Building capacity for urban management in Ghana:
some critical considerations

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Abstract

Severe capacity gaps continue to constrain effective urban management in Ghana, despite numerous donor-supported training programmes. This paper examines the nature of these capacity gaps and analyses specifically the factors contributing to the low attraction and retention of local government staff: politicisation of the bureaucracy, excessive use of external experts, excessive state intervention in skill development and low remuneration of local government staff. Against this background, the paper reviews critically a recent capacity building initiative: the establishment of the (new) Institute of Local Government Studies in Accra. Suggestions to improve capacity building for urban management in Ghana are offered. These include the need to prepare a coherent strategy to guide and co-ordinate stakeholder inputs in capacity building; to place training in the context of institutional development; and encourage the development and use of local expertise in donor assisted projects; and, promote merit-based remuneration of local government staff. © 2000 Elsevier Science Ltd. All rights reserved.

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Introduction

Despite several years of implementing decentralisation reforms and large doses of external assistance, urban managers in Ghana are yet to adequately respond to the demands of citizens and businesses in the country’s cities. Among reasons often cited for the poor state of the country’s cities is the inappropriateness as well as the inadequacy of available skills in the field of urban development and urban management. Current skill gaps do impinge on gains derived from tough
economic and political reforms since the mid-1980s. Yet filling skill gaps without a look at the orientation of institutions responsible for urban management is not likely to result in significant achievements. Current challenges confronting Ghanaian cities therefore require a redefinition of approaches to capacity building in urban management in Ghana — in the areas of institutional restructuring, the focus of external aid and of skill development.

This paper briefly examines the context for urban management capacity building in Ghana. The emphasis is on an apparently small yet critical element of local governance: the attraction and retention of requisite skills for adequate urban management.

The paper starts with a brief review of the growth and development of urban centres in Ghana and current government policies, which influence the demand for specific urban management skills. Next, the paper examines the nature of capacity gaps in local government and factors causing these capacity gaps. To illustrate these issues, the next section examines the Ghanaian initiative to set up the Institute of Local Government Studies with support from the Institute for Housing and Urban Development Studies (IHS), Rotterdam and the Maastricht School of Management (MSM) in the Netherlands. Recommendations on increasing the relevance of capacity building programmes for urban management in Ghana conclude the paper.

Urban growth and policy changes

The urban population of Ghana is currently estimated at about 39% of the total population and it is growing at 4.1% per annum (UNCHS, 1996). Leading cities such as Accra and Tema are estimated to be growing in excess of 4.3% per annum, compared to about 3% for the national population (Accra Metropolitan Assembly, 1996). Urban population growth is therefore expected to be a major component of development changes in the country in the first quarter of the 21st century, with the level of urbanisation rising to about 60% by 2020 (UNCHS, 1996). The rapid rate of growth of the urban population is expected to be stimulated by government’s acceleration of the development of the secondary and tertiary sectors of the economy (NDPC, 1995).

As in many developing countries, the anticipated acceleration of the growth of the urban population in the next few decades will be concentrated in relatively big cities, a reflection of the emerging role of market forces in investing in big cities (contrary to the days of state control in the 1960s and 1970s). Hence, Accra, the seat of government and business capital; Kumasi, a historical commercial and cultural city; Tamale the most important urban centre in the northern half of Ghana; and Tema and Sekondi-Takoradi, both port cities, are the cities which are likely to attract more wealth and population. However, they also face more management problems than the rest of urban Ghana.

Presently, the direction of urban development in Ghana is influenced largely by outward-oriented policies of the Government of Ghana summed up in the National Development Policy Framework (captioned the Ghana-Vision 2020). A central strategy of the Ghana-Vision 2020 is the Gateway Programme, which aims at enhancing the attractiveness of Ghana as the business gateway to the West Africa region (Ghana Free Zones Board, 1997). The Ghana-Vision 2020 outlines key roles for leading cities in attracting foreign direct investment and accelerating the rate of growth on the national gross domestic product. Free trade zones are being established in Accra, Tema and Sekondi-Takoradi. The two port cities of Tema and Sekondi-Takoradi are also being developed as
leading bulk-breaking points in West, and Central Africa. Furthermore, an inland port to facilitate trading with the Sahelian countries is being established in the Kumasi region. Accra in particular is being given an enhanced regional role through an open skies policy, development of tourism and restructuring of the financial sector around the stock market, in which area Ghana is one of the leaders in Africa (NDPC, 1995).

In addition, a number of on-going reforms pose challenges to the management of cities in Ghana. These include privatisation of state enterprises (including public utilities), new efforts at democratisation and the demands of decentralisation.

Privatisation of state enterprises has formed a major component of structural reforms since the mid-1980s. The emphasis has currently widened from the financial and manufacturing sectors to include energy generation and distribution, urban water supply, waste management and telecommunications.

Democratisation, after fluctuating periods of military rule, appears to be gaining ground. As a result, there is more transparency, and users now have more information on how services are priced. Forward-looking legal reforms and the establishment of necessary national institutions have particularly been positive instruments for change. The fact that there are only relatively few and weak civil society organisations however poses a challenge to further progress.

Decentralisation reforms started about a decade ago. Despite several years of reform, substantial challenges still exist, which also constitute critical questions confronting urban management in Ghana today.

The objective of Ghana’s decentralisation policy is devolution (MLGRD, 1996). Nevertheless, a mixture of different models appears to dominate (World Bank, 1993). Strengths in the current system lie principally in the creation of more potential nodes for local economic exchange — in the form of 110 district capitals, up from 65; as well as a recent constitutional provision obliging the transfer of at least 5% of total national revenues to local government\(^1\) according to a set of criteria put together by a Fund Administrator. The combination of these two positive developments have in particular stimulated increased local development in the past few years (MLGRD, 1996).

Significant weaknesses however remain. Discretion of local government over revenue and expenditure decisions is still influenced by central government. Administrative links between decentralised government departments and parent ministries remain strong despite legal reforms in this area. The weaknesses are generally blamed on the scarcity of skills in local government and ineffective institutional mechanisms (NDPC, 1995).

Combinations of rapid urban population growth and substantial shifts in government policy (allowing more liberal economic and political options) have therefore created huge demands on Ghanaian cities. Demands of citizens and businesses are increasing and diversifying in a rapid manner. Indications at the moment are that these demands are far from being met. In Accra for example, population in wage employment decreased from 45 to 40% in 1988–1992, the years of economic success in Ghana’s recent history. Households which owned houses decreased from 15 to 8% and the incidence of poverty rose from 9 to 23% within the same period (Ghana Statistical Service, 1995a, b; Laryea-Adjei, 1997a).

\(^1\) Otherwise known as the District Assembly Common Fund.
In view of the above, Ghanaian cities will require improved management if they are to effectively play their planned roles as well as adequately meet the demands of citizens. Generally, challenges in this area encompass deficiencies in policy changes regarding local government.

**Staffing gaps**

Within local government, responsibility for urban management lies principally with the District Planning Coordinating Unit (DPCU). By law, DPCUs are to perform the planning functions of District (or Municipal/Metropolitan) Assemblies. Specifically, they are required to:

- Advise and provide a secretariat for the District Assembly in its planning, programming, monitoring, evaluation and coordinating functions;
- Coordinate the planning activities of sector development-related departments/agencies in the district;
- Synthesise strategies related to the development of the district into a comprehensive and cohesive framework;
- Formulate and update district development plans;
- Provide information required for planning at the national level.

In performing their planning and coordination functions, DPCUs are therefore required to play the lead role in promoting outward-oriented functions of cities as well as in coordinating the tasks of sector departments to meet the demands of citizens for basic services.

The question is whether DPCUs have sufficient professional staff to perform laid down functions. Secondly, it is open to doubt whether staff of DPCUs have skills to address current local development challenges, and thirdly, whether staff can be retained to ensure continuity in planning and development.

Regarding the actual number of professional staff working with DPCUs, the evidence points to a gross understaffing situation. Staffing guidelines of the NDPC and Ministry of Local Government and Rural Development (MLGRD) indicate a DPCU should at the minimum be staffed by one planner, an economist and a social sector specialist. September 1997 estimates from the MLGRD however indicate that on average, each DPCU in the country has only one professional staff. Staffing DPCUs of 110 districts at the minimum therefore requires recruiting additional 220 professional staff (Laryea-Adjei, 1997b).

Furthermore, it is doubtful whether the few staff of DPCUs have requisite skills to confront current local development challenges. Most of the staff of DPCUs are first-degree holders with very little experience and many do not have skills related to their job. Improving the relevance of skills

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3 Mainly education, health, works, waste management, agriculture, physical planning, social welfare and community development, natural resource conservation, roads and budget and rating.

4 Based on an interview with the Director of Human Resource Development of the Ministry of Local Government and Rural Development.

5 Also based on an interview with the Director of Human Resource Development of the Ministry of Local Government and Rural Development.
of professional staff is therefore urgent. It is even more urgent in view of the emergence of new challenges — such as managing privatised urban water supply and waste management and core city revitalisation. The few staff of DPCUs require retraining in this regard. Staff of sector departments also require substantial reorientation to meet the new urban challenges.

Staff retention is also low. About 30% of professional staff recruited for DPCUs in 1996 for example, vacated their posts within a year (Laryea-Adjei, 1997b).

Filling the capacity gaps for urban management in Ghana therefore requires not just increasing staff strength but, very importantly, also introducing new skills and improving the staff retention capacity of local government.

Government and donors have in recent years embarked on several short training programmes to contribute to the development of skills. However, this response to meet skill gaps is not structured and coordinated. It is not uncommon for a Municipal Planning Officer to be invited to similar training programmes sponsored by different donors in the same year. A more strategic approach is therefore required to make on-going training programmes more effective.

A far more urgent need, however, lies in addressing the factors that impinge on the attraction and retention of urgently needed local government staff urban management. This issue will be taken up below. Four underlying factors are summarised as follows:

- Substantial politicisation of the bureaucracy, especially at the local level of governance;
- Excessive use of external experts;
- State intervention in skill development;
- Low remuneration of local government staff.

**Politisation of the bureaucracy**

Politisation of the bureaucracy has deepened since independence in 1957, with the adverse consequences of leakage in revenue mobilisation, inefficient resource allocation and a disproportionately large unskilled local government staff. While a discussion of the causes of a highly politicised bureaucracy is beyond the scope of this paper, its negative impact on technical decision-making should be noted.

The current situation is such that staff with skills in urban development are greatly outnumbered by unskilled and clerical staff, many of whom have their jobs as a result of involvement in some political links. Secondly, staff rewards appear to be significantly influenced by reasons other than performance. The result is very limited control of management over their subordinates. Attracting and retaining qualified and competent staff are not exactly easy in such circumstances.

A history of appointing rather than electing the mayor, even in the current era of democracy, has also been a reason for the politicised bureaucracy at the level of local government. By law the mayor is appointed by the President and is regarded as a representative of central government. Appointments made by the mayor on resuming office usually follow the same principle (of representing central government rather than citizens). As a result, decision-making at the local level is deficient of the required level of community participation and technical direction.

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6 Prescribed by Section 20(d) of the Local Government Act of 1993, Act 462.
**Excessive use of external experts**

Several donors use external experts at the management level of local government programmes and projects, a practice that has not always been helpful in developing local capacity. The practice of donor agencies formulating programmes and projects abroad is even more harmful. Government’s slow pace in developing local capacity for urban management appears to justify the reliance of donors on external experts. It is however doubtful whether the (limited) capacity that exists will ever be developed without the direct involvement of local government staff in programme/project design.

Local government staff are likely to learn faster by being directly involved in all stages of the planning process, especially in the design of donor-assisted programmes and projects. A more preferable option will be for external experts to train local government staff to design, implement and monitor development projects on their own.

Evidently, the situation of a politicised bureaucracy is a disincentive for more direct involvement of local government staff by donor agencies in the design of development programmes. A donor-assisted package which integrates capacity building in project design and implementation with involvement local government staff in the actual design and approval of projects, as well as in their implementation, will provide a better way to address the current constraint.

**State intervention in skill development**

Government has since independence dominated the provision of higher education and training. In this regard, Government appoints the management as well as finances significant portions of the budget of most important training institutions in Ghana. This central role in managing and financing training institutions was in the past justified by government as the way to accelerate the provision of skills to meet rapidly emerging development challenges.

Evidently, lots of skills were developed as a result of the direct involvement of government in training. However, a situation of dependency has resulted. Dependency, as is always the case, dampens innovation and restricts the relevance of skills to labour market demands. Furthermore, it reduces the incentive to raise additional revenues to sustain programmes. As a result, training programmes have not responded adequately to current challenges of city development — in terms of number of people trained and duration of training, but most importantly, in terms of relevance.

**The reward factor**

Low remuneration directly influences the ability of local government to attract and retain staff. The exact causes need more detailed investigation, in view of the fact that wages are generally low within the entire civil service and not only for local government staff. The ability of some NGOs and even central government agencies with similar wage levels to attract and retain staff also point to the influence of other organisational factors that require more investigation.

The current situation can nevertheless be improved by making government and donor policy more flexible as regards properly rewarding productive staff.
Recent capacity building initiatives

Presently, two interesting capacity building initiatives are being implemented in Ghana. They include, first the temporary, yet interesting approach of the International Foundation of Election Systems (IFES), an American NGO in their on-going *Enhancing Civil Society Effectiveness at the Local Level* project in Ghana (summarised in Box 1). Secondly, there is the more permanent approach of establishing the Institute of Local Government Studies (ILGS) to enhance among others, urban management capacity in Ghana. The case of the ILGS is discussed in greater detail as it illustrates some of the critical issues raised in this paper.

Box 1: The IFES Approach to Capacity Building in Ghana

Various models of effective training for local development suited to the Ghana’s needs are beginning to emerge. An example is the approach adopted by the International Foundation of Election Systems (IFES), an American NGO in their on-going *Enhancing Civil Society Effectiveness at the Local Level* project in Ghana. The project aims at building the capacity of 20 districts or local government areas as well as civil society organisations in these districts to promote development. Training is contracted to local firms, under close monitoring. Training is usually for a few days in the selected districts, and therefore able to attract majority of stakeholders including political and business leaders to share experiences and expectations in joint sessions. As part of the project, funds are being provided to agencies who put in place strategies to remove institutional bottlenecks (IFES, 1998).

The case of the Institute of Local Government Studies

The ILGS is currently being established by the Ministry of Local Government and Rural Development to organise the training of local government staff and staff members at other levels of government whose functions are related to local government. The objective is to enhance managerial, administrative and operational efficiency of units of decentralised government. The Institute will organise courses, workshops and seminars for its target groups; undertake and encourage research in local government, publish relevant literature; develop training materials; and collaborate with relevant institutions in the performance of its functions (Local Government Service Bill, 1996).

Management of the ILGS

Provisions for the Board of the ILGS indicate its composition as follows:

- Representatives of four central government agencies;
- Representatives of three state tertiary education institutions;
- The Director of the Institute.
The President of the country will appoint members of the Board. The President and not the Board will also appoint the Director of the Institute (Local Government Service Bill, 1996).

The management structure of the ILGS does not appear to promote partnership with organisations which it is expected to serve. There is no representation of institutions on the ILGS Board which will actually demand services provided by the ILGS: the private sector, NGOs and chief executives of cities or districts. Hence, they will unfortunately not be in a position to influence the relevance of ILGS training programmes. Secondly, the absence of bureaucratic control seems unlikely, given the composition of the Board and the source of authority for the appointment of members of the Board and the Director of the Institute, which, as indicated, may lead to a less relevant training programme.

Finance

The Institute will obtain funds from the following sources:

- Government’s annual budgetary allocations.
- Fees accruing in the exercise of its functions.
- Loans from financial institutions with approval of the Minister of Finance.
- Contributions from other sources.

Funds of the Institute will be paid into an account approved by the Minister of Finance.

Dependence on central government annual budgetary allocations appears necessary to start the Institute. However, experiences of other institutions indicate the need to reduce the proportion of the budget financed by Government grants in favour of fees to enhance innovation and relevance of training programmes and sustainability of the ILGS.

External support

The Institute for Housing and Urban Development Studies, Rotterdam (IHS) and the Maastricht School of Management (MSM), are providing the Ministry of Local Government and Rural Development with technical support for the establishment of the ILGS (IHS, 1997).

Technical support from the IHS and MSM include the following:

- Institutional advisory support.
- Training needs assessments/reviews.
- Training development support.
- Fellowship related to staff capacity development.
- Selected direct training.
- Collaborative research.
- Documentation.
- Networking.
- Advisory services.

A key focus of the IHS and MSM support is to develop the ILGS into a coordinating institution for training programmes on urban management, a very desirable form of assistance considering the
present uncoordinated approach to capacity building. The ILGS will in this regard work in partnership with existing local institutions.

The project strategy of the IHS to build the capacity of ILGS to coordinate and enhance urban management capacity is in line with the requirements of the country and very desirable indeed. The project components are also relevant. Advisory support, for example, if oriented towards addressing the inherent weaknesses of institutional mechanisms and processes for service delivery, will help to bring about the context necessary for effective training.

It may be noted that the proposed pattern of project spending is skewed towards salaries and related expenses of external experts. Two-thirds of this is for foreign experts; one-third for local and regional experts. One can wonder whether the funds for local experts are sufficient to bring about a necessary incentive structure for local counterparts, which is geared to reward initiatives and strategies for building local capacity. This is needed to enhance the sustainability of interventions, and to help support the restructuring of local government agencies (as proposed by this paper).

**Conclusions**

Five factors are critical to increasing the number and skill levels of local government staff, and, more urgently, to enhance the relevance of these skills and the retention of staff for proactive urban management in Ghana. These are:

1. Preparation of a coherent strategy to guide and coordinate stakeholder inputs in capacity building.
2. A departure from direct governmental control to more autonomous management of training institutions, including increased autonomy in raising and managing funds.
3. Training to be placed in the context of institutional development.
4. Donor assistance should be designed so that projects will be sustained after donor support is terminated; the development and use of local expertise should be encouraged.
5. More flexible approaches to rewarding productive personnel (merit based remuneration and promotion).

A coherent strategy to lead and coordinate efforts of stakeholders is required to address factors underlying weak local government capacity. The current piecemeal and ad hoc approach to training professional staff will not address many of these underlying factors. The Ministry of Local Government and Rural Development should lead the way in preparing and implementing a coherent capacity building strategy to support effective urban management. Donors should support such an initiative instead of insisting on discrete, yet less effective efforts.

Regarding the second factor, a combination of private sector, public sector organisations (including chief executives of leading cities) and NGO representation in the management of Training Institutions is necessary for the effectiveness of programmes. In this regard, it may for example be suggested that the Ministry of Local Government & Rural Development chair the Board of Directors of the Institute of Local Government Studies. The involvement of non-state actors is critical to developing relevant training programmes, increasing access to non-state funds and efficient operations of core staff. Also, the appointment of the core staff, including the manager should be the responsibility of the Board of Directors and not the government.
Where funding is concerned, it may be suggested that, in line with current government policy, direct subsidies should not be the moving force of centres for higher learning. Current low level of retention of urban management staff and related skills in local government point to considerable demand elsewhere. It should therefore be possible to charge economic costs for running training programmes. Government and donor subsidies should target the candidates rather than training institutions.

Regarding the third factor, there is the need to place training programmes in the context of the institutional restructuring of municipal authorities. Trained personnel are not likely to be effective in the current disoriented and politicised administrative set-up of local government in Ghana. Professional staff retention will therefore continue to be difficult without institutional interventions. Training of staff should therefore be made an integral part of a programme for organisational development for local government.

To significantly improve the situation, knowledge and skills should be imparted to politicians and technical decision-makers as well as to civil society organisations with respect to their role in local government. Training of professionals should also be combined with assistance to local government institutions to reform (in a proactive manner) their decision-making processes in order to increase the utilisation of new skills. Procedures for various aspects of urban management (such as planning, financial management, operation and maintenance of services, citizen participation, etc.) should be improved as part of capacity building programmes. Assistance should also be given to local government to develop clear job description for all categories of staff.

Where budgetary constraints are severe, it might prove more effective to focus on comprehensive capacity building exercises in a few selected local government areas than to spread resources on training several hundreds of local government staff who cannot use new skills because of institutional constraints.

The fourth factor deals with the role of donor assistance in capacity building. Donor assistance is very much required for two obvious reasons: constraints in local budgets and in obtaining expert advice. However, a few things should be kept in mind. The use of huge proportions of total project costs on salaries of foreign staff, the appointment of foreign experts to manage projects (even in cases where local capacity exist) and the tendency of donors to prepare proposals in their home countries after a few days of local consultation certainly do not ensure the best way of developing local capacity to sustain the project after donor funds run out. Hence, it is important to have a policy to systematically increase the use of local expertise, if available, or to team up with local staff if skills are not up to standard, to not only build local capacity, but also to ensure that donor-assisted interventions are sustained.

More information, and hence research, is required to enable good conclusions on the issue of low remuneration. Nevertheless, the current situation can be improved by making government and donor policy more flexible in rewarding productive staff. Government and donors should adopt merit-based rewarding systems to enhance staff performance. Government should review its mechanisms for staff recruitment and promotion to attract and reward more productive staff.

To conclude, some more general suggestions are offered. There is need for future training programmes to emphasise the how rather than the what in curriculum development, thus focusing on effective and efficient procedures for urban management. Training programmes should also have a special focus on the development of auxiliary skills — in entrepreneurship, interpersonal relations, management in weak organisations, etc., to boost innovation and productivity of the
average professional staff. Case studies will be useful as a method of instruction in this regard. There is also a specific need to channel increased resources into flexible and continuing adult education at the masters and doctoral levels to build the capacity of existing public and private sector firms as well as training institutions. Attachment of students to entrepreneurial local government in countries with successful urban management practices should be an integral part of such programmes.

In view of the critical constraints in urban management/local government in Ghana, capacity building programmes should continue at an accelerated pace. It will be expedient to set aside funds to assist cities to restructure their institutional arrangements, including the development of partnerships with the private sector and NGOs in service provision. Training could then be organised for stakeholders in these cities in the context of their expected roles and subsequent institutional changes. Experiences of such cities should be studied and documented for use by others.

A positive action would be to target leading cities that require urgent interventions to play their prescribed roles in the development of the country. Success in this direction is likely to influence adoption of techniques by other cities and towns. Anything short of positive change in the performance of cities will not be acceptable, especially as Ghana struggles daily to deal with all the existing urban problems, to which new ones are being added all the time.

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