

Chapter 2

Political Environment: Stability, Public Spending and Policy

Access to and attainment of different levels of education depends on many interlocking factors coming together. Some of these are political. This chapter assesses the extent to which political stability influences educational opportunities and outcomes for Ghanaians through its effects on economic growth, public resource spending and education policy. It also explores, although to a lesser extent, how education can promote the consolidation of democratic institutions in Ghana.

Over the past three decades Ghana has been an exception in the West African coup d'état and civil war belt. Since Ghana gained independence in 1957, it has been one of the centrifugal forces of political transition on the continent. Especially over the last two decades, Ghana can be considered as one of the most politically stable countries both within West and sub-Saharan Africa. However, every country in West Africa has either gone through civil war over the past five to six decades or at the very least has not been able to maintain being (completely) politically stable (Boafo-Arthur 2008). Constantly relapsing coups and countercoups in West Africa have had catastrophic effects on the development processes of individual countries. A certain degree of political stability over time appears, however, to be a fundamental prerequisite for effective tax collection, public investments and national development—one may think of Liberia or Somalia. Large-scale conflict can therefore be seen as development in reverse. Many hospitals and school buildings, for instance, were completely destroyed due to armed conflicts in these countries. The fact that full-scale civil war never broke out in Ghana since independence has ensured not only more stable access to physical infrastructure like health facilities and schools but also ensured a more constant flow of financial resources as well as human resources such as doctors and teachers. In nearby conflict-prone countries, education sectors have in many cases regressed worse than levels decades ago. Sierra Leone, Nigeria and Liberia are a few examples (e.g. World Bank 2003).

Neighbouring Cote d'Ivoire, which has a similar ethnic composition and agro-ecological conditions (World Bank 2010d), is an example of a country considered stable like Ghana until 2002 when it became divided into a government-led South and a rebel-controlled North. This may offer some evidence of Ghana's vulnerability and how a country's development can at times hinge on political stability.

Simultaneously, however, democratic governance, a vibrant media, checks and balances, an active civil society—these are all terms commonly used to describe

Ghana's political development, as field research indicates. Ghana is classified as 'free' among only a few African countries by Freedom House (2010), implying that citizens in Ghana perceive that they are able to fully exercise their democratic freedoms.

Political (in-)stability affects (in-)stability in education expenditure and inputs. Ghana has not always been politically stable and experienced phases of severe political turbulence between the late 1960s and early 1980s. Only Nigeria had more successful military interventions (coup d'états) than Ghana within the West African region since 1960 (Boafo-Arthur 2008). As the first nation in sub-Saharan Africa free from colonial power, Kwame Nkrumah's new administration adopted an ambitious policy supporting the goal to reach 100 % literacy among the adult population (Glewwe and Ilias 1996). Over 50 years later, less than two-thirds of the adult population (62 %) were able to read and write in 2008, although multiple factors contribute to these low literacy levels relative to other middle income countries. Leading the Government of Ghana mostly with one-party politics, Nkrumah was overthrown in 1966 by military and police forces. Successive governments were also taken over by the military in 1972 and again in 1980, and eight additional coups took place, either attempted or palace coups, between 1966 and 1982 (Nketiah-Amponsah 2009). Figure 2.1 shows that the post-independence period until 1982 has been marked by constant and stark political instability (years of changes between civil governments and military regimes) that helped lead to fluctuations in GDP growth and in primary enrolment numbers, as government expenditure declined from 23.5 % of GDP in 1968 to only 7.3 % in 1983. As a result of the government's fiscal space slimming down, public spending on education reduced by 20 % over the period 1975–1980 and even by 17 % annually between 1980 and 1983 based on World Development data.

During this period of political and economic turbulence, primary enrolment figures increased by less than 200,000 children over two decades from around 1.1 million children (in 1966) to about 1.3 million (in 1985) in spite of rapid growth among the primary-age population and very large shares of out-of-school children, although enrolment rates over all these years are not available (Fig. 2.1). In fact, the number of children attending primary school reduced from about 1.5 million pupils in 1981 to about 1.3 million in 1985, with the rural poor likely accounting for the majority of these over 200,000 children pushed out of the system. That is, primary enrolment figures dropped by 13.7 % during this 4-year period. Exacerbating the economic downturn—and at the same time resulting from it—thousands of Ghanaian teachers migrated to Nigeria, where at the time oil discoveries had been made and the government was able to offer more attractive salary incentives for foreign teachers (Akyeampong et al. 2007). These uncertain times also led to diminished school supplies and reduced learning quality within schools in Ghana (Glewwe and Jacoby 1994).

In the post-1982 period, especially having returned from authoritarian rule to a multiparty democracy in 1992, GDP growth stabilised and government expenditure increased from 12.5 % of GDP in 1990 to about 30 % by 2010, giving way to a nearly 3-fold increase in public spending. As a result of these favourable political conditions, particularly since 1992, governments have been much more

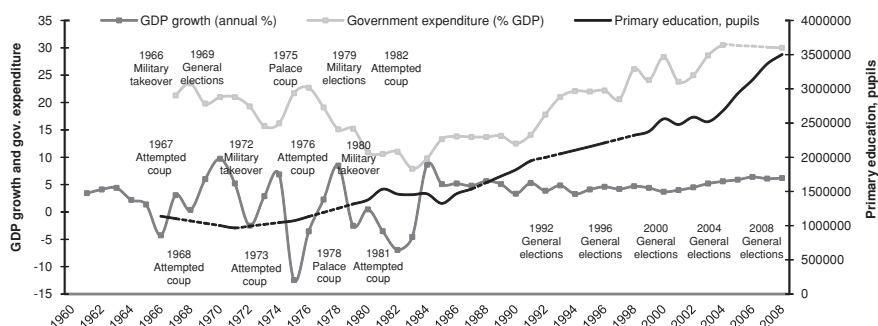


Fig. 2.1 Political status and GDP growth, public expenditure and primary enrolments in Ghana, 1960–2008.

Source Author's illustration based on data from World Development Indicators; data on political change based largely on Nketiah-Amponsah 2009.

Note The line is dotted when no data is available for a given year

successful in widening access to primary education so that 3.5 million children were enrolled in primary school by 2008 when, according to World Development data, net enrolment in primary reached 73.9 %, up from 52.4 % in 1990. In sum, the data provides evidence that political stability is strongly correlated with increased government spending and improved school enrolment in Ghana.

At independence, when Nkrumah's Convention People's Party began to initiate a reversal of the policy neglect of Northern Ghana with particular attention given to education, there was only one secondary school in the North of the country, located in Tamale (World Bank 2010d). When Nkrumah's Government collapsed through a coup d'état, so did his socialist agenda with ambitious education and economic objectives. It is worth noting that the populist Governments in Ghana, whether authoritarian or democratic, appear to have been the most proactive in promoting educational reforms aimed at widening opportunities and better serving the educational needs of the poor—the Governments of Nkrumah, the National Redemption Council, and Rawlings are examples (Little 2010).

Education development has been largely dependent on political stability since Rawlings' administration. With Rawlings' Government in the early 1980s came a return to relative stability, as structural reforms benefited the economy, stable GDP growth was recorded once again and public spending on education as a share of total government expenditure had slightly risen. President Rawlings, who ruled for about two decades until 2000, had a relatively strong support base within the poorest regions (especially in the North) which were recipients for the first time of targeted developmental programmes in education and health, water and road access and rural electrification (Haynes 1993). Rawlings' administration may provide some evidence that pro-poor investments in education and a stable increase in primary enrolments are at times tied to political stability.

Public spending on education fluctuates among different political regimes. Table 2.1 explores the question: to what extent do variations exist in shares of

Table 2.1 Public spending on education by political administration since independence

	Convention People's Party (Nkrumah)	National Liberation Council (Military Regime)	Busia Government (Progress Party)	National Redemption Council, Supreme Military Council	Supreme Military Council	Armed Forces Revolutionary Council (Rawlings)	Limann Government (People's National Party)	Provisional National Defence Council (Rawlings)	NDC (Rawlings)	NPP (Kufuor)	NDC
Years in power	57'-66'	66'-69'	69'-72'	72'-78'	78'-79'	79'-79'	79'-81'	81'-93'	93'-01'	01'-09'	09'-
<i>Years w/available data</i>	-	-	71'	75'	-	-	80'-81'	85'-90'	95'-99'	05'	09'
Average public spending on education, % of GDP	-	-	4.2	4.9	-	-	3.6	2.9	4.4	5.4	10
Public spending on education, % of gov. exp.	-	-	19.6	19.6	-	-	17.1	21.6	21.4	-	31

Source Author's calculations based on data from Africa Development Indicators

government expenditure on education among different political administrations since independence? It indicates, although data is limited across all years, that public spending on education, both as a share of government expenditure or GDP, has overall been on the rise, in particular over the late 2000s. This implies that average education expenditure has generally been higher under democratic administrations. This could be partly explained by the fact that the advent of free and fair elections in 1992 (when President Rawlings stood for elections and won), with especially the 2000 and 2008 elections that helped to consolidate Ghana's democracy, made presidents more responsive and accountable to their constituents' needs for public investments.

Ghana's public resource envelope is large relative to other sub-Saharan economies. Through tax collection, which depends on a certain degree of state capacity and stability, the public sector spends resources aimed at achieving a number of national objectives. The public resource pool can be viewed as the government's principal policy tool to finance development programmes. Relative to other sub-Saharan economies, Ghana's government revenue as a share of GDP (excluding grants) is higher than most. In 2007, the latest year with comparative data, government revenue accounted for 25.7 % of GDP in Ghana, which was higher than neighbouring Cote d'Ivoire (19.2 %), Togo (17.0 %) and Burkina Faso (13.0 %) and only slightly below the world average (26.7 %).

The provision of educational services is partly dependent on the amount of public revenue at the government's disposal and by decisions about the share of public spending on education relative to other sectors competing for government funds. Determining the share and total of expenditure for each sector needed for development targets is central to effective policy-making. At the same time, using public spending as the sole measurement to assess how dedicated a government is to education can be imperfect since for example the degree of private sector involvement in education provision—although generally a small share—differs between countries. In Ghana, about four in every five students attended a government school at the basic level in 2009/2010, accounting for 80.5 % of pre-schoolers, 81.4 % of primary students and 82.6 % of lower secondary students (89.2 % and 86 % in upper secondary and tertiary, respectively) while the remaining attend private schools based on administrative EMIS data. Like in most developing countries, the government in Ghana is therefore the principal service deliverer of schooling.

Education is the largest (but most vulnerable) public good in Ghana. The degree of public spending on education is nonetheless generally a good measure of the priority that the government gives education compared to other sectors. By receiving the largest share of government spending, education appears to be the central priority of the government over the past decades (Fig. 2.2). At the same time, fluctuations in education expenditure have been very large over the years: even when overall government funds nearly doubled from 13.7 to 25 % of GDP during the period 1987–2002, the share of government resources committed to education nearly halved over this period from 26.5 to 14 % (ibid.). It is important to note that the overall fluctuations in education spending imply that uncertainties exist in the availability of resources to finance teacher salaries, school infrastructure and materials, and support incentive schemes to improve outcomes. However, even in the presence

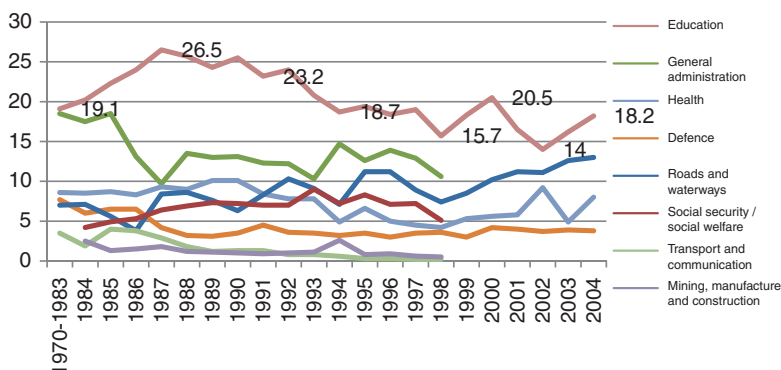


Fig. 2.2 Trends and structure of public expenditure (% of total) by sector, 1970–2004.

Source Illustration based on data from Nketiah-Amponsah (2009) using data compiled from the Ghana Statistical Service; Africa Development Indicators; and different budget statements.

Note The share for 1970–1983 reflects the average over these years

of this decline in education expenditure due to shifting sectoral priorities, the influence of political stability over this period on economic growth and government expenditure appears to have led to enrolment growth, as shown above in Fig. 2.1.

By 2010, the Government of Ghana was allocating about one-third of public expenditure including about 40 % of the total civil service to the sector (World Bank 2011). While stable and sufficient flows of education resources are a precondition, they will not be enough to guarantee advancements in attaining the education MDG and in promoting skills development, for which innovative ways to raise demand, widen opportunities and maximise resource efficiency will be necessary, as shown throughout the analysis.

As a means to measure how public resource commitments relate to secondary school access rates, Fig. 2.3 crosses these two variables for 49 African countries

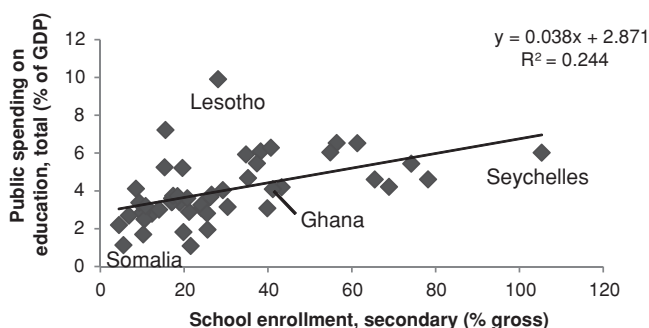


Fig. 2.3 African comparison of public spending on education and secondary school enrolment, 1970–2009 average.

Source Author's illustration based on data from World Development Indicators.

Note Public spending on education (as a share of GDP) and gross secondary school enrolment rates reflect country averages between 1970 and 2009 in order to smooth out annual fluctuations. Sudan has been omitted as a significant outlier due to incomplete data over all years

with available data over the period 1970–2009. The regression line shows that if a country spends one percent more on public education (as a share of GDP), this is correlated with an average increase of gross secondary school enrolment by about 25 %. Near to the African average, public spending on education in Ghana averaged 4.1 % of GDP over this period while the gross enrolment rate was 41.2 % at the secondary school level.

National Development Strategy and Education Policy

Human resource development is a central pillar in Ghana's Growth and Poverty Reduction Strategy. Establishing appropriate policies and strategies, on which actions and interventions are based, is a vital component in enabling Ghanaians to acquire higher levels of education. Within the 'Growth and Poverty Reduction Strategy' (GPRS II) outlined in 2006, the Government of Ghana lays down four main pillars needed for the country's development:

- Continued macroeconomic stability;
- Accelerated private sector-led growth;
- Vigorous human resource development;
- Good governance and civic responsibility (NDPC 2005).

"The most important lesson of contemporary economic history [and] the single most crucial key to the attainment of economic success", as stated by the government within the GPRS II, "is the educational quality of a nation's work force" (NDPC 2005, p. vi). Human resource development is an area recognised as the focal point of strategy and the centre of domestic priorities within the national development strategy (ibid.).

Government sets the ambitious target of 'free, compulsory, universal basic education'. The Education Strategic Plan (ESP) 2010–2020, which is the main policy document of the Ministry of Education (2009), outlines the strategic policy targets and goals of the education sector for the near- and medium-term. One policy stands out: 'Free, Compulsory, Universal Basic Education' (FCUBE) which aims to make schooling free of charge and compulsory for all 4–15-year-old children in Ghana (i.e. all children of preschool, primary and lower secondary age). With democratic rule via the 1992 Constitution coming back to Ghana on the 7th of January 1993 under President Rawlings, the strategy goal of education was laid down in article 38: "The Government shall [...] draw up a programme for implementation within the following ten years for the provision of free, compulsory and universal basic education" (Government of Ghana 1992). Four years later, the 'fcuBE' process (1996–2005) began to be carried out ('fcuBE' is abbreviated in lowercase throughout the analysis to emphasis its serious implementation constraints). For one, basic education is still not 'free' as for example the average family pays US\$57.40 (GH¢52.81 at 2006 exchange rates) per primary student annually based on 2005/2006 GLSS data (for uniforms, transportation, lunches etc.) and accrues opportunity costs to send their children

to school.¹ Second, it is still not fully ‘compulsory’ as field research conducted for this analysis in 2010 indicates that it is common practice for no action to be taken by law enforcement when children are not in school and instead, for example, selling goods on the street or assisting their family on the farm. Third, it is still not ‘universal’ as 20 % of children aged 4–15 (16.3 % aged 6–11) are out of school in the academic year 2008/2009 based on GDHS data calculations. In sum, there remain large gaps between the government’s key policy objective in basic education and tangible signs of its achievement.

Despite policy shortcomings, attracting out-of-school children appears policy-driven. Policy has proven critical to bring educationally excluded children into the system given that success in attracting hundreds of thousands of children into schools since 2004/2005 can be attributed to policies such as the capitation grant scheme adopted in the same academic year (discussed later). Over the period 2004–2008, the number of out-of-school children is estimated to have reduced by almost half a million, from about 1.33 to 0.88 million children (World Bank EdStats). However, while the sector yielded accelerated growth in primary net enrolment at 17 % over the period 2004/2005–2006/2007, it has lost its momentum as primary net enrolment growth dropped to –2 % by 2009/2010 based on calculations here of administrative data. Chapter 8 covering policy options tackles the question of identifying innovative policy instruments and reforms to widen educational opportunities and increase the effectiveness and efficiency of public spending.

Educational Effects on Political Development in Ghana

While the political environment influences the education sector, education is in turn essential to consolidate Ghana’s democratic gains. Nationally-representative data provided by the Afrobarometer (2008) is analysed in the following which is an independent research initiative and regarded as one of the most renowned in assessing the socio-political atmosphere in African states. Table 2.2 crosses data on levels of education of Ghanaians with their political values. Only about half of Ghanaians without schooling (55.7 %) strongly reject military rule, which has played a significant role in Ghanaian politics in the recent past (e.g. under President Rawlings), compared to about four out of five people who have tertiary education (82.6 %). One’s support for democracy, likewise, tends to increase as one climbs up the educational ladder. In terms of political participation, data calculations show that people with secondary schooling are almost twice as likely to have made one or more complaints to local government officials and those with university education are about four times more likely to have done so compared to people without any formal schooling. The educational effect remains similar in

¹ Unless other sources are explicitly cited, the author’s calculations of exchange rate conversions used throughout the analysis vary by annual averages from US\$1.00 per GH¢0.92 (new Cedis) in 2006 and 2007, GH¢1.05 in 2008, GH¢1.49 in 2009 to GH¢1.45 in 2010 (Ghanaweb 2011).

Table 2.2 Educational profile of Ghanaians by various political values and behaviours, 2008

	Political values and beliefs				Political participation			Total
	Strongly reject one-party rule	Strongly reject military rule	Support democracy	Agree very strongly in questioning actions of leaders vs. respecting authority	Agree very strongly in people speaking minds vs. govt. suppressing expression	Made complaint to local government officials at least once	Voted in the last elections	
No formal schooling	49.0	55.7	75.1	27.3	44.7	8.1	88.1	24.6
Some or completed primary	61.2	55.9	78.7	30.2	48.7	7.9	81.1	40.5
Some or completed secondary	66.7	64.3	80.1	39.6	62.5	14.6	73.8	32.7
Some or completed university+	73.9	82.6	87.0	60.9	73.9	31.8	95.7	2.2
Total	60.3	59.2	78.4	33.2	52.8	10.7	80.8	100
Number of respondents	620	609	807	342	543	106	831	1,029

Source Author's calculations based on data from Afrobarometer 2008

Note Some or completed university also includes post graduates

terms of having made a complaint to a local government official, when disaggregating the data for differences in location (rural/urban) and wealth (measured as ownership/non-ownership of household goods like a car or motorcycle), while in contrast males—irrespective of their educational level—are much more likely than females to have made a complaint.

An explanation is that schooling, which aims to mediate reading, writing, arithmetic and analytical thinking skills, can promote democratic values and influence political participation and polity through its capacity to instil higher literacy rates, to help make better-founded decisions and to increase levels of income, as shown later in this analysis.

Conclusion: Political Environment

Stability, funding and policy are three political factors helping to shape the education sector's enabling environment. This chapter analysed how political variables like stability influence human and economic development, and especially the pathways through which they affect the education sector. Data over the past several decades reveal that changes in the political environment—from political will to specific policies—appear important in influencing Ghana's economic growth, levels of overall government expenditure and education spending as well as school enrolments during this period. While a stable and willing government in Ghana has been a fundamental condition for tax collection, tax revenue is in turn a prerequisite for public resource spending which is a central policy tool of the government to stimulate growth and invest in education, through which levels of schooling and skills development are influenced.

Political stability since 1982, when President Rawlings came to power, helped to influence the educational landscape in Ghana, but stronger democratic institutions especially during the 2000s appear to have been associated with even greater effects on the education sector. The acquisition of human resources can partly be traced back to political commitment and to large shares of education expenditure especially over the late 2000s at about 30 % of total public spending based on EMIS data, as the government has the principal role of investing in education. The sector also has a preferential position within the government's development strategy framework which has likely positively influenced the high resource allocation to the sector and helped to make significant progress towards national and international education targets. Overall, it appears that while political stability contributed to more stable and larger flows of education resources over the past decades, funding—although vital—is not sufficient in driving greater educational opportunities, which will remain contingent on effective policy instruments and organisations, as [Chap. 8](#) later illustrates. Challenges remain and fully attaining a number of policy objectives will be difficult, most notably free, compulsory and universal basic education.

While promoting political stability may not be the strongest driver in improving educational access and outcomes in the country (relative to many other investment types), it remains important for the education sector's development. In turn, data evidence suggests that education can be critical in consolidating Ghana's political institutions. Thus, the implied finding is that political factors have as valid a place in studies on education development as they do in studies on economic development. Since increased levels of education and skills in Ghana are contingent on many non-education specific factors, some of which are macroeconomic, better understanding these empirical linkages as well is important for national policy planners and makers—this is the content of the ensuing chapter.

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