

An Assessment of the Performance of Local Economic Development (LED) at the Local Level in Ghana: A Case Study of Sissala East District

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Abstract

The paper assesses the performance of the Local Economic Development (LED) at the local level in Ghana using the Sissala East District as a case study.

LED strategy is to place greater emphasis on the local arena and the potential of local authorities to tailor public policies to meet the MDGs by 2015. The emphasis is on economic infrastructure, strategic enterprise and support sectors and cluster value/supply chains

However, monitoring in the 7 pilot districts for this programme shows encouraging progress of about 62% but these have largely centred on regional and national basis with no specific focus on the status at the local level. It is against this background that the paper sets out to assess the performance of LED at the local level. Data was sourced from Focus Group Discussion with actors at the District level and from the decentralised departments of the District Assembly. The status of attainment of LED goals in the Sissala East District is mixed: whilst there are indications that some of the goals particularly those on economic empowerment of women, entrepreneurial capacity and some indicators of district level planning can be attained, it is unlikely that others can be attained within the stipulated timeframe.

Keywords: local level, economic development, assessment, performance, LED, Ghana

1. Introduction

The United Nations Development Programme (UNDP) has over the years supported various interventions aimed at enhancing local level development particularly in the 3 Northern Regions of Ghana. To ensure a co-ordinated approach to UNDP's support to Ghana's decentralization agenda and local level development, the programme embarked on an initiative to enhance local level development, using the UNCDF Local Economic Development (LED) Framework which builds on the collaborative efforts and investments in local level development, particularly in the following areas:

- Governance including support to district level elections, peace building and conflict prevention;
- District level planning and human development reporting;
- Climate variability/ change and adaptation mechanisms;
- Sustainable environmental management and efficiency in energy utilisation;
- Private sector development including provision of financial services and business development support services;
- Community empowerment and promotion of sustainable livelihoods;
- Economic empowerment of women; and reduction in vulnerability;
- ICT for Development.

As part of the concerted effort by Government and its Development Stakeholders towards the implementation of LED in Ghana, the UNDP/UNCDF provided technical support for piloting the LED approaches in 7 districts including Amansie West, Tamale Metropolitan, Central Gonja, Kassena Nankana, Bongo, Sissala East and Wa Municipal Assembly. It is important to indicate that other Development Partner-Led approaches exist in Ghana, including ILO and the GTZ, which have also been implemented in other districts of Ghana at different time periods.

The UNDP/UNCDF funded LED processes, which have been on-going since November 2009, provide opportunity for participating MMDAs to develop and mainstream LED strategies in their respective District Medium-Term Development Plans (DMTDPs). Extracts from 6 of the DMTDPs reflecting LED strategies from participating MMDAs located in the north have been crystallised into the following broad programmes.

Persistent poverty and recurrent food crises have underlined the need to rethink approaches to promoting pro-poor growth and economic development. This need is becoming increasingly relevant in non-LDCs where regional and urban-rural (and intra-urban/intra-rural) inequalities have persisted (or deepened) as a result of global and regional economic, environmental/climatic and political events. The case of local economies of northern Ghana cannot be exempt of the above conditions. Appropriate policies should therefore be fashioned to address the rather 'not-so-easy-to-manage' conditions characteristic of Northern Ghana.

2. Information on Local Government and the LED Concept in Ghana

Economic development is an outcome which implies a positive, sustained and comprehensive change in the quality of people's lives and a measurable improvement in their economic wellbeing. (In stricter terms, it refers to the way goods and services are produced and the equity with which economic returns are distributed) Local economic development (LED) implies the application of these principles in a defined territory (region, province, city, district or town). It also entails the effective utilization of a territory's human, natural and capital resources, and the strategic deployment and continuous development of its comparative advantages. However, since territory-based economies are linked, any effort to stimulate economic development in any territory must be pursued in a manner that ensures economic integration with its surroundings.

In contrast, *economic growth* (national or local) refers to a quantitative increase in the amount of goods and services produced by an economy, and to the monetary value of the transactions that take

place within that economy (Ray, 1998). The issue of employment becomes very critical in the local economic development process if it has to be people-oriented.

As the local economy improves and economic opportunities are enhanced, the spectrum of local residents should stand in readiness to participate and share in the economic benefits. From a very simplistic point of view, a sustainable way to ensure that local people participate in the economic fortunes of the local economy is to enhance their employable capacities while boosting the economic services and activities in the area. It also stands to reason that the effective employable skills and capabilities of the interested residents should be relevant to the available economic opportunities and services.

How does the local economy in Sissala East prepare and position its human resource capacities to take advantage of the employment opportunities and help to further develop the district and create wealth? The decentralised planning system presents a winning and sustainable approach.

2.1 The Decentralised Planning System

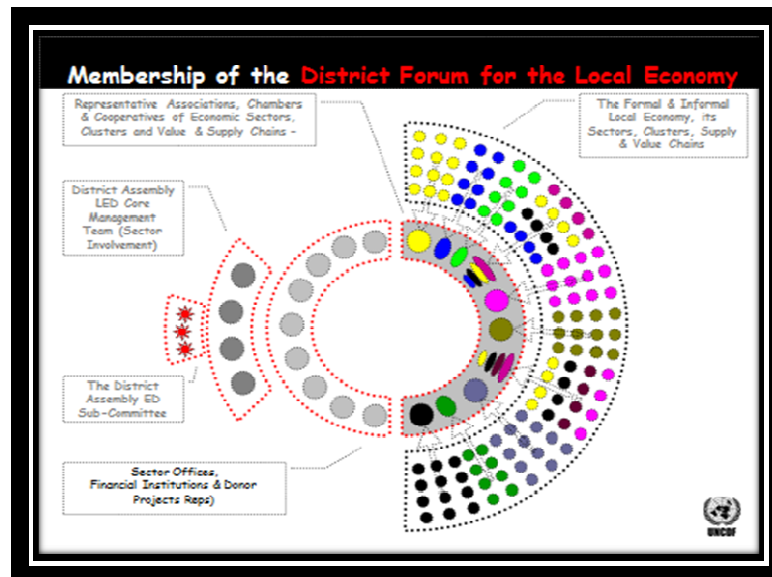
The National Development Planning Commission (NDPC) is responsible for providing guidelines to facilitate the preparation of development plans by the Metropolitan, Municipal and District Assemblies (DAs) in accordance with Section 1(3, 4), 2 to 11 of the National Development Planning (System) Act 1994 (Act 480). The Guidelines are designed to provide focus and direction on national development priorities and enhance harmonization and rationalisation of development programmes, projects and activities initiated from the community, district, region and national levels respectively (2010 District Guidelines, NDPC). NDPC has over the period developed guidelines to assist the MMDAs to prepare their own Monitoring and Evaluation Plans to help them track progress of implementation of their development programmes and projects outlined in their Medium Term Development Plans, and to determine the extent to which approved national development frameworks are implemented at the district level (2009 APR, NDPC).

2.2 What Role do Local Governments Play in Promoting LED?

Around the world, local Governments increasingly perform a pivotal LED promotion role within their localities. In both developed and developing countries, local Governments provide strategic guidance to LED promoters by actively coordinating and consolidating their actions towards achieving strategic local economic development objectives. They also intervene to enhance regulatory environments and invest strategically (directly or through innovative public-private partnerships) to address their economies' infrastructure and growth needs.

Furthermore, local governments often promote responsive business development, financial services, communication and transportation services required by a locality's economic sectors, clusters and value chains. Occasionally, well-endowed local governments engage directly in the provision of selected strategic business development services and intervene to mitigate financial risk that is borne by local enterprises (or by the financial institutions that serve them).

Local Governments, given the appropriate legal and institutional framework, do invest in Research and Development and lobby on behalf of their private sector at national, regional and global arenas.



3.0. Overview of the Sissala East District

The Sissala East District is located in the North- Eastern part of the Upper West region of Ghana. It falls between Longitudes. 1.30^0 W and Latitude. 10.00^0 N and 11.00^0 N. The district has a total land size of 4,744 sq km – representing 26% of the total landmass of the region. It shares boundary on the North with Burkina Faso, on the East with Kassena Nankana and Builsa Districts, to the South East with West Mamprusi District, South West with Wa East and Nadowli Districts and to the West by Sissala West District. The district, due to its position, has an advantage for trade and other cross border activities. This locational advantage is a potential for the development of the local economy. This notwithstanding, the district by its location, also faces the threat of illegal immigrants from neighbouring countries. An example is the insecurity posed by the insurgence of Fulani herdsmen into the district which has become a yearly ritual. On the whole however, the Sissala East district, by its location, is well positioned for enhanced socio-economic, cultural and political interaction with the neighbouring districts as well as Burkina Faso.

The district population is currently estimated at 51,182 (GSS, 2010) with an annual growth rate of 1.7% and a population density of 12 persons per sq km which is lower than the regional and national averages of 24 and 77 respectively (ibid). Patches of high density are found in the relatively urban settlement such as Tumu, Wellembelle, Sakai, Nabugubelle, Nabulo and Bujan.

The settlement pattern is highly dispersed that, it takes one not less than 10km to the next community. Majority of these settlements are rural by nature. The male/female ratio of the population is 96male to 100females. At the moment it is only Tumu that qualifies as a town by virtue of its population. There are however other settlements that are growing in size.

The composition of the district economy is characteristic of the Ghanaian economy. It has larger agricultural sector seventy-six percent (76%), service and commerce fifteen percent (12%), and the industrial sector nine (12%). The Sissala East District is basically rural with more than eighty percent (80%) of the people living in rural settlements and is engaged in farming.

3.1. Methodology

A multi-faceted participatory approach was adopted to conduct the study. The approach was designed to suit the objectives of the assignment. Thus, two main participatory tools were used to gather information on the status of the LED at the District level. The tools are; use of key informants (District Planning Officer, District Finance Officer and Heads of the decentralised departments) and

Focus Group Discussion (FGDs) with the LED working group and other key stakeholders in the District. The study equally relied on existing data from the District level departments. Using the tools, data was collected, collated and analysed to adequately reflect the trend of the LED in Sissala East District.

4. Findings

4.1. Assessing LED Performance at the District Level

The LED initiative, piloted in 7 districts (including 6 in the three northern regions and 1 in Ashanti region) to facilitate the roll-out of LED in Ghana also sought to promote strategic partnerships between public-private actors and local communities in the development of local economies and promote growth within district;

The following have been accomplished in the Sissala West District for the establishment of the LED Framework:

- Concept Note on a National LED Framework was developed and accepted by the Government of Ghana and communicated to implementing districts including Sissala West
- A dialogue platform, led by key Government officials under the leadership of the Office of the President and the National Development Planning Commission was created to coordinate the evolving National LED Framework and these have been replicated at the local level with the constitution of District steering committees
- Series of consultations and discussions of the Advisory Council and grass root stakeholders including women groups, farmer based organisations and faith based organisations were held at the community level to establish the LED Platform
- Professional training and technical capacity building on a wide range of modules including business development and management;
- Economic and private sector development and networking initiatives including tourism for job creation and sustainable development;
- Wide range of infrastructure development including clinics, schools, roads, ICT, energy, markets, water, environmental sanitation and other production infrastructure to support agriculture and the environment (climate change);
- Development and enhancement of business/ service support systems to improve productivity, competitiveness and incomes;
- Creation of efficient district-wide revenue database and systems for mobilisation, management and utilisation of financial resources and technical expertise;
- Promotion of social cohesion and inclusion mechanisms aimed at improving gender parity and the participation of women and the vulnerable including PLW HIV and AIDS in public life; and
- Facilitation of technical and financial support for needy but productive social and economic groups of interest in the district.

A key initiative by the district is the preparation of a district medium term development plan through participatory processes at both community and sectorial levels. The Plans are shaped to reflect LED strategies which are translated into annual action plans for implementation. Global content analysis of the array of District Medium-Term Development Plans for the ‘with’ and the ‘without’ direct UNDP/UNCDF-LED interventions suggests that more strategic economic/business development initiatives have been expressly focused in the Sissala East District and show about 62% on target.

However, it is important to mention that, although job creation is implied in a number of the LED strategies proposed by the pilot districts, failure to explicitly situate employment generation in the strategies presents a dent in the determination of Government to create productive employment.

Savannah Accelerated Development Authority (SADA), in designing implementable programmes should not fail to correct this silent pitfall.

Applying a desk review analysis, the geographical jurisdiction represented by the local economies in Ghana, vis-a-vis the decentralised planning system, is likened to global economies recovering from the 2008 economic melt-down. The analysis shows that economies recovering from the down-turn produce vulnerable workers who are no longer essential to production processes due to either low skills, or "old skills". Such economies need to build a more skilled workforce which is less expendable, more adaptable to change and better able to transfer within and between economic sectors. This will require investing in generic skills and life-long learning through broad-based strategies that support the attraction, integration and upgrading of talents.

However, it is not enough to just invest in the supply of skills. Employers also need to address the organisation of their workplaces so as to better harness the skills of their workers, and create more sustainable employment opportunities in the future. The economic downturn has raised awareness of both the vulnerability of modern economies, and a rising inequality in our labour markets. The long period of sustained economic growth prior to the downturn led to poor improvements in standards of living for many in OECD countries. Net wages and income have stagnated for a large proportion of the population while income inequalities have increased.

Before the crisis, many governments were aiming towards full employment. What has become obvious today is that while strong job growth helped economies to prosper, this disguised an inherent problem in the creation of relatively unproductive jobs. Such jobs kept people in employment, at least temporarily; however, they also provided relatively low salaries, creating a section of society that could be classed as the "working poor". During the recovery, a new approach to employment and skills will be necessary which has much closer ties to the longer-term economic development of local communities and the competitiveness of national economies. Those communities that are bouncing back the quickest after the downturn are those that specialise in certain economic sectors but are flexible enough to take advantage of new and emerging global market opportunities as they develop. The rising importance of green technologies, and the health and elderly care sectors, may prove valuable sources of job creation in the medium-term, and education and training services will need to prepare future workers for these sectors. At the same time it will be important not to lose sight of local assets and local comparative advantage. "Flexible specialisation" will be key.

Spotting key priorities for future development is not easy when there are a plethora of local actors working on different strategies and in different partnerships at the local level. At a time when public budgets are becoming increasingly tight such fragmentation is no longer acceptable. As spending is reduced in order to pay off their deficits it will be important to make public policy more efficient, through reducing duplication and better aligning activities locally. Many lessons exist from different OECD countries on how to make local governance more effective, and now is a good time to put these into practice. Many research shows that it is often following a crisis that people really come together and work for a common future.

5. Conclusions and Recommendation

Local government in Ghana has a very crucial role to play in the attainment of the goals since they are in close contact with people at the grassroots. The assessment of LED revealed that, the Sissala East District has made considerable progress towards achieving the goals of LED. This notwithstanding, the District Assembly requires a range of key inputs in order to achieve the full impact expected from adoption of the LED strategy in order to achieve full Local Economic Development by 2015. These inputs include political support, financing and coordination of Development Partners' activities. Above all, the District Assembly needs to pursue the positive trend of integrating LED into their development planning process and adopt strategies best suited to the local socio-economic, political and cultural settings. This will support both the localisation and the achievement of Local Economic Development.

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