

Micro and Small-Scale Enterprises in Local Level Planning and Local Government Decision Making: A Study in Berekum Municipal, Ghana

Jonas Ayaribilla Akudugu

University of Energy and Natural Resources

The role of micro and small enterprises in local economic development and employment generation at the district level cannot be overemphasized. Micro and small enterprises perform production and service delivery functions for local economic development. In the West, where local economic development has a long-established history, local business people are key stakeholders in local economic development. Together with local government and other relevant actors, local economic development initiatives are being jointly designed and implemented to stimulate the local economy. This study sought to assess efforts by the Berekum Municipal government in Ghana to involve micro and small enterprises in local level planning and development decision making processes. It finds that the structuring of local level planning and development decision making does not create space for genuine participation of micro and small enterprises. Thus, micro and small enterprises ultimately become mere beneficiaries or victims of local government development plans and actions rather than actors in development decision making. Until efforts are made to recognize micro and small enterprises as key stakeholders in local level planning and to create space to facilitate their genuine participation, local economic development will be hard to realize.

Keywords: Micro and small enterprises, Involvement, Local economic development, Planning, District Assemblies, Decision making

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Corresponding Author

Jonas Ayaribilla Akudugu
University of Energy and Natural Resources
E-mail: akujonaya@yahoo.com

INTRODUCTION

Local economic development (LED) is an emerging development strategy that embraces participatory methodologies and bottom up approaches. Local economic development is a development paradigm that emphasizes the importance of working directly with low-income communities and community-based organizations (Bond, 2002). This alternative development strategy that has a long history in the western world has now been introduced in Africa through the work of international development agencies. Local economic development has been introduced in Africa at a time decentralization programmes are being widely implemented across the continent. There is an increasing devolution of power and authority to local government in Africa to enhance broad-based participation in local level planning and development decision making. Local economic development promoters see local economic development as an alternative bottom-up development strategy that revolves around local governments (Blakely, 1989; Pretorius and Blaauw, 2008; Rodriguez-Pose and Tijmstra, 2009). Thus, it is only

when local government assumes responsibility and mobilizes relevant stakeholders at the local level for joint action that local economic development can become meaningful and impactful. The increasing recognition of local governments as principal actors of local economic development has ignited calls for the application of the developmental state ideology on local governments (Khambule, 2018). The need for effective and coordinated local level development is increasingly being demanded by local residents all over the world, and local government must respond to this need.

Local economic development (LED) thrives well when local government effectively identifies and builds a coalition of relevant actors to design and implement strategies that would stimulate the local economy to generate growth and employment. Ghana's national LED policy recognizes that the promotion of robust and inclusive local economies requires the concerted, coordinated actions of all key stakeholders and sectors of government (Ministry of Local Government and Rural Development, 2013). A development-oriented local government is required for effective local economic development at the sub-national level. Local government is to provide the right mix of local public goods, and to facilitate or enable other actors, communities, private firms, workers and NGOs, to make a substantial and meaningful contribution (Helmsing, 2001). Essentially, local economic development revolves around local government.

It is often expected that the decentralization process and/or the resultant local government system will promote participatory development decision making, better service delivery and promote local ownership of development (Hussein, 2004; Swinburn and Yatta 2006; Chikulo, 2007; Muriisa, 2008). This reliance on decentralization notwithstanding, the assumption that decentralization will ultimately result in better governmental performance, particularly in the design and implementation of locally oriented development policies cannot be guaranteed (Crook and Manor, 1998). It is the context within which a particular decentralization policy framework is designed and implemented that determines its success or failure in promoting development interventions (Chibba, 2009). Thus, the assumed role of decentralization and local government in local economic development needs to be empirically investigated. It is particularly important to assess the performance of local government in mobilizing local stakeholders such as micro and small enterprise operators for local economic development at the district level. Although the critical role played by micro and small enterprises in local economic development has been widely acknowledged, little is known about their involvement in local level planning and development decision making processes at the sub-national level.

In 2007, the German Development Agency, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) collaborated with the Berekum Municipal Assembly to implement a local economic development initiative in Berekum. This local economic development initiative involved the setting up of a light industrial zone to provide a convenient environment for artisans, mostly in trades such as car repairs, auto spraying, metal fabrication and other related trades to operate as micro and small enterprises. This particular study focuses on understanding the perceptions of the beneficiary micro and small enterprise operators regarding efforts by the Berekum Municipal Assembly to get them involved in the planning process and other important local government decision making processes at the district level. This would shed light on the extent to which decentralized development planning and local government actions are responsive to the needs of micro and small enterprises at the district level in Ghana.

STUDY AREA AND METHODS

The Berekum Municipal is one of the 12 districts and municipalities in the Bono Region of Ghana. The Berekum Municipal lies between latitudes 7°15' South and 8.00° North, and longitudes 2°25' East and 2°50' West. The Municipal shares boundaries with Dormaa Municipal to the South, Sunyani Municipal to the East, Jaman District to the Northwest and Wenchi Municipal to the Northeast. The Berekum Municipal covers a total land area of 1,635 square kilometers. Berekum is the capital of the Berekum Municipal Assembly. The 2010 Population and Housing Census Reports put the population of Berekum Municipal at 129,628. Agriculture is the domi-

nant sub-sector in the local economy, employing about 57% of the working population in the Municipal (Berekum Municipal Assembly, 2010). Berekum is the second biggest commercial town in the Bono Region. Commerce in the district is contributing about 41% of household income. Both agricultural and non-agricultural goods are traded in the area (Berekum Municipal Assembly, 2010). The industrial sub-sector in the district is characterized by both agro- and non-agro-processing industries. These industrial activities constitute livelihood schemes to the people and are organized as micro and small enterprises. A dominant feature of the industrial sub-sector is the prevalence of artisans, particularly those engaged in car repairs, auto spraying, metal fabrication and other related trades. An estimated 340 of these micro and small enterprises are operating in the Berekum light industrial zone.

Data for this paper was obtained as part of a research project conducted in 2011 and 2019. The survey and two focus group discussions conducted in 2011 was to ascertain the views of the micro and small enterprise operators regarding efforts by the Assembly to involve them in local level planning and decision-making processes. Years after the light industrial zone became operational, in-depth interviews were conducted to further understand the views of the key actors regarding local level planning and decision-making affecting micro and small enterprises. The sequential mixed methods research design was employed. This entailed the deployment and sequencing of both quantitative and qualitative methods of data collection. First, questionnaires were administered on 150 sampled micro and small enterprise operators in the Berekum light industrial zone. After processing the administered questionnaire, two focus group discussions were held with a cross-section of the micro and small enterprise operators in the light industrial zone. In-depth interviews were then conducted with the chairman and secretary of the Ghana Association of Garages in the light industrial zone. In-depth interviews were also conducted with the District Coordinating Director, the District Development and Physical Planning Officers, the Director of the Business Advisory Centre and an official of the GIZ in Sunyani. A review of the district medium term development plan complemented the data collection methods of the study. The statistical package for social scientists was used to process the data obtained by means of the questionnaires and organize the data into simple tables for analysis. Data generated from the qualitative methods were organized along certain patterns to be analyzed together with the quantitative data.

DECENTRALIZATION AND LOCAL (ECONOMIC) DEVELOPMENT

The implementation of decentralization programmes in countries across the world was intended to enhance participatory decision making and local development. Decentralization has become a vehicle for delivering local development. The days of governments totally controlling the agenda on regional development planning are disappearing, even in centrally planned economies (Stimson, Stough and Roberts, 2006). In Europe and America, local governments have been at the forefront of local economic development promotion. Local governments in Europe and America have for a very long-time spearheaded place-based initiatives aimed at creating economic prosperity for their residents.

The current wave of decentralization is closely linked to the emergence of a new paradigm of local economic development. This new paradigm calls upon the different actors in a given territory to join forces in order to promote sustainable local development processes, with a strong focus on (re)activating the local economy. In these processes, a special role is reserved for local governments as “catalysts” in fueling collaboration between local actors and defending local interests at higher levels of governance (European Commission, 2007, p. 7).

Similarly, in the United States of America, local economic development is the product of the mobilization of the powers of local government in order to attract new investment into a locality, and the subsequent use of various incentive packages in an attempt to further that goal (Wood, 1996). Essentially, local governments are the anchors of local economic development. In the West, local economic development has become a mandatory task of local government as part of an extensive decentralization effort (Cunningham and Meyer-Stamer 2005).

But in the developing world, local governments have really not been effective organs of economic development (Crook, 2003; Chinsinga, 2008; Crawford, 2008; Steiner, 2008; Bassett, 2016; Hyden, 2017; Mashamaite and Lethoko, 2018). Nonetheless, the role of local government in local economic development in Africa cannot be ignored. Local government remains the organizing unit of local level development.

In Ghana, local government, commonly called District Assembly, is being assigned the responsibility of promoting socio-economic development at the sub-national level. The overall processes of decentralization in Ghana were aimed at restructuring the political and administrative machinery of government for development decision-making at both the national and local levels (Diaw, 1997). The Local Government Act, 1993, (Act 462) provides that a District Assembly shall be responsible for the overall development of the district. The Local Government Act, 1993, (Act 462) further provides that District Assemblies are responsible for the preparation of development plans, and budgets of the district for the approved plans.

Consequently, District Assemblies in Ghana have been constituted into planning authorities to carry out the planning functions assigned to them by the National Development Planning (System) Act, 1994 (Act 480). The Act provides that District Planning Authorities initiate and prepare district development plans and settlement structure plans and ensure that the plans are prepared with full participation of the local community. District Assemblies are also required by this act to initiate and co-ordinate the processes of planning, programming, budgeting and implementation of district development plans, programmes and projects. Unarguably, the developmental role of District Assemblies makes local economic development one of their basic functions.

Nonetheless, a set of institutional and legal issues have over the years made it difficult for local government to play meaningful roles in the promotion of local economic development. The performance of local government in most parts of the developing world is negatively affected by capacity constraints (Steiner, 2008; Rodriguez-Pose and Tijmstra, 2009; Chome, 2015; Bassett, 2016; Hyden, 2017; Olowu, 2019). The assignment of responsibilities to local government for local economic development is often done without commensurate inflow of financial resources from central government. In some cases, even the legal instruments setting up the local governments and relevant decentralized structures are ambiguous in setting out their roles or responsibilities (Olowu, 2003; Chinsinga, 2008; Steiner, 2008). In Africa, some local governments do not have the required number of skilled personnel, particularly in technical areas such as planning and budgeting (Hussein, 2004; Ahwoi, 2010). These factors have over the years undermined the capacity of local governments to effectively facilitate local economic development.

Following this, efforts to promote organized local economic development in Ghana witnessed the formulation of a new decentralization policy in 2010 by the Ministry of Local Government and Rural Development (MLGRD). The aim of this new decentralization policy is to clarify the roles of District Assemblies and reposition them to effectively carry out their developmental role. The new decentralization policy (Ministry of Local Government and Rural Development, 2010) explicitly highlights the local economic development role of District Assemblies in Ghana:

It is an important component of the decentralization policy that District Assemblies provide the facilitating environment for local economic development (LED). Policies to promote job creation, the establishment of local industries and the facilitation of intra- and inter-district trade are all part of the mandate of District Assemblies in the area of LED. In this connection, the classical definition of LED as “the process by which local governments, local businesses and other actors join forces and resources to enter into new partnership arrangements with each other or other stakeholders to create new jobs and stimulate economic activity in municipalities, towns and villages” is endorsed by this policy. (p. 30)

The new decentralization policy formulated by the Government of Ghana through the Ministry of Local Government and Rural Development (MLGRD) is an important milestone towards local economic development in the country:

The new decentralization policy acknowledges that effective local economic development is critical in achieving the envisioned results of decentralization, including appreciable levels of internally generated

revenues, options in service delivery, employment opportunities, reduced poverty levels and rapid infra-structural development. (p. 40)

Consequently, the Ministry of Local Government and Rural Development (2010, p. 41) has introduced specific policy measures in the new decentralization policy for local economic development in the districts. These policy measures are:

- facilitating the formulation of a national local economic development framework to guide Metropolitan, Municipal, and District Assemblies (MMDAs);
- promoting the development and implementation of local strategies for local level economic development;
- encouraging Assemblies to deepen consultations and publicize fee-fixing resolutions on a timely basis including revising provisions within the Ministry's performance measures;
- developing guidelines for conducting consultations based on the experiences of successful Assemblies and to encourage Assemblies to budget or make appropriate provision for consultations;
- facilitating the development of guidelines for public-private partnerships at the local level;
- encouraging Assemblies to pro-actively collaborate with key local level agencies including identifying and providing visible support to relevant decentralized agencies such as the Department of Community Development and Cooperatives and the Business Advisory Centers of the National Board of Small-Scale Industries;
- promoting inter-district trade and harmonize/resolve multiple taxes on goods/services;
- providing platforms for sharing information among Assemblies on good practices and lessons learned in local economic development, and small and medium enterprise support.

The new decentralization policy and the national local economic development policy are important policy frameworks for local economic development at the district level in the country. The emphasis on the design and implementation of local strategies for local economic development, the need to foster public-private partnerships at the local level and the need to deepen broad consultations for fee-fixing resolutions are important provisions for effective local economic development at the district level. The challenge is always how actors in the local government system are able to make the institutions work effectively and the extent to which policy initiatives are implemented.

FORMATION OF DISTRICT LOCAL ECONOMIC DEVELOPMENT PLATFORMS

The formation of local economic development agencies is the first step towards effective promotion of local economic development. This refers to an institutional arrangement for organizing local economic development. A local economic development agency is a public-private partnership for local economic development promotion. The formation of a district local economic development platform is all about bringing local government, community actors, private sector operators and other identifiable relevant stakeholders to participate in the local economic development planning process. Unless communities understand and are engaged in the design and, involved in ongoing development planning processes, it is highly unlikely that communities will buy into projects and programmes with which they have little sense of ownership (Stimson, Stough and Roberts, 2006). One essential feature associated with contemporary local economic development practice is the emphasis on joint action by all relevant stakeholders in the design and implementation of LED promotional strategies. Thus, building a strong stakeholder partnership is a pre-condition for the successful design and implementation of local economic development initiatives. Essentially, local economic development is the product of the joint action of multiple actors. It is the partnership arrangement that facilitates the mobilization of resources for the effective implementation of local economic development initiatives (Blakely, 1989; Helmsing, 2001; Rücker and Trah, 2007; Rodriguez-Pose and Tijmstra, 2009). It is in line with this that one of the policy objectives of the national LED policy emphasizes the need to strengthen small and medium enterprises through improved local competitiveness, transparency and accountability, and stakeholder participation in local economic development processes (Ministry of Local Government and Rural Development, 2013). In view of the fact that micro and small

enterprises dominate the economic landscape of many localities in Ghana, the involvement of micro and small enterprise operators in local (economic) development planning process is essential. It would ensure that the needs of micro and small enterprises are properly captured in local development plans and also facilitate proper targeting of LED interventions.

The importance of an institutional arrangement comprising of public-private sector stakeholders for local economic development at the district level in Ghana has been demonstrated. Through the International Labor Organization's local economic development intervention, Sub-Committees on Productive and Gainful Employment (SPGEs) were formed in the Awutu-Efutu-Senya District, and the Ajumako-Enyan-Essiam District in the Central Region of Ghana. The Sub-Committees on Productive and Gainful Employment (SPGEs) were composed of fifteen members: six representatives from the private sector, four Assembly members and five technical staff of the District Assembly. The Sub-Committees on Productive and Gainful Employment became the organizing unit of local economic development in these districts. The International Labor Organization (2009; 2012) has highlighted some of gains made by these institutional arrangements comprising of public-private sector stakeholders in Ghana as follows:

- The formation of approximately 100 Small Business Associations, with about 4,500 members in Awutu-Efutu-Senya and the Ajumako-Enyan-Essiam Districts.
- Training 200 leaders of Small Business Associations in leadership and management skills in Awutu-Efutu-Senya District, and the Ajumako-Enyan-Essiam District.
- Training 200 micro, small and medium scale enterprises in each district in management and productivity enhancing skills.
- Creation of Business Information Centres in each district.
- Organizing training in modern procurement practices for local companies in Awutu-Efutu-Senya District and Ajumako-Enyan-Essiam Districts.

Clearly, the meaningful and active involvement of private sector operators in these institutional arrangements is necessary to ensure the development of micro and small businesses in the selected districts. The success of local economic development intervention is largely dependent on the existence of broad coalitions of actors; with local stakeholders owning and taking the lead role in the process (Rodriguez-Pose and Tijmstra, 2009). Despite the importance of local economic development platforms in the promotion of local economic development, it is difficult to find functional ones at the district level in Ghana.

There was evidence of the formation of a district local economic development platform in Berekum. In its effort to support the setting up of the Berekum light industrial zone, the GIZ facilitated the formation of the Berekum District local economic development platform. The Berekum District local economic development platform was broad-based, comprising of representatives from the local micro and small enterprise operators, decentralized departments, farmer organizations, non-governmental organizations, the National Board for Small Scale Industries, the Northern Electricity Distribution Company, traditional rulers and officials of the Berekum Municipal Assembly. GIZ was instrumental in the formation of this public-private stakeholder forum to promote dialogue and encourage the active participation of the relevant actors in the local economic development process. Unfortunately, this institutional arrangement for local economic development promotion was short-lived. The Berekum District LED Platform ceased functioning after the setting up of the Berekum light industrial zone. The study revealed that, authorities of the Berekum Municipal Assembly made no effort to sustain the district local economic development platform.

A survey among micro and small enterprise operators (artisans) in the Berekum light industrial zone revealed that the Berekum Municipal Assembly has no interest in promoting local economic development platforms. The survey results in Table 1 show an overwhelming majority of the respondents (90.67 percent) rated the effort of the Berekum Municipal Assembly in the promotion of district local economic development platforms as poor.

In a follow up interview with officials of the Berekum Municipal Assembly, the collapse of the district LED platform was rather blamed on the artisans. Officials of the Assembly accused representatives of the artisans in

Table 1. Promotion of local economic development platforms

Item	Response	Percentage
Poor	136	90.67
Fair	12	8.00
Good	2	1.33
Excellent	0	0.00
Total	150	100.00

Source: Field Survey, 2011.

the platform for frequently demanding the payment of sitting allowance for attending meetings organized by the district LED platform. Basically, people saw their membership in the District LED platform as an office that should attract financial remuneration and openly demanded it at every available opportunity. According to officials of the Assembly, when they explained to the participants that membership in the platform was a voluntary exercise, many of them, particularly the artisans started withdrawing “voluntarily”. The thinking was that, once an international development agency was involved, there was certainly project funds, and sitting allowance could be paid. Moss et al. (2008, p. 263) refer to this dynamic as follows: “The common practice of paying cash ‘sitting fees’ for civil servants attending donor-funded workshops, where the daily rates can exceed regular monthly salaries, turn even training into a rent to be distributed”. It is difficult for the Berekum Municipal Assembly and many other local government authorities to justify and sustain the payment of this kind of allowance. In addition, officials of the Assembly were of the view that the artisans have to show more interest in the activities of the LED platform since it was to facilitate the development of their enterprises.

But the artisans also believed that the Assembly was not showing commitment in the development of their businesses. During a focus group discussion, the artisans narrated how the Berekum Municipal Assembly failed to set up the light industrial zone till the intervention of the GIZ. The artisans think that the Assembly has no interest in business development, though officials collect taxes from business units in the district. The mistrust affected the functioning of the district LED platform. But the existence of multi-stakeholder partnerships, such as the district LED platform is indispensable in the successful design and implementation of local economic development initiatives. Apart from the identification of district comparative and competitive advantage(s) and planning for their promotion, the district LED platforms are also expected to develop proposals to solicit financial support to implement their LED initiatives. But this mistrust does not provide common ground for the formation and sustenance of an effective multi-stakeholder partnership involving local government authorities and private sector actors for local economic development promotion at the local level. Local government authorities have not been able to effectively engage non-state actors such as the private sector operators in the promotion of local economic development (Rogerson, 2010).

Increasingly, local economic development is conceptualized as a bottom up development strategy requiring the active role of local governments and local business operators. It is a bottom up development process where local actors collectively work to shape the future of their localities (Canzanelli, 2001; Rodriguez-Pose and Tijmstra, 2009). According to Rücker and Trah (2007, p. 13):

The current focus of LED initiatives is on providing a competitive local business environment, encouraging and supporting networking and collaboration between businesses and public/private and community partnerships, facilitating workforce development and education, focusing on inward investment to support cluster growth and supporting quality of life improvements.

Distinctively, the current form of local economic development is viewed as a process-oriented activity anchored by multiple local actors from local governments and local businesses that seeks to shape localities and generate area prosperity. Local economic development requires an enduring institutional arrangement to anchor this process-oriented development strategy. Thus, local economic development platforms are not ad hoc com-

mittees of District Assemblies set up for a short-term specific assignment. Rather, local economic development platforms are independent organizations comprising of actors drawn from local governments, business organizations and other relevant developmental actors to shape their localities and generate economic prosperity for local residents.

But this multi-stakeholder arrangement is not visible in Berekum now. The Berekum Municipal Assembly and the micro and small enterprise operators in the light industrial zone are currently on separate paths. The artisans in the light industrial zone are now part of the Ghana Association of Garages. Although these business associations are supposed to engage governments, local authorities, and other key actors with the view of seeking better policies and conditions for their members (Helmsing, 2001, p. 74), they are hardly able to undertake this mandate. Despite their growing numerical dominance in urban Africa, informal economic actors continue to suffer from problems of institutional exclusion, internal divisions and the precarious legal status of their enterprises (Meagher, 2010, p. 47). The reality is that these small business associations are weak and riddled with capacity constraints. The inability of small business associations to offer a range of desirable services to their members has often undermined their ability to maintain the loyalty of members (Meagher, 2010, p. 55). District Assemblies should as a matter of urgency prioritize the formation of local economic development platforms for effective local economic development promotion at the district level.

IDENTIFICATION OF FOCAL AREAS IN THE LOCAL ECONOMY

The selection of a focal or promotional area is an important stage in the local economic development planning process. It is a stage where all the stakeholders agree on a sector or activity that they want to design an intervention to promote that sector or economic activity. This stage requires the use of various approaches by the district local economic development platform to analyze the local economy with the view to identifying a promising sector or economic activity for development and marketing. This analysis entails identifying community or district economic potentials and challenges, determining the resources mix required to meet the economic development needs of the situation, developing networks among individuals and institutions, and stimulating interaction among diverse groups to achieve a common objective (Blakely and Leigh, 2010). In the context of district development planning in Ghana, it requires that the District Planning and Coordinating Unit creates a platform where community members present and analyze their own community situation to identify community development problems and potentials. In the context of both local economic development planning and district development planning, the participation of community members or intended beneficiaries and all other relevant stakeholders is essential.

But the experience regarding local economic development planning at the district level reveals that active stakeholder participation in the selection of promotional areas is limited. In areas where there is evidence of active stakeholder participation in the selection of promotional areas, there has been an external facilitator or an organized economic group that is strong enough to vigorously pursue its interest. This was the case in Berekum where the artisans attributed the selection of the light industrial zone as a focal area for LED intervention to the facilitative role played by GIZ and their own ability to initiate an earlier action towards the setting up of the Berekum light industrial zone. In view of this, the micro and small enterprise operators in Berekum rated the performance of the District Assembly in getting them involved in this stage of the planning process as poor. As shown in Table 2, more than half of the respondents in Berekum (52.67 percent) rated efforts by the Assembly to involve them in the selection of a promotional area as poor. It is surprising that the target group for the LED intervention rated efforts by the Assembly to involve them at this stage as poor.

The processes leading to the selection of the light industrial zone for development saw the use of tools such as the participatory appraisal for competitive advantage (PACA) by GIZ. From its demand-driven orientation, GIZ was interested in an active and action-oriented business group in a promotional area capable of generating competitiveness and sustaining itself over time. With this requirement, the artisans who now operate in the

Table 2. Involvement in the selection of LED promotional area

Item	Response	Percentage
Poor	79	52.67
Fair	27	18.00
Good	44	29.33
Excellent	0	0.00
Total	150	100.00

Source: Field Survey, 2011.

light industrial zone were found to be a better group than the other business groups in Berekum. These artisans had already negotiated and secured a large tract of land from the Berekum traditional authorities for the setting up of a light industrial zone. Each artisan could boast of one or more apprentices that were learning the trade and needed a more convenient space for their businesses. The artisans had unsuccessfully appealed to the Assembly to set up the light industrial zone. But following the interest shown by GIZ to support local economic development intervention in the district, they became more visible and were eventually selected. Thus, rating the performance of the Berekum Municipal Assembly in involving micro and small enterprise operators in the identification of promotional areas as “poor” has to do with the perceived lukewarm attitude shown by the Assembly towards the establishment of the Berekum light industrial zone. Although the artisans secured the land in 2002, it was the intervention by GIZ in 2007 that saw their dream of having a light industrial zone realized. Local economic development intervention has a clear economic focus. In this regard, efforts to involve micro and small enterprise operators in the analysis of the local economy and the selection of promotional areas is a critical determinant in the success of local economic development interventions.

PREPARATION OF LOCAL ECONOMIC DEVELOPMENT ACTION PLANS

The selection of a promotional area for intervention was followed by the actual action planning process. Action planning provides detailed programmes for implementing strategy (Stimson, Stough and Roberts, 2006). Action plans provide clear outlines for implementation. Annual action plans provide details of funds, resources, responsibilities and scheduling for annual projects and programmes (Stimson, Stough and Roberts, 2006). With regards to the setting up of the light industrial zone, it was quite a straight-forward linear planning process. The main task in the action planning phase was the identification of activities and sharing of those tasks among the various stakeholders. To this end, the Assembly was tasked with clearing the land and constructing access roads to the site. The Assembly was also to provide water and construct toilet facilities on the site. GIZ as a donor agency provided an electric transformer, whilst the Northern Electricity Distribution Company was assigned the responsibility of wiring the site and fixing the electric transformer procured by GIZ. Finally, the artisans were to erect their own sheds and relocate from the central business district to the light industrial zone.

Clearly, the relevant stakeholders were involved at this stage. But interesting results emerged concerning the involvement of micro and small enterprise operators in the local economic development action planning session. In the survey, as many as 86.66 percent of the respondents as shown in Table 3 rated the efforts of the Assembly to involve them in LED action planning sessions as poor. This seemingly contradictory response required further interrogation. During a focus group discussion, the artisans confirmed that they were involved in the action planning session. However, the artisans attributed the effort to involve them in the action planning sessions to the GIZ, and not the Berekum Municipal Assembly. According to the artisans, they attended the workshops and participated in discussions and planning exercises leading up to the establishment of the light industrial zone through the instrumentality of GIZ and not the Assembly. The artisans contend that the Berekum Municipal Assembly prepares a district medium development plan every four years without involving them. In view of this,

Table 3. Involvement in local economic development action planning sessions

Item	Response	Percentage
Poor	130	86.66
Fair	18	12.00
Good	2	1.34
Excellent	0	0.00
Total	150	100.00

Source: Field Survey, 2011.

the artisans argue that, but for the facilitative role played by GIZ, the Berekum Municipal Assembly would not have involved them in any local economic development planning session.

Although the formulation of district development plans starts with the preparation of community action plans, the notion of a community as a geographical area can exclude others. In this notion of a community, the artisans and other economic groups may be excluded where their location and activities appear to be detached from the “general local community”. Thus, in the absence of an organized effort by the Assembly to identify such groups and involve them in the planning process, the chances of capturing their needs in the plan become minimal. Clearly, the artisans have demonstrated that the Assembly has not done much to involve them in its medium-term development planning sessions over the years. Even after acquiring land for development in 2002, the artisans realized that the setting up of the light industrial zone was not captured in the action plans of the Assembly until GIZ intervened in 2007. It was GIZ local economic development intervention in the district that resulted in the mainstreaming of the setting up of the light industrial zone into the district medium term development plan. Development planning, and decentralized planning for that matter, must create space for all stakeholders to participate meaningfully in the planning process. It is only the meaningful participation of all stakeholders that can make a development plan responsive to the needs of the people and achieve the desired impact.

ORGANIZATION OF PUBLIC HEARING

Public hearing is one of the mechanisms to get people involved in the planning process. Ghana’s decentralized planning system requires that a draft district development plan is presented to the public for input or validation. Organizing a public hearing creates a platform for the public to know what is contained in the district development plan and make final input to the draft plan. It provides a forum for all stakeholders in the district to shape the development plan of the district and build consensus around the plan. Although public hearing on the draft district development plan is one of the prescribed stages in the planning process intended to promote community and stakeholder participation, its organization has been problematic. It was noticed that this exercise is yet to catch up with local stakeholders such as the micro and small enterprise operators in the Berekum light industrial zone as shown in the survey results. In the survey results presented in Table 4, as high as 78 percent of the respondents rated the organization of public hearings by the Assembly as poor. According to the artisans, though the Assembly generates revenue from them, officials of the Assembly have never organized such a forum in the light industrial zone. Given the importance of public hearing in the promotion of public participation in the planning process, one would have expected organized and active groups such as the artisans in the light industrial zone to constitute a target audience for such fora. But this has not been the case.

The organization of public hearings on the draft district development plans appears to be a mere formality than a realistic exercise intended to solicit public input. According to Kunbuor (2009, p. 256) “community participation in the planning process is also interpreted to mean the holding of public fora at the formulation stage and a public hearing when the plan is finalized”. But this idea of using public hearings to connote community

Table 4. Organization of public hearings

Item	Response	Percentage
Poor	117	78.00
Fair	30	20.00
Good	3	2.00
Excellent	0	0.00
Total	150	100.00

Source: Field Survey, 2011.

participation in the planning process can be misleading since evidence exists to show that key stakeholders can be excluded from this forum. As Kunbuor (2009, p. 256) points out, “not only are the community fora organized in few locations in the districts, the main public hearings, usually held at the final stage of plan preparation are organized at the district capitals”. It was noticed that participants at public hearings are often the Assembly Members and invited representatives from decentralized departments in the district, traditional rulers, selected business or economic groups, and other identifiable interest groups. Thus, the “public” can still be excluded from the organized public hearing through the medium of formal invitation. It is also clear that the public input solicited at this advanced stage of the planning process cannot radically change what has been planned and presented by the Assembly at this public forum. Essentially, the public hearings are organized to seek public endorsement of the plan rather than soliciting public input intended to shape the plan. Yet, the conclusion often drawn after such public hearings is that the “plan has been endorsed by the local people”. This would at least satisfy the requirement for the acceptance of the district development plan by the respective Regional Coordinating Council and the National Development Planning Commission.

FEE-FIXING RESOLUTIONS

One important issue of importance to micro and small enterprise operators at the district level is the amount they are supposed to pay as rates and fees to the District Assemblies. In any given year, the amount to be paid is often determined through a fee-fixing resolution passed by the District Assemblies. Fee-fixing resolution here refers to the agreement reached by Assembly Members of a particular District Assembly regarding the amount of money to be paid as rates and fees by business people and the local residents as it may apply within a given period of time. Fee-fixing resolution is one of the important decisions of local governments that has implications on the growth and profitability of micro and small enterprises at the district level. District Assemblies in Ghana have been given the authority to levy and raise fees and rates directly. Section 94 of the Local Government Act, 1993 (Act 462) constitutes District Assemblies into rating authorities. Section 95 (1) of the same act provides that a District Assembly shall make and levy sufficient rates to provide for that part of the total estimated expenditure to be incurred by it during the period in respect of which the rate is levied and which is to be met out of money raised by rates. In the exercise of the authority to determine rates, District Assemblies are encouraged to engaged prospective rate payers in the processes leading to the determination of the amount to be paid as rate. But this is rarely done. In their quest to raise more revenue to meet their ever-increasing recurrent expenditure, District Assemblies are reluctant to involve potential rate payers at the critical stages of the fee-fixing resolution.

The inability of District Assemblies to meaningfully involve potential rate payers in the critical stages of their fee-fixing resolution is reflected in the survey results involving micro and small enterprise operators in Berekum. Whilst officials of the Berekum Municipal Assembly claimed that they have been involving all business operators and other potential rate payers in their fee-fixing resolution deliberations, the micro and small enterprise operators in the Berekum light industrial zone held a contrary view. In assessing efforts by the Assembly to involve them in fee-fixing resolution deliberations, a greater number of the respondents (65.33 percent) as shown

in Table 5 rated the performance of the Assembly as poor. Although, officials of the Assembly insist that business groups are involved in the fee-fixing resolution process, the survey results demonstrate dissatisfaction on the part of the micro and small enterprise operators on the handling of fee-fixing resolutions by the Assembly. This is expected because over the years, fee-fixing resolutions have been a contentious issue between District Assemblies and the micro and small business operators in particular. Although District Assemblies across the country are making efforts to involve business operators in their fee-fixing resolution deliberations, it is often not intended to create a platform where business groups can influence the process or the rate to be determined.

Instead, the participatory processes involved in the fee-fixing resolutions are intended to eventually pass on information to potential rate payers. The fee-fixing resolution process commences when the budget committee meets to estimate total planned expenditure of the Assembly for the year and the corresponding amount of revenue to be raised from identifiable revenue sources to finance that expenditure. When the budget committee settles on the amount of revenue to be raised, proposals regarding the imposition of rates and fees are presented to the finance and administration sub-committee of the Assembly. The fee-fixing resolution is discussed here and subsequently forwarded to the executive committee of the Assembly. The executive committee discusses the proposal and submits a final draft to the General Assembly for deliberation and approval. Rates/fees approved by the General Assembly are those to be collected in that fiscal year. It is at this point of having the rates approved by the General Assembly that the budget committee now organizes meetings with representatives of identifiable business and other interest groups to take them through the approved fee-fixing resolution and seek their cooperation in the collection of the rates/fees.

Clearly, the involvement of potential rate payers in the fee-fixing resolution leaves much to be desired. Essentially, the focus appears to be on publicizing the fee-fixing resolution rather than deepening consultation and engagement with potential rate payers in the processes leading to determination of rates. Yet, micro and small enterprise operators such as the artisans in the Berekum light industrial zone complained of paying so much tax to the Assembly and the Ghana Revenue Authority without receiving corresponding services for business development:

We have been paying all these taxes but they (Central Government and Berekum Municipal Assembly) have refused to tar our roads in the light industrial zone. We are inhaling dust all the time when we are at work [...] Look, all of us here in this Magazine (light industrial zone) compete to use just one toilet facility, yet they take our money all the time. (A remark by an artisan in the Berekum light industrial zone during a focus group discussion, 2011)

This practice affects the morale of micro and small enterprise operators and their businesses. The micro and small enterprise operators complained of high rates being imposed on them by the Assembly, which affect their profit margin. The micro and small enterprise operators also complained of the frequent closure of their shops over the non-payment of rates. These events eventually affect the profit margin of micro and small enterprises as well as the amount of revenue that can be raised by the Assembly. Yet, officials of the Assembly maintain that involving business people in the early stages of the fee-fixing resolution encourages the business people to propose low rates/fees. But effective local economic development is critical to achieving the envisioned results of decen-

Table 5. Involvement of business operators in fee-fixing resolution

Item	Response	Percentage
Poor	98	65.33
Fair	3	2.00
Good	49	32.67
Excellent	0	0.00
Total	150	100.00

Source: Field Survey, 2011.

tralization, including creating the necessary policy space for various actors to contribute to economic development (Ministry of Local Government and Rural Development, 2013). So as long as business people continue to pay taxes and contribute to local economic development at the district level, they must be recognized by the District Assemblies as key stakeholders and be involved in development decision making processes.

IMPLEMENTATION OF LED ACTION PLANS

The local economic development intervention that focused on setting up a light industrial zone in Berekum was successfully implemented. The light industrial zone has been set up and the artisans now have their own dedicated place to work. Spare parts dealers and related economic activities are also having space to transact business. Yet, the micro and small enterprise operators in the light industrial zone still do not have good impressions of the Assembly's role in local economic development. On the specific subject of efforts by the Assembly to involve micro and small enterprise operators in the implementation of local action plans, the views of the respondents are not impressive. As high as 74.67 percent of the respondents as shown in Table 6 rated the efforts of the Berekum Municipal Assembly to involve them at the level of implementation of local action plans as poor. This perception runs counter to the experience in the local economic development action planning session where responsibilities were shared among relevant stakeholders to facilitate effective implementation.

Clearly, planning for the setting up of the light industrial zone was systematically undertaken with the assignment of responsibilities to all relevant actors. But the micro and small enterprise operators in the light industrial zone have their view regarding the whole planning exercise. First, the micro and small enterprise operators attribute the successful planning and their involvement in the planning exercise to the external facilitator – the GIZ. Second, the micro and small enterprise operators are questioning the commitment of the Assembly towards local economic development. Pointing to the un-bituminized access roads in the light industrial zone and the provision of one toilet facility for all businesses, the artisans argued that the Assembly has no interest in engaging them in plan implementation. The artisans argued that since the GIZ left, they have not been invited by the Assembly for a meeting on the implementation of any action plan. This accords with Meyer-Stamer's (2004, p. 11) observation that "Implementation crisis emerges when external actors intervene in a manner that does not satisfy the interests of local people". The observations made by the artisans call for action from the Assembly. Clearly, in Berekum as elsewhere, "different groups in the development field are often well aware of the chances available to them within policy discourses and adjust strategically and instrumentally to their ascribed roles" (Rossi, 2006, p. 29). In this regard, the Berekum Municipal Assembly must take steps to address this poor image in order to be able to get the support of all relevant local stakeholders in the development process. Clearly, local economic development planning in developing countries is entrusted to local authorities who are characterized by limited capacity (Meyer-Stamer, 2003; Chome, 2015; Bassett, 2016). But effectively carrying their development role and getting relevant actors involved in the development process is particularly important if the Assembly wants to encourage the business operators to regularly pay taxes or rates and carry out their local economic development roles.

Table 6. Involvement in the implementation of local action plans

Item	Response	Percentage
Poor	112	74.67
Fair	32	21.33
Good	6	4.00
Excellent	0	0.00
Total	150	100.00

Source: Field Survey, 2011.

CONCLUSION

The views expressed by the micro and small enterprise operators as captured in the survey do not present a favorable image of the decentralized planning system in Ghana. The promotion of broad-based participation in development decision making is still problematic. Key stakeholders in local economic development are hardly involved in the planning process and in decision making events. The inability of the Berekum Municipal Assembly to effectively involve micro and small enterprise operators in important stages of the planning process and fee-fixing resolution create the impression that the Assembly does not recognize them as actors in local economic development. But micro and small enterprises constitute an important stakeholder group for local level development in Ghana. At the district level in Ghana, micro and small enterprises are expected to pay taxes and carry out production and service delivery roles to promote local level development. The role of micro and small enterprises in local level development must thus be recognized by local government authorities and efforts must be made to integrate them into the planning process. It is through this collective action that local economic development promotion can be made meaningful at the district level in Ghana.

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