

CHAPTER 6

GHANA'S POVERTY ALLEVIATION STRATEGY: PROMISING START, BUT BLEAK FUTURE?

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Abstract

The construction of Ghana's poverty alleviation architecture (GPAA) is a clear demonstration of the country's commitment to address food insecurity and large-scale poverty. Central to the GPAA is the introduction of substantial socio-economic policy reforms targeted at the (largely rural) poor, which includes the flagship Livelihood Empowerment Against Poverty (LEAP) cash transfer scheme, 'capitation grants' to expand free primary education and a school feeding programme. In addition, the state reformed the contributory pensions system from a (colonial-era unfunded) single statutory defined-benefit scheme to a new system with additional mandatory (and voluntary privately-administered) 'tiers' supplement the statutory scheme. Nonetheless, to adopt a poverty alleviation strategy is one thing, but to implement it is another. As the large scale poverty in rural and urban centres have shown, aside from political manipulation of resource allocations (for intra-party factional and electoral purposes), all of these initiatives have been confronted with substantial operational setbacks and allegations of 'resource-leakages'. In many respects, the impact of these interventions have been disappointing: the LEAP and school feeding programmes benefits only a handful of the food poor and the 'third tier' of the new pension system has failed to attract a large section of the informal sector. This chapter discusses how the GPAA can be efficiently operationalised to address the drivers of hunger and poverty in Ghana.

1 Introduction

Poverty alleviation strategy (PAS) is a form of intervention by a government to alleviate its population from severe socio-economic deprivation.¹ In most cases, the funds for PAS are often derived from public contributions and/or taxes. Consequently, PAS is often riddled with financial setbacks especially in regimes where majority of the population is living under poverty. Yet, irrespective of this setback, the launch of PAS in any regime (democratic or autocratic) is a necessary safety net to safeguard individuals from negative impacts of price surges in

1 A Fraser 'Poverty reduction strategy papers: Now who calls the shots?' (2005) 32 *Review of African Political Economy* 317.

basic necessities such as food, water, health care, housing and electricity. It is against this backdrop that Ghana launched an overarching PAS reforms from the early 2000s.² Among the range of interventions is the National Social Protection Strategy (NSPS) which (as its name implies) aims at building a safety net to protect citizens from the adverse effect of poverty. It is important to indicate that virtually all Ghana's poverty alleviation strategies were launched in the course of the country's democratic regime after decades of political and economic mayhem.³

In 1966, a joint military-police *coup d'état* led by Col EK Kotoka and Major AA Afrifa overthrew the leftist independence leader Kwame Nkrumah's regime which had declared a one-party state in 1964. Between 1967 and 1981, the country was plagued with a series of further coups and brief intermittent return to democracy. As touted by Boafo-Arthur, within this period, the country recorded one 'palace *coup*' with four successful military coups which were subsequently stabilised in 1981 under JJ Rawling's People's National Defence Council (PNDC).⁴

In 1992, the country was ushered into the so-called 'Fourth Republic' with parliamentary and presidential elections, with the incumbent (PNDC military regime now transformed into a political party termed) National Democratic Congress (NDC) retaining the presidential seat. Ironically, although the Rawling's regime had administered World Bank/International Monetary Fund (IMF) sponsored 'structural adjustment' macroeconomic policies from 1983, it won the elections on its populist and 'socialist' rhetoric. The opposition pro-market New Patriotic Party (NPP) in 2000 won exactly half of the seats in parliament with its leading candidate, JA Kufuor winning the presidential election.⁵

Akin to other (West) African states, political debates prior to elections in Ghana are often fierce, thereby culminating into competitive polls.⁶ It was in this light that Gyima-Boadi and Prempeh mooted that while allegations of vote rigging as well as pre-and post-ballot vote violence are occasionally recorded in some constituencies, electoral processes in Ghana

2 S Hickey & G Mohan 'The politics of establishing pro-poor accountability: What can poverty reduction strategies achieve?' (2008) 15 *Review of International Political Economy* 234.

3 S Hickey 'Conceptualising the politics of social protection in Africa' (2007) *BWPI Working Paper* <http://ssrn.com/abstract=1204542> (accessed 30 November 2016).

4 K Boafo-Arthur 'Structural adjustment, democratization, and the politics of continuity' (1999) 42 *African Studies Review* 41.

5 It must be noted that the NPP traces its roots to the main opposition leader to Nkrumah's regime, JB Danquah in the 1950s and early 1960s, as well as the short-lived 1969-1972 civilian regime of Dr Busia's Progress Party, within which JA Kufuor was a junior minister.

6 The power given to the Ghanaian people to elect their leaders translates to the power to have a voice in the decision-making of the nation.

have (by and large) have significantly contributed to democratic consolidation.⁷

After the NDC's John Mahama failed to secure a second term of office like all his predecessors, the NPP in 2016 regained the reins of power by winning majority seats in parliament as well as their presidential candidate Nana Akuffo-Addo winning the presidential election. It could be said that Ghana remains one of the few states in Africa to have passed the democratic test of 'two peaceful transitions of power'.⁸

In terms of poverty eradication, both the NDC and NPP have attempted to build on initiatives inherited from the colonial and post-colonial administration. For instance, in 1992, the Rawling's regime undertook some reforms to improve the contributory pensions system launched in the colonial era and inherited by the Nkrumah administration. Between the years 2000 and 2008, the NPP embarked on large-scale poverty alleviation strategy with the introduction of the first substantial direct cash transfer scheme (otherwise termed the Livelihood Empowerment Against Poverty (LEAP)), the school feeding programme, the National Health Insurance Scheme (NHIS) for premium-paying workers (and eventually premium exemption for 'indigents', children and pregnant women) as well as a reform of the contributory pensions system.⁹ The expansion and operationalisation of most of these interventions (including the LEAP and pension reforms) occurred after President Mills of the NDC took over the reins of power in 2009.

The objective of this paper is to set out the various poverty eradication interventions in Ghana, their constraints and how they could be effectively operationalised to address the various socio-economic needs of citizens. The paper begins by providing brief historical account of poverty alleviation strategy in the (post)colonial era and then contextualises PAS within the structure of the economic inequalities between the Southern and Northern parts of Ghana. The paper then turns to assess some of the substantial PAS launched by the state which includes the LEAP, the Ghana School Feeding Programme (GSFP), NHIS and Social Security and National Insurance Trust (SSNIT). Given that this paper seeks to map out the constraints and prospects of PAS in Ghana, an overview of these interventions are in order to provide a platform for the assessment in the second part of this paper. The last part of the paper will consider the challenges confronting the operationalisation of these interventions and recommend possible ways in which to improve their effectiveness.

7 E Gyimah-Boadi & HK Prempeh 'Oil, politics, and Ghana's democracy' (2012) 23(3) *Journal of Democracy* 98.

8 Gyimah-Boadi & Prempeh (n 7 above) 101.

9 S Bowden & P Mosley 'Politics, public expenditure and the evolution of poverty in Africa, 1920-2009' (2012) *Sheffield Economic Research Paper*, Sheffield: Department of Economics, University of Sheffield 4.

2 History of Ghana's poverty alleviation strategy

During the colonial era, Gold Coast (akin to other British colonies in the rest of Africa) witnessed the operationalisation of very few formal pro-poor initiatives, given that the domestic policy of the British was centred on the development of agriculture for export purposes. With the socio-economic welfare and protection of the individual not seen as the responsibility of the colonisers, it became the obligation of the community and kin to provide the material needs of individuals.¹⁰

2.1 Post-colonial poverty alleviation interventions

In the early post-colonial era, the extended family continued to serve as the safety net by providing the financial and material needs to deprived members of the family.¹¹ Relatives were responsible for (rural and extended) family care (in other words, the sustenance of the old and vulnerable members of the family).¹² It was the obligation of adults to provide funds or the material needs of the children and elderly members of their clan or extended family. The norm thus, was that while the elderly provided the material needs of the children, it is expected that the latter will reciprocate this gesture when their elders retire.¹³

Nonetheless, the extended family system got weakened in the late 1970s, particularly in view of the rise of modern society and urbanisation. With the migration of younger families into the urban centres, old and unemployed members of the family were cut off the support of the informal and traditional social protection system.¹⁴ Consequently, in the 1970s, Ghana launched different forms of pro-poor interventions which sought to provide universal access to basic amenities, including healthcare, education and pension funds. As argued by Luiz, in contrast to most African states, Ghana was one of the few to launch a universal unemployment benefits and expand the coverage of social insurance for the aged.¹⁵ For instance, in contrast to some other African countries like Zambia, the number of individuals receiving unemployment benefits in the

10 NA Apt 'Ageing and the changing role of the family and community: An African perspective' (2002) 55 *International Social Security Review* 41.

11 NA Apt 'Support sources and well-being of the elderly in Ghana' (1986) 19 *Zeitschrift Fur Gerontologie* 90.

12 H Dei 'Public pension fund management in Ghana' (2001) http://www1.worldbank.org/finance/assets/images/Henry_Dei_Paper_-_Ghana.pdf (accessed 30 November 2016) 3.

13 A Barrientos, M Gorman & A Heslop 'Old age poverty in developing countries: Contributions and dependence in later life' (2003) 31 *World Development* 557.

14 In view of this gap, a new form of poverty alleviation strategy emerged, particularly from religious networks and secular welfare organisations such as international non-governmental organisations (NGOs), missionaries and churches.

15 JM Luiz 'A Review of social welfare in sub-Saharan Africa: From the colonial legacy to the millennium development goals' (2013) 32 *Economic Papers: A Journal of Applied Economics and Policy* 114.

1970s was approximately 6percent much higher in Ghana, than its 'settler' African counterparts like Zambia.¹⁶ Although these interventions had noble objectives, most deprived Ghanaians were still excluded.¹⁷ A typical example was the exclusion of unemployed women and youth from the benefits of the programme which simultaneous plunged many into lifelong poverty with all its negative impacts. The next section turns to assess key poverty alleviation strategy and their specific contributions to the socio-economic wellbeing of Ghanaians.

2.2 Pro-poor policies in pre-and post-democratisation

Following the overthrow of the Nkrumah regime in 1966, the various military rulers who experimented with statist policies till 1980, failed to develop sustained economic policies or efficient taxation of export commodities (timber, cocoa and gold) to support pro-poor programmes.¹⁸ By the time of Rawlings coup in 1981, the country was in a dire economic situation, on the brink of a sovereign debt default, had an overvalued currency, high inflation with export earnings, import volumes and real Gross Domestic Product (GDP) per capita having plummeted.¹⁹ The following year, the Rawlings' administration turned to the Bretton Woods institutions for assistance; given that the country's economic conditions had further worsened.²⁰

In April 1983, Ghana initiated an IMF-designed recovery plan, also termed as Structural Adjustment Programme (SAP) which included among others cutting spending on poverty alleviation strategies, retrenching public servants and reducing expenditure on social services.²¹ Although the SAP has been highly criticised in several quarters as being the primary cause of poverty, spatial disparities and inequalities in several less developed and developing countries, as in the case of Ghana, it triggered immense economic growth between 1984-9, particularly in the manufacturing, trade and agricultural sectors.²² From the late 1980s to the 2000s, real annual GDP witnessed a 5.7 percentage surge from its initial 1.4 per cent in the 1970s.²³ With the GDP surging, so did the quality of life of most Ghanaians also improved, given that the economic prosperity

16 Luiz (n 15 above).

17 A Barrientos & P Lloyd-Sherlock 'Older and poorer? Aging and poverty in the south' (2002) 14 *Journal of International Development* 1129.

18 Luiz (n 15 above) 121.

19 EFA Cooke, S Hague, J Cockburn, AR El Lagha, & L Tiberti 'Estimating the impact on poverty of Ghana's fuel subsidy reform and a mitigating response' (2014) UNICEF Working Paper 2014. Accra: UNICEF 02.

20 J Kraus 'The struggle over structural Adjustment in Ghana' (1991) 38 *Africa Today* 21.

21 K Konadu-Agyemang 'The best of times and the worst of times: Structural adjustment programs and uneven development in Africa: The case of Ghana' (2000) 52 *The Professional Geographer* 474.

22 Kraus (n 20 above) 28.

23 World Bank 'World development indicators: Ghana: World development indicators' (2014) <http://data.worldbank.org/country/ghana> (accessed 30 November 2016).

provided adequate financial space for the state to reform and expand social welfare.²⁴

Yet, financial contraction in the course of the SAP did impose considerable painful impacts on the living standards of many Ghanaians, which led to low primary school enrolment (mainly due to the introduction of user fees in primary education, as well as dismissal of large numbers of public sector workers).²⁵ According to Kraus, the rising ranks of dismissed and unemployed workers in the public sector due to the SAP triggered severe opposition from a great many Ghanaians including trade unionists, students, workers, civil servants and intellectuals.²⁶ Arguably, this opposition played a key role in unleashing the social forces that forced the Rawlings' military regime to usher in the country's Fourth Republic.

3 Poverty alleviation strategies (2000-2017)

The main objective of this section is to set out government's programmes tailored to build up sufficient and efficient safety nets for the poor. Among the most dominant of these programmes are the SSNIT, the Ghana Growth and Poverty Reduction Strategy (GPRS), the school feeding programme and the LEAP social grant scheme. This section will dedicate few paragraphs to briefly explain the nature and features of each of these interventions.

3.1 Social Security and National Insurance Trust (SSNIT)

After the adoption of the Social Security Act in 1965, a nationwide Social Security Scheme (SSS) was established to provide payments for death-survivor's, invalidity and old age benefits. In 1991, the SSS was renamed the Social Security and National Insurance Trust (SSNIT) through the operationisation of the Social Security Law (SSL) Akinto the SSS, the SSL provided (i) death-survivors payment (ii) invalidity pension and (iii) old age pension.²⁷ The SSL stipulated that there should be 17.5 per cent total contributions of the monthly worker's salaries, with 12.5 per cent by the employer and 5 per cent paid by the employee.²⁸ The self-employed, on the

24 J Seekings 'The politics of social policy in Africa' in N Cheeseman, D Anderson & A Scheibler (eds) *Routledge handbook of African politics* (2013) 309.

25 Konadu-Agyemang (n 21 above) 483.

26 Kraus (n 20 above) 31.

27 D Craig & D Porter 'Poverty reduction strategy papers: A new convergence' (2003) 31 *World Development* 56.

28 MW Kpessa 'The politics of retirement income security policy in Ghana: Historical trajectories and transformative capabilities' (2011) 5 *African Journal of Political Science and International Relations* 94.

one hand, is expected to make the whole 17.5 per cent total contributions by themselves.²⁹

In 2010, the National Pensions Act (Act 766) which provides for the establishment of a National Pension Regulatory Authority (NPRA) was launched.³⁰ The Act established a three-tier scheme based on the following: (i) defined benefit scheme: a mandatory basic national social security system; (ii) defined contribution scheme: a mandatory privately managed and fully funded occupational pension scheme; (iii) defined contribution scheme: a voluntary personal pension scheme, privately managed and fully funded provident fund. Unlike the first and second-tiers, the third tier was newly established in 2010.³¹ The latter arm of the scheme is specifically designed for employers in the informal sector, given that they are neither covered in the first nor the second tiers. Nonetheless, employees already covered in the mandatory first and second-tiers may voluntarily join the third-tier. The introduction of the third-tier is significant for the country's poverty eradication effort since about 80 per cent of employees in Ghana work in the informal sector.³² The informal workers have two different accounts: (i) the retirement account and (ii) the personal savings account (which allows employees to receive benefits prior to their retirement).³³

The 2010 Act simultaneously increased the SSNIT contributions to 18.5 per cent from its previous 17.5 per cent of the monthly worker's salary. From the 18.5 per cent contribution, 13.5 per cent goes to the mandatory first-tier, while 5 per cent is allocated to the second-tier (privately mandatory contribution). Subsequently, 11 per cent of the worker's 13.5 per cent contribution goes to the contributor's pension and the extra 2.5 per cent to the NHIS Levy for purposes of health care.³⁴

After January 2016, pensioners already on the SSNIT receive a minimum monthly pension benefit of GHS334.81 while new pensioners from 2017 will receive minimum monthly benefit of GHS276.³⁵ On the whole, there has been 18 per cent increment in 2017 compared to 20 per cent increment in 2016.³⁶ According to SSNIT's Evangeline Amagashie, '[t]here is a fixed rate of 15% which everybody is going to collect of

29 E Grebe 'The politics of social protection in a competitive African democracy: Explaining social protection policy reform in Ghana (2000-2014)' (2015) CSSR Working Paper No 361. Cape Town: Centre for Social Science Research, University of Cape Town 2.

30 National Pensions Act 766 of 2008.

31 According to the National Pension Regulatory Authority, the maximum age to join the SSNIT is 45 years while the minimum age is 15 years.

32 Grebe (n 29 above) 10.

33 MW Kpessa 'Retirement income security under Ghana's three-tier pension model: Assessment of risks and options for reform' (2011) 16 *Pensions: An International Journal* 128.

34 Presently, there are over 90 000 contributors from the informal sector.

35 Grebe (n 29 above) 11.

36 Citifmonline.com 'SSNIT increases pension benefits by 18%' 3 January 2017.

whatever salary [they] are earning plus GHS 17.41.³⁷ It must be indicated that under the present economic conditions, these amounts can hardly sustain an individual in the course of a month.³⁸

3.2 Ghana Growth and Poverty Reduction Strategy and National Social Protection Strategy

In order to counteract extreme poverty and exclusion, the government in 2007 launched two overarching PAS, namely, the Ghana Growth and Poverty Reduction Strategy (GPRS) (which essentially is built up of GPRS I and II) and the National Social Protection Strategy (NSPS). The GPRS I, operational between 2002-2005 was aimed at achieving the UN Millennium Development Goals (MDGs) through the establishment of special programmes for the excluded and vulnerable individuals, such as persons with disability, orphans and the aged.³⁹ When the GPRS I failed to achieve these objectives, the GPRS II (2006-2009) was launched with a focus on Ghana becoming a middle income country, and with economic growth that could generate sufficient jobs by 2015. Yet, as indicated by the Gareth Jones and Sylvia Chant, the second GPRS equally failed to realise its aspiration.⁴⁰

The NSPS on the other hand was launched in 2007/2008 with three cardinal strategies to achieve the first goal of the MDGs, specifically tackling extreme poverty. The three objectives of the NSPS are (i) improving the NHIS; (ii) establishing the LEAP; and (iii) improving existing pro-poor programmes. The next section takes a closer look at these two strategies.

3.3 National Health Insurance Scheme

Based on the National Health Insurance Scheme Act (Act 650), the government in 2003 launched the NHIS to 'provide basic healthcare services to persons'.⁴¹ Besides seeking to provide timely treatment, the NHIS was established to replace the previous cash and carry system which required individuals to make financial payment before they could receive

37 Cited in Citifmonline.com (n 36 above).

38 P Lloyd-Sherlock 'Old age and poverty in developing countries: New policy changes' (2000) 28 *World Development* 2158.

39 Grebe (n 29 above) 8.

40 G Jones & S Chant 'Globalising initiatives for gender equality and poverty reduction: exploring "failure" with reference to education and work among urban youth in The Gambia and Ghana' (2009) 40.2 *Geoforum* 194.

41 C Gbedemah, N Jones & P Pereznieta 'Gendered risks, poverty and vulnerability in Ghana: is the LEAP cash transfer programme making a difference?' (2010) <http://www.odi.org.uk/resources/details.asp?id=5144&title=ghana-social-protection-cash-transfers-gender-leap> (accessed 29 November 2016) 2.

medical treatment.⁴² The scheme enables members to benefit from 'general outpatient services, inpatient services, oral health, eye care, emergencies and maternity care, including prenatal care, normal delivery, and some complicated deliveries'.⁴³

The NHIS is financed from both state and individual contributions. To be exact, it draws on (i) funds from the state allocated by parliament, (ii) the premiums of subscribers, (iii) returns from investments, (iv) 2.5 per cent SSNIT deductions from the formal sector; and (v) 2.5 per cent NHIS Levy on goods and services.⁴⁴

The annual contributions to NHIS are based on ones level of income.⁴⁵ The very rich or rich persons pay GHS480, a middle income earner pays GHS 180 and the very poor or poor person contributes GHS 72. Yet, considering that some poor could still not afford the contribution, the government in May 2008 created a fourth category which made (i) the core poor, (ii) pregnant women, (iii) children under the age of 18 years to receive free membership to the health insurance.⁴⁶ The contributions for the fourth category are drawn from the National Health Insurance Fund.⁴⁷

The NHIS provides three different types of health insurance schemes, namely the (i) private commercial health insurance scheme for a specific group of people who have built their own mutual health insurance schemes; (ii) private mutual health insurance scheme which provides voluntary and private health scheme for every person; and (iii) the district-wide mutual health insurance scheme which is restricted to residents or members in a particular district. To ensure that all the poor persons across the country are given equal opportunity to benefit from the third scheme, the districts in the country have been partitioned into health insurance communities where each beneficiary is given a card thereby enabling them to access health care without direct payments.

In about three months after registration (and full payment of contributions), the beneficiaries are presented with health facility attendance cards, and most importantly health insurance identification to

42 IA Agyepong & S Adjei 'Public social policy development and implementation: a case study of the Ghana National Health Insurance scheme' (2008) 23 *Health Policy Plan* 151.

43 ILO 'Extending social security to all – A guide through challenges and options' (2010) <http://www.ilo.org/public/english/protection/secsoc/downloads/policy/guide.pdf> (accessed 29 November 2016) 4-5.

44 NHIS 'Health insurance reforms' (2017) www.nhis.gov.gh (accessed 26 May 2017).

45 AA Arhin 'Promising start, but bleak future? Progress of Ghana's national health insurance schemes towards universal health coverage' (2013) 3 *Developing Country Studies* 155.

46 S Witter & B Garshong 'Something old or something new? Social health insurance in Ghana' (2009) *BMC International Health and Human Rights* 5.

47 G Schieber, C Cashin, K Saleh & R Lavado 'Health financing in Ghana' (2012) Washington, DC: World Bank 6.

enable them access health care. The three months waiting period is however worrying, especially considering that an individual may get sick during the waiting period and still cannot access healthcare based on the health insurance scheme.

Besides the waiting the period, there is also a problem of access. The NHIS is district-based, and upon registration in a particular district, one could only receive treatment within that district and not anywhere else.⁴⁸ The NHIS could thus be concluded as not well-thought-out since a beneficiary cannot benefit from the scheme if an individual is outside the boundaries of the district of registration.⁴⁹

After the rendering of a service to a NHIS patient, the clinic or hospital sends the bill to the beneficiary's scheme provider which will then make the payment to the service provider. This practice is applicable in both the private mutual health insurance scheme and the private commercial health insurance scheme.⁵⁰ However, The National Health Insurance Authority (NHIA) (responsible for the payments of NHIS to health providers) has been criticised by several District Mutual Health Schemes (DMHS) for late disbursement of funds.⁵¹ Given that hospitals and other health care facilities depend on the financial support from the NHIA to hire health personnel, buy medical supplies and technologies, the late payment of funds to the DMHS adversely affects the quality of healthcare and in some cases, might result in the refusal of medical treatments to NHIS patients.⁵²

Figure 1: Annual NHIS contribution per individuals based on social status

Person	Annual Contribution
Very Rich/ Rich	GHS 480
Middle income	GHS 180
Very poor/ Poor	GHS 72
Core poor	Free

The specific definitions of the classification are set out under the NHIS.⁵³

48 F Nyonator, A Oforu, M Segbafah & S d'Almeida 'Monitoring and evaluating progress towards universal health coverage in Ghana' (2014) 11 *PLOS Medicine* 91.

49 L Whitfield 'Trustees of development from conditionality to governance: poverty reduction strategy papers in Ghana' (2005) 43 *The Journal of Modern African Studies* 641.

50 P Apoya & A Marriott 'Achieving a shared goal: Free universal health care in Ghana' (2011) 1.

51 C Rademacher-Schulz & E Salifu Mahama "'Where the rain falls" project case study: Ghana Report No 3' (2012) Bonn: United Nations University Institute for Environment and Human Security (UNU-EHS) 7.

52 R Baidoo 'Toward a comprehensive healthcare system in Ghana' (2009) 8, <http://etd.ohiolink.edu/view.cgi/Baidoo%20Rhodoline.pdf?ohiou1237304137> (accessed 29 November 2016).

3.4 Child-centred programmes

3.4.1 *The capitation grant*

The introduction of the new 'Capitation Grant' (CP) in 2004 was another ground-breaking initiative of the state which amounted to the total abolition of primarily school fees. This was targeted at attaining the goal of 'universal access to basic education' as set out in the MDGs and the GPRS II.⁵⁴ To enable the abolition of school registration fees by public primary schools (initially in poor districts), the programme extends grants to basic schools in lieu of school fee income.⁵⁵ According to Ampratwum and Armah-Attoh, although the state in partnership with the World Bank's Primary Social Development Project in 1995 launched a policy of free compulsory basic education, the initiative was a failure considering that 50 per cent of primarily school aged children still remained out of school.⁵⁶

In the 2005/06 academic year, the CP was expanded to all registered public primary schools with a fixed amount transferred to these schools from the Ministry of Finance based on their enrolment figures.⁵⁷

Akin to previous PAS, the CP was equally riddled with operational setbacks, especially in terms of funding 'leakages'.⁵⁸ In their sampled survey of schools, Ampratwum and Armah-Attoh found that while the CP has increased the rates of children in primary school, there has been a decline in the quality of education with the grant on each child not substantially increased.⁵⁹

3.4.2 *The school feeding programme*

In an attempt to contribute to poverty reduction and food security, the government in partnership with donors (specifically the Government of the Netherlands) in 2005 launched the Ghana School Feeding Programme (GSFP). The initiative was introduced as part of the state's measures to meet the MDGs targets on universal primary education, poverty and

53 Baidoo (n 52 above).

54 E Ampratwum & D Armah-Attoh 'Tracking capitation grant in public primary schools in Ghana' (2010) *CDD-Ghana Briefing Paper* 10, Accra: Ghana Centre for Democratic Development 1.

55 K Akyeampong, J Djangmah, A Oduro, A Seidu & F Hunt 'Access to basic education in Ghana: The evidence and the issues country analytic report' (2007) Sussex: Consortium for Research on Educational Access, Transitions and Equity 3.

56 Ampratwum & Armah-Attoh (n 54 above) 2.

57 Ampratwum & Armah-Attoh (n 54 above) 47.

58 Funding 'leakages' may be defined as differences between resources transferred at a higher level (including between funds transferred to District Education Offices and those transferred to beneficiary schools).

59 Ampratwum & Armah-Attoh (n 54 above) 47-48.

hunger.⁶⁰ The initiative which begun with ten pilot schools in each of the ten regions, now covers about 1698 public schools nationwide.⁶¹ The programme provides one hot and nutritious meal per day to around 700 000 children in the country.⁶²

The cardinal objectives of the programme are plethora, but most importantly to (i) reduce chronic hunger and malnutrition, (ii) increase local food production, and (iii) increase school enrolment, attendance and retention.⁶³ In order to achieve these objectives holistically, pupils in deprived kindergarten and basic schools across the country are provided with meals prepared from locally produced crops. Although the programme was scheduled to end in 2010, subsequent regimes have retained it till now.⁶⁴

The school feeding programme and the CP can therefore be perceived as a two-pronged approach to combat food and nutrition insecurity among children aged between 6 to 11 and concurrently increase primarily school enrolment (with the expectation of some spin-off gains to local economies and communities depending on food production).

According to Abdulai, although these two child-centred interventions hold some potentials to address poverty and hunger, their politicisation by the two main political parties, specifically in terms of spending allocations have countered their effectiveness.⁶⁵ Inconsistent with poverty and stated developmental targeting goals, both the NPP regime which launched the intervention and the successive NDC government seem to favour some districts and regions in per capital spending allocations.⁶⁶ For instance, while the NPP demonstrates a disproportionate government expenditure on education in the Ashanti region, the NDC replicated this practice in the Volta region.⁶⁷ This 'patrimonialist' or 'clientelistic' dimension to allocation of resources has negatively impacted on the effectiveness of these programmes.

60 AG Abdulai 'The political challenge of protecting the poorest: insights from the Ghana School Feeding Programme' (2014) Paper presented at the Second UGBS Conference on Business and Development, Accra, Ghana 27.

61 Abdulai (n 60 above).

62 Grebe (n 29 above) 12.

63 WFP 'Comprehensive food security & vulnerability analysis: Ghana 2012 (Executive Brief)' (2012) Accra: World Food Programme 3.

64 Abdulai (n 60 above).

65 AG Abdulai 'The politics of educational inequality in Ghana' (2014) Paper presented at the 7th Annual Africa workshop on the theme: 'Distributive Goods and Distributive Politics', American Political Science Association, Maputo, Mozambique 40.

66 E Ampratwum, D Armah-Attoh & MA Ashon 'Public expenditure tracking survey in education: Tracking possible leakages in the distribution of textbooks in public primary schools in Ghana' (2012) CDD-Ghana Research Paper No 20. Accra: Ghana Centre for Democratic Development 13.

67 SI Lindberg 'It's our time to "chop": Do elections in Africa feed neopatrimonialism rather than counter-act it?' (2003) 10 *Democratization* 124.

3.5 Livelihood Empowerment against Poverty (LEAP)

The first form of social grant scheme or direct cash transfer in Ghana is the LEAP. Although this income support scheme had one key limitation (regarding the relatively small number of recipients reached), it is historic given that it is the first domestically-initiated intervention to provide fiscal support to indigenes currently. LEAP was launched by the NPP administration not long before the 2008 (presidential and parliamentary) elections.⁶⁸ The timing of this initiative, arguably suggests that electoral considerations may well have played a key role in policy-making.⁶⁹

A striking feature of the LEAP programme however, is that (although donors, most prominently the United Nations Children's Fund (UNICEF) and the United Kingdom's Department for International Development (DFID) were involved in its design) it is largely a domestic initiative. While donors (including a World Bank loan and DFID grant) came on board later, the programme was initially funded mainly from the fiscus or general government expenditure.⁷⁰

Yet, due to the 2008 global price spikes in food and fuel, donors (specifically the government of Brazil, International Labour Organisation, World Bank, and UNICEF) are collaborating with government to expand the reach of the programme to other poor households.⁷¹ Thus by 2012, 50 per cent of the yearly US\$20m LEAP budget was borne by donors while the remaining 50 per cent was drawn from general government expenditure.⁷² By late 2014, the United States Agency for International Development (USAID) came on board as a major donor to support government's effort at expanding the programme to provide benefits to pregnant women and infants.⁷³

Starting as a 5-year pilot programme from 2008 to 2012 (and now in its second phase from 2013-2017), LEAP is aimed at cutting down on poverty by providing financial support to people with disabilities, the aged (65 years and above) and orphans or vulnerable children. This programme is unique considering that it is the first of its kind in the country to provide direct cash transfer to these vulnerable groups. By 2016, approximately

68 FAO 'Impacts of the LEAP programme on the local economy in Ghana' (2013) PtoP Research Brief. Rome: Food and Agriculture Organisation of the United Nations 5.

69 S Handa, M Park, R Darko Osei, I Osei-Akoto, B Davis & S Daidone 'Livelihood Empowerment Against Poverty Programme: Impact evaluation' (2014) Chapel Hill, NC: Carolina Population Center, University of North Carolina at Chapel Hill 1.

70 By 2012, approximately USD10m yearly expenditure.

71 M Park, S Handa, R Darko Osei & I Osei-Akoto 'Livelihood Empowerment Against Poverty Program: Assessment of LEAP operations' (2012) Chapel Hill, NC: Carolina Population Center, University of North Carolina at Chapel Hill 12.

72 E Grebe 'The evolution of social protection policy in Ghana's 'Fourth Republic': Contributory social insurance reform and limited social assistance for the 'extreme poor' under NPP and NDC governments, 2000-2014' 28.

73 Grebe (n 72 above).

45 000 households in 120 of the Ghana's 170 districts were beneficiaries of the programme. The criteria for the selection of a needy household are based on a combination of the presence of any one of the aforementioned three categories of vulnerable groups coupled with the poverty status of the household.⁷⁴

Benefits levels in the course of the first years of the initiative were very low. Depending on the number of needy people in the household, the project provides monthly cash transfer between GHS 8 (US\$ 2) and GHS 15 (US\$ 4) funded from government budget. These benefit levels were however tripled in 2012.⁷⁵ Whiles financial support to the aged and persons with disabilities are unconditional, support for orphans or vulnerable children are conditioned on (i) birth registration of all children, (ii) sending children to school, (iii) preventing child labour, and (iv) enrolment of family members in the NHIS. It is important to indicate that the last condition is not really a condition but an extra benefit, given that all LEAP beneficiaries have free access to the NHIS upon registration in their district office.

Besides the various interventions set out above, there are other relevant initiatives which also seek to address poverty and food insecurity.⁷⁶ Yet, considering that these programmes are less significant for the next discussion as well as the conclusion of the paper, they will not be discussed here.

4 Pro-poor interventions in Ghana: Prospects and challenges

Although Ghana has adopted several interventions to address the wanton poverty and its accompanying chronic hunger, it is important to emphasise that most of these initiatives are riddled with several constraints. It is therefore imperative to dedicate the next section to assess some of the challenges and possibly some remedies on how to make the various programmes effective tools in addressing poverty and food insecurity.

74 Grebe (n 72 above).

75 Grebe (n 72 above) 29. A household implies a single person who lives alone or a group of persons living together and 'cook and eat together'.

76 Microfinance Schemes, Supplementary Feeding Programme, Integrated Agricultural Support Programme, Capitation Grant, Emergency Management Schemes, Social Welfare Programmes and the National Youth Employment Programme.

4.1 Constraints confronting poverty alleviation strategies in Ghana

The trend of PAS in Ghana has two striking features. First, there seems to be a 'national consensus' on the necessity for a PAS, as well as the fairly high level of political commitment in the operationalisation of these interventions. Yet, in light of the occasional allegations that the PAS are abused by both parties for naked electoral purposes, especially against the backdrop of the fiscal crisis of the country, the broad cross-party consensus on the PAS raises serious questions worth interrogating.⁷⁷ The second distinctive feature is that the Ghanaian welfare policy has a strong emphasis on social insurance. Besides the existing defined-benefit and partially funded social systems, the NPP regime in 2008 introduced two additional tiers of defined-contribution and privately-administered pension schemes.⁷⁸ Moreover, the Kufour-NPP administration launched NHIS intended to be largely (financially) self-sustainable, with the objective of pursuing a universal access to healthcare. The NHIS is financed through both state-subsidised membership and premiums. Although it is a bit unusual for a country like Ghana where poverty alleviation is basically thought of as social assistance to the rural poor (increasingly through cash transfers, food aid, agricultural subsidies and inputs), it is not surprising for right-wing, pro-market political party like the NPP to adopt such premium paying insurance scheme to address the poverty situation of Ghanaians, especially in the northern part of Ghana.

Northern Ghana: Special case

The problem of deprivation is predominant in the three northern regions of Ghana, namely Northern, Upper East and Upper West regions. Huge disparity exist between the southern and northern parts of Ghana including poor level of school enrolment and infrastructure in northern Ghana.⁷⁹ It is estimated that less than 60percent of children in these regions currently attend school. Compared to the South, the infrastructure in the north is less advanced and therefore makes access to essential socio-economic services such as hospitals, schools and portable water very difficult to access.

Moreover, although Northern Ghana remains the poorest, the government's PAS barely touches the region. Consequently, the traditional social protection system as discussed in section 2 is the

77 I Aboderin 'Decline in material family support for older people in urban Ghana, Africa: Understanding processes and causes of change' (2004) 59 *Journals of Gerontology Series B-Psychological Sciences and Social Sciences* S128S137.

78 Aboderin (n 77 above) 11.

79 JA Yaro & J Hesselberg 'The contours of poverty in Northern Ghana: Policy implications for combating food insecurity' (2010) 26 *Research Review of the Institute of African Studies* 82.

prevailing norm in this part. For instance, due to the poor infrastructure (lack of doctors and/or well-equipped hospitals/clinics) in this part residents are unavailable to access (in practice) the services of the NHIS although they have the opportunity to do so. In some cases, NHIS beneficiaries have to walk long distance or wait in long queues before receiving treatment. The paper now turns to examine some of the general impediments confronting the effective operationisation of pro-poor initiatives in Ghana.

Lack of holistic benchmarks

One of the constraints which currently faces the implementation of LEAP is the question of how to appropriately target the vulnerable group to enable them benefit from the initiatives. For instance, there is no universal threshold to measure the neediness and poverty situation of a household. In addition to this, is the challenge of ensuring that the cash transfer is disbursed only to the needy household or individuals.⁸⁰

The existing inefficient target approach confronting the implementation of LEAP has led to a large section of potential beneficiaries in the LEAP been cut off. In terms of the GSFP, although the existing geographical targeting is based on chronic hunger or poverty, as well as one's lack of access to electricity, water and road as the benchmarks for selecting beneficiaries, there is a constant breach of the selection benchmark given that the operationisation of the programme is often centred on pupils in urban cities rather than poor rural schools.

It must be noted that In order to ensure an efficient poverty alleviation intervention, the targeting of people must be based on fair and holistic pillars, especially in a country like Ghana where majority of the citizens are self-employed or work in the informal sector and thus, not visible to the government. The state therefore has to develop a mechanism which would enable informal sector workers to benefit from all forms of state interventions.

Delay in payment of feeding grants

Another serious setback is the late payment of grants to some schools. For instance, in early January 2017, The Conference of Heads of Assisted Secondary Schools (CHASS) served notice of postponing reopening of schools if the state fails to defray the accumulated cost of feeding students.⁸¹ The perennial problem of unpaid feeding grants subsequently

80 J Lazarus 'Participation in poverty reduction strategy papers: reviewing the past, assessing the present and predicting the future' (2008) 29 *Third World Quarterly* 1206.

81 Citifmonline.com 'We've made part payment of feeding grants – GES' 10 January 2017.

led to students accusing government of being ‘insensitive’ to their plight, especially when they were asked ‘to stay home indefinitely over the non-payment of the feeding grants.’⁸²

Inadequate funds

Another major impediment confronting the poverty alleviation strategies have been the lack of adequate funds for their operationalisation. Consequently, the grants have not made any great impact on the conditions of the recipients given that the transfer amount is not very high and beneficiaries (especially women) do not get empowered through financial independence.

Lack of coherence

Considering that the various programmes are operationalised by different ministries and departments, they have been criticised as being fragmented and lacking alignment or coherence with each other. For instance, there is no alignment or link between the school feeding programme operationalised by the ministry of education and the LEAP which is administered by the Ministry of Gender, Children and Social Protection. The lack of cooperation between these institutions often weakens the prospects of effective targeting of beneficiaries, considering that cooperation among ministries could improve targeting and distribution of grants.

(In)equitable use of cash transfers

Besides setting out conditions (in the case of the vulnerable or orphaned children) for accessing LEAP cash transfer, the programme does not set out strict rules to ensure that disbursed grants are used more equitably. One critic has lashed out at the programme by averring that since it is perceived as a ‘free-hand-outs’ by the poor, they often waste it on frivolities.⁸³ Some have suggested that rather than providing conditional cash transfer, the grant should be transferred into industry development which would provide employment opportunities to enable the poor earn money for themselves.⁸⁴ Whereas employment to a larger extent can play a key role in addressing the plight of the impoverished, it would however, be important that the state combines employment creation with basic income,

82 Deputy Director of LEAP, Mr Lawrence Ofori-Addo, cited in Abebrese (n 8 above) 12.

83 C Amuzu, N Jones & P Perezniato ‘Gendered risks, poverty and vulnerability in Ghana: To what extent is the LEAP cash transfer programme making a difference?’ (2010) ODI, available at <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6252.pdf> (accessed 27 January 2018).

84 Amuzu *et al* (n 83 above).

particularly for those who are unable to secure placement (due to old age, disability or lack of skills).

5 Looking forward

Ghana has launched several substantial interventions in the sectors of education, health and social welfare as an attempt to address poverty and chronic hunger confronting millions of Ghanaians. While some of the programmes are working out well (for instance the school feeding programme) others are still battling with several constraints ranging from inefficient targeting of beneficiaries, inequitable use of cash transfers, delay in payment of grants, and lack of funds at the ministerial level to sustain the programmes.⁸⁵

In many respects, the impact of these interventions has also been disappointing: besides reaching a small proportion of the extremely poor, the beneficiaries of the LEAP programme have seen only modest improvements in socio-economic outcomes. The coverage of the NHIS also remains low (covers about one-third of the Ghanaian population) and the 'third tier' of the new pension scheme has failed to attract a large segment of the informal sector.

Further, apart from education-based interventions designed primarily to enhance enrolment as well as more general interventions which targets households, it seems that Ghana's poverty alleviation intervention is disproportionately targeting the working-age rather than the unemployed who receive scanty government assistance in this respect.

In order to overcome these setbacks, the government must adopt a range of measures including:

- (i) Enhance the budget of the of the implementing departments
- (ii) design a special intervention focused on northern Ghana
- (iii) Improve the infrastructure in the northern part of Ghana to enable the people access basic socio-economic facilities such as hospitals and schools
- (iv) Considering that the amount of SSNIT monthly money paid out to pensioners is relatively low compared to the contributions they make, it is imperative that the government increases the benefits to enable pensioners access basic social and economic necessities.
- (v) In the case of the NHIS, the NHIA must promptly reimburse the health providers after rendering their services to insured patients. This practice will not only boost the trust of the hospitals to continue providing

85 World Bank 'Improving the targeting of social programs in Ghana' (2012) Washington, DC: World Bank 5.

efficient services to these patients, but also encourage the people to make their contributions on time.

- (vi) The NHIA should also intensify its effort to ensure that new members of the NHIS receive their insurance card immediately after registration. This will ensure that members receive their benefits from the scheme promptly, given that a healthy body is a precursor to a successful economic activity.
- (vii) The NHIS should be broadened from the district to national level, to enable people access health care in the course of schooling or employment beyond their local district.

6 Conclusion

Given that most of the programmes commenced few years ago, and they still have to provide evidence of their value for addressing chronic hunger and poverty, it is hard at this time to give reliable prospects for the future. Yet, it is imperative to indicate that though the government of Ghana has made some noble strides in addressing poverty, there is still a lot of work to do to target more poor people and sustain the existing programmes. In sum, whereas some of Ghana's poverty alleviation strategies are not yet successful, they still serve as a role model for other (West) African countries seeking for best practice on how to address poverty and hunger. The NHIS for instance, provides a good indication on how Ghana begun on its own, a health insurance scheme without the financial assistance of any donor.