, as they are very open to the elements. Primary schools will be repaired when the other school projects are completed.

Constraints, Problems, and Issues

Unlike other villages visited in Ghana, the puzzle of Mafi Kumasi is not its seemingly insolvable and intractable problems, but rather its consistent success in addressing and completing projects. When asked why the area was so successful in its implementation of community development projects, the chief attributed the achievements to proper education of the people by their leaders through frequent meetings. Through good communications, people have avoided petty disputes, he said. He noted that people travel and see improvements in other areas and want them for their home village.

The leaders of the area (Mafi Kumasi and the adjoining villages) have even had leadership training, with the assistance of CARITAS. A consultant was hired from the University of Ghana at Legon, and a four-phase course, focusing on leadership methods and methods for educating, was developed. The course was promoted by the village's former residents who presently live in Accra.

The "club" of former residents in Accra includes more than 100 members. It meets on a monthly basis and has done so for many years. The importance of Mafi Kumasi's link to Accra cannot be overemphasized. It has clearly played an important role. Perhaps most important is that it represents an important phase in the village's development cycle: educated sons and daughters leave the village but maintain strong familial ties. They send remittances to improve the village, which helps create a prosperous environment that the next generation takes advantage of and contributes to when it in turn departs. The fact that the village is a two-hour ride from Accra cannot be duplicated, but it is no accident that the village clearly creates strong ties with its children and that these children later contribute in a meaningful way.

Discussions and meetings regarding the town's fortunes appear to be held regularly. As mentioned previously, the Town Development Committee meets every month. The representatives are then responsible for calling their individual villages/areas together to inform them of the Committee's discussions and decisions. Easter Conferences, which are both general meetings and fundraisers soliciting voluntary contributions, are also held annually.

The stability of the Town Development Committee is exhibited by its 35-year history of regular meetings and by the consistent participation of many of the committee members, particularly the Chairman. This consistent presence and institutional memory illustrate the importance of strong and creative leadership. It is also significant to note that the committee's structure is based on the traditional authority of the chiefs, and has been since its inception. By contrast, various political organs, such as the CDR Unit, have been a more tenuous community link that has changed with the various political fortunes.

Finally, the area's fertility and ability to produce a consistent surplus is perhaps of greatest importance. The surplus is substantial enough that projects can be funded with confidence on an as-needed, ad hoc basis, without regularly required contributions. Perhaps this policy of only asking for money when it is absolutely needed for specific projects has helped establish the committee's credibility.

Regarding the development potential offered by the District Assembly process, the chief and Assemblyman admitted frankly that to-date the District Assembly has brought no assistance to the village. The reason, which appeared to be accepted, is the district's lack of funding. In fact, for Mafi Kumasi, the District Assembly and administration represents a drain. For example, the village formerly managed and maintained its own market, including the collection of market tolls, which it controlled. Now the tolls are collected by the district, and the market is managed by the district. The distinct impression was given that the village believes it did a better job of management of its market than the district does, but with Law 207, markets are the responsibility of the District Assembly and administration. The village only receives a percentage of the market tolls that the district collects.

In theory, however, the chief believed it would eventually be advantageous to be part of a smaller district because there would be more direct decision making and a more effective feedback mechanism. In addition, the closer proximity of the district capital was seen as an advantage.

C. Conclusions

1. District and Village Governance

As in the other two districts studied, district officials in North Tongu admitted that, due to insufficient funds, they have been unable to provide significant services and funds for development for district residents. As in Asante Akim South and Bongo districts, North Tongu has had great success increasing district tax receipts and has made strong revenue collection efforts. Nonetheless, the successful projects in the district (for example, grading of feeder roads to the towns with markets) entail substantial additional resources from village residents. Where additional levies are required for specific projects, tax revolts can probably be expected for basic rates.

What makes the failure of North Tongu to fulfill its service provision requirements so noticeable is that the district appears to have economic potential. The district has several industries, and farmers in the area have the benefit of mechanization and use it to produce a surplus. Still, the bureaucratic costs of operating the district administration are so high that the district may actually be impeding development. For example, the district has temporarily stopped production of lime powder (an indigenous industry) as it tries to regulate and collect fees from the trade. District government now also must collect market fees and is responsible for market maintenance. In Mafi Kumasi, residents strongly indicated that they did a much better job maintaining their own market than the district administration presently does.

The development successes that have occurred in a village such as Mafi Kumasi appear to have nothing to do with the district-level government. The village has a tradition of communal labor that it has parlayed into a series of successful projects that have entailed not only construction, but also continuing operation, repair, and maintenance. Mafi Kumasi's stable Town Development Committee is centered on traditional institutions--specifically, the chiefs of the traditional area. Chiefs are actively involved in the committee and have welcomed the current political regime to join their institution without being preempted by it. To establish a successful water project, the committee formed a special district consisting of a portion of the traditional area that could reasonably work together given the system's physical constraints. Funds are raised for specific purposes, which seems to add to the credibility of the committee's fundraising efforts.

The district of North Tongu could potentially meet its service provision mandate in a more cost-effective manner by providing support to residents through such self-governing institutions as the Mafi Kumasi Town Development Committee.

2. Primary Education

The Ghanaian education system appears to have achieved a greater degree of success in North Tongu than in the other districts visited. Not only is enrollment increasing, but more importantly community involvement in the schools is quite evident. Communities in North Tongu not only actively lobby for and retain teachers, but also participate in school operation. Mafi Kumasi has exhibited this commitment through an education committee that is involved with both primary schools and through a tutoring program that parents established and paid for.

As in the other districts, families in North Tongu make economic decisions regarding the costs and benefits of school enrollment. In North Tongu, however, it appears that parents stagger the enrollment of their children so that too many are not in school at any one time. Given the discretion to do so, the district education department could conceivably accommodate this coping mechanism.

The district has in the past had significant involvement from religious organizations in the founding and operation of schools. What role these schools have played as models of excellence for the public schools might be worth investigation.

3. Health Care

The health sector in North Tongu exhibited characteristics similar to those observed in Asante Akim South and Bongo: poor district-level management and coordination for health services, to the extent that the district's health management team was only recently established. In addition, health care in the district was largely dependent on curative, hospital-based care, the costs of which were high.

The team's research in North Tongu also led to questions regarding whether the present user fee system has actually led to improvement in services, and whether the system may lead to decreased utilization by the most vulnerable segments of the population. Further research may be advisable to determine how cost recovery systems can be instituted so that target groups are not priced out of the service, and so that the funds generated result in improved quality of care.

VI. CONCLUSIONS

A. Education

1. Regional attitudes to education differ in ways that affect coproduction by parents and links between the community, the school, the GES district office, and the District Assembly.

    a. In Asante Akim South district, elders see no need for cocoa farmers to have an education. The PTA in Odubi is inactive and teachers are treated as strangers; one child from the community has gone to a Teachers Training College (TTC).

    b. In Namoo, parents take an interest in the child's performance and the brightest may be encouraged and sponsored to stay in school. However, child labor during the rainy season is a necessity, and girls are needed at home year-round. One child from the community has gone to a TTC.

    c. In Mafi Kumasi, community school committees actively monitor the school's performance and lobby the GES office for good teachers. The attitude is that "children are cocoa", and parents hope for at least one well-educated child to get a good job, though they are discouraged by the current job market for both academic and technically trained school leavers. TTC is an achievable objective; about 10 children are currently at university.

2. Community efforts to complete construction of JSSs have been at the expense of primary schools construction and maintenance.

    a. There is a general bias toward junior and senior secondary schools.

    b. Government pressure on communities to complete JSS buildings and workshops has fully absorbed community energies; and therefore, there has been no community maintenance of primary school buildings in years.

3. Inputs to primary education--i.e., textbooks, teaching materials, teacher training, inspection, and supervision--have increased.

    a. Still, two to three pupils per textbook is common. Some head teachers said textbooks arrived after the start of the academic year.

b. Some schools in districts have very few textbooks because the head teacher is not willing to pay the transport cost to collect them out of his or her own pocket.

4. GES district offices only carry out established procedures at the district level; there is not much innovation so far as a result of decentralization.

   a. There is possible overstaffing of the district-level administration.

   b. There is a shortage of competent accountants.

   c. Miniscule budgets for travel and transportation and maintenance are used by the GES offices and are not getting to the schools.

   d. There has been procedural decentralization, not decision-making decentralization or devolution of financial resources to carry out the district's current responsibilities.

   e. True devolution of responsibility might allow and prompt districts to adopt more of a problem-solving approach to designing programs to address local problems. Examples include outreach programs, such as shepherd schools and literacy programs, and flexible calendars that are sensitive to economic realities.

5. The incentive structure for teachers seems to be appropriate because primary school teachers appear to be satisfied enough to stay in the profession.

   a. Many now want to live in their home villages because it is cheaper and provides them with better access to land for cultivation. Some do want to move to cities to get access to better amenities.

   b. Morale has been boosted by in-service training and more textbooks.

   c. Teachers complain about poor accommodations and the communities' lack of attention to the state of school buildings and to the provision of school furniture.

6. There is a huge variation in the education levels achieved by individuals in the primary-school-age population.

   a. The brightest and most motivated students are probably literate and numerate by the time they finish P6; average children are not.

   b. In all three communities, significant numbers of children are not in school because their parents cannot afford to send them.

B. Health

1. Health sector priorities still favor hospital and clinic-based curative care over community-based primary care which emphasizes preventive and promotional strategies.

2. Ministry of Health strategies for expanding community-based primary health care call for deployment of MOH staff at the village level rather than training members of the community. This strategy maintains MOH control over service delivery, but will cost much more to sustain.

3. Current users of preventive care appear to have little understanding about the benefits from these services and are thus unable to be effective coproducers of their own health.

4. The private costs of obtaining preventive care are made unnecessarily high by the vertical nature of service delivery. Mothers are forced to return on successive days to obtain a complement of services that should been provided on the same day. This creates a significant disincentive to the use of preventive care.

5. An innovative drug financing scheme being implemented in the Ashanti region risks being undermined by MOH drug policies that are apparently receiving World Bank support. Ashanti region has instituted a cash-and-carry drug supply scheme in which drugs are purchased at the regional level from private pharmaceutical companies. The drugs are then purchased from the regional stores by health centers for resale. The scheme not only promotes marginal cost pricing since the purchase price reflects the transport and logistics costs incurred by the pharmaceutical, but also eliminates the high cost of a centrally administered government procurement and distribution system. Current efforts to bolster the central MOH drug procurement and supply capacity will undermine the decentralization effort by increasing district-level dependence on the center.

C. <u>Decentralization: Local Administration and Governance</u>

1. The medium-term credibility of District Assemblies will depend on government ability to supply public goods--specifically, to tie benefits to taxation.

   a. Decentralization has meant greater government representation and local presence, but has also meant an increased tax burden for communities.

   b. District governments have funding to support themselves, but only to provide minimal services. This diminishes their credibility and their ability to be anything other than parasitic.

   c. District-level discretion is virtually nonexistent. The districts do not have the fiscal or programmatic discretion to tailor their services and actions to the desires of their constituents as expressed through the District Assemblies.

2. District staffs are more capable of accepting responsibility than is perhaps recognized. There are caveats, but the institutional incapacities of the district staff cannot be used as a blanket excuse for not devolving greater responsibilities.

   a. However, though district administration and finance personnel are competent and committed, they are understaffed.

   b. Given the lack of technical manpower, the District Assemblies also are constrained in their ability to plan for service provision and to take advantage of decentralization. Specifically, the *ex officio* Assembly members, who are to represent the ministries and serve as technical resources on subcommittees, are not present to the degree needed.

   c. Where resources do exist, there is a lack of coordination between line ministry departments at the local level. In one example, there is creation of parallel structures by line ministries (the DHMT established by the MOH and the Social Service Committee of the district).

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3. The appropriate roles for each political/administrative level must be defined.

   a. The nature of each line ministry service should be examined to determine the most efficient level of decentralization for each. Not all services should necessarily be structured and delivered in the same way by the same levels.

   b. Where appropriate, creation of special districts should be considered, based on demand and the characteristics of the service. Not all needs are best served by the same kind of district. The Mafi Kumasi water project is a good example of a district being specially established to meet a specific demand.

   c. Traditional areas could potentially be used as a basis for special service districts. All of the districts visited comprise recognized traditional areas. The Mafi Kumasi water project, for example, is based on the union of villages within a traditional area. These traditional ties can be advantageously used and may offer an alternative to the present districts, which may simply be too large to be truly representative.

4. The benefits of decentralization to the economy are realistically many years away.

   a. In the interim, the costs of a transition to a decentralized institutional structure, as presently established, are very high and will imply increased public expenditures in the short run.

   b. Support to decentralization for this interim period implies changes in donor support, specifically the levels of government supported, the costs of support, the returns of support, and the measures of those returns.

5. The successful community development institutions found are not structured as they are because of the structure of government--either centralized or decentralized.

   a. Institutional stability is a key for long-term progress.

   b. Long-term institutional stability creates an atmosphere of success and progress that absent sons and daughters continue to want to be a part of and contribute to.

c. A decentralized government should recognize, link with, foster, and support--not detract from--these structures. Local government units can improve their service orientation by supporting the local self-governing institutions that currently provide services.

D. Local Government: Public Finance[63]

1. In all three districts, total annual expenditures were substantially lower than total annual receipts. In Asante Akim South, for instance, total reported expenditures in FY 1990 amounted to only 76 percent of total own-source revenues and only 58 percent of own-source plus shared tax revenues.

   a. This tendency for under-expenditures should not be mistaken for a lack of need at the local level, but rather should be seen as resulting from the uncertainty of actual tax revenues. Under current financing arrangements, the districts have no idea during the budgeting process what value of ceded revenues they will receive nor how much grant aid they will receive in the upcoming fiscal year. As a result, they budget very conservatively and assume there will be no increase from these revenue sources over the previous year.

   b. Recent World Bank recommendations that the Ministry of Finance provide budget ceilings to the districts which reflect the minimum ceded and grant revenues they can expect in the upcoming fiscal year would significantly improve local expenditure performance.

2. Decentralization and the down-scaling in district size has competing effects on local revenue mobilization. On one hand, it reduces the tax base upon which local government units can draw to fund public goods provision. On the other hand, it improves government's ability to administer

[63]An accurate picture of district-level expenditure priorities is extremely difficult to discern because a change in accounting methods was introduced in FY 1989. The districts switched from a program budgeting approach, which clearly delineated expenditures on the various sectors such as health and education, to a line-item budgeting approach which breaks expenditures into factor inputs such as labor costs, transport costs, etc. To derive some sense of the sectoral expenditure priorities over time, it was thus necessary to re-itemize the individual district expenditures since FY 1989 and place them in a program budgeting format. Unfortunately, this ex post reorganization of the budgets only provides an approximation of the actual expenditure situation, and so the analysis should be viewed with some caution.

taxation. In the three areas visited, the net effect of decentralization has been to significantly increase the revenue yield per capita.

a. Local governments are exerting a substantial revenue mobilization effort but have virtually exhausted available growth potential. All three districts have increased statutory rates and have actively sought out new tax instruments.

b. Efforts at local revenue mobilization have led to an ad hoc setting of rates. The differential application of rates across economic activities has undoubtedly created investment disincentives and thus led to resource allocation inefficiencies.

c. Local revenue collection is costly to administer. In all three districts revenue administration costs accounted for between 12 and 17 percent of total own-source revenues.

3. The ability of local governments to sustain the present tax effort is linked to their ability to supply public goods. The poor performance in this regard has already led to an increasing problem of noncompliance.

a. Even if district expenditures are increased to more closely reflect actual revenues, they will still impact minimally on the average district inhabitant. Using income estimates derived from the Ghana Living Standards Measurement Survey of 1989 (Statistical Service, 1989), it is estimated that total district expenditures per capita in Asante Akim South amount to less than 1 percent of the average annual total expenditure per capita of Ghana's poorest households.

b. The inability of the districts to finance development investments places them at great risk of losing their political credibility. Unless constituents begin to perceive that local governments are able to meaningfully respond to some of their demands, local interest and support for the decentralized political process will wane. Simply deconcentrating line ministry functions to the districts and channeling central subsidies for these sectoral activities through the district finance structures will not generate the necessary credibility. The districts must have some discretionary revenue source with which to undertake their own development expenditures.

4. Local revenue sources tend to be regressive--they place a greater burden on the poor than on the wealthy. The districts rely heavily on market fees levied on food sellers. Given that the demand for food tends to be inelastic, the burden of such fees is shifted onto the consumer. Since the share of food expenditures in the budgets of poor Ghanaian households is greater than in wealthier households, the fees place a greater burden on the poor.

5. The level and type of grant assistance is inadequate to provide districts with the necessary discretion to initiate investments that can take advantage of one of the benefits of decentralization: improved efficiency in the supply of public goods.

   a. Existing grants are either closed-ended or matching grants tied to specific investment expenditures. While they increase local-level investment, they restrict the discretion of the local government.

   b. Relatively heavy dependence on grants results in a high degree of uncertainty in the budget and planning process.

6. Expenditures on health and education account for less than 10 percent of total district expenditures. This compares with approximately 50 percent on district administration and finance. District expenditures on education are equal to approximately 1 percent of central funding for education in the districts.

7. Financial decentralization and the financial autonomy of the districts, which represents a key measure of true independence, has yet to be resolved. Also, the question of whether the district assemblies will gain financial control over the hiring and firing and promotion mechanisms for ministry staff remains unanswered.

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LIST OF PERSONS CONTACTED - GHANA CASE STUDY

Name	Title	Office/Location
Jacob Agambire	Dist. Secretary	Bongo District
Torbe Agbenyo-Ametieku II	Chief of Mafi Kumasi and Chairman of the Town Development Comm.	Mafi Kumasi
J.B.K. Aglago	Head Teacher	Mafi Kumasi
P.K. Agyebeng	Head Teacher	Odubi
Benson AhoneKongu	Head Teacher	Mafi Kumasi
S.E. Akomeah	Asst. Dir.	GES District Office, Asante South Akim
Albert Anaba	Medical Asst.	Bongo District
Joseph Annan	District Budget Officer	Bongo District
Dr. Apiah	———	National Developing Planning Commission
S.S. Asante	Assemblyman	Odubi
Francis Asola	Assemblyman	Namoo
Komla Dokli Atitsogbui	District Finance Officer	North Tongu District
Kwasi Adu Baffour	District Budget Officer	Asante Akim South District
Nicholas Bennett	———	The World Bank
James Bennin	Dist. Admin. Off.	Bongo District
Daniel Blumhagen	———	USAID/Ghana
K.A.P. Brown	Director	PAMSCAD/Min.Local Govt.
Dr. E.N.L. Browne	District Medical Officer	Ejisu District
Frank Obeng Dapaah	Dist. Secretary	Asante Akim South Dist.
M. Donkor	Dept. Dist. Admin. Off.	Asante Akim S. Dist.
Prosper Doe	Dist. Medical Hlth. Off.	Asante Akim S. Dist.

Name	Title	Office/Location
Dr. Enyimayew	Regional Medical Officer	Volta Region
Dr. Marinus Goetink	Health Programme Officer	UNICEF/Ghana
Kim Hom	———	USAID/Ghana
Donkor Jones	Dist. Admin. Off.	North Tongu Dist.
A.E.K. Katame	Asst. Director	GES District Office, Bongo
Habib Khan	Human Resources	USAID/Ghana
Robin Kibuka	Country Rep.	Intl. Monetary Fund
N.K. Knadey	Business Mgr.	E.P. Hospital, Adidome
Camille Luttrad	Coordinator of Schools	Min. Ed.
Michael Mensah	Chief Rural Planner	Min. Local Govt.
H.A.K. Nyikplorkpo	Assemblyman	Mafi Kumasi
J. Oppong	Act. Dir. Basic Ed.	Min. Ed.
Sandy Okichukwo	Human Resources	USAID/Ghana
D.K. Osei	District Finance Officer	Asante Akim South District
E.K. Prempeh	Dist. Admin. Off.	Asante Akim South Dist.
Professor B.A.W. Trevallion	———	National Development Planning Commission
Gerdie Van Noort	Director	Presbyterian Mobile Clinic, Bolgatanga
Robert Wuertz	Economist	USAID/Ghana