

Decentralisation and the Challenge of Revenue Mobilisation for Development: The Case of Adaklu Anyigbe District Assembly in the Volta Region of Ghana

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Abstract

This article assesses the sources of revenue available to the Adaklu Anyigbe District, examines the strategies for revenue mobilisation and evaluates the challenges facing the Adaklu-Anyigbe District in its revenue mobilisation efforts. The Assembly has staff strength of about 85 workers including the thirteen (13) Assembly members of the District. Thirty-five questionnaires were administered among 35 selected staff and Assembly members of the District. It was found out that between 2005 and 2008, the Assembly was unable to achieve its revenue targets. Revenue mobilisation fell short of the estimated targets for four consecutive years, this made planning and funding of development projects very difficult. The traditional sources of revenue proved unpredictable and difficult to mobilise, whilst the citizens were unwilling to pay their basic and special rates due to lack of education and inability to pay. It was also found out that the Assembly, as a newly created District, lacked the requisite man power and logistics for achieving its revenue generation targets. The research recommends capacity building for the District in terms of basic infrastructural support funding and radical staff development to enable the Assembly meet its development aspirations.

Key words: Revenue mobilisation, decentralisation, capacity building, traditional sources of revenue..

Introduction

Attempts at decentralisation of government machinery in Ghana since independence have proved ineffective, inefficient and problematic. The reasons often given for this situation have been:

- Low development capacity of the decentralised areas, not unrelated to size and weak revenue and resource base;
- Lack of technical expertise;
- Poor financial administration and corruption;
- Inexperience and poor calibre of local government personnel, attributable in part to low prestige attached to and poor remuneration for service at the local level;
- Unclear definitions of the distribution of functions between central government agencies and local authorities;
- Intrusion of partisan politics into local government with a view, primarily to winning political advantage and patronage for the incumbent regime; and
- Jogging with local government boundaries. (Republic of Ghana (c) 1991: 14).

To remedy some of these problems, Fourth Republican Constitution of Ghana provided for 5%, (later amended to 7.5%) national revenue sharing formula with the District Assemblies, which is the District Assemblies Common Fund (DAFCF). The District Assemblies Common Fund has, however, proven to be inadequate in meeting the development aspirations of the District Assemblies. Its disbursement has been characterised by delays and irregularity (Aye 1992). This situation makes revenue mobilisation from traditional sources imperative for the District Assemblies especially the new ones (Nkrumah 1990: 83).

This development has made planning at the District levels very difficult (Nsarkoh (1980: 80). This difficulty is expected to be more acute in the newly created Districts like Adaklu Anyigbe District in the Volta Region of Ghana, which would be expected to embark upon a more radical revenue mobilisation venture to support their development aspirations.

Statement of Problem

The District, Municipal and Metropolitan Assemblies in Ghana are mandated by the Fourth Republican Constitution to ensure the overall development planning of their Districts; District budgets must also be prepared for Ministry of Finance to approve. The Assemblies are to formulate and execute plans, programmes

and strategies for the effective mobilization of the resources necessary for the overall development of the district; promote and support any district activities and development that are productive and ensure that any hindrances to development are removed; initiate basic infrastructure development programmes and provide other essential services in the districts; develop, manage and improve the district's environment and any human settlements in the area; responsible for maintaining security and public safety in the district in collaboration with the appropriate security agencies; ensure that courts are available and the people having access to them to promote justice in the district and perform such other functions as may be provided any other enactment.

The accomplishment of these functions is a great challenge to all the Assemblies including even those better endowed with resources. The main research questions of this paper are: What are the main sources of revenue to the Adaklu Anyigbe District? What strategies are being adopted for revenue mobilisation? What challenges are confronting the revenue mobilisation effort of the District? How adequate is revenue and what impact is revenue so mobilised having on the development aspirations of the people?

Aims and Objectives

This research seeks to assess the main sources of revenue in the Adaklu Anyigbe District for carrying out its functions; examine the strategies adopted for revenue mobilisation in the District; evaluate the challenges facing revenue mobilisation efforts; assess the adequacy of the revenue mobilized and determine how the revenue so mobilised is used to meet the development aspirations of the people.

Methodology and Scope

Thirty-five (35) questionnaires were administered to Assembly members, opinion leaders, and the management and the staff of the Adaklu Anyigbe District Assembly to ascertain their views on revenue mobilisation in the District. The Assembly is a small one with only thirteen (13) members and about 72 workers, making a population of 85 people. The sample size of 35 questionnaires was considered representative of opinion among management and staff of the Assembly. Documents of the District Assembly were examined and development projects were assessed against projections. Statistical Package for Social Scientists (SPSS) was used to analyse data collected from the field.

Literature Review

Decentralisation has become a recurring theme in political and administrative discourse for advocates of administrative reform everywhere in the world (Asibuo S.K 1991: 45). Decentralisation is probably the most frequently recommended structural reform to Third World Countries because "it suggests the hope of cracking open the blockage in an inert central bureaucracy, curing managerial constipation, giving more direct access for people to the government and the government to the people, stimulating the whole nation to participate in national development" (Philip Mawhood, 1983:1). The popularity of the concept of decentralisation in development administration and the debates it has generated could be attributed to the linking of decentralisation with such benefits as equity, effectiveness, responsiveness and efficiency (Ayee 1992). Some benefits of decentralisation have been stated by Rondinelli:

"As societies, economies and government become more complex central control and decision-making become more difficult, costly and inefficient. By reducing diseconomies of scale inherent in the over-concentration of decision-making in the national capital, decentralisation can increase the number of public goods and services – and the efficiency with which they are delivered – at lower cost" (Rondinelli 1981: 18).

Despite the benefits that decentralisation is said to be capable of bringing about, attempts at decentralisation in the developing world, including Ghana, have brought no marked improvement in development drives (Ayee 1990: 15). Policy-makers and development administrators in the Third World, continue to express dissatisfaction with the way decentralisation policies have been implemented. Studies, as we shall see in the exploration of literature, show disappointing results of attempts in most countries to decentralise planning and management functions. In most cases, central government introduced heavily publicised decentralisation policies only to see them falter during implementation process.

Studies further reveal a kind of double-mindedness in developing countries about the desirability of transferring powers and responsibilities from the central ministries to other organisations. While local administrative organisations were given broad powers in some countries to perform development planning and management functions, adequate financial resources and qualified personnel necessary to carry out these functions were often withheld (Cheema & Rondinelli 1983: 297).

Field offices of central ministries, district planning and administrative units were established in most countries in the developing countries, but central government officials had been reluctant or lacked the political will to assist them. In their desire to minimize political conflicts and secessionist agitations, central governments discouraged the growth of community and non-governmental involvement in decentralisation policies (Cheema & Rondinelli 1983: 297). Consequently development planning and administration had remained highly centralised after decades of persistent attempts at decentralisation. In some cases, authority was delegated without giving local organisations the flexibility to perform new functions in the ways that met local demands and needs.

In developing administration in the Third World, performance and impact have not often matched the goals of their decentralisation policies, while control over financial resources continues to suffer severe shortages in qualified personnel. Local organisations have thus been largely incapacitated in their development efforts and exist merely to extend centrally-controlled and established priorities and are seen as solicitors of support for national policies (Cheema G.S. & Rondinelli 1983: 297).

Problems of Decentralisation in Development Administration

Diana Conyers, in probing the problems of decentralisation in development administration had a series of questions to ask:

- (i) What are the functional activities over which some sort of power has been transferred?
- (ii) What types of powers have been transferred with respect to each functional activity?
- (iii) To which levels or areas (for example, state, province, district, ward etc). have the powers been transferred?
- (iv) To whom at these levels has authority been transferred?
- (v) Finally, what legal or administrative means have been used to transfer the authority? (Diana Conyers 1989: 18).

Finding answers to these questions ushers us into the problems of allocating authority, managing and implementing decentralised administration. The implementation of any sort of development policy like decentralisation; involves major changes in structure and encounters problems arising from the relationship between the management of decentralised systems of administration and implementation of reforms designed to increase the amount of decentralisation. The prevalence of these management and implementation problems, has made the rural areas by comparison with the urban centres scenes of massive poverty, unemployment, inadequate or virtually absent health care services and educational opportunities, poor road network, lack of good drinking water, low agricultural productivity, ignorance, hunger and disease (Owusu-Ansah 1976: 19).

Conyers had reached certain conclusions regarding the implementation and management of decentralisation programmes. She noted that the amount of decentralisation is often woefully inadequate. Secondly, decentralisation has failed to achieve the intended developmental objectives and thirdly decentralisation has been characterised by undesirable side-effects (Diana Conyers 1989: 13).

Although some scholars are critical about the undesirable side-effects of decentralisation – regionalism, the pursuit of parochial interest, disparity in development standards and loyalty to local rather than to national leaders etc – the undesirable side-effects do not in any measure outweigh the benefits of decentralisation in development administration. Despite the weaknesses of decentralisation it is a better option as compared with centralisation in development. This is because centralisation as a strategy or model for development has marginalised decentralised organisations in development efforts in the Third World countries as a result of discrimination against the rural areas.

The Ghanaian Experience of the Decentralisation in Development Administration under the District Assemblies

The “District Political Authority and Modalities for District Level Elections” – the document that outlined the preliminary aspects of the PNDC’s decentralisation programme states that:

In order to democratise state power and advance participatory democracy and collective decision-making at the grassroots level there is the need to set up decentralised political and administrative authorities with elected representatives of the people. The decentralised authorities will be the bodies exercising state power as the people’s local government (Republic of Ghana; (a) 1987: 1).

In this connection, the decentralisation programme was expected to help bring about qualitative changes in the country’s administration, to promote effective delivery of goods and services and to facilitate the involvement of the people at the grassroots in decision-making. Grassroots participation in decision-making was intended to ensure that experience and wisdom are tapped in the pursuit of development programmes (Ayee 1990: 46).

To give the decentralisation programme a more meaningful push, certain measures were taken. These measures include, among others, the following:

- (i) The increase in the number of districts in the country from 65 to 110 the rationale behind this action was not only to make the districts smaller to promote effective participatory democracy, but also to make them “viable and more homogenous and manageable units” (Min. of Local Government 1991: 88). This line of reasoning in the opinion of some scholars, including Ayee (1992: 51) is faulty because large units have not been proven and tested to be less effective and efficient than small ones.
- (ii) The holding of District Assembly elections in 1988/89.
- (iii) The enactment of PNDC Law 207 of 1988, to give backing to the District Assemblies and to authorise the transfer of legislative, administrative and executive powers to them. The jurisdiction of the District Assemblies, much unlike the previous attempts at decentralisation, covers planning, finance, budgeting and security (Ayee 1992: 51).

- (iv) The transfer of planning and budgeting processes to the district. This measure was consolidated in March, 1990, by the appointment and posting to each district, of district planning and budgeting officers to compel ministries to actually deconcentrate their staff so as to make district composite budgeting a reality. (Aye 1992: 51).
- (v) The power to pay government contracts up to the value of 250 million cedis. In furtherance of this measure, District Tender Boards were established to advise the District Assemblies on the award of contracts. District treasuries were simultaneously set up to take over control of budgeting from departments formerly under the Controller and Accountant General's Department in Accra. (Aye 1992: 51).
- (vi) To help the District Assemblies execute their functions more efficiently, 22 departments were decentralised (Aye 1992: 51).
- (vii) The ceding of certain taxes previously collected by central government to the District Assemblies. These ceded revenue bases meant to augment the financial resources of the District Assemblies include; entertainment tax; casino revenue; betting tax; gambling tax; income tax (registration of trade, business, profession or vocation) daily transport tax; advertisement tax.²¹ and taxes on District Weekly Lotto Operations (Aye 1990: 49).

The establishment of the District Assemblies and the measures taken were to ensure that local people get the opportunity to elect their representatives to the District Assemblies and to participate in decision-making and implementation processes at the district level. This opportunity quickly whetted the appetite of the people for the initiation and implementation of development programmes. Unfortunately, however, the District Assemblies assumed far more functions and responsibilities than the human, financial and material resources at their disposal could accomplish. Most District Assemblies had to resort to the imposition of unsanctioned taxes on the people of their districts (Aye 1990: 46).

The District Assemblies were confronted with serious challenges and problems in meeting their responsibilities and functions. They lagged behind in fulfilling the expectations of the people with regard to development projects. District Assemblies therefore remained largely ineffective in the implementation of development programmes that had been on their drawing boards for years, until the establishment of the District Assemblies Common Fund in the 1992 Constitution with the allocation of five per cent the gross national income. Article 240 of the 1992 Constitution of Ghana states that there shall be a system of local government administration which shall as far as practicable be decentralised. The Assemblies shall possess deliberative, legislative and executive powers. The District shall plan, initiate, co-ordinate, manage and execute policies in respect of all matters affecting the people within their jurisdiction with the view of ultimately achieving localisation of these activities (1992 Constitution of Ghana).

The Assemblies were established to address the needs of communities within their jurisdiction and to accelerate development and growth. The mission of the Assemblies is to raise the living standard of the people, reduce the pressure on the central government and also to enable the central government perform its social and political aspirations (1992 Constitution). In line with the concept, one person from each electoral area within the Assemblies jurisdiction and member(s) of Parliament from the Constituencies within the District shall be member(s) of the Assembly but without a voting right.

According to the Constitution of Ghana, the District Chief Executives (DCE's) are appointed by the president in consultation with the Council of State, subject to approval by two third (2/3) majority of the members of the Assembly. The chief executive is responsible for the day to day performance of the executive and administrative functions of the District Assemblies. Other members of the Assembly, which are not more than thirty percent (30%) of all the members of the District Assembly are appointed by the President in consultation with the traditional authorities and other interest groups in the District (1992 Constitution of Ghana). The Assemblies have been assigned functions and responsibilities more than it was in the traditional local government functions. This has been emphasized by Act 462 Section 10 and Article 245 of the 1992 Constitution which states the functions of the Districts Assemblies are as follows:

- To ensure the overall development of the District by preparing district developmental plans for approval by the National Development Commission.
- Levying and collection of taxes, rates fees and fines
- To promote and support any district activities and development that is reproductive and ensures that any hindrances to these are stopped.
- Organization and maintenance of law, order, peace and security in the District.
- To perform any other function that may be conferred on them by the Government.

The Concept of Decentralisation

The climate of opinion in which liberal economists, as well as Marxist thinkers were urging the virtue of centralised planning mechanism as the key to rapid development is fast fading into oblivion (Mawhood 1987: 13). This state of affairs is due principally to the growing dissatisfaction over the failure of national or central

planning and investment to produce results in development schemes in the Third World in the 1960's and the new grounds decentralisation is believed to have broken or to be capable of breaking (Mawhood 1987: 13). Hence decentralisation of the machinery of government has been regarded as a panacea for solving socio-economic woes of developing countries (Asibuo 1991: 45).

The wealth of literature available on decentralisation of administration and development is, therefore, worthy of critical review. This review of literature concentrates on empirical works available and relevant to decentralisation and development in general with particular emphasis on Third World Countries and Ghana.

Studies on Decentralisation in some African Countries

In his case study of decentralisation experience in the 1970's and the 1980's of Zambia, Sudan and Nigeria, Asibuo (1991), revealed that insufficient political will undermined the effectiveness of the implementation of decentralisation programmes. Secondly, there was inadequate understanding of the provisions of the reforms and the new roles expected of both councillors and staff. This situation, Asibuo (1991) noted, was due to lack of adequate education on the real meaning and fundamental philosophy of decentralisation by the different actors in the drama of implementation of decentralisation programmes at each administrative level. He concluded that numerous functions and responsibilities were transferred to the local authorities in each of the three countries without the transfer of corresponding measures of financial, human and material resources. Consequently even though local autonomy and democracy were the objectives set in the restructuring processes of the three countries, they could not be realised. In contrast, centralisation of power was enhanced (Asibuo 1991: 45).

Humes (1973: 21) observed that;

'The basic weakness of decentralised local institutions as promoters of economic development has been the lack of sufficient functions, funds and functionaries to undertake the capital development so vital to economic prosperity'

Apart from the emphasis on finance, (Humes 1973: 21) stressed management problems. He stated in a study he conducted on Nigeria that the calibre of the membership of local councils had been generally low, too few qualified men were available for office and too many incumbent local government officials were illiterate and corrupt, hence the ineffectiveness in the discharge of their duties.

Studies on Financial Aspects of Decentralisation in Ghana

There are empirical studies on the problems of decentralisation and development in Ghana with emphasis on lack of sources of financing development projects. Commenting on the causes of poor performance of local government councils in Ghana, Nkrumah (1990: 83) asserted that the absence of a civic sense of responsibility among the local population has made it difficult for local authorities to collect rates, hence their over-dependence on central government grants-in-aid which are grossly inadequate, irregular and often late in coming. Nkrumah argued that this chronic financial problem of local authorities could be solved through direct revenue-sharing with the central government on specified percentage basis

Nsarkoh (1980: 80) pointed out that under the Busia regime, even though local government councils had power to generate revenue for the effective discharge of their duties and responsibilities, they could not do so. Nsarkoh (1977: 28) ^{concluded} that available sources of revenue offered plenty of scope for expansion provided that the councils would apply themselves to the organisation of revenue collection as a matter of paramount importance by eliminating dishonest and corrupt tax collectors

In support of Nsarkoh's view is the study Dankyi (1987) who investigated the extent and effects of financial problems facing local government councils in Ghana. Dankyi (1987) analysed local authority budget in the allocation of resources and examined the existing and possible new sources of revenue for local government units and came to the same conclusion as Nsarkoh (1977: 28).

Dzakpasu (1976) on the performance of the Dzodze Local Council between 1966 and 1969 disclosed that inadequate financial capacity had been the major limitation on the development efforts of the Council. In a comparative study of the financial resources of some District Assemblies in five regions of Ghana (Ayee 1990: 46), stated that the District Assemblies in Ghana lacked the necessary revenue to cope with the numerous functions conferred on them by the Local Government Law 1988 (PNDC Law 207). Ayee (1990: 46) argued that some District Assemblies have as a result, resorted to the imposition of new and unsanctioned taxes on the people.

Personnel Aspects of Decentralisation in Ghana

Apart from financial problems in the implementation of decentralisation policies, another work has touched on personnel and administrative problems. In her study entitled "Administrative Capabilities of District Councils" for instance, Pepra-Omani (1986) argued that one of the most important factors which have contributed to low productivity of local authorities had been lack of qualified personnel to man the administration at the district level. She concluded that if local government bodies are to make any meaningful impact in their bid to promote development, then training of manpower should be given serious attention.

Relationship between Decentralisation and Development

Development, in this study is conceived of as a multi-dimensional process involving major changes in social structures, popular attitudes and national institutions, as well as the acceleration of economic growth, reduction of inequality, eradication of absolute poverty, provision of employment and the basic necessities of life – water, food, clothing and shelter – without which life becomes impossible. Development is also characterised by a general movement away from those conditions of life widely perceived as unsatisfactory towards a situation or condition regarded as materially and spiritually better (Todaro Michael P 1985: 85).

In concrete terms, development involves such social goals as improved conditions of health and nutrition, augmented educational opportunities, expanded social welfare services and increased mobility, as well as such economic ones like raised incomes, higher agricultural production and increased employment opportunities Owusu-Ansah (1976: 19).

Attempts to decentralise administrative systems are seldom initiated solely for developmental reasons. This is because decentralisation is fundamentally a political process in the sense that it involves a change in the distribution of power and influence. For example, if local government units are dominated by opposition political groups in a multi-party system or if there is any risk of political secession Diana Conyers (1989: 15).

It therefore becomes necessary to examine not only the developmental aspect of decentralisation but also its political role and dimension which are often very complex. For example, it is important to recognise the difference between “top-down” decentralisation, which is initiated at the national level of government and consists of the transfer of some of the powers and authority of the central government and the “bottom-up” decentralisation where the major initiative comes from local pressure groups seeking greater power and participation Diana Conyers (1989: 16).

Most of the recent decentralisation programmes in Africa (including the District Assemblies in Ghana) belong to the former category, since they were initiated at the national level. The division of Nigeria into states after the Biafran war of 1966/67 and the devolution of powers to the provinces in Southern Sudan are examples of “bottom-up” deconcentration (Diana Conyers 1989: 15).

Furthermore, since no government is likely to give away power willingly without good reason, one finds that “top-down” decentralisation programmes inevitably have some sort of ulterior political motives of a centralising nature in the sense that they are intended to strengthen, rather than weaken the role of central government (Diana Conyers 1989:16). A good example, of this is the appointment of the District Chief Executives by the government as the Chief Executive Officers of a largely elected body of representatives as the District Assembly in Ghana (Republic of Ghana (b) 1988: 6).

Data Presentation and Analysis

Sources of Revenue

The Local Government Act, (Act 462) of 1993 outlines the sources of revenue to the Metropolitan, Municipal and District Assemblies, from which the Adaklu Anyigbe District Assembly also derives its revenue. These are:

- The Traditional Local Revenue Source,
- Grant from the Central Government in the form of the District Assembly Common Fund (DACF)

Traditional Local Sources of Revenue

The traditional sources of revenue are funds locally generated by the Assembly itself. These sources of revenue include licences, rates, fees, fines and charges, rents and income from investment.

Licences

The Assembly is empowered to regulate the conduct of certain business for which licences or permits are required from the Assembly. For example dog licences, building and road construction licences and building permits are determined by the District Assembly, as a source of revenue.

Table 1: Revenue Performance for Licences for 2005 – 2008

Year	Estimate ₦	Actual ₦	Variance ₦	%
2005	414,000,000	275,914,560	138,088,540	66.65
2006	228,550,000	149,701,166	788,488,340	19.39
2007	119,789,000	167,440,000	118,115,150	2.40
2008	857,640	107,719	749,210	12.55
Total	763,196,640	593,163,445	1,045,441,240	100

Source: Adaklu Anyigbe District Assembly Trial Balance
 Adaklu Anyigbe District Assembly Budget Statement

Table 1, shows the Assembly’s actual revenue for Licences fell short of its projections. For instance, in 2005 financial year, the Assembly collected ₦ 275,914,560 as revenue, representing only 66.65% of the estimated revenue of ₦414,000,000 for that year. In 2006 the actual revenue collected amounted to ₦ 149,701,166, representing only 19.39% of the estimated amount of ₦ 228,550,500. Revenue for 2007 on the other hand was ₦ 16,744,000 representing 1.4% out of an estimated amount of ₦ 119,789,500. The estimated revenue for 2008 (as shown in Table 1) was ₦ 857,640 but only ₦107,719 representing 12.56% of the target was collected at the end of the year.

The unreliable and unpredictable nature of revenue from these sources as pointed out by Nkrumah (1990) and Ayee (1990) rendered planning of development projects very difficult. This situation was on account of the fact that actual revenues collected from these sources were for below projected targets.

Fees Charges and Fines

Fees and fines are charges on beneficiaries of services rendered by the Assembly. Some of the services included the cleaning of drains, streets and the provision of school buildings among others. In respect of other services however fees of various kinds were charged. For example court/spot fines, lorry park tools, slaughterhouse and conservancy fees were charged during the period under review. Table 2 is the Assembly's revenue performance for fees and fines for the period.

Table 2: Adaklu Anyigbe District Assembly Revenue Performance For Fees and Fines for 2005 – 2008

Year	Estimate(¢)	Actual	Variance(¢)	%
2005	136600	460002	905997	33.68
2006	666418000	6641822	26177	25.2
2007	1703200	118342	522857	21.59
2008	2803690	547623	2256066	19.53
Total	6,710,614,90	7,767,789	3,11097	100

Source: The Assembly's Trial Balances

The Assembly's Budget Statement

Table 2 shows that the Assembly has been realising some revenue from fees and fines. However, they had never been able to exceed their target for the period under study. For example in 2005 the revenue collected was ¢ 460,002 out of ¢ 136,600 representing 33.68%. In 2005 and 2006 court fines and penalties alone accounted for 18.68% and 26.10% respectively of the total amount realised from fees and fines.

Rates

The Assembly has authority to levy rates on immovable property, possessions of individuals throughout the District. Special rates for special project in the District are also levied. The Assembly determined the amount it would levy for the various projects by a resolution of members through a 'Rate Notice and Rate Fixing Resolution' of the Assembly. This document spelt out the various taxes and the amount the Assembly was to collect within each financial year for development projects and recurrent expenditure. There are three different kinds of rates levied by the Assembly. These are: basic rates, property rates and special rates

Table 3: Basic Rate Revenue Collection for 2005 – 2008

Year	Estimate (¢)	Actual (¢)	Variance (¢)	%
2005	2,000,000	9,84500	(1,015500)	49.2
2006	1500,000	412,800	(1087200)	27.5
2007	1500,000	643874	(8256126)	46.3
2008	2,000,000	2150,000	150,000	107.5
Total	7000000	4191174	2808826	230

Source: Adaklu Anyigbe District Assembly Budget

Apart from 2002 when the Assembly exceeded its estimated amount of basic rates by 150,000 representing 107.5% of the budgeted amount, the remaining years saw actual revenue figures falling far short of their estimated figures. In 2005, for example, the Assembly collected a total of ¢ 984,500 out of the estimated ¢2,000,000 for the year representing only 49.2% of the estimated target. In 2006, it collected ¢412,000 as actual revenue, representing 27.5% of the estimated amount of ¢1,500,000. In 2007 though there was an increment as compared to the previous years, the performance was still not encouraging compared to the estimate for the year. The analysis indicated a very unstable financial performance of the Assembly as far as basic rates were concerned. Even the estimated amounts for all the years seemed not to follow any consistent pattern. This suggested that the Assembly had no specific scientific basis for making its estimates.

Special Rate

Apart from basic rates, and property rates, the Assembly levies special rates, which is a rate levied for the purpose of a specified project approved by Assembly for a particular electoral area. In practice, these rates had almost always been levied at the instance of towns / villages and area communities by resolution. The Adaklu Anyigbe District Assembly just like all other newly created District Assemblies lack adequate revenue.

Miscellaneous

These are unspecified receipts that are part of revenue mobilised but cannot be appropriately grouped under any significant revenue head. These sources include revenue from District Weekly Lotto and unspecified receipt. Apart from the Assembly's own efforts at mobilizing funds locally, The government also transferred funds to support their financial plans.

District Assemblies Common Fund

The District Assembly Common Fund was established by the 1992 Constitution of Ghana. The District Assembly Common Fund Act 455 was passed by Parliament on 6th July, 1993. The Act provided for the District Assembly Common Fund, its Administrator, the function of the Administrator and other related issues, with the provision that 'Parliament shall annually make provision for the allocation of not less than 7.5% on the total revenue of Ghana to the District Assemblies for development and the amount shall be paid in to the D.A.C.F in quarterly instalment.'

In 2006 and 2007 a total ₵140,500,000 and ₵260,800,000 of the Common Fund was received respectively. The 2007 figure representing an increase of 45.3% over what was received in 2006 (Adaklu Anyigbe Budget Statements 2006 and 2007). From the records, the Assembly was not able to mobilize enough revenue this situation put so much pressure on the District Assemblies Common Fund for virtually every development project undertaken during the period.

Problems Faced During Revenue Mobilization

The Assembly faced many challenges in its revenue mobilisation efforts. Some of the challenges were planning; monitoring and control of revenue collectors and the co-ordination of sources of revenue. Tabulated below are the various problems faced in the Assembly's revenue mobilization efforts as outlined by the Respondents.

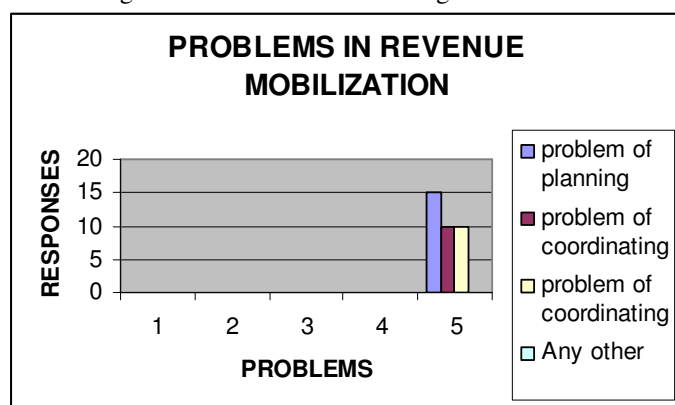
Table 4: Problems faced during revenue mobilization

No.	Responses	Frequency	%
1	Problem of planning	15	42.8
2	Problem of co-coordinating	10	28.5
3	Problem of controlling	10	28.5
4	Any other	0	0
Total		35	100

Source: Field survey, June, 2009.

Represented below is the graphical illustration of the above information.

- Figure 1: Problems faced during revenue mobilization



Source: Field Data, June 2009

The Degree of Involvement of Rate Payers in Fixing Rates:

Assembly members are the legitimate representatives of the people in the District. The rates were fixed by the Assembly on their behalf purportedly after consulting their electorates. The perception among the respondents was that they were not consulted by their representatives in the determination of the rates levied by the Assembly.

Table 5: The perception of the degree of involvement of rate payers in fixing rates:

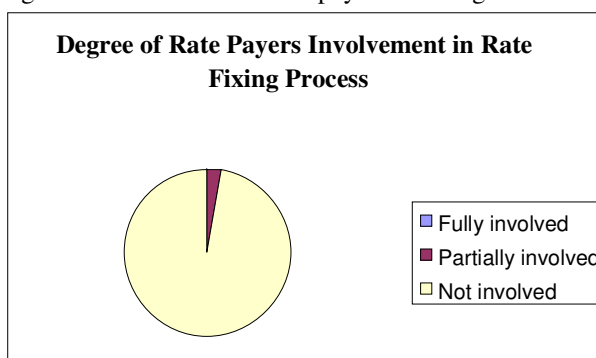
No.	Responses	Frequency	%
1	Fully involved	0	0
2	Partially involved	1	2.8
3	Not involved	34	97.2
Total		35	100

Source: Field Survey June, 2009.

From Table 5, the perception that Assembly members did not involve their electorates in fixing rates was 97.2

% The Assembly was perceived to have neglected rate payers in the determination of rates.

Figure 2: The degree of involvement of rate payers in fixing rates:



Source: Field Data, June 2009.

Logistics for Revenue Mobilization:

The adequacy of resources to support the operations of District Assemblies has always be of great concern to many proponents local governance and challenges are even more daunting in newly created Assemblies like the Adaklu- Anyigbe District Assembly To asses the adequacy of logistics at the Assembly, the researchers investigated the number of cars and computers, which are key resources in revenue mobilization processes available to the revenue mobilization team at the Assembly and tabulated below are the various responses.

4.5 Impact of Revenue Mobilised on Society

Table 6 Development Projects Financed through Mobilised Revenue.

Type of Project	Cost of Project	Remarks
(1) Construction of six market buildings at Kpetoe, Ziope, Adaklu Have and Adaklu Xelekpe Type of Project	¢3750000	Completed. Financed from 2007 revenue mobilized
(2) Construction of two story classroom Block office and store (phase 1) at Adaklu Adaklu Abuadi	¢48,562,900	Completed and in use
(3) Purchase of 16 computers for the District Assembly and 12 other for Agotime Secondary school	¢150,000,000	Delivered and in use.
(4) Establishment of Day Care Centre at Adaklu Kpatove	¢170,000,000	Completed E.U. project, Assembly Construction 15% of the cost
(5) Construction of Police Station at Kpetoe	¢349,000,000	On going at roofing stage
(6) Construction of office for Ziope Area Council Ziope	¢289,000,000	Completed and in use

Source: Monitoring Team Report (2006) Adaklu Anyigbe 2007 Supplementary Budget

Table 6 Depicts the development projects carried out by the Assembly during the period under study.

Conclusion

The Adaklu Anyigbe District Assembly is confronted with great challenges as far as revenue mobilisation is concerned. The Assembly was unable to meet its revenue targets for four consecutive years – from 2004 to 2008. Annual estimates for the period had always fallen short of actual revenue mobilised or received. The District Assembly Common Fund was the main source of sustainable income, but it was characterised by undue delays and irregularity and the quantum was often below what was expected. This affected development planning on a sustainable basis in the District. Secondly, logistics required for revenue mobilisation was inadequate.

Recommendations

The study recommends that the Assembly should improve its basis for establishing estimated revenue. In

determining such estimates the Assembly should be guided by reliable statistical data. The Management should involve rate payers in fixing rates, in order to promote consensus and a better commitment to the civic responsibility of paying rates.

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