

Advancing Democratic Local Governance

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#### FIXING THE CHALLENGES OF GHANA'S LOCAL GOVERNMENTS:

## DEMOCRATIC DEVELOPMENTALISM MAY OFFER SOLUTIONS

### Ghana's Local Governments are Closer to Citizens but Further from their Needs

Since 1988 Ghana has considerably increased its number of administrative districts or local governments from 110 to 260, roughly halving the physical size of each one. The average size of a district has reduced from 2,168km² in 1990 to 917km² in 2019 and from 140,500 people per district to 119,230.

This "decentralisation" gives each local government (LG) the potential to tailor services and other roles to the unique needs of its own communities, and allows the people to exercise their democratic choice more precisely. It should sharpen LG performance and accountability.

It has not, because decentralisation has not been matched by devolution of authority, substantial resources and functions to the LGs. Central government retains the purse strings and the power. LGs have, predictably, become more bureaucratic and dependent on central government for direction and delivery.

After 30 years of this trend, a resident in Asofa new town in Ga North sums up the general view of the public:

"Tell me, what do they do? I've not seen a single municipal official. Property rates should fix our drainage and roads, but officials sit in their offices and have no engagement with us. We the residents built the road you see here; a few people have constructed private drains in front of their houses;

we fixed the streetlights; we buy water from private boreholes; and we pay people to collect our garbage. What is the use of the Municipal Assembly to us?"

Essential remedies have been proposed to make LGs more accountable to the democratic will of local communities irrespective of the party-political polarisation at the national level; to make the quality of service provision an imperative determinant of their rise or fall; and to give them the resources, authority and responsibility to stand in the front line of local development.

The system designed to redirect LGs role, leadership, accountability, resource mobilization, and priority setting away from bureaucracy and towards 'entrepreneurial culture' in the context of democracy is called 'Democratic developmentalism'.

#### **Developmental Local Governments are Different**

Developmental LGs connotes a shift in thinking and practice of decentralization and local governance from a traditional service-orientated focus to local economic transformation and social inclusiveness. The LGs as key actors in local governance are developmental in focus.

Operating mechanisms that distinguish developmental LGs include:

They play active and leading roles in guiding the transformation of their territories, working in partnership with private enterprises, strengthening local competitiveness and, in partnership with citizens and their community-based organisations mobilising resources to meet local social, environmental, spatial and infrastructure needs.









- They provide leadership and management in which the operative words are entrepreneurial, community-owned, mission-driven, competitive, customer-driven...not "deconcentrated central bureaucracy".
- They take the lead in defining a local agenda, establishing clear, measurable and time -bound targets, mobilising all local actors in implementation, and monitoring performance and results.
- LG officials develop a mutually beneficial relationship with enterprises, establishing autonomous incentives to initiate and/or direct private investment. The success of enterprises in promoting local employment in turn reinforces LG legitimacy.
- Senior officials adopt the mindset of entrepreneurs and corporate managers.

### Developmental State Context and Approach to Local Transformation

Democratic and decentralised development always hinges on the relationship between central and local governments. The literature shows that nationalism, state financing, autocracy, one-party dominance, and government-embedded autonomy in the private sector were key ingredients of the success of developmental states in East Asia.

In Africa, many analysts now believe that Rwanda and Ethiopia's "developmental paternalism" is the region's best hope for the future.

Since 1993 when Ghana resumed multi-party democracy after 11 years of autocracy, the system has generated perverse incentives for governments and opposition not to agree on many issues of national significance if the success may be attributable to a particular political party.

Competitive multi-party democracy has encouraged "clientalism" and political leaders are more fixated on building a winning coalition than expanding public good or improving public policy.

As a result, the state has limited developmental capacity, and this has cascaded downwards to LGs, even though the latter is non-partisan.

In recent times, Brazil and South Africa have been cited as examples of countries that are practicing democratic developmental local governments (DDLG) system in the global south. DDLG is constructed from below. Its operating mechanism is "developmental ideology" that prioritises local economic transformation through an elected LG leadership.

# Democratic Developmental Local Governments (DDLG)

Just as nationalism and the quest to catch up with the West transformed the developmental states model, so do localism and the need to fix a broken LG system make DDLG imperative at the local level.

DDLG thrives on a local political system that is democratic and opens to competitive ideas. It is anchored on devolution of power and gives local authorities discretion over their own resources, in parallel with a responsibility to become more responsive to the needs and preferences of their localities.

It is based on the performance of elected Mayors, whose grip on power is dependent on the social benefits of economic investment they enable, not by the manipulations of clientelism or appointments by central government politicians.

The DDLG ethos seeks to enforce rules and steer behaviour through consultation, negotiation, and co-operation. It is a participatory planner, not an autocratic bureaucrat.

DDLG forges programmatic relationships between local residents and the local assembly to ensure popular participation.









It develops structures like participatory budgeting, citizens' scorecard, open governance partnership, citizens' charter, etc. to underpin the social contract between LGs and their residents. It creates a sense of belonging through frequent community engagement at town hall meetings and public hearings. It has mechanisms to receive public complaints and take action that is promptly communicated and published.

The top is accountable to the bottom. In DDLG, local residents are **voters** to whom elected leaders are accountable; they are **citizens** entitled to a specific degree of services; and they are **clients** because they pay for LG services.

The differentiation of residents accordingly is key to the operational principles of DDLG. DDLG requires all forms of local government to have professional staff with primary allegiance to their LGs and not to the centre.

DDLG designs more progressive programmes to attract investment and support local businesses and industries. The phrase "an enabling environment" is not just a slogan; it means direct and transformative investment in financial and human resources in support of production sectors.

# Translating Ghana's Service-Orientated Local Government System into a Democratic Developmental Model

Ghana's LG system is couched at best in the provision of 'effective and efficient services'. But there are indications that a more democratic developmental model can replace the current service oriented system.

General discussions on Constitutional reviews, the President's support for local governance reforms including election of Chief Executives of LGs by citizens and direct support to local industrial policies and programmes (1D1F, IV1D, planting for food and jobs) after years of State retreat in productive sectors, and the Ministry of Local Governments' recent review of local economic development policy and strategies means that DDLG stands a greater chance of being adopted.

The success of DDLG will rely on both local political leadership and professional civil servants who are developmentally driven and committed to investing LG finance in economic transformation and development.

In the broader policy context of localizing "Ghana Beyond Aid", the DDLG would eventually depend less on central government's fiscal transfers and substantially on Internally Generated Funds (IGF). That requires fiscal reforms and a shift towards managing LGs as a business (with local residents as its shareholders) and not as a bureaucracy.

The transition from apolitical service-orientated LG system to DDLG will require major legal and policy reforms, not least the passing of Municipal Finance Bill to allow LGs new finance options. If changes are not made to make LGs developmental, their creation will continue to mean very little to local residents and communities and sooner or later, the disenchantment will rise to the national level.

#### **Further Information**

Amakye, F., Adorboe, I., and N. Awortwi (2020). Synthesis Report on Democratic Developmental Local Governance, Accra: ILGS (Draft Report)

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