



What Are the Impacts of Devolution on Agricultural Civil Servants and Services in Ghana?

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OVERVIEW

Devolution is an extensive form of decentralization that enables elected local governments to make their own decisions over defined administrative functions. In 2009, Ghana passed Local Government Instrument 1961 (LI 1961) to devolve a set of functions from the central government to the country's 216 Metropolitan, Municipal, and District Assemblies (MMDA). Agriculture, along with public works and social welfare, was among the first sectors to be devolved. This transfer was formally institutionalized in 2012. In addition, LI 1961 stipulated that the staff of the MMDA departments were to be transferred from the national civil service to a newly created Local Government Services (LGS). A composite budget system also was introduced, which integrated the budgets of all departments of the MMDAs into the overall budget for the MMDA. Except for national programs, resources for devolved sectors no longer come directly from their line ministries, but rather predominantly flow from the Ministry of Finance via the MMDAs.

To understand the impact of this transition on agricultural civil servants and the delivery of agricultural services, IFPRI conducted surveys with 80 District Directors of Agriculture (DDAs) and 960 households. In addition, the MMDA's composite budget data was analyzed and a range of knowledgeable government stakeholders were interviewed.¹

IMPACTS ON CIVIL SERVANTS

The DDAs almost uniformly understood the motivation for devolution. The response of one DDA from Upper West region is indicative of a common refrain: *"Devolution is intended to bring agricultural services to the doorstep of the people."* Most valued the creation of LGS, which they believed provided greater clarity over promotions, firing, and hiring

and offered the opportunity for them to rise to higher positions, such as a Metropolitan, Municipal, or District Coordinating Director.

The major challenge for DDAs in the wake of devolution is twofold. First, approximately two-thirds believe that they cannot properly negotiate with other MMDA departments to receive adequate resources for agriculture during the composite budget process. Secondly, they claim that composite budgeting has caused the level and timeliness of disbursements for agriculture to decrease (66.7 and 76.2 percent, respectively). In turn, most DDAs (73 percent) claim to fund more field visits to farmers out of pocket now than was the case before devolution. More than half also indicated that the number of extension agents has declined since they arrived in their MMDA.

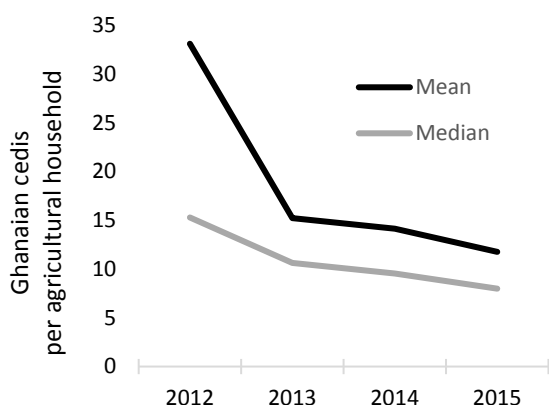
BUDGETED AND ACTUAL EXPENDITURES

Composite budget data for the MMDAs offers some support for the DDAs' observations. The average share of total budgeted expenditures for agriculture has plateaued since 2012 while that of other sectors, particularly works and health, have increased. Moreover, the average share of total actual expenditures for agriculture has declined since 2012. Figure 1 shows that there was also a decline in expenditures for agriculture in real terms relative to the number of agricultural households in an MMDA since 2012.

Both DDAs and MMDA coordinating directors claim that agriculture is disadvantaged as a sector when politicians need to prioritize scarce resources. In the words of one coordinating director from Central Region, *"During composite budget preparation, much attention is given to physical projects. Politicians are interested in school blocks, CHPS [health] compounds, things that are physical. Agriculture isn't tangible."*

¹ A detailed discussion of the research can be found in IFPRI Discussion Paper No. 1714, *The Devolution Revolution: Implications for Agricultural Service Delivery in Ghana*. <http://www.ifpri.org/publication/devolution-revolution-implications-agricultural-service-delivery-ghana>

Figure 1: Actual agricultural expenditures per agricultural household across MMDAs (real terms)



Source: Calculated from district composite budgets from Ministry of Finance and Economic Planning and district census data.; District observations: 126 in 2012, 149 in 2013, 157 in 2014, and 135 in 2015.

CITIZEN PERCEPTIONS

In some ways, budgeted expenditures reflect citizen priorities. When asked about their preferred investment of an additional GHS 2 million for their MMDA, healthcare was prioritized by 22 percent of the sample of households, followed by roads (16 percent) and clean drinking water (15 percent). Input subsidies and extension services were prioritized by only 7.6 and 4.1 percent of the sample, respectively. These rankings were only marginally different when the household sample was limited to farmers.

Nevertheless, when asked their degree of satisfaction with agricultural services in the wake of devolution, it was the farmers who actually received subsidized inputs or have access to agricultural extension who are most satisfied with the transition to a devolved system of government. The odds-ratios in Table 1 shows that those with access to extension are more than four times as likely to be satisfied than those who do not. This suggests that an appreciation of devolution's impact by citizens will most likely be assessed by experience with service delivery rather than by legislative and personnel transitions. By implication then, if funding constraints continue to affect agricultural services, citizens may become skeptical of the entire process.

Table 1: Satisfaction with agricultural services in wake of devolution

Variable	Coefficient (Std. Error)	Odds-ratio
Female	-0.205 (0.231)	0.815
Age	-0.005 (0.007)	0.995
Education level	0.004 (0.052)	1.005
Satisfied with performance of local government	0.393* (0.229)	1.482
Extension worker present in community	1.447*** (0.225)	4.251
Received subsidized inputs	0.548** (0.229)	1.730
Constant	-2.182 (0.412)	0.113

Notes: N=690 farmers in the sample. ***p<0.00, **p<0.05, *p<0.10

CONCLUSIONS

Devolution poses difficult trade-offs for policy makers. On the one hand, devolution relies on elected local governments who have downwards accountability to citizens. Local governments should have policy autonomy that corresponds to citizen preferences. On the other hand, when resources are scarce, politicians may sideline agriculture or other less prioritized areas, with adverse implications for agricultural service delivery.

National programs, such as Ghana's new Planting for Food and Jobs, may provide earmarked money for agriculture at the MMDA level, but this contradicts the intention of devolution. Indeed, expenditure autonomy, within budget limits, is a critical component of successful devolution. In the Ghanaian case, however, the MMDAs account for only 3.7 percent of the expenditures made in the agricultural sector, indicating that fiscal decentralization has not followed administrative devolution. If fiscal decentralization can be deepened and disbursement time-lags from the Ministry of Finance to the MMDAs can be addressed, then the goal of both attaining genuine devolution and achieving sectoral development goals may be more easily reconcilable.

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