



POLICY BRIEF No.1

Public Spending and Educational Inequalities in Ghana

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The Policy Issue

Education is one of the most critical tools for fighting poverty. Without substantial investments in human capital development, it is hard for any country to attain high levels of socio-economic development. Ghana has one of the highest rates of educational investment in the world. The education sector has seen steady growth from 5.6% of total GDP in 2003 to 6.3% in 2011, which was above the average for all African countries combined. Total government spending on education tripled from GH¢0.53 million to GH¢ 1.7 million between 2003 and 2011.

However, from the perspective of inclusive national development, the question of how much government spends is as important as the extent to which public spending benefits the most deprived segments of the population. Equitable educational spending is especially critical for broadening access to poorer localities and households that are unable

to meet the private costs of service provision. The 1992 Constitution of Ghana enjoins the state to ensure the implementation of policies and programmes aimed at redressing educational inequalities, both across regions and along the rural-urban divide.

Yet, Ghana remains characterised by significant levels of educational inequalities, both in terms of access and quality. A recent UNESCO report identified the Northern Region as the most educationally deprived in Ghana, where over 60% of the population live in education poverty, i.e. having less than four years of education. Evidence from the 2011 National Education Assessment shows that in the Ashanti, Greater Accra and Eastern regions, it is more than twice likely for a Primary 6 pupil to reach proficiency level in English and Maths than in the Northern and Upper West regions. Indeed, while the percentage of P6 pupils who reached English proficiency was 38% in the south, only 18% of children in the three northern regions reached the same proficiency level.

The BECE performance results follow similar trends, such that the Upper East region recorded the worst pass rate in both Maths and English in 2011.

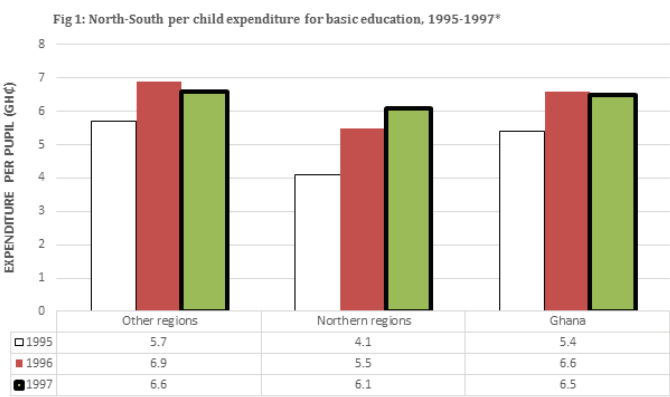
The roots of these inequalities have often been traced to colonial educational policies. However, it is important to ask why this problem has persisted after more than 60 years of political independence in Ghana. While differential rates of educational attainment are shaped by a wide range of factors, what matters from the perspective of public policy is the level of effort that a government makes to redress such imbalances, particularly through the equitable allocation of public resources. So, have budgetary allocations and actual government educational expenditures been driven by needs-based criteria in Ghana?

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Summary of Key Findings

We find that concerns about equitable educational spending in Ghana have remained much more at the level of rhetoric since the 1990s. Based on official government data, Figure 1 presents annual public subsidies at the basic education level for the years 1995, 1996 and 1997. The figure shows that the distribution of educational expenditures during this period was not driven by equity concerns: average per capita spending in the historically deprived north was consistently lower than the national average during this three-year period. These findings are consistent with several other public expenditure reviews during the 1990s, including those undertaken by the Ministry of Finance and the World Bank.

During the 2000s, the Government of Ghana expressed commitment to addressing these inequalities in several key policy documents, including the Ghana Poverty Reduction Strategy (GPRS I, 2003-2005) and the Education Strategic Plan (ESP) 2003-2015. The ESP claimed, for example, that ‘in allocating resources, particular emphasis will be given to poor areas, including the three northern regions and other deprived areas, in order to reduce inequities within the system’. Table 1



Source: Author’s computations, based on official government expenditure data extracted from the Ghana Education Service Internal Budget Books, and enrolment data based on the Ministry of Education.

* ‘Other regions’ represent the seven administrative regions in the south: Ashanti, Brong Ahafo, Central, Eastern, Greater Accra, Western and Volta.

below shows, however, that annual per child budgetary allocation in the relatively deprived northern regions consistently fell below the national average during 2004-2008. During this five-year period, annual budgeted sum per enrolled basic school pupil was GH¢ 51.9 in the Northern Region, GH¢ 42.5 in the Upper East, and GH¢ 43.7 in the Upper West Region. This compares unfavourably to the national average of GH¢ 66.9.

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Table 1: GoG per capita budgetary allocation (in GH¢) on basic education, 2004

Regions	2004	2005	2006	2007	2008
Northern	43.7	54.7	54.6	80.7	77.8
Upper East	34.3	44.5	44.4	66.6	64.9
Upper West	37.8	47.3	40.7	69.4	67.2
National	52.3	64.9	76.2	101.2	106.5

Source: Author, based on GES Internal Budget Books

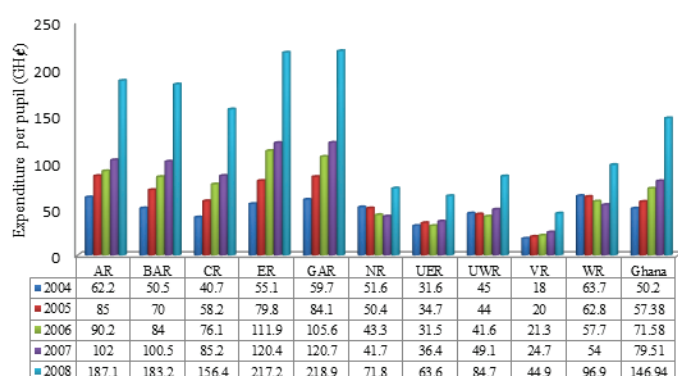
However, it was in the area of actual government spending that the relatively deprived northern regions were even more marginalised. Figure 2 shows that annual per child expenditures in northern Ghana consistently fell below the national average during the period 2004-2008, except for the Northern Region in 2004. The most marginalised of all the ten regions during this period was the Volta Region, with per capita expenditure in 2008 at GH¢45 compared to a national average of

GH¢147 and over GH¢200 in both the Ashanti and Greater Accra regions (see Figure 2).

The extent of under-spending in northern Ghana is also evident, with per-child spending in the two Upper regions more than 100 percent lower than the national average in 2008. These findings corroborate one World Bank study at the time, which found that the poor in the Northern and Upper East regions received less than 30 percent of the resources per primary school pupil compared to their southern counterparts. In effect, the rhetorical commitment of political elites to enhancing equitable access to education is belied by the evidence.

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Figure 2: Regional per child expenditure (in GH¢) for basic education, 2004-2008



A comparison of the percentage differences between the regional budgetary allocations and actual expenditures reveals that a major source of these inequities relates to substantial deviations between budgeted sums and actual resources released (Table 2.) Importantly, our evidence suggests that while budgetary allocations in the education sector are often somewhat informed by equity considerations, actual expenditure distribution do not. Here, influential public officials often set aside what the budgets propose and dispose of public monies according to quite other decision processes.

Figure 3 sheds more light on the extent of regional inequities in educational subsidies by reporting the extent to which per capita expenditure in each region

either exceeded or fell below the national average during the 2000s. It shows that in 2008, the per-pupil spending in both the Eastern and Greater Accra regions was more than 34 percent higher than the national average, but was over 200 percent lower than the average in the Volta Region.

Figure 3: Difference (%) of GoG per child spending from national average by region, 2004-2008.

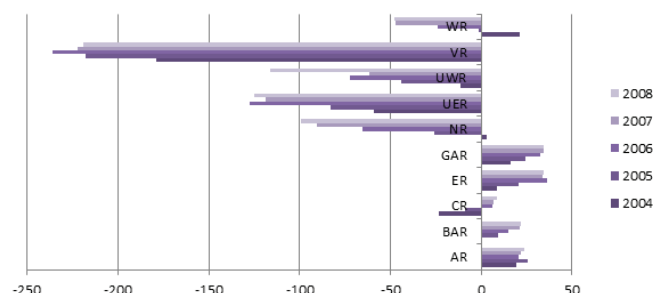


Table 2: Deviations between budgetary allocations and actual basic education expenditures, per cent, 2004-2008

Regions	2004	2005	2006	2007	2008	Average
Ashanti	3.2	19	19.3	-9.7	60.7	18.5
B/Ahafo	-16.1	-8.3	6.7	-13.5	52.4	4.2
Central	-17	-5.8	14.7	-12.9	54.1	6.6
Eastern	-9.2	4	23.3	-9.6	61.2	13.9
G/ Accra	10.9	37.1	-29.3	11.5	98	25.6
Volta	-69.8	-7.4	-73.5	-79.6	-63.2	-58.7
Western	65.4	-81.1	-7.6	-12.5	29.1	-1.3
Northern	17.9	-7.6	-20.7	-48.3	-7.7	-13.3
U/ East	-7.9	-22	-29.1	-45.4	-2	-21.3
U/ West	18.9	-7.2	2.4	-29.2	26.1	2.2
National	-4	-11.5	-6.1	4.3	49.4	6.4

Source: Actual expenditure data was obtained from the Accounts Office of the Ghana Education Office (GES) in Accra; while the budgetary allocations for each region were extracted from the GES Annual internal budget books available at the GES Budget Office (Accra).

Note: Positive values show the magnitude of funding gained in excess of budgetary allocations, while negative values depict the magnitude of funding lost.

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Conclusion and Policy Implications

- Ghana has long been characterised by significant regional inequalities with regard to education, with the three northern regions lagging in terms of income poverty and human development. However, despite

the rhetoric of inclusive national development that characterises political discourse in Ghana, public expenditures have seldom been targeted directly at the problem.

- An important source of the persistently high levels of educational inequalities in Ghana relates to the regressive character of public spending in the education sector. Despite high levels of rhetoric of bridging the north-south gaps in educational attainment, actual patterns of public spending in basic education have remained largely regressive, disproportionately favouring relatively endowed areas while short-changing the poorest. It is thus imperative that the allocation of national resources be more equitable and progressive; only through this can we expect the historical north-south educational inequalities to be bridged and thereby, enhance the capacity of the north to contribute more meaningfully to aggregate national economic growth and development.
- Ghana's annual basic education budgets have very little bearing on reality, and there are regularly large deviations between the estimates in the budget and the actual patterns of public spending. This arises mainly from the tendency of influential public officials to set aside the annual budgets and dispose of public monies according to quite other decision processes. Consequently, while budgetary allocations are often guided by equity considerations, patterns of actual spending are not.
- Importantly, the inclusiveness of educational outcomes are determined not by how budgets are allocated, but more importantly about how resources are actually distributed and spent on the ground. Stakeholders interested in fostering inclusive educational outcomes in Ghana should, therefore, take keen interest in tracking patterns of government educational expenditures in relatively deprived regions and districts. Without this, merely focussing on what the annual budgets say can hide the real factors that reinforce the historical inequalities within Ghana's education sector.
- Political parties in Ghana's Fourth Republic have increasingly resorted to affirmative action policies and programmes (e.g. SADA) as the main tool for redressing historical socio-economic imbalances in development, including in the area of education. In the absence of equitable public spending through the annual budgets, such short-term affirmative action initiatives are unlikely to have any significant impact on a sustained basis.

Further Readings

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About this Brief

The UGBS Policy Brief Series are generated from published research papers on topical issues by faculty members of the School. The Series are part of the School's efforts in contributing to policy issues that are critical to national and international development. This Policy Brief was produced from a paper published by *African Affairs* in January, 2016 under the title 'The Politics of Development under Competitive Clientelism: Insights from Ghana's Education Sector'. The original version of the paper was published by Dr. Abdul-Gafaru Abdulai and Prof. Sam Hickey from the UGBS and University of Manchester respectively.

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