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Uneven Regional Development in Ghana: Does Politics Matter?


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Abstract

This paper offers a political explanation to the problem of unbalanced regional development in Ghana, a country where sustained economic growth has contributed to reducing poverty while increasing regional inequalities. It argues that a key factor that explains Ghana’s stark unbalanced development has been the exclusion of the lagging Northern regions from productive economic investments. The economic exclusion of these regions is underpinned principally by the inclusion of Northern elites into political institutions on terms that undermine their influence over resource allocation decisions within a political environment that is driven largely by patron-client relations. The findings therefore suggest the need to see powerlessness on the part of lagging areas as stemming not simply from their ‘exclusion’ from political decision making structures, but also from their adverse incorporation into such structures and institutions in ways that potentially underpin their poverty.
1. Introduction

Recent years have witnessed increased global attention to the sub-national dimensions of development, as growing evidence suggests that spatial inequality in economic development is on the rise in many countries. This has been especially so in previously poor performing regions such as sub-Saharan Africa where growing spatial inequalities have occurred largely within the context of positive economic growth, undermining the impact of growth on broad-based poverty reduction (Aryeetey et al., 2009). Although a global phenomenon, the trend towards increased inequality is of particular interest in the African context. Historically, income inequality in Africa has been among the highest in the world (Thorbecke, 2012: 234), and this is puzzling: “Africa should be a low-inequality continent because African countries are poor and agriculture-based…and also because land (the main asset) is widely shared” (Milanovic, 2003: 1). Yet, besides the persistently high levels of income inequalities in Africa, spatial inequalities in access to basic social services also remain high across the region (van de Walle, 2009; Okojie and Shimeles, 2006).

Taking inspiration from Branco Milanovic’s hypothesis that the surprisingly “high inequality in Africa is principally a political phenomenon” (Milanovic, 2003: 3), this paper offers a political explanation to the problem of uneven regional development in Ghana, a country where sustained economic growth has contributed to reducing poverty while increasing spatial inequality. Ghana has achieved significant socio-economic development in recent years, with economic growth averaging 4.5% from 1983 through to 2000 and accelerating to 5.6% in 2004 and 6.2% in 2006 (World Bank, 2007). Ghana’s growth has also been widely hailed as pro-poor, in that economic growth has translated into impressive poverty reduction at the national level. Successive Ghana Living Standards Surveys (GLSS) indicate that the incidence and severity of poverty, as well as the number of poor all declined substantially between 1991 and 2006. In absolute terms, the number of poor went down from 7.9 million people in 1992 to 6.3 million people in 2006 (World Bank, 2011), while the proportion of people living in extreme poverty also declined from 36.5% to 18.2% of the population (Ghana Statistical Service, 2007; 2008).

Yet Ghana’s growth, while generally being pro-poor, has not been inclusive, as the country’s poorer Northern regions (i.e. the Northern, Upper East and Upper West) have been excluded largely both from the growth process and in the distribution of the development largesse associated with that growth. Evidence from the GLSS data indicates that the rate of economic growth in Northern Ghana was only 35% that for the South during 1991-2006 (Jatoe et al., 2012: 2). Such patterns of growth have generated considerable inter-regional divergence in living standards, with the North lagging far behind. Indeed, while the absolute number of the poor declined by some 2.5 million people in the South during 1991-2006, it increased by 0.9 million people in the North during the same period (World Bank, 2011: 5). The problems of extreme poverty and chronic food insecurity are even more acute in Northern Ghana, with over 680,000 people in the three Northern regions currently either severely or moderately food insecure (World Food Programme, 2013:19).

Why have the poorer Northern regions been excluded from Ghana’s impressive growth and poverty reduction records, and why has the North-South income divide continued to widen? In contrast to mainstream accounts of spatial inequality which explain this phenomenon in terms of economic, geography, inadequate/weak institutions, and underdeveloped markets (e.g. World Bank, 2009), this paper argues
that a key factor that explains Ghana’s stark unbalanced regional development has been the exclusion of the poorer Northern regions from a fair share of productive economic investments. The economic exclusion of these regions is underpinned principally by the relatively weak influence of Northern elites over resource allocation decisions within a political environment that is driven largely by patron-client relations. I advance this argument through a detailed analysis of Ghana’s Millennium Challenge Account on agricultural modernization which fully excluded the two most impoverished regions in Ghana, the Upper East and Upper West. The empirical analysis is based on three main data sets: the spatial distribution of political power, measured by the regional distribution of ministerial positions during 2001-2008; parliamentary debates concerning the beneficiary district selection for the MCA; and elite interviews.

The paper proceeds as follows. Drawing insights from the emerging literature on political settlements, section 2 presents the analytical framework of the paper. Section 3 seeks to understand: (a) the distribution of political power among regional elites during 2001-2008; and (b) the relationship, if any exists, between regional inequalities of political power and the regional patterns of public resource allocation. Section 4 interrogates the official criteria for the beneficiary district selection of the MCA, and explores the political factors that accounted for the ‘targeting errors’ faced by the programme with respect to its exclusion of the poorer Upper regions. Section 5 demonstrates that the MCA’s exclusion of these regions is a reflection of a broader pattern of excluding the lagging North from productive economic investments. Section 6 concludes.

2. Political settlements: a framework for understanding uneven regional development

The core concern of the emerging political settlements (PS) literature relates to the centrality of inter-elite power relations and informal institutions (principally patron-client relations) in shaping development processes and their outcomes (Khan, 2010; Parks and Cole, 2010). This perspective perceives spatial inequality as the consequence of people’s differential access to political power, how that power is exercised in shaping the design and actual functioning of institutions (both formal and informal), and how these in turn shape the distribution of public resources and patterns of development (Abdulai, 2012; 2013a; 2013b). Here, the notion of power refers to “the ability to achieve a desired outcome in competition with other actors who lay claim to the same resources needed to produce that outcome” (Hyden, 2008: 13). This definition resonates with Steven Lukes’ idea of ‘visible power’, which applies to political decision-making where there is an observable conflict of interests among elites, at times expressed as differing policy preferences (Lukes, 2005: 18). Lukes distinguishes this idea from the notion of ‘hidden power’ which highlights the ways in which “political systems prevent demands [of the less powerful] from becoming political issues or even from being made” (Ibid, p.40).

Mosse (2007; 2010) extends these ideas into poverty analysis, drawing attention to the importance of the second-order ‘agenda-setting powers’ that set the terms in which poverty becomes (or fails to become) politicised. Power in this respect manifests itself in what he calls “the non-issue”, whereby the interests of politically-marginalised regions get excluded from the political agenda and from the mandates or institutions of public policy. From this perspective, regional inequalities persist
because the development concerns of politically marginalised regions tend to remain “invisible and their needs unpoliticised” (Mosse, 2010:1165). These observations highlight the ways in which unequal power relations can contribute to the socio-economic exclusion of regions with limited influence over decision-making structures and processes. This is especially so in developing country contexts where the prevalence of informal institutions imply that actual resource allocation outcomes often tend to follow criteria other than those formally agreed. Importantly, country case studies frequently show that as far as the distribution of government resources in many developing countries is concerned, the strategy employed by regional representatives in national political institutions often involves ‘pork-barrel politics’, with each trying to acquire as much central spending for their constituencies as possible. With a region’s capacity to effectively lobby and attract government expenditures dependent on its possession of ‘bargaining chips’, it is not surprising that “unequal regional representation in national decision-making organs is often related to the unequal distribution of central [government’s] spending across regions” (Shaoguang, 2005: 5; also UNESCAP, 2001:109). These observations echo the claim that “[i]nequalities in income and human capabilities often reflect inequalities in political power” (UNDP, 2005: 53), whereby “unequal power leads to the formation of institutions that perpetuate inequalities in power, status and wealth” (World Bank, 2005: 9).

There are strong echoes here with Khan’s (2010) argument that the effectiveness of institutions in shaping policy outcomes depend significantly on the compatibility between the distribution of benefits under those institutions and the distribution of power in society. This is because “if powerful groups are not getting an acceptable distribution of benefits from an institutional structure they will strive to change it” (p.4). Thus, rather than institutions per se, it is the underlying political settlement – “a combination of power and institutions that is mutually compatible and also sustainable in terms of economic and political viability” (Khan, 2010: 4) – that determines developmental outcomes (Putzel and di John, 2012). From this perspective, to the extent that some regions become and stay poorer, it is “precisely because they do not have the power to adjust institutions and policy in their favour” (Parks and Cole, 2010: 7). This line of thinking is also evident in the recent influential work of Douglas North and colleagues who argue that developing countries are characterised by ‘limited access orders’, meaning that their polities are “ruled by a dominant coalition; people outside the coalition have only limited access to organizations, privileges and valuable resources and activities” (North et al., 2009:56).

This analysis suggests that employing a PS lens in understanding persistent spatial inequalities requires that we look more closely at the composition of ruling coalitions, the distribution of power therein, and the roles of dominant elites’ incentives in shaping resource allocation decisions. This further suggests the need to go beyond the quantitative distribution of positions of political power such as cabinet Ministers and their deputies to a consideration of the distribution of the most prominent positions in government – what has been termed ‘the inner core of political power’ (Langer, 2005; Lindemann, 2011a; 2011b; Abdulai, 2012). This is important because the absolute/quantitative distribution of ministerial positions can understate inequalities in political power, not least as the power of patronage varies significantly across different governmental positions. Indeed, within the context of the clientelist
political settlements of developing countries (Khan, 2010), ethno-regional inequalities in the distribution of more influential ministerial positions (e.g. Finance) would most likely "reflect not only a power imbalance but also lopsided possibilities of patronage and shares in rents" (Stewart, 2010: 142).

In sum, the PS approach suggests the need to rethink the often apolitical, power-blind accounts of unbalanced regional development, as with the approach adopted by the World Development Report (WDR) 2009. Drawing insights from the new economic geography literature, this Report explains the problem of unbalanced regional development in terms of the intersection of density, distance, and division, and goes on to highlight the crucial roles of migration and spatially-blind (formal) institutions in fostering inclusive development (World Bank, 2009). The limitations of such an analytical approach have been highlighted in the literature, including its exaggerated emphasis on the roles that can be played by internal migration and spatially-blind institutions in fostering spatially-inclusive development within contexts where informal institutions play significant roles in shaping the actual functioning of formal state institutions (see Maringanti et al., 2009; Abdulai, 2012; 2013a).

3.0 Ghana’s political context

The framework highlighted above suggests that within the context of the clientelist character of politics in developing countries where dominant ruling elites often tend to skew public resources to themselves and their constituents, the ethno-regional composition of ruling coalitions and the resultant spatial distribution of power are critical to understanding the dynamics of spatial inequality. This section seeks to: (1) establish the distribution of political power among regional elites in Ghana during the 2000s; and (2) explore the relationship, if any exists, between political inequalities and socio-economic inequalities in the Ghanaian context. Ghana adopted a new Constitution in 1992, ushering in the country’s Fourth Republic which was formally inaugurated in 1993.

Ghana’s Fourth Republic is characterised by a de facto two-party system, in that although constitutionally a multiparty state, only two parties dominate, the National Democratic Congress (NDC) and the New Patriotic Party (NPP). Having won both the presidential and parliamentary elections in 1992 and 1996, the NDC lost to the NPP in 2000 and 2004 under the leadership of J. A. Kufuor, which in turn lost to the current ruling NDC in 2008 and 2012. There is strong ethno-regional basis to electoral competition among these parties. The NPP has its geographic strongholds in the Ashanti region, while the Volta region has consistently remained the NDC’s ‘vote bank’. Though to a less dramatic extent, the three Northern regions have also been the NDC’s strongholds, with more than half of eligible voters in each of these regions consistently voting for this party in all 5 presidential elections since 1992. On the other hand, the traditional stronghold of the NPP is Ashanti, and to a lesser extent the Eastern region. The remaining four regions (Greater Accra, Central, Brong Ahafo and Western) are generally considered to be swing regions because contests between the two main parties have become increasingly close there (See Appendix 1).

1 Although the 2012 presidential elections is currently being contested in court
3.1 Understanding the regional distribution of political power in Ghana


Ghana’s 1992 Constitution contains extensive provisions aimed at fostering the socio-economic and political inclusion of all regions (Republic of Ghana, 1992). The Constitution enjoins the state to “ensure reasonable regional... balance in recruitment and appointment to public office” [Article 34 (6b), as well as enhance “even and balanced development of all regions and every part of each region of Ghana” [Article (36) (2d)]. This section analyses the regional distribution of political power in Ghana, focusing specifically on the recent Kufuor-led NPP administration during 2001-2008. Following Lindemann (2011a; 2011b), I measured the spatial dispersion of political power by the inter-regional distribution of (1) cabinet ministers; (2) deputy ministers; and (3) the ‘inner core’ of political power, which comprise of the President, the Vice president and selected key Ministers. I first computed the relative representation (RR) of each region by subtracting its percentage proportion of representation from its percentage size in the entire population. Consequently, unity means proportional representation: values lower than 0 indicates underrepresentation and more than 0 indicates overrepresentation. In addition, I constructed a representation index (RI), calculated as an average of the relative representation for the various ministerial positions and the ‘inner core of political power’.

The analysis shows that the Kufuor-led NPP governments would seem to have been generally guided by the need for regional inclusivity, as all the ten administrative regions had a share in the distribution of ministerial positions in absolute terms (Figure 1.1a). However, if the level of representation is analysed relative to their population shares, we see that the distribution of political power during the period was highly inequitable, with the Ashanti Region the most favoured (Figure 1.1b).

A further disaggregation of the data shows that only the Ashanti and Eastern regions were consistently overrepresented in the more consequential positions in the ‘inner core’. During Kufuor’s first term, the Ashanti region, with an approximately 19.4% of the national population, controlled some 24.4% of cabinet positions and 39.4% of the ‘inner core’, corresponding to an over representation of 5% and 20% respectively (Table 1). The prominence of Ashanti in these relatively ‘juicy’ positions included President Kufuor himself as well as control over the powerful Ministries of Defence; Finance and Economic Planning (during February 2005-2008); Trade and Industry; Road and Transport; Energy; Local Government and Rural Development; and the Office of Chief of Staff and Presidential Affairs. Though to a less dramatic extent, the over representation of the Eastern region was also significant both in cabinet (9%) and in the ‘inner core’ positions (8%). Except the Brong Ahafo and Central regions during Kufour’s first and second-terms respectively, virtually all the other regions were excluded from both cabinet and in the ‘inner core’ positions. Another exception relates to the trivial overrepresentation of the Northern region in cabinet, one which

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2 I selected these Ministries based on what those in Government during the period considered as the most critical government ministries, especially in terms of their shares in the national budget.

3 For a similar methodology, see Gradus (1983) and Langer (2005).
was enhanced in particular by the position of the Northern vice president, Aliu Mahama.

Figure 1: The regional composition of the Kufuor-NPP government, 2001-2008

If attention is focused on the less powerful positions of deputy ministers, one finds that only the three Northern regions and Brong Ahafo enjoyed over representation during Kufuor’s first-term in office. This was particularly the case for the Northern region which had about 10% of the national population but accounted for 16% of all deputy ministerial positions during 2001-2004 (Table 1). In general, the evidence thus shows that the exclusion of the Northern regions from full ministerial positions were compensated by President Kufuor’s appointment of a more than proportionate number of deputy ministers from among the Northern regions (see also Langer, 2009: 543). This finding implies that the relatively higher index of representation for the Northern region during Kufuor’s first term in office was clearly explained by the over representation of this region in deputy ministerial positions – arguably a much less influential position in government. Although President Kufour undertook several ministerial reshuffles during his second term, these only tended to reinforce the dominance of its electoral ‘vote bank’ of Ashanti.

It is particularly worth noting that throughout Kufour’s first-term in office (January 2001-December 2004), the Upper East Region of Northern Ghana had no cabinet-rank Minister and must have therefore been excluded from cabinet decisions. The only substantive Minister from the region during this period was [the late] Hawa Yakubu for the non-cabinet ministerial position of tourism. Moreover, following Hawa’s replacement with Jake Obetsebi-Lamptey in 2003, the Upper East was left fully excluded not only from cabinet but in all substantive ministerial positions. It was not until another ministerial reshuffle in April 2006 that Joseph Kofi Adda from the Upper East was appointed as Minister for Energy – a position he lost again to Felix Owusu-Adjapong before the end of the Kufuor regime in December 2008.
The experience of the Upper West was even worse than that of the Upper East. For example, the Upper West was the only region that was fully excluded in Kufuor's first set of 27 ministers during the first nine months of his government. One newspaper claimed that because the NPP had consistently lost to the NDC in all national elections in the Upper West, "President Kufuor was at pains naming a cabinet minister from that region" (Public Agenda, 18.01.05). Indeed, it was only after substantial public criticisms that President Kufuor subsequently elevated Kassim Kasanga (from the Upper West) from the position of a Deputy Minister of Lands and Forestry to the substantive Minister of that Ministry. This was a ministerial position of non-cabinet status, however, and it was only in April 2003 that Kasanga became a cabinet-ranked Minister, albeit in a relatively powerless position as Minister for Science & Environment. Moreover, by February 2005, Kassim Kasanga had been reshuffled out of government, again leaving the Upper West fully excluded from the distribution of ministerial positions.

Thus, altogether the distribution of political power during the Kufuor regime was generally characterised by regional inclusivity, albeit with both the quality and quantity of representation varying significantly among regions. What is of particular importance here for our subsequent analysis was the incorporation of the lagging North (especially the two Upper Regions), into the governing coalitions on relatively inequitable terms: while they appeared were well represented in the relatively insignificant positions like deputies, they were largely excluded from the more consequential positions in cabinet and the ‘inner core’ of political power in ways that potentially undermined their influence over policy agenda in the interest of the North. One prominent Northern politician expressed this sentiment in the following words:

"With all the political parties we have been committed and loyal to, what have they [Southern elites] delivered to us? Have we gotten the true meaning of democracy? ... Majority of northerners are followers and not beneficiaries of

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4 Data for one Deputy Minister (David Gyewu for Communications) is excluded in this table as his regional identity proved difficult to establish.
the two main political parties... When it comes to the positions, the positions they give us does not empower us to bring development to our people directly” (Speech delivered by Amin Anta, April 25, 2012).

Such findings resonate with the experience of a country like Uganda whose persistent North-South inequalities, it has been argued, has been a product of the North’s “adverse incorporation’ into the politics of state formation and capitalist development ... over a prolonged period of time” (Golooba-Mutebi and Hickey, 2010:1223). More broadly, van de Walle (2009) has recently made a case for the need to understand the problem of spatial inequality in sub-Saharan Africa “as a side product of a process of elite formation in the states of the region” (p.309). He highlights the ways in which dominant elites, who were often from the ethno-regional groups favoured by colonial policies, used political power to reinforce their initial socio-economic advantages after independence, concluding that:

“Insofar as political power has been used to gain economic advantages during the postcolonial era, inequality has little changed in the past 40 years...” (p.325).

3.2 Regional development in Ghana: does political representation matter?

This section addresses the question as to why one might expect the above observed political inequalities in Ghana to undermine public resource flows to the poorer Northern regions. Based on field work evidence, Decker (2006: 5) identifies “the lack of political clout” among Northern political elites as a “major barrier for developmental change” in Northern Ghana. For Whitfield (2009: 30), the fact that the North has not had a “strong representation in national politics” has meant that there has historically been “no leader championing the cause of redressing the economic marginalisation of the north since colonial times”. Akolgu and Van Klinken (2008) similarly argue within the specific Ghanaian context that because “often, economic power goes hand in hand with political power” (p.3), one in which those in possession of the latter use their dominance over state institutions in influencing policy choices in the interest of their constituents, Ghana’s North-South income inequality “has become more marked and significant” (p.5).

These claims seem to suggest that if success in bringing about developmental change in Ghana’s poorer Northern regions is to be achieved, then “it is important to improve the political representation and commitment of northern leaders” (Decker, 2006:5). Thus for Bob-Milliar (2011), to the extent that the Upper West Region witnessed an unprecedented level of development during the 1980s and 1990s, it was largely because of the significant representation of the “sons and daughters from the region” in the Rawlings-led PNDC and NDC governments. Summing his argument, he quoted a local Ghanaian proverb that:

“When one’s mother is in the funeral house one is certain of being served when the food is shared. Having sons serving in government in cabinet positions ensured development projects got to the region” (p.467).

5 For excerpts from the speech, see Joy FM online news of April 25, 2012, ‘Northerners have not benefitted from NPP, NDC - Amin-Anta’ Available at: http://politics.myjoyonline.com/pages/news/201204/85488.php [Accessed April 25, 2012]
Corroborating these claims, one Northern Member of Parliament (MP) explained that “It looks more like we take up political positions not to run the country as such but for the country to give us the opportunity to fight for the interest of our people. So it shouldn’t surprise you that if the Minister of Health or the Director of the [Ghana] Health Service comes from say the Volta region, you may have the Volta region pacing up in terms of health facilities” [Interview, Northern MP, 04.07.11].

Another MP and a former Minister of state put it even more bluntly: “You see when people have power, they … not only appoint their people [to strategic positions] but when a decision is to be made and resources to be distributed, they find a way of getting it more to their people…. When you are given the opportunity to make a decision and you are in the driver’s seat, people tend to benefit their people ….So you see, it is the space that you have to operate that also creates opportunities for you” (Interview, MP and Former Minister of State, 07.06.11).

For this politician, therefore, access to political power in Ghana “matters a lot” because “if you are not represented in government, you are not counted” (Ibid) in the distribution of public goods. Together, these observations highlight the clientelist character of Ghanaian politics, with some two close observers describing pork-barrel politics as a “huge reality in Ghana” (McKay and Aryeetey, 2004: 57). Similarly, Whitfield (2011a) has recently noted that “politics in Ghana has been increasingly characterised by competitive clientelism” (p.6) and attributes various governments’ failure to structurally transform the Ghanaian economy to this phenomenon. It is in light of these observations that I now turn to explore the politics of the MCA.

4.0 Ghana’s Millennium Challenge Account

In August 2006, the US Millennium Challenge Corporation (MCC) approved a five-year $547 million for Ghana as part of the Millennium Challenge Account (MCA). With an overall goal of reducing poverty through economic growth led by agricultural transformation (GoG, 2005a), the Ghanaian MCA Compact is divided into three inter-related projects: commercialization of agriculture, transportation and infrastructure development, and rural services projects. Among others, these projects aim to remove the constraints in agricultural production through the provision of irrigation schemes and investments in feeder roads, reduce transportation costs affecting agricultural commerce, as well as improve social infrastructure in the beneficiary communities (see www.mida.gov.gh). Implemented in 23 selected districts, the MCA anticipates lifting some 1.02 million people out of poverty during its first 10 years of implementation (GoG, 2005a: 16). Surprisingly, however, the Upper East and Upper West, Ghana’s historically two most impoverished regions, were fully excluded from the programme (see Appendix 2). This was in spite of the fact that food security concerns were an integral part of the MCA Compact (Ibid).

This case study investigates the underlying drivers of the exclusion of these poorer regions, while also interested in understanding the reasons behind the substantial inclusion of districts in the Afram Plains Basin of Southern Ghana. The Afram Plains, which covers parts of the Eastern and Ashanti regions, is of interest because it was only through sustained government commitment that its inclusion in the final MCA Compact became possible. The NPP government’s initial interest was to use MCA
funds to expand cocoa production in the forest zone around the Afram Plains, an idea that failed to gain broad-based support both within the proposal development team and among MCC officials. The MCC was primarily interested in the use of MCA resources for the production of high value horticultural crops. Here again, however, the Afram Plains did not appear suitable for MCA funding, as the creation of a horticultural belt in this area required the construction of new bridges across the Volta Lake, the cost of which was high enough as to consume almost the entire budget ceiling of Ghana’s proposal.

When the ideas of boosting cocoa production as well as creating a horticulture zone in this zone failed to gain broad-based support, concerns for food security and rural poverty reduction through increased food crop production became the grounds for justifying the inclusion of this area in the proposal. In the end, the Afram Plains not only became part of the approved Compact; its number of beneficiary districts also subsequently expanded from one to six. Why was there was such a sustained political commitment to extending the MCA to the Afram Plains, while the country’s two most food insecure regions were fully excluded?

4.1 The MCA and the politics of beneficiary selection

The selection of the 23 beneficiary districts was purportedly guided by three technical criteria: i) degree of rural poverty; ii) proven success in private sector investments; and iii) agricultural growth potential (CDD-Ghana, 2006). This section investigates the extent to which the Compact’s exclusion of the poorer Upper regions can be justified on the basis of these formal criteria.

The first of these criteria was the degree of rural poverty in the various districts. Based on this, one would have expected the two Upper regions to be the best candidates for MCA funding given their extraordinarily high levels of poverty and chronic food insecurity. Official government data show that the incidence of rural poverty in each of the 11 administrative districts in these two regions during the 2000s was well over 90%, reaching a staggering 99% in some districts (Figure 1). Unsurprisingly, the Ghanaian government itself acknowledged the “existence of a long hungry season in northern Ghana, when most families can barely afford a decent meal in a day” (GoG, 2003: 114). Surprisingly, while no single district from the Upper East and West was selected for MCA funding, other districts in the Afram Plains with rural poverty incidences of about 30% succeeded in making their way into the Compact. That the selection of MCA beneficiary districts was guided by the incidence of rural poverty is therefore hard to sustain. At best, the evidence reinforces the clientelist character of Ghanaian politics where policy decisions often tend to follow criteria other than those formally agreed.

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6Examples include Yilo Krobo and kuapim South districts whose rural poverty incidences were 31% and 35% respectively.
The second consideration for the beneficiary district selection was proven success in previous private sector investments. Most interviewees noted that of the three selection criteria, particular emphasis was placed on the availability of relevant private sector projects upon which MCA investments could build; and that a key factor that explained the exclusion of the poorer Upper regions was their limited private sector activity. It is impossible to fully track the regional patterns of private investments in Ghana, as to enable us ascertain the extent to which this criterion can actually explain the exclusion of the regions in question here. Nevertheless, what should be of particular interest for us is the question of whether the NPP government made substantial efforts to improve the investment climate of Northern Ghana as to warrant justifying the exclusion of some of its regions from the MCA on grounds of their limited private sector activity. This is important because private sector investments are generally encouraged by state-led investments in basic socio-economic infrastructure such as roads and electricity.

Yet, the evidence suggests that the government itself did little to improve the investment climate of the North. One example here was the exclusion of Northern Ghana from the President’s Special Initiatives (see section 5 for details) – a series of productive economic investments described by President Kufuor as his government’s main “instruments for the promotion of private sector”, ones through which “government is creating enabling environments by providing appropriate infrastructures for private sector operators”. Moreover, although the regime’s ‘Private Sector Development Strategy’ (PSDS) involved a large range of reforms

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7 See President Kufuor’s 2004 ‘State of the Nation Address’ delivered on, 22 January 2004.
aimed at enhancing private sector activity, this strategy was spatially-blind towards the more disadvantaged North, with no measures aimed at addressing the unique impediments to private sector investments in any of the Northern regions (ODI and CEPA, 2005). In sum, to the extent that government itself did not appear to have done enough to create an enabling environment for private sector investments in the Upper regions, it does not appear fair to justify their exclusion from the MCA on grounds of their depth of private sector activity.

The third selection criterion upon which the exclusion of the Upper regions has been explained was their limited agricultural growth potential. One senior civil servant and a key member of the proposal team noted that because the MCA was specifically meant to reduce poverty through economic growth within the 5-year Compact duration, it became necessary to: (1) focus on areas with high agricultural growth capabilities; and (2) build upon existing initiatives in order to yield quick gains. In his view, these two considerations meant that the Upper regions, though poorer, were not good candidates for MCA investment priorities because of their weaker productive capabilities. Thus, asked whether there weren’t agricultural ventures within these regions where MCA funds could be channelled to yield the desired quick gains, he rhetorically questioned:

“What can you tell me? Tell me where you can put that money [in those regions].... You are from the North. Where will you put it? People just cry out that the three Northern regions are poor and so everything should go there. .... But what is the impact of all the government initiatives that has gone to the three Northern regions? You can’t find anything” (Interview, MCA proposal team member, 30.09.11).

Echoing the message that economic growth is inevitably unbalanced and that any attempt “to spread out economic activity is to discourage it” (World Bank, 2009: xxii), he argued further that this lack of growth potential in much of the North suggests that the recipe for stimulating inclusive development in Ghana is to invest in the regions “where you can have a quick gain and then plough back that gain into where you can have a slow growth” (Interview, MCA proposal team member, 30.09.11). Such explanations echo the ‘bad geography’ accounts of spatial inequality both within the Ghanaian context and elsewhere (see Escobal and Torero, 2005). Thus for Harsch (2008:4), Ghana’s North-South inequalities persist because the “three northern regions are far from the ... fertile farming areas that help stimulate greater economic and human development in southern Ghana” (see also Lall et al, 2009). A related variant of such ‘bad geography’ arguments posits that agriculture in the North tend to be dominated by crops that “are not traded internationally”, and that as agro-climatic conditions in the South are more suitable for the production of export crops like cocoa, a “growth strategy based on integration into the world economy has naturally meant the exacerbation of the north-south divide” (Kanbur, 2013:10).

Yet such explanations are at best partial, not least as they tend to downplay the numerous agricultural products in which Northern Ghana has both the comparative and competitive advantages in producing. Burkina Faso, with a worse resource endowment than Northern Ghana, earns much of its export revenues from the cotton and shea nut sectors, both agricultural products in which “Northern Ghana has an absolute advantage in producing” (ODI and CEPA, 2005: 15). Yet, as the Ministry of Food and Agriculture (MoFA) recently acknowledges, these agricultural crops have been “historically neglected” in Ghana (MoFA, 2010: 17). Moreover, the North has
frequently been hailed as Ghana’s potential food basket, such that when the NPP government proposed to launch a ‘Northern Development Fund’ in 2007, its main objective was to “transform the economy and society of Northern Ghana, in a manner that will ensure effective utilization of the region’s competitive advantages in food production” (GoG, 2008: 250; see also NPP, 1996: 23; NPP, 2012: 65). Yet, the focus of Ghana’s agricultural policy over the past three decades has largely been on the production and marketing of cocoa, while the food crop sector continues to suffer from public underinvestment (Wolter, 2008).

It also needs to be noted that the real problem here is not economic globalisation or liberalisation per se, but rather the selective manner in which various agricultural crops have been liberalised. During the 1970s, Ghana attained self-sufficiency in rice production, and also exported substantial quantities to neighbouring countries – nearly all produced in the North through increased state support (Shepherd, 1981; Zakaria, 2003). Yet, the unbridled liberalisation of the staple crop sector since 1983 has virtually destroyed the once vibrant rice industry in the North. The cotton and shea industries of Northern Ghana have suffered a similar fate, following the liberalisation of shea nut marketing and the abolition of the Cotton Development Board in the 1980s (Shepherd et al., 2004; McKay and Shepherd, 2005).

Yet, the cocoa industry of Southern Ghana has only been partially liberalised. Indeed, even in the market-driven environment of today, the Ghana Cocoa Board (COCOBOD) has continued to retain a heavy regulatory hand in the cocoa sector in ways that leaves Ghana as the only cocoa producing country in the world without a fully liberalized system (World Bank, 2013:10). Together with several productivity-enhancing incentives to cocoa producers (see Kolavalli et al., 2012), such protectionist measures have paid substantial dividends, as increased cocoa production in recent years have been accompanied with a much faster rate of poverty reduction among cocoa producers than all other income groups in Ghana (see World Bank, 2007).

The underdevelopment of Northern Ghana therefore needs to be understood as the product of the failure to tap the North’s agricultural growth potential rather than the non-existence of such potential. There is broad recognition that a key missing link to harnessing the agricultural growth potential of the North is infrastructure, with irrigation particularly considered critical in this regard (GoG, 2003; World Bank, 2007). In 2004, the year Ghana’s qualification for MCA funding was announced, one GoG-commissioned study noted with respect to the Buiisa District of the Upper East region that “dry-season gardening ... can generate financial returns about ten times those that can be obtained from rain-fed traditional crop farming”. The study recommended, therefore, that “[t]he provision of irrigation facilities, dams and wells for dry-season gardening and farming will be one way to increase agricultural productivity and production” (GoG and UNDP, 2004: 78-9). Thus, if government was committed to the goal of an inclusive agricultural transformation, one would have expected the poorer Upper regions to be part of the beneficiary communities, not least as the provision of irrigation infrastructure was one of the main investment priorities for which Ghana’s MCA funds were being channelled (GoG, 2005a). How

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8 Importantly, this includes a price stabilization system that shields cocoa producers from international price volatilities.
then do we understand the views regarding the North’s so-called ‘bad geography’ and the resultant exclusion of the two Upper regions from the MCA?

4.2 Understanding the distribution of MCA projects: a political explanation

Researchers at the *Elites, Poverty and Production Programme* argue that policy choices by state elites are shaped by a variety of factors, including what they find both feasible and desirable, the resources at their disposal, and the coalitions from which they draw political support. Following this, I suggest that attempts to understand the MCA’s exclusion of the poorer Upper regions must consider exploring both the incentives that made the exclusion of these regions desirable and the underlying forces that made their exclusion feasible. Based on this, two main factors are identified here as critical to understanding the exclusion of the Upper regions from the MCA. These are: (1) the composition of the NPP ruling coalition, as it relates in particular to the exclusion of Northern political elites from the regime’s ‘inner circle of power’ and their resultant limited influence over policy agenda; and (2) electoral calculus.

4.2.1 Elite coalitions and the exclusion of the poorest from the MCA

The political settlements approach to spatial inequality suggests that the nature and extent to which elites from different regions are incorporated into ruling coalitions are important to understanding the regional patterns of resource allocation, and therefore the regional patterns of growth and development. The evidence in this section suggests that an important factor that made the MCA’s exclusion of the poorer Upper regions feasible was the nature of the NPP governing coalition, as it relates in particular to the exclusion of Northern elites from the regime’s ‘inner circle of power’. One member of the proposal team was wholly convinced that if the power brokers within the NPP ruling coalition were interested in including the Upper East and West in the programme, both regions would have surely made their way into the final Compact. Thus, asked whether the MCC’s interest in high value horticultural products was itself partly to blame, he responded:

“The problem was not MCC imposing its will on us. Yes, they definitely wanted a good business case. They wanted an economically justifiable program. But the real problem was Ghana, the political leadership here. ... The political will here was lacking; that was indeed the problem” (Interview, MCA team member, 29.09.11).

That ‘the political leadership was indeed the problem’ is supported by the fact that much as the MCC was interested in horticultural crops, it also insisted on the need for proposed projects that would have a big impact on poverty reduction. This, together with the high levels of poverty and food insecurity in these regions arguably implies that a case could easily have been made for their inclusion in the Compact proposal. This was particularly so after government’s insistence on the inclusion of the Afram Plains contributed to a push for adding an aspect of food crop production into the proposal. Yet, evidence from various drafts of the proposal show that whereas the high levels of poverty in Northern Ghana was often highlighted (GoG,

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perhaps in order to secure MCA funding, at no point was the inclusion of the Upper regions given any serious consideration.

Of course, one can discount the influence of the NPP political leadership in shaping the beneficiary district section processes, not least as the MCA proposal team was dominated by professional consultants rather than hard core politicians. Yet, as Whitfield (2011: 31) has noted, some of these consultants not only owed their positions within the team by virtue of their close connections to the then Minister of Finance; they also engaged directly with President Kufuor and the NPP Cabinet in the process of developing the proposal. This suggests that although dominant political elites within the NPP government might not have been directly involved in the development of the proposal, they arguably wielded a direct influence over it, including the beneficiary district selection processes for the programme. Indeed, the final approved proposal document states that local elites from the Afram Plains appealed to government to include their districts among the beneficiary districts, and that it was “[i]n response to this appeal … [that] MCA Ghana decided to expand the scope of the proposal to include the whole Afram Basin area” (GoG, 2005a:12). This suggests that it was clearly within the power of dominant ruling elites to extend the Compact to the poorer Upper regions if they so desired.

This is even the more so as there appeared to have been more vigorous appeals by Northern elites for the inclusion of the Upper regions than had been made by local level elites from the Afram Plains. The strategies adopted by the Northern political leadership ranged from a formal petition to government through the then Vice President (himself a Northerner), a press conference held by the Northern Caucus in Parliament to impress upon government to review the planned distribution of the Compact grant, as well as a combination of criticisms and appeals to government during Parliamentary debates. Within Parliament, these appeals were generally grounded on the notion that:

“[I]f you say you want to ameliorate poverty with an intervention of $547 million and you exclude the areas in Ghana most affected by poverty, for me it is a contradiction… The danger is that, if we do not spread it across, we will exacerbate the imbalances in the country… ” (Parliamentary Debates Official Report, 13 July 2006, Cols. 2122-23).

A similar argument was advanced earlier by one Northern MP, who emphasized the inappropriateness of reducing the development discourse of the North to one of the distribution of wealth created elsewhere in the country:

“I[t] is important to look at it that we should all produce together and share together. It should not be the case where some people would produce and distribute or share to others who are disadvantaged” (Parliamentary Debates Official Report, 12 July 2006, Col. 2026).

Yet, responses to such suggestions by key members in government were generally unreceptive. One repeated response was that there were already several poverty reduction programmes in the Upper regions, and hence the need to channel MCA funding to other “equally deprived” regions. In a statement presented in Parliament, the then Local Government Minister argued that:

“there are various instances where interventions are targeted at certain districts or regions to the detriment of others sometimes and when others are
obtained there is no reason why they cannot be extended elsewhere for them to also develop” (Parliamentary Debates, June 21, 2006, Col. 1298).

This argument, which found expression among many other influential members in government, is problematic from several respects. First, although the Minister supported his argument by outlining some 6 projects as evidence of “what government has been doing to assist the northern part of Ghana with development” (Ibid., Col. 1296), it is important to note that the Greater Accra, Volta and Central regions of Southern Ghana – all MCA beneficiaries – were also benefiting from three out of the six projects cited by the Minister as basis for excluding the Upper regions. Second, many of the said so-called poverty reduction programmes were relatively small-scale. Indeed, the total funding commitments of some of these initiatives were as little $7.5 million, as in the case of the Rural Enterprise Development Project (REDP). Third, with the notable exception of the REDP, which was in any case implemented in 66 districts nationwide (see http://www.afdb.org), none of the programmes cited by the Minister had a strong objective of reducing poverty through increased production and economic growth. Indeed, the overwhelming thrust of most of these projects was to enhance the provision of basic social services, including those aimed at strengthening local institutions to enhance the sustainable management of potable water and sanitation facilities.

A related response emphasised the need for Northern politicians to appreciate the fact of Ghana as ‘one nation’, and to support the government’s proposal to secure MCA resources irrespective of which region/district was to benefit (see Parliamentary Debates Official Report, Feb 2, 2007, Col. 144). Thus, one senior Minister was to caution Northern elites to refrain from their continuous criticisms of the proposed targeted districts “because whatever we do it is one nation, one Ghana and I do not think that anybody is just compartmentalising this to the extent that we are going to fall over ourselves” (Parliamentary Debates Official Report, June 21, 2006, Col 1310).

Yet, such explanations could rarely have been made in the genuine interest of national cohesion because the promotion of national unity hinges not on the exclusion of the poorest from public goods, but rather on taking steps to address severe horizontal inequalities (Stewart, 2002). Such explanations would therefore seem to have been informed by dominant elites’ search for reasons that would enable them divert public resources to their own constituents. It was arguably such underlying motives that also informed arguments such as “there is nothing... in the MCA negotiation that says that every region in Ghana must have a project” (Parliamentary Debates, June 21, 2006, Col. 1298), or that “There is no part in this country where poverty cannot be cited” (Ibid., Col 1312). More interestingly, one Southern-based NPP politician and a key member of the MCA proposal team argued that criticisms relating to the exclusion of the Upper regions are misplaced because “the MCA wasn’t meant to reduce the poverty rate of the poorest but to reduce poverty in Ghana as a whole” (Interview, MCA team member and former Minister of

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10 These were the District Wide Assistance Project (DWAP); the Northern Region Poverty Reduction Programme (NORPREP); the Community-Based Natural Resource Management (CBRM) Project; District Capacity-building Project (DISCAP); Rural Enterprise Development Project (REDP); and the Danish Support to District Assemblies Project (DSDA II)

11 This is in reference to the DISCAP.
state, 11.08.11). When probed as to whether the programme would most likely have made the greatest impact on poverty reduction if the more impoverished Upper regions were significantly targeted, his response was an emphatic “No! Honestly, reducing poverty is easier not on the poorest of the poor; that is those who are deeply mired in poverty. Those at the margin can easily cross the poverty line. As for those at the very low end of the poverty line, you need to make a lot more efforts to be able to lift them out of poverty” (Ibid).

The irony here is that although the above arguments were meant to highlight the ‘fairness’ of extending the programme to the selected districts in Southern Ghana, the inherent unfairness embedded in the exclusion of the chronically poorer Upper regions would seem to have been reduced to Mosse’s (2010:1165) notion of “non-issue”, whereby the interest of politically marginal regions are “often excluded … from the mandates or institutions of public policy”. The exclusion of the poorer Upper regions therefore needs to be understood as a product of inter-elite power relations, as it relates in particular to the generally marginal influence of Northern elites within the NPP governing coalition.

4.2.2 Electoral calculus?

Why was the exclusion of the Upper East and West generally considered a ‘non-issue’ by the dominant Southern-based ruling elites? Much of the answer seems to lie in electoral calculus and the electoral incentives facing the NPP political leadership. As noted earlier, the NPP has very little electoral support in Northern Ghana, even unable to secure a single parliamentary seat in the Upper West in both the 1996 and 2000 elections. One view has been that the North’s consistent electoral endorsement of the NDC incurred the displeasure of the NPP’s political leadership, for which reason the North as a whole was deliberately being neglected by government in various ways. Songsore (2011: 262) argues that one of the socio-economic costs of the NPP’s electoral defeat in the Upper West was “the almost complete exclusion of the region from presidential favours and initiatives and investment capital…”. This perhaps also explains the initial complete exclusion of the region from the distribution of ministerial appointments despite constitutional provisions that required broad-based ethno-regional inclusion in the distribution of ministerial positions.

Allegations of an NPP bias against the Upper West in particular have also been made with regards to road sector investments, with this region noted to have “received the least amount” of road sector expenditures during 2002-2005 (Parliamentary Debates, July 6, 2005, Col. 1665). This claim was made by one MP from the region, who further called on government to “do something more positive on the roads in the region to curtail the prevailing perception that the people of the Upper West Region are being deliberately neglected … for obvious reasons” (Ibid., Col.1667). What was referred to as “obvious” here was more explicitly stated by the then Minority Leader in Parliament, who claimed to have heard leading NPP members publicly justified the general exclusion of this region on the grounds that “the Upper West Region does not vote for the party” (Ibid., Cols. 1683-1684). Although these claims were both made by opposition (NDC) party MPs, and therefore need to be interpreted with some caution, they cannot be easily dismissed.
as mere allegations. One official government report indicates that of some 1,323km of feeder roads paved in 2006, the respective shares of the Northern, Upper East and Upper regions were 9.2km (0.69%), 22km (1.72%) and 22.7km or 0.65% (Ministry of Roads and Transport, 2006:94). Similarly, of some 900km of feeder roads rehabilitated during 2003-September 2005, only a mere 17km were located in the Upper West region (National Development Planning Commission, 2006). This pattern of investment was clearly at odds with the official rhetoric that “Government’s priority with regards to roads in the Ghana Poverty Reduction Strategy is to focus more attention on the four regions where the incidence of poverty is high” (National Development Planning Commission, 2004: 68).

5.0 Productive investments and the exclusion of the North: beyond the MCA

In an informal discussion during the field research for this paper, one former Minister of state described historical policies towards the development of Northern Ghana as being characterized by “the politics of distribution rather than the politics of development”. This implies a kind of ‘development’ approach that focuses on the tokenistic distribution of social welfare services in the North, while effectively neglecting measures aimed at spurring economic growth through increased production in these regions. One important example that supports this interpretation was the exclusion of the Northern regions from the President’s Special Initiatives on Accelerated Export Development (PSIs). Launched in 2001, the PSIs were a series of state-led productive economic investments that sought to create new pillars of growth for the economy; generate mass employment for the rural poor; and expand the export revenue base of the state (World Bank, 2007). These objectives were to be achieved by accelerating the development of selected products into leading export earners through a series of public-private partnerships.

Under the PSIs, one would have expected Government to provide policy support for different sectors/agricultural products in which each region has comparative advantage in the interest of inclusive regional development. This did not happen, however. Implementation of the PSIs began by targeting four areas for support: cassava starch, garments and textiles, salt and palm oil – all concentrated in the South (see Appendix 3). Substantial public investments had been made in each of these initiatives, especially the Cassava project which involved government’s establishment of a new cassava starch processing plant at a cost of US$7 million (UNCTAD, 2011: 84). In contrast, although a PSI on a Northern crop like cotton was announced in 2003, in reality, very “little” or “nothing” was done in terms of its actual implementation (ODI & CEPA, 2005: 29), with the result that the already lagging North “did not benefit from the PSIs in any significant way” (Songsore, 2011: 264). Such observations draw our attention to the potential ways in which a region’s lack of ‘agenda-setting powers’ can organise its interests out of politics and from the mandates and institutions of public policy (Mosse, 2007; 2010).

Importantly, evidence at the macro level tends to reinforce the above argument whereby the development discourse of the North has often been reduced to one of redistribution of the largess of economic growth generated in the South. Content analysis of the Ghana Poverty Reduction Strategy Paper (GPRS I: 2003-2005) and its related Annual Progress Reports (APRs) shows, for example, that the only substantial economic programme envisaged for the North was a pledge to provide “[a]dditional feeder roads, particularly in productive areas of northern Ghana…” (GoG,
While the construction and rehabilitation of all the major highways (14,000 kilometres in all) were to be concentrated in the south, with the Greater Accra Region as the radiating point: Accra-Kumasi, Accra-Yamoransa, and Accra-Aflao.

With a shift to the Growth and Poverty Reduction Strategy (GPRS II: 2006-2009), government’s strategic objective was to accelerate economic growth through increased productive economic investments (GoG, 2005b). Importantly however, it is in the GPRS II that the relative exclusion of the poorer Northern regions is most evident, presumably because the emphasis on growth made it imprudent for government to target productive economic investments to areas that were not seen as having the potential to contribute to national economic growth. Unsurprisingly, the only two areas where the three Northern regions are mentioned in the economic investment priorities of the 177-paged GPRS II policy document could be found only in an appendix, where commitments were made with regards to expanding irrigation infrastructure across the country “especially in the three northern Regions” (GoG, 2005b: 84) as well as “linking the northern part of the country to the south, through an efficient rail network” (Ibid., p.96). Yet none of these measures was implemented, with the same set of pledges again made by the same political party as recent as 2008 and 2012 (see NPP, 2008:19; 2012: 58).

Moreover, although the reduction of rural poverty through agricultural modernization was a key objective of both the GPRS I and II, the main beneficiaries of the various government interventions aimed at achieving this objective were the cocoa producing regions in Southern Ghana. The final APR of the GPRS I notes that implementation of this strategy tended to place an undue “emphasis on improving farm and non-farm incomes through improvement in cocoa production”, such that the benefits of government’s agricultural sector interventions during this period were largely limited “to cocoa farmers alone” (National Development Planning Commission, 2006: 73). Unsurprisingly, cocoa production in Ghana followed a dramatic upward trend during the 2000s, reaching a historic 740,458 tons in the 2005/2006 cocoa season (Figure 2). However, with cocoa production concentrated exclusively in the South, the spill-over of government assistance in the cocoa industry has not sufficiently reached those in the North. This partly explains why the speed of poverty reduction in Ghana have differed significantly between rural households across regions, with households in the cocoa producing areas experiencing faster progress in reducing poverty than rural communities elsewhere (see McKay and Shepherd, 2005:10; World Bank, 2007:48).
This is even the more so as the two main agricultural export products in the North, namely cotton and shea, have significantly been neglected since the 1990s, with government support for the latter limited mainly to the occasional provision of wellington boots to shea nut pickers during the 2000s. Indeed, until the recent creation of a shea nut unit within COCOBOD in 2011, there had been no specific budgetary allocation for the development of the shea sector. More strikingly, it is noted in Ghana’s current Medium-Term Agricultural Sector Investment Plan (2011-2015) that the unit of COCOBOD that is responsible for conducting research on the shea sub-sector has “had no researcher for over 10 years” (MoFA, 2010:6).

What then have been the implications of the relative exclusion of Northern Ghana from productive economic investments? One implication has been a reinforcement of the North-South labour migration that dates back to colonial times during which the North functioned largely as a labour reserve. One recent GoG report notes of how “decades of economic under-investment” have driven large numbers of Northern male youth to the South, and goes on to highlight some reasons why the North-South labour migration has done little in terms of poverty reduction in the North. In particular, the study highlights the inability of most Northern migrants in gaining a foothold in the local economy, adding however, that even those with settler status remain “weakly integrated in the recipient communities and endure repeated prejudices ranging from taunting to open hostility and persecution” (GoG et al., 2011:41). These observations echo the World Bank’s (2011:viii) argument that:

“[M]igrants from the North tend to migrate out of desperation and, given their lower education levels, migration often results in them doing high risk jobs or putting themselves in positions of vulnerability. The young girls who carry heavy loads on their heads in Accra’s markets, sleep on the streets and earn 2 Ghana Cedis a day, as well as the illegal miners, who risk their lives and..."
their health are reminders of the risks that people from the North take in search of a better life”.

Thus the North, which functioned largely as a labour reserve during the colonial period arguably continues to play this role in more subtle ways today.

6.0 Conclusions

This paper set out to explain why Ghana’s North-South income inequality has continued to widen despite two decades of sustained economic growth and poverty reduction at the national level. Focusing on the recent Kufuor-led NPP governments (2001-2008), I have argued that Ghanaian governments have put little emphasis on direct productive economic investments in Northern Ghana. Rather, and based on the North’s perceived ‘bad geography’, public efforts to redressing the historical north-south development disparities have focused largely on the concentration of productive investments in the South, while expecting that growth in Southern Ghana would eventually trickle down to the North via distributionist measures. Thus, whereas concerns for bridging the North-South inequalities has been a long-stated goal of most Ghanaian Governments, “[t]he approach has nearly always been distributionist to address imbalances in education, health and social welfare services” (GoG, 2010:2).

Yet, such an approach has apparently failed to redress the North-South divide of the Ghanaian economy. Indeed, on the contrary, to the extent that much of Ghana’s recent economic growth has been stimulated largely by increased cocoa production (UNDP, 2007) – of which Northern Ghana has no contribution – the country’s so-called impressive growth has not sufficiently benefited the poorer Northern regions and the North-South economic divide has widened. The Ghanaian experience therefore provides a typical illustration of the unevenness of economic growth at sub-national level, and the extent to which sub-national variations in growth determine the spatial distribution of poverty. Such observations suggest the need to rethink recent calls on developing country governments “to allow – even encourage – “unbalanced” economic growth” (World Bank, 2009: 29), on grounds that “rising concentrations of economic production are compatible with geographic convergence in living standards” (Ibid., p.2).

Moreover, contrary to the suggestion that “the way to get both the benefits of uneven growth and inclusive development is through economic integration” via processes such as migration (Ibid., p.1), the evidence shows that Ghana’s North-South economic divide has continued to widen despite several decades of active North-South migration. One reason here relates to the ways in which Northern “[m]igrants are adversely incorporated in economic and social processes” (GoG et al., 2011: 41), serving essentially as a source of cheap labour for economic accumulation in the South at the expense of the North. In such contexts, relying on migration as an exit route out of spatial inequality can be problematic not only to those regions that are not “well connected to those prosperous parts” (World Bank, 2009: 2) of a country, but also to those that are fully connected through adverse forms of inclusion. Addressing regional income inequalities and enhancing prospects for spatially-inclusive development therefore also requires direct productive investments that enhance income opportunities in lagging regions.
Yet, the attainment of spatially inclusive development should not be seen as a technocratic exercise that simply requires good policies. Rather, it is more importantly a political project that requires looking more closely at elite incentives and existing power structures in society. The pace and patterns of economic growth are essentially a product of economic policy decisions, ones that are not decided by benevolent social planners, but by political elites whose choices are driven as much by economic rationality as political calculus. More importantly, the general problem of resource scarcity along with the prevalence of clientelist politics in most developing countries implies that various ethno-regional groups seek access to influential positions in government as a means of presenting group interests in the decision-making process. This explains why developing countries are typically under the control of a coalition of elite factions, which compete amongst themselves for access to resources and political power (see Rothchild, 1985; Hyden, 2006; Parks and Cole, 2010), with politics here thus seen essentially as “the articulation of competing demands and about the authoritative resolution of competing demands by government” (McAllister and Rose, 1983: 534).

In such contexts, the implementation of effective redistributive policies in the interest of more inclusive forms of development is more likely when elites who directly represent the interest of those segments of the population have substantial influence over resource allocation decisions and policy agenda more broadly. Strategies that aim to bridge interregional development gaps should therefore also consider ways to shift interregional power relations in favour of poorer regions. We have seen how the generally marginal influence of Northern elites within the NPP ruling coalition reduced the exclusion of the two most impoverished Upper regions from the MCA to a ‘none-issue’, while the interest of the more influential Southern-based elites meant that districts in the South with much lower poverty levels could make their way into the list of beneficiary communities for the programme. These findings provide strong support for the argument of the WDR 2006 that:

“When actors in advantaged regions control ... decision-making and policy formation processes, and the terms of the policy debates on which lagging regions depend, regional “catch up” is much more difficult” (World Bank, 2005:204).

Finally, although these arguments reinforce recent research that emphasize the “inherently political” nature of uneven regional development and the critical role of “political inclusivity” in overcoming it (UNRSID, 2010: 82), the findings here also suggest that it is not political inclusion per se that matters, but rather the terms and conditions of inclusion. The inability of Northern political elites to ensure the inclusion of the poorer Upper Regions in the MCA Compact was not a function of the ‘exclusion’ of Northern elites from government, but rather of their incorporation into the ruling coalition on relatively disempowering terms. This suggests the need to understand ‘powerlessness’ on the part of lagging areas as stemming not simply from their ‘exclusion’ from political decision making structures, but also from their incorporation into such structures on terms that potentially underpin their poverty.
References


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Parliamentary Hansards


APPENDICES

Appendix 1: Regional voting patterns in Ghana, 1992-2008

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29
### Appendix 2: MCA beneficiary regions and districts

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<tr>
<td></td>
<td>Upper East</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Upper West</td>
<td>0</td>
</tr>
<tr>
<td>All zones</td>
<td>All regions</td>
<td>23</td>
</tr>
</tbody>
</table>

### Appendix 3: Regional distribution of PSI projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Beneficiary Regions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cassava Starch</td>
<td>Central, Eastern and Greater Accra</td>
</tr>
<tr>
<td>Oil Palm</td>
<td>Ashanti, Central, Eastern, Volta and Western</td>
</tr>
<tr>
<td>Salt</td>
<td>Greater Accra, Central and Volta</td>
</tr>
<tr>
<td>Garments &amp; Textiles</td>
<td>Greater Accra, Ashanti and Western</td>
</tr>
</tbody>
</table>

**Source:** National PSI Secretariat, Accra