

Political Economy of State Intervention in the “Regional Problem”: Insights from the Savannah Accelerated Development Programme (SADEP) – Ghana

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ABSTRACT

This paper examines state intervention in the regional problem in Ghana using documentary case study of the Savannah Accelerated Development Programme (SADEP). The findings suggest that SADEP has been ineffective (less successful) in transforming the economy of the Northern Savannah Ecological Zone (NSEZ). This is because, first, of improper/ineffective dispensation of authority though this is not political settlement issue. Second, because of corruption and financial mismanagement and misappropriation. Lastly, because of inadequate attention to implicit polarisation policies. These imply the need for effective accountability mechanisms including active civil society and media; incentives structure that is divorced from partisan politics and integration of implicit polarisation reduction strategies into regional development programmes for distressed regions in Ghana.

Keywords: Regional inequality; *Savannah Accelerated Development Programme (SADEP)*; Political settlement; Northern Ghana; state intervention; cumulative causation.

INTRODUCTION: BACKGROUND TO THE REGIONAL PROBLEM

Since mid-20th century, the “regional problem” i.e. where some regions (within or without a country) grow and develop relatively faster than others (Kaldor, 1970: 481) has been attributed largely to the market (Myrdal, 1957; Hirschman, 1958). The market mechanism is argued to generate factors and conditions that work towards regional inequality rather than regional balance (ibid). Frank (1969: 8), combining “colonialism” (cf. Baran, 1957) and market forces, espoused how the market system favour progress of metropolis with the concomitant of “satellisation” and “de-capitalisation” of other regions by turning them into “internal colonial satellites” areas. Frank foresaw that the way to addressing unequal economic development is for the satellite poor to migrate to become the metropolitan poor. Yet studies (e.g. Partridge *et al.*, 2015) have questioned the practicality of economic equilibration through migration. Even if people will migrate, it will only worsen the situation because capital and labour leave lagging regions for progressive territories making poor territories more deprived. While adding to the boom of progressive territories, the development potential of lagging regions will further be weakened. As Myrdal (1957) pointed out, such migration is commonly “selective migration” involving the movement of scarce professionals and technical people, making the population structure of lagging territories worse i.e. less productive group left behind to deal with huge task of economic productivity require for economic progress. This form of interaction between rich and poor regions is regarded as a consequence of the free market system which works towards regional inequality and uneven development (Myrdal, 1957; Brett, 2009).

Consequently, the policy axe of the state is revoked as the solution to regional inequality. Governments and ruling parties have prioritised the regional economic development problem especially in the developing world. This increased attention to lagging regions relates to the strong case made for regional and place-based policies (see Pike *et al.*, 2006 and 2007; Barca *et al.*, 2012). For example, China’s Western Development Strategy (Lu and Deng, 2013), Southern

Italy's development programme (Chenery, 1962), and more recently the Savannah Accelerated Development Programme (SADEP) in Ghana.

However, little [e.g. Lu and Deng (2013)] has been done regarding the effectiveness of these interventionist regional development programmes. Despite the political attention the regional problem has found in recent times, Wolman and Spitzley (1996) stated that the political dimensions of regional and local economic development are less studied, a re-echoing of Richardson (1980)'s call for more case studies on regional polarisation.

This paper is concerned with whether state intervention is the panacea to the regional problem? To answer this question, a documentary case study of the Savannah Accelerated Development Programme (SADEP) in Ghana is used to answer the following sub-questions: 1] Has SADEP been a success or failure? And 2] What explains SADEP's success or failure? The case of SADEP in Ghana is appropriate due to the following reasons. 1] The Savannah Accelerated Development Programme in Ghana is very contemporary i; 2] The Ghanaian political context is appropriate as major political parties are programmatic – parties concern themselves with it. Third, while studies (Dickson, 1968; Landouceur, 1979; Abdulai, 2012; Abdulai and Hulme, 2014) of regional inequality in Ghana seem to have done well in explaining the origins of the regional uneven development in Ghana, they fall short of exploring why regional development policies have been ineffective at addressing the regional problem.

The study finds that the Savannah Accelerated Development Programme in Ghana has largely been ineffective at transforming the economy of Northern Savannah Ecological Zone – explaining its abolishment. First, SADEP attempt to transform the geography of Northern Ecological Zone (NSEZ) has yet made somewhat good-enough progress. Second, agricultural modernisation which was prioritised under SADEP's strategy was limited to tractor services provision. This made SADEP a narrow agricultural development not regional development programme. Third, the Savannah Accelerated Development Authority (SADA) responsible for implementing the SADEP did not effectively execute its mandate. The ineffectiveness of SADEP is due to, first, inappropriate dispensation of authority, power and responsibility by those in charge. This implies political settlement does not really influence effectiveness of the regional programme. This is because of *expected political settlement* which negatively influence power and authority dispensation. Second, is the issue of corruption and financial misappropriation as over 28 million Cedis (over USD 1 million) was misappropriated. Lastly, SADEP's ineffectiveness also relates to the inadequate attention paid to implicit polarisation.

Section II looks at concepts and theories of regional inequality; Section III looks at the nature of the regional problem in Ghana; Section IV looks at what SADEP is about; Section V examines the success or failure of SADA/SADEP; Section VI explains the success or failure of SADA/SADEP; and the last Section VII concludes and reflects on policy implications.

CONCEPTUAL AND THEORETICAL PROPOSITIONS ON THE REGIONAL PROBLEM

Though several theoretical propositions relate to the regional problem (see Dawkins, 2003), three main theories speak to the central focus of this study: the neoclassical theory, principle of circular and cumulative causation, and political settlement. These are considered in detail as follow:

Neo-classical Theory of Regional Economic Convergence

Neo-classical economics and economists have dominated the policy arena especially in the developing world since the 1980s onwards (Rodrik, 2006) preaching a message, the crust of which is: leave everything to the market and everything will be fine. Market would allocate resources equitably and efficiently; devolve power and promote freedom, and to reap all these

benefits you need to simply get rid of the state (Streeten, 1993) by getting the policy arms of the state 'chained' as was seen in Washington Consensus and its derivatives. 'Getting the price right' has, since the 1960s, been the main rationale for state intervention because markets generated 'distorted' price both morally and economically. However, in recent times it is thought that getting the state off the backs is the way to getting price right (ibid).

Thus, neoclassical thought has put the progress of regions in the hands of the market, and *pricism* (Streeten, 1993). The market through Adam Smith's idea of 'Invisible Hand' will distribute factors – capital, labour and technology which are considered crucial for a region's economic growth – among various economic regions. Competitively and efficiently, factors will be distributed, and a region's share of factors determines its growth relative to other regions. Thus the regional problem is explained by variations in production factors (Pike et al 2006). Though the market is expected to generate equilibrium distribution of development, Brett (2000) noted that reality has proved the equilibrium mantra wrong. Markets often result in uneven development (Brett, 2014). However, neoclassical model contends that the regional problem is but a temporal phenomenon – just a little time, and regions will converge (Pike et al 2006).

Consequently, free-market approach is the central regional economic policy advice of the neoclassical theorists. It is argued that intervening in the regional problem distorts the process of regional convergence. Regional convergence will occur in the long-run through the self-equilibrating market mechanism. Through this efficient mechanism "*regions with high capital/labour ratios have high wages and low return or yield on investment. Capital and labour therefore move in opposite directions. High wage regions lose capital and attract labour. Conversely, regions with low capital/labour ratios have low wages and high returns on investment. Low wage regions lose labour and attract capital. This market adjustment mechanism works over the long run to reduce regions disparities in the capital/labour ratio and regional growth. Regions with less capital per unit of labour tend to have higher relative rates of return and higher initial growth rates than regions with higher levels of capital per worker*" (Pike et al., 2006: 65) the ultimate outcome of which is convergence in growth.

Empirically, neoclassical regional convergence is contested. Amin (1999: 365) contends that the market system has performed 'worse' by exposing poor regions to tough competition and siphoning factors from them. The EU's neoclassical model of regional development policy, for example, has been contested. The empirical results are highly mixed and conditional (Rodriguez-Pose, 2013). While Romer (1986) saw no convergence from the neoclassical model the world over, Sala-i-Martin (1994: 2), in a study of United States, Japan and five other European countries, found growth convergence in neoclassical model. He found that: "*economies converge at a speed of about two percent per annum*" [emphasis original]. Malecki (1997), however, stated that regional *growth* convergence is not the same as regional *development* convergence. The former covers increase in a region's size which is less important compared to the latter as qualitative and structural transformation of a region. World Bank (2011: vii) found that "Twenty years of economic development in Ghana has done little, if anything, to reduce the historical North-South divide in standards of living" with poverty increasing in the North relative to the South. The neoclassical model, thus, do not result in what Richardson (1980) called "polarisation reversal" – the process by which economic polarisation patterns in a national economy turn toward gradual process of equitable distribution of economic prosperity from core regions to lagging regions. Thus regional convergence is less occurring in Ghana, and the world at large as argued by Myrdal (1957) who proposed the following.

The Principle of Circular and Cumulative Causation

In *Economic Theory and Underdeveloped Regions*, Myrdal (1957) proposed the “*Principle of Circular and Cumulative Causation*” (Henceforth Cumulative Causation), especially for the study of the regional problem. According to this principle, some regions that, by luck or by plan, first get industrialised will continuously expand at the expense of other regions due to increasing returns – an idea central to the neoclassical model. “*The power of attraction of a center today has its origin mainly in the historical accident that something was once started there and not in a number of other places where it could equally well or better have been started, and that the start met with success. Thereafter the ever-increasing internal and external economies ... fortified and sustained their continuous growth at the expense of other ... regions where, instead, relative stagnation or regression became the pattern.*” (Myrdal, 1957: 27)

This suggests the regional problem is partially linked to what might be called first-comer versus late-comer regional advantages. The latter produces underdeveloped regions for they are outcompeted by the former and the former creates advanced regions in terms of economic development. These first-comer advantages, through *Cumulative Causation*, feed on themselves, making the economic advantages late-comer regions possess such as low-wage and abundant labour tend to be countervailed by the accumulated economic advantages in the first-comer regions (Dawkins, 2003). Leave economic power, the first-comer regions could become what Molotch (1976) termed “growth machines” where such regions become focal point for political and economic elite. If we assume that regional economic development policies of the political elite are effective, then they should have implications on the regional problem (Dawkins, 2003).

Myrdal (1957), however, maintained that advanced regions could either undermine or benefit underdeveloped regions. The positive effects of advanced regions on lagging regions are the “spread effects”; the depressing impact, “backwash effects”. However, the spread effects often weigh down the “spread effects” resulting in vicious cycle – regions become underdeveloped because they are ‘poor’; this makes them poorer because they are underdeveloped which makes them more underdeveloped because they are poorer, and so on. The spread-backwash effects characterisation of the relationship between advanced and underdeveloped regions by Myrdal were, a year later, rephrased as “trickling-down effects” and “polarisation effects” respectively by Hirschman (1958). Though these two scholars have effectively analysed and characterised the nature of interaction between rich and poor regions, their characterisation is unidirectional – only developed regions seem to have impacts on underdeveloped ones while vice versa is largely ignored. Meanwhile poor regions could also impact positively or negatively on rich ones. For instance, poor regions serve as cheap labour banks and potential external market for economic production in advanced regions, and the underdeveloped nature of poor regions could be a source of migration *en masse* to advanced areas causing congestion costs.

Moreover, the views of Myrdal and Hirschman on the regional problem differ slightly. First, Hirschman maintained that uneven economic development is inevitable and acceptably good for general economic progress of a country especially at the early stages of development – a view Myrdal dissented favouring balanced development. Second, Myrdal maintained that *backwash effects* often outweigh *spread effects*, but Hirschman thought otherwise. Hirschman thus rejected *Cumulative Causation* arguing it has precluded the emergence of Special Forces that could counteract regional polarisation in subsequent stages of development. They both however, agrees that *backwash* or *polarisation* effects could be overcome by public policy intervention in order to make *spread/trickling-down* effects stronger.

Cumulative causation was further developed by Kaldor (1966, 1970: 484). Kaldor thought of *cumulative causation* as "nothing but the existence of increasing returns to scale" adding that it is "not just the economies of large-scale production, commonly considered, but the cumulative advantages accruing from the growth of industry itself" such as knowledge and skills development and sharing. Moreover, he maintained that the operation of *cumulative causation* between regions depends both on "endogenous factor" (external demand) and quasi-endogenous factor ("efficiency wages") arguing that due to efficiency wage differentials, advanced regions gain cumulative competitive advantage over poor regions. However, while Myrdal emphasised backwash effects, Kaldor remained optimistic that though regional growth rates might differ, labour mobility coupled with the fact that trade unions act on national basis could prevent differences in growth rates from translating into differing living standards. But he consented that poor regions require state "aid" due to the fact that both advanced and lagging regions of a country fall under one "political community" – a case for state intervention in the regional problem. In essence cumulative causation emphasised "institutional and political factors besides demand and supply" (Fujita, 2004: iii; 2007) forces.

Political Settlement, Stupid?

The establishment of regional authorities or institutions to implement special regional programmes such as the SADA makes institutions and power crucial in analysis of the regional problem. For this reason, Przeworski (2004) argues that institutions are *epiphenomenal*, they reflect the existing power structure, and this begs the question: is it institutions that matter or what they reflect? The analysis of the nexus between institutions, power and social order is political settlement (Khan, 2010). Power is crucial in the regional problem due to the fact addressing it involves resources and benefits allocation and [re]distribution. This often would generate distributional conflict. Even if there is agreement on the need to address the regional problem, the nature and how it can be effectively addressed remain problematic. Where addressing the regional problem would generate a resource [re]distribution pattern that is not to the benefit or against preferences of the powerful, they might oppose such initiatives (Krasner, 1991).

Thus particular regional development strategy is likely to face greater opposition if such strategy does not reflect regional pattern of power distribution and interest of the powerful. In such case the cost of the regional programme will be higher relative to its benefits, its implementation could be opposed implicitly or explicitly though that might depend on the capacity of the implementing body. However, the capacity of the implementing body in turn depends on the degree of support or opposition coming from the power groups. The powerful in society could block changes that have presented them with net social loss (Khan, 1995). Consequently, institutions and power are interrelated and interdependent: institutions produce economic benefits that underpin power, and power drives evolution of formal and informal institutions (Khan, 2010). It is therefore crucial, in analysing the regional problem to identify who benefits and who is able to block growth potential of a particular region (Di John and Putzel, 2009). This implies that institutions and regional distribution of power are intertwined. However, it is unclear which come first or drives the other. Nevertheless, the powerful in society are argued to be drivers of the regional problem (see Abdulai, 2012; Abdulai and Hulmes, 2014). Savur (1980: 70) maintained that the regional problem is "*either developed or deliberately thwarted to suit the needs of a class or class who hold power*". The powerful in India 'sucked' labour from Ratnagri and deprived it of infrastructure in favour of Bombay. He described the phenomenon as "*The choice of Ratnagiri for the development of Bombay*" (p.71), implying the regional problem could be a *choice* that lies at the hands of the powerful in society.

This means that progress of a region depends on its “*holding power*”, the capacity of a region to stay politically and/or economically independent (hold out) of other regions in times of conflict (Khan, 2010). This is crucial as national resources serve all regions, and the share of a given region is likely to be based on its power relative to other regions. Where a region is well represented and has what Mosse (2007) called “agenda setting powers” it could disproportionately benefit from public resources. Powerless or underrepresented regions will get smaller public funds. Thus poor regions, according to political settlement theory, are poor because they have less power while rich ones are rich because they hold power. Consequently, the development needs and priorities of powerless regions get marginalised, under prioritised or underfunded. Mosse (2007) has argued that powerless regions’ needs are often ‘unpoliticised’, not the duty of public institutions, and eventually get *organised out* of politics. He argued “Power in this sense manifest in the *non-issue*, the *non-decision*” [emphases original] (Mosse, 2007: 1165) on the pressing needs of powerless, poor regions. This is particularly so in the many developing countries where allocation of public funds is characterised by pork-barrel politics (Abdulai, 2014) and based on lobbyist formulae.

Where existing institutions produce benefits pattern that favour less powerful regions with greater cost, political or economic, to powerful regions we would likely experience structural failure, and where new institutions intend to skew resources towards less represented regions to the cost of powerful regions, migration to such new institutions might encounter transitional failure (Khan, 1995). Moreover, even if such institutional transition is successful, for example due to political reasons such vote canvassing in election period, their sustainability or effectiveness might be undermined by changes in power distribution in future or change in government. This is because political elites and governments are “disciplined organisations to pursue purposeful action” as they influence political settlement, provide justification for public action and present societies’ demand before states (Di John and Putzel, 2009) for attention and action.

Empirically, Huang and Chen (2012) showed that provincial regions in China do not only use their power to influence the enactment and implementation of central government provincial fiscal policies, but use it to secure favourable government transfers. For which reason between 1995 and 2007, size of provincial regions’ shares of fiscal resources from central government correlate [not necessarily causal] with the amount of power they wielded. However, though resources are necessary for redressing the regional problem, they are not sufficient, for ‘resources’ might either judiciously or unscrupulously be expended. And Abdulai (2012; 2014) and Abdulai and Hulme (2014) maintain that politics, power and elitism is primate in the Ghanaian regional problem.

However, evidence from Mustapha (2006) has dented the degree to which power could explain the regional problem. He demonstrated that the underdeveloped Northern Nigerian Region consistently wield power via majority representation in government during either military or civilian government. In the case of the latter, Northern Nigerian, due to a principle of regional per capita representation approach, is often majority representation despite the South’s edge in level of education and human capital. Yet Northern Nigeria is lagging behind Southern Nigeria for which reason he attributed the regional problem to education and human capital.

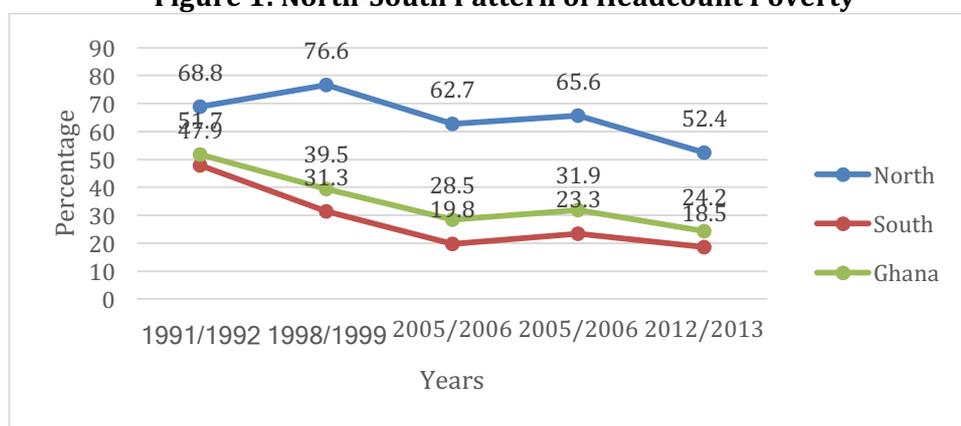
THE REGIONAL PROBLEM IN GHANA: AN OVERVIEW

Northern Ghana fundamentally comprises the Northern, Upper East and Upper West Regions which together is popularly known as *the three regions of the North*. These Regions are geographically contiguous, bearing similar climatic and environmental conditions such as the single rainfall pattern a year and agrarian regional economies. They are also contiguous in

poverty by featuring as the poorest regions of the country. Poverty in the North is two to three times that in the South [Greater Accra, Ashanti, Central, Western, Eastern, and Brong Ahafo and Volta Regions, though parts of the last two regions fall under the savannah zone] (GSS, 2014). Poverty is not just higher in the North, but it is also more difficult to tackle than in the South (World Bank, 2006). This makes the North “Ghana’s problem regions”, it accounts for about half the landmass of Ghana yet it is the least developed (Dickson, 1968: 1) and perhaps has proven more difficult to develop.

In the sub-Saharan Region, Ghana is performing impressively in terms of *growth* and poverty reduction. In spite of the impressive poverty alleviation record, the North is left out; poverty persists in the three regions of the North. While rural poverty in the South vis-à-vis the nation is declining or relatively stable, that of the North is on the rise. Over 70 per cent of the poor in Ghana domicile in the North. While absolute poverty declined in the South by 2.5 million between 1992 and 2006, it nevertheless rose by 0.9 million in the North over the same period (Osei-Assibey, 2014).

Figure 1: North-South Pattern of Headcount Poverty



Source: Author’s Construction Using Data from McKay et al., 2015

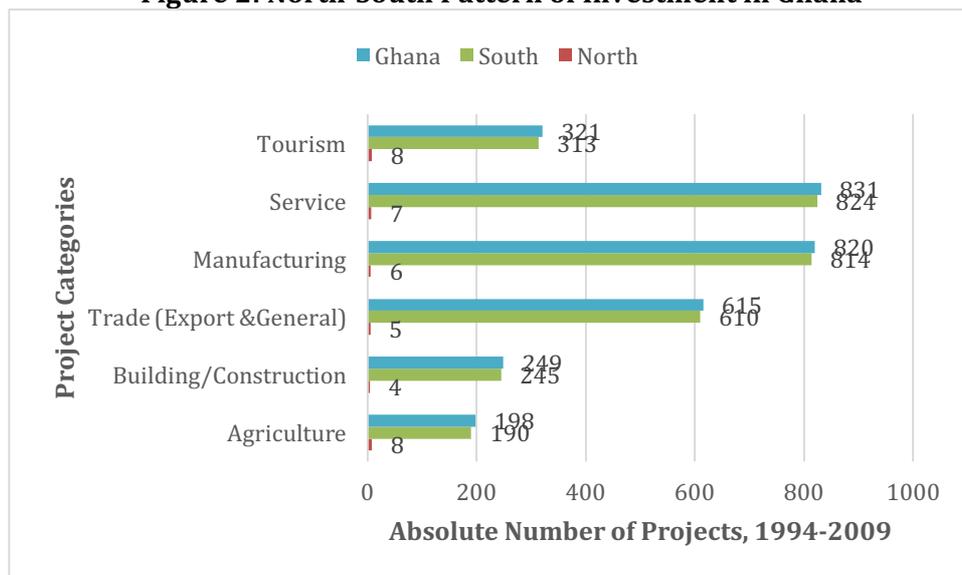
From Figure 1 poverty in the South and Ghana are not only declining at a fast rate but converging, with the North far off; displaying monotonous decline in poverty. Between 1991/92 and 2012/13 poverty in the South declined by 29.4 percentage points, Ghana by 27.5 percentage points while the North’s reduced by a 16.4 percent points. In the early 1990s, while poverty was falling in the South and Ghana as a whole, poverty was rising in the North. It is noteworthy that this period matches with the immediate years after Structural Adjustment and the implementation of the Programme of Actions for Mitigating the Social Cost of Adjustment (PAMSCAD) in 1989. Implying that not only had Adjustment more negatively affected the North than the South but that the negative effects persisted in the North thereafter, and so engrained that PAMSCAD had little impact in alleviating the social cost of adjustment in Northern Ghana. As Konadu-Agyeman (2000) argued, Adjustment negatively affected the poor and depressed regions than the rest of Ghana. This reveals the spatially blind nature of the Adjustment Programme in Ghana.

The regional problem in Ghana is not manifested only in poverty terms. Infrastructure and social services provision is poor in the North relative to the South. This has been a long standing problem. Dickson (1968) noted that Northern Ghana has grossly been infrastructure and services underserved. “Of the numerous problems which faced economic development in Northern Ghana, that of transport was perhaps the greatest” (Dickson, 1968: 693). By the end of the nineteenth century the North could boast of only two principal ‘roads’ linking it with the

South viz: The Paga-Tamale-Kumasi road and the Wa-Bamboi-Kumasi road. Even railways were a prerogative of the South (ibid) and even today not a single rail track is in the North, though the rail system is generally not effective. However, Northern roads were mere symbols as Dickon (1968) further noted *"These roads as well as those linking up with them 'consisted of the merest tracks, along which it was only possible to move in single file. Their narrowness was at all times inconvenient..., and in the rains the long grass blocked them in many places to an extent that made progress along them both slow and difficult..."* (p. 693). It is crucial to, one, note that the North was connected with footpaths for if grasses could block a road then it was but a walk path, an implicit sign of disconnection in connection. Second, there was no effort to link rural setting and harness the potentials of the North given that the few roads only connected major towns. This situation barely changed until about mid-twentieth century, though mileage remained far below that in the South (ibid). Development in the North was then left with the option to either stagnate or regress since infrastructure significantly contribute to economic growth and development (Aschauer, 1989) though beyond certain level infrastructure contributes little to growth (Cresenzi and Rodriguez-Pose, 2012) for they can be conduits for public corruption (Tanzi and Davoodi, 1998) especially under weak regional institutional and governance setting (Cresenzi *et al.*, 2016). The disconnectedness of the North from the rest of Ghana is, to a greater extent, rooted in the pursuance of market-inclined [and its close allies as neoclassical, neoliberal] economic development policies in Ghana at the heart of which is the notion that the size of economic returns determines the degree of investment – social and equity issues are ignored. As Dickson (1968:) captures it: *"The slow pace of road transport development...was explained mainly by the fact that road building was undertaken only when the existing commercial traffic was great enough to warrant it; and it happened that commercial traffic in Northern Ghana was small. There are no examples of roads built especially to open up rural areas and to generate greater production and trade within Northern Ghana"*. This has normative and policy implications: which comes first, do we wait till there is a boom in economic activities before we provide infrastructure or vice versa to boost economic activities?

In addition to the infrastructure and service under-provision, the North-South regional problem manifest in terms of investment; both public and private investments are regionally unbalanced. *"There have been disproportionately few investment projects in the Northern regions..., confirming the likelihood that there will be little growth-induced reduction of North-South inequality"* (World Bank, 2006: 1). Data from the Ghana Investment Promotion Centre (GIPC) (**Figure 2**) show that investment (private and FDI) finds haven in the South to the utter neglect of the North. Between 1994 and 2009 investment patterns grossly discriminate, consciously or unconsciously, against the North. Of the total investment projects of 3034 *only* 38 went to the North while 2996 went to the South representing 2.5 per cent and 97.5 respectively. It might be argued that economic efficiency and returns to investment drives this pattern of investment, equity is largely neglected which reinforces increasing returns in favoured regions of the South to the detriment of those of the North. Thus regional inequality to an extent is manifested in foreign direct and private investment which is driven by the profit motives of the capitalists (Abdulai, 2014). The data indicates that the mainstay of the economies of the three regions of the North, i.e. agriculture, suffers chronic under investment with crucial implication for their development and poverty alleviation as majority of Northern economically active people are engaged in agriculture (GSS, 2014).

Figure 2: North-South Pattern of Investment in Ghana



Source: Author’s calculation base on Ghana Investment Promotion data from Abdulai (2014)

Public investments are also regionally skewed toward the South. The regional problem in Ghana has yet to become a public investment priority. National public policies and spending hardly reflect the development needs and challenges of lagging regions. Under-development of the North is implicitly and explicitly unacknowledged in both public and private spheres. Normatively, it would be that national spending reflects acute development challenges of the lagging regions of the North. However, evidence point to the contrary. In a comprehensive poverty assessment by DfID, UNICEF and World Bank, it was concluded that Northern Ghana is locked in a vicious poverty cycle. However, Southerners constantly deny it remarking that “*Are we not also poor!*” [Emphasis original] (Participatory Poverty and Vulnerability Assessment, 2011: VIII). This inadequate public recognition of and support for the regional equity agenda might weaken pressure on public and political authorities to take effective measures. Keefer (2015) maintained that the ability of citizens to act collectively influences the consequences and the clientelistic acts and renegeing attitude of political and public holders on critical policy actions and promises. Where political leaders realise that, given the relatively large population of the South, voters do not take seriously the regional equity agenda, they have the leeway to brush it aside or take ineffective measures as voters will not penalize them by voting them out of power. This further strengthen and encourages the politically well represented South to use their power holding and agenda setting powers to advance regionally inequitable policies by manipulating public spending as depicted in Tables 1&2.

Table 1: North-South Allocation of HIPC Fund - GPRS I, 2003-2005

| | Population | | Planned | | Actual | |
|--------------|------------|-------|----------------|-----|----------------|------|
| | Absolute | % | Absolute (€m.) | % | Absolute (€m.) | % |
| North | 3,345,605 | 18.2 | 203,188 | 48 | 28,858 | 6.8 |
| South | 15,066,148 | 81.8 | 220,120 | 52 | 394,450 | 93.2 |
| Ghana | 18,411,753 | 100.0 | 423,308 | 100 | 423,308 | 100 |

Source: Author’s computation using data from Abdulai and Hulme (2014)

Table 2: North-South Pattern of Allocation of HIPC Fund – GPRS II, 2006-2009

| | 2006 | | 2007 | | 2008 | | Total | |
|-------|------|-------------------|------|---------------------|------|----------------------|-------|------|
| | Exp | Av. Per/Cap. Exp. | Exp | Av. Per/Capita Exp. | Exp | Av. Per/Capital Exp. | Exp | Ave |
| North | 7.5 | 2.5 | 5.9 | 1.98 | 3.1 | 1 | 16.5 | 1.83 |
| South | 21.3 | 1.26 | 21.5 | 1.3 | 21.7 | 1.15 | 64.5 | 1.24 |
| Ghana | 28.8 | 1.88 | 27.4 | 1.64 | 24.8 | 1.08 | 81 | 1.54 |

Sources Author's computation using data from Abdulai and Hulme (2014)

In Table 1 it is shown that public spending grossly disfavours the three regions of the North even if population is taken into account. Two main points are noteworthy: one, while the total population of the South is about three times that of the North, percentage of GPRS I actual expenditure in the South stood at about fifteen times that spent in the North. Second, on paper (planned 48% North against 52% South expenditure) the lagging North was somewhat recognised. However, at implementation the amount allocated the North was drastically slashed down by 41.2% points while the South's shot up by same percentage points. The planned amount was reallocated to the South during implementation. In Table 2, GPRS II funds were expended relatively equitable than GPRS I funds. Average per capita expenditure in the North consecutively dwindled while the South's increased over the years. One might contend that the explanation lies in potential variation in population change which affects the per capita expenditure. However, this argument is self-defeating for the total expenditures would have been relatively stable in both areas rather than decreasing at a faster rate in the North's than the South's.

In the political and national leadership structures of Ghana, the North-South imbalances exists. This Northern exclusion from public and national leadership is historic. According to Ladouceur (1979), politically, the North has been underdeveloped with weak political organisation, funding, less educated politicians and weak political institutions coupled with over reliance on traditional and cultural politics and traditional political institutions. However, the utility of traditional politics and internal political wrangling are also prevalent in the South though intensities vary (Kelly and Bening, 2007) indicating that the inadequate power-holding by Northerners lies somewhere else. The political experience of Northerners has somewhat improved, Abdulai and Hulme (2014) noted that the 1992 constitutional provision that majority of cabinet ministers in Ghana must be parliamentarians has restricted the extent of possible inclusivity. This means that even if a president desire to expand inclusivity of Northern politicians it would still be a serious challenge as the South are populated and thus have large numbers of parliamentarians relative to the North as presented in the regional distribution of ministers in national government between 2001-2008 in **Table 3**.

Table 3: Regional Representation in National Government

| Area | Regions | 2001-2004 | | | | 2005-2008 | | | |
|----------------|----------|-----------|--------------|----------|------|-----------|--------------|----------|------|
| | | Cabinet | 'Inner Core' | Deputies | RI | Cabinet | 'Inner Core' | Deputies | RI |
| Southern Ghana | Ashanti | 5 | 20 | -0.8 | 8.1 | 10.4 | 20.9 | 5.6 | 12.3 |
| | B/Ahafo | 2.7 | 2.6 | 4.1 | 3.1 | -1.9 | 0.7 | 3.8 | 0.9 |
| | Central | -0.9 | 0.9 | -1.4 | -0.5 | 2.7 | 0.3 | 1.3 | 1.4 |
| | Eastern | 8.9 | 7.6 | -0.4 | 5.4 | 6.6 | 0.1 | 8.3 | 5.0 |
| | G/Accra | -6.5 | -16.3 | -4.4 | -9.1 | -9.8 | -13.3 | -2.1 | -8.4 |
| | Volta | -3.5 | -2.3 | -6.7 | -4.2 | -3.5 | -1.9 | -8 | -4.5 |
| Northern Ghana | Western | -0.5 | -4.2 | -10.3 | -5.0 | -6 | -4.4 | -2.3 | -4.2 |
| | Northern | 0.2 | -0.5 | 15.8 | 5.2 | 2.6 | -1.3 | -4.4 | -1.0 |
| | U/East | -4.7 | -4.7 | 2.1 | -2.4 | -1.4 | -0.3 | -2.4 | -1.4 |
| | U/West | -0.5 | -2.9 | 2.2 | -0.4 | 0.2 | -0.8 | 0.3 | -0.1 |

Source: Abdulai (2012)

Note: RI- representation index; negative RI means region is underrepresented relative to its population, and vice versa

In Table 3, RI of Northern regions are mostly negative indicating inadequate representation in position of power. Even though some Southern regions are also underrepresented, it is important noting that the South is the seat of government and regions there are geographically contiguous implying that projects or policies implemented in one region or area in the South will easily be accessible to other Southern regions relative to North's which are distant. Among the various portfolios, Northerners seem to be scoring higher in the deputy posts which are less influences. However, in the influential posts as in the 'inner core' termed by Abdulai and Hulme (2014) as the 'juicy' posts, Northerners are chronically underrepresented. This means that even the better representation in deputy and cabinet ministerial roles will amount to little as they would have little influence. In essence Northern politicians are captured in the second-fiddle political trap as Kelly and Benning (2007: 189) noted: Northern politicians do question if they are "meant to play the second fiddle?"

However, the political underrepresentation of the North should not be over emphasised because, one, of the dispensation of political power. There has been a historic collective action problem among the few Northern political power wielders as was noted by Landouceur (1979). Citing the case of Northern Benin, Landouceur illustrated how minority groups gained political dominance over majority Southern Benin due to lack of cohesion. Second, because of institutional quality for in an effective institutional context, it does not matter who holds power except the right thing is done; pressing development issues are addressed. Third, because of candidate-centred (Kent, 2002) politics where politicians are accountable both to constituents and national citizenry with the former highly prioritised by politicians. For instance, Abdulai and Hulme (2014) found MPs and Ministers admit they serve the interests of their constituents and "their people" – not party or national interests. Thus dispensation of political power should take precedence over merely who holds the power. The importance of the dispensation of power and authority is demonstrated in the case of the Savannah Accelerated Development – arguably a programme by and for Northerners – as shall be seen later.

THE SAVANNAH ACCELERATED DEVELOPMENT PROGRAMME (SADEP)

The SADEP is a public response to the regional problem in Ghana. It constitutes a regional development programme that targets the socioeconomic transformation of the NSEZ. NSEZ encompasses not only the three regions of the North but the Northern parts of Volta and Brong Ahafo Regions. SADEP is administered and managed by an independent public body, the Savannah Accelerated Development Authority (SADA). Unlike previously mainly distributionist post-independence policy attempts, SADEP is "*a growth and sustainable approach*" to the development gap between the North and South of Ghana aiming to "*transform the Northern Ghanaian economy and society into a regional nexus of increased productivity of food and a buffer against persistent droughts and sporadic floods*" (SADA, 2010: 1).

SADEP envisions a "*Forested North and Green North*", with a goal "*to double per capita income of Northern Ghanaians and reduce the incidence of poverty to 20 percent within 20 years*" through agricultural modernisation, infrastructure provision, regional linkages with the Sahelian countries [Burkina Faso, Niger, Mali and Ivory Coast], Private sector and civil society organisations' development, food security and peace building, flood mitigation and environmental renewal, and institutional development. These are geared toward a pro-poor development and adaptation to flood and droughts that are considered threats to progress in the North. The former is premised on the assumption that the poor are mostly dependent on the environment with the latter on the idea that economic growth enables the poor to accumulate wealth on which they rely during disasters and emergencies (SADA, 2010).

However, SADEP seems to lay much emphasises on the geography and environmental aspects. Implicit in the vision statement is the notion that the Northerners are poor because they are “prisoners of geography” (Hausmann, 2009: 1) – that the main problem is unfavourable geography [single rain season, droughts and so on] which obstructs development of the North. This focus on geographic transformation would not be a surprise given that a leading advocate of bad geography as main cause of underdevelopment of some countries and regions, Professor Jeffery Sachs, was ‘friend’ to President Atta Mills under whose reign SADEP was initiated. Ghana News Agency (GNA, 2012: 1) reported “Jeffery Sachs in Ghana for SADA project” during which period he visited “some project sites under the Savannah Accelerated Development Authority” and held a “meeting with the president”. However, a geography approach indicates an emphasis on *intermediate* [environmental conditions] objectives rather than *primary* objectives [socioeconomic transformation] for ‘good’ geography in itself brings no development. As World Bank (2011) stated that neighbouring Burkina Faso, with similar conditions, has not succumbed to the dictates of geographic conditions. This suggests that emphasis should be placed on utilising the geographic conditions of the North optimally. And MoFA (2016: 1) noted that “SADA constitutes Ghana’s response to effects of climate change associated with floods and droughts”. Meanwhile, arguably, it is the inability to harness a given geographic conditions to an advantage that amounts to natural situations limiting development as in Burkina Faso which share similar geographic conditions with the North yet is able to produce economic crops as cotton (Oxford Business Group, 2014) without necessarily focusing on transforming its geography. Instead it emphasised production of geographically suitable crops. Though this might be seen as containment strategy, SADEP aims at moving beyond ‘containment’ to ‘transformation’ of Northern Ghana (World Bank, 2006). How effective has SADEP’s attempt to transform the North been?

SADEP: A SUCCESS OR FAILURE?

The most crucial question worth asking is: has SADEP failed or succeeded in its attempt to transform the Northern Ghanaian economy. As noted in its vision to forest and to green the North, and reduce poverty, SADEP can objectively be assessed base on its mandate, vision, goal and objectives. The SADA tree planting project – an extensive project that targeted the vision of a green and forested North – is analysed to ascertain how successful or otherwise SADEP has been. SADA’s mandate is analysed vis-à-vis execution, and the farming and agricultural activities implementation is also analysed.

SADEP Afforestation of the North

Toward achieving its long-term vision [green and forested North], SADA embarked on a massive tree planting exercises in the NSEZ. The tree planting exercise was undertaken in four major centres: the Central Zone which covered the Northern Region; the Southern Zone covering parts of Brong Ahafo, Volta and Northern Regions; Western Zone encompassing part of Northern and Upper West Regions; and Eastern Zone covering parts of Northern and Upper East Regions. This afforestation programme generated debates regarding its success or otherwise. In about April 2014, media reports maintained that SADA afforestation was at best a failure. Reports regarding SADEP were fundamentally negative: “The sad SADA story of Northern Ghana’s elite” (myjoyonline.com, 2014); “The Tragic Story Of SADA” (The Chronicle, 2014), just to mention few cases. These media stories and reports announced the total failure of SADEP and concluded it constituted a waste of national resources since the poor are not benefiting except the elite. The former story argued that Northern elites disappointed the Northerners by mismanaging the implementation of SADEP. This raised public discontent and distrust in SADA, and warranted, in December, 2014, independent, comprehensive evaluative study of SADEP afforestation project by the Faculty of Renewable Natural Resources of the University for Development Studies (UDS) – the only public university in the North.

The study concluded: “The dream of SADA to ameliorate environmental degradation and mitigate climate change as well as create jobs for the unemployed youth in its operational area *will not be a mirage but a reality.*” [Emphasis added] (UDS, 2014: 44). Noteworthy is the emphasis highlighted; it suggests the study as a ‘defensive’ one. Why could that be so? The SADA 2012 Annual Report indicated that a sum of five million Ghana cedi (GHc5 million – USD1.25 million) was allocated to UDS for research [the sort of which is unclear] of which one million was donated as laptops to students for community work. This suggests UDS’ interests in SADEP which might explain its seemingly defensive evaluation. Further, the conflicting nature of reports regarding SADEP indicates the political nature of the programme.

Nevertheless, the findings of the UDS study are summarised in Table 4.

Table 4: SADEP Afforestation of the North.

| Zone | No. of Plantations | No. of Species | Average Survival Rate (%) | Total Acreage (Hectares) | No. of Staff |
|---------------|--------------------|----------------|---------------------------|--------------------------|--------------|
| Central | 32 | 5 | 78 | 149.5 | 577 |
| Southern | 26 | 2 | 75 | 144.89 | 646 |
| Western | 40 | 6 | 84 | 204.06 | 493 |
| Eastern | 49 | 4 | 88 | 140 | 610 |
| Total | 147 | --- | --- | 638.45 | 2326 |
| Total Average | --- | --- | 81.25 | --- | 581.5 |

Source: Based on Data from UDS (2013)

From Table 3, SADEP has established a total of 147 plantations across the NSEZ in which eight varieties of economic trees are planted on a total of 638.45 hectares of land, and maintained by 2,326 staff. Plantation sizes vary from minimum 0.4 hectares to 20.87 hectares. In the various plantation zones, trees survival rate ranged from 75 (though the report also stated 76% - conflicting percentages) to 88 percent with overall average survival rate of 81.25 percent. While these figures give impressive success of SADEP greening and foresting the North, the survival and prospects of the afforestation project is still questionable. The plates presented in the UDS report depicted very young plants which still makes them susceptible to stunted growth or extinction depending on the management and care provided to the plantation. Especially, the UDS report noted that plantations are weedy, and inappropriate matching of plants to soil types – a potential threat to plantations development. Kowalkoski (1990) noted that survival of trees is of four types: non-survival; short survival (5-8 years); longer survival (about 12 years); and long survival (more than 12years). This implies trees can die after five years or more. This is crucial as the UDS report noted that the oldest trees were planted in 2012 – two years after the initiation of SADEP in 2010 indicating the plants were about a year old at the time of the study. Also, despite reports that the tree planting exercise involved cutting down of wild trees such as shea trees (wild economic trees) to make way for planting SADEP trees – deforesting to afforest – the peasant and subsistent nature of Northern agricultural activities makes one question the extent to which farmers and communities will give up subsistence farming for economic trees with long gestation periods. For instance, Dickson (1968) found that commercial cotton production in Northern Ghana was undermined by the fact that farmers were not prepared to forsake food crops to meet their food requirements for non-food commercial crops such as planted under SADEP afforestation.

SADA's Agricultural Modernisation

In addition to greening and foresting Northern Ghana, SADEP aims at modernising agriculture activities there. In an in complete 21-page Annual Report, two years after SADA's initiation, what SADA's agricultural modernisation had to show was 22,209 acres of tractor services to 11, 087 farmers in the NSEZ (Table 4). Meanwhile agricultural modernisation involves advancing the technology, science and social organisation of agricultural activities (Knickel *et al.*, 2013). This is a call for agricultural modernisation to transcend the capital- and technology-driven notion agricultural modernisation to include social aspects. In the case of SADEP agricultural modernisation was limited to tractor services and some inputs provisions.

Table 5: SADEP Farming Modernisation

| Region | No. of farm households | Acreage |
|-------------------|-------------------------------|---------------------|
| Upper West Region | 2574 | 5226.5 |
| Upper East Region | 1193 | 2331.5 |
| Northern BA | 1690 | 4244 |
| Northern Volta | 1512 | 3361 |
| Northern Region | 4118 | 7048 |
| Total | <u>11087</u> | <u>22209</u> |

Source: SADA (2013)

The provision of the tractor services was undertaken by 27 technical service providers in over 50 districts in NSEZ. However, 2 of the technical service providers in the Northern Region did not provide any service in the year under review with no reason given. It was not clear whether or not the 22,209 acreage included the plantation farms. Suppose plantation acreage is exclusive, it leaves us with an average of 2 acres per beneficiary farmers which is far below the average farm size of 2 hectares in Ghana (Chamberlin, 2008).

SADA's Execution of its Mandate

SADA, an authority charged to implement SADEP, is here assessed to determine the extent to which it executed its mandate as stipulated in Act 805, 2010. This is relevant as the extent to which SADA has executed its legal mandate has an influence on the effective implementation of SADEP. Act 805, 2010 outlined, under section 3 from clauses (a) to (o) SADA's mandate as presented in Table 5.

Table 6: SADA Execution of its Mandate

| Design Development Strategy for NSEZ | | | ✓ |
|---|--|---|---|
| NSEZ Stakeholders Mobilisation | | ✓ | |
| Establish Venture Capital, risk-financing, and implementation of strategies for economic development in NSEZ | | | ✓ |
| Establish Effective Resources Mobilisation Strategies | | | ✓ |
| Implement Community-Led Strategies for Agriculture and small farm Development in NSEZ | | ✓ | |
| Promote Private Sector Development in NSEZ | | | ✓ |
| Promote Social and Economic Infrastructure Development | | | ✓ |
| Enhance Social Security and Safety-Nets in NSEZ | | ✓ | |
| Promote Flood Mitigation and Environmental Renewal in NSEZ | | ✓ | |
| Cooperate with other Ministries, Departments and Agencies to avoid Duplication of Efforts and Conformity with Overall National Agenda | | | ✓ |
| Endure Gender Mainstreaming and Reduction of Vulnerability in NSEZ | | | ✓ |
| Promote Public-Private Initiatives in NSEZ | | | ✓ |
| Establish Effective M & E Systems to ensure timely attainment of targets and results | | | ✓ |

Key:

| | | | |
|------------------------------|-------------------------------|-------------------------------------|---|
| SADA's Mandate under Act 805 | Mandate effectively fulfilled | Some action taken to fulfil mandate | No evidence of action taken to fulfil mandate |
|------------------------------|-------------------------------|-------------------------------------|---|

Source: SADA Act 805 (2010) and Azu and Adams-Simpson (2015)

From Table 5 SADA has not *effectively* fulfilled any of its mandate as stipulated by Act 805. The authority has only undertaken negligible steps in fulfilment of very few of its functions. Azu and Adams-Simpson (2015) noted that even the activities undertaken by SADA towards the realisation of SADEP were misplaced, hasty, unplanned and ad hoc and parochial in nature. In general, based on available evidence, SADA has been an ineffective and inefficient regional

development institution ineffectively leading the implementation of SADEP. What possibly partially explains the ineffectiveness of the regional development programme, SADEP, and the regional implementation body, SADA?

EXPLAINING THE INEFFECTIVENESS OF SADEP AND SADA

Available evidence reveal three major reasons for the ineffectiveness of SADA and SADEP. These are ineffective dispensation of power and authority, corruption and embezzlement, and implicit polarisation policies.

A Political Explanation?

Though Azu and Adams-Simpson (2015) described SADA's activities as involving "*politics and politricks*" (emphasis original), SADEP has seemingly defied a political settlement explanation. SADEP was advocated, designed, managed and implemented by Northern elites. Abdulai (2012) and Abdulai and Hulme (2014), to a large extent, attribute the Ghanaian regional problem to political power imbalance among Northern and Southern decision makers. However, SADEP was designed with majority and active participation of Northerners especially those who are policy experts. The leading four policy experts who designed SADEP were all Northerners including leadership of Northern policy think-tanks such as Institute of Policy Alternative. Further, except three members, all other nine SADA board members were Northerners including the Chief Executive Officer and Board Chairman. Yet four years after its inception, SADA virtually became extinct and had to be reconstituted and redesigned.

Theoretically, SADEP's defiance of political settlement proposition results in a distinction between *existing* and *expected* political settlements. The former refers to the currently prevailing distribution of political power among different groups whether in a balanced or imbalanced way. The latter refers to perceived future pattern of political power distribution. If the former type of political settlement is considered 'unstable', in other words the nature of power distribution might change shortly, this might influence the dispensation of power by its holders within the existing power distribution pattern. This is particularly the case as the two main political parties are in intense competition and programmatic in terms of policy (Keefer, 2007; 2015). Thus the effectiveness of a given political settlement predicates on its degree of stability. In unstable political settlement, as in the case of Ghana where there might be change of government every four years, raises what Easterly (2002) termed future discount rate [i.e. high value placed on expected political settlement] which results in public corruption due to high political settlement instability (Easterly, 1999), and perhaps could result in hasty policies and programmes as depicted in the design of SADEP. Azu and Adams-Simpson (2015) showed that SADA was initiated without proper and careful consideration of its design and management.

Corruption, Financial Mismanagement and Misappropriation

SADEP was also saddled with corruption and financial mismanagement and misappropriation. Wide spread public perception that SADA was a 'den' of corruption was corroborated by the 2014 Auditor-General's Report. Of the 9-paragraphs dedicated to SADA, each raised distinct issue of financial corruption, mismanagement or misappropriation. These are summarised in Table 6.

Table 7: SADA Corruption, Financial Mismanagement and Misappropriation

| Reason/Activity | Amount in Cedis (GH¢) | Dollar Equivalent 2016 rate (\$) |
|--|-----------------------|----------------------------------|
| 1. Technical service providers defaulting on contract agreement without action by SADA management to recover advanced amount | 21,849,175.85 | 5,462,294 |
| 2. Failure to recover balance after sale of 17000 bags of maize to two companies | 816,000.00 | 204,000 |
| 3. SADA management made payment to technical service providers based on expected instead of actual hectares of land tilled | 284,433.00 | 71,108.25 |
| 4. SAD management failed to collect balance after sale of corn shellers | 72,000.00 | 18,000 |
| 5. Unauthenticated payments made by SADA | 508,940.00 | 127,235 |
| 6. SADA management's failure to deduct VAT from rent paid to Ghana Cotton Company for a warehouse | 6,448.00 | 1,612 |
| 7. SADA management failed to provide evidence of VAT invoices from suppliers | 8,883.75 | 2,220.938 |
| 8. SADA procured hydra-form block making machines which were not put to any use for two years | 4,653,513.00 | 1,163,378 |
| 9. SADA made payment for construction of a passenger waiting lounge which had been abandoned for over two years | 31,240.00 | 7,810 |
| Total | 28,230,633.60 | 7,057,658.4 |

Source: Based on data from the Auditor-General's Report (2015)

Four years since its inception in 2010, SADA has mismanaged, misappropriated and embezzled a sum of twenty-eight million, two-hundred and thirty thousand, six-hundred and thirty-three Ghana Cedis, sixty pesewas (GHc28,230,633.60) the equivalent of over seven million US Dollars. This means GHc7, 057,658.4 (\$1,764,414.6) is lost to the state annually due to SADA's mis-activities. It is thus not a surprise that Azu and Adams-Simpson (2015: 13) noted that SADA/SADEP was "a conduit through which to channel resources which, it was wrongly assumed, needed not be accounted for" to "satisfy the political campaign promises of some members of the ruling party" rather than focusing on transforming NSEZ.

Implicit Polarisation Policies

SADEP did not explicitly strategize to deal with implicit polarisation policies in its strategic plan. Meanwhile implicit polarisation policies pose a threat to regional convergence (Richardson, 1980). These policies are often in favour of developed and industrialised regions to the detriment of lagging regions, though such policies are often inadequately recognised, they indirectly work towards worsening the regional problem. For example, the commonly cited low and unfavourable pricing and terms of trade of raw materials especially agricultural produce. This is crucial as the North is essentially agrarian, non-exporting economy. Despite this, during the Adjustment epoch subsidies on fertilizers to farmers were revoked making Northern farmers worse off as this constituted implicit polarizing policy. According to Fritz *et al* (2014: 151) "Market liberalization and exchange rate devaluation shifted terms of trade in favour of agriculture, and cocoa growers in particular" who are located in the South. Furthermore, risk-averse lending, unscreened investment (see Figure 2) which give investors the chance to execute their preference for advanced regions while neglecting poor ones. Further, SADEP ignored public and private investment patterns, largely skewed south-wards (see Figure 2). However, such policies are politically sensitive (see Richardson, 1980) especially as many of these policies seem to contradict the policy lines of international institutions particularly the World Bank and International Monetary Fund as implicit polarisation policies are imbedded in market liberal policies, and addressing them will be

intervening in the market. The inadequacy of strategies to deal with implicit polarisation policies arguably has serious implications on bridging the regional gap, and SADEP should have found ways to go around those factors.

This is particularly crucial given the long, historic nature of the regional problem in Ghana which, with time, has gathered momentum through cumulative causation process. This cumulative causation of the regional problem in Ghana has resulted in entrenched, fortified causal factors making it difficult to tackle as acknowledged by the World Bank (2006). The factors of poverty, underinvestment, and poor infrastructure and so on have reinforced one another over the period through a process that might be termed reverse increasing returns – the increasing multiplication of regionally regressing factors including backwash effects.

CONCLUSION AND POLICY IMPLICATIONS

The regional problem has witnessed volumes of literature most of which dwell on the origins of the regional problem rather than the effectiveness of interventions which affects its persistence. While most of the literature blame the market mechanism, and call for state interventions, others, more recently, argue that politics and power is the main factor behind the regional problem though state intervention is to a large extent deemed necessary. This paper has raised the question: Is state intervention the panacea to addressing the regional problem? And thus investigates the determinants of the effectiveness of interventionist regional development programmes; what makes public regional development programmes succeed or fail?

Using the Savannah Accelerated Development Programme in Ghana as a case study, this paper has demonstrated that even though state invention is necessary in addressing the regional problem, the growing blame on national political power distribution misses a crucial point by not recognising and espousing on the nature of power dispensation, coupled with the covet notion that political settlement is static, whether it is wielded by poor or advanced region's elites. Second, theoretically, that political settlement focuses on power possession to the neglect of the dispensation of such power. Thus where there is in-the-public-interest dispensation of power and authority, it would matter less who actually holds matter. And that there is the need to distinct between existing and expected political settlement. Third, corruption, mismanagement and misappropriation of resources seriously affect the effective implementation of development programmes that target lagging regions especially where there is serious competition among political parties. Lastly, inadequate incorporation and integration of implicit polarisation policy strategies into regional development programmes that aim to economically revive underdeveloped regions are likely to be less effective. Regional development programmes that aim at distressed regions would be more effective at bridging regional development gaps when such programmes properly incorporate implicit polarisation policies.

These research findings have important development policy implications. First and foremost, in designing regional development programmes it is important not to over emphasise power distribution i.e. who holds authority, but it might be effective to place importance on who can dispense power effectively and accordingly. Second, such programmes should lay much relevance on accountability and monitoring mechanisms to ensure efficient and effective utilisation of resources. And strengthening and involving civil society will enhance the accountability process. Moreover, effective incentive structures would also be useful in ensuring effective management and utilisation of resources which intend has implications on institutional issues.

However, this paper has not investigated what exactly influences the way power is dispensed by power holders in regional development programmes and authorities. Also, how implicit polarisation policies undermines regional development programmes and how best to strategize and integrate them into regional development programme for lagging regions remains a caveat. And the causal relationship between implicit polarisation policies and regional programmes for lagging regions is less obvious. Empirically, it remains unclear which factor – power/politics, corruption or implicit polarisation policies – is most significant. These issues remain potential areas of investigation in the future.

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