

Bridging the north south divide in Ghana

Draft Summary

The intractability of regional inequality in Ghana

Regional inequality is significant: average per capita incomes are 2-4 times lower than elsewhere in the country, and, while inter-regional income inequality accounts for only about 1/5 of total inequality in Ghana, it increased during the 1990s, and it could be anticipated that this trend will have continued into the new millennium. The incidence of poverty fell little in the north (and the average depth of poverty increased), while it fell moderately in much (but not all) of the south during the 1990s. Part of the reason may be the north's dependence on 'food crop farming', an occupation which did not benefit from the liberalised economy of the 1980s and 1990s. There have been disproportionately few investment projects in the northern regions in the early part of this decade, confirming the likelihood that there will be little growth-induced reduction of north-south inequality or poverty in the north.

Human development (educational and health) inequality is also substantial, but the gap between north and south closed slightly in the 1990s. However, this was mainly because basic education and health indicators *worsened* in many parts of the south despite enhanced investment in basic services, but also because of the greater attention given to the north by NGOs and donor projects focused on increasing the *demand* for services (historically at a low level) and their quality. The northern regions remain massively disadvantaged in terms of medical services, however.

Inequality *within* the north was also high and increasing, especially in the poorest Upper East Region, where there has been a decades-old process of impoverishment. The urban centres in the north are the equal of their southern counterparts; it is the northern *rural* areas which remain particularly disadvantaged.

Inequality within the south may be partly explained by the position of northerners in the south, about which there is relatively little robust knowledge. Migrants' families in the north benefit from remittances to a much lower extent than do migrants' families in the forest zone. This suggests that northern migrants occupy the least rewarding economic positions when they migrate. Few northerners became cocoa farm owners, and the conditions under which migrants gain access to land have become less secure in recent decades. Few northern miners became permanent urban residents in the mining towns as they were excluded from subsidised housing and food.

Historical origins

The origins of this inequality lie in (a) geography – the lower rainfall, savannah vegetation, and remote and inaccessible location of much of the north; (b) the pre-colonial relationships between kingdoms and tribes, and (c) the colonial dispensation

which ensured that northern Ghana was a labour reserve for the southern mines and forest economy and (d) the post-colonial failure to break the established pattern.

Geography would not be significant by itself: arguably Burkina Faso's endowments are less good than northern Ghana's; but its institutions and infrastructure have allowed its people to make better use of the endowments which are there. The pre-colonial relationships between the Ashanti kingdom and northern ethnic groups established a hierarchy of dominance which still exists today, and which differentiates not only Akan (south) and Mole-Dagbani (north), but also, within the north, the kingdoms from the acephalous (king-less) ethnic groups – this differentiation being the basis of most violent conflict in the north since 1980. Colonial policy for the north affirmed its subordinate economic and political position. In addition to actively promoting labour migration, the government prevented investment, and adopted a 'protective' attitude towards the population, which kept northerners apart from the development which colonialism brought elsewhere.

Policy responses and trade-offs

Politically, independent Ghana has been adept at including northerners in the allocation of political and bureaucratic posts. However, while this strategy of 'containment' benefits the individuals concerned, it is often not easy to see significant benefits flowing to the north, other than the fruits of pork barrel politics. Conflict has also been contained, but the conditions leading to conflict have never been resolved, with the risk that re-awakened conflicts will continue to deter investment in the north, and the threat that underlying insecurity makes Ghana prey to broader West African conflicting forces. A degree of targeting the north for compensatory poverty reduction (human development, targeted local infrastructure) has been a feature of both democratically elected governments, but this has stopped well short of any programme to transform the north. All of this indicates a limited elite commitment to regional balance. The reluctance to decentralise properly has prevented local or regional elites from taking responsibility for the development of the district or region: the northern elite has been able to 'free-ride' on the limited decentralisation process, remain without serious responsibility and accountability to its electorate.

Economically, there were positive effects of the import-substitution model on regional development, especially through the 'rice revolution' and investments in cotton production in the 1970s. The state invested in creating institutional infrastructure – in banking, marketing and processing as well as research and extension – which supported agricultural development. Although these developments benefited the well off most, a large proportion of 'peasant' farmers were also involved, and as usual, participated enthusiastically whether it was in vertically integrated cotton operations or accessing second hand tractors for small-medium scale mechanised rice farming. For the first time an integrated labour market emerged in the north, which contributed to tightening the national labour market and rising real wages for labourers.

Public deficits and hyper-inflation were the end result of import-substitution policies in Ghana as a whole, however, such that the state could not sustain levels of agricultural subsidy; and the large scale, mechanised character of the rice revolution in the north was financially, environmentally and socio-politically unsustainable. However, lessons can be drawn from what has tended to be seen as a blind alley:

exploiting the comparative advantage of northern Ghana requires state support for processing and marketing arrangements which are capable of creating a mass market; the importance of improving inter-regional and/or inter-country infrastructure and access in order to allow the products of an underdeveloped region to compete – in

both of which the state has to play a leading role; the importance of producer group organisations enabling small farmers to compete with commercial farmers; and the value of mechanisation (bullock and tractor power) in a land abundant economy. Agricultural modernisation can contribute to pro-poor growth in a less favoured region; but should proceed less hastily, with less (or no) commitment to subsidise the very rich.

The era of structural adjustment and liberalisation which followed (1983- the present) stopped the previous trajectory of regional economic growth, and though it soon brought a process of decentralisation, this did not compensate for the neglect of the north's economic interests. Physical and financial infrastructure remained underdeveloped, although there was a substantial and donor-supported effort to improve the north's feeder roads. Critical inter-regional links, including those between north and south, were left largely unimproved, however, with the exception of the Kumasi-Tamale road.

From the 1980s donors and international NGOs concentrated their efforts substantially in the north, and northern Ghana offers a case study of what can and cannot be done by the international community in a region where the state has abdicated responsibility for development at least to a degree. A key achievement has been the proliferation of local associations and NGOs – a flourishing of civil society outside the political parties, which are focused principally on political power. This means that northern Ghanaian society is mobilised for development at local level in a way which is exceptional certainly in Ghana, and perhaps more widely. The presence of projects and NGOs, while only achieving patchy coverage of the different development sectors in any local area, and patchy coverage of areas, has meant that significant attention has been given especially to the current donor sectoral priorities of health and education. The results have begun to appear in Ghana's outcome statistics, with the north out-performing the south in terms of improvements in human development indicators in the late 1990s. This may be because development actors in the north have focused strongly on the barriers to getting poor people access to basic services, through attaching conditional transfers like food for education.

Development actors have also greatly enhanced community asset management in the north. Like improved human development, this is clearly a good for poor people who depend on such assets. However, the *economic* roots and structural causes of poverty have not been addressed by donor/NGO/civil society action in the north – in parallel with the absence of attention to such issues at the macro-policy level (and in international development discourse as a whole). It is important to go well beyond the 'localism' of such development efforts to do so. NGO efforts in the north have come in for considerable criticism, of which this is a sample: the poor feel alienated from them; they benefit mainly local elites; participation and cost recovery *mantras* have excluded poor communities and poor people; they patronise local people, claiming to

speak for them, and thereby getting in the way of poor people developing their own voices. The net result has perhaps been a different state-society contract in the north compared to the south, where the state is expected to play an active role in ensuring basic economic as well as social conditions of life.

The Ghana Poverty Reduction Strategy (2003-5) identified regional inequality as a key aspect of poverty, but apart from a bias of public expenditure in certain categories (feeder roads, irrigation) was unable to address the issue in the round: the slight increase in number of northern MPs in the ruling party following the December 2004 general election may mean that the second GPRS will find ways of addressing some of the key constraints to regional economic growth and poverty reduction identified in this paper. These are enumerated below.

Conditions for moving from containment and compensation to transformation

The international community's focus on human development in the north offers exit routes for poor people, but only if human capital improvements lead to greater returns: the evidence so far is that the economic returns to education in Ghana, for example, are very limited. This means that human development as the main development strategy to address inter-regional inequality has limitations.

Economically, the key question is whether there are sufficient organised economic interests which can press for improved institutional and policy approaches to regional development? Key interests could be: northern and other business leaders with long term interests in the development of the region; producer associations (eg the cotton farmers' association); Ministry of Trade and ECOWAS officials. However, these are not strong, and need to develop their capacities to analyse the issues and develop appropriate policy responses which they can lobby for.

Politically, the key condition is the emergence of strong northern elite and grassroots (complimented perhaps by donor and influential domestic advocacy NGO) demand for deepening decentralization (beyond administrative decongestion and resource transfer, greater devolution of political authority to regions and districts, deepening fiscal decentralization, and fostering grassroots demand for greater official responsiveness as well as transparency and accountability in the management of public resources. International donors and NGOs and arguably northern politicians represent an important political constituency to push for northern development.

But Ghanaian decentralization has been largely supply driven. Domestic activists have pushed mainly for increased resource transfer, leaving the demand for *effective* decentralization to international donors and external NGOs. Moreover, regional elites have yet to show a serious commitment to taking on some of the responsibilities for regional development, leaving paternalism and political patronage as the main drivers of national elite approaches to redressing north-south inequality in Ghana.

**Bridging the north south divide in Ghana? Background Paper for the 2005
World Development Report**

**Andrew Shepherd and E. Gyimah-Boadi, with Sulley Gariba, Sophie Plagerson
and Abdul Wahab Musa**

Draft, 23/12/04

CONTENTS

Executive Summary

Section 1. Conditions for addressing the ‘regional question’

1.1 Political conditions

1.2 Economic conditions

1.3 Socio-cultural conditions

Section 2. Regional inequality in Ghana

2.1 The history

2.2 A brief analysis of the indicators of regional inequality

2.3 A note on northerners in the south

Section 3. The policy responses and their consequences

3.1 The responses in the political system

3.1.1 The politics of political posts

3.1.2 The politics of decentralisation

3.1.3 Regional capacity

3.1.4 Responses to conflict

3.1.5 A conclusion: the commitment of Ghana’s political elite to regional balance

3.2 Economic and social policy responses

3.2.1 Agriculture

3.2.2 Infrastructure

3.2.3 Education

3.3 International donors and NGOs

Section 4. Conclusion

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

4.1 Strategies for balanced development

4.2 Have conditions for balanced development begun to emerge?

Introduction

The analysis starts from the WDR basic model: inequality->policies->inequalities etc. and asks the basic question as to whether and how the conditions for addressing regional inequality have been or can be achieved, and why this is important.

The argument of this paper is that regional inequality is only addressed by policy when certain conditions are met. These are economic, political and socio-cultural. Regional inequality in Ghana has been persistent, particularly between north and south, with geographical aspects – rainfall, ecology and location, and historical origins in the pre-colonial and colonial political and economic structures. The paper does not claim that other areas are not also disadvantaged – indeed, it is widely recognised that parts of the Central and Western Regions are also extremely deprived and there are significant numbers of poor people everywhere. The question is whether public policy is in a position to address such persistent inequality, and if so the form that this has taken and the consequences for regional inequality. This is examined for the major political regimes since independence. Both political and technical responses are relevant.

Possible consequences of policy for inequality are: aggravation of inequality, containment of the problem, compensation, and, more dynamically, a better enabling environment for investment and growth, greater equity in the form of reduced inter-regional inequality, and finally poverty reduction in the disadvantaged regions. The institutional conditions for the more dynamic outcomes also need to be nurtured through policy.

Prevalent explanations in Ghana for persistent regional inequality are varied: structural and focusing on the international drivers; patterns of public resource allocation; and a critique of structural adjustment policies. What is missing here is the role of institutions and institutional development *for* regional development, which this paper will emphasise. Policy analysis will investigate political and economic policy responses to regional inequality since independence. It is argued that the issue has not yet been properly formulated, and the conditions for addressing regional inequality only partially achieved.

Section 1. Conditions for addressing the ‘regional question’ or spatial inequality

The literature on regional development identifies both political and economic conditions which need to be achieved before a country can effectively address regional inequality. There is consensus around some of these ‘conditions’ and debate on others. This study has also identified the importance of social and cultural conditions; whether these have independent status will be contested ideologically. These ‘conditions’ provide the analytical framework for the assessment of Ghana’s approach to regional inequality, and in particular the persistent disadvantage of its three northern regions, and the conclusion will return to the question of whether they have been satisfied in Ghana, or whether they could be satisfied in future.

1.1 Political conditions

There is a number of ways in which ‘central’ commitment to regional balance can be expressed by a government or a political elite. Such commitment is critical to get the spatial inequality accepted as part of the legitimate business of government. Populist nationalism can be replaced by embracing diversity and difference (Smith, 2000). Measures to reduce the marginality of disadvantaged groups (which could be ethnic, religious, or spatial) would tend to follow. The representation of poor regions in the elite (and in governments) and the degree to which elites are fractured (eg between economic and political elites) bring opportunities for underdeveloped regions to develop the regional case (Bigsten, 1980). Regional administrative capacity is essential – this also requires central commitment since poor regions cannot easily resource their own administrations.

It may be the appreciation of the political risks of increased or constant spatial inequality which underlies a commitment to balanced development. In Ghana this would mean looking over the shoulder at Cote d’Ivoire, from whose collapse Ghana is currently benefiting. Ghana’s underdeveloped regions, whether in the north or the west might become flashpoints for broader conflict. Unresolved conflicts in the north have escalated since 1980 (Brukum, 2001; Drucker-Brown, 1994) – which may partly be a result of the absence of a dynamic economy capable of absorbing and using the energies of the ‘youth’ who are usually at the heart of conflict. This now provides a basis for a wider instability.

There is a debate about the relative merits of federal versus unitary political systems in addressing spatial inequality. The orthodox position is that a unitary system is better at redistributing resources between regions. There is evidence, however, that federal/decentralised systems, where there is some political autonomy for the poor regions to make their case, are more powerful than centralised systems – the risk of secession in a federal/devolved system is enough to underpin redistribution. (Shankar and Shah, 2003). This evidence against centralisation being better for inter-regional balance is not wholly convincing, however, particularly when you look at trends (rather than cross country comparisons) of spatial inequality within developing countries. The pattern is mixed, with both unitary and federal countries becoming more unequal, and a few of both becoming more equal. This result may be weak because these countries are on the upward part of Williamson’s (1965) inverted U curve – they are all tending to become more unequal (and urbanise rapidly) in the early stages of development. Later, both inequality and urbanisation decelerate (at about US \$3000 per capita GDP - Henderson, 1999).

The key point about federalism may have been missed in this analysis, however. What it does is to change the nature of the state-citizen social contract. It gives responsibilities to regional elites, who acquire the power and the obligation to serve their people. These obligations no longer rest solely on the central state – though in most federal arrangements the central state also retains significant and fundamental obligations. Thus federalism has the potential to change the nature of a regional elite from a purely ‘claiming’ or ‘demanding’ force in politics to a ‘serving’ or

‘responding’ one. A unitary system, by contrast, places no formal obligation on a regional elite to serve non-elites. Indeed, its thrust may be to co-opt members of the regional elite into the national elite, and encourage self-serving behaviour among the regional elite. It may be that strong democratic devolution short of federalism also has this potential. The key condition would be the degree of autonomy acquired by local governing élites with which to implement the social contract. Financing mechanisms, which tie local resource allocation to central priorities, is unlikely to shift the degree of autonomy significantly.

The autonomy of a regional or local elite should extend into the institutional and legislative sphere – indeed this may have greater importance than resource allocation at least for regional economic growth. Central institutional arrangements may not be very good at fostering regional investment and economic growth. There may be institutional changes, which autonomous regional governments could introduce which would remove or reduce barriers to investment and growth. However, the *poverty reducing potential* of devolution to local governments is hotly contested, with the evidence ranging from neutral to negative. Local elites satisfy their own interest first: and so central elites justify continued central power.

1.2 Economic conditions

There are two camps among economists with divergence theorists (e.g. Krugman, 1991) taking their stand against proponents of convergence theories (e.g. Williamson, 1965). Strong convergence theory suggests that equality in income levels will be achieved through market liberalisation regardless of initial conditions provided diffusion and adoption of technological change is unrestrained. A strong divergence hypothesis insists that initial conditions (such as levels of income and resource endowments) matter and that increasing returns to scale and externalities of investment lead to an agglomeration of economies.

Immobility of factors of production is a condition for divergence; mobility for convergence. Krugman and Venables (1995, 1996) argue that lowering trade barriers to an intermediate level leads to greater inequality and reinforces agglomeration patterns, but that as integration proceeds, the process is reversed, as trade and transport costs become smaller. In India, Cashin and Sahay (1996) attribute India’s slow regional convergence to high barriers preventing the free flow of capital and labour across the Indian states.

In Ghana labour is very mobile (though not entirely – there are some constraints placed by its participation in home peasant agriculture) but capital relatively immobile because of institutional and infrastructural limitations, and the concentration of the middle class in the Greater Accra region, where there appear to be considerable economies and externalities, and which is increasingly incorporated in a global economy. Land and other natural resources – very significant in the Ghanaian economy which has a high ratio of natural to human resources - are immobile.

There is a growing body of evidence that liberalisation and the pattern of growth it gives rise to increases inter-regional inequality in developing and transitional countries including Ghana (Stevens, et al, 2004: 11 for a review of this literature).

Divergence is likely to be caused by high barriers to internal mobility of factors of production. There is a relatively large literature suggesting that governments can design policy interventions which offset this tendency. The key ones, apart from decentralisation (federalism) mentioned above, are:

- Investment in inter-regional transport
- Removing barriers to factor mobility (Stevens et al, 2004: 19)

A minimum level of inter-regional infrastructure is likely to be needed to achieve national market integration and technology diffusion. However, there is a debate about how infrastructure should be prioritised: regional policies are replete with examples of paternalistic provision of infrastructure which remains un- or under-utilised because it is not really demanded by the private sector. A key issue is therefore whether there is demand from the private sector. The priorities of economic elites may lie elsewhere.

Barriers to factor mobility would include: (i) for labour, improving inter-regional public transport, money transfer mechanisms, and communication; information about employment opportunities, and mechanisms for enforcing labour (and tenancy) contracts for migrants; and education levels. (ii) for capital: financial services, especially the links between the centre for capital (Accra) and the regions, capital markets, land tenure reform, and property contract enforcement. Much of this agenda is institutional, it should be noted. Some of it may involve private institutions – financial services, capital markets, money transfer mechanisms, and their regulatory frameworks. Such private institutions are necessary to make markets work effectively.

There is an unresolved debate about the value of government intervention versus the value of creating a level playing field. Regional policies are often seen as failures, resulting in long term dependence on the state and a lack of indigenous economic dynamic. It has been argued that the creation of a level playing field works better than promoting paternalistic protection policies, and that there is little evidence that fiscal equalisation generates dynamic economic growth (Fallon, 1998). On the other hand it has been found in a European context that poor regions find it difficult to benefit from a low level of economic growth or stagnation; so a high rate of economic growth might be a pre-condition for the level playing field to work in the interests of poor regions. In any case, Ghana, having liberalised its economy extensively in the 1980s, is a test case for the open economy/level playing field hypothesis. It may be that lowering trade barriers leads to greater inequality and agglomeration initially, but then to the reverse as transport and trade costs are reduced (Krugman and Venables, 1995, 1996). In this scenario, the underdeveloped regions of Ghana will just have to wait, although there may be critical things to do in terms of defining and creating the level playing field – building infrastructure, compensating for ecological disadvantage and distance.

Do economic interests perceive the need for greater national (or regional in the sense of inter-country) economic integration, and when does this occur? The economic interests in maintaining weak national integration, strengthening it, and strengthening inter-country integration within the sub-region are likely to be different. Arguably, the current pattern of liberalisation in Ghana principally involves mercantile and service

industry interests, together with the cocoa farmers. Mining and timber extraction companies are also important. None of these require national integration to operate effectively; the latter two are 'point source' industries, whose dominance in an economy where political and economic institutions are weak, are recognised to result in significant difficulties in developing both the state (because revenue sources are concentrated rather than dispersed) and a process of national integration: there is a strong and now well established association between such economies and the probability of internal conflict (eg Murshed, 2004). It is not in the interests of such companies to generate revenues for redistribution. Mercantile interests may rely on inter-regional price differences for profits.

Liberalisation is almost always perceived as an international process, largely facing out to sea or towards OECD countries. But for land-locked under-developed regions in a developing country, which do not have the advantages of 'core' exporting regions, there could be more significant benefits of *regional* liberalisation than of international liberalisation. Here again there may be barriers to trade, investment and mobility. This paper will focus in particular on the economic border between Burkina Faso and Ghana.

Interests behind sub-regional economic integration are harder to identify, but would include producers of agricultural or industrial commodities and services where there is a sub-regional comparative advantage. In Ghana this would apply to rice in particular. There is no reason why industrial products should not also find a comparative advantage: a good example is the Nestlé coffee factory in Abidjan which supplied much of West and North Africa.

1.3 Socio-cultural conditions

Dimensions of inequality often overlap, and people carry them with them wherever they go. Spatial inequality may this be constituted by ethnic, class and/or religious elements. People from a region may carry these identity 'tags' with them wherever they go – and people from underdeveloped regions are often migrants. Labels apply to them - 'tribals' 'northerners' – and they will almost certainly develop patterns of learned behaviour and coping strategies which may reinforce and confirm inequality. Aspirations may be limited and strong, aspiration-limiting social norms may be widely supported; socially deviant behaviour may be accepted as a release (eg drink, drugs)...(for further details see Chronic Poverty Research Centre, 2004:) If a region is to develop dynamically, norms, values, attitudes may need to change, and this *may* come first from people who have migrated out of the region.

Section 2. Spatial inequality in Ghana

Regional inequality in Ghana refers most often in contemporary political discourse to the disadvantage experienced by the three administrative regions of northern Ghana, sometimes to the savannah ecological region. This is despite the fact that the most significant inequalities are *within* the administrative regions and *within* the savannah ecological zone, and there are also significant inequalities within the south. The

inequalities between rural and urban areas are also strong and persistent. Regional inequality may also be reflected in the within-region inequality between groups, as many of the poor and disadvantaged in the southern regions also come from the poorest (northern) regions in the country. Linked dimensions of inequality are class, ethnicity and religion. Gender inequality is also significant.

An analysis of statistical indicators is provided in Annex 2. The questions addressed in this section are:

- How significant is regional inequality?
- Is it on the increase?
- What explains the persistence and levels of regional inequality?

2.1 The C20th history

There is a long history of skewed relations between north and south, which cannot be adequately captured here. The suspicion that Northerners have had of Southerners, and the perceptions southerners have of northerners have their roots in pre-colonial relationships whereby Ashantis were seen as ‘black imperialists’, and exploited northern regions through the slave trade. North-South relations were later exacerbated by colonial policies. Some consequences of this were that initial attempts to encourage northern participation in national politics were met with suspicion by the small northern elite of the time, and northern political actors preferred to form a Northern People’s Party around independence.

In Ghana the twentieth century was the ‘cocoa’ century: it was identified worldwide as the or a major producer of cocoa, though gold and bauxite mines and timber extraction have always been competing leading economic activities. However, the import-substitution approach to industrialisation and agricultural development culminated in a cul-de-sac in the mid-late 1970s, from which recovery to a primary commodity producing export economy has been slow but steady under the structural adjustment period. The regional consequences of this dominant approach to development have been that the north has been either explicitly considered as a labour reserve – during the colonial period; or effectively become that again, during the structural adjustment period. It is possible that *one* of the reasons (not one of the key reasons which were more to do with taxation of enterprise, exchange rate over-valuation, and poor governance) that the import substitution approach ran out of steam was the declining availability of northern labour in the south due to the investment which took place in the north. “In the 1970s widespread alarm [was] raised among cocoa farmers because of the increasing scarcity of northern labour following the development of industrial cash crops and commercial food production in the north - a situation worsened by the ...Aliens Compliance Order [of 1969]...The increasing shortage of northern labour was also due in part to the attraction of higher wages in the urban-industrial core, the declining incentive structure for export production and the emergence of weak distributive forces...” (Songsore, 2003: 110) There may be even today vested interests in having a cheap labour supply in what is increasingly a mining-dominated economy, and with the resurrected cocoa economy booming.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

‘Colonial economic policies created multiple nations in one country’ (Konadu-Agyeman, 2000: 475). The north was seen as a labour reserve, with limited development, and paternalistic colonial government, which among other measures, ‘nationalised’ northern land to protect ‘simple’ northerners from ‘predatory’ mining and other developmental interests.

The immediate post-independence import-substitution period ushered in significant capital investments, with positive implications for the north and northerners – the development of education, infrastructure, agricultural development and processing. The ‘rainbow’ nature of the CPP governments (1954-1966) also assured the north a limited degree of representation in government for the first time (Bawumia, 2004), but this was to increase significantly from the 1970s NRC regime onwards. The political origins of the current regional administrative setup lie in the CPP period. Both Ashanti and the Northern Regions were divided into two to undermine the strength of the National Liberation Movement and the Northern People’s Party respectively, in what was to become a hallmark of the Ghanaian political economy – a fear of federalism and secession.

After a more conservative/less statist interlude (1966-72), a return to a more statist approach to development was accompanied by an increasingly predatory character of the 1972-1979 National Redemption Council military regime. Despite all its drawbacks, the Acheampong regime was the last regime which had a positive vision for the development of the north. It promoted the development of state-subsidised large scale capitalist agriculture in the north, taking advantage of the still-nationalised status of northern land to create a bank of cheap land, as well as subsidised machinery and other agricultural inputs and state institutional investments in financial institutions and related processing operations. It developed the cotton industry among small holders, and invested hugely in agriculture in the Upper Region with a (disastrous) World Bank loan for the Upper Region Agricultural Development Project, which consumed a high proportion of the national agricultural budget (Aryeetey and Cox, 1998).

The Ghanaian economy could not sustain the import-substitution model, however, and economic chaos ensued, and successive elected and military governments could find no alternative to embarking on a stabilisation and structural adjustment programme supported by the IMF and World Bank (1983-). The losses of structural adjustment for the north were recognised to a degree by governments which included representation from the north – the removal of subsidies and the collapse of the northern bubble, the crumbling of its infrastructure and the public sector, the imposition of charging for services which had been previously free. During the 1990s elements of ‘compensation’ were introduced – an extension of the national electricity grid, the establishment of the University of Development Studies in Tamale, physical and social infrastructure rehabilitation and development (though not on the same scale as in the south?) and considerable project aid from official donor agencies and international NGOs.

The positive results of liberalisation and structural adjustment for the north are still awaited. Of its major agriculturally based industries, sheanut marketing was

liberalised in the 1980s with the abolition of the Coffee Marketing Board, which had monopolised purchase, and this led to substantial producer price increases in the 1990s. The cotton sub-sector was also privatised and opened up to limited competition on the cocoa marketing model, thus effectively destroying the monopolistic structure supported by the French company, CFDT, which has enabled other West African countries to succeed in building up cotton as an export crop, despite the adverse conditions in world markets caused by protection and subsidies in major producing countries. Rice was subject to import liberalisation and substantial imports of US food aid, and northern rice lost the markets it had gained in the 1970s in the south (and the wider region).

The north, perceived as a 'basket case' region, became a focus for development aid and international NGOs, and the government relied substantially on aid to bridge the gap between north and south. Given the limitations of aid, however, this was not a viable strategy, as can be seen from continued poor development outcomes in the north.

The GPRS recognised regional inequality and initially built in some mechanisms to benefit the north disproportionately. However, there was limited policy analysis and no policy or funding mechanisms developed to address it: this should be a key challenge for the second PRS being developed in 2005 for the period 2006-8. HIPC funding was to a degree intended disproportionately for the north (eg road funding), though it is not clear that any *general* priority for the north has been accorded. Ministries and Development Agencies do not disaggregate their budgets or actual expenditure by region, or district. With the exception of the District Assembly Common Fund and other funds going directly to district assemblies, it is not currently possible to assess resource flows from centre to district or region in Ghana (Aryeetey and Abbey, 2004¹). Again, this presents a major difficulty in assessing the role government is playing or could play in reducing north-south inequality.

In the GPRS document, and also in policy practice including the policies of agricultural modernization, growth is the primary driver of poverty reduction, but there is no analysis of the pre-conditions for growth in the north, or indeed for growth in other economically stagnating regions (Volta, Central). This is supplemented by a distributional ('pork barrel') approach to poverty reduction, in which public expenditure on infrastructure (especially electricity), health, education, and water and sanitation is expected to reduce deprivation directly. In addition there is a commitment to improving feeder roads to assist with local market development – the only substantial, north-specific economic programme. In practice this means that while the north can benefit from improved human development, there are as yet few policy routes identified to economic to greater prosperity for the north or northerners charted by the GPRS. There are general policies which should be of benefit to regional economic growth in the north – decentralisation, land tenure reform and improved land administration – but there are significant problems with implementing

¹ This report is currently in draft, and is considered to be of sufficient sensitivity by its authors that its findings should not be quoted until they are made public. Hopefully this will happen in time for the final version of this paper.

these, such that it is unlikely that benefits will accrue in the short term. As we will argue below, there are other aspects of institutional development – financial services, conflict management, the role of aid and NGOs, inter-country links – which are critical for economic growth in the north, but which have not yet entered the poverty policy discourse in a significant way.

2.2 A brief analysis of the indicators of regional inequality and trends since 1990

While the focus here is on inter-regional inequality, it is recognised that intra-regional inequality is statistically more important as a share of overall inequality in Ghana, and that there is considerable intra-region geographical variation in both economic and human and other development indicators. The data is now available to do a much more micro-level study of inequality in Ghana than is attempted here.

2.2.1 How significant is inter-regional inequality, and the north-south divide?

Spatial inequality in Ghana is perceived as a north-south issue in the media and political discourse. To what extent is this true? Ghana's level of inequality was around .37 on the Gini index during the 1990s, with intra-geographic region inequalities accounting for most of it, but inter-region inequality also significant: 'inter-locality variation in average living standards is clearly a very important dimension of overall inequality in Ghana...and [has] increased over the period' (Coulombe and McKay, 2004: 20, and Annex 2, Tables 1.1 and 1.3). The proportion of total inequality accounted for by inter-regional increased through the 1990s (van der Puyé-Orgle, 2004). Inequality between the north and south remains significant, even if inequalities *within* the regions account for the greatest part of inequality. This suggests that other forms of inequality are actually more significant: urban-rural, class/occupation and education; ethnicity; gender. Of these, both the first three overlap and intersect with regional inequality, since the north is less urbanised (Songsore, 2003: 7) there is continued and substantial inter-regional inequality in educational achievements (Appiah-Kubi, 2003), and job prospects and incomes are commonly associated with education levels.

A closer examination of data from the four GLSS surveys has shown that increased education affects overall consumption levels – ie reduces poverty through growth – but does not contribute directly to higher incomes for poor people. Surprisingly, the incomes of the fastest growing occupational group, and a group which might be expected to benefit particularly from improved education, the non-agricultural self-employed, have actually declined rather than grown (Teal, 2001), a further indication that the direct effect of education on poverty has been limited under Ghanaian economic conditions since the late 1980s.

Mean regional incomes have been derived from the Ghana Living Standards Surveys, and show that average per capita income in the northern regions was 2-4 times lower than elsewhere in the country in the late 1990s (Annex 2, Table 2.1).

Household surveys produce the incidence of poverty, which suggest that while poverty fell over all during the 1990s, poverty incidence was concentrated in rural areas, and especially in the 'rural savannah' which includes part of Brong Ahafo and Volta as well as all of the three northern regions, where the incidence of poverty fell little, or even increased. This distribution is even more marked when the depth of poverty or the percentage share of the lowest quintile are given weight in the calculation (Annex 2, Tables 1.4 and 1.5).

Food crop farmers consistently remain at the bottom of the wellbeing ranking of occupations, and they figure disproportionately in the occupational structure of the north. It should be noted that they are also poor within the 'rural forest', where there are also large numbers of households in this category, but where poverty has reduced substantially in other occupational categories. The difference is that the average *depth* of poverty has reduced in the rural forest, while it has increased in the rural savannah (Coulombe and McKay, 2003: Table 3.9).

Geographical location in Ghana roughly coincides with ethnicity: the southern regions of Ghana (Brong Ahafo, Ashanti, Eastern, Central, Western, Volta and Greater Accra) are largely populated by Akans (50%), Ewe (13%) and Ga Adangbe (8%), and the three northern regions are largely populated by the Mole-Dagbani who constitute 15% of the national population. Ghana's ethnic map is also coterminous with its religious map. Christianity, which is the majority religion in Ghana (about 70% of the population), is also the dominant religion in the south; and Moslems who represent about 16% of the population are based in the North. Significantly, the southern parts of Ghana and the Akan areas of the country are relatively more developed than the three northern regions, though there are pockets of deep underdevelopment in all regions of the country.

Most recent data on income and expenditure (GLSS 1998/99, Tables 2.1, 2.2, 2.3) clearly groups the northern regions at the lower end of regional values for expenditure and income per capita. Despite higher mean incomes per capita in the Upper East Region than in the Northern and Upper West Region, the very high proportion of households in the Upper East Region in the lowest quintile of the Ghanaian population suggests very high intra-regional inequality. There are also considerable variations between southern regions, with the Volta and Central Region having mean per capita incomes of less than half those in Greater Accra.

The most striking variation between the 1991/2 and 1998/9 surveys is the increase in inter-regional inequality. Greater Accra per capita incomes are approximately two times the lowest per capita income in the Upper East Region in 1991/2, and over 4 times both Upper West and Upper East per capita incomes in the 1998/9 survey. These findings are consistent with Vandepuyé-Orlé's finding that spatial inequality was lowest in 1992 (Vandepuyé-Orlé, 2004). The distribution of households among quintiles has shifted dramatically in the Greater Accra, Western and Ashanti Regions, with a decrease in the proportion of households in the lowest quintile and corresponding increases in the proportions of households in the highest quintile. The opposite process can be observed by comparing the distribution of households among

quintiles between 1991/2 and 1998/9 in the Northern and Upper East Regions, which have both seen an increase in the proportion of households in the lowest quintile.

It is not only income inequality which is high: educational inequality is too, especially when measured by educational achievements and literacy, although there has been an overall reduction in the 1990s as poorer regions have begun to catch up. For example, the gap between the 'rural savannah' and the national average number of years of schooling has closed (from a ratio of 0.43 to 0.51). Whereas educational inequality has declined in the richer regions, it has declined relatively little in the 'urban and rural savannah' regions. Educational inequality is also strongly differentiated by gender, with women's access to education being significantly more unequal, and benefiting less than men's from the overall reduction in educational inequality in the 1990s in all locations. (Appiah-Kubi: 20-26, and Table A1, p 41).

However, this story needs to be nuanced. Inequality *within* the 'rural savannah' is particularly high, and growing in the 1990s, also in terms of its contribution to overall inequality, as is the case also in the 'rural coastal' areas (Annex 2, Tables 1.1 and 1.3).

North-south inequality with respect to the following indicators is mainly a *rural* phenomenon: literacy rates and JSS enrolment, population %s that have never attended school, distance to primary and secondary schools, asset ownership.² Northern urban data on these indicators is not at great variance with the southern equivalent data (See Annex 2, various tables).

The poverty map of Ghana does not only feature the northern regions. The populations of southern regions, especially Ashanti, are much greater than those of the north. Ashanti contributed 12% of national poverty incidence in 1998/9, down from 17% in 1991/2. Coastal areas, and the Eastern Region's Forest zone also contributed substantially (Ibid, Table 3.6). These are more than what Songsore called 'pockets' of extreme poverty in the south (2003: 177): in the 'rural forest', with its population share of about 30%, for example, the incidence of poverty among food crop farmers remained high in both years, and the average depth of poverty actually increased and was as high as in the 'rural savannah' areas. This region contributed the greatest share of inequality to overall inequality in Ghana, though it was not the most unequal region (Coulombe and McKay, 2004: Tables 3.11 and 3.13).

Within the north, there are also significant differences. Thus the incidence of poverty in the Upper East and Upper West is significantly greater than in the Northern Region, and even increased substantially in the Upper East between 1991/2 and 1998/9 and a little in the Northern Region (Ibid: Table 3.6). The depth of poverty also increased substantially in Upper East (Ibid, Table 3.5). Data on infant and child mortality rates is indicative of this. In all 3 northern regions IMR and CMR for 1993 and 1998 was considerably higher than in southern regions. In 2003, both rates reduced significantly for the Upper West, reduced in the Northern Region but rose

² This can only be seen in data that is differentiated into urban and rural (i.e. 1997 data).

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

hugely in the Upper East Region (Annex 2, Table 3.1). In the south, many regions experienced significant increases in both rates; this has become a subject for investigation in the health sector, but may well also reflect deepening poverty in specific locations. The Ghana poverty map indicates that there is substantial variation between districts and even sub-districts, also in the south (Coulombe, 2004), and the trends may indicate that areas' trajectories are also extremely varied.

Within the north, the Upper East Region often appears particularly disadvantaged, and in a dynamic process of impoverishment. Poverty incidence and depth increased in the 1990s. Vulnerability is highest there, with a high proportion of households (12%) reported losing land in the previous year, and a high proportion (40%) that they were food insecure (GLSS, 2004: Regional Summaries). This region has always been the poorest and most famine-prone (Shepherd and Whitehead, 1981), and dependent on unskilled migrant labour. Population density is relatively high. It is thus a region which has 'special problems'.

Although it is impossible to track overall public expenditure or private investment by region (or district), it is clear that in many fields inter-regional inequalities in inputs persist. Two examples are given here: the ratios of medical staff to population, and the number of publicly registered and supported investment projects.

Table 1 *Regional Distribution of Doctors (population per doctor)

<i>Region</i>	<i>1970</i>	<i>1986</i>	<i>1999</i>	<i>?2003</i>	<i>Rate of change (1986-99)</i>
Greater Accra	6000	4244	14,482		241
Western	13000	18088	25,819		42
Ashanti	19000	12063	31,240		159
Volta	56000	28890	18,614		-36
Brong Ahafo	64000	31341	26,022		-16
Eastern	45000	35221	38,146		8
Central	39000	26849	32,040		19
Northern	43000	56502	71,912		27
Upper West	107000	57903	43,221		74
Upper East			57,591		

*Physicians in the two teaching hospitals not included in the calculation for 1999 because they serve the patients referred to them by lower level health facilities from all over the country. 503 out of 1204 publicly funded physicians worked in the two teaching hospitals in 1999.

Table 2 Regional distribution of nurses

<i>Region</i>	<i>1970</i>	<i>1999</i>	<i>% change</i>
Greater Accra	952	734	-22
Western	2258	1195	-47
Ashanti	6073	1987	-67
Volta	4066	700	-83
Brong Ahafo	8710	1837	-79
Eastern	4005	1269	-68
Central	3273	1085	-66

Northern	3292	2924	-11
Upper West	5426	1507	-34
Upper East		1868	

Sources: Ministry of Health (1999) *The Health Sector in Ghana: Facts and Figures 1999* Accra; Ewusi, K. (1989) *Equity and Efficiency in the Supply of Health Manpower in Ghana*; Accra: Ghana Publishing Corporation

The medical staffing situation obviously worsened dramatically in the 1970s and early 1980s. Since then, the pattern of improvement in availability of doctors has been remarkably varied, however, with the northern regions ending up massively disadvantaged compared to others. For nurses, with the exception of Accra, the positive change was significantly greater in all the southern regions than the three northern regions. The ratio of doctors to population improved between 1986 and 1999 only in Volta and Brong Ahafo, while it worsened elsewhere, particularly in Accra, Ashanti and the Upper Regions.

Registered business startups show an extremely uneven pattern (Table 3). The inter-regional percentages and ranking was exactly the same for the period 1994-1999 (Songsore, 2003: 169).³

Table 3

REGIONAL DISTRIBUTION OF PROJECTS BY SECTORS

REGION	TOTAL	% OF GRAND TOTAL	S E C T O R S						
			AGRICUL- TURE	MANUFACTURING	BUILDING & CONST.	TOURISM	SERVICE	EXPORT TRADE	GENERAL TRADE
Greater Accra	1245	78.70%	54	360	102	133	390	75	131
Ashanti	111	7.02%	5	34	9	14	31	10	8
Western	72	4.55%	5	18	4	12	22	6	5
Central	54	3.41%	16	9	3	17	7	2	0
Eastern	45	2.84%	26	6	3	5	3	2	0
Volta	25	1.58%	16	4	1	2	1	0	1
Northern	16	1.01%	6	0	0	5	3	1	1
Brong Ahafo	9	0.57%	2	4	1	0	1	1	0
Upper East	4	0.25%	0	0	1	1	1	1	0
Upper West	1	0.06%	0	0	1	0	0	0	0
TOTAL	1,582	100%	130	435	125	189	459	98	146

Source: GIPC Statistics on Registered Projects, January 2001-January 2004

Analysis of the GPRS Annual Progress Reports indicates that:

³ It would be interesting to compare this with data for the 1970s, a much more active period of public and private investment in the north.

- 17% of HPIC projects in 2002 and 2003 were located in the northern regions, which contained roughly 18% of the population in 2000.
- 23% of the 2003 District Assembly Common Fund was allocated to these regions; but their share of salaries and wages was only 14%, with possible implications for the quality of services, and only 6.5% of total internally generated funds were collected in the three northern regions, suggesting further likely service quality issues (Government of Ghana, 2004).

2.2.2 Is regional inequality on the increase?

Whereas if we look at income inequality at a moment in time, it is mostly inequality within regions which stands out as critical, if we look at trends we find that the increase in inequality which occurred during the 1990s was associated with increased spatial inequality. However, inequalities among *all* the administrative regions of Ghana was much more significant than north-south inequality, indicating the importance of the substantial range of progress in wellbeing within the south as well as between the northern regions (Vanderpuye-Orgle, 2004). Between-region inequality accounted for a higher proportion (c 21%) of overall inequality by the end of the decade than it had at the beginning. 'This is presumably partly due to the fact that average living standards have increased a lot in Accra, the richest locality, while those for the poorest groups in the 'rural savannah' have not improved or worsened (Coulombe and McKay, 2004: 19).⁴ Inequality increased within the 'rural savannah' and 'rural coastal' regions over the 1990s, whereas it fell sharply in the 'rural forest', Accra and the 'urban savannah' (though the sample size is small for the latter two) (see Annex 2, Tables 1.1 and 1.3).

The incidence of poverty reduced everywhere in Ghana during the 1990s but increased in the Northern and Upper East regions, and reduced only slightly in Upper West, from what was in any case the highest level in the country. Upper East experienced particularly high increases in depth of poverty and reductions in the share of the lowest quintile (Coulombe and McKay, 2004, Table 3.5). Even the savannah regions of Brong Ahafo and Volta regions experienced significant poverty reduction. Thus, on several counts, the economic divide between north and south has become stronger in the 1990s. There are no reasons to believe that this process of economic 'divergence' is not continuing in the new millennium.

Poverty has reduced least amongst food crop farmers, and amongst the extremely poor. Nearly 60% of northern Ghanaian residents were extremely poor (below the lower poverty line of 700,000 *cedis*) in both survey periods. The 'rural savannah' regions had around twice the average depth of poverty in 1998/9 compared to other regions, a greater difference than there had been in 1991/2 (Coulombe and McKay, 2004: Table 3.2).

If we examine contribution to poverty reduction, the biggest poverty reduction occurred in the 'rural forest' regions, particularly around improvements in the cocoa

⁴ There is a similar finding for Burkina Faso, where between-group (including region) inequality has driven the overall decline in inequality achieved between 1994-2003 (Grimm and Gunther, 2004).

economy and increased remittances. This is even more marked when the severity of poverty is at stake (Aryeetey and McKay, 2004: 25). This occurred mainly in Ashanti, Brong Ahafo and Western Regions; less so in Eastern and Volta, and poverty incidence actually increased in the Central Region. Poverty in Accra also decreased dramatically.

The major sources of poverty reduction were the growing health of the cocoa economy, which has continued to the present day, and the benefits derived from migration remittances. Ghana is a migrant economy, with around half the GLSS sampled population having experience of migration. An increasingly large proportion of the population received remittances in the 1990s (37% in 1991/2 and 41% in 1998/9, and the amounts they received increased significantly too. Average amounts were substantially higher in urban areas, and much lower (though still increasing) in the 'rural savannah' areas. The large increases in remittances in the 'rural savannah' were from a low base, so that the absolute level still remained relatively low by 1998/9. Remittances accounted for a substantial proportion of the regional variation in poverty reduction. The low levels received in the north indicate how the region still remains a supplier of *cheap* labour. In particular, few households in the north benefit from remittances from Accra, where growth and poverty reduction has been greatest, whereas many households in 'rural coastal' and 'rural forest' regions benefited.⁵

Human development trends, on the other hand, show quite different and much more positive results for the north which is arguably catching up. Whereas IMR/CMR increased in much of the south 1998-2003, it increased significantly in UE but reduced in NR and UW. Malnutrition has been reducing in the 3 northern regions, whereas it has increased in parts of the south.

Ghana is investing a huge proportion of budget (and HIPC) in education, principally in basic. The results of this have been that the Primary Gross Enrolment Rate (GER) and girls GER indicate the N-S gap is closing; the Net Enrolment Rate (the better indicator) also shows improvement only in the north between 1998 and 2003.

A tentative conclusion could be that human development has been worsening in the south, but getting better in north. Another tentative conclusion is that education, a centrally provided service, can assist with reducing regional inequality. A key factor in explaining these trends may be the strong presence of donor projects and NGOs working at grassroots levels to improve human development in the north. For example, several donors and NGOs have operated conditional transfer schemes – providing the school feeding programmes which have encouraged children into school and made improved rates of retention possible.

⁵ An alternative hypothesis is that poverty reduced where food production or incomes from the food (including livestock and fisheries) sub-sector *did* increase significantly. This would require further analysis of the disaggregated poverty data which is now available, together with agricultural production data).

2.2.3 What explains the persistence of regional inequality?

There are competing explanations in the Ghanaian discourse.

- Songsore's complex model (2003)

This model locates Ghana's 'core', 'new periphery' and 'old periphery' in the context of 'the structure of power relations and the interests (domestic and external) generated therein which determines the process, pace and direction of development within the national space. In turn the configuration of power structures that initially emerges creates further bias in the pattern of development at later stages...' (Songsore, 2003: 301). This is a historical analysis which sees 'an early nationalist phase of cumulative expansion and attempted reconstructing with a push towards industrialising' running into a perpetual balance of payments crisis as the exported raw materials are no longer enough to pay for the import-substitution. Since 1983 this was 'superseded by an era of structural adjustment and neo-colonial restorative intervention, marked by de-industrialisation, denationalisation, and a collapse of the staple food sub-sector of the agricultural economy' (Ibid, 302). This raw material extraction economy has returned international rather than national interests to the centre of Ghana's political economy, with the state retreating and indigenous enterprise collapsing. This analysis sees external interests as dominant and defining the location of economic activity. The 'peripheral elite' is seen as conservative (similar to the Latin American core-periphery domination models of regional under-development), and more progressive forces striving for social justice emerging in the 'core' economy. The under-developed regions themselves have a weak bargaining position. The 'new periphery' makes the model more complex than the old north-south dichotomy: the urban-industrial core is increasingly dominant over the export cash crop, timber and mineral extraction 'new periphery' within which there is also significant inequality.

- The 'northern' elite's public expenditure disadvantage model

The demands of government made by the northern political elite centre around its the north's share of public expenditure and policy focus. Thus, not only is there a great demand for information about public expenditure in the regions – which is hardly available for the major part of public expenditure – there is a general presumption that the north is under-resourced. The GPRS would be an example: regional inequality was clearly recognised in the diagnosis of poverty offered by the GPRS document, but the implications have hardly been followed through in terms of budgeting or monitoring (very few indicators are disaggregated in the Annual Progress Reports). The current Presidential Initiatives is another – none are seen to be located primarily in the north.

- The Ghanaian elite's scepticism

There is a perception in government that the north has been given preferential treatment over the decades, starting with the positive discrimination in education and finishing with the large amount of aid which has flowed into the north since the late 1980s. The north is seen as absorbing significant proportions of public expenditure,

but not contributing much to the national ‘cake’. The issue for this group is more what has been done with these resources – have they been used effectively - rather than whether the resources have been enough or proportionate. This debate parallels the debate between the Government and the donors over the last two decades. The national elite questions the behaviour of the regional elite in terms of its motivation to invest and develop its home region. Underlying this concern is the perception that revenues raised in areas seen as wealth-creating are redistributed in perpetuity to under-developed regions. The household surveys have also shown clearly that poverty is not monopolised by the north, especially if numbers of people are used rather than percentages.

- The development model: the NGO critique

NGOs have been critical of elements of the neo-liberal development model used by government and donors in the north. Thus cost recovery has been criticised for excluding the poor. The case has been made strongly for water under NORRIP (the Northern Region Rural Integrated Programme) (Botchwey, 2001), and recently also for the lack of take up of electricity under the National Electrification Project, where the ‘biggest problem was the inability of the communities in the northern regions to buy their own low voltage poles’ (Daily Graphic, 26 October, 2004). However, the NGOs working in the north have also built substantial community level capacity to manage public assets (eg water points). Within agriculture, the focus on export crops has meant the relative neglect of food crop farming by government. More generally, national strategies are criticised because important aspects do not apply in the north, and there are some attempts to develop alternatives. Thus the GPRS Monitoring System which was developed for the country as a whole was paralleled by similar exercises in the three northern regions, focused on developing appropriate indicators. However, this level of strategic thinking is rare.

- The missing central pieces of the jigsaw: institutions and inter-regional infrastructure

Resources are clearly important, but for a dynamic regional development process, leveraging private investment is even more critical. Most poverty reduction in the world today is a result of economic growth. Currently the north depends on ‘trickle down’ from elsewhere in the country. Improving public services can reduce human disadvantage, but is unlikely to generate a virtuous development circle on its own. The critical levers of private investment are institutional and infrastructural. Infrastructure linking poor regions with better off is vital, but under-recognised in Ghanaian policy at least since 1980. Some existing inter-regional infrastructure was rehabilitated, but very little was built. The relative successes of economic development in the north of the 1970s (rice, cotton) were built on institutional foundations – research and extension, the network of banking infrastructure, the processing and marketing facilities developed through state-private partnerships, vertical co-ordination institutions in the cotton sector, the institutions of land allocation. The relative success of sheanuts exporting in the 1980s and 1990s was built on liberalised market which tapped into international financial and commodity trading companies. This provided high returns to the (women) harvesters of this wild

product. Today there is an absence of creative institutional development in the northern economy which is capable of leveraging private investment and thus economic growth. Conflicts and insecurity (which are often over land) almost certainly reduce investment possibilities.

2.3 A note on northerners in the south

It was suggested above that the presence of significant numbers of northern migrants in southern districts could be enough to reduce the average welfare of those districts significantly during the 1970s. A full study of regional inequality in Ghana should track their fortunes over time; this is sadly beyond the scope of this paper. A statistical analysis of this during the 1990s would be illuminating. There are large numbers of northerners in the south, as reported by the 2000 Census. Given their concentration in the rural economy of the south it, and the insecurity of their situation there (see below) it is likely that a substantial proportion of the poor in the south have migrated there from the north of Ghana. In the early 1990s, Ashanti, Western and Greater Accra were the major areas migrants move to; and the biggest ethnic groups migrating were Mole-Dagbani (from the north) and Ewes (from the Volta Region) (Anarfi and Kwankye, 2003).

In the early part of the 20th century, the conditions for migrant labour in the cocoa farms improved significantly: it was a sellers' market, and migrants were able to negotiate share-cropping arrangements and increase the proportion of 'forest rent' (Ruf, 1995) accruing to them as opposed to the landowners. They were able to save, and invest in consumer goods to take home (eg bicycles). However, few northerners were able to become owners of cocoa farms, as indigenous landowners clung to their rights. The slump in the cocoa sector from the 1960s probably reduced their incentive to try. Combined with the effect of investments which made northern agriculture more attractive in the 1970s, labour migration to the south may have declined considerably during this period. The contrast with Cote d'Ivoire is significant, where migrant labourers were welcomed with a 'land to the tiller' approach, which eventually contributed to the emergence of a massive citizenship faultline in the Ivoirien political economy which has underpinned its civil war (Austin, 2002).

There is remarkably little robust information available on how migrant labourers and sharecroppers fare in the cocoa sector. Where land has become scarce in the south, as in peri-urban and some agricultural areas, migrants have increasingly acquired limited leases on land, and customary freehold interests have been extinguished. 'As access to land becomes restricted, land tenure systems for agriculture are tending to move away from traditional family and sharecropping arrangements towards shorter-term rents paid in cash. This tendency towards less security of tenure discourages long-term investment and encourages shorter term cropping systems. For example, few tree crops are found nearest the city, where changes in tenure are most marked.' (Kasanga and Kotey, 2001)

In the gold mines miners from the Upper West have maintained strong links with their home area, as they have not been able to 'settle' with equal rights in the south, and as

the economy of the northwest has improved. The most prominent survival strategy is the maintenance of strong economic and social links with workers' home areas. The position of Dagara miners as an immigrant minority group discriminated against by Southerners restricts the opportunities of gaining a foothold in the local non-mining economy. Hence the necessity for non-wage earning activities reinforces home ties and ethnically exclusive forms of social organisation. Lentz suggests that the maintenance of regional and ethnic ties probably pre-dated Crisp's research even in times of relative prosperity.

Other factors that led to strong ties being maintained include: improved infrastructure in the Upper West Region, attempts to improve the economy and strong cultural ties insecurity in the gold mining sector (rapid succession of expansion and recessions, leading to fluctuation in age levels and size of the workforce). Northerners were mainly confined to underground labour with limited possibilities of promotion. Surface jobs, administrative or skilled manual jobs were reserved for Southerners. Because of these divisions Northerners were also frequently excluded from subsidised food and accommodation, allocated by rank. Thus permanent urban residence and commitment to wage labour were a remote possibility for Northern migrants (Lentz and Erlmann, 1989),

More widely, land scarcity has worsened the terms on which tenants and sharecroppers can farm: insecurity has increased; landlords renege on contracts; 'feudalisation' (chiefs acting as landowners rather than allodial rightholders) of land especially for housing development has meant greater insecurity even for indigenous customary landholders. There are some also good examples of local practice which protects migrants and tenants (Wily and Hammond, 2001: 57).

Section 3. The policy responses and their consequences

Policies and interventions can have several types of results: aggravation of inequality, containment, compensation, and the 'dynamisation' – creating the conditions for investment and growth, and reducing poverty and disadvantage, and the institutional development required to achieve these outcomes. A very successful regional policy will pave the way for dynamic regional development. However, in situations where achieving the latter is intrinsically extremely difficult (and the resources with which to do it limited) policies which merely contain the problem, compensate people for their losses or disadvantages, help them manage risk and reduce vulnerability may also be seen as successful.

A note of caution here: the regional development discourse is intrinsically statist. This paper on the other hand does not make any assumptions about the form an appropriate policy response should take. It may be that facilitating catalytic private sector action is as viable an approach to regional development as the more classic interventionist routes. In general, it is likely that states will have to do more than that since regional inequalities are often deep rooted – but it may be that this should be no more than they do anyway – ie provide that level playing field.

3.1 The responses in the political system

3.1.1 The politics of political and administrative posts

Southern Ghanaians in general and Akans in particular have tended to occupy the top positions in politics and the public services - mainly by virtue of their numerical advantage as well as educational and professional attainment. Southern Ghana has produced nearly all heads of state under both military and civilian administrations, with the notable exception of the People's National Party (PNP) administration (1979 – 81), which had a northerner (Dr. Hilla Limann) as head of state. Moreover, the level of northern representation in technocratic senior public service positions has been generally low except in the Ministries of Health, and Education, Youth & Sports. For instance, there has been only one northerner among the seven service commanders appointed under the NDC and NPP administrations and none in the higher echelons of key parastatals such as Customs, Excise & Preventive Service and Social Security and National Insurance Trust, reflecting the relative disadvantage of northerners when it comes to appointments based on technocratic merit.

Nonetheless, political elite sensitivity and desire to attenuate northern exclusion and foster a sense of national unity has driven partial efforts to include northerners in the ruling councils and ministerial appointments under both military and civilian administrations. For instance, the military regime of the National Liberation Council (NLC), [1966 – 69] had one northerner (B. A. Yakubu); the National Redemption Council (NRC) [1972 – 75] had two northerners; and the Provisional National Defence Council (PNDC) [1982 – 92] had one northerner (Alhaji Iddrisu Mahama), after the departure of the northern radicals (Sgt. Akata Pore and Chris Atim). Similarly, two out of 13 of Nkrumah-Convention Peoples Party (CPP) ministers (1965) hailed from the north, two out of 14 in Limann/PNP hailed from the north; a record seven out of 27 in the Rawlings'/NDC administration (1993-96) and six out of 23 in the Rawlings/NDC cabinet (1996-2000) were northerners. Northern representation in the Kufuor/NPP administration, however, appears to have dropped as two out of 27 (though there are several deputy ministers from those regions).

The 1992 Constitution and other regulations governing multiparty politics as well as conventions in Ghanaian politics also attempt to promote representation. For instance, political parties are required to have office in every district of the country and their founding members must include individuals from all regions of the country. The law governing political representation also explicitly prohibits the formation of ethno-regional parties and requires that national executives of political parties reflect the ethnic diversity of the country. And presidential tickets must be ethnically balanced under an emerging convention in the Fourth Republic. Thus southerner John Atta-Mills had northerner Martin Amidu as his running mate in the 2000 polls, and has northerner Alhaji Mumuni as his running mate in the 2004 polls. Similarly, southerner John Kufuor's running mate in the 2000 elections was northerner Alhaji Aliu Mahama. Mahama remains Kufuor's 2004 ticket.

However, serious questions remain about the long-term sustainability of elite consensus over the policy of bridging north-south inequality through the distribution

of state bureaucratic and political posts, especially in context of growing competition in the Ghanaian market and political arena. Strong perceptions of marginalisation of northerners and crude tokenism have persisted, especially among northern Ghanaian elite and complaints about the inherent anti-meritocratic and anti-competition nature of appointments to public posts in Ghana highlight continuing strains in this implicit bargain.

3.1.2 The politics of decentralisation

Decentralization has been a re-curent theme in Ghana though post-colonial political elites have virtually ruled out the option of classic “federalism” from the range of acceptable political arrangements. A decentralized structure of government and administration has been seen as a mechanism for promoting local autonomy and self-determination as well as effective local administration and efficient service delivery. But under successive governments, Ghana has trended towards centralization rather than decentralization. The 1957 Constitution established quasi-federal units (Regional Assemblies) to cater for the strong demand for federalism from some regions of the country (Northern, Ashanti Eastern and Volta) but it also prescribed a unitary system of government for Ghana. The centralizing trend began with the scrapping of the Regional Assemblies in less than two years and culminated in the 1960 Constitution and other amendments which, centralized power in the hands of Kwame Nkrumah and the Convention’s Peoples Party (CPP). This trend largely continued under successive post-Nkrumah governments, notwithstanding episodic efforts to rekindle decentralization (Asante and Gyimah-Boadi, 2004).

The program launched by the Provisional National Defence Council (PNDC) in the late 1980s represents the most comprehensive effort at decentralization in post-colonial Ghana. Proposals launched in 1987 culminated in the introduction of the District Assemblies (DAs) Law (PNDC Law 207) in 1988. Its provisions for structure and functions around the District Assemblies (DA) were incorporated in the 1992 Republican Constitution. The main features of the new system of decentralized local government include:

- A hundred and ten District Assemblies (increased to 135 in 2004), some of which are designated as Metropolitan Assemblies and Municipal Assemblies, as the main units of local government, and 13 sub-metropolitan district councils, 34 Urban Councils, 108 Zonal Councils and 250 Town Councils and 828 Area Councils and 16000 Unit Committees
- Assignment of 86 administrative and developmental functions (including planning, finance, budgeting, infrastructural development and security to the DAs.
- Monitoring, coordination, and evaluation of DA performance placed in the hands of Regional Coordinating Councils (RCCs) – the sub-structure of national government below the central government and composed of the Regional Minister, the Presiding member and the DCE of each district

assembly in the region, the regional head of the ministries in the regions and two chiefs appointed by the Regional House of Chiefs.

- Election of 70 percent of DA membership every four years on a no-party basis
- Appointment (by government) of the remaining 30 percent by government
- A government appointed District/Metropolitan or Municipal Chief Executive (D/MCE) as the political head and chief representative of the government in the district.
- An elected (by two thirds majority of Assembly) of Presiding Member who convenes and presides over Assembly meetings, chairs its Public Relations and Complaints Committee.
- D/MCEs serve as chair and full member of the Executive Committee Assembly.
- The District Coordinating Secretary, a civil servant serves as secretary to the Assembly.
- The DA has local authority (at least on paper) over 22 central government ministries, departments and agencies such as health, agriculture, education, urban roads, trade and industry, social welfare and community development, etc.
- The DA derives its revenues from the District Assembly Common Fund (established under the 1992 Constitution, representing not less than 5 percent of annual national revenue and shared among the DAs according to a formula devised by cabinet and approved by parliament), ceded revenue (such as taxes from gambling, betting, casinos, advertisement, entertainment duty etc), donor funding (especially micro-finance), and others.

This new push for decentralization was aimed at transferring power, authority and responsibility from the central government to sub-national levels of government. It was also intended to foster popular participation, transparency, responsiveness, accountability, stability, efficiency, effectiveness, decongestion of the national capital and checking rural-urban drift and north–south divide in Ghana.

The popular election on no-party basis of 70 percent of the membership of the DAs, who could also be recalled by the same electorate, was at least in theory aimed at promoting grassroots democracy. However, popular control over the DAs is severely limited. The DCEs have been very powerful figures in the districts and have tended to ride roughshod over the DAs, despite the fact that their appointment is subject to two thirds approval by the Assembly. Additionally, the power of the elected members of the DAs is counterbalanced by the 30 percent assemblymen appointed, by the President, by whose consent alone they can be removed.

Partisan politics is constitutionally prohibited in Ghana's system of decentralized local government, ostensibly to foster consensus building and unity and to enable the DAs to concentrate on local development. But partisan politics has intruded DA elections and decision-making/voting. Moreover, conflicts have been rampant within the DAs - between Members of Parliament (who are non-voting ex officio members of the DAs e constituencies) and DCEs, especially where the two belong to different political parties, between DCE's and District Coordinating Secretaries (the head of the central government agencies in the district), between Presiding Members (the 'speaker' of the DA elected by the DA) and the DCEs and between DAs and the 22 district level central government ministries, departments, as well between DCEs and chiefs.

The appointment of 30 percent of DA members is meant to ensure that the DA does not lack members who possess technocratic skills (in the event that popular election of the majority of DA members failed to produce technocratically competent assemblymen). Nonetheless, the government appointees to the DAs have tended to be political activists and local notables but hardly technocrats. Thus, DAs have continued to lack core competence.

3.1.3 Regional capacity

The impact of decentralization on regional capacity has been mixed, at best. It has helped to arouse the spirit of voluntarism and local interest in community development. It has fostered collaboration among the RCC, donors, NGOs and other non-state forces to promote regional development and arguably, to push for enhanced decentralization. It has also helped to bring greater focus on district development. District capitals are automatically targeted for development of social infrastructure: district hospital, model senior secondary school, post office, and state as well as local government institutions. Most significantly, it has helped to expand the financial base of the local government. The 1992 Constitution provides for the transfer of not less than 5 percent of national revenue into the District Assembly Common Fund (DA CF) to be shared among DAs under a formula approved by Parliament.

However, regional capacity to plan, initiate, implement, and monitor local development remains weak. It is instructive that only three DAs (none in the northern regions) have embarked on a pilot project to develop their own composite budgets. Donors, local and international NGOs such as Action Aid, CARE, ISODEC/Center for Budget Advocacy, and HIPC Watch have been helping to review and monitor implementation of regional programs but glaring deficits remain and sustainability remains questionable. Weak regional administrative capacity is reflected in the reluctance and or failure of key social sector ministries such as health and education as well as other MDAs to submit to constitutional and statutory obligations for decentralization. Thus, central government agencies posted to the districts remain beholden to their head offices and are hardly responsive to the DAs. In fact, many public service personnel continue to regard posting to the northern region as some form of punishment. New local government legislation – the Local Government Act (2003) and Local Government Service Act (2003) may help to bring the MDAs under

the effective control of the DAs, but they are yet to be operationalized and or implemented.

Similarly, regional capacity to generate resources internally is extremely weak (as noted in 2.2.1) and reliance on the DACF is very high, especially among the northern DAs. DACF receipts constitute nearly 95 percent of the revenue of DAs in the three northern regions. Regional capacity for financial management is also very weak, thus providing a ready excuse for the reluctance and or inability of the central government (specifically, the finance and local government ministries) to devolve fiscal autonomy to the regions. Indeed, weak financial position of DAs make the assemblies nothing more than 'talking shops' with no real capacity to implement plans and programs.

Regional and district level capacity for security and conflict management is formally located in the Regional and District Security Council (RESEC/DISEC), headed by the Regional Minister and DCE respectively (and largely comprises members of the Regional/District Coordination Council and Regional/District Security Agencies), together with national security agencies (police, Bureau of National Investigation) and the armed forces located in the regions and districts). Their efforts are increasingly complimented by international and local NGOs and civil society based in the regions. The latter group has been expanding its role from provision of emergency relief to peace-building (as demonstrated the inter-NGO consortium in the Kokomba-Nanumba conflict in the 1990s and the West African Network of Peace Building in the aftermath of the Dagbon conflict). But regional security and conflict management agencies are poorly coordinated and fraught with tension between the central government and their regional counterparts, between DAs and RCCs, and between official agencies and NGOs. Central government and national security agencies (notwithstanding the introduction of a Northern Command of the Armed forces) loom large in regional security conflict management in the north. Paternalistic attitudes remain entrenched. The relationship between the un-elected RCC and the partially elected DAs is poorly articulated and reinforce central government control at the expense of local autonomy. The attempt to insulate the DAs from partisan politics has been largely ineffective, especially following the resumption of multi-party politics at the national level. Moreover, grassroots demand for accountability and responsiveness is weak (possibly aggravated by marginal involvement of districts in revenue generation and the non-election of the political heads of the districts and mayors of the metropolitan assemblies).

3.1.4 Responses to conflict

The northern parts of Ghana have been plagued by recurrent intra (e.g., Andani and Abudu clan) and inter-ethnic (e.g., Kokomba and Nanumba) violent conflicts. Like other parts of Ghana, violent conflicts in the north have multiple causes: land, chieftaincy succession and religion, aggravated by local and national politics, as well as endemic poverty. But the recurrence of violent conflicts in the north is also reflection of inadequate official policy responses. Government responses have been ad hoc and un-dynamic: pacification missions by security agencies to suppress

violence and restore a degree of order; the establishment of committees of enquiry whose reports are often unpublished and whose recommendations are scarcely implemented (such as the Wuako Commission report on the conflict in Dagbon); failure to reprimand or punish leaders of parties/groups responsible for initiating aggression (which creates a sense of heroism among perpetrators and deepens the injury of victims); and the tendency for governments to apply partisan political yardstick as opposed to principles of fairness and justice in dealing with communal conflicts (which guarantees that national politics intrudes into regional/local conflicts and creates a see-saw effect which ties conflict management and settlements with changes in political regime). Most significantly, official conflict resolution mechanisms have consistently failed to tackle the fundamental problems such as endemic poverty and inherent contradictions in land ownership and chieftaincy (Kokomba-Nanumba, 1980, 1994, 1995; Gonja versus Nawuri and Nchumru, 1991, 1994 that underpin many of these conflicts, especially in the last two decades (Brukum, 2001).

Major conflicts in the north have also occurred around substantial political inequalities within the region (“landlord” and “tenant” ethnic groups; centralized and acephalous groups); and there is also a hierarchy of inter-ethnic relations underpinning broader north-south inequality.

Nonetheless, recurrent violent conflicts have had a devastating impact on the region. Lives have been lost, families and livelihoods have been disrupted, crops and livestock have been destroyed and production disrupted. Violent conflict has been a major source of insecurity in and discouraged investment. For instance, the Kokomba-Nanumba war (and other conflicts) have driven large numbers of people in the conflict areas to ‘Sodom and Gomorrah’ and other squatter settlements in Accra and other cities in southern Ghana and caused the yam market to move down to Accra; land registration has in the northern regions has virtually ceased in the aftermath of the murder of the Dagbon monarch in April 2002 (which means there is no authority to sanction transactions in Dagbon traditional lands).

3.1.5 A conclusion: the commitment of Ghana’s political elite to regional balance

The commitment of Ghana’s political elite to regional balance remains high, at least in notional terms. Successive administrations have continued to pursue policies of political inclusiveness and representation as well distribution of state bureaucratic and symbolic goods. Thus, Ghana will have a vice-president or president from the north, whichever political party wins the December 2004 polls. It is also significant that the poverty alleviation programs pursued under the left of center Rawlings-NDC and right of center Kufuor-NPP governments have specifically targeted the north.

However, elite commitment to regional balance hardly goes beyond containment and compensation. Political representation has been sensitive to regional inequality and cleavage, but the elite consensus behind ethno-regional inclusiveness has been increasingly strained under current conditions of market and political competition. Moreover, the choice of northern representatives and allocation of resources to the

north is heavily influenced by central political elite desire to cultivate clients and develop patronage networks in the north as the interest in fostering regional balance, which reinforces national and local level patronage politics. In addition, the return on state investment in northern “patrons” appears to be meagre, as successive beneficiaries have tended to emigrate out of the region in pursuit of greater political and economic opportunities.

Successful containment has helped to prevent violent conflicts in northern Ghana from spilling into national politics. But recurrent violent conflicts in northern Ghana have also aggravated inter-regional inequality. The unwillingness and/or inability of Ghanaian elite to respond credibly to the challenge of effective and sustainable resolution of northern conflicts indicate weak or inadequate commitment to redressing north-south inequality. The prevailing emphasis on ad hoc short-term pacification measures as well as failure to build regional capacity for conflict prevention and management, and to redress the fundamental causes almost guarantees that violent conflict would recur.

Ghana’s decentralization program has been largely packaged to contain fissiparous tendencies: the limitations imposed on decentralization are driven by an unproven and largely unspoken fear among Ghanaian political elites that ceding too much political, administrative and financial control to the local communities and districts will encourage centrifugal forces of separatism, succession, and irredentism; they are also driven by concerns that full decentralization would impede the project of national integration or at least undermine the ability of central government to impart national values to the grassroots. The strictures imposed on decentralization, especially central government control of the executive branch in the districts, local government funding (either through grants in aid such as the District Assembly Common Fund) and the prohibitions against party politics in local government are aimed at ensuring central government control over the districts and local communities. These limitations on “federalism” may have helped to protect minorities and contain communal conflicts, but they have also undermined local autonomy and self-responsibility beyond regional demand for mass resource transfer.

Central government reluctance to decentralize effectively is also reinforced by northern Ghanaian elite preference in favour of state paternalism. The latter group appears to be entrenched in its belief that devolution of power would weaken the commitment of central government to regional promote welfare and development through resource transfers. It has also tended to show very little interest in ensuring that limited allocations to the region are managed transparently and accountably.

3.2 Economic and social policy responses

Responses to regional inequality could focus on several dimensions of development: reducing the *vulnerability* of remote and disadvantaged regions, their *access* to quality health and education services to build human capital, providing the *infrastructure and institutions* to access or develop markets. There has been little response to vulnerability and insecurity in the north, although PAMSCAD concentrated its

activities on the north. There have, however, been episodes of investment in health, education, water and sanitation, most notably in the last decade; and periods of significant public investment in infrastructure and agriculture. This paper examines public policy responses to regional inequality in agriculture, infrastructure development and education.

Responses can be seen divided in two periods since independence: a period when attempts were made to solve the inequality problem, but were all badly planned and executed. Many approaches were attempted: social amenity/single project, sectoral, increased agricultural production, regional decentralisation and multi-sector approaches. However, many of these were not well executed. Since the structural adjustment period (1983-) the emphasis has been on basic social or human development needs, and rehabilitating infrastructure (Anyinam, 1993).

3.2.1 Agriculture

Agricultural policy is critical to bridging the north-south divide, especially with respect to 'food crops'. The north is predominantly agricultural; and northern migrants in the south work predominantly in agriculture. We will look at two promising growth sub-sectors, rice and cotton.

Ghanaian agricultural policy can be divided into three, and perhaps a fourth period: the statist period under the CPP (1957-1966); the state-supported capitalist period under the Progress Party and then the NRC (1969-1979); the structural adjustment and liberalisation period (1983 – present day). There may be a fourth period about to begin, with a specifically northern agricultural strategy. There is a consistent theme in Ghanaian agricultural policy: 'modernisation', in particular the use of 'modern' technology, including mechanisation, and commercial or large scale farming, whether state/collective or capitalist. Policy makers never seem to have developed faith in peasant farming in the north, with the consequence that it has never been strongly supported. The analysis will look at the implications of agricultural policy for regional inequality, whether aggravation, containment, compensation, investment, and/or poverty reduction.

In the north, we can distinguish a period of positive state support for the modernisation of agriculture (1950-1983) and a period of relative state withdrawal in which peasant agriculture has largely been left to its own devices (1983 – the present day). The first period reversed the net drain of capital and labour out of the north, and saw the development of tractor services for peasant farmers, followed by the development of co-operative farms under the CPP's food import substitution policies, accompanied by an impatience with the capacity of peasant farming to provide the nation's food supplies. Mechanisation was adopted as the strategy despite there not being unequivocal evidence that it was economic. Rice was the principal crop. Peasant farms were not improved alongside the investment in co-operatives. This policy was implemented on a small scale and judged a failure; it left only one farm which was sustained beyond the military coup of 1966, which steered Ghana back from socialism. This farm became the basis for a USAID-supported introduction of Green Revolution rice seed, and many of its members were from Tamale and became

the pioneer commercial rice farmers, operating new farms elsewhere with support from the Agricultural Development Bank (Shepherd, 1979: Chapter 1).

A rice revolution

The next phase was far more successful, and because of this, its story is told in some detail: by 1976 over 150,000 acres⁶ of additional valley bottom rice were cultivated by commercial farmers using subsidised tractors, combine harvesters and Green Revolution High Yielding Varieties, supported by subsidised bank credit, subsidised fertiliser, fuel and equipment, and a German aid project. The farmers were mainly urban residents, and about one in five large scale farmers were southerners. This helped move Ghana very close to self-sufficiency in rice (imports ceased in 1976, with the help of tariffs/import controls). The government wanted a quick expansion to curtail imports; the banks' conservative lending policies meant that they found it difficult to advance credit to peasant farmers, but they could lend against urban property as collateral; land was made available at almost no cost by the chiefs and *tindanas* (traditional land allocators). The Agricultural Development Bank started by giving loans to peasants, some in groups, but ended conforming to commercial bank practice of lending to farmers who could at least justify buying a tractor. Most of these were traders, employees (many from agricultural institutions including the Ministry) or senior military/police officers (and included NRC Commissioners) (Ibid, Chapter 2).

The Agricultural Development Bank also began financing groups of peasant farmers in the less or un-mechanised crops – yams, groundnuts, cotton, coarse grains - and German aid switched its attention from rice to intermediate technologies and plant breeding for these peasant crops too. Senior government officials were looking for a more sustainable form of agricultural development. A dual strategy had emerged in which easily mechanised crops were grown on large scale commercial farms, while labour-intensive crops were grown by peasant farmers, ideally organised in groups. Alongside the ADB, the French company CFDT was supporting the monopoly Ghana Cotton Board to develop the sort of efficient outgrower schemes on which the success of several other West African cotton export sectors has been built. By 1996/7 the CMB sponsored 38,064 farmers farming 24,829 hectares of cotton. In the process many peasants became 'peasant-capitalists', employing labour, hiring tractors, owning ox-ploughs, using fertiliser and accumulating capital. Social networks, in particular with townspeople, were important in gaining access to capital and commercial farming inputs.

In most communities of the Northern Region where rice could be grown, about a third of peasant farmers were growing it. Investment in roads for rice farming meant that other crops could access markets more easily too. The biggest rice farming families in most villages were those with political power, experience in trade, cattle owners, and with experience of migration and urban living. Peasant rice farmers frequently attached themselves to bank financed 'stranger-farmers' (generally northerners – southerners did not engage with peasant farmers in this way) who would hire out tractors, provide subsidised fertiliser (sometimes with a mark-up), and introduce the peasant to the bank. Commercial farmers would also sell peasant produce to the mills, but sometimes on exploitative terms. In return peasants would work as casual labourers on commercial farmers' farms. They were not happy with their role as 'second class' farmers, and very critical of both the banks and the state for supporting large scale farmers, who were generally not professional farmers (Ibid, Chapter 7).

Labourers for the rice farming boom came mainly from the peasant farmers of the Northern Region itself, which had never been a major supplier of labour to southern cocoa farms. A regional casual labour market developed. By the mid-1970s shortages of labour due to the increased opportunities available to peasant farmers on their own farms led commercial rice farmers to recruit male labour first from urban centres in the Region, then from the crowded areas of the Upper Region – the main source of labour for the cocoa farms. Wage rates became uniform. Famine in the Upper East Region in 1977 (Shepherd and Whitehead, 1981) also led to significant migration into the Northern Region. Female labour continued to be recruited locally. The development of rice farming threatened the labour supply

⁶ There is about 800,000 hectares available in northern Ghana for such production.

to the southern cocoa farms. It could be anticipated that since the collapse of the rice boom, many northern households will have returned to migration to the cocoa farms, especially after production and price increases began to have an impact on their prosperity.

Large scale commercial rice farming was practiced in an environmentally unsustainable way, as a form of large scale bush-fallow, where many farms were left fallow after two or three years because of heavy weed growth. Ghana is a major source of rice bio-diversity, with 60 varieties distinguished in a recent survey (Kranjac-Berisavljevic et al, 2003) . The rapid adoption of a few HYVs if sustained would undermine that.

There was thus a rapid process of private capital accumulation during this period, supported by state subsidies, and peasant farming was developing rapidly too alongside large scale mechanised farming, with its new regional labour market. In the late 1970s the state became unable to maintain the subsidised import-substitute agricultural economy – with mismanagement of the revenue-generating sectors (especially cocoa) a deep balance of payment and debt problem emerged; and banks withdrew credit as farmers defaulted on loans in the hyper-inflationary economic collapse which ensued. By the mid 1980s there was little of the large scale rice economy left, though some large scale farms do persist today. However, this process of intensive state-led private capitalisation of agriculture had several benefits at that time:

- There was a massive investment in the regional economy, including infrastructure, marketing and processing facilities. (However, investment in inter-regional infrastructure especially roads needed to be even greater to sustain the vision of northern Ghanaian rice supplying southern cities.)
- The state played a strong role in setting up or facilitating the institutions (financial, industrial) which were key to market development.
- State and bank support for processing facilities were especially important in creating a mass market for Ghanaian rice.
- It was relatively easy to reach (or approach) self-sufficiency in rice. Ghana also exported rice to neighbouring countries during the 1970s.
- A substantial group of richer peasant farmers were able to participate, although terms were not always beneficial.
- A regional labour market was created, providing labouring opportunities near at home.
- Land tenure was not a constraint on commercial agricultural development.
- A more sustainable and peasant-focused agricultural strategy was in the process of being worked out. The technology was /is there; more difficult is the institutions – the producer and marketing organisations.

Had this investment been sustained, with subsidies being gradually phased out, better farming systems being introduced, and more serious attention given to organised marketing and quality processing, Ghana could probably be a major producer of rice today, with significant exports to the sub-region.

The collapse of the national formal economy in the late 1970s meant that the entire process could not be sustained – tractors could no longer be supplied with spare parts, for example. Rice farmers increasingly could not repay their bank loans, and bank credit dried up. By the mid 1980s following the structural adjustment agreements with

the IMF and World Bank, the agricultural economy had largely been liberalised – with the exception of the cocoa export monopoly which remained to become the basis of Ghana’s current success in cocoa production. The banks were increasingly called on to finance government deficits, and were no longer in a position to lend to agriculture – a situation which remains today.

The key loss in this story is the institutions which were formed or extended in the region: the banking system, the marketing and processing organisations. While not perfect, and unsustainably over-dependent on subsidy, they were the kernel of a process which could have matured. Land tenure was not an obstacle to investment at that time: today it may be more of one, given the uncertainties over who controls land in the growing number of areas where control is contested between chiefs and *tendambas*, or where there are chieftaincy disputes. The danger of insecurity reflecting contested control is a further and much greater risk for investors, as mentioned above.

The rice market was opened up in 1989 and imports and US food aid rice flooded southern markets. Rice production in the north retreated to supply local markets, and to a smaller, more sustainable scale, with appropriate land management and supplementary irrigation technologies but few external inputs. Few farmers still use tractors, though some large scale farmers have kept going; and few still ox ploughs. More recently, the Ghana Irrigation Development Authority has attempted to process and market Ghanaian rice in such a way as to attract the southern consumer. The main problems for rice farmers in Ghana today are: weeds, the absence of quality mills, and low prices, with strong competition from imported rice. There is very little farmer organisation or support from government or external agencies. Most research has been on irrigated rice, but there is very little irrigated rice growing in Ghana! Most farmers grow upland rice – especially poor women, and some valley bottom rainfed (Kranjac-Berisavljevic et al, 2003). There could of course be more investment in irrigation – it is very noticeable that in the 1960s there were ideas about developing small scale water conservation and other sources of irrigation throughout northern Ghana, some of which were acted on during the later 1960s and 1970s; during the 1990s all the development effort was only on potable drinking water, other than rehabilitating old irrigation schemes. The choices in the rice sub-sector are interesting:

- Develop processing and marketing organisations and technology to recreate a mass market.
- Producer group organisation to compete with commercial farmers.
- Offer limited period protection to allow such enterprises to develop adequate co-ordination with farmers and consumers, including supply of finance and inputs, if these are not available on the market.
- Expand the area under cultivation through tractors and bullock power, with re-development of the service infrastructure.
- Farming systems research and extension to advise farmers on suitable combinations of technology, with particular reference to weed problems.

The 1970s experience illustrates that commercial production can go hand in hand with peasant production: it is not an either-or situation; however, producer organisation and

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

research and extension directed at small scale farmers will be beneficial to both. Commercial producers need to be restrained from farming in an environmentally unsustainable way – through maintaining market costs for fertilisers, fuel and machinery perhaps. More broadly, maintaining a cost structure which is closely related to wider markets is essential if a commodity is to escape from the ‘import-substitute ghetto’.

The recent PSIA on agriculture indicates that if agricultural modernisation policies are to have pro-poor impacts, they should develop gradually rather than in large leaps. Targeted complementary investments and policies beyond agriculture are required to ensure that poor farmers can participate in agricultural growth (Asuming-Brempong, et al, 2004; Seini, 2002)

Cotton represents another major potential sub-sector in northern Ghana, which began to operate to the benefit of small farmers in the 1970s.

Cotton: Ghana compared with Burkina
In the 1970s CFDT supported the Ghana Cotton Development Board to develop a vertically integrated production programme, with smallholder out-growers as primary producers. The intention was to provide the raw materials for Ghanaian textile firms. By 1976/7 ‘the Board sponsored 38,064 farmers cultivating 24,829 hectares, almost all in the north. A substantial expansion occurred in 1974-6 as a result of an artificially high producer price. However, the economic crisis of the late 1970s reduced the numbers of functioning textile firms drastically, and thus the whole rationale of cotton production in Ghana. The sub-sector was opened up to limited competition on the cocoa model of attaching companies to areas, but struggled to perform in the 1990s. CFDT left the scene. The last remaining Ghana Cotton Company, the rump of the old Board, now has an unsustainable debt burden and is being substantially bought by DJ Miller and Associates, an American company (Business Times, 15 October, 2004), though cotton farmers in Tamale have demonstrated against it (Daily Graphic, 17 October). Cotton never became a significant export crop in Ghana, accounting for less than 1% of exports.

What cotton farmers need is ‘market oriented policies that will allow the farmer to meet the cost of his operations while receiving a competitive price for his product’ (Weini, 2002_

The same vertically integrated model Ghana developed with CFDT support in the 1970s is the model which has brought success in exporting cotton to several countries in West Africa, not least of which is Burkina Faso, which gains more than 50% of its foreign exchange from cotton, marketed by SOFITEX, an export monopoly, government owned company. There was a growth rate in the sub-sector of 249% between 1994 and 2003, and the number of farmers increased from 11% of farm-households to 19%. This was despite falling international prices in a number of years, during which SOFITEX managed to keep the price constant or even increase it by 9% in 2001. However, Burkina’s economy is very sensitive to further decline in cotton prices, and therefore the subsidies which continue to be paid in the US, Europe and China are of considerable concern.

The growth in the cotton sub-sector in Burkina did not have much impact on broader poverty, as it did not translate into greater demand for food crops and livestock on which the bulk of the population depend, or if it did there were constraints in the food crops sector. Food farmers had to face the full volatility of price variation within and between years, which is considerable in Burkina. Markets across the country are not very well integrated, so demand does not translate into supply easily. Investments in infrastructure and institutions to smooth price variation would be important. (Sources: Seini, 2002; Grimm and Gunther, 2004)

Growth in the cotton sub-sector contains lessons for northern Ghana and a question. It illustrates how important building the institutions – and getting the right institutional arrangement – is in agricultural development. Co-ordinating markets is critical for successful agricultural enterprises, and it is sometimes difficult for competitive markets to deliver the level of co-ordination which is required in difficult markets, where supply is limited, quality cannot be assured through the competitive private sector, or economies of scale cannot be achieved. Participation in higher productivity agriculture requires a basic level security for the farm-household which full exposure to the market does not assure. The importance of market co-ordination is seen in the success of the cocoa industry in Ghana (for a general statement of this thesis see Dorward et al, 2004).

The question is whether Ghana's cotton sub-sector would not be better off if at least part of it was linked to SOFITEX, and SOFITEX could compete in Ghana's market place for cotton. Whether this is desirable for the major stakeholders, and feasible within the ECOWAS trade liberalisation framework may be worth testing. The latter should have produced a free trade area by 2000, but has been slow to develop. As a result trade between Ghana and other ECOWAS states has not always grown: with Burkina Faso, for example, it has declined from nearly 5% of Ghana's exports to 2% between 2000 and 2003, despite the fact that both countries are implementing the ECOWAS trade liberalisation scheme. There are many challenges: harmonising ECOWAS and UMOA schemes; effective compensation of countries for lost customs revenue; simplification and improvement of border procedures and traders' knowledge (Adjavor, 2004).

A further issue of relevance to regional inequality within agricultural policy is that it does not consider agriculture in the south in terms of its effects on northerners (and other migrants) in the southern agricultural sector (especially cocoa). In particular, the growing insecurity of labouring and sharecropping contracts for migrants could possibly be addressed without root and branch reform of land tenure systems. The determinants of rural wages (and crop shares) could be better understood, and consideration given to policy measures to increase them. Remittances have been shown to be a key source of poverty reduction in Ghana – financial service facilities to ease the flow of remittances would be advantageous for migrants.

3.2.2 Infrastructure

Poor road and air transport links between northern and southern Ghana and between northern Ghana and neighbouring countries such as Burkina Faso and Ivory Coast discourage inter-regional trade and capital mobility. From a north-south perspective, the need is to link different parts of the north with different parts of the south; and improving inter-region transport links within both north and south more generally would undoubtedly have beneficial effects for the economy as a whole. Indeed, there has been little new transport infrastructure since the 1960s: this is surely an area where massive public investment under-written by aid could be beneficial to balanced regional economic growth.

The GPRS explicitly focuses attention on the regions where the incidence of poverty is high and promises to increase investment in feeder roads in the three northern regions. However, GPRS investments in road transport in the northern regions are geared towards the construction and maintenance of feeder roads in order to enhance access to urban markets, clinics, hospitals and schools. Feeder road investment appears to be highly favoured by donors because it can be targeted to poor rural areas where beneficiaries can be identified. It also tends to be very popular with both road agencies and rural communities. However, relative to incomes in the rural parts of northern Ghana, feeder road construction can be an extremely expensive intervention and there is little guarantee it can stimulate development without complimentary measures.

The Accra-Kumasi trunk road rehabilitation project has the potential to improve access to the relatively poor northern regions, at least indirectly. Otherwise, the three inter-regional roads in the GPRS (Accra-Kumasi, Accra-Yamoransa, and Accra-Aflao) link Accra with neighbouring regions. They are principally aimed at fulfilling government's commitments to improve transport linkages in the sub-region under ECOWAS treaty.

The north is also highly disadvantaged in terms of financial service infrastructure. Seven of the 18 districts in the north have no banks, and the ratio of clients to banks is 100,000 to 1 (as opposed to 16000 to 1 in the country as a whole). High proportions of credit and savings, especially in rural areas of the north, are managed informally. Inadequate state regulatory and legal financial service framework has led to weak coverage of formal banking, especially deposit savings facilities and extremely risky and insecure modes of money transfer in the north. Financial services in the north are by default left to semi-formal financial institutions such as credit unions, savings and credit cooperatives, and NGOs), and informal financial agents such as money lenders, 'susu' collectors (i.e, savings mobilizers), traders and agricultural input distributors, rotating savings and credit associations (susu groups), friends and relatives.

The north is faced with a substantial communication gap and weak access to information. For example, telephone density is highly skewed against the north. Subscription to Ghana Telecom fixed lines is lowest in the northern regions in 2003, with Northern, Upper East, and Upper West regions boasting respectively of only 1.9%, 1.4%, and 0.7% of total number of subscribers in 2003 (ISSER, 2004). Radio and television set ownership as well as newspaper readership is also low in the region. Together they represent serious impediments to factor mobility. Weak telecommunication combined with poor coverage of banking services is likely to impact negatively on (Western Union and other telegraphic) remittances.

3.2.3 Education

Educational policies in post-colonial Ghana have been largely supply-led. Correctly identifying basic education as a prerequisite for accelerated economic and social

development, the Nkrumah-CPP administration's Education Act of 1961 provided free compulsory primary education, complemented by expanded teacher training, provision of textbooks, and other inputs. Extensive state subsidization of basic and tertiary education in northern Ghana aimed at the severe redressing colonial era imbalance was a key element of this policy. Major educational reforms in 1987 sought to address the growing crisis of lagging supply, decreasing access and financial sustainability: increase school enrolment (at rates faster than population growth); raise the quality of education; and foster financial sustainability. The theme of equal access is also emphasised in the 1992 Constitution. It explicitly provides for free, compulsory and universal basic education (fCUBE) and enjoins the state to make higher education progressively accessible to all (Article 25).

Education policies of governments in the 4th Republic have also focused on access. Expanding access has been a key feature of education policies under the Rawlings-National Democratic Congress (NDC) administration's Vision 2020 (blueprint for the accelerated development of Ghana) and the Kufuor-New Patriotic Party (NPP) administration's poverty reduction programs and HIPC. GPRS, for example, establishes as key objectives enhanced access to basic education (with emphasis on geographical equity) and improvements in the quality of basic education in terms of human, material and financial resources. It specifically outlines five key strategies for enhancing access to education in the medium term: rehabilitation/construction of primary school classrooms, development of one model senior secondary school with libraries and science laboratories in each of the 110 districts in Ghana, and implementation of teacher retention schemes.

There is growing evidence of conscious efforts to under GPRS to target the north and other deprived areas of Ghana under the GPRS. The share of the three Northern regions in the rehabilitation/construction of primary classrooms increased from 20% in 2002 to 30% in 2004; 420 of 685 (61.3%) of three-unit classrooms constructed were located in the three Northern regions (exceeding the HIPC target); 96 (21.8%) of the 440 of the six-unit classroom blocks under construction nationwide are in the three deprived Northern regions; and special attention was reportedly given to the north in the teacher retention schemes were implemented in 2003. Recent government policy to establish a polytechnic in the regional capitals and especially the initiative to locate the new University for Development Studies in the north, helping to expand access to tertiary education in the northern regions.

Section 2.2.2 above argued that government and donor/NGO investment in education in the north has plausibly begun to pay off in terms of improved outcome indicators, and a reduced human development gap between north and south. And that this illustrates the potential for improving the *supply* of education through a strong central policy and programme delivered by a centrally controlled ministry and development agency. It also illustrates the critical role played by NGOs and donor projects in the region. They have undertaken complementary measures like conditional transfers to assist with the *demand* for education, which has had to compete against other pressures on children's time. Arguably, the demand for education has reduced in the south of Ghana during the 1990s, and this has not been countered by the same intensity of complementary demand-enhancing measures. The Government could

learn from this difference the need to universalise through policy and public expenditure demand-enhancing measures like conditional transfers.

However, the new policies hardly address the perennial problem of lack of financial sustainability. Central government budget allocations, and especially the Ghana Educational Trust Fund (GET Fund) (into which two and half percent of value added tax is automatically transferred) as well as external donors and NGOs are largely responsible for funding education. The cost-sharing elements introduced since the late 1980s remains heavily unpopular partly because many families remain poor and they continue to need and use their children for farm labour. But popular opposition to cost sharing in northern Ghana (as in other parts of Ghana) reflect the persistent refusal of families and communities to take any responsibility for the education of their children. Inadequate resources and lack of fiscal autonomy weaken the involvement of District Assemblies in district education policy or even the initiation of education projects.

There are also disturbing signs of declining access to tertiary education. Only about 10% of basic schools, mainly based in the south produce nearly over 70% of students admitted to Ghana's tertiary institutions (Addae Mensah, 2000). But continuing brain drain out of the northern regions and inability to retain train talent highlight sustainability problems.

3.3 International donors and NGOs

International donors and NGOs have been extremely active in northern Ghana over the past 20 years. Their social development projects have helped to compensate for the benign neglect and government abdication of the north and other disadvantaged communities accompanying neo-liberal structural adjustment policies. Donors have constructed feeder roads, built and supported the running of schools and health clinics. Donor support has also been crucial for the proliferation of development and advocacy NGOs in northern Ghana. Indeed, donor support has been a crucial factor in the recent improvements in education outcomes in northern Ghana in spite of stagnant central government investment into the sector.

However, donor funded projects have often lacked coordination and sectoral focus has been patchy at best. Moreover, they scarcely cover key governance institutions such as justice, police and regional administration or institutions of the private sector such as business associations and farmers.' There have also been persistent doubts about the sustainability and effectiveness of donor interventions in the north, especially since they tend to be weakly coordinated with DA plans.

The recent move towards multi-donor budget support (MDBS), the pooling of resources into a single national budget framework, and policy dialogue is broadly creating opportunities for stakeholders to bargain for their share of national resources.

Indeed, the MDBS has the potential to substantially improve coordination of donor funds. However, it appears to have negative implications for decentralization as donors pull away from direct funding of projects in the north. It also comes with the risk of re-centralization of donor funding and substantially threatens to convert NGOs into government contractors. It also appears to be increasing the influence of central government ministries in allocating resources at the expense of local governments, especially in the absence of disaggregated data on regional budgets).

Recent developments in aid in the north include significant support for decentralised government: this may have the potential to change the institutional map of the north, and create a situation in which greater devolution to northern decision-makers can take place.. However, all this focus is on the District Assemblies: other key institutions – justice, police, regional administration – are critical to northern development. Institutions of the private sector: chambers of commerce, other business associations, farmers' organizations are also important, and receive little donor support.

A recent innovation is the development of a regional agricultural strategy, with the possibility down the line of a regional sector programme, to take account of the specific conditions for agricultural development in the north. This may be a model for other sectors, and represent a way for donors to remain engaged in northern development, in a way which does not compromise MDBS.

A wide range of international and local NGOs have been extremely active in the north organizing community-based initiatives to demand rights and to plan for improved social services and manage assets. As a result, communities in the north are arguably better equipped than communities elsewhere in Ghana to manage local services, water, sanitation and environmental assets. NGOs have also played a strong role in supplying services, especially in health and water and sanitation, and this has arguably contributed to the recent improvement in outcomes. Often parallel systems to those of the local authorities are established, with considerable rivalry between NGOs and government. Few NGOs have worked to improve state-citizen relationships, though there is a growing interest in doing so now. Government has found it difficult to coordinate their activities. Arguably the long term nature of this support has substituted for the state, facilitating a degree of state abdication of responsibility. The small scale of projects means that there has been little social or economic impact. NGOs also patronise local people: they claim to understand them, and so to be the critical interlocutors, standing in the way of people developing better relations of their own with the state (Aryeetey and Cox, 1998).

NGO 'localism' appears to divert attention from structural causes of poverty. NGOs hardly engage in serious/in-depth discourse about the nature of the national and world economy and their implications for growing poverty and have not adequately addressed the challenge of moving from charity to sustainable development. The participation and cost recovery (ownership/partnership) mantras also divert attention, and cost recovery excludes some poor communities/people. Moreover, NGO work supports local elites and middle class more than brings benefits to the poor; NGOs provide platforms for aspiring politicians (Mohan, 2002).

NGOs have nevertheless carved out a space for civil society in the north which is distinct from government. But the poor feel alienated from NGOs according to the Voices of the Poor study: there are some exceptions to this (Kunfaa and Dogbe, 2000). Government also feels that criticism should only come from within the system not outside it, so is very sensitive to NGOs, and comfortable only with those with social welfare rather than transformatory agendas.

Section 4. Conclusion

4.1 Strategies for balanced development

What has emerged? In general, since 1983 Ghana has been in a phase of increased inter-regional divergence, and significant concentration of economic activity in cities, and especially in the Accra metropolitan area. In the north, the more recent years have been marked by significant human development progress, when some of the human development gap between north and south has been closed. This is arguably due to the strong focus of donors, international and local NGOs programmes in the north. Human development is one 'exit route' from regional under-development, with particular consequences for northern Ghanaian capabilities in the wider economy as labourers. It could be expected to enhance their ability to earn higher wages and remit more to their homes, other things being equal. Given the important role played by remittances in the reduction in poverty levels achieved in Ghana during the 1990s, this is not insignificant, especially if it enables greater rural-urban migration (as opposed to the predominant rural-rural pattern).

However, other things are not equal in the wider economy; as we have seen there are constraints in the institutions of labouring and sharecropping contracts; remittances are difficult to make securely and quickly; and northerners are generally unable to invest their own savings in the growing southern rural economy. Research on the impact of education on industrial workers (only) suggests that additional years of education makes very little difference to income levels in Ghana – less than in other comparable countries: however, this research needs to be repeated for other groups too. Human development improvements should obviously continue to be pursued, but, from an economic point of view, may have limitations as the main strategy.

The other 'achievement' of the structural adjustment period in northern Ghana is the improved community asset management which has developed around NGO grassroots development programmes. However, the extensive involvement of donors and NGOs has arguably reduced government's obligation to the north, and produced a different, much less state-focused social contract than elsewhere. Perhaps part of the consequence of this is that key infrastructural investments and institutional developments required for regional economic growth have not been made. Would they have been made had aid projects and NGOs not concentrated in the north? Perhaps not; however, in this case the state at least would have had to provide for greater 'compensation' in the north.

Based on the foregoing analysis, creating a more dynamic regional economy would require:

- Greater long term security in the north, underpinned by institutionalised conflict prevention and resolution processes.
- Deepened local democracy, with greater responsibility given to regional elites to deliver the institutions and programmes to underpin regional economic growth.
- Significant improvements in the functioning of key economic institutions – especially financial services, but also competitive markets in processing and trading of commodities.
- A faster process of implementing the ECOWAS trade liberalisation scheme with special focus on Ghana's northern neighbours.
- Significant investment in inter-regional and inter-country transport infrastructure.
- Reduced barriers to factor mobility: better financial services and transfer mechanisms; greater security for labourers/sharecroppers' contracts; inter-regional transport; commodity and capital market improvements.
- A review of public expenditure patterns in Ghana, with special reference to poor regions; this would have to be based on better disaggregated budget and expenditure data.
- An examination of how donor harmonisation behind the GPRS, the Medium Term Expenditure Framework, and the establishment of Multi-Donor Budget Support can support development in Ghana's deprived regions and districts.
- A review of the limitations of dependence on NGOs for critical *economic* services, eg agricultural extension, micro-finance.

4.2 Have conditions for balanced development begun to emerge?

While it is possible to discern promising (and innovative) avenues for regional development in northern Ghana, a major question remains: do the economic, political and socio-cultural conditions exist? The discourse around regional inequality in Ghana is mostly one about the distribution of public expenditure. A more rounded discourse must focus on policy, institutional change, and the broader economic and political conditions for reduced regional inequality.

Economically, the key question is whether there are sufficient organised economic interests which can press for improved institutional and policy approaches to regional development? Key interests could be: northern and other business leaders with long term interests in the development of the region; producer associations (eg the cotton farmers' association); Ministry of Trade and ECOWAS officials. However, these are not strong, and need to develop their capacities to analyse the issues and develop appropriate policy responses which they can lobby for.

Politically, the key condition is the emergence of strong northern elite and grassroots (complimented perhaps by donor and influential domestic advocacy NGO) demand

for deepening decentralization (beyond administrative decongestion and resource transfer, greater devolution of political authority to regions and districts, deepening fiscal decentralization, and fostering grassroots demand for greater official responsiveness as well as transparency and accountability in the management of public resources. International donors and NGOs and arguably northern politicians represent an important political constituency to push for northern development. But Ghanaian decentralization has been largely supply driven. Domestic activists have pushed mainly for increased resource transfer, leaving the demand for effective decentralization to international donors and external NGOs. Moreover, regional elites have yet to show a serious commitment to taking on some of the responsibilities for regional development, leaving paternalism and political patronage as the main drivers of national elite approaches to redressing north-south inequality in Ghana.

Following the activities of NGOs, there is a strengthened 'civil society' in the north, with lots of capacity for 'self-management' on a local scale. However, this does not extend deeply into the economic arena. For example, there are few effective producer organisations emerging as a result of NGO action. It is also not clear that the socio-cultural conditions for regional development are strong enough. The demand for education, for example, is constrained by persistent poverty, gender inequality, as well as the quality of schooling. Considerable leadership will be required to break the mould.

The implications of this analysis for donors in general, and the World Bank in particular are:

- The need to find ways of remaining engaged with the issues of underdeveloped regions, as part of national level policy dialogue.
- The inadequacy of relying on human development strategies to lead underdeveloped regions out of poverty.
- The continued importance of significant public infrastructure investments to enable inter-regional and inter-country trade, and of supporting a more rapid liberalisation of inter-country trading arrangements in the West African region.
- The importance of interacting with regional political elites, and finding ways of supporting them in developing a regional strategy for economic growth and development.

References

- Abdulai, A. and Huffman, W. (2000) Structural adjustment and Economic Efficiency of Rice Farmers in Northern Ghana *Economic Development and Cultural Change* Vol.48 No.3
- Addae Mensah Ivan (2000) *Education in Ghana: A tool for social mobility or social stratification?* CSIR, Accra
- Adjavor, B. (2004) *Country Report on the Implementation of the ECOWAS Trade Liberalisation Scheme in Ghana* Accra: West African Monetary Institute, 4-5 November
- Anarfi, J. and Kwankye, S. (2003) *Migration to and from Ghana: a background paper* University of Sussex, Migration Development Research Centre, Working Paper C4
- Anyinam, C. (1993) Spatial Implications of Structural Adjustment Programmes in Ghana *Tijdschrift voor Economische en Sociale Geografie*
- Aryeetey, E. and Abbey, J. (2004) *Accessible information for development dialogue* Accra: DFID
- Asante, R. and Gyimah-Boadi, E. (2004) *Ethnic Structure, Inequality, and Governance of the Public Sector in Ghana*, UNRISD, Geneva.
- Asuming-Brempong, S. et al (2004) *Poverty and Social Impact Assessment Studies: Ghana: Economic Transformation of the Agricultural Sector* Dept of Agricultural Economics and Agri-business and Dept of Economics, University of Ghana, and IDL for the National Development Planning Commission, Ministry of Agriculture and DFID.
- Ayee, J. (2002) The 2000 general elections and presidential run-off in Ghana: an overview *Democratization, Summer 2002, Vol.9, No.2, pp.148-174*
- Ayee, J. (Ed.) 2001 *Deepening democracy in Ghana: politics of the 2000 elections* Freedom Publications, African Books Collective, Accra, Oxford
- Bawumia, M (2004) *A life in the political history of Ghana: memoirs of Alhaji Mumuni Bawumia*, Ghana Universities Press, Accra
- Bigsten, A. (1980) Regional inequality and development : a case study of Kenya *Aldershot: Gower*
- Boldrin, M. (2001) Inequality and convergence: reconsidering European regional policies *Economic Policy* 16(32), 205-253
- Botchway, K. (1998) Interrogating “development” in Ghana: the case of the Northern Region Rural Integrated Programme (NORRIP), Chapter 2. Unpublished PhD dissertation
- Botchway, K. (2001) Paradox of Empowerment: Reflections on a case study from Northern Ghana *World Development* Vol. 29, No.1

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Brukum, NJK (2001) *The guinea fowl, mango, and pito wars: episodes in the history of northern Ghana, 1980-1999* Ghana Universities Press

Brydon, L. and Legge, K. (1996) *Adjusting Society: the World Bank, the IMF and Ghana*. London and New York: Tauris Academic Series. [HC1060 B91](#) course collection

Canagarajah, S. (2001) Public health and education spending in Ghana in 1992-98: issues of equity and efficiency *World Bank*
<http://www.eldis.org/cf/search/disp/docdisplay.cfm?doc=DOC9129&resource=fl>

Cashin, P. and Sahay, R. (1996) Regional economic growth and convergence in India *Finance and Development* 33(March), 49-52

Chapman, J. (1999) The Response of Civil Society to the Globalization of the Marketing of Breast Milk Substitutes in Ghana *Development, December 1999, vol. 42, no. 4, pp. 103-107(5)*

Commander, S., Howell, J., Seini, W. (1989) Ghana 1983-87 in Commander, S. (ed) *Structural Adjustment and Agriculture: Theory and Practice in Africa and Latin America* London: ODI/James Curry [HD2117 S92](#) course collection

Crawford, G. (2004) Democratisation in Ghana: assessing the impact of political aid Polis Working Paper No 8 <http://www.leeds.ac.uk/polis/research/pdf/wp8crawford.pdf>

Crook, R. and Sverrisson, A. (2001) Decentralisation and poverty-alleviation in developing countries: a comparative analysis or, is West Bengal unique? Institute of Development Studies, Working Paper #130, by, February 2001
<http://www.ids.ac.uk/ids/bookshop/wp/wp130.pdf>

Das, S. and Barua, A. (1996) Regional inequalities, economic growth and liberalization: a study: a study of the Indian economy *Journal of Development Studies* UK Vol 32, No3 364-390.

DeCastro, E., JensenButler, C. (2003) Demand for information and communication technology-based services and regional economic development *Papers in regional science*, Jan 2003, Vol.82, No.1, pp.27-50

Effah, Paul, (2002) "Development Initiatives for Higher Education: The Case of the University for Development Studies, Tamale" *Tertiary Education Series*, vol.2, no.1, March 1

Esquivel, G. and Messmacher, M. (2002) Sources of Regional (non) Convergence in Mexico
http://www.sice.oas.org/geograph/north/es_me.pdf

Fallon, K. (2003) Getting out the vote: women's democratic political mobilization in Ghana
Mobilization, Oct 2003, Vol.8, No.3, pp.273-296

Fallon, P. (1998) Can backward subnational regions catch up with advanced ones? *PREM Notes* No6 July 1998 <http://www1.worldbank.org/prem/PREMNotes/premnote6.pdf>

Fuentes, R., Montes, A. (2004) Mexico and the Millennium Development Goals at the subnational level *Journal of human development*, Mar 2004, Vol.5, No.1, pp.97-120

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Fred-Mensah,B. (1999) Capturing Ambiguities: Communal Conflict Management Alternative in Ghana *World Development Vol.27, No.6 pp951-965*

Gibbon,P. (1992) African Agriculture under Structural Adjustment *Journal of Peasant Studies Vol. 20 No.1*

Government of Ghana, National Development Planning Commission (2004): *Ghana Poverty Reduction Strategy, Annual Progress Report 2003* Accra

Gyimah-Boadi, E. (2001) A peaceful turnover in Ghana *Journal of democracy, Apr 2001, Vol.12, No.2, pp.103-117*

Gyimah-Boadi, E. (2001b) The December 2000 Elections and Prospects for Democratic consolidation in *Drah,F., Oquaye,M. (Eds.) Civil society in Ghana: proceedings of a conference organised by the Institute of African Studies, University of Ghana, Legon, in collaboration with the Friedrich Ebert Foundation, Ghana Office, University of Ghana Institute of African Studies, Friedrich-Ebert-Stiftung Ghana Office, Accra.*

Haynes, J. (1992) One-party state, no-party state, multi-party state? 35 years of democracy, authoritarianism and development in Ghana *Journal of communist studies, Jun 1992, Vol.8, No.2, p.41*

Haynes, J. (2003) Democratic consolidation in Africa: the problematic case of Ghana *Commonwealth and comparative politics, Mar 2003, Vol.41, No.1, pp.48-76*

Hearn,J. (2000) Foreign Aid, democratisation and Civil Society in Africa: A study of South Africa, Ghana and Uganda *IDS Discussion Paper 368*
<http://www.ids.ac.uk/ids/bookshop/dp/dp368.pdf>

Haddad, E (1999) Regional inequality and structural changes: lessons from the Brazilian experience *Aldershot, Ashgate*

Hapiot, A. and Slim, A. (2004) Regional gaps and regional policies. The example of Czech Republic and Slovakia <http://www.sigov.si/umar/conference/2004/papers/Hapiot.pdf>

Haughton, G., Counsell, D. (2003) *Regions, spatial strategies, and sustainable development* Regions, spatial strategies, and sustainable development, Routledge, London, New York, 2003

Heikkila E. J. (2001) Identity and Inequality: Race and Space in Planning *Planning Theory and Practice, vol. 2, no. 3, pp. 261-275(15)*

Hutchful, E. (2002) Ghana's adjustment experience: the paradox of reform James Curry, Oxford

Institute of Statistical, Social and Economic Research (2004) *State of the Ghanaian Economy in 2003*, ISSER, Legon

Kaakyire Duku Frempong,A. (1996) Ghana's Election 2000: the ethnic undercurrent in *Drah,F., Oquaye,M. (Eds.) Civil society in Ghana: proceedings of a conference organised by the Institute of African Studies, University of Ghana, Legon, in collaboration with the*

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Friedrich Ebert Foundation, Ghana Office, University of Ghana Institute of African Studies,
Friedrich-Ebert-Stiftung Ghana Office, Accra.

Kasanga, K. and Kotey, N. A. (2001) Land management in Ghana: building tradition
and modernity, *International Institute for Environment and Development*, London.

Kanbur, R.; Zhang, X. (2004) Fifty years of regional inequality in China: a journey through
central planning, reform, and openness *World Institute for Development Economics Research*
(UNU/WIDER)

<http://www.eldis.org/cf/search/disp/docdisplay.cfm?doc=DOC15555&resource=f1>

Krugman, P. (1991) Increasing returns and economic geography *Journal of Political*
Economy,99(3),483-499

Kunfaa, E. (1999) Consultations with the Poor Ghana Country Synthesis Report *World Bank*

Kunfaa, E. and Dogbe, T. (2000) Ghana in Narayan, D. and Petesch, P. (eds) From many lands
World Bank, Washington D.C.

Lentz, C. (2000) Colonial constructions and African initiatives: the history of ethnicity in
Northwestern Ghana *Ethnos*, 2000, Vol.65, No.1, pp.107-137

Lindberg, S. (2003) 'It's our time to 'chop': do elections in Africa feed neo-patrimonialism
rather than counteract it? *Democratization*, Summer 2003, Vol.10, No.2, pp.121-140

Lund, C. (2003) 'Bawku is still volatile': ethno-political conflict and state recognition in
Northern Ghana *Journal of modern African studies*, Dec 2003, Vol.41, No.4, pp.587-610

MacLean, L. (2002) Constructing a social safety net in Africa: an institutionalist analysis of
colonial rule and state social policies in Ghana and Côte d'Ivoire *Studies in comparative*
international development, Fall 2002, Vol.37, No.3, pp.64-90

Martin, R. (2002) *Geographies of labour market inequality* Routledge, London

Murshed, S. M. (2004) *When does natural resource abundance lead to a resource*
curse? London: IIED, Environmental Economics Programme, Discussion Paper 04-01

Narayan, D. and Petesch, P. (2002) From many lands *World Bank, Washington D.C.*

Mohan, G. (2002) The disappointments of civil society: the politics of NGO intervention in
northern Ghana *Political geography*, Jan 2002, Vol.21, No.1, pp.125-154

Saaka, Y. (2002) North-South Relations and the Colonial Enterprise in Ghana in *Saaka, Y.*
(Ed.) Regionalism and public policy in Northern Ghana

Shankar R.; Shah A. (2003) Bridging the Economic Divide Within Countries: A Scorecard on
the Performance of Regional Policies in Reducing Regional Income Disparities *World*
Development, August 2003, vol. 31, no. 8, pp. 1421-1441(21)

Sala-i-Martin, X. (1996) Regional cohesion: Evidence and theories of regional growth
and convergence, *European Economic Review* 40: 1325-1352

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Shepherd, A. and Whitehead, A. (1981) "Agrarian change in northern Ghana" In Heyer, J. and Williams, G. (1981) *Rural Development in Tropical Africa* Macmillan pp. 169-191.

Smith, A. (2000) Ethnicity, Economic Polarisation and Regional Inequality in Southern Slovakia *Growth and Change* Vol. 31 pp151-178

Smith, D. (2002) Ghana's 2000 elections: consolidating multi-party democracy *Electoral studies, Sep 2002, Vol.21, No.3, pp.519-526*

Sowa, N. (2002) Assessment of Poverty Reducing Policies And Programs In Ghana *Micro Impacts of Macroeconomic Adjustment Policies. (MIMAP) Project, January 28-31, 2002, Rabat-Morocco*
<http://web.idrc.ca/uploads/user-S/10287523140Ghana.doc>

Tadjoeddin M.Z.; Suharyo W. I Mishra S. (2001) Regional Disparity and Vertical Conflict in Indonesia *Journal of the Asia Pacific Economy* Vol. 6, no. 3, pp. 283-304(22)

Talton, B. (2003) The past and present in Ghana's ethnic conflicts: British colonial policy and Konkomba agency, 1930-1951 *Journal of Asian and African studies*, Aug 2003, Vol.38, No.2-3, pp.192-210

Van der Linde, A. and Naylor, R. (1999) 'Building sustainable peace: conflict, conciliation, and civil society in northern Ghana', *Oxfam Working Papers, Oxfam GB*

Vander-Puye Orgle, J. (2004) *Spatial inequality and polarisation in Ghana 1987-99* Conference Paper, ISSER/Cornell Universities Conference 'Ghana at the Half Century', Accra, July 18-20

Vehnamaki, M. (1998) The economic geography of Ghana's structural adjustment *Scandinavian journal of development alternatives and area studies* Vol.17 No2-3, pp61-73

Weini, S. (2002) *Agricultural growth and competitiveness under policy reforms in Ghana* Accra: Institute of Statistical, Social and Economic Research, University of Ghana, Legon, Technical Publication No 61

Whitfield, L. (2003) Civil society as idea and civil society as process: the case of Ghana *Oxford Development Studies, Sept 2003, Vol.31, No.3, pp.379-400*

Whitfield, L. (2003) Civil society as idea and civil society as process: the case of Ghana *Oxford development studies, Sep 2003, Vol.31, No.3, pp.379-400*

Williamson, J. (1965) Regional inequality and process of national development: a description of the patterns *Economic Development and Cultural Change* Vol 13 No 4 Part II), 2-84

Wily, L. A. and Hammond, D. (2001) Land security and the poor in Ghana: is there a way forward? *A Land Sector Scoping Study Commissioned by DfID*

ANNEX ON REGIONAL INEQUALITY INDICATORS

Part 1: Data

1. INEQUALITY AND POVERTY TRENDS

Table 1.1 Inequality by geographic locality, measured by Gini coefficients, 1991/2 and 1998/9

	1991/92			1998/99		
	Population share	Gini coefficient	Contrib. to overall Gini	Population share	Gini coefficient	Contrib. to overall Gini
Accra	8.2	0.364	13.0	8.8	0.269	
Urban Coastal	8.7	0.307	9.0	7.8	0.356	
Urban Forest	11.0	0.343	14.4	11.8	0.315	
Urban Savannah	5.3	0.359	6.0	4.8	0.278	
Rural Coastal	14.2	0.325	11.8	14.6	0.340	
Rural Forest	29.6	0.342	22.5	31.6	0.299	
Rural Savannah	23.1	0.333	13.9	20.6	0.384	
Total intra-group effect			90.7			
Stratification term			-11.3			
Between group effect			20.6			
ALL	100.0	0.373	100.0	100.0	0.368	

Source: Coulombe and McKay, 2004 Table 3.13

Table 1.2 Inequality by main economic activity, measured by Gini coefficients, 1991/2 and 1998/9

	1991/92			1998/99		
	Population share	Gini coefficient	Contrib. to overall Gini	Population share	Gini coefficient	Contrib. to overall Gini
Public sector employment	13.5	0.366	17.3	10.7	0.326	
Private formal employment	3.9	0.337	4.8	4.9	0.288	
Private formal employment	3.1	0.359	3.6	2.9	0.352	
Export farmers	6.3	0.338	4.5	7.0	0.276	
Food crop farmers	43.6	0.334	28.9	38.6	0.355	
Non-farm self employment	27.6	0.352	31.1	33.8	0.338	
Non-working	2.0	0.363	3.1	2.1	0.372	
Total intra-group effect			93.3			
Stratification term			-8.8			
Between group effect			15.5			
ALL	100.0	0.373	100.0	100.0	0.368	

Source: Coulombe and McKay, 2004 Table 3.14

Table 1.3 Entropy indices of Inequality for Ghana by locality, 1991/92 and 1998/99

	1991/2							1998/99	
	Population share	Entropy indices			Contribution to overall inequality			Population share	Entropy index $\alpha=0$
		$\alpha=0$	$\alpha=1$	$\alpha=2$	$\alpha=0$	$\alpha=1$	$\alpha=2$		
Accra	8.2	0.215	0.234	0.326	7.6	12.6	19.9	8.8	0.133
Urban Coastal	8.7	0.152	0.163	0.207	5.7	7.2	8.0	7.8	0.224
Urban Forest	11.0	0.190	0.203	0.266	9.0	12.8	16.7	11.8	0.208
Urban Savannah	5.3	0.229	0.228	0.305	5.3	5.7	6.2	4.8	0.142
Rural Coastal	14.2	0.170	0.184	0.242	10.4	10.0	8.8	14.6	0.211
Rural Forest	29.6	0.191	0.220	0.348	24.5	21.7	19.8	31.6	0.178
Rural Savannah	23.1	0.186	0.192	0.250	18.6	12.0	7.4	20.6	0.256

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Total intra-group effect					18.9	18.0	13.1		
Stratification term									
Between group effect									
ALL	100.0	0.231	0.249	0.358	100.0	100.0	100.0	100.0	0.231

Source: Coulombe and McKay 2004, Table 3.11

Table 1.4 Indices of poverty by location, 1991/2 and 1998/99. Poverty line = 900,000 cedis

	1991/92										Sample share	Average welfare
	Sample share	Average welfare	Poverty indices				Contribution to national poverty					
			P ₀	P ₁	P ₂	P ₁ /P ₂	C ₀	C ₁	C ₂			
Accra	8.2	1844.8	0.231	0.051	0.017	0.219	3.7	2.2	1.6	8.8	2468.5	
Urban Coastal	8.7	1433.6	0.283	0.070	0.024	0.246	4.7	3.3	2.3	7.8	1769.9	
Urban Forest	11.0	1618.9	0.258	0.064	0.022	0.249	5.5	3.8	2.8	11.8	2005.0	
Urban Savannah	5.3	1321.2	0.378	0.136	0.069	0.359	3.9	3.9	4.2	4.8	1191.6	
Rural Coastal	14.2	1085.5	0.525	0.161	0.067	0.306	14.4	12.3	10.8	14.6	1248.3	
Rural Forest	29.6	938.0	0.616	0.227	0.106	0.369	35.3	36.4	35.8	31.6	1297.9	
Rural Savannah	23.1	762.9	0.730	0.305	0.161	0.418	32.6	38.1	42.5	20.6	826.8	
ALL	100.0	1130.0	0.517	0.185	0.088	0.357	100.0	100.0	100.0	100.0	1412.1	

Source: Coulombe and McKay 2004, Table 3.2

Table 1.5 Trends in incidence of poverty by ecological zones within regions, 1991/93 and 1998/99

	1991/92			1998/99		
	Pop. Share	P ₀	C ₀	Pop. Share	P ₀	C ₀
Western Coastal	4.2	0.528	4.3	4.2	0.274	2.9
Western Forest	5.9	0.643	7.4	7.4	0.272	5.1
Central Coastal	8.4	0.389	6.3	7.0	0.522	9.2
Central Forest	2.0	0.675	2.6	2.0	0.352	1.8
Greater Accra Coastal	11.7	0.258	5.8	11.6	0.045	1.3
Greater Accra Forest	0.3	0.363	0.2
Eastern Coastal	3.1	0.509	3.1	3.5	0.332	2.9
Greater Accra Forest	7.7	0.465	6.9	8.3	0.409	8.6
Eastern Coastal	2.1	0.488	2.0	0.6	0.208	0.3
Eastern Forest	3.6	0.469	3.2	5.0	0.471	5.9
Eastern Savannah	2.3	0.664	2.9	2.9	0.49	3.6
Volta Coastal	3.1	0.617	3.7	3.8	0.35	3.3
Ashanti	15.9	0.412	12.6	16.8	0.277	11.8
Brong Ahafo Forest	6.9	0.628	8.3	5.6	0.325	4.7
Brong Ahafo Savannah	5.0	0.681	6.5	3.1	0.42	3.3
Northern	9.5	0.634	11.6	10.2	0.692	18.0
Upper West	3.1	0.884	5.4	3.2	0.839	6.9
Upper East	5.6	0.669	7.2	4.5	0.882	10.1
ALL	100	0.517	100	100	0.395	100

Note 1: population share is expressed in percent, P₀ denotes the values of the P_α poverty index for α=0, and C₀ is the percentage contribution of each group to national poverty as defined by P₀.

Note 2: .. Denotes instances where there were no observations for that region

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Source: Coulombe and McKay 2004, Table 3.6

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 1.6 Reductions in poverty 1991/92 – 1998/99 by region, decomposed into intra-group and migration effects (percentage contributions)

	P ₀	P ₁	P ₂
Intra-group effects:			
Western	26.73	29.83	31.50
Central	-3.53	-4.23	-1.49
Greater Accra	19.58	13.35	11.02
Eastern	10.77	16.90	16.74
Volta	9.75	8.63	6.86
Ashanti	17.45	15.37	13.98
Brong Ahafo	28.15	33.41	34.91
Northern	-4.45	-0.09	7.55
Upper West	1.15	1.74	0.90
Upper East	-9.66	-18.55	-25.97
Total intra-group effect	95.94	96.35	95.98
Total migration effect	1.84	1.02	0.56
Residual (interaction)	2.22	2.62	3.45
TOTAL	100	100	100

Source: Coulombe and McKay 2004, Table 3.5

2. INCOME AND EXPENDITURE

Table 2.1 Mean annual household and per capita expenditure (cedis) - GLSS4 1998/9

	Mean annual household expenditure (cedis)		Mean annual per capita expenditure (cedis)	
	1991/2	1998/9	1991/2	1998/9
Western	621000	4677000	146000	995000
Central	740000	2977000	181000	902000
Greater Accra	878000	6777000	234000	1883000
Volta	650000	4000000	164000	851000
Eastern	711000	3736000	160000	958000
Ashanti	839000	5008000	191000	1221000
Brong Ahafo	720000	3544000	136000	844000
Northern	758000	2837000	133000	386000
Upper West	603000	2462000	104000	352000
Upper East	861000	1793000	145000	399000

Source: GSS 1996, p56, GSS 2000, p84

Table 2.2 Mean annual household and per capita income (cedis) - GLSS4 1998/9

	Mean annual household income (cedis)		Mean annual per capita income (cedis)	
	1991/2	1998/9	1991/2	1998/9
Western	492000	2671000	116000	568000
Central	483000	1464000	118000	444000
Greater Accra	549000	3356000	146000	932000
Volta	460000	2055000	116000	415000
Eastern	378000	1950000	85000	527000
Ashanti	485000	2550000	111000	622000
Brong Ahafo	534000	2302000	101000	548000
Northern	412000	1552000	72000	210000

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Upper West	442000	1442000	76000	206000
Upper East	496000	1446000	83000	321000

Source: GSS 1996 p60; GSS 2000 p102

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 2.3 Distribution of households by quintile (see Footnote ⁷) (%) (1998-9)

	Quintile 1991/2					Quintile 1998/9				
	1	2	3	4	5	1	2	3	4	5
Western	22.9	21.4	21.6	19.0	15.1	6.2	16.0	23.5	24.4	29.9
Central	14.6	19.2	22.3	20.2	23.7	15.4	22.6	19.8	22.4	19.7
Greater Accra	8.9	13.2	19.4	23.5	35.0	0.6	3.2	9.2	26.1	60.9
Volta	15.4	22.4	22.5	22.5	17.2	18.2	19.0	22.8	21.9	18.1
Eastern	21.5	23.6	18.9	20	16.0	9.8	20.7	23.8	25.0	20.7
Ashanti	15.5	19.5	18.1	22.3	24.5	7.9	11.2	14.9	20.6	45.5
Brong Ahafo	29.0	23.5	20.4	13.8	13.2	8.3	18.2	23.1	21.2	29.2
Northern	35.0	18.1	16.6	17.5	12.8	40.7	22.0	14.9	12.5	10.0
Upper West	49.6	21.6	16.2	7.2	5.4	4.0	25.4	15.3	8.0	4.2
Upper East	28.4	21.6	19.5	19.5	11.1	65.4	18.0	8.9	5.1	2.6

Source: GSS 1996, p56, GSS 2000, p84

⁷ The respondents and households covered in the GLSS 3 and 4 were ranked into 5 quintiles on the basis of total expenditure per capita.

Table 2.3.1 Mean household expenditure and household size of each quintile (1991/2 and 1998/9)

	Mean Annual house expenditure (1991/2)	Mean annual per capita expenditure (1991/2)	Mean Household Size (1991/2)	Mean Annual house expenditure (1998/9)	Mean annual per capita expenditure (1998/9)
Quintile 1	443000	69000	6.4	1,658,000	281,000
Quintile 2	618000	115000	5.4	2,747,000	509,000
Quintile 3	755000	161000	4.7	3,538,000	737,000
Quintile 4	866000	235000	3.7	4,655,000	1,135,000
Quintile 5	1058000	467000	2.3	6,422,000	2,293,000

Source: GSS 1996, p 55; GSS 2000 p83

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

3. CHILD AND INFANT MORTALITY

Table 3.1 Child and Infant Mortality – number of deaths per 1000 live births, based on the 10-year period preceding each survey – DHS 1993, 1998, 2003

	Infant mortality				Under-five mortality	
	1987	1993	1998	2003	1987	1993
Western	76.9	76.3	68.0	66	80.4	131.8
Central	138.3	71.6	83.8	50	81.9	128.0
Greater Accra	57.7	58.4	41.4	45	48.9	100.2
Volta	73.5	77.8	53.8	75	63.8	116.4
Eastern	70.1	55.9	50.2	64	73.2	93.2
Ashanti	69.8	65.2	41.9	80	80.0	97.6
Brong Ahafo	65.0	48.7	77.3	58	61.6	94.6
Northern	103.1	113.7	70.1	69	132.3	237.0
Upper East	103.1	84.5	70.6	105	132.3	187.7
Upper West	103.1	105.0	81.5	33	132.3	180.1

Source: GSS 1994 p 87, GSS 1999 p85, GSS 2004b

4. CHILD MALNUTRITION

Table 4.1 Child malnutrition – DHS 1993, 1998, 2003

	Stunted			Wasted			Underweight		
	1993	1998	2003	1993	1998	2003	1993	1998	2003
Western	33.1	29.4	28.4	13.0	9.2	5.3	33.1	25.6	16.5
Central	23.0	26.8	31.6	11.5	10.3	3.0	21.5	26.3	22.0
Greater Accra	15.7	11.3	13.9	7.9	5.5	7.2	16.9	12.2	11.5
Volta	19.8	25.1	23.3	10.4	15.2	13.9	24.0	24.7	25.7
Eastern	25.0	23.6	27.4	5.9	8.7	6.2	20.6	22.3	17.3
Ashanti	27.9	27.6	29.1	8.4	9.2	6.7	22.6	24.7	20.8
Brong Ahafo	24.5	17.8	29.4	13.0	8.1	5.7	33.2	24.1	20.4
Northern	35.9	39.6	48.8	19.0	12.7	6.6	41.3	38.1	35.5
Upper West	33.3	34.6	31.7	20.6	7.1	12.9	47.6	28.4	32.4
Upper East	26.0	35.9	34.1	14.5	8.2	11.0	32.8	34.0	25.9

Source: GSS 1994 p117, GSS 1999 p120, GSS 2004b

Definitions: **Stunting**: percentage of children <5 years, whose height-for-age measures are below minus two standard deviations from the median of reference population. **Wasting**: percentage of children <5 years, whose weight-for-height measures are below minus two standard deviations from the median of reference population. **Underweight**: percentage of children <5 years, whose weight-for-age measures are below minus two standard deviations from the median of reference population

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 4.2 CWIQ 1997 and 2003 Nutritional status of Children under five years old (differentiated by rural /urban residence in the CWIQ 1997)

		Stunted		Wasted		Underweight	
		1997	2003	1997	2003	1997	2003
Western	Rural	28.8		4.7		24.4	
	Urban	17.7	38.5	5.1	7.4	11.1	22.4
Central	Rural	30.5		4.2		22.9	
	Urban	30.9	31.7	6.2	11.9	24.8	22.1
Greater Accra	Rural	21.9		6.9		9.1	
	Urban	12.3	27.8	8.5	23.8	10.9	29.4
Volta	Rural	28.4		5.3		22.2	
	Urban	22.9	31.9	2.9	11.6	19.4	21.2
Eastern	Rural	25.1		4.0		24.7	
	Urban	21.6	30.0	5.9	11.6	14.9	22.9
Ashanti	Rural	33.3		5.4		25.9	
	Urban	20.1	31.5	5.4	27.1	18.8	36.6
Brong Ahafo	Rural	26.8		5.4		22.6	
	Urban	17.3	31.9	6.7	8.5	13.7	18.8
Northern	Rural	42.4		9.8		44.0	
	Urban	32.6	39.0	14.1	10.7	33.9	25.5
Upper West	Rural	48.3		11.4		43.2	
	Urban	37.9	25.0	5.2	9.7	37.9	16.2
Upper East	Rural	53.0		11.5		48.8	
	Urban	60.7	28.8	17.1	16.6	50.3	21.1

Source: GSS 1998 p42-43, GSS 2004a

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

5. LITERACY RATES

Table 5.1 Adult literacy rates (>15 years) – CWIQ 1997, 2003

		1997			2003		
		%	male	female	%	male	female
	Rural	51.4	70.4	33.6			
Western	Urban	66.9	79.8	54.8	56.5	71.1	42.1
	Rural	42.9	64.4	26.7			
Central	Urban	53.2	72.2	40.5	51.9	67.9	38.7
Greater	Rural	40.1	51.5	28.2			
Accra	Urban	75.7	86.5	66.4	77.6	88.1	68.0
	Rural	55.7	70.6	43.7			
Volta	Urban	64.6	77.9	53.5	52.9	65.9	42.1
	Rural	51.9	69.7	41.1			
Eastern	Urban	66.1	82.9	53.3	56.6	71.3	44.1
	Rural	40.7	58.2	27.5			
Ashanti	Urban	52.2	67.6	40.7	60.5	75.1	48.2
Brong	Rural	40.8	62.5	25.0			
Ahafo	Urban	51.8	67.2	39.7	44.6	57.4	33.0
	Rural	8.9	14.5	3.5			
Northern	Urban	37.9	54.5	23.2	22.6	32.2	12.9
Upper	Rural	15.2	20.2	10.3			
West	Urban	62.8	66.7	60.6	24.4	30.9	18.3
Upper	Rural	12.4	16.7	8.3			
East	Urban	55.0	73.4	38.1	23.0	29.5	16.9

Source: GSS 1998 p30-31, GSS 2004a

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

6. EDUCATION

Table 6.1 Percent distribution of the male and female household population age six and over by highest level of education attended or completed – DHS 2003

	Female						Male		
	No education	Some primary	Completed primary ¹	Some secondary ²	Completed secondary	More than secondary	No education	Some primary	Completed primary ¹
Western	29.5	30.8	5.7	29.0	2.8	2.0	14.5	32.5	6.8
Central	39.1	29.1	4.6	23.7	2.2	1.2	21.0	34.4	3.7
Greater Accra	20.3	21.9	4.6	40.1	9.2	3.6	12.8	21.9	3.7
Volta	31.2	33.0	4.8	26.9	2.3	1.6	18.0	30.7	5.2
Eastern	29.6	27.0	6.2	32.4	1.9	2.2	18.9	28.0	6.7
Ashanti	28.3	25.7	4.1	37.7	2.7	1.1	16.4	29.1	3.0
Brong Ahafo	37.0	27.5	5.2	27.4	1.8	0.6	23.5	34.6	4.3
Northern	74.4	16.4	1.3	6.2	0.9	0.7	58.6	25.3	2.2
Upper West	66.1	19.2	2.8	8.7	1.5	0.3	54.2	26.3	2.6
Upper East	71.1	18.3	1.1	6.7	1.3	1.0	54.1	28.3	3.8

1 Completed grade 6 at the primary level

2 Completed grade 12 at the secondary level

Source: GSS 2004b p 15-16

Table 6.2 Percentages of male and female household populations (aged 6 and over) in the 1993/1998/2003 surveys with no education and average number of years of schooling of the male and female household populations in the 1993/1998/2003 surveys - DHS 1993, 1998, 2003

	No education						Median years of schooling			
	Female			Male			Female			
	1993	1998	2003	1993	1998	2003	1993	1998	2003	1993
Western	34.1	29.6	29.5	17.8	11.8	14.5	2.8	2.3	6.5	5.7
Central	35.6	32.7	39.1	18.5	13.4	21.0	2.9	2.4	5.5	6.2
Greater Accra	19.4	19.6	20.3	9.8	9.4	12.8	6.6	5.9	8.5	8.9
Volta	34.3	31.4	31.2	20.8	19.3	18.0	2.9	2.4	6.3	5.4
Eastern	27.1	22.8	29.6	16.9	12.1	18.9	4.6	3.8	7.3	6.4
Ashanti	33.0	30.0	28.3	17.4	13.2	16.4	3.2	3.7	7.9	5.6
Brong Ahafo	30.8	32.6	37.0	21.7	20.4	23.5	3.8	1.6	6.0	4.3
Northern	75.9	79.7	74.4	62.0	63.8	58.6	0.6	0.0	0.0	0.7
Upper West	67.9	68.4	66.1	56.9	59.0	54.2	0.7	0.0	0.0	0.8
Upper East	66.5	69.4	71.1	50.9	57.4	54.1	0.7	0.0	0.0	0.9

Source: GSS 1994, 1999, 2004b

Table 6.3 Percent distribution of the male and female household populations aged 6 and over by highest level of education attended (it is worth comparing with Table 3.1 and 3.2 with similar data for 2003, however it must be noted that the educational categories are different) – DHS 1993, 1998

	Female								No education	
	No education		Primary		Middle		Secondary+		1993	1998
	1993	1998	1993	1998	1993	1998	1993	1998		
Western	34.1	29.6	34.4	37.9	25.8	27.2	5.7	5.3	17.8	11.8
Central	35.6	32.7	33.9	34.3	26.9	28.4	3.6	4.4	18.5	13.4
Greater Accra	19.4	19.6	28.9	30.1	34	33.2	17.8	16.7	9.8	9.4
Volta	34.3	31.4	34.5	35.6	27.4	27.9	3.7	4.2	20.8	19.3
Eastern	27.1	22.8	34.2	37.7	33.1	33.4	5.6	5.6	16.9	12.1
Ashanti	33	30	33.7	30.3	28.8	34.7	4.5	4.8	17.4	13.2

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Brong Ahafo	30.8	32.6	34.8	37.2	30.7	27.6	3.7	1.7	21.7	20.4
Northern	75.9	79.7	16.5	13.2	6.1	4.4	1.6	1.9	62.0	63.8
Upper West	67.9	68.4	22.9	21.7	7.5	7.4	1.7	1.4	56.9	59.0
Upper East	66.5	69.4	21.1	17.3	7.7	5.4	4.6	5.2	50.9	57.4

Source: GSS 1994 p14-15, GSS 1999 p.12

Table 6.4 Net Attendance Ratios (percentage of the population of primary school age (6 -11 years) or secondary school age (12-18 years) that is attending school) for male and female household populations – available for DHS 1998 and DHS 2003 only

	Primary				Secondary			
	1998		2003		1998		2003	
	Female	Male	Female	Male	Female	Male	Female	Male
Western	84.0	88.4	68.2	70.6	34.5	36.5	41.9	36.8
Central	84.7	82.9	60.6	61.3	32.1	39.6	30.5	34.3
Greater Accra	82.0	87.1	71.1	72.3	36.1	35.7	48.6	47.7
Volta	79.7	73.6	66.1	60.7	26.7	34.8	35.4	36.2
Eastern	86.8	85.8	60.9	58.9	33.4	41.7	35.6	37.8
Ashanti	77.2	80.8	65.9	69.0	38.3	40.0	39.2	42.8
Brong Ahafo	75.3	67.2	56.5	66.3	34.6	27.6	26.6	32.8
Northern	30.7	37.6	39.5	47.4	11.9	16.1	15.8	17.4
Upper West	44.9	44.3	41.2	41.9	16.5	15.6	22.5	20.2
Upper East	37.3	40.8	46.4	42.4	22.8	22.8	23.2	16.5

Source: GSS 1999 p 13, GSS 2004b p18

Table 6.5 Enrolment rates – CWIQ 1997, 2003

		Male				Female			
		Primary		Junior Secondary		Primary		Junior Secondary	
		1997	2003	1997	2003	1997	2003	1997	2003
Western	Rural	86.1		37.6		87.7		45.7	
	Urban	91.0	75.2	54.4	41.3	89.1	74.5	45.6	37.5
Central	Rural	87.0		47.4		87.5		39.6	
	Urban	89.6	73.0	53.6	40.6	83.7	72.3	40.5	41.4
Greater Accra	Rural	81.0		29.6		80.4		32.3	
	Urban	88.5	80.4	47.9	54.9	91.9	81.4	53.2	54.8
Volta	Rural	85.1		42.8		88.3		44.4	
	Urban	83.1	65.0	55.6	34.3	91.3	64.4	41.8	33.3
Eastern	Rural	90.7		32.1		88.8		46.7	
	Urban	95.5	74.8	52.9	40.3	92.8	76.5	55.6	40.4
Ashanti	Rural	88.1		45.7		88.6		40.3	
	Urban	85.9	78.9	57.0	45.1	90.2	79.0	47.9	44.8
Brong Ahafo	Rural	80.0		33.7		85.2		33.5	
	Urban	87.8	68.7	31.0	34.7	86.4	70.0	44.0	31.9
Northern	Rural	91.4		33.4		88.1		33.0	
	Urban	91.8	52.2	38.5	16.9	87.2	47.6	39.5	15.3
Upper West	Rural	86.5		20.9		96.6		34.0	
	Urban	84.6	47.5	50.0	21.9	100.0	55.4	90.0	20.6

EQUITY & DEVELOPMENT
 World Development Report 2006
 Background Papers

Upper	Rural	91.4		35.8		87.7		29.0	
East	Urban	97.5	55.4	55.1	18.6	96.0	56.9	61.5	20.8

Source: GSS 1998 p30-31, GSS 2004a regional summary

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 6.6 Adult completion rates >15 years (1997 only) – CWIQ 1997 (data not available by region in CWIQ 2003)

		Female							
		Highest educational level attended							
		Never attended school	Primary not completed	Primary completed	Junior Secondary completed	Senior Secondary Completed	Post-secondary	Never attended school	Primary not completed
Western	Rural	50.7	6.8	14.8	22.7	1.9	0.5	18.5	6.0
	Urban	29.8	5.9	13.7	35.3	4.7	2.9	12.6	10.0
Central	Rural	53.8	9.6	15.2	19.1	0.5	0.1	23.7	6.0
	Urban	45.1	6.2	14.3	25.3	3.3	0.8	16.2	14.0
Greater Accra	Rural	55.8	9.2	18.1	13.4	0.0	0.0	35.3	8.0
	Urban	22.7	5.3	12.8	38.4	10.5	1.2	9.7	8.0
Volta	Rural	43.2	8.6	15.9	27.1	2.6	0.1	21.6	7.0
	Urban	38.0	7.1	13.9	29.0	5.0	0.4	13.8	13.0
Eastern	Rural	40.4	7.6	16.6	32.6	0.8	0.3	20.8	7.0
	Urban	30.8	7.0	14.1	35.4	5.9	0.2	10.3	13.0
Ashanti	Rural	45.6	8.0	15.2	28.6	0.7	0.1	24.8	3.0
	Urban	40.7	3.6	11.2	35.2	4.8	0.8	20.1	11.0
Brong Ahafo	Rural	45.0	13.4	16.3	23.3	0.9	0.0	24.0	5.0
	Urban	38.6	7.9	16.9	28.6	3.8	0.0	21.4	11.0
Northern	Rural	91.5	2.3	3.5	1.9	0.5	0.0	75.7	5.0
	Urban	68.9	4.2	7.4	10.4	7.1	0.2	37.6	14.0
Upper West	Rural	86.1	2.9	3.2	5.2	2.0	0.0	77.4	2.0
	Urban	32.3	2.3	12.4	21.0	9.0	4.9	23.2	9.0
Upper East	Rural	88.8	1.9	2.7	4.0	1.5	0.2	76.3	6.0
	Urban	52.1	6.6	8.1	19.5	7.3	0.0	20.4	8.0

Source: GSS 1998 p30-31

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

7. ACCESS TO PUBLIC AND PRIVATE ASSETS

Table 7.1 Various indicators (differentiated by rural /urban residence in the 1997 data): Average Household Size, Time to schools, Time to water source

		Average household size		Nearest primary school (30 minutes or less)		Nearest secondary school (30 minutes or less)		Time to fetch water than 10 minutes
		1997	2003	1997	2003	1997	2003	1997
Western	Rural	5.0		91.7		11.6		71.7
	Urban	4.5	3.8	98.5	87.2	72.3	36.2	85.5
Central	Rural	4.3		92.1		24.9		70.1
	Urban	3.6	3.8	95.3	90.9	52.2	54.1	82.7
Greater Accra	Rural	3.7		99.2		17.7		61.6
	Urban	3.7	3.5	99.1	92.1	72.2	64.6	94.0
Volta	Rural	4.8		91.4		30.1		52.3
	Urban	4.0	4.3	98.5	87.5	54.6	39.8	83.9
Eastern	Rural	3.7		91.1		32.0		51.7
	Urban	4.0	3.9	96.4	89.6	61.4	48.9	76.7
Ashanti	Rural	3.7		93.7		30.6		69.2
	Urban	3.5	4.2	96.9	93.5	42.5	55.8	80.2
Brong Ahafo	Rural	3.6		95.4		18.1		56.7
	Urban	3.5	3.9	93.1	86.7	54.5	36.0	63.0
Northern	Rural	5.7		83.2		9.1		41.4
	Urban	4.5	5.6	91.9	82.2	31.2	25.6	66.0
Upper West	Rural	5.1		67.4		6.7		65.0
	Urban	4.6	4.5	94.8	68.5	45.8	15.9	79.4
Upper East	Rural	5.1		65.1		14.0		64.1
	Urban	4.6	5.1	92.4	62.5	27.4	9.5	88.0

Source: GSS 1998 p12-3, 30-1, 55-6; GSS 2004a

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 7.2 Type of fuel and sanitation - CWIQ 1997, 2003

		Electricity (lighting)		Type of cooking fuel						Flush
		1997	2003	Firewood		Charcoal		Other (Kerosene, gas, electricity, etc)		
				1997	2003	1997	2003	1997	2003	
Western	Rural	19.7		87.9		11.0		1.0		14.3
	Urban	82.6	49.3	17.0	65.2	74.9	27.3	8.1	6.8	56.9
Central	Rural	20.7		86.1		12.9		1.0		22.2
	Urban	54.8	46.1	43.4	63.1	50.9	31.1	5.6	5.6	31.7
Greater Accra	Rural	20.3		70.3		28.7		0.1		17.8
	Urban	91.6	79.1	1.6	7.2	73.7	59.8	24.6	31.8	58.1
Volta	Rural	17.9		86.5		12.5		1.1		11.5
	Urban	53.7	35.5	28.8	73.2	63.1	23.7	8.1	2.8	23.1
Eastern	Rural	20.6		94.1		4.9		1.0		13.6
	Urban	58.7	41.0	54.4	71.2	37.6	22.9	7.9	5.4	19.7
Ashanti	Rural	27.2		91.6		7.6		0.7		23.5
	Urban	89.5	58.6	23.1	50.6	69.6	39.9	7.3	8.8	35.3
Brong Ahafo	Rural	4.9		96.1		3.5		0.3		32.1
	Urban	75.8	41.9	62.0	77.6	36.3	18.5	1.7	3.1	14.6
Northern	Rural	0.1		96.8		2.9		0.2		3.2
	Urban	66.3	28.0	51.9	81.8	46.1	16.4	2.1	1.6	60.4
Upper West	Rural	0.0		99.2		0.6		0.0		0.9
	Urban	48.5	17.7	23.2	80.2	71.7	18.2	5.2	1.3	18.7
Upper East	Rural	2.7		95.2		3.3		1.5		3.9
	Urban	37.8	14.0	49.1	55.0	50.9	10.4	0.0	1.6	18.0

Source: GSS 1998, GSS 2004a

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Table 7.3 Household asset ownership: Television, Radio, Mattress/Bed, Bicycle – CWIQ 1997, 2003

		Household Assets							
		Television		Radio		Mattress/bed		Bicycle	
		1997	2003	1997	2003	1997	2003	1997	2003
Western	Rural	10.1		40.4		83.6		9.0	
	Urban	43.9	24.4	51.7	70.3	96.5	94.3	6.9	
Central	Rural	6.5		28.8		81.7		3.8	
	Urban	18.3	22.2	32.1	64.1	86.7	88.8	3.3	
Greater Accra	Rural	7.6		28.7		92.9		10.1	
	Urban	47.9	56.0	46.2	79.1	97.8	96.3	7.1	
Volta	Rural	5.4		38.6		93.1		18.8	
	Urban	20.0	13.6	43.0	57.1	96.3	84.3	8.9	
Eastern	Rural	7.4		27.5		87.1		6.3	
	Urban	29.5	19.4	42.5	71.6	91.9	91.9	5.3	
Ashanti	Rural	9.3		29.7		86.1		6.7	
	Urban	34.3	33.8	44.3	74.3	94.6	95.0	5.4	
Brong Ahafo	Rural	3.4		35.2		77.2		22.1	
	Urban	22.7	16.5	42.1	67.8	89.8	88.6	26.0	
Northern	Rural	0.4		34.6		50.7		65.8	
	Urban	27.8	14.8	45.5	65.0	78.8	76.1	45.4	
Upper West	Rural	2.4		37.1		43.1		74.6	
	Urban	34.3	9.6	70.4	57.3	89.7	56.3	66.5	
Upper East	Rural	3.3		41.3		43.4		60.0	
	Urban	22.6	8.7	53.4	57.6	83.0	40.6	45.6	

Source: GSS 1998, GSS 2004a

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

8. ACCESS TO MASS MEDIA

Table 8.1 Access to the media – percentage of men and women who usually read a paper once a week, watch television once a week or listen to the radio daily DHS 1998, 2003

	No access to media				Read newspaper weekly				Watch television weekly			
	1998		2003		1998		2003		1998		2003	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Western	32.6	12.7	19.4	4.7	15.0	37.0	16.7	31.4	46.2	52.7	45.5	52.7
Central	33.1	11.6	31.5	13.2	12.1	32.9	7.5	21.4	45.4	64.9	35.2	37.0
Greater Accra	8.7	4.5	8.3	2.1	48.8	74.5	26.7	55.9	81.2	89.7	74.4	78.0
Volta	51.1	24.5	21.2	8.5	14.9	39.9	10.9	20.7	23.2	28.9	26.5	33.0
Eastern	18.3	6.7	15.9	2.8	19.7	46.4	10.3	27.2	61.6	68.4	44.5	53.0
Ashanti	26.0	11.7	13.2	1.6	13.2	32.3	12.9	35.8	52.5	63.9	54.0	66.0
Brong Ahafo	25.2	9.5	16.1	4.6	9.1	30.5	7.0	24.4	49.7	57.2	40.9	51.0
Northern	48.6	24.1	51.4	28.7	4.6	15.2	3.0	8.0	24.0	38.3	15.6	22.0
Upper West	69.4	51.8	51.7	24.3	4.5	15.4	2.4	9.0	15.8	18.1	10.7	12.0
Upper East	54.4	48.5	34.7	14.5	9.6	20.4	2.3	8.1	16.7	13.8	16.8	28.0

Source: GSS 1999 p20, GSS 2004b p 30-1

9. SATISFACTION WITH SERVICES

Table 9.1 Percentages of those sick in the 4 weeks preceding the survey and the type of treatment received – CWIQ 1997

		Health Services								
		Received treatment	Public Hospital		Community Health Centre		Private		Missionary Hospital	
			%		%		%		%	
			Visited	% Satisfied	Visited	% Satisfied	Visited	% Satisfied	Visited	% Satisfied
Western	Rural	74.2	32.3	9.7	9.8	1.3	15.4	3.9	12.3	2.0
	Urban	90.4	66.0	33.9	0.9	0.0	14.4	6.0	0.3	0.0
Central	Rural	84.7	44.7	25.6	1.4	1.4	15.8	11.4	3.3	0.0
	Urban	93.3	63.4	35.4	0.7	0.0	8.3	5.1	3.0	0.0
Greater Accra	Rural	89.9	39.1	18.8	5.8	3.6	11.8	9.7	3.8	0.0
	Urban	92.9	49.3	23.9	1.2	0.8	32.8	16.1	0.0	0.0
Volta	Rural	93.0	39.5	14.9	5.6	2.5	7.8	4.0	6.6	2.0
	Urban	98.6	61.3	32.7	2.2	0.3	6.8	3.7	3.7	0.0
Eastern	Rural	91.4	50.9	32.3	2.6	1.6	5.3	3.2	4.1	2.0
	Urban	96.2	43.2	22.6	2.3	1.5	9.1	4.9	5.6	4.0
Ashanti	Rural	84.4	40.4	19.7	8.9	4.4	13.8	8.9	3.5	2.0
	Urban	89.2	48.3	25.8	5.6	4.0	17.1	10.6	3.0	0.0
Brong Ahafo	Rural	96.7	26.5	10.8	2.7	1.8	12.0	6.0	6.4	2.0
	Urban	93.1	41.0	14.6	1.7	1.1	7.0	4.8	13.5	2.0
Northern	Rural	89.7	34.5	15.8	1.9	1.6	1.5	1.1	5.8	2.0
	Urban	97.5	55.4	26.7	0.7	0.0	7.8	7.5	0.9	0.0
Upper East	Rural	67.5	57.8	31.5	8.0	3.7	1.1	0.4	0.0	0.0
	Urban	96.5	85.5	41.3	0.0	0.0	0.0	0.0	0.0	0.0
Upper West	Rural	89.8	52.7	29.7	9.6	3.3	5.4	3.7	3.2	2.0
	Urban	89.0	80.0	42.8	3.0	1.4	3.0	1.4	1.6	0.0

Source: GSS 1998 p42-43

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

10. DECENTRALISATION

Table 10.1 Regional Local Government Expenditure in 1999 (in million cedis)

	Local government expenditure in 1999 (million cedis)
Western	41367
Central	19128
Greater Accra	25665
Volta	17369
Eastern	18324
Ashanti	18316
Brong Ahafo	15605
Northern	16233
Upper West	6481
Upper East	8423

Source: Asante and Aryeetey (2004) p14

11. MIGRATION

Table 11.1 Life-time in-migrants, out-migrants, and net-migration, Ghana 1960, 1970, 1984

	1960			1970			1984	
	In-migrants	Out-migrants	Net-migrants	In-migrants	Out-migrants	Net-migrants	In-migrants	Out-migrants
Western	138722	140288	-1566	210971	37055	123916	259706	210971
Central ¹	-	-	-	112719	244005	-131286	92411	172808
Greater Accra	140025	58916	90109	359621	36813	272808	394266	244005
Volta	42043	136495	-94452	70757	239846	-169089	64871	169089
Eastern	157574	176093	-18519	205363	305008	-99645	189986	260000
Ashanti	205066	108503	96563	283978	211576	72402	252042	283978
Brong Ahafo	109300	24381	84919	182813	65522	117291	211728	157291
Northern ²	32106	189161	-157055	68782	102501	-33719	76234	68782
Upper West ³	-	-	-	38242	186949	-148707	9689	38242
Upper East	-	-	-	-	-	-	22272	-

Note 1: included in Western Region in 1960

Note 2: included Upper West and East Regions in 1960

Note 3: covered Upper West And East Regions in 1970

Source: GSS, 1995

Table 11.2 In-migrants, out-migrants and net-migration: volumes of sample population aged 15 years and above (1991 survey)

	1991			Sample size
	In-migrants	Out-migrants	Net-migrants	
Western	268.0	18.0	250.0	663
Central	190.0	99.0	91.0	1186
Greater Accra	452.0	11.0	441.0	764
Volta	154.0	20.0	134.0	734
Eastern	91.0	73.0	18.0	838

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

Ashanti	264.0	57.0	207.0	674
Brong Ahafo	170.0	16.0	154.0	369
Northern	26.0	4.0	22.0	311
Upper West	9.0	132.0	-123.0	354
Upper East	93.0	91.0	2.0	549

Source: GSS 1995 p168

Part 2: Present situation and longitudinal trends in regional inequality

Income and expenditure

Most recent data on income and expenditure (GSS 1998/99, Tables 2.1, 2.2, 2.3) clearly groups the northern regions at the lower end of regional values for expenditure and income per capita. Despite higher mean incomes per capita in the Upper East Region than in the Northern and Upper West Region, the very high proportion of households in the Upper East Region in the lowest quintile of the Ghanaian population suggests very high intra-regional inequality. There are also considerable variations between southern regions, with the Volta and Central Region having mean per capita incomes of less than half those in Greater Accra.

The most striking variation between the 1991/2 and 1998/9 surveys is the increase in inter-regional inequality. Greater Accra per capita incomes are approximately two times the lowest per capita income in the Upper East Region in 1991/2, and over 4 times both Upper West and Upper East per capita incomes in the 1998/9 survey. These findings are consistent with Vandepuyse-Orgle's finding that spatial inequality was lowest in 1992 (Vandepuyse-Orgle, 2004). The distribution of households among quintiles has shifted dramatically in the Greater Accra, Western and Ashanti Regions, with a decrease in the proportion of households in the lowest quintile and corresponding increases in the proportions of households in the highest quintile. The opposite process can be observed by comparing the distribution of households among quintiles between 1991/2 and 1998/9 in the Northern and Upper East Regions, which have both seen an increase in the proportion of households in the lowest quintile.

Child and Infant Mortality

The DHS 2003 survey shows marked regional differentials in infant and under-five mortality (Table 3.1). For example, under-five mortality ranges from a low of 75 per 1,000 live births in Greater Accra to a high of 208 per 1,000 live births in the Upper West Region (DHS, 2003). Despite visible inter-regional disparities there is not a distinct north-south divide in the 2003 data for infant and under-5 mortality rates. There are conspicuous differences between the northern regions, with the highest infant and under-five mortality rates recorded in the Upper West Region and the lowest rates (second lowest for U5MR) in the Upper East Region.

The disparities between the northern regions in 2003 become even more striking when compared to the closeness of the values recorded on these indicators in previous surveys. The two Upper Regions appear to have taken very different paths in the 5-year period between 1998-2003, resulting in a high level of differentiation among northern regions. The Upper East Region has seen a considerable decrease in its infant and under-five mortality rates in the last five years (to a point lower than many other regions), the Northern Region has seen moderate decreases but the situation in the Upper West Region has markedly deteriorated. In the south the trends also vary considerably.

Child Malnutrition

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

The most recent data (DHS 2003 and CWIQ 2003, Table 4.1 and 4.2) shows regional variation in nutritional status of children to be substantial (there are some differences between CWIQ and DHS data). DHS 2003 finds that the Central, Northern, Upper East and Upper West regions have stunting levels that are above the national average. The CWIQ 2003 confirms that the Northern Region has the highest stunting levels in Ghana. DHS 2003 finds that children living in the Upper East, Northern, and Upper West regions also have underweight levels above the national average, in addition to children from the Volta Region, and that wasting is particularly high in the Volta, Upper East, and Upper West regions. CWIQ also finds a highest recording of wasting in children in the Upper West Region but does not highlight the same north-south divide.

DHS 2003 recommends caution in comparing data from the various DHS surveys conducted in Ghana to assess the trend in the nutritional status, because of differences between the information on children's nutritional status from one survey to another. It is noted however that there is a trend over the past 5 years of increased stunting (pronounced in the Northern Region as well as Brong Ahafo in the South) compared to a decrease in the probabilities of wasting and underweight children and a trend of continued high values of stunting in the north compared to the south. These trends in nutritional status imply that the problem of malnutrition in Ghana may be due to chronic food shortages (stunting is a long-term indicator, while wasting and underweightness are susceptible to seasonal changes). This is evidenced by the fact that the three northern regions, which have annual periods of drought, have consistently recorded the highest levels of stunting.

CWIQ data for 1997 (Table 4.2) highlights urban/rural differentials in child malnutrition.

Literacy

Literacy rates (Table 5.1) are one of the indicators with the clearest north-south differential. With the exception of Brong Ahafo, literacy rates in southern regions are at least double those in the north. The gender gap is very noticeable across all regions, with female literacy rates a long way behind male literacy rates.

The rural/urban distinction is very marked in the northern regions in the 1997 data and suggests that the north-south inequality is a rural phenomenon. The gender gap also appears greater in rural than in urban areas in most regions. The lack of differentiated data in 2003 makes it hard to ascertain whether the lower averages signify an improvement in literacy rates. Regional inequalities in literacy rates are very apparent in both years.

Education

The school system in Ghana is based on a 6-3-3-4 system (based on education reforms introduced in 1989). Basic education (6 years primary and 3 years junior secondary) starts at age 6. Secondary education continues for three more years followed by tertiary education for a further 4 years (DHS 1998).

There are two clear lines of inequality in the most recent data on education: gender and north-south (Table 6.1 and 6.4). Irrespective of gender, there is a stark and consistent disparity between levels of education of the overall populations of northern and southern regions. The majority of all men and women in all southern regions have received *some* education while the majority of men and women in all northern regions have not received *any* education. More than two-thirds of women in the north have never been to school, compared with one-

EQUITY & DEVELOPMENT

World Development Report 2006

Background Papers

fifth in the Greater Accra region. In addition, 13 percent of females in Greater Accra have completed secondary education or higher, compared with less than 2 percent in the Northern and Upper West regions. Variations between southern regions and between northern regions are relatively contained. Gender disparities are widespread throughout Ghana. Even in Greater Accra, with the highest levels of educational attainment, almost twice as many women as men have no education.

Completion rates are very low at both primary and secondary levels for both men and women compared to enrolment rates (i.e. those who have attended some primary or secondary school (Table 6.1)). Enrolment rates (Table 6.4) registered in 2003 among children of school-going age suggested a rosier picture with a consistent north-south disparity but some instances of higher female primary enrolment rates. This may be attributed to an increase in school attendance or especially high female drop-out rates.

Comparing Table 6.1 with Table 6.6 suggests that in southern regions the distribution of education (from no education to tertiary education) has improved and is clearly less 'bottom-heavy' (i.e. decreased percentage of regional population with no education). This has not been the case in Northern and Upper West regions where the proportion of the populations with both no education and secondary+ education seems to have increased, but the percentages of regional populations in primary and secondary education have decreased (further research would be required to confirm this). This points to an uneven development of education, favouring a small elite, i.e. high levels of intra-regional inequality. In the 1997 data (Table 6.6) the rural/urban differential is particularly pronounced, especially at tertiary level.

Table 6.2 shows a clear differential in the extent of the population with no education and in the average number of years of schooling between northern and southern regions, consistently across the last decade. It is also noticeable that percentages of male populations with no education have steadily decreased in all regions, while this is not the case for female populations.

Table 6.3 does not show significant variations between 1993 and 1998 in education levels by region. Regional inequalities seem to have remained unaffected in this period. Interestingly the Northern regions still have lower net attendance ratios in 2003 as in 1998, but particularly at the primary level they are the only regions to show an improvement over the last 5 years. Surprisingly, in 1997 (Table 6.5), the Upper Regions predominated other regions in net primary enrolment. The relatively low literacy rates (in rural areas) in these regions (see Table 5.1) may be explained by the high drop-out rates. In the data for secondary enrolment for 1997 (Table 6.5) there is a striking divide between rural and urban results in the Upper Regions. In the most recent survey, there seems to have been a complete reversal in the case of primary enrolments, now reflecting the inequalities that are so apparent in other indicators.

Table 6.6 shows the north-south inequality (in 1997) in completion rates to be a rural phenomenon, since numbers of men and women who have never attended school are much greater in rural savannah regions than other rural areas, and equal if not lower in urban savannah areas compared to other urban areas.

Access to Public and Private Assets

More than 80% of households in most regions have a very high access to primary education (school within 30 minutes for households with school-going children) with the exception of the Upper East (62.5%) and Upper West (68.5) Regions (Table 7.1). All regions reported having at least 80% access to water (water source within 30 minutes). Conversely, access to secondary schools is low, ranging from 9.5% in Upper East Region to 64.6% in Greater

EQUITY & DEVELOPMENT

World Development Report 2006

Background Papers

Accra. All the northern regions were well below the national average, in line with findings on education levels across the regions. The rural/urban differential regarding access to schooling and water is very marked in all the 1997 data, especially in the northern regions and Brong Ahafo but differentiated data is not available for 2003.

CWIQ 2003 in Table 7.2 shows that the northern regions have a much lower access rate to electricity, Upper East has the lowest incidence of households with electricity (14% compared to Greater Accra) with 79.1% access. The 1997 data shows an extremely polarised data set in northern regions with respect to rural and urban access rates, suggesting that the inequality that transpires from the 2003 data may be even more accentuated in rural areas.

The proportion of households that use non-wood fuel for cooking is still very low in the Northern and Upper West Regions that overrides any other regional variations (in the Upper East Region 32% of the population use sawdust/crop residue as cooking fuel). Greater Accra recorded only 7.2 % use of wood fuel.

There is a monumental disproportion in the degree of safe sanitation between north and south Ghana (Table 7.2). Over 75% of northern regions have no safe sanitation (flush toilet, covered latrine or KVIP- Kumasi Ventilated Improved Pit-latrine).

Private asset ownership presents a mixed picture. For example the northern regions have the highest levels of bicycle ownership, but the Upper Regions have the lowest levels of bed ownership. Television and radios are also scarce in the Upper Regions though access to media is generally quite high in Ghana (Table 8.1) and the proportion of the population with no access to media has decreased considerably over the past 5 years. Media exposure is markedly lower in the three northern regions.

Satisfaction with services

Very high percentages of those who had been sick in the 4 weeks preceding the 1997 survey (Table 9.1) received treatment. The main exception was rural Upper West Region. Levels of satisfaction with the public services received were approximately 50% in all regions. Levels of satisfaction with schools are not high and are generally lower in urban areas. There are no very clear regional trends.

Migration

The most recent analysis (based on a 1991 survey, Table 10.2) is limited to quite a small sample, but shows the Upper West region to be by far the greatest losing region, the Upper East Region has relatively high in and out-migration, while the Northern Region has low in-migration and very limited out-migration. Greater Accra, Western and Ashanti have the highest levels on in- and net-migration.

Table 10.1 shows some longitudinal trends in migration from 1960 to 1984. Ashanti, which was a gaining region in 1960 and 1970 became a losing region in 1984, while the Northern Region became a gaining region in the same year. This development may be explained by economic and educational factors. Cocoa production declined in Ashanti over the 1960-1984 period which resulted in a decline of the per capita income in the cocoa sector. With the Western Region becoming an increasingly important cocoa-producing area, many adults may have moved from Ashanti into western and Brong Ahafo to establish new cocoa farms. The percentage of the population ever attending school increased steadily in Ashanti, possibly causing youth to move out of the area, probably to Accra (GSS, 1995). The case of the Northern Region may be explained by the development of rice cultivation and the shea-nut industry (as an export product), slowing down the trend of out-migration.

EQUITY & DEVELOPMENT
World Development Report 2006
Background Papers

The 1991 migration patterns appear quite similar to those recorded in 1984, though levels of out-migration seem much lower in 1991. In the Upper Regions only do out migration levels seem relatively high. The Upper West Region has the only situation of negative net migration. Greater Accra and Central Regions show the strongest 'pull' factor.

References

- Asante, F. and Aryeetey, J. (2004) Decentralisation and poverty reduction Paper presented at ISSER-Cornell International Conference on Ghana at the Half Century, Accra, July 2004.
http://www.issser.org/Decentralization_Asante_Ayee.pdf (useful table? p14)
- Coulombe, H. and McKay, A. (2003) Selective Poverty Reduction in a Slow Growth Environment: Ghana in the 1990s Paper presented at ISSER-Cornell International Conference on Ghana at the Half Century, Accra, July 2004.
<http://www.issser.org/Selective%20Poverty%20Reduction.pdf>
- Ghana Statistical Service (2004a) Core Welfare Indicators Questionnaire (CWIQ) Survey 2003
- Ghana Statistical Service (2004b) Demographic and Health Survey 2003
- Ghana Statistical Service (2000) Ghana Living Standards Survey GLSS4
- Ghana Statistical Service (1999) Demographic and Health Survey 1998
- Ghana Statistical Service (1998) Core Welfare Indicators Questionnaire (CWIQ) Survey 1997
- Ghana Statistical Service (1996) Ghana Living Standards Survey GLSS2
- Ghana Statistical Service (1995) Migration Research Study in Ghana Volume 1, Internal Migration
- Ghana Statistical Service (1994) Demographic and Health Survey 1993