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ANALYSING INTEGRATED PUBLIC FINANCIAL MANAGEMENT REFORMS: A CASE STUDY OF GHANA

December 2020

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ABSTRACT

Public sector accounting reforms have a vast potential to impact on the developing world (Hopper et al., 2016) but the explication of reform performance is only partial in the neo-classical economics framework. Accounting scholars have called for a deeper understanding of the context and conditions of accounting reforms in the less developing countries and emerging economies (LDCs/EEs) (van Helden and Uddin, 2016; Nyamori et al.,2017; Hopper et al., 2016; Goddard and Mkasiwa, 2016; Manning and McCourt, 2013; Abdul-Rahaman et al., 1997).

This research sets out to understand the context of the public financial management (PFM)reforms using Ghana as an example of LDCs/EEs. The tools embedded in the institutional logics approach (ILA) are mobilised, as a meta-theoretical framework encompassing symbolic interactionism and grounded theory, to offer a constructivist-interpretivist account of the reforms.

This research found that accounting changes through the PFM reforms in Ghana have been challenging to implement, and reforms outcomes have been poor to mediocre. Empirically, this study identified budget credibility as the core category in public sector accounting reforms in Ghana. The reform outcomes are reflected and constituted in the budget logics, such as over-centralization of controls, gaming, and unpredictability of flow of funds to the ministries, departments and agencies (MDAs), that have constrained the reforms. This study relates the core category to the other five main empirical categories, namely: accountability, professionalism, and financial re-engineering, automation, and policy credibility) which emerged from the study. Longitudinally, the research found that, dating back to the pre-independence era, only limited improvements have been made in the transformation of the public financial management practices to support economic development in Ghana. Opportunities to decentralize financial controls were not taken the 1980s, and the successive recent reforms have only centralized both the reforms and financial management controls. This research explains why sub-optimal accounting practices endure, the paradox of embeddedness, and constraints and possibilities of collective action to effect accounting change through reforms.

The study examines the dynamics and the interplay of budget credibility and the other categorical elements within the “vampire state”, and the impact of hegemonic influences of the international community on local actors institutionalised in the polities through objectification and exteriorisation of culture.

The implications of the budget credibility are explored further through the development of a substantive theory on the reforms, a processual analysis, and interinstitutional orders comprising national community logics, state logics, and international community logics that shape public sector accounting change in Ghana. This research opens up the possibility of further theoretical and empirical studies in other resource dependent countries where reforms are influenced by external donor development partners.

Key Words: PFM reforms, public sector accounting change, budget credibility, international donors, organisational change, institutionalism, institutional logics approach, hegemony, culture, less developing countries (LDCs), developing countries (DCs) and emerging economies (EEs).

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LIST OF FREQUENTLY USED ACRONYMS

ACCPAC	An accounting software package
BPEMS	Budget and Public Expenditure Management System
CPP	Convention People's Party
DC	Developing Countries
DUBS	Durham University Business School
CAG	Controller and Accountant General
CAGD	Controller and Accountant General's Department
COA	Chart of Accounts
CSPIP	Civil Service Performance Improvement Programme
CSRP	Civil Service Reform Programme

EEs	Emerging Economies
ERP	Economic Recovery Programme
ERPs	Enterprise Resource Planning system
GAS	Ghana Audit Service
GIFMIS	Ghana Integrated Financial Management Information System
GoG	Government of Ghana
HRMS	Human Resource Management System
ICAG	Institute of Chartered Accountants- Ghana
IFAC	International Federation of Accountants
IGFs	Internally Generated Funds
IFIs	International Financial Institutions
IL	Institutional Logics
ILA	Institutional Logics Approach
IMF	Internal Monetary Fund
IPFM	Integrated Public Financial Management
IPPD	Integrated Personnel and Payroll Database
IPSAS	International Public Sector Accounting Standards
LDCs	Less Developed Countries
PAC	Public Accounts Committee
PAD	Project Appraisal Document- WB
PAMSCAD	Programme and Actions for Mitigating the Social Cost of Adjustment
PEFA	Public Expenditure Financial Accountability assessment
PER	Public Expenditure Review
PFM	Public Financial Management
PFMRP	Public Financial Management Reform Programme
PSA	Public Sector Accounting
PSC	Public Service commission
PSM	Public Sector Management
PUFMARP	Public Financial Management Reform Programme
MASs	Management Accounting Systems
MDAs	Ministries, Departments and Agencies
MMDAs	Metropolitan, Municipal and District Assemblies

MTEF	Medium Term Expenditure Framework
NDC	National Democratic Congress
NDPC	National Development Planning Commission
NIE	New Institutional Economics
NIRP	National Institutional Renewal Programme
NIS	New Institutional Sociology
NPM	New Public Management
NPP	National Patriotic Party
OIE	Old Institutional Economics
OIS	Old Institutional Sociology
SAP	Structural Adjustment Programme
SOEs	State Owned Enterprises
UGCC	United Gold Coast Convention
WB	World Bank
WB-PPAR	World Bank – Public Procurement Assessment Review

DECLARATIONS

I hereby declare that the material contained in the thesis has not previously been submitted for a degree in this or any other institution. I further declare that this thesis is exclusively based on my own research.

Kwadwo N Oduro

STATEMENT OF COPYRIGHT

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DEDICATIONS

I dedicate this to my grandmother who taught me that education is the key, and to my mother for endowing me with the resources to pay for this research even from beyond. I dedicate all the efforts that have gone into this research to my children Ohemaa, Prof, and Guru hoping that it guides them in some ways by setting an example; and as a potential resource for making the world a better place.

1 INTRODUCTION TO THE THESIS

1.1 INTRODUCTION

The purpose of this research is to explain accounting reforms in less developed countries and emerging economies (LDCs/EEs) by deepening the understanding of how accounting practices emerge and can be transformed within the public sector reforms. Public sector accounting (PSA) change in the LDCs/EEs is a critical but neglected developmental policy issue affecting the socio-economic development of a large proportion of the world population (Hopper et al, 2016). Vast sums of money and effort have been expended on PSA reforms in the LDCs/EEs without marked improvements, especially in Africa. Academic researchers have mobilised a wide range of methodologies and philosophical approaches (Alawattage et al., 2016; Liguori and Steccolini, 2014) to explicate change and stability in public sector accounting practices in less developed countries and emerging economies (LDCs/EEs).

Accounting researchers traditionally relied on neo-classical economic theory to rationalise developments in accounting techniques and systems (Dillard, 2004). Often in the LDCs, research have been conducted relying on neo-classical economics and rational choice theories to explain change, but such theories have been challenged even among economists (Walker, 1998; Abdul-Rahaman et al, 1997; Nelson and Winter, 1982). Scholars have critiqued neo-classical economic theory as fatally flawed for being rooted in atomistic individualism, and not relevant for explaining accounting change. Some have held that such studies are concerned with investigating the conditions of equilibrium (Burns and Scapens, 2000) and not the processes of change, noting that the empirical failure of efficient market theory, agency theory, and contingency theory has created a new awareness (Dillard et al., 2004). Others have also provided evidence that neo-classical economic theory is simply not adequate for giving an account of human behaviour (Tversky and Kahneman, 1986; Scapens,1994) and as such their explanations of both human behaviour and change are not complete and need to be supplanted by other social theories.

Historically in explaining accounting change researchers had focused on financial accounting issues such as accounting standards and the role of professional accounting bodies, in neglect of management accounting (van Helden and Uddin, 2016), and this impacted on how accounting change was explained in the LDCs/EEs. The earlier literature (in the 1960s and 70s) considered accounting as neutral and unproblematic, as such they often focused on how best to transfer Western accounting technologies to non-Western countries (Alawattage et al., 2016). As they argued the impact is still felt today:

> Thus, they were, and still are, in mainstream accounting circles, driven by the managerial ethos and the 'business' of selling Western management accounting technologies to their non-Western counterparts (Alawattage et al., 2016 pp288).

However, recent accounting scholarship has directed attention to a better understanding of how accounting is influenced by multiple agencies, organisational processes, and institutions; and how accounting in turn is influenced by them (Dillard et al, 2004). Circa the 1980s onwards, with the awareness of the social embeddedness of accounting change (Baxter and Chua, 2002), there has been a steady flow of literature drawing on social theories that places accounting in both its organisational context (Hopwood, 1983, 1987) and societal context (Burchell et al., 1985). The outcome of this development has spun a considerable literature on accounting and organisational change research such as (Loft, 1986; Preston et al., 1992; Miller and Rose, 1990; Miller, 1991; Miller and O'Leary 1994, Boedker and Chua, 2013, Ahrens and Ferry, 2015, 2016), which has been extended to the world-wide new public management (NPM) reforms (Hood,1991, 1995; Lapsley,2009; Manning, 2001; Steccolini, 2019).

Alongside this development emerged the new public management (NPM) and public sector accounting reforms in the LDCs, where scholars have drawn on a variety of theoretical lenses to interpret the empirical evidence of their research (Alawattage et al., 2016), but the 'normative' and functionalist literature are still driven by neo-classical economic theory[1]. There have been some efforts to explore the public financial management and integrated public financial management (PFM/ IPFM) reforms (as a variant of the global NPM reforms), but there are still many questions on how the reforms have been and are being implemented in LDCs/EEs, and scholars have argued the need to deepen our understanding of both the processes and the contexts of these reforms (van Helden and Uddin,2016; van Helden and Ouda,2016; Abdul-Rahaman et al., 1997).

In recent years, a vibrant stream of literature has emerged from the LDCs /EEs on PFM reforms which has provided a useful platform on which to build, but with a few exceptions (such as Goddard et al., 2016, Alsharari et al., 2015; Alkaraan, 2018) they have been disparate theorising rather than resulting in what Modell (2009) has termed in another context as cumulative theorising and a programme of research[2]. Recent studies provide evidence of reform landscape shaped by both

[1] Normative as used here refers to the accounting practitioner literature which tends to be prescriptive (see Goddard 2010).

[2] Modell (2009) for example found that in the areas of performance measurement and management as a subsector of public sector accounting, institutionalism offers "one of very few substantial and reasonably coherent research programmes in an area that has recently been characterized as having an overwhelmingly descriptive and prescriptive emphasis and suffering from a lack of cumulative theorizing" (pp.278).

national and international interests. Reform failures and poor performances have been attributed to both internal implementation mechanisms as well as wrongful and ineffective pressures exerted by external donors (Lassou et al.,2019). Reforms in some of the African countries are shaped by the power relations between neo-colonialists' interests and indigenous political leaders and government officials (Lassou and Hopper,2016). They argued that most accounting reforms emanate from the 'North' (otherwise termed as the West), but shaped by indigenous civil servants, who sometimes manipulate the reforms to their advantage. Others have highlighted the problems of corruption and fraud by showing that the roles of key agencies such the Accountant General's Department and the Auditor General's Department were undermined by senior government officials (Rahaman (2009). Rahaman argued that understanding the context of reforms is important, and that one should go beyond the mere enlistment of these functions, as they can be manipulated by officials to suit their interests. Hooper et al (2009) argued that reforms are influenced by ex-colonial powers, who continued to pursue their neo-colonial interests in the guise of the international financial institutions. This is reinforced in a situation where governance problems in the developing countries have been commodified in the shape of reforms. Neu and Ocampo (2007) argued that the World Bank translated the problems into numbers that often were compiled as academic exercises in order to grant a loan, but subsequently became the reality that countries had to live by upon signing the loan agreement. The World Bank therefore had exerted indirect control through the implantation of such mundane and quotidian practices. In some cases, the improvements through reforms cannot be sustained, as in Ghana Roberts and Andrews (2005) reported that the initial gains in budget planning, introduced with the implementation of the medium-term expenditure framework (MTEF) were quickly reversed in subsequently years. In a longitudinal case study of management control in a textile mill in a traditional Sinhalese village in Sri Lanka, Wickramasinghe and Hopper (2005) found that accounting reflected as well as constituted its environment. In that context they found that budget improvements led to overall improvements of organisational performance, and a decline in the budget function led to deterioration of performance. In a previous paper he and his colleagues had asserted that what drove market-reforms in developing countries was the failure of bureaucratic mechanisms to deliver development goals, and the dependence of such countries on donor support (Wickramasinghe et al.,2004). They found that the external donors, especially the World Bank, had driven neo-liberal reforms that developing countries were compelled to adopt to get their support. They argued that supply-side economic policies depended on efficiency in bureaucracies for effectiveness.

Olowo-Okere and Tomkins (1998) compared lessons learned from the UK's experiences of reforms to Nigeria's case. They argued that the UK's reforms were driven by principles, rather than by a master plan. The UK government did easy things first, while tightening accountability through the

establishment of the National Audit Office. They asserted that reforms were more likely to succeed where civil servants identified with the principles that drove the reforms than where they did not agree. In Nigeria, they observed that the reforms were instigated by external agents who also determined most of the content. The implementation of reforms was affected by the frequent changes in government. Most of the proposed changes were not implemented, and those implemented decoupled (in the sense of a gap between official pronouncements and reality).

A number of the existing studies on PFM reforms have focused primarily on *why* reforms fail in LDCs/EEs, but not *how* they are implemented. As a result, some of these studies have failed to create a deep understanding of both *how and why* changes in accounting practices occur or persist in the LDCs/EEs. One theme that appears to run through these studies is the role of external donors in originating and determining the content of reforms. These studies have also espoused macro-structural factors such as neo-patrimonialism, patronage and corruptions as the main internal cause of reform performance (such as in Lassou et al, 2019, Lassou, 2017, Rahaman, 2009).

These papers share similar objectives with this research in explicating the reforms in LDCs, but some of the existing studies were drawn from different countries other than Ghana (such as Neu and Ocampo ,2007; Olowo-Okere and Tomkins ,1998; and Wickramasinghe and Hopper, 2005). Most of the papers adopted frameworks that treated government as a single monolithic entity operating in a homogenous environment. Those that had drawn on neo- institutional theory, did not wholeheartedly address the applicability of that theory in non-Western context.

Whilst this thesis builds on the extant literature, it aims to address some other concerns as well: Firstly, political economy theorising suffer from fatal inadequacies and their explanation of reforms are not complete. Secondly, the existing studies adopting variants of institutional theory have focused on either the macro-level or the micro-level effects, with a few exceptions, they have not developed a combined approach (Zucker, 1977). In the LDCs, as far as we know, the integrated approach has not been applied in any empirical studies. Thirdly, neo institutional theory has been critiqued by scholars (such as Thornton et al.,2012 and Hirsch and Lounsbury (1997) for its weaknesses in uncovering the role of cultural agents (who are portrayed as cultural dupes) in the explanation of change. Instead, the institutional logics approach offers a more convincing account of change or stability by allowing for heterogeneity in the environment, and treating reform actors not as a single unit, but pluralistically. Fourthly, institutional logics place emphasis on the strategic use of persuasive language in narrating and explaining change (Thornton et al., 2005; Suddaby and Greenwood, 2005). Other scholars have reached the same conclusions as found in the works of Foucault, Pedersen, Wittgenstein and several other theorists; and it affirms institutional logics as a better framework for articulating change. For example, it reflects translation of practices instead of

mindless diffusion often associated with neo-institutional theory. Lastly, institutional logics support a processual account of allows for the possibility of exteriorisation of culture from the societal environment. It departs from a mechanistic internalisation or organismic diffusion. Therefore, it offers a much deeper explanation of change or stability that is non-deterministic, non-linear, non-rational and transrational.

This research aims to address the lacunae in the extant literature by mobilising institutional logics as a meta-theory to extend the existing corpus of research, and to contribute towards the deepening of our understanding of the context and performance integrated public financial management (IPFM) reforms.

This choice of framework is not just to address some of the shortcomings in the extant literature. It reflects the ontological and epistemological assumptions of the Weberian philosophy of *verstehen*, which is a subjectivist approach that aims to create understanding from within. Scholars have argued that there is a clear distinction between subjectivist ontology and constructivist epistemology as against objectivist-realist ones (Burrell and Morgan, 1979). In this research, by adopting a subjectivist-constructivist philosophy, the study found a clear line of sight between adopting grounded theory-informed methods and a processual narrative that mobilises institutional logics and symbolic interactionism as theoretical lenses. This framing allows this study to give voice to the research participants, while providing a narrative that addresses how the reforms have been implemented in Ghana at both macro-historical and micro-processual levels (Lounsbury and Boxenbaum, 2015).

1.2 RESEARCH BACKGROUND

For over two decades governments in low to middle income economies in Africa, Asia, Latin America, and South-East Europe have been undertaking accounting reforms, under the rubric of integrated public financial management reforms (IPFM). According to the World Bank publications, by early 2017, about one-hundred and fifty countries had undertaken at least one Public Expenditure and Financial Accountability (PEFA) report as part of their efforts to further strengthen their financial management reforms (Fritz et al., 2017). These reforms are driven by the global initiatives founded on new public management (NPM) principles (Goddard and Mkasiwa, 2016; Hood,1991, 1995, Lapsley,2009). The reforms are often ascribed technical rationalities such as the improvement of efficiency as part of the public sector transformation agenda. But this view has not gone unchallenged, as some see it as a backdoor for international financial institutions and western-industrialised countries to further their aim of influencing government policies and implementing neo-liberal and neo-colonial policies in LDCs (Hopper et al.,2016; Neu and Ocampo, 2007).

Despite the scale of effort and resources that have gone into public sector accounting reforms there is considerable evidence that the results have been disappointing (Allen, 2009; Manning and McCourt, 2013; Hopper et al, 2016) and have continued to be so. According to WB estimates, from 2002 to 2017 over $20 billion had been spent by LDC/EEs' development partners DPs on these reforms; "however, following nearly two decades of intensive effort, what has been achieved, where, and why is not very clear" (Fritz et al., 2017 p. xi).

The PFM reforms as implemented to-date have been packaged within the new public management (NPM) philosophy which puts emphasis on managerialism and accountability in the public service (Hood 1991, 1995). In developed industrialised countries the uptake and impact of NPM reforms have been mixed (Hood, 1995); cruellest disappointment (Lapsley, 2009); hailed and praised (Osborne and Gaebler, 1993). In LDCs, to-date, the results have been preponderantly skewed towards failure.

The extension of NPM-type reforms to the LDCs/EEs has been backed up by the international financial institutions (IFIs) and other development partners, who have exerted considerable pressure for the reforms to be implemented. The combination of the pressure exerted by the IFIs (WB/IMF) to implement international best practices in LDCs and the poor reform outcomes continue to raise questions about the role of the IFIs, and the conditions under which the reforms are being implemented. The underlying neo-liberal philosophy of the NPM, and similarity of the advice proffered by the IFIs to LDCs in the design and implementation of the reform have often elicited the tag of "one-size-fits-all" reforms. The reforms are often implemented with the loans from the World Bank (WB) that come with conditionalities that have raised into question their role as 'honest brokers'. The WB claims that they have developed a new approach based on 'best fit' for each context (World Bank, 2012), but they do not make clear what constitute 'best fit', and under what conditions it will emerge. Further, they have acknowledged that inasmuch as the Banks' staff have accumulated a vast amount of tacit knowledge on public sector management (PSM) reforms, what is 'strikingly limited' is 'the explicit theory and evidence base for understanding what works and why in public sector reform' (Ibid pp 6). With a few exceptions (Lassou, 2017, Hopper et al.,2016; Goddard et al., 2016, Sarkar 2006) both the role of the international community in the LDCs and the conditions under which the reforms take place have not been sufficiently explored in the existing academic literature.

The notions of decoupling and loose coupling have been adopted from institutional theory to describe the reform, and that is reflected in the extant literature. But as Modell (2009) has argued research is beginning to move on from simplistic notions of decoupling (and loose coupling) of practices "to pay greater attention to how it is implicated in the formative stages of institutional processes and the role of agency exercised at different levels of analysis" (pp. 293). This thesis

argues that to address such challenges require re-visiting neo-institutional theory and its new variants, which have not been sufficiently developed and applied in the existing research in the EEs/LDCs. Unfortunately, the few studies on LDCs research that have applied any form of institutionalism (such as Andrew, 2009; Lassou, 2017, Simpson, 2015; Ohemeng and Ayee, 2016) have not given sufficient attention to the appropriateness and relevance of that theoretical framework in the non-Western context. Secondly those studies that have factored in the international community in reform performance (Lassou, 2017, Lassou et al.,2019; Lassou and Hopper, 2016, Hopper et al, 2016) have explicated reform performance in terms of neo-colonial and globalisation influences without addressing the question of modern polity (Jepperson and Meyer, 1991; Killick, 2008), and bringing together the interplay between internal and external influences. Whilst this thesis critiques some of these studies, it is done with the acknowledgement that they serve as useful platforms on which this study builds to deepen our understanding of reforms in Ghana and elsewhere in LDCs.

For these reasons there is a gap in the literature, and there is a need to deepen the contextual research in one country to place the reforms in the societal context within which they are implemented. I have therefore positioned this research to focus on why less than optimal arrangements persist in accounting change in Ghana over time. This study aims to create a better understanding of the sources of heterogeneity and the processes that generate institutional change or otherwise.

This research asks what is going on with these reforms by looking at the reform phenomenon from an emic perspective, therefore, adding to the knowledge and the understanding of the conditions under which accounting change may (or could) occur under the integrated public financial management reforms in LDCs.

1.3 MOTIVATION FOR CHOOSING GHANA

This research has selected Ghana as a case study because it provides an ideal site for the empirical study of LDCs integrated financial management reforms for both its intrinsic and instrumental attributes (Stake 2000). An intrinsic case study is undertaken for its particularity and ordinariness, but it is also instrumental as it has the potential to provide insights into issues of general nature. For that reason, whilst this research focuses on the Ghanaian context, some of its' findings has general applicability as Ghana can be a good representative of the sub-Saharan context. Ghana has been at the forefront of developing countries financial management reforms, with many other African countries looking up to Ghana PFM systems (Ghana PEFA Report, 2018).Yet its performance has been poor to mediocre judged from our own field evidence, the practitioners' 'normative literature' such as the successive PEFA reports, and from scholarly research (such as Simpson, 2015; and Andrew 2005).

After decades of socio-economic decline through four republics, Ghana adopted an economic recovery programmes in 1983 that brought the country from the brink of disaster, which was hailed as one of the best success stories in Africa by the international financial institutions (IFIs). Building on its democratic governance reforms the country enacted one of the most comprehensive and ambitious financial management reform programmes anywhere in the world on 10 October 1996. It was one of the first such experiments in the LDCs/EEs, designed and financed by the World Bank working closely with the IMF, the Government of Ghana, and a crew of international donors. The reforms had eight components covering (i) budget preparation; (ii) budget implementation; (iii)accounting; (iv) cash management (v) aid and debt management; (vi)revenue; (vii) public procurement; (viii) auditing (Technical Annex-WB, 1996). Following this initial staging post, Ghana signed two further agreements with the World Bank (on 27 May 2010 and 31 March 2015), all trying to fulfil the earlier goals set in 1993 and 1994 through its public expenditure review processes.

Relative to the significant funds expended on Ghana's public financial management (PFM) reforms from 1996-2018, success has been largely disappointing. The government has encountered significant challenges in implementing the financial management reforms. The most substantial progress however has been found in the promulgation of new PFM laws [3] (Betley et al., 2012) which often have been not implemented as intended. Several official assessments of Ghana public financial management, some of them pre-dating the current reforms have shown a system littered with a litany of woes (Premchand and Talat, 1986, Premchand et al., 1990, PER 1993, PEFA 2006, PEFA 2009, PEFA 2012, and PEFA 2018)[4]. The recent efforts have led to a successful implementation of an Oracle Enterprise Resource Planning system (ERPs) which, arguably, fulfils half of its functionality. An official assessment of the project indicated that it covered only 66 per cent of government expenditure and had not resulted in a significant change in transparency of the PFM (WB-PPAR, 2016). This IPFM performance experience is not limited to Ghana alone, as other developing countries and emerging economies implementing these reforms have had similar challenges (Woolcock et al., 2018; Allen, 2009).

Similarly, the NPM reforms in western countries introducing a new set of market principles and managerialism in the public sector have had mixed results and generally have fallen short of expectations (Liguori and Steccolini, 2014). The differences between the Ghanaian, and for that matter most of the DCs, from the western country context are that of poverty (Hopper et al., 2016) and hegemonic influences (Neu and Ocampo (2007). There are cultural differences too, but as we

[3] Ghana PEFA 2018 stated regarding Ghana PFM system: "The main strength is a solid legal and institutional setting for PFM, accompanied by a skilled, dedicated and well-led civil service".
[4] I provide the details, tracking the shortcoming identified in these documents in Appendix 11.

argue in this thesis, 'culture' must not be construed in the Hofstedian sense as the entire way of life of a people, but as a way of making meaning (Swidler 1986).

1.4 THE RESEARCH QUESTION AND THE INTELLECTUAL PUZZLE OF THE RESEARCH

The existing literature on PFM reforms have begun to improve our understanding of the conditions of accounting change in developing and emerging countries, but the context differs from country to country. The conditions under which the reforms take place have not been sufficiently addressed in the existing academic literature, with a few exceptions such as Alkaraan (2018), Lassou and Hopper (2016), Goddard et al. (2016), and Sarker (2006). In addition, there have been very limited studies of the context of the PFM reforms focusing on the dynamics of change. Many of the PSA researchers have identified the importance of 'context' (such as culture, tradition, and institutionalised way of doing things). However, there have been very little evidence in the extant literature of any attempt to relate the conditions of the reforms to the context of the LDCs/EEs in a systematic manner. The existing literature has not sufficiently explored the analytical categories of the PFM phenomenon and their properties; and how these categories go to explain the reform, its processes, and consequences. Reflecting on Burns (2000, pp. 568) argument that an understanding the dynamics of accounting change requires contextual research in specific settings, this study have found that there has been very minimal attention (with exceptions such as Priestley, 1974) devoted to explaining how public sector accounting has evolved in the manner that it has in LDCs in general and within specific countries. Thus, I have not discovered any empirical study on the PFM reforms that has attempted to relate the conditions of accounting change, context, and properties of the major categories and their dimensions, or attempted to provide a processual analysis of accounting change in the LDCs.

This study builds on the insights from previous research (for example Lassou and Hopper, 2016) by asking how individuals and their public sector organisations acting rationally or otherwise, can improve accounting practices. We do that by investigating longitudinally how reforms have been implemented in the Government of Ghana context- simply by asking 'what is going on' with the reforms. Given the gaps in the knowledge of the PFM reforms, the central question of this research is:

> How does accounting change happens in financial management reforms (PFM) in the context of developing countries; and why less than optimal practices persist over time in developing countries such as Ghana?

At the heart of this research question are three-interacted intellectual puzzle : Firstly, the study asks why practices persist even though actors consider them sub-optimal; secondly how human actors can change institutions from within even when their intentions and actions have been conditioned by the very institutions they aim to change; and thirdly how collective actions, such as reforms, emerge and are implemented. Collective commitment to reforms has been a concern (Lassou, 2017) which raises

the question why 'atomised' individuals may desire reforms but collectively the outcomes may not be as desired. This paradox has been labelled as the problem of collective action in latent groups (Merton, 1968; Douglas, 1986).

Among the existing studies on accounting change from LDCs only a few (example Alsharari and Abougamous, 2017; Alsharari et al. 2015) has mobilised a unified framework based on neo-institutional theories to explain the PFM/NPM reforms. To the best of our knowledge none has adopted the institutional logics to explain accounting change in the LDCs/EEs. In addition, the research did not discover any longitudinal study that has analysed the context of the Ghana IPFM reforms.

1.5 FINDINGS AND CONTRIBUTIONS

The study mobilised grounded theory-informed methods to provide a causal explanation of the performance of PFM reforms in Ghana by deriving and endogenizing the core and main categories of the reforms empirically to develop a substantive theory on PFM reforms in Ghana. This was done abductively by relating the core category (budget credibility) of the reforms to the main categories using the paradigm model (Strauss and Corbin, 1998). This research has conducted a longitudinal field studies examining the historical as well current change processes to provide processual accounts of Ghana reforms from pre- to post-independence in 1957 as an antecedent to the substantive PFM reforms from 1996 to 2018. This methodological approach has important implications in advancing our knowledge of the institutional effects of the reforms.

This study mobilised institutional logics (Thornton and Ocasio, 2008, Thornton et al 2012, Friedland and Alford, 1991, Jackall, 1988) as the theoretical framework of the research. In addition, the study draws on the insights from institutionalism on how best to implement national reforms (Campbell and Pedersen, 2001). The novelty of this research is that it develops and apply a unified robust institutional framework based on institutionalism and symbolic interactions to diagnose the performance of the PFM reforms in Ghana. Firstly, the old institutional and new institutional theories are adapted to provide a framework salient for the polities in LDCs. Secondly, we used that to provide a platform for deriving the institutional orders and their elements to explain reform logics. The research therefore makes a theoretical contribution by expanding the scope of institutional logics and demonstrating new ways in which logics can inform our understanding of public financial reforms context and accounting change.

1.5.1 Findings:

Empirically, the study found that the budget credibility logics determine the advancement of the reforms, which is interrelated to five other fundamental categories (namely, professionalism,

accountability and transparency, automating and financial re-engineering, and political and development partner interventions in the budget processes, and policy credibility). That is, the Ghana reforms, as a phenomenon, can be explained through the credibility of the budget, in the sense that the absence of credible and predictable budgeting has retarded the advancement of the reforms. By understanding the properties and dimensions of these conditions, the research provides a causal explanation of the reform's performance. In the case of Ghana, budget credibility has become the constraining factor which has the properties of persistency of large variations, and budget informality which have been institutionalised as an accounting practice.

Longitudinally the research shows that only limited improvements have been in the transformation of the public financial management system to support economic development in Ghana from the pre-independence era. Opportunities to decentralize financial controls were not taken in the 1980s, and the recent reforms have only centralized both the reforms and financial management controls.

In applying the lens of institutional logics, the study found that sub-optimal practices endure as a result of the interplay of budget rigidities, wish-listing budgeting and gaming within the "vampire state" (Frimpong- Ansah, 1991). The budget credibility and ultimately the reforms are impacted by the hegemonic influences by international community on local actors institutionalised in the polities through objectification and exteriorisation of cultural practices.

1.5.2 Contributions:

A novelty in our approach of explicating reforms in developing countries is in combining the paradigm model and institutional logics (Thornton and Ocasio, 2008, Thornton et al 2012, Friedland and Alford, 1991, Jackall, 1988) as our theoretical framework of the research. We develop and apply a unified robust institutional framework based on institutional logics to diagnose the performance of the PFM reforms in Ghana. Firstly, we adapt the interinstitutional ideal types to provide a framework salient for the polities in Ghana (as an example of other LDCs). Secondly, we used that to provide a platform for deriving the institutional orders and their elements to explain reform logics.

The research therefore makes theoretical contribution to the accounting literature in three respects: Firstly, by showing how the paradigm model can be adapted to explain public sector accounting change. This study makes a theoretical contribution in explaining the dynamics of the reform by extending the political economy narrative of corruption, neo-patrimonialism and patronage to wish-list budgeting and gaming of the system by the acting units. Thus, we go beyond the existing accounts of PFM reforms to enrich the understanding of accounting change in DCs.

Secondly, this study expands the scope of institutional logics and demonstrates new ways in which logics can inform our understanding of public financial management reforms' context and accounting change. The study has re-framed public sector accounting change in Ghana and created new insights

of the relevance of institutional logics to public sector accounting change in non-Western context. Through this approach the study found evidence of objectification and exteriority of culture, instead of the conventional view of internalization of practices, and the existence of translation instead of diffusion of accounting practices in a DC context. This contribution has important implications in advancing knowledge of the institutional effects of the reforms.

Thirdly by analysing the evolution of PFM reforms in Ghana, the study has created new knowledge, and has advanced the understanding of accounting change in Ghana and other developing countries. This study contributes, also, to the policy debate on best-practice and sequencing of public financial management reforms' literature from emerging and developing countries. It offers alternative insights into how complex accounting reforms with several components can be sequenced and implemented.

1.6 ORGANISATION OF THE THESIS

The rest of this thesis starts in Chapter 2 by conducting a literature review, summarising and critiquing the tendencies and trends in the research literature; accounting change in the context of LDCs reforms; identifying both empirical and theoretical gaps that formed the basis of our research question. From the extant literature the study reviews what is known about accounting change generally, before extending the search to the specific literature from developing and emerging economies on integrated public financial managements, and then to the existing literature on Ghana reforms. The study noted (with a few exceptions such as Alsharari et al.,2015) the limited application of institutional theory in the extant literature from LCDs, especially in its application to the PFM reforms. This thesis critiques and builds on the foundation laid down in the extant literature from the LDCs, especially those from Ghana, drawing on institutional theory such as Lassou (2017), Simpson (2015), and Andrews (2009, 2012).

Chapter 3 sets out the methodology and methods of the research by discussing the research philosophy, and how the study was conducted. This chapter addresses the challenges of conducting qualitative research in the social sciences by mobilising the Weberian philosophical approach of *verstehen*; and provide the justifications of adopting grounded theory informed methods in data collection and analysis. In the search for an appropriate theoretical framework, the study adopted a systematic combining approach (Dubois and Gadde, 2002) by mobilising institutional logics (Thornton and Ocasio, 2008, Thornton et al 2012, Friedland and Alford, 1991, Jackall, 1988) symbolic interactionism (Blumer, 1969, Mead 1934), grounded theory informed methods (Strauss and Corbin 1998; Corbin and Strauss, 2015; Charmaz, 2014; Gioia et al., 2012), and a processual narrative (Buckley, 1967; Dawson, 1994). To ensure rigour in qualitative research I adopted ethnographic methods in collecting and analysing the empirical data from the field. The study

developed the causal explanation of accounting change based on the paradigm model (Strauss and Corbin, 1998) by relating the core category (budget credibility) to the main categories from the empirical data. This chapter presents the properties of the core category on the Ghana IPFM reforms and engage in theory building by relating the causal conditions, context, intervening conditions, strategic actions and interactions, and their consequences on the reforms.

Chapter 4 provides an overview of the context of accounting change and the PFM reforms longitudinally using insights from the processual approach. Firstly, it provides an introductory literature review to contextualise the three periods of public sector accounting reforms from pre-independence to the post 1992 reform efforts. It places the present-day reforms in the context of the recent governance reforms.

Chapter 5 draws on Strauss and Corbin's paradigm model to discuss the empirical elements the properties of the budget credibility logics as the central category in the performances of the IPFM reforms.

Chapter 6 provides a processual narrative of Ghana IPFM reforms, showing longitudinally the evolution of the public financial management system from pre-independence to-date. Drawing on the processual framework developed by Dawson (1994) this chapter provides an evolutionary narrative, explaining the conception of change, processes of transition, and the operation of new practices and procedures. The empirical findings are theorised by using institutional logics as a meta-theory to conceptualise the reforms.

Chapter 7 discusses the implications of the budget logics through the theoretical framework based on notion of rationalised modern polity in Ghana and institutional logics of the reforms. This chapter explores the wider implications of the logics of the community, state, market, professionalization, family, religion, and corporations through the categorical elements of national community logics, state logics and international community logics.

Chapter 8, as the concluding section, links the work done in this research to our original research question to demonstrate our contribution to knowledge within the constraining factors of the data and our methods. Building on the work undertaken in this thesis. this chapter takes account of recent developments since this study commenced and points the way to future research in this area. Additionally, this chapter provides the principal policy and practice findings; and discusses the implications of this work for the future direction of public sector accounting research.

2 LITERATURE REVIEW

2.1 INTRODUCTION

This literature review chapter is divided into five main parts to reflect: (i) the centrality and relevance of accounting change in PFM reforms; (ii) theories that are usually mobilised to explain accounting change; (iii) the theoretical development of institutionalism, including the institutional logics approach (ILA); (iv) some of the accounting change studies that used institutionalism and institutional logics as their theoretical framework (including studies from LDCs); and (v) accounting change literature from developing countries context. This review paves the way to the construction of the research question and the identification of a couple of intellectual paradoxes in the penultimate section of this chapter, and the potential contribution is outlined in the final section before the conclusion.

The purpose of this literature review is to create an understanding of the reforms through the review of the literature on accounting change and organisational change in general, and public financial management reforms in EEs/LDCs. Public financial management reform, as an offshoot of the global NPM reforms is concerned with managing accounting change and innovations in planning and budgeting, the regulatory space in accounting and reporting, financial management, and transparency and accountability mechanisms. This review therefore relates the research to the wider on-going dialogue in the extant literature (Creswell and Creswell, 2018).

2.2 EXPLAINING ACCOUNTING CHANGE

2.2.1 Introduction to accounting change

Accounting change is at the heart of the NPM reforms (Liguori and Steccolini, 2014). Reviewing the extant literature on accounting change helps to establish a platform for exploring some of the theories that explicates reforms, leading to the development a conceptual framework for the study in Chapter 3.

The extant literature has critiqued the earlier notion of accounting change that focused almost exclusively on accounting as a technical subject (Roberts and Scapens ,1985; Burchell et al.,1985; Hopwood, 1983) drawing mostly from neoclassical economics and managerial sciences. The earlier notions of explaining of accounting change adopted transactional cost theory, agency theory and contingency theory. Explaining accounting change was construed as a phenomenon with rationally determined outcomes, and that view continues to prevail outside the narrow confines of academic research, especially in developing and emerging economies. Burchell et al. (1985, pp.381) had noted accounting was “coming to be seen as a social rather than a purely technical phenomenon”, social as

well as economic. The interpenetration of the accounting and society was such that "it will be seen that the social, or the environment, as it were, passes through accounting. Conversely, accounting ramifies, extends and shapes the social" (Burchell et al.,1985 pp. 385). Accounting technologies have social dimensions; and it has been argued that 'accounting is not what it seems to be; it is essentially something else' (Justesen and Mouritsen, 2011 pp.163). Accounting is constituted by and reflective of a broad range of disciplines in the social sciences. Dent (1991) observed that accounting practice as a common feature of "work technologies in organisation is not a purely technical-rational affair. Rather, it is embedded in a cultural system of ideas (beliefs, knowledges) and sentiments (values), in which actions and artifacts are vested with symbolic qualities of meaning" (pp706). Scholars have even argued that accounting data stir emotions therefore its reach extends to the psychological sciences. In the latter sense, accounting is an affective technology (Boedker and Chua, 2013) which has both technical and social aspects (Burchell et al., 1985). Potter (2005) has also argued that accounting has both social and institutional dimensions in addition to its technical aspects.

The awareness of the pivotal role accounting plays in the functioning of organisations (Hopwood, 1983) and the social, or the environment (Burchell et al, 1985) requires accounting change to be studied in its organisational and societal contexts to create a deeper understanding of it. Accounting change is required to be studied in the organisational context by relating accounting practices to all the other functional practices in an organisation (Roberts and Scapens ,1985; Burchell et al.,1985; and Hopwood, 1983). Therefore, studies that have focused on one aspect, such as technology, in explaining an accounting phenomenon in neglect of the social and institutional dimensions only provide partial explanations, which are often misleading. The contextual issues of accounting change often go beyond intra-organisational to extra-organisational factors.

In more recent years there has been a shift in the overall thought collective Douglas (1986) among accounting scholars which called for the reconceptualization of accounting and organisation change. Part of this shift was in recognition that the various neoclassical based economic theories (such as efficient market theory, principal-agents theory, and contingency theory) do not provide an adequate explanation of the development of accounting techniques and systems (Dillard et al., 2004). The other part is perhaps attributable to the emergence of alternative insights from social and psychological science disciplines (especially, sociology, social psychology, and anthropology) about organisational and institutional change. Scholars have argued that the operation of work technologies such as accounting is 'embedded in a cultural system of ideas (beliefs, knowledges) and sentiments (values), in which actions and artifacts are vested with symbolic qualities of meaning" (Dent 1991 pp706). Consequently, accounting is constituted by and it is reflective of a broad range of disciplines in the social sciences.

In the reconceptualization of accounting, accounting scholars are being asked "to refocus their efforts toward the better understanding of how accounting influences, and is influenced by a multiplicity of agents, agencies, institutions and processes" (Dillard et al.,2004 pp 506). Roberts and Scapens (1985) found that emphasising the technical view of accounting led to accounting research that was accounting-centric and piecemeal focusing on specific elements of accounting systems such as budgeting, investments, and inflation accounting with the objective of improving their efficiency. Their concern was the absence of a framework for an integrated view of accounting that embraced the emerging insights of accounting as reflective of its environment, shaped by ideology (Gilling 1976), or that which was constitutive of behavioural and political aspects. Roberts and Scapens (1985) suggested that accounting was to be viewed as practice that was embedded in other functional areas within organisations such as procurement, marketing, human resource management, and production to understand accounting change.

Accounting has ways of shaping how organisational processes are seen, controlled, and managed for the ends they serve. It has the capacity of changing the interpretive schemes in other functional domains in an organisation, which has been termed as accounting colonisation in the literature (Broadbent and Laughlin, 1997). Hopwood argued that accounting is fundamental to the proper functioning of organisation, but not much was known about the organisational nature of accounting practice. Studying accounting practice at the organisational level enhances our understanding of how that practice interfaces and interacts 'with other organisational practices, decision processes, and power structures' and 'the factors that give rise to the accounting phenomenon and induces it to change' (Hopwood, 1983 p.288). The nature of accounting varies from context to context, and the meaning of accounting emerges from its organisational and social setting. In that sense, Hopwood saw accounting practices as both dependent and independent variables (implying that accounting changes should be explained endogenously) Accounting practices are therefore not to be taken for granted as exogenous phenomena, but something that shape and are being shaped by the social context within that organisation.

Accounting scholars have asserted that context is paramount and understanding the context of accounting change requires exploring the organisational change as a process rather than a snapshot of events (Burns, 2000). Change is a dynamic process, and its major influences include power over resources, decision making, and meaning making (Burns, 2000). Some of the earlier studies on accounting change in the 1990s had focused on such things as 'accounting systems, accounting techniques, the accountancy profession, and the role of an accountant' (ibid pp. 567). Burns (2000) lamented over such studies for paying minimal attention to "understanding and explaining why and how accounting evolves in the manner it does, through time, and within specific organisational settings" (pp 568). The rational model is not just *aprocessual*, but also *ahistorical* and *acontextual*

(Pettigrew,1990) which sees change as a shift from one optimal position to another and focus on outcomes. Whereas the processual approach is evolutionary and departs from studying the 'rational' behaviour of actors. It focuses on studying context by taking into account both intra-organisational and extra-organisational factors.

Burns (2000) observed:

> A processual approach means exploring the temporal dimensions of change, unfolding over time, through reference to the past, the present and the future. Explanations and explanatory ``factors'' are ``fluid'' rather than fixed…''…it teases out the characteristics of change over time, but also the continuity of settled patterns of behaviour' (ibid pp. 568)

Understanding accounting change through the processual approach has been deemed to be beneficial because understanding the change process dynamically allows managers to be better positioned to influence the trajectory of change, the potential impact on their programmes; and to help them anticipate problems that may occur.

2.2.2 Earlier notions of accounting change

Going back to the 1960s and 1970s academic accounting research relied mostly on positive methods and mathematical analysis using survey questionnaire and databases with little or no empirical content. Researchers described accounting practices in case studies and surveys but with no theoretical framework (Goddard, 2010). There were normative papers[5] that were developed to describe new practices and to advocate for organisation to adopt them. Accounting functionalists' research aimed to be objective driven by regulatory stance, economic theories and traditional managerial theories directed towards technical reforms. Notions of accounting change were therefore mostly conceived in terms of managerial /organisational theories and economic traditional utility-based decision-making theories drawing on agency theory, transaction theory, and contingency theory.

Despite the realisation of the linkage of accounting and the social, technical reforms took precedence over social understanding of accounting change (Burchell et al, 1985). The works of Gilling (1976) and Wells (1976) provide examples of earlier accounting research that were not pre-occupied solely with technical reforms as the others (Robson, 1991; and Burchell et al., 1985). These two scholars offered examples of contingency models of accounting change as well as some initial insights into the dialectics of accounting and its environment. These two scholars attempted 'to explicate and

[5] Normative is used here to denote the practitioners' type literature which tends to set recommended benchmarks for accounting practices and techniques. This type of literature is produced by scholars and practitioners in the WB, IMF, OCED, Brookings Institution and Regional Development Banks and consultants commissioned by them. Much of this normative literature tends to adopt positivist- functionalist stance; and their methods are therefore nomothetic.

develop a general description and characterisation involved in the interaction of accounting with its social context (Burchell et al., 1985 pp. 382). Gilling (1976) offered some understanding of the social and institutional forces underlying accounting change; arguing that accounting responded to changes in its environment with a time lag. The inertia of change was explained in terms of the incapacity of the accounting professions to decide, or rather agree, on the appropriate modifications to be made in accounting practice (what they termed 'immobilisation of the agency' of the accounting profession as a result of accounting 'ideologies'). However, as the environment develops or evolves it requires accounting to reflect the environmental needs. In the extreme scenario in this model accounting change is environmentally determined as it reflects the environment and nothing else.

Wells (1976) presents a constitutive view of accounting change caused by the accounting profession, in contrast to the Gilling's (1976) reflective view. Wells (1976) maintained that accounting developments whilst essentially internal in origin, have the power to affect their environment. In this formulation the process of accounting change is produced through relatively autonomous intellectual innovations within the practice. The argument advanced by Wells (1976), since it involves an autonomous accounting profession, shows the sensitivity and vulnerability of professional developments to the courts, public opprobrium, and the opinion of the business community in influencing accounting change. In other words, Wells (1976) emphasised the notion of change that is dependent of the thought-collective of professional bodies. This idea of change has been described subsequently by Douglas (1986) as Durkheimian-Fleck theory of change. This conception of change is not necessarily a closed-ended system but that which is opened and influenced by the wider society.

Gilling (1976) and Wells (1976) represent an earlier models of accounting change based on the professional accounting community and the social structures of society. Burchell et al. (1985) show that whilst these two conceptions of accounting change appear to be directionally opposed in their depiction of the relationship between accounting and its social context, they both recognize the reflective and constitutive aspects of accounting's relationship to its context. Taken together both theories present arguments based on the duality of 'structure-agency'. Subsequent scholarly inputs have noted that they both failed in their presentation to maintain consistency of argument and purpose because whilst each starts with a particular direction of causality of change, this direction is not maintained consistently throughout, and their arguments can be reversed (Robson, 1991)
However, in these earlier conceptions of accounting change one sees, what Burchell et al. (1985) described as the inter-penetration of accounting, society, and institutionalism. Also coupled with this is the possibility, of evolution of the "thought-collective" of the accountancy profession impacting on change.

2.2.3 Understanding the context of accounting change

Many scholars have contributed to explaining accounting change in the context of organisation and society. Hopwood (1983) noted that studying accounting at the individual level was not as promising for reforming the practice and technology of accounting as studying it in its organisational context. Following Hopwood's clarion call for accounting to be interpreted in its organisational context, the ensuing explanation (or theorising) of accounting change, for example Burchell et al. (1985), built on the existing contingency theory approach developed in Wells (1976) and Gilling (1976).

Burchell et al. (1985) attempted to overcome the limitation of accounting change models based on the 'duality contingency models' by embedding accounting change in societal change, and in mobilising what was later described as 'a genealogical narrative of contingencies' (Robson 1991). But understanding accounting practices in their organisational (or society) contexts requires more than a technical description of accounting information systems (Roberts and Scapens, 1985). It requires the technical to be embodied in the practical organisational systems of accountability (Ibid).

For public sector organisations there are compelling reasons to interpret accounting and accounting change in the broader society context. Burchell et al. (1985) demonstrated the relationship between accounting change and society change more explicitly through the notion of determination and representation of accounting concepts such as value added in the UK. For public sector accounting change research, the notion that accounting both reflects its context and assists in constituting that context, through accounting of its environment is very pertinent. The relationship of individuals and their collective action, and the relationship between accounting and society can best be understood in accountability terms (Roberts, 1991). He distinguished between hierarchical forms of accountability and socialising forms of accountability. Accounting for oneself and for organisations works through a system of either hierarchical accountability or socializing accountability. There "is an unavoidable interdependence of action both within the organisation and between the organisation and the communities in which it operates…. One of the principal problems of accounting information is that if it is treated as a mirror, it seems to reveal only independent entities. At worst, the practice of accountability is taken in by this image and uses information in a way that seeks to locate responsibility and blame unequivocally" (ibid pp. 367).

Hopwood (1987) argued that very little was known about the pre-conditions, processes, and consequences of accounting changes. Accounting is often implicated in not only in the management of organisations but also in the wider economic and social environment in which it is located. These forces also in turn impact on both the accounting processes and accounting change. At the time of

Hopwood's writing, accounting research mostly focused on the technical aspects of accounting with a view to improve existing practices; and the historical accounts tended to be *ahistorical.*

2.3 REVIEWING THE ACCOUNTING CHANGE LITERATURE TO GUIDE THE CHOICE OF CONCEPTUAL FRAMEWORK.

The literature (both academic and practitioner-based research) has established that reforms are context dependent (Adhikari et al. 2019; Manning and McCourt, 2013). The central challenge of explaining the context of accounting change and reform revolves around resolving the structure-agent dilemma that lies at the heart of all social science investigation. This dichotomy corresponds approximately to the objective-subjective distinction, and macro-level theories versus the personal sensemaking and meaning construction theories Justesen and Mouritsen (2011), that are often mobilised in accounting research. To explain accounting change theories that can be adapted as the conceptual framework of this study, following the lead provide by

Below I discuss the key conceptual of frameworks commonly found in the accounting research literature to justify why this study adopted the ILA approach (with SI) as the conceptual framework of this research. The list includes (i) political economy theories, (ii) actor-network theory, (iii) governmentality, (iv) Bourdieu's practice theory, and (v) Gidden's structuration theory. (vi) organisational-institutional theories. This study argues that while institutionalism stands as a distinct intellectual effort, the ILA as a meta-theory of institutionalism is more appealing because it mobilizes elements from the recent advances in the social and cognitive sciences into accounting research. This is not an exhaustive list, and at the end of the section I list a few theories that are sometimes used in combination with these major frameworks or with others. I exclude institutional theories from this list and present it separately in section 2.4.

2.3.1 Political economy theories

Scholars have argued that NPM reforms can be explained in terms of new institutional economics (NIE) rooted in public choice, transactions cost theory, and principal-agent theory (Hood, 1991). These political science and economic doctrines generate a set of ideas such as contestability, user choice, transparency and incentive structures that have been embodied in the NPM public administration reforms. Not surprisingly, some of the earlier LDCs accounting research papers that explicated the performance of the PFM reforms, as a sub-set of the NPM reforms, followed the path of transactions cost and principal-agent line of theorising (Abdul-Rahaman et al.1997). However, more recent researchers have drawn on cultural political economy framework (Hopper et al., (2009) that has been extended to structural explanations such as neo-patrimonialism and globalisation (Lassou, 2017, Lassou et al.,2019, Hopper et al., 2016). Whilst these lines of theorising have provided some insights into the reform outcomes, their heavy emphasis on

structural factors like poverty, colonialism, and international aid institutions seem to give only a partial understanding of the context of accounting change. More importantly, political economy, like other structural theories, can explain but they have limited abilities to give account of the dynamics of the reforms because they suppress the role of active human agency.

2.3.2 Actor-Network Theory

In contrast, the actor-network-theory (ANT), as an alternative framework of accounting change explains as well as provides the dynamics of change. It dwells on a constructivist perspective (seeing change as non-linear, and not based on rational improvements or functionalism (such as the "functional adaptations to new demands in a changing environment). "Instead, accounting dynamics are viewed as the outcome of historical, contingent processes in which new accounting constellations (Miller, 1991) appear because heterogenous elements, such as different groups of people, different vocabularies and various technologies are temporarily linked together at a particular moment in time". (Justesen and Mouritsen, 2011 pp.164). ANT's constructivism eschews the distinction between the objective and subjective, arguing that the dichotomy is unhelpful and should not exist. Thus, ANT keeps the social ontology flat, and as Justesen and Mouritsen (2011) argued 'there is no "backstage" reality behind the appearance and therefore the dichotomy of appearance/reality is rejected. ANT is anti-dualist and anti-reductionist in the sense that observations are not reduced to a set of general explanatory factors "behind" the scene or "underneath" the surface' (pp163-164). Context in ANT's terms is provided by the accounting calculations and conditions, as Justesen and Mouritsen (2011) avers that" inscription and calculations are central to explaining activities and not just the effects of conditions and contexts even if the accounting entities derive their power from associations between calculations and conditions (Latour,1986)" (pp 164). ANT has influenced accounting research since the 1990s by putting "back the role of calculations as central object in the study of accounting phenomena" (Justesen and Mouritsen, 2011pp.161). Examples of leading "agenda setting" work combining ANT with Foucauldian and/or neo-institutional perspectives, include Miller (1990, 1991), Robson (1991, 1992) and Preston et al. (1992). In the view of Justesen and Mouritsen these papers are agenda setting "because they set the scene for the development of ANT-inspired accounting research" (pp.166). ANT has been popular among accounting researchers such as Briers and Chua (2001) on the implementation of activity-based costing; Quatrrone and Hopper, (2005), Dechow and Mouritsen (2005) for management accounting control and integration. In the developing country context, How and Alawattage (2012) adopted an eclectic use of ANT, neo-institutionalism and political economy to investigate accounting change in a Malaysian company. One of the attractive attributed of ANT, which stands as useful contribution to the development of institutional theory is that it introduces the notion of 'translation' which refutes the 'mindless' diffusion often associated with conventional institutionalism. ANT brings many attributes that are found in the

other conceptual frameworks, and notwithstanding adopting some of these attributes for the conceptual of this study, this study questions and goes beyond ANT's key assumption of flat ontology.

2.3.3 Governmentality

The Foucauldian governmentality "analytics" framework provide both substantive theoretical insights as well as epistemological and ontological method of investigation (Dessalegn Getie Mihret Bligh Grant, 2017). For example, it provides a lens for looking at the relationship between knowledge and power. "Governmentality" was formulated by Foucault as a concept to capture the essence of "governing the self" and to "governing others". (Foucault 1978, Dean 1995; Lemke 2001). As a research conceptual framework, it directs researchers to question in terms of how discursive practices emerge, are maintained and transformed (Gordon, 1991; Dean1995). Governmentality lays the foundation for exploring both the "mentalities" and the "rationalities" of government in neo-liberal modern states. It shifts the traditional notion of governmental power derived from sovereignty to "conduct of conduct". The governmentality approach is useful for investigating government reforms because it brings together the interplay of the political, economic, and social forces, as well as the "effective" history shaping society. The concept lends itself to examine how particular forms of governmental practices have emerged, including accounting practices in their diverse ways. The pillars of the "analytics" of government (Dean 1995) are visibilities, knowledge, techniques, and identities created from the financial management reforms. As Dean has pointed out, these pillars are matters of empirical substance to be investigated through research. Governmentality has inspired a corpus of accounting research in western industrialised countries such as Loft, 1986; Miller (1991); Miller (1992); Miller & O'Leary, T. (1987); Miller & O'Leary (1993); Miller & O'Leary (1994); Miller & O'Leary (1998); Preston et al., 1992; Miller and Rose, 1990; Miller 1991; and others. Governmentality accounting research that have emerged from the developing world include Neu et al, 2006; 2007; 2014; Rahaman and Lawrence, 2001b; Uddin and Tsamenyi,2005 and more recently Alawattage and Azure, 2019.Governmentality research is in the ascendancy in developing countries as indicated in the application of the theory of epistemic connections (Alawattage et al. (2016) However, the focus of governmentality research is at the macro-context and would not have the same explanatory power to bring forth the personal sense making and meaning construction that is the focus of this study.

2.3.4 Bourdieu's Practice Theory

Bourdieu's theory of practice emerged from addressing the dialectics of agency-structure to explain the institutional realities of modern society. He starts by rejecting on the one hand Jean-Paul Sartre's notion of existentialism as untenably voluntaristic and on the other the Levi-Strauss

structuralism as too rigid for reducing human culture into cognitive templates that hovers over individuals' heads (King, 2005). At the same time, Bourdieu's identified with the positive aspects of these theories to create a marriage between phenomenology and structuralism. Similar to Mead/Blumer, he argued that the objectivists' stance, as external observers, taken by some social scientists as artificial and not possible. That is, it only leads to misrepresentation of the social realities that they investigate. For the lack of practical mastery of the subject, social scientists create 'cultural maps' that they impose with the "risk of reducing cultural life to a wooden system of rules which imposes itself on the actors.' (King, 2005 pp221). To address this, Bourdieu advocated "a 'reflexive sociology' in which sociologists try to theorize rigorously their own position in relation to the practice of the participants of their studies (Bourdieu 1990; Bourdieu and Wacquant 1992) (King, 2005 pp 221). Bourdieu's 'reflexive sociology' and 'practice theory' are therefore joined in the agency of the participant and that of the researcher.

To implement these philosophical insights Bourdieu developed the concepts of field and habitus to re-cast the excessively objectivist's and excessively subjectivist's stances in social research. Habitus was developed to overcome subject-object dualism in which individuals are endowed with agency that assumes boarder social significance that comes from the culture of which they are members. Culture in this sense has objectivity that cannot be understood in individualistic and voluntaristic terms as it precedes the individual knowledge and understanding. A habitus – "systems of durable, transposable dispositions, structured structures pre-disposed to functions as structuring structures (Bourdieu 1990/1980 pp 53). The habitus operate in a wider institutional setting which he termed as the field which is a network, or a configuration, of objective relations between positions (Bourdieu and Wacquant, 1992, pp.97).

Bourdieu's practice theory makes linguistics play by referring to concepts such as noesis – an act of knowing; and noema- background information (all that is known); - and capital- as the 'energy of social physics' (Bourdieu 1990/1980 pp.122) which is the medium for the operations of the field, that connects it to the habitus. Bourdieu made a distinction between economic capital and social capital. In addition, "drawing a distinction between the actual; structure of the social system in its multidimensional stratification and the symbolic products which arise from it' (Grenfell, 2011 pp.33). Bourdieu referred to his approach as 'structural constructivism' or, "constructive structuralism' (Grenfell, 2011). Bourdieu's practice theory has been mobilized in accounting change research. For example, Kartalis et al. (2016) adopted Bourdieu's notion of field and habitus in combination with accounting and organisational boundary maintenance to explicate NPM reforms. In the developing world an example of the application of Bourdieu theory is found in Rahaman et al.'s, 2007 study of the water company in Ghana.

2.3.5 Structuration Theory

Giddens structuration theory also aimed to provide a bridge between structure and agency in the development of social practice. Like Bourdieu's practice theory, structuration theory seeks to explicate the reproduction of social structures by individuals' agency within cultural rules and resources. Structuration refers to the process by which individuals reproduce society's major institutions such as the state, legal, and administrative systems and its social, class, and economic structures. Giddens asserted that it is the structure that ensures that the individual acts in a way that reproduces the social system as a whole. Structuration works through the "duality of structure" whereby the structure is both the medium of social action and the outcome of social action. Giddens illustrate the 'duality of structure' with how we use a language. When we speak a language, grammatically (or according to its rules) we are speaking it in a structured way, and at the same time contributing to it. "in other words, social agents reaffirm and reproduce the rules on which they draw in their actions" (King, 2005 pp219). "In structuration individuals contribute to reproducing the whole system of social rules whenever they act. Structure underpins social practice to ensure that it takes a meaningful and relatively predictable form" (King, 2005 pp220)

Structuration theory is a synthesis of Talcott Parsons's notion of 'structural functionalism' in which individuals internalize certain values in order to reproduce institution in society. Giddens developed the structuration to overcome a shortcoming in Parsons scheme where the individuals are over-socialised by structures and became 'cultural dupes.' Giddens response to cultural dupes was the notion of 'acting subjects' (a concept borrowed from the interactionists (Mead (1934); Blumer (1969) and ethno-methodologists Goffman and Garfinkel) which emphasized individual agency without 'lapsing into subjectivism (Giddens, 1979 pp.44). Gidden's structuration therefore comes close to symbolic interactionism as King (2005) declared: "Structuration theory is ultimately a synthesis of interactionist and interpretive thinking on the one hand, with its emphasis on agency, understanding and subjective meanings, and functionalist and structuralist thinking on the other hand, with its focus on the operation of social systems and the resilience of objective structures". Pp.218

"Structuration theory is designed to explain the reproduction of institutional orders through the knowledgeable agency of individuals. It is a kind of fusion of the work of Durkheim and Parsons on the one hand and the work of Weber, Schutz, Mead, Goffman, and Garfinkel on the other". Pp.21

Social theories such as Bourdieu's practice theory and Gidden's structuration theory have been critiqued for being either excessively determinism on the one hand or for being methodological individualistic on the other hand. In both theories, structures determine individual action to varying degrees (more in Bourdieu's than Gidden's) King (2005). The challenge for both theories is that if

human actions are determined by rules that habitus or structure impose on them, of which they are not aware, then human agency tends to be denied (King, 2005). Bourdieu's concept of the "habitus has a tendency to emasculate human agency, to reduce dynamic and uncertain social interaction to the inevitable reproduction of institutional structures. The habitus impose certain forms of conduct on the individual. Individual agents reproduce the institutional structure of the field because they are determined by these unavoidable cultural predispositions." (pp 229).

Similarly, in Gidden's structuration 'the structure is inexorably attached to the social system and therefore that for the most part individuals automatically reproduce the system. The implications of Gidden's theory is that structure ensures that individuals always act in a way which is compatible with the system". A further implication is that 'individuals necessarily act in a way which is consistent with social order." (King, 2005 pp229). Therefore, the structuration process reproduces itself and cannot explain change.

Both theories insist on the freedom of agents to choose their direct line of action, therefore these theories deny determinism (see Giddens, 1984 pp75) and Bourdieu and Wacquant 1992 pp134). But King (2005) argued that the problem is that if individuals are free to choose different lines of actions and the structure or habitus is not that constraining, then they can always choose different lines of action all the time. King (2005) avers that: "The danger in Giddens and Bourdieu's theory is that individual only choose to follow structure or habitus. And if they only choose to follow structure or habitus, they could at any moment choose not to follow them. Regular social interactions here seem to be explained finally only by individual choice" (pp229).

The dilemma is that structure-agency thinking leads to determinism or descend to randomness of choices on the other hand. These theories therefore fail to explain the persistence and resilience of regular social institutions (King, 2005). That notwithstanding, the notion of structuration has been applied by institutional theorists to provide the micro-foundation for neo institutional theory as in Barley and Tolbert (1997) structuration. This has been followed up by accounting research studies such as Dillard et al., (2004); Burns and Scapens (2000), and Uddin and Hopper (2005).

2.3.6 The trajectory of theorizing accounting change in LDCs

Theorizing LDCs accounting research has followed a trajectory mapped out in Alawattage, et al. (2016) which were divided into four phases. The initial stages of pre-independence era in the 1950s to the 1980s represented the prescriptive management accounting phase. Accounting theorising was based on neoclassical economics-contingency theory of development/ underdevelopment. This phase was dominated by the functionalist paradigm, and references to culture drew on Hofstede's theory of culture. These two have been critiqued, highlighting the importance of understanding the context of accounting and accounting change but not in the Hofstedian sense of culture as the entire

way of life of people, such as differences in religion, and race. Culture has been taken as way of sense making (Swidler,1986) explained in section 2.6.2 of this thesis. In the context of accounting, others have argued culture as the conditions of accounting change within different environs, such as domination, poverty, and political economy (with the social elements added) as in Hopper et al. (2009).

The other three phases in Alawattage et al.'s (2016) scheme include: (ii) theorising the political connections; (iii) theorising the epistemic connections (through post-Foucauldian and post-structural analysis); and (iv) theorising the civic connections. In these more recent phases of Alawattage et al.'s mapping puts governmentality and post-structural theories at the centre stage of LDCs' accounting research. The concepts in governmentality has the potential to be combined with other theories to advance accounting change research in LDCs. For example, governmentality been combined with other theoretical traditions such as ANT to undertake contextual accounting change research (Justesen and Mouritsen, 2011) For the developing world, the potential for governmentality research is great for its capacity to provide a complete integrated conceptual framework that would join the macro level (political economy) analysis to the micro level (of "governing the self") drawing on multi-disciplines to investigate the complex social relationship associated with IPFM reforms and to look beyond the obvious (Scheurich and Mckenzie, 2005) to create deeper insights.

In the LDCs the literature has drawn on various theories, such as:

- Ekeh's colonialism and two public theory of the two publics as used in the paper by Killick (2008); Goddard et al. (2016); Lassou et al
- Discourse analysis as in the political economy theory of development discourses as employed in van Helden and Uddin (2016) review paper; and Ashraf et al. (2019) draws on Laclau and Mouffe's (1985) discourse theory to explain why NPM type reforms failed in Pakistan
- Hegemonic and colonial/ neo-colonialism theory as used by Ashraf and Uddin (2016) to explain why international consultants abandon their free roaming activities in LDCs; and Goddard (2002) on hegemonic analysis
- Negotiated order – as used by Rahaman and Lawrence (2001a)

Other researchers have opted for new institutional theory to explain the PFM reforms (for example Adhikari and Mellemvik, 2011 for accrual accounting reforms) and grounded theory methods (for example Goddard and Mkasiwa, 2016 for NPM budget reforms in central government of Tanzania). But new institutional theory is a theory of stability and not noted for its ability to explain change. This study argues that the ILA as a meta-theory has the benefit of bringing greater

insights into the context of the reforms in Ghana. Richardson (1987 pp. 352) has pointed out: "It is perhaps most important where authors are using hybrid or multiple perspectives in order to identify aspects of studies where multiple interpretations of data are possible and conceptual ambiguity is most likely".

2.4 INSTITUTIONAL THEORIES AND THE INSTITUTIONAL LOGICS APPROACH

2.4.1 Introduction

To understand change, scholars have argued that we must understand, among other things, individual and organisation behaviour and those behaviours must be located in a social and institutional context. The "institutional context both regularises behaviour and provides opportunity for agency and change" (Thornton et al, 2012 pp. 462). However new institutionalism, as originally conceived by scholars, is a theory that explained stability and not change. To explain change, scholars had to merge the old and new institutionalism in neo-institutionalism and strengthen its micro-foundations. Institutional logics (Friedland and Alford's (1991) went beyond neo institutionalism to frame the belief systems in which actors are embedded to understand them better (Nath, 2019). Logics can be mobilised to explain accounting change and PFM reforms, which involves complex interactions between myriad actors. In this section, the study reviews the literature to explain how and why the institutional logics approach (ILA) departs from neo-institutionalism in explaining change.

The institutional logics typology as a variant of institutional theory, according to Thornton et al.,2012, departs from new institutionalism in very important respects. In mobilising institutional logics as our conceptual framework, this study argues that this departure provides a richer understanding of accounting change (especially in the LDCs context) than new institutional theory as advanced by (Meyer and Rowan 1977, and DiMaggio and Powell, 1983, and 1991). To create a better understanding of what follows in the review of the current institutional literature, this section takes a little detour to explain the differences between the old and new institutionalism and to suggest their relevance in non-Western context. In addition, this section sets out the tenets of institutional logics approach and how it provides a theoretical bridge to agency and change. In Chapter 3, I build on this to adapt the institutional logics framework (Thornton et al. 2012) for theorising the empirical findings of the research.

2.4.2 Institution and Institutionalism

The institutional logics approach (ILA) explores the interrelationships between individuals, organisations, and society; and it was developed as a variant of institutional theory insofar as the latter focuses its "attention on norms and mandates such as laws and regulations, belief systems, cultural pressures, and social comparison processes" (Palmer et al., 2008 pp. 739). The ILA is a

variant of institutionalism, which is arguably the most potent meta-framework for studying organisations and accounting change. Contemporary scholarship, even those rooted in neoclassical economics, recognises the organisational environment, especially the institutional environment as the prominent requisite place for economic organisations (Jepperson and Meyer, 1991). Modell (2009) while referring to public sector performance management, as an aspect of PFM reforms, has noted that institutional theory has the potential of offering "cumulative theorizing" (pp. 278) of reforms. This study translates Modell's cumulative theorising to mean a theory (or a hub) that leads to empirical results that can withstand systematic examination leading to the construction of middle-range theories and accumulation of knowledge.

Burns and Scapens (2000) identified three institutional theories commonly used in the accounting literature in explaining accounting change: old institutional economics (OIE), new institutional economics (NIE), and the new institutional sociology (NIS). To Burns and Scapens's list may be added the old institutional sociology (of disorder and conflict of interest) as one of the variants potentially available for researchers to deploy. To put all these variants in their proper perspectives requires an explanation of the conceptualisation of institution and institutionalism.

What has come to be termed as the 'new-institutionalism' is found in a variety of forms in the social science disciplines such as economics, organisational theory, political science and public choice, history, and sociology (DiMaggio and Powell, 1991). Institutional theory has a long tradition in the social sciences, especially in economics dating back to Veblen (1898) who worked on the mechanism through which social and economic action occurred; but its current conceptual formulation, as neo-institutionalism, is rooted in institutional sociology. Reflecting the different disciplines, the variety of assumptions and goals behind institutionalism diverge depending on their origins in the social sciences.

There are many variants of institutions and institutionalism making it difficult to have a universal definition (Scott 1987). Institution connotes many things. For example, the old institutional economics (OIE) saw institutions as 'a way of thought or action of some prevalence and permanence, which is embedded in the habits of a group or the customs of a people' (Burns and Scapens, 2000 pp. 5-6). However, to the 'father' of OIE, Veblen, institutions are to be seen in biological and evolutionary processual terms. He argued that human behaviour is moulded by habitual tendencies that evolve over time, but also there is an element of 'idle curiosity' in that behaviour, which is new ways of thinking and doing things that bring about change (Burns and Scapens, 2000). In contrast the new institutional economics (NIE), deriving its root from neo-classical economics, utilitarianism, and equilibrating mechanisms, see institutions in terms of gains made from lowering transaction cost. Its focus is on "why" for optimal reasons change might occur, but not on the "how", which is concerned with explaining the process in moving from one equilibrium state to another.

Institutions and institutionalism have come to have different meaning from the perspectives of the various social science disciplines. To the rational choice theorists (namely, the. neo-classical economists and political scientists), institutions are very similar to conventions as they are deemed to be a phenomenon at temporary equilibrium; but to the neo-institutionalists (new sociological theorists), institutions are more than mere conventions, for they take on rule-like character, which for participants are taken for granted**.** From this emerges different definitions of institutions. DiMaggio and Powell (1991) provide snapshots of the way rational choice theorists define institutions to include: temporarily "congealed tastes"; or framework of "rules, procedures, and arrangements"; or "prescriptions about which actions are required, prohibited, or permitted"; or "sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area…" (pp.8).

Economists (and political scientist) and behaviourist in the rational choice tradition, generally, tend to consider institutions as epiphenomenal. They interpret collective action as an aggregate consequence of individual choices (DiMaggio and Powell, 1991). Contemporary accounting research has not yet shaken off the shackles of this economic lineage, and that has influenced the understanding of accounting practitioners of institutional theory especially outside the narrow confines of academic institutionalists. The economists' version of institutional theory (especially the OIE) has the limitations that it takes organisational change as evolutionary and constrains the explanation of agency (or human action).

In analysing markets for example, economic analysis runs into difficulties "when confronted by the real world of firms, states, and courts. Put simply, the problem is that institutions (formal law, rules, and informal practices), governments, firms, and the network of relationships among collective actors within markets operate to produce more social structures than makes sense for most economic theorising" (Fligstein,2001 pp xiii).

In contrasts neo-institutionalism, reflecting its sociological roots, began as macro-theorising of cultural (Meyer and Rowan, 1977) and structural (DiMaggio and Powell, 1983) explanations of institutionalisation to provide legitimation and rationalization of organisational action. It focused on three central concepts, institutional rules, legitimacy, and isomorphism (Thornton et al., 2012). Zucker (1977) tested and verified at the micro level the macro theorising provided in Meyer and Rowan (1977) 'that the taken-for granted rules or institutions are perceived by individuals as "facts"' (Thornton et al., 2012 pp 23).

The neo institutionalism in sociology, organisations studies, cultural studies drew new insights from how anthropologists viewed institutions, that emphasised socially constructed meaning and symbolic action (for example see Douglas, 1986). From this discipline where behaviourism and functionalism

were never fashionable, they defined institutions as social thoughts and actions that have rule-like status (DiMaggio and Powell, 1991). Thus, unlike the economists, for the neo-institutional theorists the only conventions that counts as institutions are those that have rule-like status (ibid). In addition, they defined institutionalisation in phenomenological terms as a 'process by which certain social relationships and actions come to be taken for granted' (ibid, pp. 9).

Whilst accepting the latter definition as provided from anthropological insights, for the purpose of putting accounting change in its organisational and social context, we find it more meaningful to let institutions reflect the historical, organisational, and structural aspects of social phenomena. Jepperson (1991) provided further insights by arguing that an institution is a social order or social pattern that has some permanency through a specific reproduction process. The process of reproduction is relatively self-activating to the extent that it achieves a status of routine and does not require any recurrent active management by the collective for it to perpetuate itself. Notably, "when departures from the 'pattern are counteracted in a regulated fashion, by repetitively activated, socially constructed controls – that is, by some set of rewards and sanctions – we refer to a pattern as institutionalised" (Jepperson, 1991 pp.145). Thus, institutionalised practices or social myths are embedded in other social myths and practices that tend to reproduce themselves and support each other.

Other scholars have deepened our understanding of institutionalisation by showing that it is a cognitive process (Zucker, 1983), socially constructed by human actions (Scott, 1987; Berger and Luckmann, 1967) especially in their day-to-day routines. For example, human beings are institutionalised to create and accept social order, even when not constrained by their instincts (Scott, 1987). The process of institutionalisation is 'typified' by Berger and Luckman's three 'moments' of externalisation (of action), objectification (of reality), and internalisation.

Scott (1987) noted that many scholars appear to converge on the definition that:

> institutionalisation is viewed as the social process by which individuals come to accept a shared definition of social reality—a conception whose validity is seen as independent of the actor's own views or actions but is taken for granted as defining the "way things are" and/or the "way things are to be done," (pp. 496).

Another convergence of meaning among scholars is that institutions are establishment of distinctively social sort that is relatively permanent (Hughes 1936, Zucker, 1977). Zucker (ibid) has argued that institutionalisation and culture persistence go together, and that it is not necessary for internalisation to occur for institutionalisation to manifest itself. She argued that "For highly institutionalised acts, it is sufficient for one person simply to tell another that this is how things are done" and individuals are motivated to comply to enable their actions to be understood (ibid, pp.

726). But it is only when norms are internalised that institutionalisation can be identified and said to have occurred (ibid).

New institutionalism rejects the individualistic rational actor models and functionalist explanation of phenomena: Scholars have found that empirical evidence does not accord with rational-actor or functionalists' explanation of organisational behaviour (March and Olsen ,1984; DiMaggio and Powell, 1983/2015). For example, DiMaggio and Powell, 1983/2015 reported that "Hospital administrators are less concerned with the efficient use of resources and more concerned with status competition and parity in prestige".

To quote DiMaggio and Powell:

> Administrators and politicians champion programmes that are established but not implemented, managers gather information assiduously, but fail to analyse it, experts are hired not for advice but to signal legitimacy. Such pervasive findings or case-based research provoke efforts to replace rational theories of technical contingency or strategic choice with alternative model that are more consistent with the organisational reality that researchers have observed" (DiMaggio and Powell, 1991 pp. 3).

The empirical evidence from the IPFM reforms in Ghana tends to accord with such findings.

2.4.3 Old versus new institutionalism: A variant of institutional metatheory for LDCs

Institutionalism tried to offer everybody something, out of which has emerged hegemonic claims to 'true" institutional theory. The aspirants to "true" institutionalism are many, ranging from those bringing perspectives from ethnomethodology, anthropology, cognitive psychology, neo-classical and evolutionary economics, and old and new sociology (Hirsch and Lounsbury, 1997). For this research we argue that whilst the old and new institutional sociology are useful platforms to theorise the research, they can be transcended by institutional logics as a variant of neo-institutionalism. To demonstrate that, we review the literature to highlight in this section the key contradistinction between the old and new institutionalism and show why and how neo-institutional theory need to be modified to take account of the context of non-Western societies. In Chapters 3 and 6 we deepen this approach by mobilising this framework to propose the salient interinstitutional orders for Ghana as an example of non-Western society.

Institutions constitute actors as well as constrain them, by shaping organisational structure and action (DiMaggio and Powell, 1991) and individual actions. However, the meaning of contemporary institutionalism varies between the disciplines of economics and political science to sociology and organisational studies. Prior to this conceptual diversity, institutionalism had a dominant functionalist turn. In the Parsonian view, institutions functioned to integrate one organisation to another using universal rules, contracts, and authourity (Thornton and Ocasio, 2008). With the emergence of new institutionalism in the 1970s, the focus of institutionalism changed to legitimation and rationalization of organisational actions at the macro level (Meyer and Rowan, 1977), and

cognition and culture at the microlevel (Zucker, 1977). Among the neo-institutional theorists (from the new institutional sociology), the notion of institutions was the taken for granted rules leading to isomorphism in the formal structures of organisations (Thornton and Ocasio, 2008).

To neo-institutional theorists, there are significant points of divergence between new institutionalism in organisational theory and sociology from the new institutionalism in economics (rational choice) and political science (conveniently labelled as the public choice theorist) (DiMaggio and Powell, 1991). They have argued that there is a distinction between the new sociological institutionalism and the old sociological approaches to organisations and institutions. This distinction they argued provides the path to the affinities between the new institutionalism and social theory particularly to the development of action theory (ibid, pp. 11). The roots of the old institutionalism can be traced back to Selznick (1957) and even further to Parsons (DiMaggio and Powell,1991). For example, the new institutionalist emphasised that whereas the old approach was "straightforwardly political in its analysis of group conflict and organisational strategy", the new emphasised the relationship between stability and legitimacy, and the power of common understanding. This is not surprising since conflict theory went out of fashion (Burrell and Morgan (1979), but Dahrendorf's (1957) conflict theory appears more relevant in the context of LDCs where political traditions have not been well established and direct conflictual politics and physical struggle for power have been prevalent. The two paradigms also identify with different sources of what constrains change. It follows that the old, emphasised with the element of prevailing individual and group interests, would generate vested interests, which will inhibit change. But this element could be double-edged in the sense that it can also enhance change. The new institutionalism does not offer a direct theory of change (Greenwood and Hinings (1996) other than reference to the imperative of legitimacy (as in DiMaggio and Powell, 1991). Powell has subsequently attempted to re-dress this shortcoming by reworking the micro-foundations of institutional theory emphasising the logics of practical everyday action of ordinary people in Powell and Colyvas (2008); and practice theory in Powell and Rerup (2016). However, in these areas the old institutionalism provides deeper insights appropriate for the conditions in the LDCs such as Ghana.

Given some of these obvious shortcomings of new institutionalism, theorists such as Greenwood and Hinings (1996) avers that institutional theory is not known as a theory of organisation change. But they argued that neo-institutional theory could explain change by bringing together the old and new institutionalisms and developing an "archetypes model". However, others have argued that new institutionalism has weak micro-foundations, and weak theorising of action (Hirsch and Lounsbury, 1997 pp412). Thornton et al, 2012 have shown that the critique of DiMaggio and Powell (1991) of Selznick (1957) theory of leadership and action undermined their own position in developing an

institutional theory that had better micro-foundations. By doing this Thornton et al argued that DiMaggio and Powell (1991)) ignored their own prior call in DiMaggio's (1988) for agency and institutional entrepreneurs, and Powell (1991) own call for considering power in expanding the scope of institutional analysis. In addition, their notion of cognition ignored mindful agency and action.

Hirsch and Lounsbury (1997) have argued that the "much of the wide popularity of institutional theory stems from its apparent success in bridging traditional chasms between organisational theories emphasising action and those focussing all their attention on structure" (pp. 407). Therein lies the strength and the benefits of ILs as a variant of institutional theory that puts change at the centre of theory.

The blending of the old and new institutionalism around multiple themes has been labelled as neo-institutionalism (Greenwood and Hinings, 1996). Institutional scholars have suggested the convergence of all the elements of the old and new institutional theory (Greenwood and Hinings, 1996). Others have not been so far reaching. With that, Thornton et al. building on Hirsch and Lounsbury (1997) critique of new institutionalism have asked:

> Would it not be better to include Selznick's (1957) theory of leadership and action so that further theory growth could occur possibly through integration and a more sophisticated capacity for multilevel and multi-metatheoretical research (Thornton et al.,.2012 pp32)

Furthermore, we extend the critique of new-institutional theory by averring to the argument by scholars that "Western property rights and organizing forms are rare and unlikely constructions" (Jepperson and Meyer (1991, pp 204). Modelling of non-Western societies based on unadulterated forms taken from Western sources are therefore often misleading. Based on the empirical evidence from the LDCs (in this case Ghana) we propose the following variant of neo-institutionalism that bridges the old and new institutionalism appropriate for non-Western institutional environment. On that basis we propose an adaptation of neo-institutionalism as outlined in column 4 in the Table 2.1 below.

Table 2.1: A variant of institutional metatheory based on LDCs environment

	Old Institutionalism (1)	**New Institutionalism (2)**	**Departure from new institutionalism in LDCs generally (3)**	**LDCs neo-institutional model (Public Sector of Ghana as an example of LDCs) (4)**
Conflicts of interest	Central	Peripheral	Yes	Central
Source of inertia	Vested Interests	Legitimacy imperative	Yes	Preponderance of vested interest combined with authouritarian

				leadership style; and "cognitive deception"
Structural emphasis	Informal structure	Symbolic role of formal structure	Ambiguous (All are relevant)	Both old and new institutionalism
Organisation embedded in	Local Community	Field, sector, or society	Ambiguous (All are relevant)	Both old and new institutionalism
Nature of embeddedness	Co-optation	Constitutive	Ambiguous (All are relevant)	Both old and new institutionalism
Locus of institutionalisation	Organisation	Field or society	All three levels-Organisation, Field, and Society	Both old and new institutionalism
Organisational dynamics	Change	Persistence	Yes	Change is relevant; but persistence prevails and needs to be explained
Basis of critique of utilitarianism	Theory of interest aggregation	Theory of action	No	Theory of action
Evidence for critique of utilitarianism	Unanticipated consequences	Unreflective activity	No	Unreflective activity
Key forms of cognition	Values, norms, attitudes	Classifications, routines, scripts, schema	Ambiguous (All are relevant)	Both old and new institutionalism
Social psychology	Socialization theory	Attribution theory	No	Both Socialization and Attribution theory (Example the effect of Education-(see Jepperson, 1991 pp: 156)
Cognitive basis of order	Commitment	Habit, practical action	No	Commitment
Goals	Displaced	Ambiguous	Ambiguous (All are relevant)	Evidence of misplaced goal and ambiguity of goal in the public sector
Agenda	Policy relevance	Disciplinary	Ambiguous (All are relevant)	Both old and new institutionalism

Source: Adapted from DiMaggio and Powell (1991)

Accepting the call for convergence of the old and new (Hirsch and Lounsbury, 1997) we adapt the neo-institutional framework, for the conditions in LDCs/EEs, based on the elements presented in DiMaggio and Powell (1991).

Scholars have argued that institutional logics is a variant of new institutional theory as part of the organisational theory community (Thornton and Occasion, 2012; Palmer et al.,2008). But that raises the question whether new institutionalism is a theory or an amalgam of theories, as Palmer et al. (pp. 740) state: "a more cynical appraisal might be that the new institutionalism represents merely an umbrella for a diverse array of theory and research seeking a legitimate pedigree". Following DiMaggio's (1995) lead, Palmer et al. presents three types of theory: covering law theories- as generalisation of the world as we see it and measure it (which is a positivist's approach identifying the 'what' of phenomenon); narrative theories- as accounts that explain the way the world works (the how and why of phenomenon); and enlightenment theories- as hybrid of theories in combinations to compensate for their respective strengths and weaknesses. DiMaggio explains that the enlightenment theory is more exciting because it is rich in paradoxes and has "a set of categories and domain assumptions aimed at clearing away conventional notions to make room for artful and exciting insights" (pp. 391).

Following DiMaggio (1995) argument above, we therefore adopt institutional logics as an enlightenment theory, and adapt it as a meta-theory.

2.4.4 New variants of neo-institutionalism and the Institutional Logics Approach

Neo-institutional theories have been one of the dominant theoretical perspective researchers have drawn on to explain new public management reforms (Modell, 2009). There are many variants of neo-institutional theory (Scott, 1987), of which the institutional logics approach is one. Moving on from the older versions of neo-institutionalism to its new variants, institutional logics approach overcomes some of the shortcomings in institutionalism and brings many insights about explaining change. Modell (2009) sees institutional logics "as the higher-order templates of a material as well as symbolic nature which condition actors' interpretations of organisational realities and thus provide meaning to actions and structures …." (pp.278).

As a variant of neo institutional theory, Friedland and Alford (1991) developed a non-functionalist conception of society, that focused on "social construction of interests and the contradictions that different institutional logics generate" (Kamens,1993, pp 1494). Friedland and Alford developed institutional logics in terms of the different societal spheres in society, and the content of the belief systems that differentiate one from the other. In situations where the content of these belief systems may not necessarily be in harmony, it creates the possibilities of different believes for the same activity in any given society. Different institutional logics are generated because any given activity

such as productive work or governance can have multiple meanings and conflicting or contradictory focus (Scott, 1987).

In Friedland and Alford's conception, society has three levels made of individuals, organisations, and institutions. Individuals with different interests compete and negotiate, and equally organisations with different interests generate conflict which they resolve through coordination. There are also several institutions, each with its own central logic, which generate inter-institutional contradictions and interdependencies. Friedland and Alford critiqued theorists who focus on individual level as becoming either excessively subjective or hold human nature as invariantly universal (such as the economists' utility theory). They argued also that theorists who focus on organisations (such as the nation-state or corporations) tend "to overstate an omnipresent, disembodied power which enables elites to discipline and punish without resistance, or assume that they have extraordinary latitude to make strategic choices determined only by their access to material resources" (pp.241-242). For our purposes in this thesis, Friedland and Alford's argument against theorising at the organisational level is very fundamental because they found that such theorising may explain for example the state's capacity to make strategic choices to solve particular problems, but it does not help us to understand the source of the problem and the details of the strategic choices. Equally, Friedland and Alford argued that, theorists who focus on society level tend to emphasise structural functionalism (like Karl Marx, Parsons) which yields teleological deterministic outcomes (such as modernity, rationalization, or revolution). For these Friedland and Alford posits that the analyst must examine all the three levels to provide an adequate explanation of what is going on in society.

Institutional Logics, as conceived by Friedland and Alford (1991), aimed to put the potential tension between the levels of analysis and the institutional orders to explain the success and failure of institutionalisation by theorising the exteriority of society. It was not simply critiquing new institutionalism for its inadequacies but providing better micro-foundations to neo-institutional theory by fusing the duality of interest and culture (alternatively construed as action and structure) found in DiMaggio and Powell's (1983,1991) exposition of that theory. The new institutional theorists argued that institutionalisations took place at the level of organisational fields, independent of the institutional order in which they were found. Theoretically they assumed that the institutional fields were homogenous, and that led them to arrive at isomorphism. In DiMaggio and Powell's (1983) isomorphism was the outcome of the structuration (Giddens, 1979) of the organisational field. Organisations responded to the dynamics of structuration than the need for efficiency in their internal processes and/or competition. The structuration processes, according to DiMaggio and Powell are driven by the activities of the state and the professions (Thornton et al., 2012 Chpt. 2).

By re-working the micro-foundations of institutional theory Friedland and Alford (1991) put interests back in the maintenance of social order. Under the old institutionalism, the notion of interests was central to that paradigm, in the sense that conflict of interests was considered as source of inertia to change and societal order (Dahrendorf 1957, Burrell and Morgan, 1979). Under the new-institutionalism interests was relegated; instead, legitimacy and isomorphism became the central issues. Putting *interests* back as the shaper of institutionalisation meant the pendulum had swung back (in the order-conflict dialectics) from those who argued stability in social order to those who argued change, conflict, and coercion in social structures. In this sense Friedland's and Alford's ILA was not new, it went back to re-discover the old institutionalism.

Friedland and Alford's ILA adopts the subsystems approach[6] to analysing institutions and the content of culture, in contrast to the normative approach adopted by Jackall (1988). The subsystem approach theorises institutions by way of sectors such professions, the state, and competition (as a view of markets), which was first identified in DiMaggio and Powell (1983), as the main source of rationalization. The normative approach of institutional analysis, on the other hand, explains the persistence of rules and regulations (norms) through the mechanisms of internalisation (Thornton et al, 2012).

Friedland and Alford (1991) reworked these three sectors in an attempt to make them more comprehensive to embrace five core institutions of Western society, identified as: the capitalist market, the bureaucratic state, families, democracy, and religion; each has a central logic that constrains the means and ends of individual behaviour. Thornton and Ocasio, 2008 streamlined them into six categories, namely: markets, corporations, professions, states, families, and religions and further expanded them to seven in Thornton et al., 2012 (by adding the concept of community).

In addition, Friedland and Alford (1991) brought another insight to the theorising of rationality. Rationality to some institutional theorists is a cognate term that comes from *rationale* or giving "an account that makes past actions understandable and acceptable to others" (Scott and Meyer, 1991). The meaning of rationality in Scott and Meyer's sense is tied to accountability, through rendering accounts for past actions. Organisational and individuals past actions, or actors' behaviours are rationale or nonrational as argued by DiMaggio and Powell (1983, 1991) and Scott, 1995) in the sense that past actions are accounted for (rational) or not accounted for (nonrational). Friedland and Alford questioned the economists' position that they tend to study rational choice of consumers, while "other social scientists study irrational bases that prevent people from choosing. We argue that

[6] "The sub-system approach defines and identified institutions with specific clusters of sectors such as the state, professions, the family, and the market" (Thornton et al.2012 pp.42)

the theoretical tension is not that of rationality and irrationality, but between different transrational orders." Friedland and Alford, (1991, pp. 235). Thornton et al., (2012 pp. 42) furthered this argument by stating that "rationality is a relative concept depending upon the location of individual and organisations in one or more of the institutional orders (cultural subsystems) of the inter-institutional system". Friedland and Alford mobilised the insights of both cognitive psychology and anthropology to critique rational-choice theory which does not show theoretical concern of how preferences are formed, but rather assumes that sovereign individuals approach the world in "an instrumentally naïve way" (pp. 251). Rationality according to anthropologists, such as Douglas (1986), is shaped by learned routines, individual strategies and "certain institutional priors" (Friedland and Alford, 1991 pp.251). As Friedland and Alford went on to argue, as a result of our general ignorance about how people end up behaving the way they do, it is more appropriate for us to take alongside instrumental rationality other types such as maximising, satisficing, and scheming behaviours. That is, organisations and individuals may "have transrational view of reality depending on the root metaphors, values, and practices of their dominant or home institutional orders" (Thornton et al.,2012, pp.45).

Institutional Logics based on the subsystems approach to institutionalism, in contrast to the normative approach, moved institutional theorising forward. Firstly, it helped to resolve the perplexing question of which norms were more important that had always niggled at the heels of institutionalists, because they were working with uncompleted subsystems. The ILA helped to solve this problem with its complete theory of the subsystems. Secondly, the ILA "incorporated the normative approach by specifying norms as a variable element or attribute of the institutional orders (Y-axis)" (Thornton et al., 2012 pp. 43). The normative approach[7] involves internalisation and socialisation mechanisms as found in Parsons (1951) and Selznick (1957).

The ILA as a variant of neo-institutionalism have some resemblance to the other neo-institutionalists' theory of how culture is transmitted. Under the old institutional theory individuals are socialised into culture, which goes hand in hand with internalisation (Thornton et al pp. 24). The neo-institutionalists, generally, posit that culture is transmitted through cognitive processes that do not necessarily involve internationalisation. Rather the enculturation processes involve objectification and exteriorization (Zucker, 1977: *The role of institutionalisation in culture persistence*). Cultural understandings are communicated from one actor to another (could be within one generation or in between generations) as objective facts. The quality of exteriority and objectivity define the reality

7 I use term 'normative approach' institutionalism as in Scott (1995). In his three- pillar approach to integration of institutionalism he assigned economists and political scientists to the regulative pillar, classic or "old" sociologists to the normative pillar, and "new" institutional theorists to the cultural–cognitive pillar.

for these actors, and the notion of micro and macro levels become inextricably intertwined (Zucker, 1977). Other neo-institutional theorist such as DiMaggio and Powell (1991) have theorised the cognition dimensions leading to taken for granted understanding and behaviours (Thornton et al., 2012), while others (Scott, 1987) have theorised it in terms of handed top-down organisational classification, routines, schema, and scripts. In contrast, under the ILA, culture is objectified and exteriorised to individual and organisations from interinstitutional orders operating in society (Thornton et al, 2012 Chpt. 2). The ILA's concept of institutional orders demonstrates that there are some organising principles within institutions which challenge the idea of mindless cognition and isomorphism (Thornton et al., 2012). It shows that even within the same country, or even the same society, there can be heterogenous culture (Douglas, 1986), and that the homogenous culture assumption (DiMaggio and Powell, 1983) is unduly restrictive.

In explaining change, the ILA externalized institutional practices (as culture) and vocabularies (as symbols) that shape both habitual actions and the strategic decisions of organisational participants. The institutional orders are framed as specific cultural systems, each generating its own values and attributes that are potentially available from which the individual could choose. Thus, being confronted with different types of instrumental choices, an individual decides on which course of action to take depending on their interpretation of rationality which then shape behaviour actions. Change may occur depending on the individual's interpretations and sensemaking within the context of specific institutional order (Friedland and Alford 1991, Thornton et al., 2012)

The idea of the existence of multiple institutional orders, and multiple interpretation in the ILA introduces the possibility of multiple logics and contradictions within the inter-institutional system, which become the source of change and deviancy, but also stability. Thornton et al. (2012) have argued that "Moreover, the interinstitutional system can be transformed by individuals and organisations exploring how to interpret and manipulate symbols and practices and thus contesting the contradictions between the institutions of different institutional orders" (pp. 44).

This study argues that the ILA as a meta-theory has the benefit of bringing greater insights into the context of the PFM reforms in Ghana. Richardson (1987 pp. 352) has pointed out: "It is perhaps most important where authors are using hybrid or multiple perspectives in order to identify aspects of studies where multiple interpretations of data are possible and conceptual ambiguity is most likely". For this reason, this study argues that institutionalism and processual narratives have become one of the leading concepts for researchers investigating accounting and organisational change. I explore the development of the institutional theory literature in section 2.5 below.

2.5 A REVIEW OF APPLICATION OF INSTITUTIONALISM AND INSTITUTIONAL LOGICS APPROACH TO EXPLAIN ACCOUNTING CHANGE

2.5.1 Introduction

In this section we summarise and discuss both the general literature on institution and institutionalism to show how they have been mobilised to explain accounting change. In the next section we offer a brief review of the frameworks advanced by institutional theorists as foundation to understanding the benefits offered in institutional logics.

2.5.2 Explaining accounting change through neo-institutional theory

Within the extant literature there is a discernible thrust in describing the process of accounting change through the notion of diffusion. The notion of diffusion of practices has been given pre-eminence, especially in the theoretical explanations of change based on institutional theories. But it makes individuals passive recipients of knowledge, who are acted upon by institutional structures. The notion of diffusion has been emphasised in various studies such as Malmi (1999), and Neu and Ocampo, 2007. For example, Neu and Ocampo described the diffusion of quotidian practices by the World Bank in the education field in Latin America. The process follows a lifecycle and a trajectory of diffusion through drivers of diffusion. Efficiency factors tend to drive the early adopters who among their peer organisations are the trend setters, to be followed by the secondary stage adoption when the localised accounting technologies are embedded (Malmi, 1999). It was found that later stage adopters (the laggards) tend to be influenced less by fashion setting organisations, than by being influenced by mimetic behaviour and efficient choice considerations.

The extant literature from the LDCs/EEs that draw on institutional theories have followed two paths pioneered in Burns and Scapens (2000) and Dillard et al., (2004). They have been mostly relied on old institutional economics' (OIE) and 'new institutional sociology'(NIS), which are on occasions supplemented by other theories such as Giddens's structuration theory (van Helden and Uddin ,2016). But in addition, there are variants of institutional theory offered in Modell (2009) as extensions of Lounsbury (2001, 2008) which as far as we know have not featured much in the LDCs/EE literature. In reviewing the literature on institutional theory, we provide an example of the use of old institutional economics (Burns and Scapen,2000), and new-institutional sociology (Dillard et al., 2004), neo institutional theory Modell (2009)

Burns and Scapens (2000) provide an example of using the old institutional economics paradigm supplemented by a modified version of Gidden's structuration theory that allows for 'time', to develop an operational framework for studying management accounting change. The framework they developed for conceptualising accounting change goes beyond a mere explanation. They sought to investigate why and how an organisation's management accounting becomes what it is, or is not, over time. That is, they sought to explain management accounting change as a process'.

Burns and Scapens (2000) drew on the notion of rules and routines to explain the process of institutionalising management accounting change. Their operational framework explored the relationship between agency and structure dynamically (over time) using the notion of rules and regulation. They explained that:

> whereas institutions constrain and shape action synchronically (i.e. at a specific point in time), actions produce and reproduce institutions diachronically (i.e. through their cumulative influence over time). However, change processes in the institutional realm occur over longer periods of time than change in the realm of action. (pp. 10)

In their scheme, starting from any time, the operational routines of the organisation will embody the existing institutional principles whilst contributing to shape incoming new rules. These in turn will shape the ongoing routines. They call this an 'encoding process' that derives from the 'taken-for granted assumptions, which comprise the institutional principles, through their instantiation in existing meanings, values, and power'. (pp. 10)

The framework can allow the impact of for external changes (shocks such as technology changes, crisis), and effect of resistance to change. It specifies the conditions under which conscious change may occur, as well as when unconsciously change may occur. They said: "Conscious change is likely to occur only if actors are able to assemble the resources and rationales necessary to collectively question the existing rules and routines. However, unconscious (i.e. unintended) change may occur in the absence of systems to monitor the execution of the routines and where the rules and routines are not sufficiently understood and/or accepted by the actors" (Burns and Scapens, 2000 pp. 10)

Burns and Scapens (2000) argued that any change, whether it is the actors affecting routine or vice versa, will depend on the existing institutions to shape the process. In that sense in using the framework one should not be 'overly deterministic' about it, and its expected outcomes. However, they argued that "It seems likely that management accounting change which is consistent with the existing routines and institutions will be easier to achieve than change which challenges those routines and institutions".

The awareness that emerges out of the Burns and Scapens (2000) framework is that the processes of change are shaped by a combination of systematic and inertial forces. The outcome cannot be pre-determined because the process is more complex than a rational selection of an 'optimal' solution (procedures and techniques) would suggest.

They also pointed out the need to understand the context of change:

> Thus, managing change in general, and management accounting change in particular, requires a thorough understanding of the current context of the organisation, especially its routines and institutions. This involves much more than a knowledge of the formal systems; it requires an understanding of the habits of organisational members and the underpinning assumptions which are taken-for-granted in day-today activity. It requires a

> questioning of the 'unquestionable' and as such can be difficult for insiders-although outsiders will have to acquire detailed knowledge of the complex processes which are involved (pp. 13).

Burns and Scapens (2000) study, provided several insights to accounting change. They did so because they allowed for cultural differences.

Dillard et al., (2004) provided a four-level framework for understanding accounting change in organisations by synthesising Weberian notion of societal norms and values, DiMaggio and Powell (1983) isomorphism, Meyer and Rowan (1977) decoupling, Barley and Tolbert (1997) structuration. Their framework has inspired other researchers because it illustrated how a more comprehensive conceptual framework of change could be developed to explain accounting change considering the socio-economic factors, political context, and the processes of change. Their framework therefore aimed to provide a more credible account of the emergence, acceptance and disposing of institutional practices than Burns and Scapens (2000).

Dillard et al.'s (2004) framework focused on explaining organisational behaviour within interorganisational context or organisational fields within which organisations are institutionally embedded. They assumed an organisational field in which some norms are given, while others are socially constructed. Depending on the context, highly institutionalised fields results in isomorphic behaviour to ensure organisational survival. Organisational structuration takes place in a dynamic way over time through competition, cooperation, and co-optation with the environmental elements. In this sense Dillard et al.'s model is comfortably situated in DiMaggio and Powell (1983) of isomorphic behaviour, the structuration processes elaborated in Barley and Tolbert (1997), and the decoupling of formal organisational structures from actual managerial and operational processes of Meyer and Rowan (1977). In such an organisational field, efficiency may be desirable, but it is not the primary focus of management as they incorporate rationalised elements in the organisational structure for gaining legitimacy first and foremost. The contribution of Dillard et al. (2004) was that they attempted to incorporate the elements of power and group interests that are missing in new institutional sociology theory. The power structure in Dillard et al.'s framework is both reciprocal and relational between actors, and it is incorporated in the recursive reproduction processes of institutionalisation.

There are some similarities between Dillard et al. (2004) and Burns and Scapens (2000) because they both draw on Barley and Tolbert (1997) in introducing Giddens structuration processes as the micro-foundations of institutional theory. The difference is that Burns and Scapens framework is rooted in OIE, and that "they do not consider the links between the organisational practices and the organisational field, or the possible influence of societal factors or influential actors (Dillard et

al.2004 pp.511). That is, Burns and Scapens (2000) framework limits our ability to understand and motivate change at the organisational level, whereas Dillard et al. take us further into organisational fields. Dillard et al. offered a summary critique of accounting change theorising at that point in time when they noted:

> While the OIE perspective may be appropriate for the organisational view taken by Burns and Scapens, and is significantly broader than most accounting research predicated on neoclassical economic theory and its accounting progeny (Scapens, 1994), it is limited in recognizing higher levels of social, political and economic issues that influence and define the organisational context. Further, it does not address the means by which actions at the organisation level may influence the institutional context at the organisational field level or the societal level. (pp.511).

Whilst Dillard et al. takes us further through their assemblage to the three levels - individual, organisation, and society - found in institutional logics their framework is limited by the homogeneity and other limiting assumptions implied in the earlier theorising of neo-institutionalism. Modell takes us one stage further by offering to repair some of these limitations in the new variants of institutionalism.

Modell (2009) reviews some twenty- eight papers to highlight how neo-institutional sociology has developed from its inception some two decades before. In summary he identified three key broad areas of the future development of neo-institutional theory. The first area is the evolution of neo-institutional theory from what he termed as the one-sided isomorphic behaviour to a different conception of the relationship between agency and structure. The new approach infuses agency with interests and power, resulting in a more complex interplay between structure and agency and different possibilities than simplistic isomorphism. This is the path provided by institutional logics.

The second area builds on the previous critique to question the bifurcation of legitimacy-seeking behaviour of organisations and efficiency-centred rational choice made by organisation in adopting change. According to Modell (2009), new institutional theorists (such as in DiMaggio and Powell, 1983 and Meyer and Rowan, 1977) made a relatively strict distinction between the two type of behaviours and attributed the latter to technical and economic rationalities in adopting change; whereas the former behaved symbolically to gain legitimacy resulting in decoupling. However, Modell argued that the value systems behind the two type of behaviours are not necessarily inconsistent; and this distinction does not explain decoupling, but the change dynamics involving market forces and economic mechanisms remain under-researched.

The third area of critique and variation from the earlier versions of the new institutional sociology has occurred in the shift of emphasis from analysis of organisational fields to institutional field in which the main unit is an individual organisation. Thus, Modell posits that there has been a departure

from organisational field made up of many organisations to institutional fields where the focus is on the role of an individual organisation.

These perspectives are significant for trying to repair the shortcomings of neo-institutional theory as suggested by theorists such as Lounsbury (2001, and 2008). The new variants of institutionalism, for example institutional logics, departs from "mindless" diffusion by incorporating translation. It allows for the possibility of organisational learning by allowing the possibility of actors to immerse in learning the new change processes and using it to shape their organisations (Kjaer and Pedersen, 2001).

However, Meyer (2008) makes one more pitch in providing a clear defence of why we may find diffusion in institutionalism by saying:

> Institutionalists are told that the analysis of diffusion waves is unscientific – the only correct approach is to assume each particle in such a wave is a properly rational and interested actor: following this advice would mean giving up on really trying to explain the dramatic social and organisational changes of our period. The great changes of our period – often poorly recognized by realist social sciences – occur much more through waves of conforming non-decision than through networks of fully formed and autonomous rationalized actors.

Meyer's view has been formed from the common everyday majoritarian perspective, but it goes to show why some have criticised the new institutionalists' position for assuming 'cultural dupes.'

2.5.3 Explaining accounting change through institutional logics approach

One difference between institutional logics and neo-institutional theory is that in the latter it is implicitly assumed that for the actor to cause change to occur or resist one, she/he must fully or partially be self-emancipated from the institutional 'chain'. Institutional logics has no such assumption, as Modell (2009) argued, all that is required is for the logics to come into play (for it to be mobilised). The extant literature points to various ways in which institutional logics impact on organisational and accounting innovation and change. Scholars have found that institutional logics impact on change or resistance to change in diverse way, such as: implementation of enterprise resource planning systems (ERPs); (examples are Heinzelman, 2017; Hyvönen et al.,2009); management systems (Wickramasinghe et al. 2007) performance appraisal (Townley, 1997); budget practices and stewardship (Ezzamel et al., 2012; Ferry and Eckersley, 2018);

Institutional logics explain organisational change through the institutional effects of multiple logics; and many scholars have shown how multiple logics influence organisational change (Vickers et al., 2017; Greenwood et al., 2010); how multiple logics influence individual identity (Lok, 2010); and management control (Damayanthi and Gooneratne 2017). Dunn and Jones (2010) showed how professional practices are impacted by multiple institutional logics. In medicine there are 'care logics', 'science logics', and 'business logics', all operating at the same time. In cognisance of the

existence of multiple logics, Seo and Creed (2002) have defined praxis as "agency embedded in a society of multiple levels of inter-penetrating, incompatible institutional arrangements (contradictions)". They argued that praxis is an essential driving force of institutional change.

The institutional logics work through tension created by multiple institutional orders and their elements. Kaufman and Covaleski (2018) have studied the role of formal and informal budget practice change as a tool to manage persistent tension in institutionally complex environments based on Friedland and Alford (1991) argument that institutional logics are not just cultural, but also symbolic and material. Kaufman and Covaleski (2018) argued that "Budgetary practices emerge as an observable, material expression of institutionalised beliefs within a particular setting at a particular time" (pp. 3). They found evidence pointing to the underlying tensions between coexisting institutional logics and the 'role played by budgets in managing the tension between the rational outcomes espoused by external sources of funding and the actions prioritized by internal professionals' (pp. 4). These tensions generate pressure on the budgeting systems or ultimately on the organisation itself, and society on a larger scale. Kaufman and Covaleski, acknowledged the contributions from the role of budgeting in managing such tensions, while they focus on the mechanisms used by organisations to successfully manage the tensions during times of change.

I briefly review two key papers in the public sector where logics have been applied (Ezzamel et al, 2012; Covaleski et al. 2013) for their relevance and to serve as a foundation for this research.

Ezzamel et al., 2012 have noted that "institutional logics is a way of understanding how actors' selections are conditioned by specific frames of reference that inform the sensemaking, vocabulary of motivation and the identities that actors bring to situations". (pp. 283-284)

Ezzamel et al. (2012) in exploring the logics of budgeting in the UK's educational field found different logics at work, including business logic, governance logic and professional logic. For example, in their studies, different groups faced different logics as result of their legislative roles, professional role, or other roles in the educational field. Headteachers as senior managers of the school enterprise were confronted with the business logics), the local education authorities (LEAs)and school governors with the governance logics, and teachers with the professional logics. Ezzamel et al. (2012) tried to understand how institutional change occurs within the broader institutional order by the embedded agency's ability to switch or combine categories from different logics in the education field. The intention of Ezzamel et al. (2012) was to create a deeper understanding of "the mechanisms by which institutional logics and budgeting practices work through individual actions to achieve, gradually and even painstakingly, institutional change and variations…. ". (pp. 284). Their line of enquiry has a broader appeal in other public sector spheres where 'black-boxes' (or "no-go-areas") have been created between the accounting practice logics

and other professional logics. In some cases, the clash of these logics creates resistance that can work against change.

Covaleski, et al. (2013), showed how, what they termed, 'cultural entrepreneurs' were able to exploit the politics and inherent tension in the budgeting systems in the public sector. Their paper addressed some of the issue of human agency in government reforms from the perspectives of institutional entrepreneurs and institutional logics. They argued that budgeting is a socially constructed, and institutional logics may serve to transform the power dynamics in the social setting by empowering some actors while disempowering others[8]. At the same time, the market logics shape budget regulations and endogenizes the state itself in the development of its regulations, which are influenced institutionally.

Covaleski et al., (2013) built on the research agenda emanating from Ezzamel et al., 2012 but in contrast they focused on "exploring the dynamics by which knowledgeable, self-aware, calculative institutional entrepreneurs seek to overcome the paradox of embedded agency and influence their situation, rather than be influenced by it, across multiple locations in an inter-institutional system by implementing and resisting a welfare reform effort" (pp. 339)

In the LDCs/EEs context we found very limited application of logics, especially in the public sector where potentially it matters most. The few exceptions such as Ohemeng and Ayee, 2016; Alawattage, 2011, but Ohemeng and Ayee chose to eschew the meaning of hybridity in terms of cultural elements in interinstitutional orders, and rather defined hybridity as a combination of the top-down and bottom-up approaches to understanding and explaining public sector reforms. To our knowledge therefore, to date, there is very little research from the LDCs that have applied the full scope of institutional logics, as a variant of neo-institutionalism, to the public sector accounting reforms. Damayanthi and Gooneratne (2017) undertook a review of studies that have mobilised the ILA to explain management control practices in both Western and non-Western countries covering government sector, non-profits, firm level and industry level to portray the current use of this approach, and to identify possible areas of theoretical development. Their studies found that while some researchers had adopted the ILA as a single theory, others had adopted it in tandem with other social theories or had used it synergistically with other variants of neo-institutional theory. They also identified the gaps in the extant literature that have mobilised the ILA. They found that there was a limited exploration of the interplay between external institutions with different logics and internal organisational actors whose interests are determined because of different logics they have encountered, and how these internal actors strategically respond to external institutions. They, therefore, called for more research showing the interplay between individual, field, and societal level

[8] Power dynamics between key actors shape the nature of institutional logics (Dodds, 2011).

logics. Their studies also appear to confirm our findings that most of the applications of the ILA were outside of the public sector, and not in the NPM/PFM reforms.

2.6 REVIEW OF ACCOUNTING CHANGE LITERATURE FROM DEVELOPMENT COUNTRIES' CONTEXT

2.6.1 Introduction

This section aims to examine the existing literature in integrated financial management reforms (IPFMR) and to identify gaps to serve as a basis for the research question. The IPFM reforms, characteristically, are in LDCs/EEs as a variant of the worldwide NPM reforms, and often they carry an ideological baggage (Lapsley 2009) of neoliberalism. This thesis argues that the IPFM reforms are distinct from the global NPM-type reforms because in the LDCs, they attempt to intervene in all aspects of public financial management and its related functional areas (in governance) in an integrated wholistic manner. It therefore poses implementation challenges unique to the LDC environment where capacity might well be limited.

There is a vibrant and growing accounting research literature specifically focusing on developing countries. Whilst drawing attention to this demarcation, this study argues that making a distinction does not mean separation, and that, there are already existing bridges to the broader literature on which I build. In that sense, in this review, following the lead of other scholars (Goddard, 2010; Rahaman, 2010; Rahaman and Lawrence, 2001a; Abdul-Rahaman et al., 1997) the study concurrently reviews the developments of accounting research in LDCs/EEs within the mainstream of accounting research.

This contradistinction enables us to identify in the extant literature what is already known about accounting change and NPM-PSM reforms, in so far as they address issues in integrated public financial management reforms in LDCs.

Furthermore, the aim of this section of the literature review is to inform the broader context of the research rather than to impose a theoretical framework on the empirical analysis (Goddard and Mkasiwa, 2016).

The purpose of the review is thus, to demonstrate the contribution of this research by positioning it in the existing corpus of the worldwide accounting change research (academic journals and books) while at the same time linking it to the reform literature based on the LDCs/EEs IPPFM reforms. This literature review identifies the gap in the extant literature from the LDCs/EEs and position this research in that context (Silverman 2017).

2.6.2 Contradistinction between less developed countries and emerging economies (LDCs/EEs) and western post-industrial countries accounting research

The extant literature has attempted to define EEs and LDCs (van Helden and Uddin,2016 for EEs); and (Hopper et al., 2016, for LDCs), or simply developing countries (DCs). I highlight these issues for two reasons: (i) For ease of exposition these terms will be used interchangeably throughout this thesis. (ii) The extant literature has highlighted the importance of language in current discourses on globalisation and socio-economic development of countries (see Lyotard, 1984; and Williams, 2008) labelled as the 'South' as opposed to the 'North' (Lassou and Hopper, 2016; Hopper et al., 2009) and the role accounting plays in these discourses. Dating back to the 1970 and 80s scholars used to debate about the appropriateness of these labels. They argued that the accolades scholars adopted were important, and that the notion of 'advanced countries' implied that some societies were socially backward. For that reason, this study prefers to use terms such as 'western industrialised countries' (simply western countries) or 'post-industrialised countries.' However, I make the caveat that none of these terms is exact. Van Helden and Uddin have noted that "the term 'emerging economy' is being continually redefined because the parameters are economic development and poverty are complex, variable and discontinuous.

The distinction between accounting research in LDCs from the mainstream western post-industrialised countries appears to correspond to the distinction of economic development theories from the mainstream economics theories. This separation influenced earlier non-empirical accounting research on the LDCs (Abdul-Rahaman et al., 1997). Abdul-Rahaman et al., decried this type of research emanating from the LDCs as having been influenced by defunct development economic theories. The 1980s saw what was described as a paradigm shift in accounting research, which reverberated not only in the post-industrialised countries, but also gradually in the developing countries. Up to that point accounting research was a single-paradigm discipline (Lukka, 2010) dominated by economics and relying on the objectivists' end of the functionalist approach and using mainly positivist methods drawn from economic principles of rational choice and marginal utility (Walker, 2015).

That shift was accompanied by attempts to redress the balance between financial accounting research and management accounting research in the literature. Up to the 1970s the domain of accounting research had been in financial accounting, but the need to understand better the role accounting played in its organisational context and how it changed from one context to another (Hopwood, 1983, 1987;) stimulated management accounting research that looked closer at the internal manifestation of accounting in organisations. With the rise of management accounting research came the application of a wide range of multi-disciplinary theories and concepts, especially from sociology

and political science that also fostered critical accounting research. Alawattage et al. (2016 pp287) have noted that:

> Many social theories including orthodox Marxism, neo- and post-Marxism, Weber's interpretive sociology, Bourdieu's reflexive sociology, actor-network theory and various versions of institutional theory have been used to shed light on diverse understanding of management accounting practices.

While the mainstream accounting research was going through these changes, in the few and far between research that emerged from the LDCs, there was a preponderance of financial accounting research over management accounting (Abdul-Rahaman et al.1997; Hopper et al., 2009). This type of research continued to be dominated by functionalist methods, which is partly explained by the configuration of accounting systems in LDCs that reflects their colonial legacy. That legacy placed a lot of emphasis on financial reporting to external stakeholders; and in government reporting to the metropolitan colonial offices in London, Paris, Amsterdam, and the others (Tinker, 1980). Such institutional practices have been etched into the public administration systems that have become the current reality in LDCs governments (Hopper and Lassou, 2017, Lassou et al. 2019, Abdul-Rahaman et al, 1997).

As they have been and continue to persist, accounting and auditing practices tend to be very rudimentary in many LDCs (Iyoha and Oyerinde, 2010). Historically financial accounting and reporting have been accorded more priority in LDCs, therefore dominated accounting practice. Tracing the root back to the colonial period, Hopper et al.,2009 found that the emphasis was on financial reporting (for stewardship and tracking remittances) rather abstract notions such as cost control (embodied in management accounting) which had no relevance in the context where cost was low (especially local labour cost).

Yet, the centrality of budgeting is in both post-industrialised countries and LDCs (Hopper et al.,2009; Enthoven, 1982) alike. The lack of a well-organised general and cost accounting systems, with adequate procedures and internal controls, is one of the great weaknesses of most organisations in developing nations (Enthoven, 1965), especially in public sector accounting.

In the last two decades, with the growth of accounting research in LDCs, attempts have been made to address the balance between financial and management accounting practices in organisations, and this has been accompanied by critical management accounting research drawing on a range of methodological-philosophical approaches to reflect the 'politically and culturally rich idiosyncratic contexts' of LDCs (Alawattage et al. 2016).

In this research, and in the literature review, we demarcate research emerging from EEs/LDCs from those from post-industrial countries. Scholars have argued that EEs, and for that matter LDCs, have political and cultural idiosyncrasies that make them unique (van Helden and Uddin, 2016). But in

our view, cultural differences per se would not have warranted EEs/LDCs accounting research to be given a separate treatment from that of the industrialised world. We argue that it is not 'culture' or 'politics' when vaguely defined that makes LDCs/EEs accounting different from the others (such as the post-industrial countries). There are cultural differences even within the same country (Douglas, 1996). However, we are in agreement with van Helden and Uddin (2016) that poverty and dependence on external aid create unique circumstances (such as influences of international politics within a country, and the relative political instability) that impact on financial management to warrant a separate research attention.

In the cultural discourse, rationality is presented as a Weberian ideal type, which provides the requirements or pre-conditions of a bureaucratic state. In this discourse, irrationality is dysfunctional and an enemy of a liberal democratic state, despite the limitation on rationality. Alawattage et al. 2016, has noted the criticism of how culture is treated as a mere variable within studies drawing on contingency theory to explain in a positivistic fashion the difference between the East and West; and developed and underdeveloped countries. They point out that:

> However, contingency theory-central cultural studies have been subject to severe criticism, especially by critical accounting studies. Within the epistemic parameters of contingency theory, culture is conceived only as a taxonomical characteristic rather than an underlying force, institution, or process of collective human action, framed within a rather positivistic survey-type 'testing' of differences and associations. This has been seen as an unhelpful conception of culture that is unable to capture the cultural politics underlying the historical evolution of accounting and control systems in LDCs. (Alawattage et al., 2016 pp. 289)

As a final cap on the cultural debate, we have found that there is the potential for examining societal practices with similar 'transcultural' theories to explain rationality, irrationality, non-rationality, and transrationality. We argue that re-visiting classical sociology (in terms of linking social-action theory to institutional/ organisation theories) provides us with an enhanced toolbox. Institutionalised practices and institutionalism provide a better understanding of the taken-for-granted practices than 'culture'. However, this institutionalism with its sociological implications, is distinct from that defined by economists (DiMaggio and Powell, 1991). Institutionalist have drawn from anthropology (such as Clifford Geertz) who have brought new insights to our understanding of culture. Institutionalism have moved away from viewing culture as "the entire way of life of a people, including their technology and material artifacts' to that of 'publicly available symbolic forms through which people experience and express meaning' (Swidler 1986pp 273). To institutionalist culture involves far more than general values and knowledge that one would need to become a functioning member of a society (influence tastes and decisions). Culture is now considered as the ontological value of actors and action (Drori ,2009) Meyer et al., 1987) in the sense of publicly available symbolic forms through which people experience and express meaning. Swidler (1986) has

suggested that culture "consist of such symbolic vehicles of meaning, including beliefs, ritual practices, art forms, and ceremonies, as well as informal cultural practices such as language, gossip, stories, and rituals of daily life. These symbolic forms are the means through which "social processes of sharing modes of behaviour and outlook within [a] community take place" (Swidler, 1986 pp 273). For our purposes this is how we shall consider culture in this research.

2.6.3 PFM reforms literature from LDCs and EEs

In this section we aim to identify the key issues from the extant literature on accounting change and reforms in emerging economies that require further investigation.

The importance of accounting in the development agenda of developing countries has been underlined (Hopper et al., 2016; van Helden and Uddin, 2016) but there is still limited knowledge on the conditions of how accounting innovations emerge, are maintained and transformed under different conditions, especially in developing and emerging economies (van Helden and Uddin, 2016; Hopper and Bui, 2016; Hopper et al. 2016; Allen, 2009).

IPFM reforms in developing countries remain largely an uncharted territory in accounting research (Hopper et al, 2016; Lassou 2017; Adhikari and Mellemvik 2011). There are many disparate studies, but with a few exceptions (such as Goddard et al. (2016) – Tanzania; Adhikari et al. (2013) in Nepal and Sri Lanka; Adhikari and Mellemvik (2011) in Nepal), they are not linked up sufficiently to provide both theoretical and empirical explanation of the accounting reforms performance and change in the LDCs. The pressing question of how best to implement integrated accounting reforms in the governance context has not been addressed. For example, there has not been much done in the extant literature to relate the conditions, context, and properties and their dimensions to explain the IPFM reform phenomenon in its social context. Pretorius & Pretorius (2008) has observed that there was little knowledge of what made PFM reform efforts successful and what made financial and technical support to PFM reforms effective. There are papers that have addressed the phenomenon of the IPFM, and within their numbers the 'normative literature' dominated.

Contributions to developing countries accounting research have been made by researchers such as Uddin and Tsamenyi, 2005; Rahaman and Lawrence, 2001a and 2001b; Neu and Ocampo, 2007; and Hopper et al.,2009, but there is still very little coverage in the accounting literature on the integrated PFM reforms in developing countries. More recently there have been calls for more qualitative research (van Helden and Uddin, 2016; Nyamori et al.,2017) to support better accounting, as an essential if a neglected cog in the development mechanisms (Hopper et al., 2016). Lassou and Hopper, 2016; (van Helden and Uddin, 2016; Hopper and Bui, 2016;).

Scholars have long recognised that accounting practices are historically contingent, and they emerge under specific conditions that need to be examined in their historical and geographical context[9] (Miller and Napier, 1993). Contextual factors have been identified as cultural, institutional, ethnicity, political interference, nepotism, and over-bureaucracy, whereas conditions are deemed as the necessary precursors for successful implementation of reforms (Goddard et al., 2016).

We reviewed a selection of some of the most recent key papers from the literature to establish both the context and conditions of the reforms; the processes of implementation; and the consequent reform performances.

One of the key recent studies is Nyamori et al.,2017, which examined the NPM-type reforms in three countries in sub-Saharan Africa (Ghana, Kenya, and South Africa) taken to represent broadly the west, east and south of the continent, placed the PFM reforms in the broader context of public sector reforms. In addition, they summarised several findings from other contemporary accounting research from the LDCs/EEs.

The authors found the accounting reforms that had been implemented across the world had been packaged as part of a wider good governance reform agenda instead of narrow economic reforms that aimed to reduce the size of the civil service. At the heart of the governance reforms was the drive to improve accountability and transparency through civil society participation, combating corruption, and the promotion of an enabling legal and political framework. The reform narrative of Nyamori et al.,2017 were divided into three phases:1. Shrinking the state in the 1980s; 2. Building capacity in the 1990s; 3. Enhancing transparency and accountability in the 2000s). The implied phasing of reforms in Nyamori et al. is useful, and it also accords with the historical context of Ghana, which we have demarcated into three periodical phases in this thesis:(i) the historical context of the

9 Note that conditions are often interpreted as structure (social, economic political structures) and context as values, culture etc. Goddard et al. (2016) noted that Sarker (2006) has found that the existence of a formal market economy, the rule of law, and an advanced, efficient level of administrative infrastructure are necessary precursors for successful implementation of NPM reforms. For example, one of the conditions necessitating the implementation of reforms have been found to come from pressure exerted by the IFIs (such as Nyamori et al. 2017; Rahaman, 2010). Rahaman describe the reforms in LDCs/EEs as 'lender-driven reforms'. For clarity I do not find the distinction between conditions and context particularly illuminating, and they have been used in the literature interchangeable. For this reason, I have set out to examine what previous researchers have found about the interplay between the context and conditions of the reforms in emerging economies. I explain later that using grounded theory-informed methods enable us to get away from the context and conditions dichotomy, by explaining the phenomenon in terms of its categories, their properties, and dimensions.

immediate post- independence to the end of the 1970s; (ii) structural adjustment in the 1980s; and (iii) NPM reforms from the 1990s onwards).

Nyamori et al. (2017) found that the paucity of critical accounting research emanating from the continent, provided opportunities for accounting, auditing and accountability research. They concluded by calling for more critical accounting research that has been lacking in Africa.

As a condition of accounting change in the developing countries, Rahman (2010) for example pointed to the effects of globalization of finance and economic activity and the evolving 'new' global economic order. His argument pointed to the dependency relationship between the West and developing countries, and the possible symbiotic relationship that it engendered. In that sense change was perhaps evolutionary and inevitable. However, Rahaman added to this milieu the possibility of a clash between globalisation and 'African traditional accounting and financial management practices.'

Bakre et al. (2017) for example argued that the western type accounting reforms are to improve transparency and accountability and corruption in patronage- clientelism based Nigeria. They made references to the IFIs (WB-IMF) and the implementation of accrual accounting within the reforms adopting the international public sector accounting standards (IPSAS).

Some of the existing explanations of reforms are derived from contingent factors and are derived from *atheoretical* studies. For example, Ameyaw (2003) accounted for reform failure based secondary sources from the World Bank sources that reported that reforms were unsuccessful because of the combined influence of inadequate strategies, political resistance, failure to sustain long-term reform efforts, and the lack of knowledge about appropriate tools to establish systemic change. Another *atheoretica*l comparative studies of NPM reforms in Nigeria and the UK by Olowo-Okere and Tomkins (1998) is interesting, drawing on pragmatic ideas of 'basic first' (van Helden and Uddin, 2016).

Scholars have argued that benchmarking of LDCs' accounting practices against rich countries' practices may induce reforms that are incompatible with indigenous cultures, local democracy, and domestic politics (Hopper et al., 2009; Abdul-Rahaman et al., 1997). To improve reform practices, it has been suggested that reformers should depart from 'best practice' to 'good enough practices' (Grindle, 2013). This call resonated with the need for in-depth contextual understanding of how PFM are implemented. Responding to this call the World Bank opened itself up for 'disputatious' academics from Harvard Kennedy School of Government and other practitioner- scholars to appraise the Bank's reform record; and to critique their new *Approach* to public sector reforms dating back to 2013. In an unusual candid acknowledgement of the WB's role in the performance of public sector

reforms in developing countries, the WB's staff summarised the deliberations of the panel they had assembled by saying that: [Their interlocuters] "are in close agreement about PSM performance in developing countries: reform is 'difficult and frustrating' (Grindle) and has 'a poor track record' (Polidano), one that is strewn with 'frequent reform failures' (Pollitt). In that light, Pritchett's assessment that PSM is 'in deep crisis' scarcely seems an exaggeration." (Manning and McCourt, 2013, pg. 392).

For the outcome of these proceedings the WB's new *Approach* aimed at "solving 'functional problems' in a political environment, rather than imposing international 'best practice', as the essential task of reform" (Manning and McCourt, 2013). Furthermore, the *Approach* built on changing ideas of reform over the last half-century by learning from diagnostic approaches in other fields which sought to base reforms' design on empirical data and finding the 'binding constraint' and emphasizing adaptation. Thus, the Bank had learnt some of its reform lessons the hard way (albeit at the expense of developing countries) by recognising that processes and context matter and they must be built upwards. We note that the bank continued to refer to solving 'functional problems' in its discourse about change rather than more appropriate conceptions such as addressing 'practice challenges' and their related 'social conditions' of change.

2.6.4 Theorising accounting reforms in the EEs/LDCs: What the extant literature has accomplished

2.6.4.1 Why the accounting reforms are being implemented in LDCs

There is a broad consensus in the extant literature that the IPFM reforms have been framed in NPM terms and driven by pressure from the international financial institutions and other bilateral development partners of the LDCs. The NPM, as a global phenomenon has clouded the origins and internally perceived need of the reforms. Seen as a global movement, the NPM has left very little space for the recognition of the pre-existing demands for reforms going back to pre-independence in many of the LDCs whose existence as nation-states emerged out of colonisation. Dating back to 1955 the United Nations (U.N.) after extensive studies had drawn attention to the importance of government accounting and had singled it out as a relational issue between the people of the developing world and their government to be addressed (Abdul-Rahaman et al, 1997). Generally, accounting reforms formed part of the modernisation transformation agenda that were to support socio-economic development (Perera, 1989). Reforms have been considered to have several beneficial ends including introducing appropriate accounting practices, bestowing legitimacy, addressing issues of corruptions, promoting economic growth, and reducing poverty (Goddard et al,

2016). These benefits would occur if the changes were carried out properly in a balanced manner by those who they affect, both positively and negatively.

Hopper et al., 2016 have argued that 'accounting may seem peripheral to development' and that 'better accounting will not solve poverty' (pp 1). The first part of their argument is incontrovertible, but the second part is too broad and contentious. If through better accounting more credible policies get implemented and wanton corruption gets checked, then better accounting will in fact alleviate absolute virulent poverty. For the fear of contradicting themselves Hopper et al. developed their argument further by saying that better accounting 'is an essential, if neglected, cog in the development mechanisms' (pp1).

Following Hopper et al.'s (2016) argument further, if better accounting will not solve the problems of poverty, how could better economics solve poverty? This question is pertinent if all economics does is to provide policy advice, especially at the macro-level, often without providing the detail implementing mechanisms. Hopper et al.(2016) argued for the role of accounting in changing development policies by showing, firstly that in the 1950 and 1960s when DCs adopted state-capitalism (also labelled as socialism), 'International bodies like the WB and IMF supported state-led industrialisation' and the 'initial accounting research endorsed central state planning, public ownership and industrialisation in DCs and recommended improving indigenous accounting capacity, data provision, and developing accounting education within a self-governed accounting profession'. In that sense, accounting followed the dominant economic policy trend and reflected it.

Secondly, Hopper et al., 2016 argued that in countries where the prescribed accounting changes took place, for example South Korea, economic development occurred, but in those where 'better' accounting was neglected accounting was used as a charade to gain legitimacy internally and from external funders. It was never used to enforce legal rational bureaucratic accountability, allowing malpractices to fester in the award of contracts, selling of state assets, and filling of positions.

Thirdly, Hopper et al. went on to show that in the present times when the DCs have been pressurised to adopt neo-liberal policies, because of them being aid-dependent, accounting reforms have become very crucial. But the sponsors of the reforms (WB and the IMF) have tended to assume that accounting is just a technical matter, a view that has been reinforced by the predominately macroeconomic background of the staff of these organisations.

Just like in the previous period where those countries that adopted 'better accounting' were likely to do better, in this period there is an additional dimension. The caveat is like in the past where the IMF and WB put economic consideration first, and considered accounting as a technical detail, they are likely to miss the point that accounting is also social. For that reason, Hopper et al have pointed out:

> Critical accounting scholars need to engage with global financial and development institutions such as the WB and IMF to investigate how differing globalisation tendencies are represented and how they involve accounting, and to formulate effective but tailored solutions for DCs. Relevant accounting research is rarely presented in development journals and conferences. Accounting researchers' lack of interaction with officials in transnational institutions involved in accounting is surprising, particularly as they tend to be transparent and open and interactions with development economists are commonplace (pp. 18).

Currently some, including scholars, see the reforms as indirect control mechanisms by the WB/IMF to impose developmental ideologies; and to support hegemonic influences of the 'North' on the 'South': "Through implantation of mundane and quotidian practices" (Neu and Ocampo, 2007). The 'normative literature' (Goddard, 2010) mostly authored or sponsored by the international development community is replete with exhortation and prescriptions of the type of accounting practices and reforms for developing countries to adopt (Goddard et al, 2016). Scholars have warned against the crude transfer of accounting techniques from western countries to developing countries (Goddard et al,2016; Dean, 1989).

The literature has highlighted the tendency for the WB to "translate" developmental problems (such as in education, health, infrastructure) into financial problems and to solve these problems with financial and administrative solutions (Neu and Ocampo, 2007).

2.6.4.2 The broad conditions of implementing the reforms in LDCs

The conditions of reforms are multifaceted and are beginning to emerge alongside efforts to correct some of the misconceptions. For example, a lack of capacity in LDCs is a widely held view, and that is often adduced as an explanation of the poor reform performances. Rahaman and Lawrence (2001a) found contrary evidence to the alleged lack of managerial, capacity, including accounting practice, in developing countries. They argued that there was not a homogenous lack of capacity by pointing to evaluations in a state-owned enterprise in Ghana (the Volta River Authourity) having world class accounting systems.

In recent years scholars' discourses on accounting reforms have re-ignited the post-World War II debates on the power asymmetric relationship between human societies and the impact of colonialism in the form of neo-colonialism on the people in the LDCs and the implication of the role of accounting in it (Hopper et al, 2016, Chang, 2007). Lassou and Hopper (2016) have elaborated on this by arguing that reforms have emerged as a condition of structural adjustment programs initiated by the WB and IMF in the 1980s. This view is reflected extensively in the academic research, that sees the reforms as part of a package of measures sponsored by the IFIs to orientate the economies of LDCs to market-based policies, following their fiscal crises (Stiglitz, 2002)

This debate has been extended to the unfavourable impact of globalisation on LDCs (Chang, 2007). This time around through the hegemonic influences of the industrialised countries working within the institutional framework of the operation of the international financial institutions (the World Bank, IMF) and the World Trade Organisation. Hopper et al. (2016) have labelled it the neoliberal-globalisation.

But the context differs in each specific country case (Abdul-Rahaman et al., 1997). For example, in the case of Ghana Lassou et al., 2016 have pointed out the broad conditions of reforms based on political economy considerations. Whilst it serves as a useful platform for further research, the explanation does not go far enough, and leaves the intellectual puzzle of 'collective action in a latent group' unanswered (Douglas, 1986, Olson 1965). Thus, the existing literature on the PFM reforms (with a few exceptions (such as Goddard et al, 2016) has not paid much attention to the social context of the reforms and have left accounts needing further empirical investigations and theorising.

2.6.4.3 How the accounting reforms are being implemented

The accounting reforms have been implemented in the LDCs through imposition and diffusion of practices by the multilateral financial institutions and aid agencies, thereby they are deemed as a continuation of colonial practices (Neu Ocampo, 2007). They argued that contrary to the impression created in globalisation discourses that LDCs accounting practices are being transformed through de-personalized diffusion of practices, the phenomenon is neither agency-less nor a recent one. The WB and the other international development partners engage in discursive practices with local actors, such as politicians and senior bureaucrats, that influence future reform actions (ibid)

Neu and Ocampo, 2007observed that the mechanism of implementation through diffusion of practice implies one group (or society or nation-state) attempting to impose a new worldview on others, as in this case, liberal democracy. This is one sense where values therefore become engaged in the reform processes; and that could result in tensions and latent conflict. It was found that such tensions and conflict arose where WB officials, for example, privilege global expertise over local expertise (ibid).

The extant literature therefore provides evidence of resistance and accommodation (Neu and Ocampo, 2007). With a few exceptions (for example Lassou et al.,2019; Hopper et al., 2016; Ashraf and Uddin, 2016) there is no clear cut evidence in the literature about the major sources of resistance: whether it is as a result of fear of change (as in fear of new technologies), or as a result of resistance to neo-colonialism (Lassou et al., 2019), or as a result of neo-liberal policies embedded in NPM (Hopper et al, 2016). Hopper et al. (2016) advanced the argument of other researchers who have observed that most objectors to globalisation do so for rejecting neo-liberal globalisation and not globalisation per se. They further argued that the effects of neo-liberal globalisation have reduced the national sovereignty of LDCs making them more vulnerable to global capitalist influences,

reducing their tax revenues, engendering their macroeconomic management, and socio-economic development.

Others have argued that resistance to reforms is an unintended consequence, as regressive effects (Sieber, 1981) that are founded on both social and psychological levels. Sieber argued that interventions that were even meant to be helpful created psychological resistance to change (as in the denial of the effects of alcoholism or smoking) or as in social resistance (when a change threatens the status quo, or even one group at the expense of the others).

The notion of resistance to diffusion of reforms, as in Neu and Ocampo (2007,) instead of 'translation' of practices also appears to reflect the pre-imminence of theorizing reforms based on the normative institutional theory on change. Institutional theory, especially old institutional theory, examines the role of structures at the macro-level, giving us insufficient grasp of human agency at the micro level (see Zucker (1977). Neo-institutionalism attempts to bridge this shortcoming by providing researchers with a better frame to examine a more active role of human agents in reforms processes, based on the emerging concepts (such as structuration, and action theory). But these new approaches to theorising, with a few exemptions such as Adhikari and Jayasinghe (2017) in the application of Rob Stone's strong structuration theory, have not yet found extensive application in accounting research, especially in LDCs' research.

One unintended effect of macro-level analysis is that when attempts are made to theorise the role of human agents, especially when they have been based on neo-classical political economy (rational choice theory), the outcomes focus predominantly on rent seeking behaviour of officials and politicians as in Lassou et al., 2016. The criticism is that rational choice theories suffer from reductionism (by aggregating structural effects from individual actions, and not from societal action *sui generis*). Thus, we are misled into generalising from the action of a few.

Alternative theorising drawing on sociology of translation (see Quattrone and Hopper, 2001; Callon, 1986, Robson and Bottausci, 2018,) would reveal the cognitive processes involved in reforms, which would also give more active role to actors within the government bureaucracy than the passive process of diffusion. Others, (such as in Dunch, 2002) have pointed to translation by indigenous actors in receiving new knowledge, expressing it locally, and accepting and transforming for local use or rejecting it. Kjaer and Pedersen (2001) have argued that the notion of diffusion is unacceptable and at best misleading on both empirical and analytical grounds. Kjaer and Pedersen further argued that language frames reforms, and it is important to make a distinction between diffusion and translation in the spread of the neo-liberal creed. The distinction between diffusion and translation is significant for our thesis because it brings out the argument advanced by Campbell and Pedersen (2001) of the importance of discourse as a strategic action in reforms.

Other scholars have also advanced arguments that support the view that reformers should eschew the language of diffusion and to adopt that of translation which supports the possibility of active learning in the human agency (Busco et al., 2007). In elaborating on management accounting change, they made a distinction between diffusion and translation by stating that:

> We do not witness a *diffusion* of a given practice across space and time, but its *translation*, i.e. a process by which the aim, nature and goal of the management accounting innovations are constantly shifted, mediated and renegotiated: management accounting change always entails a difference, a movement, a variation, in the nature of what is subject to change (Busco et al.pp127).

In addition, sociology of translation would have raised the vexing question of low remuneration in the public service in the LDCs and their calls for better incentives, as *instressement*, in the reform process. Using the metaphor of Christian missionary activities Neu and Ocampo on building on the works of other scholars have argued that while the artefact the missionaries aimed to export was Christianity, they nevertheless brought with them other wares including 'medicines, educational practices, scientific and administrative technologies.' What probably the unevangelized wanted was secular modernity but they had to accept evangelical modernity (Makdisi, 1997).

2.6.4.4. Accounting reform performances- challenges

In the developed industrialised countries, the uptake and impact of NPM reforms have been mixed (Hood, 1995); cruellest disappointment (Lapsley, 2009); hailed and praised (Osborne and Gaebler, 1993). For these countries, the reforms seem to have had moderate success in most cases, even though some decoupling has been reported - as in the case of the Dutch (ter Bogt and van Helden, 2000); and for the UK the new information generated is neither used nor desired in practice, especially by parliamentarians (Connolly and Hyndman, 2006). Researchers have found that the reforms involved intense work and massive costs (Ezzamel et al., 2014); some have reported difficulties with the techniques, such as accrual accounting. In Germany for example, the NPM reforms have been selectively implemented, and in situations where professional identities have been threatened, the implementation has required "several i*nteressement* devices that were used to enrol them into the new practices" (Becker et al., 2014). Resistance to reforms have been found as in UK (Broadbent and Laughlin. (1998), and in Germany (Becker et al., 2014). Some researchers have even found the idea to be obsolete as noted by Hyndman and Lapsley (2016), but contrarily to this view they argued that the evidence shows that NPM is still very much alive.

In the LDCs Goddard and Mkasiwa, 2016 have found that many studies have concluded that the results have been disappointing and positive impacts have been outweighed by their negative impacts. This is especially the case as in the medium-term expenditure framework implementation, which aimed to introduce results-oriented management in the public sector (Schiavo-Campo, 2009.

Allen (2009) has observed that in some cases where the reforms failed it has been both disruptive and chaotic. The performance of IPFM reforms has been stark in most LDCs. This is reflected in the language of several academic researchers and scholar-practitioners alike. For example, Adhikari and Mellemvik, (2011) reported an unsuccessful accrual mission in Nepal; Uddin and Tsamenyi (2005) have advanced that:

> The empirics suggest that reforms have failed to achieve improved controls and accountability, such as delegated budgets and rewards linking activities to market performance. SOEs have maintained the same budgetary activities and rely on their political masters for their reasonable targets, rather than the commercially oriented budgets expected by the policy makers (pp. 665)

The evidence of decoupling and unintended consequences has often been the case in LDCs (Lassou et al, 2019). Drawing on the Christian missionary metaphor Neu and Ocampo quoted Makdisi, 1997 as saying: "In some cases, through processes of slippage, the technologies became de-coupled from the original spiritual mission that encouraged their introduction" ((Neu and Ocampo, 2007 pp 367).The evidence therefore shows that the reforms have decoupled (as performance against planned schedules), but also the accounting technologies themselves have not been implemented as they are meant to be (loosely coupled).

2.6.5 The modernist agenda through accounting change in LDCs/EEs and Post-Modernist turn

The modernism - post-modernism dialectics is important to this research for two principal reasons. Firstly, because much of the accounting change literature is grounded in 'modernist' conceptions of change (Andon et al.,2007; Quattrone and Hopper, 2001). Scholars have noted that budgetary and accounting 'reforms are not isolated events but are embedded in more global discourses of modernisation' (Hyndman et al, 2014 pp 389). Often change is conceived of as a reasonably ordered inputs-output process with even predictable outcomes.

Secondly, and equally importantly, often, accounting reforms in LDCs is conceived of as part of an agenda to modernise their systems of public administration in support of their socio-economic development. Discussions of organisational change through modernisation invokes cultural changes in the workplace of which accounting practices are implicated.

The modernists conceive of change as moving from disequilibrium to equilibrium from the perspectives of either individualism or contextualism. In individualism the acting unit is atomised as an individual in human society, or an organisation among many similar sized organisations, or a nation-state among many such nation-states. This acting units is then endowed with the attribute of acting purposively to cause change in accordance with an objective, within either a full or bounded rationality. The acting unit is envisioned to be autonomous calculating actors, who pursue their goals within a given resource constraints. Contextualism on the other hand, brings forth the situational

factors and social aspects that shape the actions of individuals. It supports concepts such as culture, institutions, and other larger social constructs to explain change. In other words, it builds the explanation downwards by emphasising change resulting from institutional pressures, norms, and routines. Quattrone and Hopper (2001, pp 403) have observed that:

> But both depict change as the passage of an entity, whether an organisation or accounting practices, from one identifiable and unique status to another. Despite their differences over whether reality is independent, concrete, and external, or socially constructed, both assume that actors (or researchers) can identify a reality to trace the scale and direction of changes

The modernist believe that organisational space and time are unique and linear. This line of thinking draws its antecedent from Marshallian thought of continuous progress (Parsons, 1968). As an antithesis of this position, Quattrone and Hopper (2001) argued from the point of view of sociology of translation and constructivism, proposes 'a-centred organisation' and the notion of 'drift' to problematise the constructions of accounting change that is conceived of in linear terms.

The alternative view as advanced by Quattrone and Hopper (2001) is that even if change is deliberately constructed as a purposeful action, there is no guarantee that it will work out as planned. In that sense this model of conception of change is far from being an orderly process with deterministic outcomes. The characterisation of accounting change as a drift therefore appears to be appropriate in situations where the human agency and environment co-produce the outcomes. The notions of 'a-centred organisations' and 'drift' can therefore be construed as a post-modernist response to modernist linear conception of accounting change.

Other scholars are not so sympathetic towards post-modernism, but rather see it as a handmaiden of modernity (Mongardini ,1992). According to Lyotard (1984), modernity is a universal emancipation project that has been hijacked by technoscience. As Lyotard argued: "The enlightenment project has not only been forsaken but destroyed by technoscience which gives mastery of the subject over the object, but not greater freedom, public education and more wealth that is better distributed to all". Mongardini (1992) draws a distinction between *post-modernity* and *the post-modern condition* to draw attention to the latter as modernity gone wrong. He stated:

> Where modernity until a few years ago was a goal to aspire to, an experience to repeat, today modernity makes us feel uneasy. It is something which clings to us, a role we have to play but which is out-dated. Out-dated in terms of what? In what ways out-dated? These are questions which remain unanswered while the sense of unease increases

Mongardini's (1992) critical essay on modernity is worth highlighting here for some key insights it brings to this research. He argued that change is a drug, therefore possibly implying that reforms have become a commodity being sold to developing countries. Neu and Ocampo (2007) have noted the WB's ability to commodify reforms to the LDCs. In addition, people want others to reform, but

they don't want to be reformed, as noted by the WB-Harvard interlocutors that it is doubtful if the WB could adopt better ways of implementing reforms in LDCs because of their own internal incentive systems. So, in contrast to this, putting wrong things right is not reform but emancipation (ibid)

Mongardini (1992) argued that modernity may appear neutral, but its image in society has two faces: oppression and liberation. Whilst it holds the prospect of providing a break from cultural constraints and restrictions for the individual to realise their full potential, it oppresses in its unintended consequences from technology, information availability and its uses, and alienation in urban life. He noted:

> Everything changes in order to stay the same. Personality is deflected, culture is confused with sociality, the need for an identity, identification and interpretation is anaesthetized. This is the ideology of postmodernity and its role as the last handmaiden of modernity (ibid, pp 59).

Modernity is therefore not what it seems, and he argued that postmodernity is not what makes modernity outdated; rather postmodernity is modernity's line of defence. For the individual or society looking for change, change becomes a value that can be reified and exploited. The implications for most LDCs looking for change through modernisation have to look elsewhere if they are looking for "new values and new conventions for collective living" and "to reconstruct a form of control of reality which cannot be restricted to the present and change". (ibid pp. 59)

From the radical post-modernist position theorising knowledge is important because knowledge in the post-modern era, especially scientific knowledge, is a form of discourse (Lyotard 1984), Lemert 1997, Williams, 2008). Modernity has placed emphasis on metanarratives: 'The culture by which science itself, as well as its knowledge, is a widespread, social faith in grand stories' (e.g. $E=MC^2$ of which the legend of Einstein is a part).

Lemert avers to Lyotard's argument that "Science and other forms of knowledge depend on the legitimacy in which culture holds them. Modernity, thus, is that culture which believes certain metanarratives, or widely shared stories, about the value and "truth" of science, and truth itself. This is an important way in which science is a discourse. In short, then, postmodernity is that culture in which those metanarratives are no longer considered completely legitimate and, thus, are not universally held to be completely credible'. (Lemert, 1997 pp. 39)

It is in these terms that the concepts of modernity (and post-modernity) provide perspectives on how change may occur in western industrialised countries and elsewhere. For developing countries moving from colonial (and post-colonial) legacies using mostly manual accounting practices into a technology driven environment, this may have different implications. Especially where post-colonial and neo-colonial metanarratives still shape institutions.

2.6.6 The conditions of how accounting change occurs in the developing and emerging economies

In the developing countries, the international financial institutions and other development partners have exerted considerable pressure for an estimated 150 countries to implement integrated financial management reform (IPFM) as essential component of the NPM reforms. Scholars are beginning to be interested in these IFIs (WB/IMF) driven reforms (Bakre et al, 2017, Hopper et al.,2016; Lassou et al., 2019; Goddard et al., 2016).These latest papers add to the then existing small but growing academic literature examining the efficacy or otherwise of such policy transfers by exploring the implementation of integrated public financial management reforms such as Olowo-Okere and Tomkins (1998) and Ameyaw (2003). These contributions are among a broader set of papers on LDCs management accounting research (Tambulasi, 2007; Wickramasinghe, 2015; Ashraf and Uddin, 2013, 2016); financial accounting (Hopper et al., 2009); accountability (Rahaman, 2009); state enterprises (Rahaman et al., (2004)); and social and environmental accounting (Gray and Kouhy, 1993).

These papers have made valuable contributions, especially towards the understanding of the hegemonic influences of the IFIs on the reforms. But we do not know enough about how the conditions in developing countries and emerging economies, within and without the pressures exerted by IFIs, play out in specific situations and how they affect accounting change. These conditions take various forms such as: working conditions (van Helden and Uddin, 2016); financial assistance conditionalities ((Chang, 2007); loan conditions (Baker, Biond, &Zhang,2010); conditions of adherence to good governance principles (Lassou and Hopper 2016); socioeconomic conditions (Rahaman,2010); mundane realities manifested in both structural conditions and agential resistance (Alawattage et al., 2016); pre-conditions such as a merit system for promotion (Schick, 1998); real world conditions (Andrews, 2008); minimal conditions (Grindle, 2004); social roots of current conditions (Manning and McCourt,2013), contextual conditions such as culture, traditions, and institutionalised way of doing things (Goddard et al., 2016); a formal market economy, the rule of law, and an advanced, efficient level of administrative infrastructure (Sarker, 2006); institutional conditions (Batley and Larbi, 2004).

This is a long list and with some of the factors tending to overlap each other. This research the interplay of these conditions, both empirically and theoretically, through the lens of institutional logics in Chapter 7

2.6.7 Defining public financial management

There are several operational definitions of PFM used by practitioners, such as the staff of international financial institutions (especially the World Bank (WB) and the International Monetary Fund (IMF)) and the others, that refer to the PFM phenomenon in terms of its components such as

budgeting, accounting, internal controls, funds flow, financial reporting, and auditing. Some practitioners, for example, attached to these components the institutional framework, systems, and procedures that govern the preparation, execution, and reporting of the budget, as Allen et al. (2013) set it out as:

> PFM is concerned with the laws, organisations, systems, and procedures available to governments wanting to secure and use resources effectively, efficiently, and transparently. While PFM encompasses taxes and other government revenue, borrowing and debt management, its main focus is expenditure management, especially in the context of public budgeting [*The International Handbook of Public Financial Management- 2013*].

Practitioners' definition of public financial management often reflects the cyclical nature and the routine operation of these components. As senior official from the Ministry of Finance, participant G7, of this research observed:

> If I understand public financial management, it starts from planning through to budgeting, through to accounting, auditing, and reporting, then monitoring then you come back to planning again.

Some practitioners, for example, the UK's Chartered Institute of Public Finance and Accountancy (CIPFA) considers that such definition lacks both the functional and teleological essences. The WB for example has pointed out that in considering financial management reforms a sole concentration on components is not enough. Saying that: "It is also true that reforming budgetary and financial management systems without paying attention to the other service-wide systems, processes and structures of government is likely to produce little change" (Public Expenditure Management Handbook (1998)]

CIPFA therefore has come to define PFM as:

> Public Financial Management (PFM) is the system by which financial resources are planned, directed and controlled to enable and influence the efficient and effective delivery of public services goals (The CIPFA FM Model; Assessment of Financial Management in Public Service Organisations: Statements of Good Practice)

The CIPFA's definition primary focus is on the system for managing public finance and the ends they serve (delivery of public services). That view contrasts with the IMF's exposition that brings out the institutional structures. However, in line with the existing academic literature (for example Hopwood, 1987; Robson 1991), we define PFM simply as accounting practices in the public sector, thereby allowing for the possibility of social, economic, and political influences that are embedded in the discipline. Hopper et al.,2009, for example, deliberately broadened the definition of management accounting system in order not to "deflect attention from historical, social, political and economic factors, and their unanticipated consequences" (pp. 46). More generally they go on to argue that "rigid boundaries are dangerous as development issues need open, imaginative, problem-based approaches that transgress disciplines and forms of accounting".

The taxonomy of accounting research is not exact; and there are cross-boundary references in the use of concepts. For this reason, accounting practice has been defined as what the researcher wants it to be (Justesen and Mouritsen, 2011). For exposition, any reference to 'accounting practice' in this thesis encompasses management accounting (including, planning and budgeting), financial accounting, audit, and the oversight practices in the public sector.

2.6.8 Integrated IPFM Reforms as a new phenomenon

> *'The term "full integration" does not imply that a single integrated system is needed for both budget preparation and budget execution, but that data is defined in the same terms and flows seamlessly from one set of functions to the other'*. [WB- Treasury Reference Model, WTP 505, 2001)

The reform approach, as a search for integrated solution for the myriad challenges of developing and improving systems, draws on the very definition of public financial management. However, the phenomenon of integrated financial management in developing and emerging countries is a recent development drawing its antecedents from the Structural Adjustment Policies (SAP) implemented by the World Bank and the International Monetary Fund (WB/IMF) in the 1980s.

Ghana like many developing countries had gone through various economic, political, and social crises requiring a broad range of governance reforms. Integrated financial management reforms emerged from the package of governance mitigating measures provided by the IFIs in these countries. They addressed democratic and economic structural reforms but have paid scant attention to the social consequences.

The concept of integrated public financial management is relatively a recent phenomenon in accounting research. Public sector financial management reforms, as used here, broadly includes planning and budgeting, financial accounting reporting, management accounting, auditing, accountability, and oversight functions. Dechow and Mouritsen (2005) highlighted the issues that arise from implementing integrated management and control solutions through enterprise resource planning systems (ERPs). Whilst their case studies were drawn from the private sector, it brings out the issues of management control and integration as applied in the public sector. Enterprise-wide resource planning systems (ERPs) attempt to integrate all corporate information in one central database that allows data once captured to be processed into information that is available at many different locations in the organisation. They are touted to offer visibility of operations and management control from distance, but the achievement depends on the management's desire for integration, which is an unending process that is produced concurrently and episodically.

However, ERPs do not define what integration is and how it is to be developed, rather it introduces a techno-logic into the operations of an entity. This techno-logic conditions how control can be performed through financial and non-financial representations because they distinguish between an accounting mode and a logistics mode.

Dechow and Mouritsen (2005) argued that ERPs are particularly interesting for what they make impossible, and we can draw out several lessons concerning accounting change involving ERPs: (1) that management control cannot be separated from the context, including the underlying technology that makes it possible. The 'infrastructure' is provided by 'the meeting point of many technologies and many types of controls'(ibid, pp 691); (2) 'that management control in an ERP-environment is not a property of the accounting function, but a collective affair where local control issues in different parts of the organisation are used to create notions of global management'(ibid, pp 691). Dechow and Mouritsen (2005) reviewed the work of several scholars in the extant literature and divided them into three main strands according to the positions they take on ERPs.

Firstly, they argued that as much as integration is appealing it is a formidable task. The appeal of ERPs is that they have the potential to making organisational objects more visible. They facilitate information on different organisational positions can be compiled. ERPs are sometimes rejected because of their complexity, and sometimes entertained as an investment. Within this group are those who maintain that involves a learning curve, and those implementing it should be prepared to invest in it before they reap the benefits of their investment. This strand of the literature builds on the 'stage-maturity model' which was often adopted to support the ERPs implementation processes by consulting firms.

The second strand of literature on ERPs is a bit ambivalent on the financial and productivity effects of ERPs based on concerns with their performances and the fear of disruptive effect integrated information that does not work well. Within this strand there is cautious optimism that ERPs will have positive financial and productivity effects, provided they are installed properly. Among these are those who argue that the new ERPs technologies illustrate the potential to become complete calculation machines governing all activities and affairs of an organisation. However, others remain sceptical about the claims made for ERPs, and the jury is still out; and the available empirical evidence, even within industry, does not seem to support the positive claims for ERPs. Dechow and Mouritsen have argued that at best the ERPs impact is very moderate, 'partly because they are not typically designed with change in mind' as 'they replicate the structure of the existing systems' (pp. 692). This is especially the case in the context of LDCs' public sector accounting reforms. But others using the same evidence have argued that 'ERP systems are enormously powerful juggernauts that not only may be difficult to control but that eventually also may strike back' (ibid 692).

The position of scholars in the third strand is much more complex, as these scholars are "concerned with how ERP technologies are made to work as 'systems' in the 'context of numerous organisational

concerns and conditions that play themselves out in complex ways" (ibid). Among these are scholars who see ERPs implementation as non-linear and a 'drift' that never stabilizes because change is constant; others who 'relate the impact of ERP to the transformation of the roles of management accountants'; and those who 'follow the implementation of ERP through social and technical networks'. These scholars 'identify noteworthy and sometimes huge effects of ERP systems both in the process of design and in the process of use' and they have argued that 'to understand the impact of ERP requires a heightened attention to control as practice across' the organisation (ibid). This line of thought presages a number of developments, including: (1) the clerical accounting work or bookkeeping being shifted out of the accounting function; (2) the growth of 'hybrid-accountants' where all organisational members become engaged in some form in the production, availability, accuracy and shareability of data; (3) as a corollary of the first two development, the 'accounting function is possibly not necessary for information production'(ibid).

Dechow and Mouritsen provided a deeper understanding on how ERPs work and operate, and the processes of engaging with ERPs when they are viewed as an actor alongside other actors; and how their interaction impact and challenge the existing understanding of management control. For the purposes of this research, I eschew therefore "the simplistic notions of cause and effect" as an explanation of "how ERP systems work and operates and the process of engaging with ERP systems…" In addition, we draw on the notion of techno-logics into the discourse of reforms.

In addition to the above developments summarised in the paper by Dechow and Mouritsen, other researchers have found that integration makes accountability more complex. The concept of integrated financial management spreads the reach of accountability beyond its narrow focus of financial record keeping to efficiency and effectiveness of all government operations (Iyoha and Oyerinde, 2010).

2.7 RESEARCH GAP AND RESEARCH QUESTION

The extant literature has laid the foundations for understanding of public financial management and accounting change in developing and emerging countries. Whilst their contributions have established a valuable platform to build on, it is less clear how the reforms are being implemented and the conditions for change or stability of the public financial management system. With a few exceptions (Alkaraan, 2018, Goddard et al., 2016, Sarker 2006) the conditions under which the reforms take place have not been sufficiently explored. As Hopper et al. 2009 have argued poverty brings distinctive uncertainties, and the crux of the problem lies in the interplay of historical, cultural, economic, and political context unique to LDCs as nation states.

We have witnessed a wave of literature reviews assessing public sector reforms accounting research (for example: Abdul-Rahaman et al, 1997; Hopper et al., 2009; van Helden and Ouda,2017; Helden and Uddin, 2016; Nyamori et al.,2017) all of which have called for more qualitative research to support better understanding of accounting, as an essential if not a neglected cog in the development mechanisms of LDCs (Hopper et al., 2016).

There has been very little in the extant literature from the EEs/LDCs, *sui generis*, addressing public sector accounting reforms as an integral part of organisational and institutional change from the perspectives of the inter-institutional orders generated by technology, markets and other sectoral influences. We aim to fill this gap by positioning LDCs' accounting reforms in its organisational and institutional context.

Given the dearth of knowledge of the IPFM reforms, the central question of this research is how are the financial management reforms being implemented? And, what explains the results we see in the LDCs? Related to these central questions, we also ask why accounting practices persist, even when they have been considered as sub-optimal? What are the conditions for implementing accounting change in Ghana, and how does change in practices occur? In order words, how have budgeting, accounting and accountability been formed, maintained, and transformed over time under the successive IPFM reforms?

The research will aim to uncover what is 'going-on' with the IPFM reforms from the perspectives of research participants. Theoretically we also aim to contribute to the existing academic literature by identifying the institutional regimes and interinstitutional orders likely to be prevalent in the LDCs context.

2.8 THE IMPACT OF THE LITERATURE SEARCH ON THE RQ AND CONTRIBUTION

Emerging from the literature is the question of how may LDCs implement PFM reforms that are context-specific, not overly ethnocentric, (that is not driven by Eurocentric best practice or overly localised) and mobilising relevant and appropriate accounting technologies. Eurocentric accounting practices are often taken to be the 'best practices', that form the yardsticks for judging EEs/LDCs accounting systems (Hopper et al.2016). Abdul-Rahaman et al.,1997 have highted the problematics of ethnocentricity/Eurocentricity in the mainstream literature.

Both the normative and the academic literature have said that there are contextual issues to be investigated (especially in identifying binding constraints) in LDCs accounting reforms (Manning and McCourt, 2013; Pollit, 2013). Whilst there are studies that have aimed to explicate accounting reforms in LDCs, often they are disparate and not linked-up enough to address the full contextual issues. This study aims to address this gap by providing a linked-up approach between a detailed

empirical account of how reforms are implemented, explain how and why they do not perform well, and present a substantive theory to predict future performance.

The extant literature has also identified a paradox of reforms where individuals who are in key positions have expressed commitment to reforms, but collectively they cannot make it happen, even when resources have been made available (Lassou et al, 2019). This phenomenon of the ability for individuals to change institutional practices from within has been labelled in the literature as the paradox of embedded agency (Granovetter, 1985; Holm 1995; Thornton et al., 2012)

The rational choice theorists have argued that it is technically possible to explain society by the rational motivations of individuals. But rationality cannot explain this paradox, which lies at the heart of reforms' performance, because rational choice theory starts with the individual, acting in their self-interest, and aggregate their choices to the collective level. From this perspective there is a clear micro-macro dichotomy, and society (macro) is seen as an aggregation of 'atomistic' individuals (micro), as opposed to 'the image of society as macro entity or structure that exist over and above individuals' (Collins, 1986).

In addition, rational choice theorists' sole focus is on the self-interests of individuals as the prime motivation, and they deny explanations that involve concepts such as culture being a determinate of human behaviour. With this line of reasoning, one could draw the inference that if there is a difference in performance of reforms among countries, then it boils down to the differences in the self-interests of the individuals that compose that society. This explains the proliferation of academic papers drawing on neo-patrimonialism and corruption as explaining reform performance.

As an alternative to this line of enquiry, this study starts without questioning the veracity of the declared commitment to reforms by officials by assuming that they are not hypocrites (what they say and what they do are not different (Cooper et al. 1981; Covaleski and Dirsmith, 1983). Instead, I offer transrational arguments,[10] that the whole is greater than the parts, by seeking explanations within the collective level (the whole society), as well as the relevant action units (the individual members and the organisations in which they operate).

Our approach is based on institutional logics, that enables us to focus on transrational institutional orders, which stand in contrast to the explanations offered in the literature based on either old institutional theory focusing on 'action' in neglect of 'structures', and new institutional theory focusing on 'structure' in neglect of 'action'. This study therefore makes a clear distinction between the new institutional economics (NIE) and neo-institutional theory, as previously discussed in

[10] As Friedland and Alford (1991) points out: "Economists tend to argue that they study rational making choices, while other social scientists study the irrational bases that prevent people from choosing. We argue that the opposition is not between rational and irrational, but between different transrational orders." (pp. 235)

Section 2.4. I take these discussions further in the methodology section where I relate the research philosophy and methods to the institutional logic framework.

2.9 CONCLUSIONS

This literature reviewed has argued that accounting change and innovation is central to reforms and this chapter has provided an overview of accounting change and the theories applied in explicating accounting change. The review has also shown how these theories have evolved over time from economic theories and managerial administrative sciences to those derived from other social sciences. The literature has shown that in the last half-century there has been a drastic change in the understanding of accounting and the nature of accounting change. The ontology of accounting has been perceived by accounting scholars to be not just technical, but also social which is both constitutive and reflective of its environment. The extant literature has reinforced this notion by emphasizing the strong correspondence between accounting practices and their organisational and institutional context.

However, the relationship between accounting and its environment is not restricted to the immediate locality. Otley (1994 pp291) has argued that 'no longer is the local environment the only, or even the major influence on what is considered desirable or appropriate'. These changes have impacted on accounting craft in many ways than one. Firstly, it has impacted on the knowledge and skills paradigms among accounting scholars and practitioners alike, which in turn has also exposed the inadequacies of the traditional functionalist paradigms for assessing accounting change. Secondly it has shown the multi-dimensionality of accounting which have called forth multiple theories in explaining accounting change.

The failure of functional explanation of accounting change and innovation is partly because of the shortcomings of the neoclassical economic paradigm and partly because of the emergence of superior insights from other social and cognitive sciences that can account better for the context and the dynamic of change. This thesis aims to explain PFM reforms through the notion of public sector accounting change (PSAC), and the literature in public sector accounting reform has asserted that the nature of accounting change is not static nor linear, rather it is dynamic and variable over time, therefore has non-deterministic outcomes. The dynamics of (accounting change) were clearly manifested in the interactions between individual and collective action and also in accountability relationships. As we shall see in the subsequent chapter this implies that it is highly important to recognize the role of history, culture, and material (or economic) forces on accounting change. These factors can be classified analytically as internal as well as external factors that impact on the reforms.

Such discoveries above have underlined the importance of understanding the context of accounting change. Understanding the technical, but also social and organisational requires researchers to

develop an appropriate framework "to interrogate the actual conditions and consequences associated with the development and application of accounting practices in particular organisational and social settings" (Potter 2005 pp 266). In the Western context, accounting research in the earlier literature was more concerned with the preconditions, processes, and organisational consequences of accounting change Hopwood (1987). Whilst these are equally important considerations in explicating the current PFM reforms, context goes beyond the narrow confines of the technical into the institutional in the widest sense.

In the accounting change literature, scholars have progressively refined our understanding of accounting change in the Western world by mobilising various theoretical frameworks. But as evident from this review, in qualitative research, a number of them have gravitated towards institutional theory (sometimes in addition to discursive practices). The literature from the LDCs that has mobilised institutional theories have tended to be inspired by new institutionalism or versions of neo-institutionalism. Often, they have not paid much attention to their adequacy and relevance in developing countries and non-Western environment. The public sector accounting environment in the developing countries, such as Ghana, is characterised by various contradictions and tensions that require researchers to go beyond a bifurcated typology of old institutionalism and new institutionalism to explain change. Recent advances in knowledge have eschewed various forms of dualities and have called for an integrated explanation of phenomena, including accounting change. In the developing countries the focus of research has been on how to transfer accounting technologies to that environment, and to a large extent continues to be so today. As scholars have argued, accounting research in Western environment has moved on in studying the processes of change. Studies are often directed at studying the dynamics of change, "-rather than a static and set-in-time view of accounting change, where the final outcome continuously evolves and redefines itself over time' (Liguori and Steccolini, 2014 pp.321)

The public sector environment is inherently a multi-dimensional and multi-disciplinary, and amongst the various frameworks that have been developed by scholars to explain accounting change (such as actor network theory, structuration theory, Bourdieu's reflexive sociology, and Foucault's governmentality) this literature review suggests that institutionalism, as a meta-theory, provides a deep insight into accounting change. When neo-institutionalism is suitably adapted and modified for non-Western environments, this thesis argues that it has the potential to provide a holistic framework for interrogating public sector accounting reforms in developing countries. The ILA brings new insights and overcomes some of the shortcomings of conventional neo-institutional theories.

In the next chapter I propose a methodology for conducting the research, by providing the design and its justification for this study; including the research philosophy; a review of the literature of the research methodology and methods, and data collection processes, and data analysis.

3 METHODOLOGY AND DATA ANALYSIS

3.1 INTRODUCTION

In this chapter I explain how the research was undertaken; the reasoning behind the overall research strategy; the design of the studies and the techniques used in preference to other possible methods (Silverman, 2017).The strategies I adopted for this research addressed four key issues, namely: what question to study about the accounting reforms; what data are relevant; what data to collect; and how to analyse the results (Yin, 2009; Philliber et al., 1980). I have previously addressed the construction of the research question in section 2.6, which was derived from the gap in the literature buttressed by the continuing demand by accounting scholars for deeper qualitative research to understand the context of public sector accounting reforms in LDCs. This chapter therefore focuses on the methodological strategies and steps I took to ensure that I collect the relevant data and the analysis was qualitatively rigorous.

The remaining sections of this chapter are divided into five broad parts as follows:

Sections 2 and 3: Provide the strategical considerations of the research through discussions of the philosophies and other theoretical considerations of the methodology.

Section 4: Provides an overview of the proposed theoretical framework for theorising the research, and the outlines of the processual framework and institutional logics.

Section 5 and 6: Give the justifications for the research design and the methods of data collection including the adoption of grounded theory informed methods.

Sections 7 and 8: Address the data collection methods and the processes adopted in collecting the data from the field

Section 9 and 10: Provides the data analysis followed by the conclusion in the last section.

I start by setting out the research philosophy and how it informed the design strategy and the conceptual framework of the study.

3.2 THE RESEARCH PHILOSOPHY

3.2.1 Research philosophy and the research design strategy

In this section I address the underlying philosophical assumptions of qualitative research: ontology, epistemology, axiology, and methodology. The philosophy underlying the conceptual framework and the methods of this study bring insights from the action-structure dialectics to show their potential relevance in explaining accounting change (or reforms) in LDCs. The stance of this research

is therefore in contrast to the argument advanced by scholars, such as Donaldson (1997), who defend the positivist's tradition and argued that the action-structure approach is infeasible.

This study has chosen the fundamental Weberian philosophy of social science investigations, namely *verstehen* (understanding); ideal types; and conception of society as the product of meaningful human action (Collins 1986) to serve as our framework of reference. The ideas embodied in Weberian principles say that we cannot hope to explain the material world, including any social phenomenon, without filtering it through our subjective consciousness (ibid; Blumer, 1969).

Underlying the methodology of this research is the neo-Kantian epistemological idealism philosophy that does not deny that the external world (as the 'thing in itself') does not exist, but it could only be perceived and explained through the concepts and categories we, as human beings, impose on it. The material world as it unfolds on daily basis, or its history, involves billions of people and phenomena, but we interpret it through the categories we impose on them, and a particular pattern we choose to frame them (Collins, 1986).

The role of researchers therefore depends on the patterns and categories they, as researchers, establish in the research. In this research, I evaluate the patterns against the benchmarks (as Weberian ideal types) of the categories that emerge by studying their characteristics (and properties). For example, the Weberian ideal type of 'bureaucracy' envisages a rationalised organisation with a clear chain of command, but that is an idea that does not happen perfectly in reality. The pattern for studying an organisation, according to Weber, is within the pattern of bureaucratic and unbureaucratic space (which he called patrimonialism) centred around personal networks and cliques (Collins, 1986). For example, 'neo-patrimonialism' as applied in the extant literature (Lassou et al, 2019) has emerged out of the Weberian category of patrimonialism as an 'institutionalised unbureaucracy'.

Weber shows us that the history of nation states is characterised by fluctuating between the bureaucratic- unbureaucratic continuum; and one can show the conditions that push a state towards one end or the other of the continuum. This then enables us to pin a phenomenon (such as accounting practice in the bureaucratic/unbureaucratic space) down to a certain reference point (or ideal type), and to be able to propose a definite theory about how it has operated. (Collins, 1986).

Colignon and Covaleski (1991) identified examples of specific areas where Weber's philosophies translate to explicate accounting practices in their socio-historical context. Colignon and Covaleski (1991) advanced the argument that accounting is not only central to the Weberian framework, but Weber's insights facilitated the establishment of the link between capitalism, the corporation, and accounting practices; the distinction between the notions of formal and substantive rationality; and brought to the fore tensions within corporations and accounting practices. All these three dimensions are important to our explanation of accounting phenomena in the LDCs/EEs.

Our aim is not to produce a general law, as might apply in the natural sciences, but to interpret and understand the meaningfulness of the phenomenon within the unique historical flow of a particular situation. That gives us our knowledge reference point as ideographic (implying researching an event or situation, or the idiosyncratic) as opposed to nomothetic (or deriving a general law) (Collins, 1986). In this way we establish, the *verstehen* or the understanding of the reform phenomenon. Thus, we share Weber's position in rejecting positivism in social science which employs methods that collects 'facts' and attempt to formulate them into general laws as in the physical sciences.

Colignon and Covaleski (1991) posit that "Weber's work addresses multiple levels of analysis, from micro social actions to broad macro social-historical structures and processes" (pp. 141). Like Weber, this study does not just want to interpret history (by describing events), but to say something about causality. Weber's ideal type (or its equivalent in grounded theory methods) enables us to work out not only the categories, but also an idealised model of the causal connections by which things are brought about (Collins 1986). For the defence of seeking a causal explanation the study draws on the insights from Elster (983); and Simon (1957)

Establishing *verstehen* of history based on human social relations require us, as researcher to always project ourselves into the positions of the people who created it; or see it through their eyes. (Blumer,1969; Collins, 1986). This shows the link between Weberian philosophy and Mead/Blumer methodological philosophy. But also, there is a link between Weberian philosophy and the philosophy of Schopenhauer (willpower) as further articulated by Nietzsche and Freud. This philosophy posits that society is not just made up of ideal types, or thinkers with ideas in their minds, but of actors who can make choices ((that ideas are not merely reducible to will, but they are affected by choices actors make). By choosing to take a line of action, we have the ends in mind (even if we do not establish them formerly) and that depends on our values.

The primary question we seek to answer is how individuals acting in state organisations arrive at collective commitment (as collective actions) to reforms, that enable them to implement them successfully. In Weber we find the philosophical underpinnings of the conception of will, as opposed to ideas. His notion of means versus ends (and of the free choice of ends) provides us a methodological view of the role of values in answering this question, but also it provides us the foundations of the theory of social action and modern polity that we mobilise in this study to answer this question.

3.2.2 Symbolic Interactionism and pragmatism

In addition to the Weberian philosophies of social science investigations, this study mobilises Mead (1934) and Blumer's (1969) symbolic interactionism (SI) in two important methodological respects to provide an account of how individuals negotiate the social order in the process of reforms. Firstly,

SI posits that human beings do not directly react to each other's action, rather they react to their interpretation of actions. Thus, in human communication we do not merely react to what the other person is saying, but we attach a meaning to each other's actions before we react. In interactions we interpret or 'define' each other's actions into our terms by use of symbols to ascertain the meaning of other people's actions. That is, there is a three-stage process of action-interpretation-reaction in human interaction; and we apply it to ourselves just like we do to any external 'other'. Blumer (1969) attributes the spelling out of the implications of this process of interpretation in the understanding of human actions and human association to H.G. Mead. Human capacity to separate the 'self' from the 'I', enables us to act towards ourselves as a separate 'object' just as we act towards others (ibid). The separation of the self is implicated in innumerable human actions such as goal setting, and other forms of self- indications.

By "object" and "self-indication" Blumer explains that an object is anything that an individual indicates to himself; and self-indication is the action that human beings construct after interpreting (or creating) an object in their senses. In Mead's terms:

> instead of the individual being surrounded by pre-existing objects that which play upon him and call forth his behaviour, the proper picture is that he constructs his objects on the basis of his on-going activity (Blumer 1969, p.80).

Thus, instead of objects possessing intrinsic characters (outside an individual human being) that play on his senses, the opposite is the case: in the sense, that the meaning or character of an object is conferred on it by the individual.

Furthermore, as Blumer says self-indication is a process in which a human being constructs his conscious action "is a moving communicative process in which the individual notes things, assesses them, gives a meaning, and decides to act on the basis of the meaning" (Blumer 1969, p.80). There are important attributes to the process of self-indication which Blumer carefully sets out. Firstly, self-indication cannot be considered as part of presumed internal or external forces that play on individual to produce his behaviour. The process of self-indication is not subservient to both internal or external stimuli (such as environmental pressures, and external stimuli) or internal considerations (organic drives, wishes, feelings, ideas and so on) because the individual in that process is interpreting the appearance or expression of an object that he has created and creating actions in accordance with how he has defined it. Secondly, it cannot be accounted for by factors antecedent to the act. Thirdly Blumer argued that self-indication exists and must be accepted and studied as such. This simply says that human beings can make-up their own minds even under coercion. They may not say what they are thinking, or even act on their thinking, but nothing can come in-between them and the interpretation of the actions of others, even if the "other" is themselves.

The second methodological significance of SI is that it helps explain the process of how an individual construct his conscious action to "group action" of a community, Mead and Blumer recognised that group or collective action consist of the alignment of individual actions. This alignment is created by the individual interpreting and considering each other's actions. In this sense social action is accomplished by individual fitting their respective lines of action to each other's through the process of interpretation. This contrast with conventional views of sociology analysis that treats human groups as "social systems" and regards collective actions as created by social systems.

The methodological implications for IPFM and accounting reforms research is immediate and profound. First is the notion of 'acting unit', as Blumer (1969: pp. 85) explains: "Human society is to be seen as consisting of acting people, and the life of the society is to be seen as consisting of their actions. The acting units may be separate individuals, collectives whose members are acting together on a common quest, or organisations acting on behalf of a constituency". Under this scheme therefore, the unit of analysis in this research are defined as the "acting unit". In some cases, the acting units can be individuals, or ministries, or political parties, or the different branches of government. Blumer authoritatively states (and this researcher agrees) that "any scheme of human society claiming to be realistic analysis has to respect and be congruent with the empirical recognition that a human society consists of acting units" (pp85).

This approach appears to be a satisfactory way of resolving the binary tension between individual agency and the collectivists approaches and micro versus macro analysis. This methodological-epistemological standpoint is different from the sociological approach which studies human beings and human society in terms of "structure or organisation and to treat social action as an expression of such structure or organisation" (Blumer, pp87).

These views are reflected in Charmaz who posits that SI is a theory and methodology combined. For example, in analysing the data, we coded the interviews from the position of the acting units, and that helped us to understand the interpretive processes of the acting unit: "catching the process of interpretation through which they [acting units] construct their actions" (p.86). This process cannot be captured by referring to either the conditions antecedent to the process, or the overt actions which is the product of the interpretation. Blumer (1969 pp86) observes:

> To catch the process, the student [researcher] must take the role of the acting unit whose behaviour he is studying. Since the interpretation is being made by the acting unit in terms of objects designated and appraised, meanings acquired, and decisions made, the process has to be seen from the standpoint of the acting unit.

Blumer argued that to do otherwise will lead the researcher to 'fill in the process of interpretation with his own surmises' which risks the worst kind of subjectivism. There is a difference between this

and "going native". By remaining aloof as an "objective" observer, the researcher risks not understanding the interpretation process from the standpoint of the acting unit.

Blumer's second methodological suggestion is addressed to how to study social change, or organisational change. Based on his prior analysis of individual and collective behaviour Blumer states that acting units "do not act towards culture, social structures or the like; they act towards situations" (Blumer 1969, p 88). This requires researchers to acknowledge and analyse the prevailing conditions under which units operate. Such conditions include the situation in which the action takes place, and how the unit interprets the situation before forming or constructing its action. The situational analysis would include things that the unit consider important such as opportunities, dangers, and threats, means, demands and so on. Individual or groups as acting units develop acts to address the situation with which they are confronted.

Blumer critiqued studies that view human society as organisations effecting change, and overlooks the role played by acting units in that change process. Generally, he showed that the conventional procedures of sociologists and other social scientist in studying social change using deterministic approaches are unsatisfactory. The conventional procedures usually follow the lines such as: (i) identifying some established or organised form of human society undergoing change; (ii) identifying some factors or conditions that might be at play; (iii) collecting data on the organisation and such factors; (iv) using these observations to make propositions that a given factor played upon a given organisation to form a given new form. From this procedure the researcher, to varying degree of sophistication, might draw a conclusion such as industrialisation causes urbanisation. Blumer (1969, pp 88-89) takes umbrage with this:

> My concern here is not with the validity of such propositions but the methodological position which they presuppose. Essentially, such proposition either ignore the role of the interpretive behaviour of acting units in the given instance of change, or else regard the interpretive behaviour as coerced by the factor of change. I wish to point out that any line of social change, since it involves change in human action, is necessarily mediated by interpretative on the part of the people caught up in the change- the change appears in the form of new situations in which people have to construct new forms of action.

That is, in studying social change, researchers would be wise to recognise the mediating role of the acting unit, the interpretative process, and the situation which confronts the acting unit.

Blumer's final words on methodology, observing the frustration of social scientist trying to catch up with the physical and biological sciences, is that:

> These efforts continue to ignore or to explain away the interpretative process by which people act, individually and collectively, in society. The question remains whether human society or social action can be successfully analysed by schemes which refuse to recognise human beings as they are, namely, as persons constructing individual and collective action through an interpretation of the situation which confront them. (pp 89)

The understanding the "self" from social psychological perspective is very important to this research. This is not in the sense of Freudian psychoanalysis, but in the sense of the interaction either within the human self: distinguishing between "me" and "I" (Mead 1934) or between people in their interactions.

3.3 Other Theoretical considerations of the methodology and research methods

3.3.1 The ontologies of accounting

By the 'ontology of accounting' I imply the nature of 'reality' or how 'truth' is determined in accounting practice. The role of ontology in empirical investigations can best be explained by distinguishing between ontology-in-general (which is ontology at its most abstract and generalised level) from ontology-*in-situ* (which is ontology at its ontic- level)[11]. Stones (2005 pp77) has shown how the concept of general ontology is translated to the 'empirically informed, substantive details and specificities' at the ontic-level through intermediating concepts from the meso-level. He averred that 'this entails taking the ontology-in-general and pointing it towards the ontic, towards the realm of particular concrete and/or situated entities in the world with their particular qualities, relations, shapes, tone, texture, colour and so on' (ibid pp76).

In this sense, at the generalised level, several scholars who have argued that accounting has multiple ontologies (Andon et al, 2007; Dugdale, 1999; Law, 1999; Mol, 1999;). Mol for example has argued that 'the reality we live with is one performed in a variety of practices' with the consequence that there are multiple realities (Mol 1999, pp. 74). For an object that is performed (such as accounting), Mol explicates that it will have multiple ontologies. Mol argued if accounting is 'a chameleon' and has the attribute of adaptability depending on the context and the situations, then there is very little justification to expect it to be the same or compel it to assume the same form when the situations and conditions are different[12]. In this sense, at the ontic-level accounting scholars have found accounting to be neutral without pre-ordained identity or fixed essence ((Andon et al, 2007; Miller and Napier 1993).

This impacts on how theorists explain accounting change. Quattrone and Hopper (2001) by observing the relational and experimental nature of accounting change developed the concept of accounting drift as a metaphor for change. Andon et al (2007) extended the metaphor to 'relational drift', and in

[11] Stones (2005) has argued that the concept of ontology-in-general embraces both 'philosophical ontology' and social 'scientific ontology'.
[12] Mol argument is based on performance, not on 'perspectivalism' or constructivism, which she said are bedfellows that do not easily coexist and do not follow from each other.

so doing built on it to draw attention to the configurations of human and non-human elements that may influence an accounting change. They argued that much depended on the 'morphology of these configurations that not only harbour the potential of accounting change to emerge in unpredictable ways.' Andon et al. (2007) therefore emphasized that it is the quality of that relational drift that would determine the outcome of a change process.

The ontology of accounting change therefore depends on its 'performativity' (namely, the role it is made to play) and its 'relational drifting', none of which is certain (Vosselman, 2014). Accounting can play a mediating role in the discourses that brings theoretical statements from economics to life. Vosselman (2014) argued that accounting technology preceded writing, and while it is able to represent real life economic flows and stocks, accounting practice can 'mirror, stores, and transport' these values through space and time. Vosselman shows that the ability of accounting practice to break through the "spacio-temporal" barriers, enables it to be used not just as a mediating instrument between agents-and principal, but to act and create something new. "That is, accounting is performative" in the sense that it comes to represent reality on which decisions are based (Vosselman, 2014).

However, scholars tend to accept that accounting as a knowledge object is characterised by 'multiple ontologies' and subject to relational drift (Andon et al., 2007; Miller and Napier 1993). Andon et al.,2007 have noted:

> That is, something that is "more than one, but less than many" (Law, 1999: p. 11), sustaining variant constructions of identity, whilst still maintaining a coherent quality. For example, 'it' (accounting) could be a performance measurement system, a means to a more 'commercialised' future, a symbol of a new organisational regime and/or way to monitor and reward. The 'same' accounting processes could take on these partial and loosely connected 'realities'. (Andon et al., 2007 pp.279).

These scholars have asked how we could be certain of the viability and stability of accounting as a singular knowledge object when it is incomplete and has an unfolding nature which is neither solid, nor immutable. Since there is no clear answer to the paradox of accounting ontology, that makes accounting change problematic. More generally in the development context Wildavsky (1975) cautioned against 'a policy of drift' in discussing the task of national planning to improve the living standards for the vast majority in poor and newly independent countries. Wildavsky contrasted the virtues of a 'policy of drift' to those of 'deliberate action'; and argued that such experimental nature of change would not address:

> an urgent need to improve living standards, to restore to the people that rightful inheritance up to now misappropriated by their colonial masters, to establish economic independence and social justice' (pp. 254).

In that context, accounting change perhaps should, if possible, assume a more 'positive thrust' to give those societies a confident new direction towards national goals. The dialectics of accounting change therefore become more deliberate and purposive in that environment.

3.3.2 Distinction between accounting function and accounting practice

In this research our concern is with the context and conditions of how accounting practices emerge and what role practice plays in any given setting. However, having defined the PFM in terms of accounting practices, we do not want to neglect the role accounting plays in organisations. Our primary concern though remains with changes in accounting practices. We therefore make a distinction between accounting practice and its potential functions.

In making such a distinction between function and practice, Robson (1991) observes that the evidence of a practice is not explained by reference to its ultimate function. The effects of a practice may be intended or unintended. The unintended effect of practice could be a result of several events such as mistaken calculations, or assumptions; conflicting multiple logics and rationales (Robson, 1991; Hindess, 1988). Robson goes on to explain why we must look elsewhere to explain the origins of a practice and its historical emergence in any setting, and not the function assigned to it.
Contrariwise, linking accounting practices to the function of accounting does not help us to understand how that particular function came about, and will continue to exist, or change if need be under varied, or perhaps even hostile, conditions (Robson, 1991). The examination of accounting change therefore presents its own distinctive historical issues, and should be kept separate from the conditions, origins or intentions of an accounting development; and from its eventual outcomes and effects (Robson, 1991; Burchell et al. (1985).

Herein lies the limitation of a functional explanation of accounting change[13]. It by itself, does not help us to examine the conditions, origins, or intentions of accounting change. For an empirical explanation of accounting reforms, as a technical change, we must look at causal and intentional explanations (Elster 1983). But to adopt causal explanation Simon (1957, Chapter 1) draws our attention to Hume's critique of empiricism in both the physical sciences (as in quantum mechanics and thermodynamics, and many of the social sciences [14]. A satisfactory response to Hume's critique

13 Elster (1983) provides the technical definition of a functional explanation. Its exacting nature shows that most explanations that pass as 'functional' will fail that test (Douglas, 1986). In summary, functionalism is argued to be 'a mode of explanation whereby outcomes are attributed to their beneficial consequences' (DiMaggio and Powell, 1991 pp4).
14 Simon argues that "empiricism has adopted Hume's critique that necessary connections among events cannot be perceived (and hence can have no empirical basis. Observations reveals only recurring associations".

requires that: (i) empiricisms move from deterministic to probabilistic conception of reality; and (ii) causation must be seen to be no more than "functional relationship" or" interdependence".

To illustrate the nature of the problem in assigning causation, Simon (1957) argued that:

> When we say that A causes B, we do not say that B causes A; but when we say that A and B are functionally related (or interdependent), we can say equally that B and A are functionally related (or interdependent) (pp11).

Simon shows that interdependence probably carry a better meaning, than causation, However, it is worthwhile retaining causation in the lexicon to denote the possibility of the asymmetrical relationship between variables. The second condition in which relationships can be defined among variables is by tracing the sequence in which they occurred. Whilst sequence and asymmetry may conceivably impact on each other, Simon argued that "time sequence does, indeed, sometimes provide a basis for asymmetry between A and B, but that the asymmetry is the important thing, not the sequence" (pp. 12). Thus, Simon provides us with convincing arguments of why causality has validity as an explanatory concept, which we shall apply in relating the major empirical categories of this research to one another in Chapter 5.

3.3.3. How the research philosophy is linked to the conceptual framework and methods

The ontological matters of objectivity and subjectivity of social reality have been at the centre-stage of all scientific enquiries and have yielded different responses from social scientists. Scholars have argued that there is no fixed methodology waiting to be applied in social science enquiries, and that it has to be derived to suit the circumstances (Strauss and Corbin, 1998; Burns 2000 (see pp. 572); Dawson, 1994, Blumer, 1969). A researcher adopts the appropriate methods for the research task at hand each time. Its usefulness is that it enhances the potential of 'reflexive sociology' in which a researcher theorises his or her position in relations to the research question and the research participants (Bourdieu 1990; Bourdieu and Wacquant 1992).

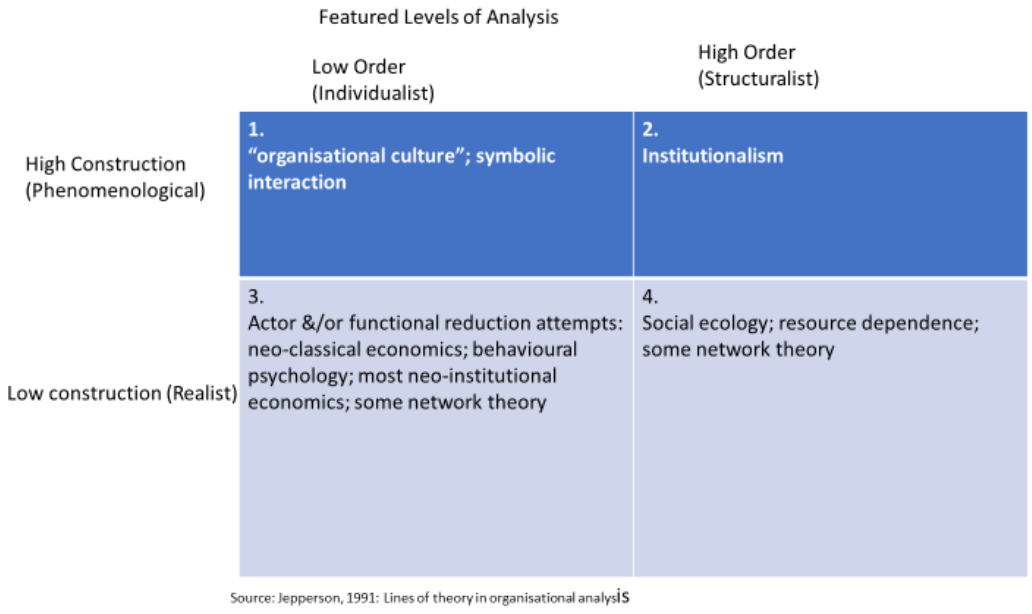
In this thesis we shall be arguing from (i) a causal explanation; and (ii) creating a technical evolutionary understanding explanation that is intentional and transrational through institutional logics approach. The rationale of the theoretical framework is to provide (1) a consistent framework or a meta-theory to support both the empirical approach and theoretical explanations of the research (2) a bridge between various scholarly contributions (3) and a bridge between the theory and the empirics.

The research combines the Weberian philosophical approach to social science investigations and symbolic interactionists' philosophical orientation. The combined philosophical positions serve to provide the links between action and institutions to give an in-depth understanding of both accounting and organisation changes. Thornton and Ocasio (2008) have argued that institutional logics provide the link between action and institution. In addition, in this research institutional logics

provided the theoretical frame that guided the choice of grounded theory informed methods (Strauss and Corbin, 1998; Corbin and Strauss, 2015), and the theoretical discussions of the study's implications.

We therefore aimed to contribute to the accounting literature by providing explicit links between organisational institutionalism and reform actions. We build on Hirsch and Lounsbury (1997) and Thornton et al. (2012), to make the fundamental point that social action straddles both the old and new institutionalism, which institutional logics bring together in one framework. This thesis argues that institutional explanations are better theorised in terms of institutional effects (Jepperson, 1991), and to advance this argument I mobilise Jepperson's 'Lines of Theory in Organisation Analysis' matrix set out in Figure 3.1 below:

Figure 3.1: Level of Theory in Organisational Analysis



Source: Jepperson, 1991: Lines of theory in organisational analysis

Jepperson (1991) developed the matrix above to differentiate between different sociological arguments, but it also shows the link between symbolic interaction and institutionalism. The columns represent "levels" as low order (individualist) and high order (structuralist); and the rows represent degree of construction (high construction indicate phenomenological conception of events) and low construction (realist conception). In this schema, for example institutionalism is a product of phenomenological and structuralist conceptions, whereas symbolic interaction is a product of phenomenological and individualist conception.

The crucial feature of this representation is the degree to which the acting units are socially constructed. In institutionalism and interactionism (both high construction), it is assumed that the units being studied are complex social objects, non-linear in characteristics 'reflecting context

specific rules and interactions' (ibid pp. 153). The study of units in Cell 1, invokes the discipline of social psychology, already noted in the institutionalism literature (DiMaggio and Powell, 1991). On the other hand, for low construction (or the realist) scenario the objects are 'socially pre-given' and 'autochthonous'.

The benefit of Jepperson's matrix is that it provides an additional insight for our analytical framework and provides a justification for considering symbolic interactionism and institutionalism together. Interactionism and institutionalism represent investigations into high construction phenomena at individualist and structuralist levels, respectively. Thornton et al, 2012, have shown how the institutional logics approach is rooted in interactionism. Both institutionalism and action are interlinked, as Jepperson has argued that: "institutional arguments are structural ones that also preserve the content of social actions and interactions," and "social relations are content-filled control structures" (pp. 156).

This study adopts the institutional logics approach because, compared to the alterative frameworks, it provided a better fit in theorising accounting and organisational changes that from the empirical data are undergirded with tension and conflicting interests. More also, scholars have argued that "the institutional logics perspective provides a widely resonant and generative set of ideas that speak to many of the problems that have been plaguing neo-institutional theory for decades" (Lounsbury and Boxenbaum, 2015pp. 5). The new institutionalism derived its gravitas from new institutional sociology that emphasised structure shaping actors' behaviours (Hirsch and Lounsbury, 1997, Thornton et al., 2012). The micro-foundations of the earlier neo-institutional theory was therefore narrower than institutional logics, which is undergirded by social constructivist philosophy, culture, and sense making (Lounsbury and Boxenbaum, 2015). The earlier variants of neo-institutionalism had been based on assumption of homogeneity and exteriority of organisational fields; and offered a two-stage approach to organisational change - the first adopters innovated and adopted change for technical efficiency reasons, and the later adopters copied their peers in order to be competitive. This version of neo institutionalism has been described as anachronistic, and for that matter later versions of institutionalism have had to jettison the homogeneity assumption in preference of heterogeneity in order to explain individual and organisational behaviour (Lounsbury, 2008, 2001).

Institutional logics approach emerged out of neo-institutional sociology as a reaction to the lack of a satisfactory account of agency in the earlier versions of neo institutional theory. Instead of internalisation and socialisation as posited by old institutional theory, and exteriority of organisations (of new institutional sociology), institutional logics emphasise individual and organisations exteriority in society as a source of change. The institutional logics approach (Friedland and Alford, 1991; Thornton and Ocasio, 2008; Thornton et al, 2012,) overcomes the shortcomings in neo-

institutionalism. Scholars have argued that institutional logics approach, by putting back 'interest' of actors in institutionalism, has more robust micro-foundations to explain change. The institutional logics approach (ILA) emphasises conflict (or competition) and contradictions in human interests that create different institutional orders in society. Logics are constraining, but it also offers opportunities for change to occur by the transposition between different institutional orders that generates hybridity. Accounting itself symbolises an interpretation of financial transactions, yet there is very little in the literature analysing accounting phenomena through the understanding and insights of symbolic interaction.

3.4 THE PROPOSED THEORETICAL FRAMEWORK FOR THIS STUDY

3.4.1 An overview of the theoretical framework

For the conceptual framework of this research, I mobilise institutional logics to explain the logics of the reforms, coupled with a processual account of their evolution. Institutional logics provides one of the many frameworks of conceptualising institutional theory (Scott, 1987) to provide insights to the behaviour of an organisation's party to collaborative arrangements (Nath 2019; Dormady, 2012). Institutional logics is conceptually more appealing because neo-institutionalists often focus on the macro-structural level and neglect the underlying processual issues thereby creating "black boxes". Zucker (1991) has observed that "neo-institutionalists ordinarily operate at the macrolevel, focusing on the role of an institutionalised environment ("the state or "law" or "constitutional orders") in legitimizing organisations and their structures" (pp 103-). She goes further to summarise that the neo-institutional approach usually focuses on the content and structural issues at the macro-level; and how organisations become isomorphic when they are subject to similar institutional or environmental pressures. That is, macro-level analysis considers institutional effects as binary and discrete rather than a continuous process of change. Whilst micro-institutionalists have improved our understanding of the nature of institutional change from advances in the cognitive sciences. Micro-institutionalists posit that actions vary in their degree of exteriority and objectivity, but this has not always impacted at the macro-level where emphasis continues to be placed on examining dysfunctional or irrational aspects of institutional systems such as myths and rituals (Zucker, 1991).

In summary Zucker (1991) has argued micro-institutionalists have focused on: (i) institutionalisation as a process rather than as a state; (ii) upon the cognitive processes involved in the creation and transmission of institutions; (iii) upon the maintenance and resistance to change, and (iv) upon the role of language and symbols in those processes.

Following Hirsch and Lounsbury (1997) critique of neo-institutionalism and the insights provided by Thornton et al. (2012), Jepperson, (1991), and Zucker (1991) I adopt a processual framework as suggested by Dawson (1994), which I explain in Section3.5.2 below.

3.4.2 The processual model of organisational change

The processual approach is rooted in Symbolic Interactionism, of which many theorists (including scholars such as G.H. Mead) have contributed to its development. It was the predominant sociological approach to the question of organisational change early in the twentieth century inspired by the 'Chicago school' who received its philosophical orientation from several prominent German sociologists. The processual approach pre-dates cybernetic modelling, and its basic principles probably influenced cybernetic process modelling of change, but they are not the same. In principle the organic processual approach is far more complex than cybernetics because it eschews the notion of equilibrium, even though on occasions it can accommodate it. The processual approach is analogously organic, as distinct from mechanical and organismic (or biological) approaches to change. Processual theorists construct two mental models, one organic and one mechanistic, to show the contradiction organic and mechanistic approaches. In the organic model the organisation moulds itself "appropriate to changing conditions, which gives rise to innovation, and the continual willingness to tackle fresh problems and unforeseen requirements. It is characterised by a network structure of control, authourity and communication, a reliance on expert knowledge for decision making, the continual redefinition of individual tasks through interaction with others, and the spread of commitment to the firm beyond any formal contractual obligation" (Dawson, 1994pp.18).

Whereas in contrast, mechanical systems work to achieve equilibrium in the long run, and biological systems functionally evolve to achieve some stability with its environment, processual systems do not have deterministic outcomes. Building on the insights from Park, Buckley argued that "the world of life is full of strife and resultant accommodation and temporary equilibrium. Social equilibrium is in itself expressive of temporary accommodations" (Buckley, 1967 pp.19). In other words, from the perspective of the processual theorists, equilibrium is only temporary, if it happens at all.

The process approach views social "structure" as an abstract concept moulded from ongoing interactive processes. As such it is transient in nature, which can be best described as a temporary accommodative representation of ongoing social interactions. From this perspective, "societies and groups continually shift their structures as adaptations to internal or external conditions. Process, then, focusses on the actions and interactions of the components of an ongoing system, such that varying degrees of structuring arise, persist, dissolve, or change" (Buckley, 1967 pp 18).

The processual theorists' view on historical force as source of change and its links to institutionalism is also consistent with our general methodological approach framed by institutional logics and symbolic interactionism. The economist Veblen, writing as far back as 1989 to emphasise the role of history in the processual approach, said:

> The economic life history of the individual is a cumulative process of adaptation of means to ends that cumulatively change as the process goes on, both the agent and his environment

> being at any point the outcome of the past process. His methods of life today are enforced upon him by his habits of life carried over from yesterday and by the circumstances left as the mechanical residue of the life of yesterday (pp. 391).

Veblen reference to "the mechanical residue of the life yesterday" reflected what was fashionable in his times, but he was talking about a process shaped by "the entire organic complex of habits of thought that have been shaped by the past process" (pp.393).

The process theorists share with the Marxists the view that history is a dialectic process whereby the new structures emerge from conditions inherited in the previous ones. But they depart from the Marxists, by holding the position that the outcomes of group or collective actions are not deterministic because they find that highly structured human associations are relatively infrequent. "In sum, institutionalised patterns constitute only one conceptual aspect of society, and they point to only part of the ongoing process" (Buckley,1967, pp.22). In addition, they see the role of interests in social processes and their conflict and adjustments as the true key to a dynamic sociology. There is therefore a linkage between the processual approach and institutionalism, particularly the "old" institutional theory and institutional logics in explaining change.

Interactionism of Dewey-Mead-Blumer and the processual approach are inter-linked. Social phenomenon, in processual terms is deemed to be a product of continual interaction between individual consciousness and objective social reality. These theorists have argued "that it is from the process of ongoing interactions itself that life gets its main features, which cannot be adequately analysed in terms of fixed attitudes, 'culture 'or social structures, nor can it be conceptualised in terms of mechanical structure, the functioning of an organism" Buckley (1967, PP. 21). The trend of process-conscious general system approach in the physical sciences and philosophy encouraged the development of the process approach in sociology. Methodologically, it impacted on how sociologists have ended up representing societal progress in terms of social processes and not just structures.

The process approach therefore shed light onto our intellectual puzzle of collective action. Buckley summarises this by saying that the process approach, irrespective of the theories that contributes to it, aims to solve one basic problem: "how do interacting personalities and groups define, assess, interpret, *verstehen*, and act on the situation?" (ibid pp. 23). To Buckley it doesn't matter whether our cognitive theories are converging or diverging, mathematical or non-mathematical, congruence, balance, or conflicting, so long as the researcher focuses on the group's decision processes of understanding and acting on their common problem.

3.4.3 An empirical processual framework for explaining change

Whilst Buckley (1967) gave us an additional theoretical cover to relate institutionalism to interactionism and collective action, he did not provide an empirical guide on how to study

organisational change through the processual approach. Dawson (1994) started from the same position as Buckley by observing that 'change is a complex and dynamic process which should not be solidified or treated as a series of linear events" (pp.3). Generally, this view has been echoed by other theorists (Quattrone and Hopper, 2006; Quattrone and Hopper, 2001; and Andon et al.,2007). However, Dawson argued that "a rational analytical structure should be used to ensure that reconstructed explanations are able to incorporate the non-rational and non-linear processes of change". This, he argued may appear paradoxical, but "a failure to deconstruct complex processes into manageable analytical sections is likely to result in highly abstract and largely impenetrable explanations which are of no practical value. In short, the construction of data categories is useful for sorting data on change and for aiding our understanding of what is a complex and dynamic process". (pp. 41)

This study argues that the processual framework provides the most appropriate analytical approach to understanding the substantive, contextual, and political processes of accounting change in the LDCs/EEs (Dawson, 1994).

Dawson posits three determinants of change that are in the timescales of a processual narrative, covering: (i) the substance, (ii) politics, and (iii) the context. The substance of change for this research addresses the type and scale of budgeting, accounting, and auditing change, which include the development of ERPs alongside improvements in financial management (new techniques and technologies). Dawson argued that understanding the characteristics of the constituent of change is an important prerequisite to understanding the outcomes of that change because they determine the opportunities and constraints available to management from the overall programme.

The politics of change come from both internal and external political activities generated by the change programme such as conflict and resistance to change, organisational and individual learning, consultation, and negotiations. Internal political activities include the conflict between civil servants and consultants, between central and periphery government organisations, and within the reform management groups. External politics include between government and the development agencies, and between the development agencies. Dawson (1994 pp. 42) argued:

> These individual or groups can influence decision-making and the setting of agendas at critical junctures during the process of transformational change.

The third dimension is the context matrix which is made up of internal and external circumstances of the organisation's, past, present, and projections and expectations into the future (Dawson, 1994). In the case of LDCs PFM reforms, external circumstances past, present, and future have been given some attention in the research in the twin-themes of colonisation and neo-colonialism (Lassou et al,2019); and globalisation (Hopper et al, 2016).

The internal past, present, and future circumstances narrative would include, say, legislative changes, and remunerations levels and so on. Dawson summarises these as: "human resources; administrative structures; technology; product or service; and history and culture" (pp. 42). In the LDCs the human resource management has been labelled as capacity constraint, and that has been given a great deal of attention in the 'normative' literature and continues to be singled out as one of the important determinants of reform outcomes. In Ghana, some attention has been given to the administrative structures and public sector products or services in the past (Sai, Agble and Wiredu, 1996) and technology (BPMs and PUFMARP design report, 1996), but very little attention has been given to the history and culture.

For that reason, history and culture requires to be explicated for clarity. Dawson argued that whilst the other contextual determinants are analytically distinct a change in one often has repercussions on the others. Consequently, it is important to view the determinants, (comprising the human resources, administrative structures, technology and, and public sector services) not only as they exist now, "but as they are perceived to have become legitimised within the organisation" (pp. 43). This trajectory forms the history and culture of the organisation, which is also the evolution of these determinants that have become the shared beliefs and assumptions within the organisation. Dawson draws attention to the multi-layered nature of history and culture by distinguishing between the surface and deeper level elements. He observed:

> Surface level elements are taken to refer to those things in an organisation which are readily accessible and which we can observe direct, such as espoused values articulated in company documents, office layout and dress codes. In contrast, the deeper aspects of culture relate to this underlying assumptions and beliefs which evolve as groups attempt to make sense of their collective experience within the work environment (pp. 45)

Dawson argued that culture and history are key because they serve as internalised controls by influencing how organisational members think and act.

3.4.4 An institutional Logics Framework

The ILA offers a non-deterministic, a non-functionalistic alternative for theorising change that is based on the exteriority of society (Friedland and Alford, 1991). Both Thornton et al.2012 and Friedland and Alford (1991) have argued that the seven institutional orders (family, community, religion, state, market, professions, and corporations) should not be reduced by researchers to the dynamics of organisational fields. In this framework individuals and organisations need to be situated in the institutional context of society to understand their behaviour. In addition, they have argued that within the institutional orders, values generated cannot be traded off against alternatives, and that each of the levels is 'nested' in each other (from individual to organisation to institution). Each level offering progressively higher levels of opportunities and constraints. The framework that Friedland and Alford's (1991) offered, which I have adapted and built on as a theoretical framework

for this research in Table 3.1 below, explains how individuals and organisations behave by understanding how they are situated in the cultural institutions of different institutional orders. In developing and expanding the interinstitutional orders to seven Friedland and Alford and Thornton et al. have shown the limitation of what was offered by Meyer and Rowan (1977) and DiMaggio and Powell (1983) based only on the influences of the state and the professions as the institutional orders of rationality and modernism.

The revisions made in Thornton et al., 2012 apart from expanding the scope of the analysis makes it possible to bring forth other underlying value systems that generate differences or may be the sources of compromise and conflict. Importantly it helps to take the framework from its original paradigm of Western countries to the rest of the world, which might not necessarily follow the Western conception of modernity.

This study argues that the framework developed by Friedland and Alford (1991) and Thornton et al. (2012) is robust but must be modified for non-Western societies. The main thrust is that there are interdependences between the institutional orders and their elemental categories constituting the interinstitutional system. Change in whatever form (whether developmental or transformational) takes place within this interinstitutional system as shown in the inter-institutional ideal types for Ghana in Table 3.1.

Table: 3.1 Adapted Interinstitutional System Ideal Types for Ghana

Y-Axis: X-Axis: Institutional Orders							
Categories **(Revised elements in Bold**)	**Extended** Family 1	Community 2	Religion3 3	State 4 4	Market 5	Profession 6	Corporation 7
Root Metaphor 1	Family as I**nsurance**	**Neighbourhood**	**Church as fashion catwalk**	State as **Vampire**	**Roadside stalls in a place**	Profession as **a privilege symbol**	Corporation as **personal property or authourity**
Source of Legitimacy 2	**Lineage**	**Patronage**	**Belief in afterlife and Ancestral workshop/ superstition**	**Stolen elections either by vote buying or ballot rigging**	**Variety of and reliability of supplies**	**Certificate**	Market position of firm **and political and international affiliations**
Sources of Authourity 3	Patriarchal **resourcefulness or matriarchal authourity**	**Material wealth, but** values also count	Priesthood charisma **& Magic (Miracles)**	**Bureaucratic domination through police and the military**	**Wholesale status**	Professional **jargons obfuscation**	Board of directors Top management
Sources of identity 4	**Hometown by lineage (not by place of birth)**	Emotional connection Ego-satisfaction & reputation	**Church Groups**	Social & economic class: **By money or education**	**Personal contact**	**Old boys' network**	Bureaucratic roles/ **and outside Connections**

Basis of Norms 5	Membership in household/ **(Ancestral Extended family**	Group membership	Membership in congregation	Citizenship in nation/ **Education and belonging to elite group**	Self-interest	Membership in guild & association	Employment in firm
Basis of Attention 6	Status in household/ **Financial resources within the extended family**	Personal investment in group	Relation to supernatural	Status of interest group/**connection to elites**	Status in market	Status in profession	Status in hierarchy
Basis of Strategy 7	Increase family honour/ **Enhancing personal prestige and status**	Increase status & honour of members & practices/ **Enhancing personal prestige and status**	Increase religious symbolism of natural events/ S**uperstition and magic**	Increase community good/ **control of citizens and biopolitics**	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
Informal control Mechanism 8	Family politics/ personal **achievement (education or money)**	Visibility of actions/ **Behind the scenes dealings**	Worship of calling/ **Sub-groups / aura**	Backroom politics/ **patronage**	**Clan affiliations and ability to break bulk**	Celebrity professionals/ **sub-groups**	Organisation culture
Economic System 9	Family capitalism/ S**ubsistence**	Cooperative capitalism	Occidental capitalism	Welfare capitalism/ **market capitalism**	Market capitalism	Personal capitalism	Managerial capitalism

Source: Adapted from Thornton et al., 2012 (pp. 73): Changes have been shown as bolds words

3.4.5 Institutional Logics as a meta-framework theory

Thornton and Ocasio (2008) have noted that theory and methods go hand-in-hand and that institutional logics approach (ILA) have been received favourably by scholars because it allows a wide variety of mechanisms to be emphasized in research and theoretical development. Five principles underlie IL's use as a meta-theory, which is characteristically flexible generating opportunities for its refinement and theory extension (or theory development).

There are five (5) meta-theoretical principles of institutional logics that have been derived from creative developments of methods (Thornton and Ocasio, 2008 p109). Firstly, the notion of embedded agency is a key metatheoretical assumption of the ILA. It posits that within society the 'interests, identities, values, and assumptions of individual and organisations are embedded within prevailing institutional logics' Thornton and Ocasio, 2008 pp.103). Embedded agency is taken to mean how institutional logics shape action. Alternatively, it can be taken as the social action that is culturally rooted within the institutional logics (Thornton et al.,2012). Embedded behaviour generally means how constrained individuals and organisational actors (who are neither over-socialised or under-socialised) pursue their self-interest to meet their individual and organisational needs. In this realm, what separates the IL's perspective from rational choice theorists is that the latter presume individualistic interests. The constraints are also different, in the sense that the constraints in the ILA is imposed from the other two levels (the organisation and institution), whereas the constraints in rational choice is about the interplay between the means and ends. The ILA is also distinct from other institutional theories that emphasize the primacy of structure over agency such as in the new institutionalism; and from the Parsonian (1956) perspectives on institutionalism which draws a line between economic or technical sectors and institutions. Embedded agency in the ILA means a partial autonomy of action because the three levels of society is inextricably intertwined, therefore denying full autonomy to individual and organisational actors. Institutional cross-level effects within the institutional orders are therefore important in understanding of how action is taken in modern societies. However, the relationship between the three levels also offer possibilities for both organisational and institutional change (Greenwood and Hinings, 2006; Thornton and Ocasio, 2008). The concept of embedded agency was originally developed by DiMaggio (1988) to address the shortcoming of the lack of agency in organisational institutionalism. Drori (2009) has extended the embedded agency further to a supra-national level where, because of globalisation, nation-stated are embedded in a world society ecology.

The second notion is to conceive society as an inter-institutional system. From the IL's perspective society is made of different institutional orders, each with its own logic. "Viewing society as an inter-institutional system allows sources of heterogeneity and agency to be theorized and to be observed from the contradictions between the logics of different institutional orders" (Thornton

and Ocasio, 2008 pp. 104). For the purpose of this study, I extend this inter-institutional system to include the international bodies (either bilateral or multilateral). The international bodies bring their logics into the interplay of markets, the state, professions, corporations, religion, and community. The notion of inter-institutional systems reinforces non-deterministic outcomes, as no institutional order, including it associated principles and logic of action is given priority over the other. This therefore supports the greater potential of deriving the categories of knowledge ground-up from the analysis.

Thirdly, the ILA assumes that all the seven interinstitutional orders operating in society have both material and cultural dimensions; and the logics as a meta-theory does not privilege one of these two characteristics over the other. The interinstitutional orders provide the material (economic) and cultural foundations of social institutions (such as family, religion, and the others) through the interplay of these two forces affecting each other. This interplay generates the second notion, namely, ILAs does not privilege any institution but recognises that these institutions are shaped (namely, developed and changed) through the interplay between cultural and economic forces. Logics theorists attribute the failure of theories that emphasize the economic dimensions of society (market mechanisms, aggregate atomistic individual preferences , organisational competition, technology, and resource dependency) to their failure to recognise that the cultural and social dimensions (families, religion and profession, community) are the sources of the values and utilities upon which they depend (Friedland and Alford, 1991; Thornton and Ocasio, 2008). Thornton and Ocasio (pp. 105) further argued that:

> these values and utilities cannot be traded off as simple economic alternatives instead the argument is how the comparative conflict and conformity of institutional logics (which are both material and cultural) influence human and organisational behaviour.

Within the cultural element, the ILA incorporates three dimensions- the symbolic, cognitive, and normative. The logic theorists, reluctantly include a role for social norms, fearing the danger that it would imply acceding to internalisation of universalistic values in explaining human behaviour, while acknowledging that ‘a highly contingent set of social norms’ is a critical dimension of institutions and their underlying logic (Thornton and Ocasio, 2008 pp 106). Following March and Olsen (1989), Thornton and Ocasio averred that inclusion of social norms reinforce the logic ‘where behaviour is driven not by a logic of consequences but by a logic of appropriateness’ (pp. 106). Thus, they argue that human social behaviour is better explained by people thinking and working through what is right and appropriate and not because they are driven by deeply internalised values, institutionalised universalistic norms, and morality. The ILA terms this as over-socialising (implied in Parsons’s (1951) conception of norms which they reject), while labelling the neglect to include social norms (as in resource dependency theories and political

economy -type theories) as under-socialising. Thornton and Ocasio have observed that norms do not necessarily have to abide by universalistic principles. They argued that both dominant and subsidiary norms co-exist, and what prevails in shaping behaviour is probabilistic rather than deterministic.

Fourthly ILA provides for the analysis of institutions at multiple levels. It supports research and institutional analysis at various levels and many other logics (such as societal-level logics, organisational, inter-organisation, markets, industry). This aspect of the ILA requires researchers to be sensitive to the theoretical mechanisms operating at the different levels of the analysis. For example, this element of the theory could operate at the societal, organisational fields, or individual level which is different from the main phenomenon being theorised (Thornton and Ocasio (2012). This requirement means that in applying institutional logics as a meta-theory the researcher is expected at all times to specify clearly whether the institutionalisation is operating at the societal level (for example corrupt practices across society), organisational level (peer-group pressure to engage in rent-seeking), inter-organisational (gaming of the budget allocation), individual level (school admission and other practices as a source of initiating corruption in children). These theoretical mechanisms are what Stinchcombe (2002) has labelled as micro-mechanisms of institutionalisation, of which he identified three alternatives to rational action: evangelism as an alternative to coercive, mimetic and normative mechanism; a modification of network theory; and the sociology of competition among comparable' people or organisations.

Lastly in the ILA's meta-theory is the assumption of historical contingency (discontinuities and cyclical rather than linear progression). The historical contingency notion resonates with Foucauldian insights, while progress being cyclical or non-linear resonates with the Pareto conception of progress (Parsons 1968). Having identified the seven inter-institutional orders of westernised modern society (markets, corporations, professions, states, families, religions, community) their preponderance effects on society, organisations, and individuals have not been at even levels in the historical development of society. For example, religion and family dominate the early stages of development, whereas in the western capitalist modern state, the logics of the state, markets and corporations command more attention. Thornton and Ocasio (2008) observed:

> However, note with the current rise of religion in world discourse that institutional logics, both in their elaboration and relative pattern of dominance between institutional orders, are not simply an evolutionary or linear model of development driven by scientific progress or market rationalization, but an interplay of institutions within nation-states (pp 108).

To explain this further, for the purpose of this research I mobilise the insights of world society theory to provide a better understanding of supra-level logics within which the macro-level of nation states is situated (Drori, 2009). World society theory emerged as an institutionalists'

response to the globalisation phenomena; and as a direct challenge to the realist assumptions embodied in international comparative studies. Nation-states are embedded in the global environment and are institutionalised just in the same way as individuals in society or organisations are institutionalised by their culture and other cognitive processes to which they are subjected to.

In the globalization discourses today, world society theory situated nation-states within even broader environment, and challenged the dominancy of the perspectives drawn from dependency and modernization theories in comparative sociology (ibid). It highlights the global as institutionalist and cultural that provides a common core to all nation-states. It sits at a supra-level, above, and additional to the international and transnational levels. She said:

> globalization includes an additional conceptual shift toward the universal and is thus a cultural process in addition to being an economic and political process…… the era of globalization reflects not only a remarkable intensification of global exchanges and flows and a dramatic thickening of international and transnational webs of relations, but also a change in the organizing logic from the particularistic (national, ethnic) to the universal (human, standardized, formal). This special consideration given to the global is more than a methodological point about a higher level of analysis. Drawing on the idea coined by Peter Berger (1968), the consolidating global dimension of globalization acts as a 'sacred canopy,' or a commonly accepted world culture …. (ibid, pp 455)

Drori draws a distinction between 'comparative institutionalism' and the world society theory. The former refers to the studies undertaken by pre-80s scholars focusing on global operations and networks, while the latter refers to the work by scholars post-1980s studies led by John W. Meyer and the others who emphasised culture in developing the phenomenological side of institutionalism. The tenets of world society theory provide institutional insights in the context of current debates about globalization. Drori argued that whilst the world society theory and neoliberalism are both realist theories, they differ on almost every aspect of globalisation. Neoliberal globalists see globalisation as driven by rational individuals through a system of transactions among competing yet cooperating nation states. The effect of this brings efficiency to all parties and modernisation and progress to LDCs/EEs. On the other hand, world society theorists see the world system as structured around capitalist units acting through a capitalist system to produce greater profits for the shareholders, marginalising the poor and disadvantaged even further. These different perspectives generate different logics. But Drori provides a caveat that one should not hastily conclusion that one school stands for globalisation while the other opposes it. She argued that there are many theorists from both schools who oppose globalisation.

3.5 JUSTIFICATION OF THE RESEARCH DESIGN

3.5.1 Constructivist -Interpretivist research approach

This research adopts a qualitative-interpretivist approach by departing from the positivist-functionalist perspectives that leads to claims being made for accounting but with very little understanding of how such claims had been accomplished. The nature of qualitative research is that it's not just empirical but profoundly theoretical; and it reflects the researcher's interest (Ahrens and Chapman, 2007).This research is constructivist- interpretivist (Denzin and Lincoln (1994) in the sense that I set out to conduct the research abductively, working with the field data from the ground upwards and drawing on a theoretical framework iteratively to theorise the empirical findings. This approach can be explicated by drawing out the difference between four basic inquiry paradigms developed by Guba and Lincoln (1994)[15]: (i) positivism, (ii) post-positivism, (iii) critical theory, and (iv) constructivism.

I offer the justification of my approach through these paradigms by an example taken from Ravitch and Riggan (2012).They argued that scholars have shown that in research, we are either postulating that X causes Y (as saying that smoking causes cancer or raining causes flooding); or we are saying that X and Y are related, without one necessarily causing the other (as in race and identity, or mental health and poverty) (Ravitch and Riggan ,2012 pp. 17). What theory does is to explain the causation or relationship between X and Y. A positivist approach assumes that X and Y can be ascertained as objective facts and the researcher will therefore confine herself or himself to the examination of X and Y, by trying to exclude all other considerations, including herself or himself.

By an extension, a post-positivism (Creswell 2005) would take the concepts X and Y to "exist as independent constructs, treated as objects under study, and more or less accepted at face value. In the example above, this means that it is assumed that we all have roughly the same ideas about what race and identify (or smoking and cancer) are, or at least what conceptual building blocks constitute them". (Ravitch and Riggan, 2012, pp.17)

In contrast to the positive-post-positivist paradigms, an interpretivism (or subjective) paradigm would investigate both the relationship between X and Y as concepts, and the relationship between him or her (as the researcher) as well as X and Y (Ravitch and Riggan,2012). However, this study goes beyond that to adopt the constructivist's approach for using comparative data analysis, allowing for emergent possibilities, and its open-endedness (Glaser and Strauss, 1967; Charmaz 2014).

[15] I combine this classification with Burrell and Morgan's (1979) four sociological approaches to aid organisational analysis that they labelled as paradigms, namely, (i) functionalism, (ii) interpretivism, (iii) radical structuralist, and (iv) radical humanism.

Charmaz (2014) distinguishes the GT's social constructivist approach from the conventional social constructionist approaches. She argued that the social constructionists aim to render the world as they study it sometimes from individualist's stand (or radical subjectivism) bordering on radical humanism (as in Burrell and Morgan, 1979). Social constructivists (such as Yvonna Lincoln) on the other hand 'stress social contexts, interaction, sharing viewpoint, and interpretive understandings' (Charmaz, 2014 pp14)

The constructivist also emphasises an iterative process, between field data gathering, and qualitative coding and analysis; and action and meaning that is rooted in the pragmatist tradition (Charmaz 2014). There is also room to use the method flexibly as Charmaz argued that indeed "Constructivist grounded theory highlights the flexibility of the method and resist mechanical applications of it" (Charmaz, 2014, p 13). By using the theoretical framework as suggested by Charmaz (2014), I weave the extant theories into the study's empirical discoveries as the need arises (Strauss and Corbin, 1998).

Critics of the constructivist approach often, erroneously in our view, highlight the authoritative voice of the researcher in interpreting the responses of participants. This research is possibly open to this kind of criticism because of the previous role of the researcher in the IPFM reforms and intermittent advisory role in Ghana PFM. However, this study starts by rejecting the assumption that there is an objective external reality, and that the researcher's role should be a passive, neutral observer undertaking a detached narrow empiricism. Blumer for example has argued against aloofness in social research, by arguing that 'genuine' interpretation requires the researcher to take the position of the "acting unit" (Blumer 1969)[16]. As Charmaz explains "If, instead, we start with the assumption that social reality is multiple, processional, and constructed, then we must take the researcher's position, privileges, perspective, and interactions into account as an inherent part of the research reality. It, too, is a construction". In this sense the research effort is characterised by relativism, rather than an objective process that adopts "unproblematic prescriptions and procedures" (Charmaz, 2014, p13).

Underlying the constructivists' position is the basic notion that the research acts are constructed, and not "given" to be "discovered". These views create room for researcher reflexivity, about their actions and decisions, that is an important part of the constructivists' approach.

The interpretivists put emphasis on the subjectivism traditions by adopting approaches such as grounded theory, ethnomethodology and ethnology and structuration theory (Goddard, 2010).

[16] The concept of the 'acting unit' in Symbolic Interactionism is defined as an individual or a collection of individuals in an organisation. Blumer 1969, pp85 states: "There is no empirically observable activity in a human society that does not spring from some acting unit".

The fourth paradigm, critical theory derives from either of the two radical traditions found in Burrell and Morgan (1979) taxonomy, namely radical structuralism, and radical humanism. As Lukka (2010) has pointed out: "The critical paradigm(s) rest on the assumption that there are deep-seated structural contradictions and conflicts in society, of which people need to be aware, and from which they need to be emancipated; consequently, analysing the status quo is not sufficient".

For the purpose of this research, scholars have acknowledged that the influence of the critical paradigm on accounting research is "scattered over several schools of thought, typically following in the footsteps of certain original social science thinkers, such as Marx, Habermas, or Foucault" Lukka (2010 pp112). In the LDCs/EEs the influences of Bourdieu reflexive sociology and Gramsci's hegemonic theory, among others, are also felt in critical accounting research. With the combination of these different schools and paradigms the notion of critical accounting research has come to mean different things to different people (Lukka, 2010; Cooper and Hopper, 2007). But Alvesson and Deetz (2000 chpt4) have identified several sources that have inspired critical theory, including power-knowledge asymmetry, dualistic constructionist account of experiences and language, historically based social conflict theory, and radical humanistic trait giving rise to complex human subjectivism.

Despite accounting being a multi-paradigmatic discipline, until recently accounting research has been characterised by factors that support the notion of incommensurability of paradigms. The dominant paradigm has been the functionalists (especially in North America). and there have been considerable barriers between paradigms, especially between the functionalists and the others, with very little communication across the paradigmatic boundaries (Lukka 2010; Hopwood, 2007). However, the argument that the practice of accounting research supports the notion of incommensurability of paradigms is only superficial because that argument is based on a lack of fully appreciating the ontology of accounting [17]. Lukka (2010) has argued against the incommensurability of paradigms by saying that 'a more profound analysis would question such a conclusion since, for instance, it seems close to impossible to conduct interpretive accounting research in a way that faithfully adopts the relatively narrow premises of the interpretive paradigm'.

The philosophy underlying this research questions any notion of strict incommensurability of paradigms. The study starts from the fundamental assumption that human beings are active agents in their lives and in their worlds rather than being passive recipients of larger social forces (Charmaz 2014, p9). As Strauss argued: it is process, not structures, that is fundamental to human existence. If we consider the persuasive argument that structures are created by human beings

[17] As I have argued previously the ontology of accounting change depends on the performativity and the relational drift of accounting, which are neither fixed nor deterministic.

through engaging in processes, creating social meaning through "our use of language and emerged through action" (Charmaz 2014, p9) then a firm basis has been established for the interpretations of the analyses of the study. This study therefore builds on the insight that it is the construction of action that is the central issue to be addressed in IPFM reforms.

These philosophical assumptions are embodied in pragmatists' methods such as symbolic interactions and institutional logics that I have mobilised to theorise the outcome of the analysis.

3.5.2 Addressing researcher bias in qualitative research

This section highlights the challenge of researcher bias in qualitative research and how it has been addressed in this study. Scholars have drawn attention to the tension in qualitative research as straddling the poles of researcher subjectivity and scientific objectivity (Blumer 1969). Blumer (1969) has argued that the only difference between the natural sciences research and the social sciences research is that there is a tension in the latter to be explicated. It is this tension that separates qualitative research from other research methodologies that rely on nomothetic methods. I seek to explicate this tension and address it reflexively at the beginning of this inquiry.

The researcher has been involved in public financial management reforms in several countries as reforms' adviser, and naturally brings to this study a degree of theoretical sensitivity on reforms. Scholars consider theoretical sensitivity as potentially beneficial to the research effort, but with a caveat (Strauss and Corbin, 1998; Gioia et al.,2012; and Charmaz, 2014) of a greater chance of researcher bias and the danger of 'going local' and missing the salient points. Addressing these two contradictory forces calls for introspection and reflexivity that influenced our choice of using grounded theory (GT) informed - methods. The GT informed research methods such as ethnographic methods with intensive interviewing, and the constructivist philosophy, allow research participants' voice to emerge much earlier in the research and perhaps better than other qualitative methods. And at the same time, abductively, it allows an active engagement between the empirical data and existing theories; and between the participants' and the researcher in constructing theory.

3.5.3 Justification for using grounded theory informed methods in this study

This study is designed as a qualitative research using grounded theory informed methods. In adopting grounded theory informed approach, the study seeks to address a common shortcoming that often plague qualitative research, for being descriptive rather than analytical. Rahaman et al. (2004) pointed out that: "A new wave of critical and interpretive researchers have not been able to ground their theorising in the actual practice of accounting".

By adopting grounded theory informed methods, the study aims to achieve rigour (Gioia et al., 2012; Riggan and Ratvich, 2012) while allowing the dialectical interplay between objectivity and

subjectivity (Hopper et al, 2009) in otherwise a study which make subjective interpretation its prime focus. Blumer advocates for the use of scientific methods of investigations, and to him scientific methods are universal tools that could be applied to the natural sciences, social and the psychological sciences alike. As alluded to previously, the only difference between the natural science and social science is that there is a tension in the latter to be explicated by the researcher.

Hopper et al.,2009 have argued that studies based exclusively on discourse and texts do not sufficiently address the effects of socio-economic structures and can fail to connect to practices and their inherent challenges. They therefore advocated political economy approaches that combined grounded, institutional data, and iterative theorising. However, there are variations to this approach, and in this thesis, I draw from political sociology principles (Collins,1994) which combine grounded theory and institutionalism, with systematic combination theorising, emphasising the interplay between action and social structures.

This research aims to support theory development (Dubois and Gadde, 2002) by building a bridge between the ontological concepts and empirical evidence (of accounting change) (Stones and Jack, 2016). This study considers that an adoption of grounded theory informed methods and 'systematic combining' provide a distinctive methodology for achieving that outcome (Parker and Roffey, 1997). As Rob Stones has pointed out in building this bridge we are "thinking about the concepts and combinations of concepts you need, that are relevant, and then thinking about the relationship between those concepts and combinations of concepts, the shapes of the concepts, and the bits of the evidence you attach to these, as it were"(Stones and Jack, 2016 pp. 1147).

In other words, in studying IPFM reforms the study is aims to identify the relevant ontological concepts and relate them to the interactions between different players in the 'contextual field'. In Stones words, one is trying to get to 'the depth of hermeneutic-structural purchase' that is embedded in the minds of various agents in that field. This hermeneutic structure is made up of 'people's streams of consciousness, their internal life, what Margaret Archer would call their internal conversations, their emotions, their reasoning, and the interweaving of these' (Stones and Jack pp.1147 to 1148).

GT has an inherent property to provide a clear path to context analysis using the paradigm model (to provide the properties of the phenomenon). To achieve our aims for this study, a good way of getting the 'in situ agents' perspective and understanding of the contextual field is through grounded theory informed methods. Recognising that GT offers clear methods (such as ethnography) of giving voice to indigenous actors. •According this study pays 'indigenous beliefs and social structures due respect in the face of the agendas and rationalities of political reformers' (Hopper et al. 2009 pp.472)

From both the academic literature and also in the 'technical' literature of financial management reforms (of which the WB-Harvard axis on public sector reforms (Manning and McCourt, 2013) may fall in the middle), this study has identified that the lack of 'context analysis' has become the Achilles heel of public sector reforms. As Pollitt (2013) have noted:

> Perhaps a more modest, adaptive, locally informed, context-sensitive approach to public management reform would be of benefit to the developed world too? (Pollitt (2013). p 586)

I adopt GT for this research because it supports the possibility of not prematurely defining the area of investigation or related prior assumptions (Parker and Roffey, 1997). Parker and Roffey have said:

> Grounded theory research is directed towards making sense of the data collected and giving them a structure, with a view to determining their meaning and significance for the actors, the researchers, and readers. There must be a genuine attempt to understand the world of the actors as they have consciously or unconsciously constructed it, and to provide the foundations for developing a theory that will serve as a future basis for explanation (Pp. 214).

That is, it allows the issues which are important to the participants to emerge, rather than impose a priori restrictions (Goddard, et al., 2016).As has been noted by researchers GT is useful for studying phenomenon where only little research has been done to reveal its categories, properties and dimensions to provide an in-depth understanding of 'what' and 'how' to lead to the 'why' (Boadu and Sorour, 2015) or new phenomenon of which very little is known (Strauss and Corbin, 1990). For example, Sorour and Howell (2013) investigated the corporate governance phenomenon within the Egyptian banking sector, and found it helped to identify the drivers, barriers, context, and consequences of this phenomenon, thereby providing practitioners and policy makers an in-depth understanding of it.

3.5.4 Advantages and limitations of GT

In GT the researcher gets the benefit of a closer relationship to the participants' point of view and uses the language that they use to capture the processional details of a phenomenon. So, if the study develops a category from the data, as abstract as it may be, it emerges from a concept participant are used to, and I do not have to struggle with both participants and scholars to get agreement on the meaning of that category. This contrast, when categories are taken from existing theory it may be difficult for participants to relate to the tentative relationships the analyst would postulate. GT therefore offers a detailed understanding of the categories in terms of their properties and dimensions and help us to establish the relationships between categories (Boadu and Sorour, 2015).

Empirically, GT allows substantive concepts in each phenomenon to emerge, but it may sensitively draw on existing formal theories as needed. Glaser and Strauss point out that GT by 'allowing

substantive concepts and hypotheses to emerge first, on their own, enables the analyst to ascertain which, if any, existing formal theory may help him generate his substantive theories. He can then be faithful to his data, rather than forcing it to fit a theory. He can be more objective and less theoretically biased' (Glaser and Strauss, 1967 pp. 34).

They go on to explain that by using this process the analyst cannot merely apply pre-existing categories from formal theories, at the start of the analysis, but 'wait to see whether they are linked to the emergent substantive theory concerning the issue in focus' (pp. 34). For example, in this study after developing the concepts, categories and their properties, and a substantive theory, I found a link between the emerging theory and institutional logics.

GT also has the benefit of helping to generate new grounded formal theories and to reformulate previously established ones. In this study, our substantive theory may suggest ways to re-formulate Schick's 'basics first' approach to public sector reforms. If GT is be used to generate formal theory it requires multiple substantive theories, other ethnographic studies, and further data collections and comparative analysis. Thus, GT allows the possibility that other multiple theories can exist in a substantive form, in contrast to the directly monopolistic implications of logico-deductive theories, which its formulators claim there is only one theory for an area, or perhaps even one sociological theory for all areas. GT therefore suggests that there may be a need for multiple theories on the substantive level because one theory cannot handle all relevancies, and by 'comparing many theories we can begin to arrive at more inclusive, parsimonious levels.'

GT provides a means of analysing phenomenon not merely describing it, therefore providing a deeper understanding. It is a methodology cum philosophy of researching a phenomenon. Goddard (2010) has said "Grounded theory is not inherently an interpretive methodology but in practice PSA researchers, along with other accounting researchers have, adopted the approach, following Parker and Roffey's (1997) exhortation to use it in such a way".

GT pays attention to the fact that every event, happening, and phenomenon is unique, but in so doing researchers are limited to the number of cases that can be covered in a study.

3.6 METHODS FOR DATA COLLECTION AND ANALYSIS USING GT

The link between GT and symbolic interactionism (SI) is well established (Charmaz, 2014; Gurd 2008; Stern, 1994, p. 215; Bowers, 1988; Chenitz and Swenson, 1986; Lye et al., 1997; Locke, 2001). This fact buttresses the use of ethnographic methods in the GT approach, which can go beyond SI to incorporate more critical stance (Gurd, 2008). GT collects data through ethnographic studies and employ basic strategies such as coding (open, axial, and selective), memo-writing,

theoretical sampling, and comparative methods. Ethnographic methods call for intensive interviewing of research participants conducted through open-ended questions.

GT employs comparative analysis of facts to develop conceptual categories and conceptual properties before going on to develop generalised relations among the categories and their properties (Glaser and Strauss, 1967). Charmaz (2014) provides GT data collection and analysis methods that distinguishes it from other approaches in a nine-point summary as follows:

- Conducting data collection and analysis iteratively throughout the studies
- Analysing the actions and processes rather than themes and structures
- Using comparative methods
- Drawing on the data in developing new categories
- Developing inductive abstract categories through systematic data analysis
- Emphasizing theory construction rather than description or application of current theories
- Engaging in theoretical sampling
- Searching for variation in the studied categories or process
- Pursuing the development of a category rather than covering a specific empirical topic.

In the analysis phase the initial step is in developing the open codes, but the focus is on developing categories and their properties. Glaser and Strauss (1967) draw a distinction between 'category' and 'property' as there is a difference between a building and the building materials used in its construction. A category is the building block of the substantive theory, and it stands as a self-contained element of the theory. In turn, property is a conceptual element of a category.

Categories and properties once indicated in the analysis, by the data, are quite robust in the sense that they do not stand on the validity of the evidence that generated them or their 'truthfulness'. Strauss and Glaser have explained that they emerge from the data, but they are not the data itself. They noted:

> Once a category or property is conceived, a change in the evidence that indicated it will not necessarily alter, clarify, or destroy it. It takes much more evidence- usually from different substantive areas- as well as the creation of a better category to achieve such changes in the original category (Glaser and Strauss, 1967 p36).

Identifying the central category and relating it to other main categories is the final step in the development of the substantive theory.

3.6.1 Version of GT and justification thereof

Charmaz, (2014 pp16) has stated that 'in their original version of the methods, Glaser and Strauss (1967) invited their readers to use grounded theory strategies flexibly in their own way'. This invariable has resulted in various studies using different versions of GT that emerged subsequently.

For this accounting researchers are encouraged to explicate the version they have adopted (Gurd 2008; Boadu & Sorour, 2015) and to provide their ontological and epistemological stance (Gurd, 2008). In other words, in explaining why a researcher has adopted a version of GT, a better justification requires their choice to be embedded in the research philosophy.

From a review of studies claiming to have adopted GT methods Gurd (2008) identified four main versions employed by researchers as: 1 Glaser (1978) approach; 2. Strauss (1987)) approach; 3. Strauss and Corbin (1990); 4. The fourth approach has been a largely unrecognised methodological contribution of GT based on dimensional analysis found in Schatzman (1991) and Kools et al.(1996). In addition, this study adds recent contributions made in the literature by theorists such as Gioia et al., 2012 and Charmaz, 2014.

In this research we adopt the Strauss and Corbin (1998) version, as adapted by others (such as Gioia et al., 2012 and Charmaz, 2014), which emphasises open coding, axial coding for category development, and theoretical sampling. These are interpretive-constructivist tools that overcomes some of the weaknesses of qualitative research by making it more analytical than descriptive.

No matter which version of GT is adopted, Charmaz, 2014 argued that GT remains a constellation of methods rather than an array of different methods. She argued that GT methodologist have in common an inductive logic, a rigorous comparative data analysis, a development of theoretical analysis, and a focus contributing towards policy and practice.

3.7 APPLYING THE METHODOLOGY TO CONDUCT THE STUDY

By applying the theories and methods discussed in the preceding sections, the rest of this chapter sets out (i) the data collection design, and (ii) data analysis. I conclude this chapter by discussing the implications of the theories guiding the methodology and their impact on the data collection and data analysis.

This study consisted of thirty-one interviews with participants (some multiple times) comprising officials from the Ministry of Finance (MoF), Controller and Accountant General (CAGD), Ghana Audit Service (GAS), PFM Reform Secretariat, Parliament, and the Ministry of Health, and Education and two external consultants. Some of the officials had active responsibilities in current reforms in Ghana, and others had retired after their earlier involvement. The study was interested in finding out what had gone on with the earlier attempts to implement the reforms and what was going on with the current one at the time of the research. There are many reasons why the Ghana PFM reforms have not performed as expected, some captured in official documents (for example see Government of Ghana, Issue Paper on PUFMARP, November 1999) and other sources such as Roberts and Andrews (2005); and Betley et al.,2012. In this study I asked participants to recount

their involvement in the reforms, and to tell us what actions they have taken, what they have seen, what they think, and how they relate to the reform performances.

Some of the participants had been involved in the reforms at the beginning of their careers and had risen to senior ranks as directors, others were in the middle or towards the end of their careers. With some of the participants looking back, others narrating what was happening currently, and others looking into the future, a dynamic picture of the reforms unfolded.

Most of them spoke openly and freely about their experiences of the reform, using the anonymity safeguards of this research; others saw it as an opportunity to 'sell' the performance of the reforms, appearing to be reading from some official script. One or two of the participants came across as guarded in their responses and stunted the flow of conversation. Where there were doubts about the information provided by participants, the issues were addressed through comparative analysis and triangulation of the interview data with other data sources. Overall, this did not present formidable difficulties because what was important was not the 'truth' as the participants brought but the concepts embodied in their narration of events. I extract these concepts through the coding process to provide the 'what' of the reforms. Focusing on the 'what' from the participants' point of view, was the key to the constructivist-interpretive approach. They (namely, the concepts) became the building blocks of the categories which the study developed through comparison (going forward and backwards between the data based on what other participants had said, using documents and the researcher's theoretical sensitivity). Using these coding techniques in building the relationships between concepts and categories enabled us to answer the 'how' of the PFM reforms; and through that the 'why' of reform performances.

3.8 DATA COLLECTION

In this data collection section, the study outlines the data collection design, which addresses the key practical challenges of the study including access, the scope of IPFM reforms, choice of research participants, what data to collect, and how to collect them.

3.8.1 The data collection methods

Several decisions points arose in the data collection process, including deciding on the study population, the sample frame, interview selection, data collection strategies, and the miscellaneous project management challenges (such as international travel dates and logistics) that needed to be addressed.

Decision on the study population centred around (i) how many government agencies to be covered, (ii) whether to include central as well as local government(iii) whether to include the Government of Ghana organisation alone or to include donor agencies operating in Ghana, including those

funding the IPFM reforms. For emic reasons, the focus of the research was on Government of Ghana ministries, department, and agencies (MDAs), and those with direct experience of the reforms (consultants). For reasons of costs and logistics the geographical reach of the studies was limited to the government offices located in capital city, Accra. But Ghana being a unitary-centralized state all the key MDAs that were required could be reached from Accra, including the Ministry of Finance (MoF), Controller and Accountant General (CAGD), Ghana Audit Service (GAS), Parliament, Office of the Head of Civil Service, Ministry of Health and Ministry of Education. In deciding to limit the geographical reach of the studies to Accra, I did not foreclose the possibility of looking at fiscal decentralization issues when the need arose during data collection process (Yin 2014). Ghana's central IPFM reforms extend to the district assemblies (local government), but the DAs are treated just as any other government central MDA, so they did not necessarily generate a different set of reform issues.

To decide who to interview I adopted purposive sampling method to select participants on the bases of either occupying a reform position or being a head of an organisation connected with PFM reforms (as an acting unit) or have had close involvement with reform issues. After going through the gatekeepers, some participants were suggested through snowballing for their knowledge of the reforms. One of the implications of selecting research participants through snowballing was that the number of research participants could not be pre-determined. Rather the interview process was extended to the saturation point, where no new data emerged from subsequent interviews.

The interviews were conducted in open free style semi-structured interactions where participants were asked to provide an account of their involvement in the reform processes and to express their views on whatever aspect of the reforms, depending on their involvement and knowledge of the reforms. The aim of the interviews was to check on 'what is going on' with the Ghana reforms from the viewpoint of the participants. The study aimed at obtaining retrospective or real-time account from people who have experienced the reforms from key positions or were experiencing it then at the time of the interview. All the interviews were recorded and transcribed, except for theoretical sample interviews that were recorded and not transcribed. The researcher administered a research protocol that promised anonymity, without confidentiality to the research participants. Once assured that the recording tapes were on, the researcher consciously decided not to take any notes in the interviews. This generated more fluid interactions between the researcher and the participants. The duration of the interviews was on average approximately 39 minutes. Some conversation took place with five of the seven gatekeepers in government who approved this research that were not taped, but notes were taken.

Several challenges were addressed in the data collection process. From the initial stages I realised that access to government official could be difficult to get. Officials might suddenly become

elusive or agree to talk off-record only. Recording interviews was a potential hurdle to overcome (Lassou 2017), especially in the Ghanaian context where officials are sometimes guarded in sharing information with the public. However, this presumption proved false, as participants agreed to the recordings once the research protocol was explained. There was one participant, who showed some hesitation, but agreed after his questions were fully addressed. The researcher depended on prior professional contacts with key gatekeepers to facilitate access to government departments. Secondly the constructivist stance required the researcher to walk a fine line between appearing naïve and knowledgeable at same time. The intention has been to get participants' views to come across unobstructed, but that sometimes proved challenging. Often the approach worked well, but at least on one occasion a participant felt uncomfortable with the semi-structured interview approach, and instead preferred more detailed and specific questions. In other situations, the researcher observed some participants went from being knowledgeable to being out of their depth because of the wide range of issues covered in IPFM reforms. On occasions the researcher observed some participants being cautions in what they say, by trying to produce what they considered as 'appropriate' responses to frame the reforms in the 'right' light; or simply proffering statements that seemed to the researcher that the participant was talking from an official script. These issues were addressed in the coding processes of the research where attention was given to similarities and differences in concepts provided by participants in their account of reform processes, actions taken, and views.

Methodological concerns about objectivity- subjectivity in the research were addressed by letting the participants' interpretation come through, and by the active positional stance taken by the researcher. Blumer (1969) argued that to catch the interpretation process, the researcher must catch the participants' interpretation whilst they are doing it, by taking their position. Active positioning of the researcher such as in autoethnography is prone to the risk of "going-native". As Gioia et al. (2012) have cautioned that being too close to participants, and essentially adopting their views risks losing the higher-level perspective necessary for informed theorizing. Other researchers have dealt with this possibility by appointing, in a multiple research team, one person to be an 'independent' devil's advocate "whose role it is to critique interpretation that might look a little too gullible" (Gioia et al 2012). But in this case, the researcher used insights from theoretical sensitivity, data triangulation, and by opening the analysis to external reviews.

The underlying interview method was based on three basic assumptions that: (1) an organisational world is socially constructed (Gioia et al.,2012); (2) that the people constructing the government organisational realities are "knowledgeable agents" and that they know what they are trying to do in the reforms, and can explain their thoughts, intentions, and actions (Gioia et al (2012); (3) that as researchers we reflexively assume that we are knowledgeable people who are able to "figure

out patterns in the data, enabling us to "surface concepts and relationships that might, escape the awareness of the informants, and that we can formulate these concepts in theoretical relevant terms" (Gioia et al., 2012 p.17). In furtherance of this point, Denzin and Lincoln (2003) cast the role of the qualitative researcher as bricoleur, who is producing a bricolage. The approach of this research is to "enact these assumptions in a way that enables us to be true to the informants' experiences while also meeting a scientific criterion of presenting evidence systematically" (Gioia et al., 2012, p17).

The use of intensive qualitative interviewing techniques in this study assumed that the interviewees had substantial experience and the process is "open-ended yet directed, shaped yet emergent, paced yet unrestricted" (Charmaz 2014 p.85). Intensive interviewing as Charmaz points out "focuses the topic while providing the interactive space and time to enable the research participant's views and insights to emerge' (ibid.). We aimed to achieve a balance between the interviewer and the interviewee, and to ensure some correspondence between the intensive interviewing procedure and grounded theory data analysis.

Charmaz argued that intensive interview enables the interviewer to assume direct control of the construction of data than most other qualitative methods would allow. As she said:

> grounded theory methods enable researchers to take successively more analytic control over their data collection and emerging theoretical ideas.

The interviews elicited a range of responses from participants who differed in their historical exposure to the reforms, degree of participant, and attitudes to reforms. Depending on what they had done in the previous reforms, they reflected on the directions and activities of the current reforms, sometimes justifying their past actions, achievements, disappointments, and failures. At other times, some reflected on the future directions of the reforms. The responses were therefore fairly complex, sometimes candid, and other times guarded but in an overall sense open and constructive; sometimes reflecting shared discourse between the researcher and participants and other times pulling in different directions. The interview therefore called forth reflections and re-appraisal of events on the side of the researcher.

3.8.2 Interviewing participants

In November 2017, letters were sent to the key gatekeepers in the MoF, CAGD, Ghana Audit Service, and selected MDAs. These letters were hand-delivered to the gatekeepers, sometimes telephoning ahead of time, and in the other cases calling in to the office in person to meet with the approver. In the MoF, after the approval of the letter by the gatekeepers, the ministry took it upon itself to arrange subsequent meetings with key directors and some institutions. Copies of the approved letter were sent to relevant officials by the budget reform office from the MoF. In the Audit Service, there was an initial meeting with the Auditor General and after his approval

subsequent interview meetings were arranged with other officials. A similar pattern emerged in the CAGD. Anticipating that there may be a need to undertake additional interviews outside of this core group, a general letter "to who it may concern" letter was prepared and issued to individuals who did not fall into these categories. The researcher followed up wherever the investigations led; being guided by the research question and the propositions. This approach is helpful for "uncovering new concepts to develop" (Gioia et al., 2012), as compared to the traditional approach of standardising the interview questions for all participants.

Issuing a topic guide to participants in semi-structured interview approach

In addition to the research question (RQ), the researcher developed a topic guide (Ritchie and Lewis, 2003) and some key propositions (Yin 2014) to guide the semi-structured interviewing approach. Topic guides and propositions are useful because as Yin argued, the "how" and "why" in the RQ do not sufficiently tell us what we should study in the research. By focusing on what evidence to collect in the field, the RQ was turned to a series of topics to guide the participants. Included in the topic guide were extra issues to broaden the discussions. At least in one instance, a participant suggested extra topics to be included.

Objectives of the study:

Explore the social history of the Government of Ghana public financial management (PFM) reforms

Explore reform design, processes, and procedures of implementation

Explore the organisational and institutional arrangements and impact of the reforms

Bridge the gap between the academic literature and practice in public financial management reforms

Support the better implementation of Ghana's PFM reforms

Discussion topics:

1. The rationale behind PFM reforms in Ghana
2. Design of the PFM reforms
3. Ownership of the reform
4. Techniques deployed in implementing the budget, accounting, and accountability reforms
5. Impact on government programmes
6. Processes of knowledge and skills generated through reforms
7. Impact on control mechanisms- compliance improvement
8. Professionalization and impact on the identities of managers, or planners, or economists, or accounting staff in the public service
9. Credibility of the reforms
10. In addition, participants were given unrestricted range to comment on any issue they consider pertinent to the study objectives

Propositions behind the research question and topic guide: Yin (2014) has suggested two levels of questions: Level 1 questions that were directed to the participants in the topic guide; and the Level 2 questions that are asked of the case and specified in the propositions. By doing this the researcher

distinguished between what the verbal line of inquiry was from the mental line of inquiry. The propositions direct attention to what must be studied, that was held by the researcher, and guided evidence collection. For this study, the researcher developed four propositions are set out below:

1st Proposition:
Accounting Practices are changing because of the reform; or Accounting Practices are not changing, even with the reform interventions.
2nd Proposition
There has been diffusion/ translation/internalisation of the key reforms There has not been any diffusion/ translation/internalisation of the key reform at the collective level, and it is "business as usual".
3rd Proposition
Participants really understand the rationale for the reforms and understand the key concepts in their areas of operations Participants do not understand, or partially understand the rationale of the reforms and only partially understand the key concept
4th Proposition
The reform interventions aim at behavioural reforms (changing attitudes and impacting new values, instituting new practices, and deinstitutionalising obsolete practices) The reform aim at just technical fixes and legislative changes and do not address behavioural changes sufficiently

In the semi-structured approach, participants were asked to provide an account of their involvement in the Public Financial Management reform processes and to express their views on whatever aspect of the reforms depending on the extent of their involvement and knowledge. The aim of the interviews was to check on 'what is going on' with the Ghana reforms from the viewpoint of the participants. To allow a reasonable period for the iterative process of data collection including interviews and participation observation, the data collection process was spread over approximately one and half years: from November 2017 to May 2019 and observations beyond that to period approximately March 2020. With this duration the researchers reached a saturation point in data collection.

The total duration of recorded interviews and other materials was approximately twenty-five (25) hours with an average of thirty-nine (39) minutes per event as evidenced in Appendix 2.

3.8.3 Observations

The covering letter to the gatekeepers requested for the researcher to attend some of the reform meetings, but that to a large extent did not happen. However, on one occasion the researcher was

invited to attend an IMF conference in Ghana where reform issues were discussed by Ministers and other senior officials in an open forum. It was possible to record and transcribe the relevant portion of a minister's speech. Observation methods for this research did not depend on the attendance of internal official meetings. I have adopted what Tedlock (2005) has described as autoethnographic methods which mainly require closeness and engagement with officials in government offices in Ghana. The observation went beyond observing participants to "observation of participation" in the reform (Tedlock 2005), thereby turning the "anthropological gaze" inward as well as outward in several directions creatively. For example, the researcher recorded Ghana TV and radio broadcasts when reforms were discussed. I followed Ghana TV stations, which regularly broadcasted the proceedings of Parliamentary Accounts Committee (PAC) and discussed reform issues by government officials. The websites of the Ministry of Finance and the Ghana Audit Services (especially the later) discuss reforms issues on U-tube which offered valuable materials for the research.

3.8.4 Documentation reviews

Secondary data sources were provided by officials to the researcher, sometimes from private archives as listed in Appendix 1. Most of the documents which should have been in public domain, but often were not. None of the materials collected are official secrets but some are confidential, considered as "proprietary" with access given at the discretion of the official depending on the approval (tacit or otherwise) from a 'gatekeeper'. Like the interviewing process there was a degree of snowballing in collecting working documents which were made available to the researcher, sometimes voluntarily, and other times upon request. Other sources of documentation such as archives and websites were used.

3.8.5 Ethical considerations

Every interview participant was given an information sheet and a consent form ahead of the interview. The participant's information sheet clearly stated the purpose of the research and the data protection protocol. Participants were made aware that the interview would be audio recorded and transcribed; and that they could withdraw at any stage during the research process, without giving reasons. The researcher in addition promised anonymity, but not confidentiality. It was made clear that where anonymity needed to be broken, the participant's permission would be sought. In the interviews undertaken, all participants agreed to be recorded; in addition to signing the consent form.

3.9 DATA ANALYSIS

3.9.1 First cycle coding

The research has applied systematic conceptual and analytical discipline to undertake a credible interpretation of the field data (Gioia et al, 2012). The transcripts were coded using gerunds (present participles) to bring out the process of the reforms (Charmaz 2014). The first cycle coding procedure produced several thousand codes as I tried to adhere to the informants' terms, focusing on emerging concepts, without aiming to identify categories. Using a "process" and "in vivo" coding techniques (Saldana, 2016), in the first cycle I coded 26 transcripts of field interviews. Coding with gerunds gave a strong sense of action and sequence, as well as supported the analysis from the perspective of the research participants by preserving the fluidity of their experiences (Charmaz, 2014).

The underlying strategy was to interpret an insider's view rather than an outsider's view, by not standing on the side-lines, but by interacting with the data, and intercepting the meaning from their perspectives. Ethnographically, every effort was made to meet the participants where they were (Ellington, 2015) with the understanding that the process was heuristic (Saldana, 2016)

3.9.2 Memo writing

Accompanying the coding processes, the researcher wrote analytical memoranda based on the observations from the field, documentary evidence and prior knowledge of the subject to explain the data. In the case of this research a typical 1-hour of transcribed data generates about 150-200 initial codes, the same provided about 20 memos. The contents from the memos from each individual script were compared; and were deployed in pruning down the codes, leading to the development of the categories in the data structure. The list of the key memoranda produced during the process of the research has been attached as Appendix 3.

3.9.3 Identifying the Core Category

The first cycle coding opened the interview data, while the axial coding helped to bring them back together. I adopted the paradigm model suggested by Strauss and Corbin (1998) (causal conditions, phenomenon management, intervening conditions, strategic actions/interactions, and consequences) to provide an analytical description of the reform phenomenon. The concepts that emerged from the first-cycle coding were further developed into axial codes from which the categories and sub-categories were identified. The study also derived the properties and dimensions of these categories to yield a narrative of the reform phenomenon.

The participants' interview responses reflected the various stages of the reforms including their initiation, design, implementation, challenges, and the achievements and other categories and sub-categories. These categories are abstractions developed by comparing the concepts coded from the

individual interviews, and so they go beyond the contribution from an individual, or an organisation. Based on our analysis we hypothesized and grouped the 69 concepts from the open coding into six central categories: automating systems; budget credibility; re-engineering financial management; professionalising financial management; reforming for accountability; and reforms credibility. By relating these six categories I developed a substantive theory based on the budget credibility logics as the core category. This is reflected in the data as well as grounded in practice. As an abstract concept, it captured Ghana's IPFM reform experience.

3.9.4 Theoretical Sampling

During the axial coding and analysis, I developed tentative answers to the question of "what is going on" by discovering that budget credibility logics was the binding constraints of the IPFM reforms. The second order analysis led to the formulation of questions on budget credibility which were used in subsequent interviews. Developing the central category drew on theoretical sampling and interviewing four key participants. These four additional interviews supported the selective coding of the main categories.

3.9.5 Axial coding

In the analysis I moved from a mere description of phenomena; and begun to provide an account of events, incidents and happenings through a rigorous theoretical process using the paradigm model suggested by Strauss and Corbin,1998 (causal conditions, phenomenon, context, intervening conditions, action/interaction strategies, and consequences).

To reduce the number of codes to a manageable proportion I developed axial codes for all categories (as a way of putting the data back together by relating the categories through their properties and dimensions) based on the phenomena present in the interviews (Strauss & Corbin, 1998). The axial coding process, by asking questions and making comparisons, performs four analytic functions almost simultaneously:

> These are:
>
> (a) *The hypothetical relating of subcategories to a category by means of a statement denoting the nature of the relationship between them and the phenomenon*- causal conditions, context, intervening conditions, action/interactional strategies, consequence.
> (b) The *verification* of those hypotheses against actual data.
> (c) The *continued search for the properties* of categories and subcategories, and the dimensional locations of data (events, happenings, etc.) indicative of them.
> (d) The beginning exploration of *variation* in phenomenon, by comparing each category and its subcategory for different patterns discovered by comparing dimensional locations of instances of data Strauss and Corbin (1978 pp. 107, with emphasis by the authors)

The operations of these steps are provided in the matrices for each of the axial codes with the mapping of the sixty-three sub-categories into the six main categories shown in Appendix 5.

Glaser and Strauss have said that:

> Although this use of comparative analysis is not, of itself, our goal, it is definitely subsumed under our goal. To be sure of the veracity of our evidence, we checked from reform documents and cross-referenced to what other participants said. However, we were not concerned with hundred percent accuracy, for even if some of our evidence is not entirely accurate this will not be too troublesome. For the purpose of generating theory it is not the facts upon which we stand, but the conceptual category (or a conceptual property of the category) that was generated from it. As concept may be generated from one fact, which then becomes merely one of the universes of many possible diverse indicators for, and data on, the concept. These indicators are then sought for the comparative analysis. (Glaser and Strauss, 1967 pp. 23).

In this study the 69 axial codes (which have been set out in Appendix 5) were reduced to 10 categories. These 10 categories were then further pruned down to six categories, out which emerged the core category from which the study developed a substantive theory of Ghana PFM reforms.

3.9.6 Selective coding and theory articulation

In selective coding I explored the interrelationship between the categories (Creswell, 2005) as part of the theory building. In the analysis I related the core category (Budget Credibility) to the other five main categories to provide the context of the emerging substantive theory. In deriving the six categories, I developed their properties and dimensions, that brought together all the 69 categories. In the selective coding I focused on relating the 6 categories to each other. I did this with a view to 'make it possible to evaluate the adequacy of the research procedure and its outcomes' (Dubois and Gadde ,2002; Eisenhardt,1989). Dubois and Gadde argued that in a good theory development, researchers should abide to the principle of parsimony by being selective in what they present, and not making the theory 'overly complex and say very little about very much' (pp. 559).

The data collection proceeded along with the remaining analysis in a complementary manner, focusing more on the emerging core category (budget credibility). For example, I sought to clarify how budget credibility was affected by the prevailing view of government officials that the annual appropriation (passed by Parliament) is only an estimate, not a law.

Table 3.2: Relationships between the Core Category, the main categories, and sub-categories

	Sub-categories	**Categories**	**Paradigm components**
1	Medium term development planning/ budget planning and formulation/coordinating and preparing the estimates/ Costing of Budget /executing/	**Budget Credibility**	**Phenomenon**

	Procuring /composite budgeting/ monitoring budget transfers/rigidities/fiscal discipline/transitioning (ABB and PPB)/ monitoring performance/domestic revenue/MTEF/managing cash and TSA		
2	Social accountability/ Improving Auditing/logistics for audit/oversight/audit reforms/ reporting, accountability, and efficiency	Accountability and Transparency	Causal Condition
3	Changing identities/rent seeking/fiduciary role/	Professionalism	Phenomenon Management - Context
4	(politicising allocations/payroll (compensation)/donors/ accepting standing practices)		Intervening conditions
5	Learning/ selecting consultants/ integrating solution/ designing of systems/ using technology Capturing financial transactions in GIFMIS/ Budget Execution/ Sector financial management / making payment/accounting/ banking	Automating. Re-engineering financial management	Actions/Interaction strategies
6	Initiating reforms/ designing the reforms/ Knowledge translation and Diffusion/ Commitment /ownership/problematizing issues/comprehensiveness/championing/ Sustaining	Reform and policy credibility	Consequences

This research leads to a substantive theory based on budget credibility as the core category. The relationship between the budget credibility and the main categories and sub-categories, derived empirically, has been provided in Table 3.2. The last column of the table shows that the causal condition of budget credibility is the failure of accountability and transparency; the management context if provided by the professionalism of public servants. The strategic actions and interactions for addressing budget credibility issues is the automation of systems and financial management re-engineering. The intervening conditions are both internal and external provided by government political interventions in the budget processes and donor conditionalities, respectively. The consequences are the reform and polity credibility.

Derived from these relationships, the emerging substantive theory in the Ghana case has three elements that state that:

(i) in situation of poor accountability and transparency in public expenditure, there will be a lack of budget credibility resulting in poor to mediocre reform outcomes.

(ii) In a situation of poor budget credibility, internal political and external donor interventions in the budget processes weaken both the budget and PFM reforms.

(iii) The PFM reform strategic actions and interactions, including actions such as automating financial systems and financial procedures re-engineering, must focus on improving professionalism, and professional accountability by reducing donor and political interventions in the budget implementation processes

This substantive theory is reflected in the data as well as grounded in practice in the government of Ghana. Without a credible budgeting process (mostly at the implementation stage) in Ghana, it has been impossible to implement meaning reforms. This may not be the case for other countries that have embarked on PFM reforms. For those countries, their contexts will determine the most important singular critical factor. (Glaser and Strauss, 1967 pp. 23) have said:

> In discovering theory, one generates conceptual categories or their properties from evidence, then the evidence from which the categories emerged is used to illustrate the concept.

They have noted that in grounded theory one does not aim to know the whole field or to have all the facts through a careful random sampling approach, or to provide a perfect description of an area, rather I aim to develop a theory that accounts for much of the relevant behaviour. The analysis is therefore to "-generate general categories and their properties for general and specific situations and problems" as a theoretical guide (Glaser and Strauss, 1967 p.30) to PFM reforms actions in Ghana.

In developing this substantive theory for PFM reforms, the study adopts the strategy of comparative analysis for generating theory, which places a high emphasis on theory-as-process (Glaser and Strauss, 1967). That is with theory-as-process, our aim was not to generate a perfected product, but an entity that has a feeling of ever-developing to it, and 'allows it to become quite rich, complex, and dense, and makes its fit and relevance easy to comprehend' (Glaser and Strauss, 1967 pp.32)

This study has developed this substantive theory based on the three waves of IPFM reforms that have been implemented within the last three decades in Ghana, all of them performing poorly to mediocre. The key message that emerged from the interviews was that whilst the reforms have faced challenges there have been successes in drawing up new legislations and in implementing automated electronic systems. But substantive reforms have not happened, and temporary improvements are often reversed. The study theorises that this is due to the prevalence of poor budget credibility. The credibility of the reforms itself has come to depend on the credibility of the budget (for not implementing it as intended).

3.10 CONCLUSIONS

This chapter has discussed the research methodological issues, starting with the personal context of the researcher, and the research philosophy and paradigm. The research philosophy and the personal context motivated the selection of an interpretivist- constructivist paradigm for this study. This choice was made after evaluating the relative merits of the dominant positivist-functionalist and the post-positive paradigms. The philosophical assumptions are embodied in pragmatists' methods, including grounded theory informed methods adopted for this research.

With the failure of the functionalist literature to address context of reforms adequately, the rationale for adopting the interpretivist-constructivist methods was that PFM reforms, incorporating accounting change, is associated with a number of problematics that were addressed in the research strategy, the design, and the techniques employed. In the nature of the problematics of public sector accounting change is the implicit assumption that the units being studied are complex social objects, non-linear in characteristics that reflect their context specific rules and interactions. Accounting has multiple ontologies, and accounting change is a drift with no pre-determined outcomes

An interpretivist- constructivist approach creates deeper understanding that goes beyond functionalists' explanation of reforms because accounting functions do not help explain what makes it change (for the function does not examine the conditions, origins or intentions of accounting change)

In addition, the interpretivist-constructivist approach has the potential to support a causal and intentional explanation of reforms. Causality enables researchers to relate the empirical category to each other to develop a substantive theory ground-up.

The non-functionalist and non-deterministic framework adopted for this study supports both the institutional logics and processual narrative approach. The processual narrative undergirded by symbolic interactionists' pragmatists philosophies in combination with institutional logics approach bring out novel ways to accounting change and reforms through the perspectives of individuals, ministries, political parties and so on, rather than through structures. This flexibility in studying accounting change calls forth an interpretation of group action through the notion of acting units. This study addresses this through the various polities of Ghana.

The chapters that follow takes the framework forward by examining the dimensions of history and culture and economics and culture in chapters 4 and 6 using the processual narrative. Chapter 5 deepens the discussions on the budget credibility as the core category and the substantive theory developed in this chapter by applying it within institutional logics framework. This if followed in

chapter 7 which uses takes the institutional logics framework to discuss why and how suboptimal accounting practices are maintained in the Ghanaian public sector.

CHAPTER 4: CONTEXT OF CHANGE OF GHANA'S INTEGRATED PUBLIC FINANCIAL MANAGEMENT (IPFM)

4.1 INTRODUCTION

The previous chapter provided the theoretical grounding of the processual approach, and how it has been translated into studying organisational change (Dawson, 1994). This chapter sets out the contextual background of the study using a processual narrative which outlines the evolution of the Ghanaian public financial management practices.

4.2 LITERATURE ON GHANA IPFM REFORMS

There is a paucity of specific academic literature on Ghana's IPFM reforms, with a few exceptions (Roberts and Andrews ,2005; Lassou,2017; Lassou et al., 2019; Rahaman,2009) the existing literature is mostly on the general public sector administrative reforms as opposed to public financial management (for example Ohemeng et al.2015). The extant literature on Ghana budget and accounting reforms (such as Roberts and Andrews, 2005), Betley et al.,2012) are 'normative' in the sense of being prescriptively political economy, in their explanation of the reforms.

There is a broader Ghana public sector reform literature, but they are mostly concerned with accounting or performance issues in individual state-owned enterprises, such as the Ghana Food Distribution Corporation (GFDC) (Uddin and Tsamenyi,2005), and the Volta River Authourity (Rahaman and Lawrence, 2001a); or in a specific sector ministry (such as Abekah-Nkrumah and Nomo, 2012). Uddin and Tsamenyi (2005) drew on Giddens idea of dialectics of control to examine reforms in the GFDC. For example, Rahaman and Lawrence (2001a) paper mobilised the constructs of "negotiated order" to explore how it could illuminate accounting practice within the social and organisational contexts of the Volta River Authourity in Ghana. Their paper brought together the notion of balance of power and the specific historical context of the organisation as the important preconditions underlying the accounting system and its change. The process of change was achieved through shifting the balance of power through power dynamics in the organisation. Whilst making references to Foucauldian conception of power and Gramsci hegemonic influences, their studies focused on technical rational, socio-historical, and socio-economic perspectives and how they impact on the management processes including accounting systems design and change. The researchers found that contrary to the technical merits of the financial management system in place in that organisation, accounting took place in a context of a negotiated order; and that the accounting procedures did not relate to the conventional notions of economic rationality.

Their paper's main contribution was that accounting systems design, maintenance and change processes are interwoven in organisational negotiation processes (or the social relations) that is often neglected in conventional analysis in the development countries' context. It gave a useful insight to accounting practices in one of the state-run organisations in Ghana but not the reform processes in central ministries, agencies, and departments.

I briefly highlight below three papers (Rahaman, 2009; Lassou et al., 2019, and Killick, 2008) on the broad IPFM reforms to position our current effort. Rahaman (2009) examined the role of independent financial auditing as a crusade against financial management through a Foucauldian-inspired theoretical framework drawing on concepts such as 'technologies' of government and 'visibilities' made possible through financial auditing. This paper takes on an aspect of the IPFM reforms but does not deal with the intricacies of a full-blown financial management reforms, and the author acknowledged the limited reach of his findings.

Lassou, et al. 2019 put on a cultural political economy lens (Hopper et al., 2009) to compare the Ghana reforms to another west African country, Benin. He mobilised the neo institutional concept of decoupling to describe the performance of the reforms, of which he attributed the poor performances to neo-patrimonialism and neo-colonialism. This recent paper went further than most in providing a theoretical explanation of the IPFM reforms. However, it did not attempt to address the social practices and the myriad institutional issues that inform neo-patrimonialism and patronage behaviour.

Another salient paper that has some bearing on our research is Killick (2008). He provided an analysis of Ghana budget management drawing on three theoretical strands to explain the neo-patrimonial behaviour of public official in Ghana: political economy explanation; Ekeh (1975) 'two publics'; and Frimpong-Ansah's (1991) notion of 'vampire-state'. Killick paper focused on Ghana, but it provides an example of an analysis that can easily be extended to the rest of Africa. Killick's paper showed that the application of neo-patrimonial theory has been around for a while and recently re-applied as in Lassou et al. (2019) and Goddard et al (2016). Killick's paper is useful platform to build upon as it advanced the importance of the concept of polity, and the need to understand it better, in the political economy analysis of Ghana's public expenditure management.

4.4 CONTEXTUAL COUNTRY BACKGROUND

Ghana was the first sub-Sahara African country to gain political independence from British colonial rule in 1957 under its first prime minister Kwame Nkrumah, who subsequently became the president of the first republic in 1960. Ghana was the first African country to experiment with socialism from 1961 to 1966 under a "Seven Year Plan for Work and Happiness" programme. This plan was abrogated after by the first coup d'états in 1966, then the Second Republic, and the 1971

coup d'état, followed by military rule that lasted almost two decades (1992), intermeshed by a short period of civilian rule in 1980/81.

At the point of independence, the political leadership continued to use the systems, structures, and personnel left over by the colonial administration for at least the first three years (1957-61) of the administration. There was a process to Africanise the public service, including the senior military staff, but qualified personnel were in short supply and the changes were done on a voluntary basis. The main systems, including the financial management systems, were therefore left intact. The prevailing philosophy at the time was that to achieve rapid economic growth, what was deemed necessary was for Africans to run the colonial institutions themselves (Fitch and Oppenheimer, 1966). This strategy complemented an economic policy that emphasised attracting foreign capital to industrialise the country, eponymously called the Lewis Era.[18] 'During the "Lewis Era" Ghana experienced a rapid deterioration of her balance of payments position, loss of huge amounts of external reserves, and failure to attract anywhere near the amount of foreign capital that Lewis counted on to assure Ghana's industrial future' (Fitch and Oppenheimer, 1966 pp 83). It was during this crisis and the decision by the government to Africanise the military top-brass, due to neo-colonial aggressions in other parts of Africa (in Congo and Rhodesia), that led to the first coup d'état in 1996[19].

After several coup d'états followed by military dictatorships, there was economic and social decline and extreme hardships in the 1970s and 1980s. Ghana began to stabilise under the 4th Republic in 1992 when she returned to democratic rule in 1992. In official documents Ghana prides herself for being a "star pupil" of the IMF (CSPIP Diagnostic Report of MoF, May 1998). Ghana has been an African model for democracy after three peaceful transitions of power between different political parties. The results of both the 2012 and 2016 closely contested elections, coupled by three peaceful transitions of power between different political parties since 1992 has confirmed the country's overall commitment to democracy and the rule of law[20].

Ghana's population has grown rapidly from about 15 million in 1990 to the current level of 30,417,856 in 2019 (and 30,911,321 in 2020) (World Population report 2020). The Human Capital Index ranking, that shows how well a country is developing and deploying its human capital potential, places Ghana 84th in 2016 (among 130 countries) and 116th in 2018 (among 157

[18] The pre-1961 policy was formulated by W. Arthur Lewis a renowned economist and the author of the Theory of Economic Growth, London, 1955

[19] There are several accounts of the causes and effects of the 1966 coup given by people of different political and economic persuasions (for example see Business Abroad, March 21, 1966, Vol.91, pp.13-14 for the pro-business view of why Nkrumah's overthrow was welcomed)

[20] The 4th Republic started in 1992. The results of the 2012 and 2016 elections were on a knife-edge and tested the country's commitment to democratic elections.

countries)[21]. In 2016 Ghana's score of 64.70 (out of 100) puts it ahead of many African countries including South Africa, Botswana, Kenya and Nigeria, but well below the best-performing countries such as Finland (ranked first with a score of 85.86). In 2018 the score had fallen to 44 (out of 100, but still ahead of (South Africa, Botswana, Nigeria but not Kenya).

Despite some progress and achievements there is a wide poverty gap in Ghana. The Ghana Living Standards Survey of 2013 estimated that, of the population of about 26.3 million, 20% of those over 15 years and above have never been to school compared to 14.7 % who have acquired secondary/ senior secondary school or senior high school (SHS) or higher-level education. Poverty is pervasive, and about a third of the population is estimated to live below the poverty line. The 6th Ghana Living Standard Survey conducted in 2012/13 showed a reduction in poverty from 31.9% (2005/06) to 24.2% (2012/13). The Gini coefficient remained at 0.42 points, however, with significant inequalities visible between the north and the south as well as between rural and urban areas. In addition, the structural transformation of the economy over the past decades has been slow and unemployment remains a challenge; specifically, youth unemployment/underemployment is considered as a challenge to security and peace[22].

Ghana's economic performance has been mixed. GDP stood at about $5.2 million in 1990 (with a per capita of $400). After lacklustre performances in that decade and the early 2000s, however, Ghana experienced an average growth rate of 8% in between 2007 and 2013, buoyed by oil revenues and the strong export performance of gold and cocoa. The re-basing of the GDP to a 2006 base-year increased Ghana's GDP per capita to over US$1,000 in 2010, propelling Ghana into the ranks of middle-income countries. The strong economic growth during that period was reflected in a reduction in the levels of poverty, but inequality nevertheless has persisted. Ghana has not always been able to use its potential to achieve sustainable economic development. Despite its vast natural resources, including cocoa, gold and other minerals, Ghana has not been able to re-structure the economy away from being a producer of primary produce, and to remove the barriers that stand in the way of faster development progress. Government debt February 2017 stood at 74% of GDP, thereby creating limited fiscal space (PEFA 2018). There are weaknesses in the financial position in several state-owned enterprises (SOEs) in the utility sector, and large quasi-fiscal activities and extra budgetary spending.

There are budget rigidities caused by extensive revenue earmarking for statutory funds, high wage bills and interest payments that exceed revenue, severely constraining fiscal space. Table 4.1 below, demonstrates what has been a chronic situation of deficit financing of the budget, often accompanied by absorption of expenditure in employee costs and repayment of interest on debt.

[21] Source: https://en.wikipedia.org/wiki/Human_Capital_Index
[22] The source of data is taken from the (GLSS 6 of 2012/13)

In addition, there is revenue erosion through pervasive exemptions and lack of compliance weakening the tax base.

Table 4.1: Comparison of Budget and Programmes (percent of Budget of GDP 2017 to 2018)

	2017		2018
	Budget	Projection	Projection
Revenue (Revenues are net of the revenue authourity, GRA's, retentions and tax refunds. It includes net internally generated funds (IGFs) by ministries, departments and agencies channelled through the budget)	19.8	18.9	18.6
Expenditure:	26.6	25.2	22.4
Compensation employees	7.9	7.9	7.8
Interest	6.9	6.5	5.9
Transfers	4.6	4.4	4.3
Goods and services	1.7	1.3	1.2
Capital expenditure	3.6	3.2	3.3
Other expenses (includes payment of arrears and unpaid commitments)	1.8	1.8	0.0
Overall Balance	-6.8	-6.3	-3.8

Source: IMF 2017 Article IV Consultation, 4th Review. September 2017

Arrears accumulation is another recurring problem, which reflects the government's inability to formulate and manage credible spending plans (IMF Article IV Consultation, 2017). Under a recently completed IMF programme the immediate priority of government to institute fiscal discipline in a credible adjustment path, which went beyond the central government's operations to encompass the broader public sector. The IMF report drew the conclusion that whilst progress has been slow, the coming on stream of oil production and the development of the gas energy infrastructure and the petrol-chemical industry have the potential to transform the economy, to develop the value-added chain, and to build a more diversified agro-industrial base. The report also found that prospects of Ghana were good provided it could improve the performance of its public financial management systems to improve the efficiency of the government machinery to deliver programmes and policy goals.

Historically, there seemed to have been some consensus that 'state- failure' was the main cause of Ghana's decline between 1950-83 (Frimpong-Ansah, 1991; Rimmer, 1989, 1992; and Austin,

1996). However, the root causes of decline are much deeper, and persistent as argued in the *Ghana Institute of Fiscal Policy Brief* (No.2, January 6, 2017). They found that:

> The Ghana economy has maintained virtually its "colonial structure" for over 60 years after independence as it still depends largely on cocoa, gold, timber - and recently oil - as the main export commodities. Exported raw and unprocessed form, these commodities fetch low prices in international markets, where Ghana is a price taker, rendering the economy vulnerable to terms-of-trade shocks.

This developmental challenge has persisted from the colonial period to present times. It seems there is high political costs in attempts to transform the economy. Whitfield (2010) has identified such costs to include a land tenure system dominated by tribal chiefs, an unaccountable civil service structure, and a neo-patrimonial political system. The public sector has been inefficient resulting in macroeconomic instability and barriers to private sector investment (Whitfield, 2010). Adding to these woes is that Ghana has become aid dependent, which is confirmed by the rhetoric of more recent political regimes who want to change it.

Ethnicity as a cultural factor in influencing politics and public administration in Ghana has also been highlighted (Hopper et al., 2009). Arguably, they noted that Ghanaian politics follow ethnic lines. However, that argument can easily be countered because Ghana's situation cannot easily be reduced to simple ethnic differentiation and stereotypes as in other countries. Political parties are nationwide and past presidents have come from different ethnic groups some of them not necessarily the largest. In that sense there are other major determinants of political power than simplistic ethnic line in Ghana.

Religion has always been part of the social structure in Ghana: either in terms of the traditional belief system; or axial religion such as Christianity which came as part of the European colonial heritage, and Islam which dominated a large part of Africa before the European colonisation. However, recently religious evangelism has become an influential factor in social and political lives, almost eclipsing the idea of a secular state, and producing its own brand of values and selective contradictory morality mixed with a 'get-rich-quick' salvation.

Political and economic ideologies have varied over time going from African socialism and one-party rule heralded by Nkrumah and Nyerere (of Tanzania) in the early 1960s, to a liberal-conservative ideology in the late 1960s. The current political ideology wavers between liberal democrats and social democrats, even though against the backdrop of neoliberalism propagated by the IFIs, this bifurcation is superficial. The policy differences between the two main political parties in Ghana are insignificant with both supporting state-capitalism. Political power derives from a culture of personality worship fuelled by the traditional ancestral belief systems, the presidential system of government and the low levels of literacy, and superstition. (Hopper et al. 2009) sums the situation up by noting that:

> State capitalism assumes a populace and state committed to nationalism, modernisation, legal rational governance, and secularism but in variegated ethnic, religious, or cultural environments political survival is fraught and bureaucratic rationality difficult to maintain. Educated elites, politicians, and senior civil servants are inter-linked, powerful, and can reap large benefits from office, sometimes illicitly.

The personality driven political power drove Ghana's financial management system into the abyss starting in the 1960s which was aggravated throughout the 1970s under military dictatorship leading to a popular military-cum civilian revolution of 1979. In 1984 the newly revolutionary government accepted the IMF/WB package of measures to implement an economic recovery programme.

This study argues that the successive reforms that followed are best understood against the background of successive failures of development policies during and after the cold war years' increasing globalisation (Hopper et al., 2016), world society insights (Drori, 2009; Meyer et al, 1997), pernicious corruption in public life (Lassou et al., 2019), rapid technological advancement; poverty on a continental scale; and international hegemonic influences on national policies. These are just a few of the influences on the Ghanaian society and its quest to transform the implementation of administrative policies and accounting practices.

With the occurrences of several coups the period before 1979 coup d'état and the 'revolution' and thereafter witnessed a persistent breakdown of the social relations and established institutions of society. This was manifested in the dealings between store owners, street peddlers and the general public in the markets; the general public in obtaining public services from the schools, hospitals, police, and even from the military. This can be described in Durkheimian terms as *anomie* evidenced by a disorganised and chaotic public sector management including absenteeism, moonlighting and *kalabule*[23]*;* nation-wide student strikes. Corruption that was always present became an institutionalised way of doing business in Ghana. Parsons avers that "Anomie is precisely this state of disorganisation where the hold of norms over individual conduct has broken down. Its extreme limit is the state of "pure individualism" which is for Durkheim as it was for Hobbes the war of all against all" (Parsons, 1968 pp 377).

In the public sector accounting little attention was paid to the official budget, accounting, and auditing functions. With escalating inflation officials found the inflation and exchange rate assumptions behind the 'approved' budget figures to be unrealistic[24]. This meant that figures became extremely malleable, and that initiated an institution of not implementing the budget as planned. The accounting function was undermined by the lack of qualified accounting

[23] Kalabule is the local name of arm-twisting antics of officials.
[24] Ghanaian officials maintain to this date that the approved budget figures are only estimates.

professionals in the public service, turning the accountants into bookkeepers and the function as a control tool and very little else. The accounts were not prepared resulting in over a decade backlog of public accounts by 1992. The auditors were brought into transaction management, giving pre-spending approvals, and not focusing on their accountability role.

As the empirical data reveal, these states of affairs, to varying degrees, persist at the time of conducting this study between 2017 and 2019.

In the rest of this section, I analyse the phases of financial management reforms in Ghana within the context of institutional evolution.

4.5 PRE-INDEPENDENCE TO 1966

The post-independence financial management systems in Ghana were shaped by the pre-independence systems in colonial administration. Priestley (1974) highlights the design issues of British colonial financial management reforms dating back to the 1930s, which led to the creation of the present-day Ministry of Finance, Accountant General Department, and the Treasury.

There was a gradual transition marked by collaboration at pre-independence between1951 to 1957, that historians have defined as the diarchy (Austin, 1976). But the post-independence changes were just in personnel and not the underlying system and institutions.

During the period of the immediate post-independence all the civil service positions were mostly manned by British personnel, but there were Ghanaians in political positions. After independence on 6 March 1957 some of the British civil servants stayed on years after independence, but by 1961 most of the British staff were replaced by Ghanaians. However, the system itself was not given much of a facelift even after Ghana adopted a socialist political system from 1961 to 1966. The cover of the civil service rule books changed, but not much of the content. This is what Robert Dodoo (the former head of the OHCS) described in another context as '"badge engineering"-changing the label but leaving the product untouched (Dodoo, circa 1994 pp. 19).

In public financial management, attempts were made to adapt practices to post-independence aspirations of economic development, but any gains were reversed by the subsequent economic decline in the 1970s. At the time of independence, the Ghana had a traditional budget system of line-item budgeting. The budget was structured based on "heads, subheads, items, and subitems of expenditure with appropriate account numbers" (Premchand and Talat, 1986). The system at that time was designed to facilitate line-item control of the budget, and not to support development planning and economic analysis. The first attempt to implement program and performance budget goes back to 1960-61 when it was introduced "in phases in order to ensure an orderly evolution of the system" (Premchand and Talat, 1986). That change required departments to provide the

narrative for their programmes, which were divided into activities and then to six items and their sub-items of expenditure. The budget was made of two primary books, namely the "Annual Estimates" and 'Project Analysis and Salient Points'. The latter contained the classification of the budget on the bases of economic and per functions of government. In 1966-67, after the first coup, a sectoral classification was introduced to enable programmes to be identified within sectors., which were broad sectors of the economy. Each sector was divided into chapters, which represented administrative units responsible for a given programme. The programmes that were introduced remained in those few sectors, but even for them the classification was not fully implemented.

The existing narrative is that Ghana was the best-in-class in Africa at the time of independence measured in terms of per-capita, economic growth rate, literacy rate, cocoa, and production (Tsikata, 1999). In more recent times this narrative has been expanded to international comparisons with Singapore, South Korea and Malaysia which emerged as nation states about the same time as Ghana (Ghana Government reforms broadcast on Ghana Radio throughout October 2019). The rapid decline of the country in the 70s and 80s is traced back to this period's heavy government interventions, *dirigiste* policies of public sector expansion, and Nkrumah's political ideology.

Such accounts are institutionalised scripts of macro-structural analysis, which tends to neglect the social history and the polity of Ghana. For example, comparison with Korea is misleading (as most international comparisons often are, unless they are controlled for the critical factors). Korea's social orientation and work ethics causes a lot of stress, and the country tops the world in dissatisfaction in life ratings, and suicide rate for the young (10-19 years old) (Yoon Min-sik, 2015). Whereas Ghana's 'national character' fosters a more laidback approach to reforms and in delivering developmental outcomes. About how not serious Ghanaians take reforms, a few participants said:

> look leadership is very important in reform, you can't be playing [games] with the leadership, over the past ten months I've seen three heads of GIFMIS, are we kidding? (Participant G4, from Ghana Audit Office)
>
> Please let us be serious. We are not getting our required amount of revenue from these telcos [telecommunication companies]. Either we don't understand their operations, or they don't understand it (A cabinet minister, G23)

These indicate that there is a lacking sense of urgency in delivering performance results, but it goes beyond that to what some scholars have argued as 'our culture' where there is 'a certain reluctance to pursue excellence or perfection' (de Graft-Johnson, 1986 pp.227).

There is also another narrative implied in Fitch and Oppenheimer (1966). They portrayed a country with colonial export orientation (of minerals and cocoa), mostly illiterate population, and peasant cocoa small holdings that were over-taxed in the colonial period and continued after independence.

Eventually it sapped the energy and motivation from the population. Everybody wanted to have freedom, and the country did not generate skills for people to be gainfully employed. When the promises of the "Lewis Era" did not materialise, Ghana sought official foreign direct investment assistance from wherever possible (East and West). The political leadership became caught up in the cold-war and Nkrumah joined up with Nasser, Nehru, and Tito to form the Non-Aligned Nations forum in a putative attempt to counterbalance the two superpowers with a third block. Within Africa also, the continental politics including the liberation of other African countries were perhaps given more priority than internal socio-economic development.

The Africans in the civil service in pre-independent Ghana were office messengers and a few 'clerks who served as underlings of the British colonial administrators until independence. At that time there were hardly any African in decision making position, except for the few token lawyers who were co-opted into the colonial legislative council. African graduates were few, and they were mostly lawyers, doctors, and classical scholars and educationalists. Whilst some of the few graduates (particularly the doctors and educationalists) worked in the public service, they were not in senior positions until after independence. After independence, the few graduates became the post-colonial elites (Chazan, 1983), especially those who had been trained in Europe and America. But as others have pointed out the elites, "party and military governments alike were drawn from the English-speaking educated minority of which by far the greater number were still middle-school-educated and very little more than that" (Austin, 1976, pp4.).

It is this limited cadre of graduates that is often referred to in the literature as finest in Africa (Ayee, 2001). He delineated the period between the immediate post- independence to mid-1970s as the "good days" of Ghanaian civil service during which time civil servants were well trained, and well paid and resourced. But the question of Ghana having a well-trained civil service at the period of independence is a moot point, for it failed to transform itself from what has been institutionalised as a colonial organisation for exploiting the population, into a development tool. Instead, the civil service continued with what they inherited and fashioned government into an exploitative tool to continue to treat the population, made mostly of peasant subsistence farmers, petty traders, fishermen, and labourers as subjects. Not surprisingly ex-senior public servants who enjoyed the spoils of the new nation state have described the Ghanaian state as a "Vampire State" (Frimpong-Ansah, 1991, Killick, 2008). In that sense, institutional persistence and continuity have prevailed in the administration of the public service in Ghana.

The initial crop of the Ghanaian post-colonial elites were the lawyers, medical practitioners, and educationalists (mostly missionary workers), and the traditional rulers (also called chiefs) joined-up with career politicians. The challenges of managing a modern economy with a few seasoned colonially oriented administrators, supported by inexperienced new graduate recruits opened the

country to wanton exploitation from international multinational corporations. The colonial past made Ghanaian pre-disposed to consider modernity as something to aspire to and that could only come from the international cosmopolitan centres (London, Paris, New York, Rome and so on). Gift-making has always been part of the traditional culture of Ghanaians. These two factors combined to promote corruption on a large scale, resulting in the loot of national coffers. Accounting became implicated in this loot by placing emphasis on symbolic internal controls and external reporting.

4.6. POST-1966 COUP D'ÉTAT TO 1992

The post-independence social history is marked by competition between the elite groups, and in that struggle those who the state had mandated with the monopoly of violence emerged as the temporary winners. The 1966 coup marked the beginning of the armed forces and police, as a coercive force, imposing authouritarian regimes on the civil population, and changing the power dynamics in Ghana.

During this period, until about 1975 budgeting was effective as an economic management tool but begun to decline with the adoption of policies such as price control for commodities deemed "essential" for Ghana. Not-surprisingly, this include imported canned sardines, tinned milk, sugar, rice, wax cloth and whatever came from the international cosmopolitan world. Closely associated with the price-control regime, was the exchange rate controls that readily became not just an economic, but also a social indicators of a failing economy. Lowly fixed official rates drove out foreign exchange, and traders and travellers scramble for what they could get at higher rates outside the banking system. The government imposed higher taxes on both exports and imports of goods, and on services to fund even higher government expenditures. These measures proved to be destructive, resulting in more corruption and moral decline (Tsikata, 1999).

Finding ways to by-pass official classifications, schema, scripts, and norms became part of the daily routines of Ghanaians. The national budget signalled the increasing trading prices and falling exchange rate for the cedi. These subsequently sent ripples through to the market traders (albeit they operated from the street corners) instead of the stock exchange (which was non-existent until the 1990s). When government increased public service pay, that immediately signalled commodity price increases, which were officially controlled, and that led to traders withholding their wares. 'Kalabule' and other forms of informal practices thrived; and making a quick gain through informal channels (Tsikata, 1999), became widespread in society. Corruption became institutionalised in both the public and private sectors.

Default on foreign loans by the military government in 1972 was followed by loan re-scheduling in 19974 (Third World Resurgence, 1992). This begun the downward spiral of the economy of

Ghana that the military attributed to both the economic and social injustice in the international monetary arrangements including unfair commodity pricing. Defaulting on the loan repayment to the international lenders, however, resulted in the imposition of sanctions against the country until the military regime imploded in 1979. In military parlance what started as a "changing-of-guards" within the ranks of the senior military cabal who formed the government, resulted in a whirlwind that swept them aside by the lower ranks who were dissatisfied with the scale of corruption in the country that the military regime had engendered. Like the two previous coups, here again it was the social dynamics within the military as an organisation and the society that propelled changes.

During this time, the military administration developed a Financial Administration Decree (1979) and accompanying financial regulations. This marked the first real attempt to move the country away from the colonial financial management arrangements since the initial attempt under the first republic in 1961. But by the time the economy was already on a downward spiral, and the chance of a true transformation suffered a stillbirth.

Between 1979 and 1981 Ghana had the third civilian administration under a 3rd Republic, under President Limann. That government hardly made any impression on the political, economic, and social scene before it was overthrown by the same military group that handed power to them. One notable event in that period was that for the first time in Ghana's public financial management history, the government budget was defeated in Parliament.

Ideological struggles have been a latent force in Ghanaian politics from the pre-independence days. Ghana experimented with a brand of socialism that came to be labelled as African Socialism, but it was in this period that the opposition between ideologies came to a head. Intra political party infighting in Ghana has always been among social groups (as between the new elite and the disposed groups or between tribes). The pre-independent break within the UGCC that led Nkrumah to form the CPP was a fight that highlighted the emerging class struggle in Ghana (and all over Africa too). Nkrumah's success was attributed to his ability to organise the "Veranda Boys", being the urban unemployed youth and low skilled workers. During the time of the military governments, the struggled was between the political class (elites) and the military (as bureaucratic elites). This line of characterisation has not always been so straightforward as the military co-opted civilians into their administrations. But the social tensions took one form or the other: sometimes manifesting itself as a struggle between socialists and capitalists, and other times as a struggle between elite political groups and the armed forces.

Under Limann's government two left-wing groups, the June Fourth Movement (JFM) and the New Democratic Movement (NDM) emerged as the focal points of leftist activism, challenging the internal established political classes and the international capitalists' hegemonic interest in Ghana.

The details are outside of the scope of this thesis, but for our purposes here in the short run it appeared that a populist movement under JJ Rawlings, as a charismatic leader, appeared to have been on the side of the ordinary people and aiming to carry out decisive reforms and change. Starting with initial discussions and dissensions within the groups, there were those who rejected the orthodox economics solutions in preference for a *tabla rasa* approach, relying on Ghana's own resources. The country's economic situation was precarious, a series of near national disasters conspired to make the dire situation in 1982-83 worse. Amidst two failed coup attempts, in-fighting, and the failure to secure alternative source of funding from the East Bloc countries, Ghana went back to negotiate terms with the IFIs and western donors (Tsikata, 1999).

The Provisional National Defence Council (PNDC), as the new populist government settled on a far-reaching economic stabilisation and reform programme that lasted throughout the 1980s until 1992 when the 4th Republic emerged. The first set of measure were introduced under the Economic Recovery Programme (ERP) which started in 1983 with the support from the international financial institutions and donors. This was followed by a series of programmes such as the Structural Adjustment Programme (SAP), Programme and Actions for Mitigating the Social Cost of Adjustment (PAMSCAD) and so on.

In public financial management, the fiscal year was changed in 1983 to correspond to the calendar year and attempts were made to introduce zero-based budgeting at the same time. But due to capacity constraint the entire budgeting system declined and failed. The programme budget system that had been introduced in 1960-61 in phases was still incompletely done by 1986 for the few sectors in which they had been introduced, and it has not been extended to cover all MDAs (Premchand and Talet, 1986)

There was a struggle between political ideologies, which was disguised as struggle between militaristic left-wing alliance and 'technocratic' solutions. In that decisive struggle for alternative paths, the ERP was presented as a victory of the technocrats (Tsikata, 1999), albeit it was more a victory for the western international financial structures and institutions. As Tsikata explained:

> In April 1983, the Economic Recovery Programme (ERP) was presented in the budget. By this time, political momentum had shifted in favour of the technocrats. The ERP's economic thrust was essentially the same as the government's programme announced on December 30, 1982. The main difference was the language— all references to exploitation and anti-imperialism had been dropped. The program was supported by a stand-by arrangement with the IMF and a multi-sector rehabilitation credit from the Bank (Ibid pp. 18).

In theoretical terms there was an interplay between agency (in the form of the exercise of leadership) and structure. In the end the technocratic and international institutional structures won

the day. For the next 16 years (from 1984 to 2000) the technocratic-logics and international-logics held an uninterrupted sway. Tsikata continues:

> By 1984, technocrats held the day. A small high-quality group of professionals made economic decisions. Many in the group knew each other previously, and there was a high degree of trust within the group. The emphasis was on finding meaningful and practical solutions for Ghana's problems. Also important was "packaging" the reforms for presentation to the PNDC. For the rest of the decade there was remarkable continuity as there was little turnover. The group was also sheltered from the political battles to some extent. This concentrated, centralized decision making worked well in the early stages where there was more of a crisis mode, and quick and flexible decision making essential. However, as we will see, it became increasingly more difficult to implement reform this way as the decade went on (ibid pp. 19).

Economic reforms were put ahead of governance and accounting reforms, and that has been found to be influenced by the economic-centred views in the international financial institution (Hopper et al, 2016, and Rahman, 1997). Governance reforms started under National Institutional Renewal Programme (NIRP) around 1996. Accounting reforms were considered as technical and unproblematic, which was the dominant view at time. But "the small high-quality professionals" failed to appreciate the import of the framework and opportunity offered by the IMF advisors at the time to eschew financial control-logics in favour of management-logics as Premchand et al. (1990) stated:

> The proposed framework will involve a lesser exercise of direct control by the MFEP and greater delegation of responsibilities to the spending agencies. Financial consciousness is a shared responsibility, and it can be converted into day to day operations only when the spending agencies are given adequate responsibilities and opportunities to fulfil those responsibilities. Delegation of such responsibilities must be rendered in a context of adequate checks and balances. Thus, the suggested framework provides for more frequent institutionalised review procedures to oversee budget implementation, introduction of evaluation procedures, and more vigilant working on the part of the Audit staff attached to various ministries. In addition, to ensure active and full voluntary compliance, the spending agencies should be provided with incentives to improve their own management (pp. 3).

This advice was not heeded to, and the control-logics became institutionalised under the economic structural adjustment programme (SAP) and "Oscillating Reforms" programme of 1991 onwards. For better clarity, in the illustration in Table 4.2 below, the economic reforms that were initiated in Ghana have been divided into three parts: the stabilisation under the Economic Recovery Programme (ERP), SAP; and the Oscillating Reforms

Table 4.2: Ghana Economic Reforms- Phasing and Sequencing of Reform Policies (the 1980s and half-1990s)

	ERP Stabilisation (1983-1986)	Structural Adjustment Programme (SAP) (1986-91)	Oscillating Reforms (1992-96)
Pricing Policy	§Currency devalued § Price controls	§Market-based forex auction	

	removed §Wage restraint § Energy prices § Infrastructure prices	§ Interest rate liberalization	
Fiscal Policy	Tax reform § Consumer subsidies § Producer subsidies	§Medium term expenditure planning	§Medium term expenditure planning
Structural Policies	§ Simplify tariff regime and make more uniform § Reduction of negative list § Removal of import controls	§Financial sector reforms § Investment promotion § Divestiture of SOEs	§ Cocoa price to farmers raised § All cocoa subsidies for production removed § AGC floated § Additional SOEs sold/liquidated
Institutional reforms		§State enterprises' management § Civil service reform § Capacity-building in core ministries § Planning process § Statistical and information system	§ Creation of multisector regulatory agency § Coordination of donor support for public sector management

Source: Tsikata (1999) Ghana: Country Assistance Review (1996), various World Bank and GOG document

On the vertical axis are the substance of policy including:

Pricing policy: The change in policy direction with the start of the ERP was the introduction of free market-based policies in the determination of commodity prices, utilities, currency exchange rates, and remuneration. Whilst. there have been policy inconsistencies (example with wage restraints), generally price controls that had characterised earlier economic policies have been removed.

Fiscal Polices: There was a drive to raise more revenues, but the medium-term planning policy was not implemented until 1998, after the financial management reforms (PUFMARP) began in 1996. The economic narrative of fiscal performance provides an example of institutionalised script that does not reflect the social conditions of most of the population. For a country where the infrastructure has run down, and public services such as schools and hospitals have collapsed, it seems strange to parade fiscal surplus as an indicator of successful reforms, as indicated below:

> On the *fiscal* side, Ghana's fiscal deficit was significantly higher than the rest of Africa in the seventies, reaching over 11 percent in 1976, more than double the average of the continent. Beginning in 1982, Ghana's fiscal position improved tremendously; between 1983 to 1991 it registered smaller deficits (and eventually larger surpluses) than the rest of the continent. While Ghana's fiscal deterioration in 1992 resulted in a larger deficit than average, by mid-nineties it was registering surpluses and was again performing above the Africa-wide average (Tsikata, 1999 pp 29- emphasis original).

Structural policies: introduced international logics and supported market-logics through privatization of state enterprise and opening the country to face international competition of imports while its least prepared to export anything but raw agricultural produce for which it's a price-taker.

On the *trade* side, Ghana made early and rapid progress compared to other African countries. While it was classified as "closed" according to the Sachs-Warner definition in 1980, by 1985, it was one of only four countries in Africa that was classified as "open" (out of thirty-six countries). By 1996, several other countries were now classified as "open" (14 out of 36). The World Bank's country policy and institutional assessment ratings for 1998 bear out Ghana's superior macroeconomic management and structural reform record of accomplishment. In both cases, Ghana scored above the average for the countries in Africa (Tsikata, 1999 pp 29- emphasis original).

Institutional reforms: These reforms dealt with organisational and administrative issues in the public service. It saw the initiation of civil service reforms in the Civil Service Reform programme (CSRP) from that morphed into the Civil Service Performance Improvement Programme (CSPI) (Dodoo, 1997). The wider aspects of the public service organisational reforms were attempted to be addressed under the NIRP that was implemented between 1997 and 2000 (Sai-Agble- Wiredu, 1996).

These reforms managed to stabilise the economy that was at a brink of disaster, but barely went beyond the stabilisation of the economy into socio-economic development. The economic transformation did not happen, but it left the country opened to greater international forces. The lessons from Ghana show the limits of charismatic leadership to effect change. But it also confirms the limitation of explanation based solely on agency and rational-actor models in the contexts of Ghana and other LDCs (and as the physical conditions of the large segment of the population show poor developmental outcomes). It indicates the potential benefits of exploring other explanations of reforms through interinstitutional orders and logics, for example.

4.7 1992 TO THE PRESENT (THE HISTORY OF THE PRESENT)

There has been continuity in economic policy from the time of the Economic Recovery Programme (ERP) and the subsequent implementation of the WB/IMF instrumentalities, such as the SAP and the PFM reforms. The implementation of these strategies happened in stages, and they are renowned for their affective acronyms (such as SAP and PAMSCAD and their euphemisms such as 'retrenchment' – for laying off government workers) rather than their transformational result. This notwithstanding Ghana's economic reforms was held as one of the leading success stories in LDCs by the donor community (Hearn, 2001).

After attempting and failing to break away from the scruples of the international financial institutions in the early 1980s, technocratic-logics, market logics, international-logics, and state centric-logics have been dominant in Ghana since 1984. The only main difference in the period after 1992 was that the governance arrangements changed to parliamentary democracy. Tsikata argued that with the need to plan and strategize for electioneering, the "political types are now in the ascendant (rather the technocrat)" (pp. 20). This might result in a tax law that does not get passed because it will be politically unpopular or pre-election public servants pay increases and public expenditure increases resulting in fiscal imbalances. For example, researchers have argued that the run up to the fourth republic in 1992 was marked by wage increases that derailed the reforms started in the 1980s, and that much of Ghana's time in the 1990s was spend trying to regain sustained fiscal balance (ibid pp. 13).

The fortunes of reforms and inability to sustain meaningful reforms, especially of PFM reforms, are often attributed to fiscal imbalance (see Tsikata, 1999). PFM reforms are meant to address the sources of fiscal imbalance, such as election-related wage increases and government expenditure.

The public financial management laws in post-independent Ghana were first written in 1961 and re-written in 1979, has been revised in 2003 and more recently in 2016 (Whitfield (2010 pp. 723). But the underlying practices appear to remain unchanged despite the high hopes of legislations bringing about change.

The post- 1996 IPFM comprehensive reforms were part of the democratic governance reforms that was initiated in the 4th Republic.

Within the public service there was an orchestrated move to improve the performance of state organs (including state enterprises under State Enterprises Commission (SEC)), and the performance of Ministries, Commission and the Presidency- under NIRP; the performance of civil servants (under CSPIP) and the financial management systems (under IPFM).

4.7.1 The central state logics

Decision making and controls centred around a few key agencies (such as the Public Service Commission, Office of the Head of Civil Service and the MoF). Whitfield (2010) argued that that made aid coordination for example a problem. Aid agencies sometimes dealt with line ministries directly without the MoF being aware of what was going on. Other cases include the proliferation of statutory funds which the minister of finance could not control, even if he/she were aware of their existence. Decentralising government agencies was a central aim of the reforms to improve management autonomy, operational control and efficiency, but this direction was reversed into recentralising all budget and accounting processes. The centralization drive has been taken even into local government for which Tsikata (1999) has observed:

> The 1992 constitution contains the most explicit and comprehensive provisions in Ghana's postcolonial constitutional history regarding the system of local government as a decentralized form of national administration (pp. 20).

This provision has been translated into a partial political decentralization only with creation of districts, and creation of regions (mostly for Gerrymandering reasons). There has not been any meaningful fiscal decentralization by giving local government more autonomy to raise revenue and spend at the local level. With this background, central reforms have been extended to local government from top-down, resulting in centralising local government and its reforms.

Central state logics has meant the centralization of all decision-making, and that has not augured well for accounting reforms and multi-party pluralistic governance in Ghana. Ministries remained highly centralized and managed through authoritarian leadership styles. In the earlier reform some of the SAP-type initiatives were not popular, especially the privatization and taxation reforms. Privatisation was used as ruse to sell state assets to political cronies, and tax reforms have been used to increase taxes. Facing popular public back-lash protestations have turned violent. For example, in the case of the introduction of the new value-added tax (VAT), during which 7 people died in July 1995 and the tax had to be withdrawn and re-introduced (Tsikata, 1999).

Democratic - logics do not always appear to support reforms, as the historical analysis indicate that the most rapid reforms in Ghana occurred under the non-elected period (Tsikata, 1999); and democracy (especially unmatured-type) slows down reforms. In Ghana's recent history there has been growth without socio-economic transformation (Whitfield 2010 pp 723). The arguments put forward as explanation are all plausible, but they are not adequate to the task. The underlying cause is state vampirism- as a state captured through political and administrative mechanisms set up by a select group of elites working with international collaborators to exploit the resources of the country.

4.7.2 Ghana public service organisational and administrative reforms

Consistent with the theoretical lens for the study, I situate the PFM reforms and accounting change within the general reforms in the public sector and society of Ghana. The policy space in Ghana during the late 1980s and early 1990s was characterised by discussions concerning accountability and service delivery efficiency and effectiveness took place which was intertwined with concerns of civil service performance and low emoluments levels, and 'retrenchment' of staff. The language of economic performance was strongly influenced by price and exchange rate stability, rather than growth per se or employment. These were issues that were stipulated by the IMF and the international donor community as pre-conditions for greater aid support.

In the official literature of the period concerned with public administrative practices as accounting and payments systems, problems were diagnosed and solutions proposed (Premchand, 1986; PER

1993, 1994). Accordingly, the terms of the discourse were organised around the notions of efficiency and democracy, decentralization, probity, and accountability. Some of these ideas, as values, are not commensurable and produced contradictions in practice. Notwithstanding that these themes undergirded the system-wide public sector reforms that were implemented in the period and have continued in one form another namely Civil Service Reforms Programme (CSRP), Civil Service Performance Improvement Programme (CSPIP), National Institutional Renewal Programme (NIRP) and IPFM, and Fiscal Decentralization. These reforms were placed under different leaderships: OHCS, The Presidency through the Public Service commission (PSC), and the Ministry of Finance (MoF), and the Ministry of Local Government and Rural Development (MLGRD) respectively. In theory coordination should not have been a problem, however in practice the resulting constellation drew an impasse. Whilst the related public sector reforms have been identified here, it is outside the scope of our research to go into their details as they have evolved over time since they were conceived in the 1990s. Instead, we briefly highlight them and refocus on the IPFM reforms.

All the reforms were set up as projects and funded by donors either by aid or loans. The programmes folded up when the projects ended, often with no visible impact on civil service efficiency or effectiveness. In other words, they were actions that did not create institutions in terms of the distinction between the two made by Jepperson (1991). CSRP/CSPIP, NIRP, and FD have since folded up, or re-fashioned in different forms, but they related to the financial management reforms in a way that requires them to be explained together for better understanding of the integrated financial management reforms in Ghana.

4.8 An overview of Ghana PFM related reforms

The Civil Service Reform Programme (CSRP) and the Civil Service Performance Improvement Programme (CSPIP)

Accompanying the ERP/SAP was the CSRP that ran from 1987 to 1993 with the purpose of re-shaping the Ghanaian civil service and making it fit for purpose by focusing it on policy development, monitoring and evaluation. The CSRP had a three-pronged approach of (i) divesting the MDAs of their implementation functions; (ii) improving the personnel management practices; (iii) and enhancing the civil service pay through the consolidation of numerous civil service allowances (NIRP, 1996). The NIRP official summary concluded that: “By September 1993 when the CRSP came to an end the expected gains from the reforms had not been realised” (NIRP, 1996 para 1.3).

The differences between aims of the CSRP programme and how they were translated explain why the reform was not successful. The expected gains of the CSRP were to reduce the salary bill by

reducing the bloated numbers on the payroll; recruit professional staff on merit; and reward them on improved remuneration. However, the process was translated into laying off "36,000 lowly paid messengers, drivers, watchmen, labourers etc." that only resulted in net savings of .02 percent of the total wage bill (op. cit. para 1.3). The core part of the reform process intended to create hybrid organisations by creating agencies and services to improve the pay of professionals and to improve public service delivery. Some of the sector succeeded in creating service organisations (Ministries such as education, and health) and technical wings (such as Ministry of Energy) but it did not bring about the improvements in service delivery that was anticipated. There is anecdotal evidence that some of the more senior staff took the redundancy package and 'bribed' their way back into the service, while others took the package and turned themselves into 'consultants'. The underlying personnel practices remained the same, and the official documents make very little references to family ties, and the 'old-boys' network practices that thwart reform efforts. Officials chose to mix-up the manifestations of the phenomenon with its underlying causes. The NIRP report (para 1.3) averred that poor civil service performance was due to the lack of performance monitoring:

> Civil Service management and professional capacity issues centre on poor resources utilisation and performance monitoring. In the absence of these there are inadequate prioritisation of task, insufficient attention of senior officers on policy and other strategic planning work, poor work distribution, poor co-ordinating of work between composite programmes and absence of effective supervision and insufficient delegation.

No wonder the next phase of the same programme was christened as the Civil Service Performance Improvement Programme. This was enacted in 1994 (Antwi et al.,2008) and to bolster it, it was preceded by the Civil Service Law 1993. Thus, CSPIP was designed to support the implementation the CSL 1993 that was developed from the CSRP, which had failed in all important respects apart from the enactment of the act. After several years of implementation of the CSPIP, an evaluation of the programme found that whilst the reforms activities (such as workshops, formation of capacity development teams, development of performance improvements plans, and issuance of new code of conduct) were undertaken, it had no impact and could not be sustained. Antwi et al., 2008 found the MoF culpable:

> Despite being a core central management agency, and therefore fully aware of the CSPIP under the reform agenda, the Ministry of Finance (MoF) failed to make budgetary provision for reform programmes for MDAs and hence no incentives for the relatively good performing MDAs (pp 260).

At the time of CSPIP implementation, the MoF was spearheading the MTEF reform, which was a complementary programme, both generously funded by the same project sponsor (UK's DFID), Evaluating the evidence from the time indicates therefore efforts were made to draw the synergies between the two reform programmes (for example, involving the CSPIP team in the MTEF facilitation), and the only reason why these programmes failed was because the failure to address

the 'crucial system-wide issues of remuneration, decentralization and financial management reforms' that impact directly on the MDAs. These issues lie at the heart of budget logics, and without addressing them observers found that not only the MoF was to be blamed, but also officials who were happy to attend workshops and enjoy the largesse offered without any real commitment to implement changes.

National Institutional Renewal Programme (NIRP) and other general public sector reforms

NIRP was set up to address institutional issues in the public service of Ghana. An initial internal report prepared by the top-trio commissioners and director-general (Sai-Agble- Wiredu, 1996) for the NIRP programme found that the Ghanaian public service operated without any commonly shared vision or central direction. They argued that that not only makes it difficult to measure and trace performance and accountability, but also impossible for it to support the high-growth scenario envisioned in the Ghana's Vision 2020.

There are overlapping layers in the public administration services, which constitutes the civil service machinery alongside thirteen others as the public service (including the judicial service and the parliamentary service, and the audit service) under the 1992 constitution of Ghana. Most of the others could properly be considered as part of the civil service since they have parent ministries but for the quirk of the Ghanaian situation (such as the police service, immigration service, education service, prison service, statistical service, national fire service, internal revenue service and customs, excise and preventive service (now Ghana Revenue Authourity, and the legal service). Mostly these service organisations have been constituted to get around the low renumeration in the civil service and budget logics. Each of these services is governed by a governing council or a board.

The NIRP programme was tagged to the NDC regime and folded up not long after the regime changed after the elections of 2000. Many successive public sector reform programmes have been generated after the end of NIRP. These programmes are often based in the office of the president and are utilised as vehicles to appease civic society groups, but mostly for the international donor community.

Fiscal Decentralization (FD)

Scholarly observants have noted that in rural Ghana is a "footpath economy," with farmers (most of whom are women) having to spend much of their time head-loading commodities (Werlin, 1994). Even a casual observer notices that the presence of the government in rural areas is very patchy, and the distribution of developmental services is skeletal. Until very recently most key central government services (for example passport) used to be only accessible in Accra, and it is still the case that government services reach the rural areas through delegated authourity of the

central ministries rather than through decentralized services provided by devolved government. Local government services in Ghana are not developed.

The causes and consequences are intertwined as Werlin (1994 pp217) has observed:

> All but about two percent of DA (*district assemblies- my addition*) revenue comes from the central government. DAs generally lack qualified staff to do financial planning, budgeting, revenue collection, expenditure control, and accounting. The staff sent by the central government tends to be inadequate in number, unqualified, poorly paid, and rotated every few years without regard for local needs and personal preferences. And their work is seldom audited or supervised. Consultations with DAs are rare, even on priorities and budgetary needs.

The purpose of the fiscal decentralization project was to support political and administrative devolution to local government. Among its aims was to decentralize the operation of selected MDAs (such as Agriculture, Education, Health) to local government; and to support the funding of local service through re-constituting of local government budgets (termed as 'composite budgeting'). The FD project was funded by the Canadian International Development Agency (CIDA), and it was formulated as a sub-unit of the PUFMARP programme, but it took a long time to get started because of uncertainty of leadership (Cowater, 2000). At the root of FD's implementation difficulties has been the differences between the Ministry of Local Government and Rural Development (MLGRD) and the Ministry of Finance (MoF). As the Cowater report (para 3.5) observed, whilst the MLGRD saw the FD as a devolution of power from the central to local government, the MoF has seen the project mostly in terms of improving the accountability of local government to central government by developing their accounting systems. With these differences, devolution has been a paper-exercise with very little understanding what it really means (Cowater, 2000 pp B-3). Direction of the programme has been ad hoc and successive phases of the central PFM reform programme has merely extended accountability tools (such as the MTEF, and GIFMIS) to local government to centralize their systems.

An MoF participant, G7, observed:

> So we have moved the Assemblies budget from line item activity-based now, programme-based budget, we have moved away from manual with pen and paper to electronic platforms to prepare the budgets and then when the budget is prepared what we introduce alongside the process was to improve on citizens participation in the budget process, and that is why we do what we call social accountability, to improve social accountability.

Scholars have found evidence in Ghana of the World Bank 'hijacking' the PFM reform to promote social accountability, but the process they have helped to institute support their hegemonic influences and puts efficiency and fiscal discipline ahead of creating a truly democratic social order in Ghana (Alawattage and Azure, 2019). This type of reform has not only taken the focus of reformers away from central government reforms but have also resulted in a paradox of centralising decentralization reforms and reinforcing what Polidano and Hulme (1999) have termed as the

'paradox of the NPM' reforms in LDCs. No wonder despite Ghana's efforts to decentralize the country since 1988 it continues to be a highly centralized state (Werlin, 1994).

4.9 CONCLUSION

A review of the literature on Ghana's accounting reforms showed the limited extent of research coverage of the specific PFM reforms. There is a prevalence of 'normative' donor-sponsored reviews of the reforms, but such papers are written from functionalists' perspectives mobilizing political economy arguments. There are three directions in the academic literature that are noteworthy. The first development has been a stream of emerging literature that have introduced social theoretical frameworks but have addressed the reforms at the state-owned enterprises level and the sector level, not at the whole of government level. The second is that some of the recent literature (Lassou, 2017; Lassou et al, 2019) has made efforts to discuss contextual issues from what has been described as cultural political economy (Hopper et al., 2009). There is a third stream that have mobilised political economy arguments but have drawn attention to the importance of the social dimensions including understanding the importance of modern polity in the analysis of reforms. As far as this study could ascertain these emerging theoretical insights but have not been taken them further into developing a unified explanatory conceptual framework. We argue in this study that all these approaches have provided useful starting point for deepening the understanding of Ghana reforms, but this thesis focus has been on developing a framework of analysis that emphasise institutionalism. The background offered in this chapter is an element from processual narrative to create a sense of understanding of Ghana's social milieu based on its history, culture, polity, and economy.

Post-colonial experiences showed that addressing the required transformation of the public financial management and the public sector organisational has been a challenge in Ghana and the rest of Africa (including other developing countries). The contextual issues of political instability and economic re-structuring challenges has been exacerbated by inappropriate bureaucracy and public financial management practices styled on colonial reporting lines and accountability mechanisms. Associated with the above is an aid dependency syndrome that have made any transformation agenda dependent on external approbation. This chapter has planted the root for what I proceed to discuss in Chapters 6 and 7, about the impact of the wider society of public financial management that cannot be ignored. For the religious bodies, schools and traditional authorities are the cultural source for the replenishment of societal norms and values.

The background evidence (both from documents and interviews) shows a history of a failure to transform the economy held together by unaccountable institutions (both traditional and state

bureaucracies). These translate into budget failure, infused by cultural practices of economic mismanagement resulting in anomie.

This chapter delineates three periods for a longitudinal analysis of Ghana contextual issues to enhance the understanding from within the Ghana reforms. A feature common in the post-independence period is a culture of superficial improvements in the PFM system labelled as 'badge engineering', uncompleted reform programmes, and reversals of earlier improvements. Reforms as many other aspects of national policy are not taken seriously, reflecting a tradition that is characteristically "laid-back". The social historical narrative from this chapter tells us that sub-optimal practices have persisted because of these factors, including the lack of desire to pursue excellence (de Graft-Johnson, 1986).

Incentives to undertake transformational reforms have flowed and ebbed. With the emergence of the new African bourgeoisie, the earlier social dynamics took the form of competition between elite groups (prevalent in the 1960 throughout to the 1980 s and the emergence of the political class). The ideological clashes that were both latent and persistent in the Cold War in the same period was settled in the 1980 when the Government of Ghana launched the ERP in 1983. The ERP represented a remarkable attempt to bring the economy that had failed and was at the brink of total disaster back on reform track, but the price was the re-surfacing of the inequities and contradictions in society that have been suppressed before the NPM techno liberal reforms. What has been evident in these attempts to reform is that the political class and the African bourgeoisie did not have any incentive to undertake transformational reforms the reform discourse was translated into a desire to achieve greater economy, efficiency, effectiveness, but they remained rhetorical. Such concepts emerged from the NPM lingo and were alien in Ghana, and perhaps to more or less the same degree in other African and DCs.

Failures by national leadership to comprehend and participate in the "efficiency" of government discourses, that constituted the kernel of reforms has made the hegemonic influences of the West and other foreign dominance in Ghana more potent. For example, the misunderstanding of the co-existence of efficiency and decentralization, resulted in centralization and inefficiency. Accounting reforms as part of the bureaucratic reforms has had a dual meaning in Ghana's public sector. On the one extreme it aimed to reform to expand the bureaucracy to produce a greater government outreach and development, whilst on the other hand it aimed to contain the size of the bureaucracy. In both cases the state aimed to achieve efficiency and effectiveness of the government machinery to support development policies (Haruna, 2001). The immediate post-independence reforms focused on the expansion of the bureaucracy which had been inherited from the British, but that only led to the 'overdevelopment of government with ineffective state and administrative institutions' (Haruna, 2001 pp38). The reforms in the 1980s onwards sought to reverse the

expansion of the bureaucracy through market principles, and that only led to social and economic inequities (Haruna, 2001)

This chapter's findings show that the implementation of accounting innovations through techniques such as the MTEF, GFMIS, and programme budgeting emerged primarily as a response to external pressures associated with the NPM /PFM reforms. The promises of these innovations introduced elements of determinism in reform outcomes that could not be delivered without fundamental changes. As the study will show in Chapter 5 (Section 5.3.4) the causal link can be traced to internal political leadership failures as well as an active external donor agenda and interventions.

In the following chapters I take these discussions forward, by mobilizing a causality framework in Chapter 5 to create a deeper sense of how the reforms have performed. These internal factors are linked to the analytical discussions in Chapter 6 regarding the politics of PFM reforms in Ghana and in Chapter 7 about the impact of hegemonic influences on reforms.

5 THE CENTRALITY OF BUDGET CREDIBILITY IN GHANA'S PFM REFORMS

5.1 INTRODUCTION

This study has adopted an interpretivist-constructivist methodology to conduct empirical investigations into Ghana's PFM reforms. To ensure qualitative rigour, this research deployed grounded-theory informed methods, such as ethnography and coding, in collecting and analysing the empirical data from the field. In Chapter 3, I mobilised the paradigm model (Strauss and Corbin, 1998) to identify the core category (budget credibility) and the main categories that emerged from the coding process. In that chapter, I developed the analysis and engaged in theory building, through selective coding, by relating the properties and dimensions of the central category (budget credibility) to the main categories to provide a causal explanation of the performance of the PFM reforms in Ghana. In this chapter I aim to explain the context of the centrality of budget credibility logics within the theoretical framework of institutional logics

5.2 CENTRALITY OF BUDGET LOGICS: THE PHENOMENON OF BUDGET CREDIBILITY

The signal that budget credibility is the most important indicator of the credibility of the IPFM reforms in Ghana goes back to before the first wave of the NPM reforms in the mid-90s. The political and economic meltdown in the 1970s and 1980s had manifested itself in the budgeting system, which at that time had become incremental and formulaic during preparation, and persistently informal at the implementation stage. Various official reports commissioned by the government using IMF technical support (Premchand and Talat, 1986, Premchand et al.1990) and internal reviews indicated a poor financial management system and the failure of the budgeting system (Public Expenditure Reviews in 1993 and 1994). The subsequent interventions therefore aimed to correct these failures, but that poor budgeting situation has persisted after three waves of successive PFM reforms in Ghana. How the poor budgeting credibility affects all actors and financial management practices have been aptly summed up by a participant (G7) from the MoF who observed:

> When we have prepared the budget and we say by the third quarter you'll get this money and you are not getting it, the budget is not credible, people lose interest in what we are doing.

Undermining the performance of the budget and other PFM practices and the entire IPFM reform are poor cash management practices and other considerations resulting in cash rationing and unpredictable releases of funds to the MDAs after the budget has been approved by the parliament. There are budget-cutting exercises and informalities in the budget preparation process but at the

heart of the problem is poor budget execution mechanisms. To provide a fuller picture of this, I quote a research participant, G4, who has been at the receiving end of the poor budget practices:

> On Wednesday…. they [the MoF] called me about 9pm and said, "do you remember on top of your head your budget ceiling?" and I said "what? On top of my head? I don't produce budget from my head". We produced budget, we …. submitted six copies to the Ministry of Finance including soft copy and you are asking from my head, I'm sorry, check your records. We delivered the original to the minister, we delivered one to the, Deputy Minister, we delivered one to the chief director, one to the budget director, one to the schedule officer, and gave one to the secretary of the minister just in case they do not find any, we gave six good copies to Ministry of Finance and you can't find any of the six and you want to take the issue from the top of my head? So, you see it becomes a bit difficult for some of us

The budget preparation calendar has always been compressed, allowing the ministries, departments, and agencies very limited time to put together their annual estimates. The official said:

> Why can't we start this process a bit earlier in the day and make sure things are done properly? If we know that the budget is supposed to be read before the end of November, nothing even stops us to start preparing our 2019 budget from February next year [2018]. And so, let's think, you know, let's have time, let's get it dusted say by July and even August we can go back and have a look at it, is this our budget, okay. What stops us? Why do we have to wait till the last minute, then we are stampeding everybody? So, the budget formulation side that is what I have to say about it, but the Ghana's problem is not the budget formulation, budget execution is the problem, the budget execution.

Budget execution presents special difficulties for Ghana Government officials. The release of budgetary allocation is unpredictable, incomplete, and often done on the bases of 'favours' granted by the MOF to the MDAs. The official observed:

> There up to today, I must regrettably say that there's a lack of predictability of resource, as I sit here I don't know when I'll get my fourth quarter money, today is 21st of November, we are left with less than one and a half months then the fourth quarter comes to an end, I've not received the money to operate in this month. When is it coming? What is coming? I have no idea. You can go to, for instance, just about three weeks ago in the fourth quarter then we received for the third quarter, the money we are supposed to use to operate in third quarter, it came in the fourth quarter. When it came instead of 6.8, they gave us 3.1, so I went to the minister and said "if you give me 3.1 and my budget is 6.8, what exactly are you trying to say? That I should cut some of these... (programmes), we shouldn't do them? what are you talking about?" "Oh, (Jack) we will see how you resolve it". Later on, they released about two weeks later. It disrupts production. The end-product of the end result of it is that service delivery is bad everywhere. Yesterday I was meeting a certain group and I said: 'if you want to improve service delivery, we must look at Ministry of Finance, they must have to change budget execution'. Nobody has ever alleged or will ever allege that we shall have enough resources but what we are talking about is just planning.

The constitution of Ghana has provided that for constitutional bodies such as the parliament, judiciary, and others such as the Ghana Audit Service the budget cannot be reduced arbitrary by the MoF. This sometimes, has resulted in 'game-playing' between the MoF and such constitutional

bodies. But such gaming prevailed throughout the financial management system, and especially in budget practices. After years of human effort and financial investment in accounting and reporting system participants pointed out Ghana could only get the benefit of the reformed systems after the MoF had been able to make resources available, in a predictable way, to the MDAs. When approved budget resources do not go to the intended recipients, they do not take the trouble, even when they have been provided the skills to use the financial information system (GIFMIS) to produce reports. An MoF official, G9, has observed in relation to GIFMIS that they need to make sure that the resources flow through the system to have its true value:

> So, a lot of skills, yes. But we need to make sure that the resources flow for the system to have its true value. Why am I saying this? I'm saying this because this is the preparation implementing stage. Now, the real thing for which you introduced these systems are the outputs. One of the outputs is fine, we're done the release and all, what about the reports? The reports have to be used by all these agencies in their management, but I can tell you, you have only about 4% to 5% of them using the reports.

Hopper et al.,2009 posit that budgets are the cornerstones of planning and monitoring; accounting information crucial to rational central resource allocation; and financial accounts to accountability. Accounting scholars and practitioners alike see management accounting systems (MAS), or budget management, to be the most important in the whole chain of financial management as it "assists development programming in determining and improving efficiency and productivity" (Enthoven, 1982, p. 109).

The practitioners' literature recognised the centrality of budgeting when it argued that the relationships between the components of the budget cycle is such that "weaknesses in one part can affect other parts and can constrain the achievement of better budgetary outcomes. At the same time, improvements in one area which are not matched by corresponding changes in other areas can undermine the initial reforms" (Ghana PEFA report Vol 2, 2006 pp.vi)

Similarly, others have put addressing the issues of budget credibility in delivering predictable resources as a first step in LDCs reforms (Talierco, 2009; DFID, 2005). However, the situation in Ghana is that the budget system is not allowed to operate as it should because of institutional constraints (the Ministry of Finance manipulating the budget during its implementation to meet to requirements of the political executives coupled with periodic interventions by the donors – especially the IMF's staff monitoring programmes that impose fiscal restraints). To construct a theory on this, I made a statement of the relationship of concepts associated within a set of boundary assumptions and constraints Bacharach (1989). As he argued, a theory is no more than a linguistic device to make a complex empirical world simple to comprehend. It is in this sense that budget credibility is central in this study because it relates to all the 69 categories and provides a logical and consistent explanation of them.

5.3 LOGICS ON THE GROUND: IN GHANA'S FINANCIAL MANAGEMENT SYSTEM

Based on the study's analysis, in which the centrality of budget credibility emerged, the logics in the financial management systems in Ghana were identified to include the budget logics, accountability logics, professional logics, intervening logics, techno-logics and financial management logics. This is set out in Table 5.1 showing the institutional orders on the y-axis and the relevant categorical elements on the x-axis covering the root-metaphors, sources of legitimacy, source of authourity, source of identity, basis of norms, and informal control mechanisms.

Table 5.1: Budget Credibility Logics in Government of Ghana's PFM systems' reform

	Budget Logics	**Accountability Logics**	**Professional Logics**	**Intervening Logics (example political and donor interventions)**	**Techno-Logics**	**Financial Management Logics**
Root Metaphor	Wish-list budgeting	Flagrant violation with impunity	Privilege	Neo-patrimonialism and neo-colonial hegemony	Modernity	Enabling Control
Sources of legitimacy	Resources of the state	Ghana polity represented by Parliament	Professional qualification	Supporting pet projects with additional funding; leveraging budget support	Progress	Efficiency in operations and service delivery Transforming post-colonial structures
Source of authourity	Ghana constitution PFM Acts/ other Legislation	PFM Act, 2016	skills and knowledge. professional jargons and obfuscation	Cabinet, political parties, parliament international development partnership networks	Contracts/ skills and knowledge of ERPs	Ghana constitution PFM Acts/ other Legislation
Source of identity	Budget Officers in the MoF and other government agencies	politicians and civil servants	Membership of professional group (ICA Ghana)	Political class; and membership of diplomatic networks	Technical ICT (geeks) and financial domain	Functional (Domain) experts

					professionals	
Basis of norms	the Budget Guidelines, Circulars, and the Annual Appropriation Act	Public service/ civil service code of ethics, parliamentary orders, oath of office the President and other politician	Professional ethics International benchmarks modified locally	Party's interest for local politicians, interests of home country for diplomats	Techno controls, and personal conscience	Accounting and financial management techniques and the law, including accounting standards
Basis of attention	Funding source	Power: principal's interest	Formal office holder. status in profession	Cabinet/Ministerial ranks; diplomatic ranking	Efficiency of client support desk. Crisis management	financial statement, audit reports, management letters
Basis of strategy	Formal rationality: achieving efficiency in allocation, fiscal discipline, and, and operational efficiency in delivery public services	Performance management requirement met Monitoring and evaluation	State capture Protecting one's patch Succession planning Mentoring	Local charities for hearts and minds, and aid for influence policy, diplomacy, and hegemony through local pacts	Minimise down time. recovery plans	sound financial advice accounting colonisation financial controls
Informal control mechanisms	substantive rationality: interest of budget holders	Influence	Professional networks	aid for policy	Co-operative attitude and capacity to engage with not technical colleagues	networking

The logics in the financial management reforms are explored further in the sections that follow in the order of:

- Budget credibility logics in section 5.3.1
- Accountability logics in 5.3.2

- Professional logics in 5.3.3
- Intervening logics (of political interventions in the budget processes and donor interventions) in 5.3.4
- Techno logics in 5.3.5.1
- Financial management logics in 5.3.5.2

5.3.1 Budget Credibility Logics as the core category

The core category of budget credibility spans across the ability to translate national policies using the planning processes and implement them economically, efficiently, and effectively through medium term financial planning mechanisms and the budget. Going back to 1992 at the commencement of the 4th Republic, Ghana developed medium to long terms plans (Ghana Vision 20-20 policy framework that was abandoned in favour of the Ghana Poverty Strategy document (GPRS I and GPRS II) and the current version 'the Ghana Shared Growth and Development Agenda'- GSGDA II (for the National Patriotic Party- NPP administration of 2017-2020)). But none of them has been successfully implemented to-date. The failure to sustain a robust medium-term planning has been both a cause and outcome of poor budget credibility. Years of preparing unfunded development plans have eroded the credibility of planning (long, medium, and short plans). Budgets are prepared by the MDAs based on a 'wish list' of projects and programmes which are often not funded even when approved in the budget. An MoF official, participant G15, summed up the situation as follows:

> So, there are issues about credibility when we also look at the planning stage of the budget formulation. MDAs need to prepare their sector medium term plans. Now the plans that they prepare, it's been observed that the plans are becoming more or less a wish list where MDAs come up with a tall list of projects and programs without looking at the resource constraints of the country. So, it is a very big weakness that transitions into the budget itself.

The MTEF reforms attempted to improve budget planning to address the wish-list budgeting, through prioritisation of programmes and projects, but it failed (Roberts and Andrews, 2005). It is not surprising that the MDAs have a 'tall list of projects and programmes' that they present to seek resources from the limited funding available to government. The appropriate root-metaphor of the budget system is therefore 'wish-listing' budgeting. The national budget is granted legitimacy as approved by the Parliament, and the authourity of the state through the constitution and the PFM Act. In addition, budget guidelines and circulars are issued by the MoF as instructions to the MDAs in the budget preparation and implementation, and the appropriation act passed but it all dissolved into informality as the source of attention revolves around funding. The formal rationality (of resource allocation efficiency, effectiveness in the delivery of public services, and fiscal discipline) is usurped by the substantive rationality of budget holders' interests.

Based on the analysis of the empirical data the following categories emerged as the relevant sub-categories that influence and explain budget credibility in Ghana: Medium term development planning; budget planning and formulation; the medium term expenditure framework (MTEF); coordinating and preparing the estimates; costing of budget; executing; procuring; composite budgeting; monitoring budget transfers; budget rigidities; fiscal discipline; transitioning from activity-based budgeting to programme based-budgeting (ABB and PPB); monitoring performance; domestic revenue; managing cash and the treasury single account (TSA). A description of these sub-categories can be found in Appendix 6.

5.3.1.1. Specific dimensions of budget credibility

From the empirical evidence, it can be summarised that: the budget credibility phenomenon is characterised by a large variation between budget and spending at the individual MDA level; and the variations are persistent and systemic. The allocation of resources to a large degree was informal; there was power play in the allocation making the flow of resources unpredictable. The system was opened to a high degree of gaming and dishonesty between central agencies and the line ministries, making enforcement of rules and regulations selective and uneven. (For example, in the budget allocation and management of the education sector payroll budget)

Overall, despite years of reform the budget system was not user friendly and supportive of implementing agreed national plans embodied in government policies and programmes[25]. The link to national planning system was tenuous but had improved over the years with more cooperation between the National Development Planning Commission (NDPC) and the MoF. Parliamentary oversight was largely weak, but there were some improvements with the introduction of public broadcasting of the sittings of the PAC. These properties and their dimensions have been summarised in the Table 5.2 below.

Table 5.2: Properties and dimensions of budget credibility in Ghana

Properties of Budget Credibility	**Dimensions**
Budget variance	small v **large**
Duration	one-off v **persistence**
Institutionalisation of informality	**systemic structures** v non-systemic
Subjectivity of resource allocation	low v **high**
Formal power play between actors	equal v **unequal**

[25] Regarding development planning in Ghana between 1996 to 2017 the government's official view was that "Results so far: Major structural problems, including infrastructure and service delivery deficits, remain" (NDPC Homepage 27January 2017 downloaded at 15.52).

Predictability in the flow of budgeted resources	**low** v high
Informal Power /Gaming	low v **high**
Enforcement of regulations	**selective** v consistent
User friendliness of budget system	**tedious and unrewarding** v easy and rewarding
Linking to national planning /medium term planning	effective v **ineffective [but getting better]**
Parliamentary oversight	effective v **ineffective [but getting better**

(Note: **Bold** words represent an indication of the current position in Ghana)

Relevant empirical evidence (quotes) for the budget credibility dimensions:

Budget Variance: large

> …. Somebody comes from outside, says that our budget is not credible because he takes what you have budgeted for and what you spent, do variance analysis and say your budget is not credible [MoF Official-participant G11]

Duration: persistence

> If you take our budgets, even now and in the past one of the indicators of budget credibility is to look at the variation or the variance between budget [all things] and projections. And if the variation is very big then we know that something is wrong. I mean, you can't be excellent in forecasting but at least when you have the parameters right, a very good forecast would be that that minimizes the variation. And we've had this problem not only now but even in the past. So, there's a big variation between what the forecasts are and what the outcomes are. [MoF Official- participant G11]

Institutionalisation of informality: systemic structures

> The issue about the institutionalisation with regards to informality and formality, yes, it's a very important issue. But, again, the way the new law has been crafted, it's crafted in a way that should I say, it has – if you want, codified the processes that we must go through. It's in the law. Processes we have to go through to ensure that ultimately the budget will address some of these problems [MoF Official- participant G15].

In the above quote, the participant interpreted institutionalisation narrowly in terms of the codification of processes and the law. In the context where the legal norms are often ignored, interpreting institutionalisation as 'the due process' is not adequate. In contrast, neo-institutionalists tend to see institutionalisation in terms of taken-for-granted repetitive social behaviour rooted in normative systems and cognitive understanding (Greenwood et al. (2008).

Subjectivity of resource allocation**:** high

The previous participant's quote, as above, illustrate the informal dimension of the budget, which is expected to be addressed through the PFM laws, but invariably practices remain the same.

Lack of predictability in cash releases to support budget implementation: low

> If, yes, if you think out of the one million you will get only one hundred, tell me so that I can plan. That is all that we are saying, predictability, being able to know that within this month "oh finance is going to give me this". It's not been done" (Participant G4 from Ghana Audit Service)

Formal power play between actors: unequal

> The entire PFM Act places a lot of, lot of responsibilities on the Minister of Finance, and then the Government institutions like the Auditor General as well as the Controller and Accountant General and the Internal Audit Agency, but even though the powers are mostly vested in the Minister of Finance, it is executed through some offices(in the MoF)". [MoF Official-participant G11]

> Yeah, yeah, for the reforms, if we take the MDAs, ideally the MDA budget is both bottom-up and top-down. Ministry of finance sits at the top, collates, and coordinates all the MDA's budget. So, based on the programmes that the MDAs ought to implement, it's costed, it comes into Ministry of Finance, Ministry of Finance also looks at the total envelope and say we can afford this amount

> And then Ministry of Finance still takes it down but knows that they are going to have to spend more than allocated in the budget. So that to me would suggest it's a failure of the budget preparation process. It's not honest enough to say what the actual need is". [Participant G27]

> As the top level of Ministry of Finance to actually have an honest allocation in the budget rather than getting it wrong by 20% and knowing they are getting it wrong. Because then when it comes to execution that 20% must come from somewhere. And normally that means that it comes out with the good and services and investment or whatever else. Or greater risk potentially. [Participant G27]

Enforcement of regulations: selective

> The FAA that you mentioned, the 2003 law, one of the biggest problems it had was that even though it had a sanctions regime scattered here and there, those were not biting at all. Apart from maybe the Ghanaian, probably, having less affinity to probably enforce sanctions. Apart from that, the law itself – the sanctions regime in the law was not strong in the FAA. So that's one of the biggest problems [MoF Official- participant G15]

> So even though we've just started implementation of the law [PFM Act 2016] I think people are beginning to realize that, no, this is something we have to be serious about and if you're not careful you can go to jail because of that. So, we're all aware…" [MoF Official- participant G15]

User friendliness: tedious and unrewarding

> …. to be honest with you the budgeting process – the national one is laborious. It's not exciting

Linking the national budget to national planning: ineffective [but getting better]

> Well, there has been some lessons learnt and some of the lessons are being used but I'm sure there's much room for improvement. Now, I can say that the macro is much linked,

> that's the planning part – it's much linked to the budget than before. That's not to say we didn't have the macro, we had, but the linkage was not just strong. [Senior MoF Official]
>
> Yes. …. it has been resolved. That is why their [MoF] own budget guidelines indicate that their budget should be based on their plans approved by NDPC. [Senior National Development Planning Official- participant G28]

Parliamentary oversight: ineffective [but getting better]

> So, parliament actively participated at the project design stage to enter, because we noted that previous reforms that ignore that aspect[oversight], suffered from budget incredibility because there was parliamentary oversight and it was weak, so this one tried to close that loop to make it comprehensive. [Parliamentary Official- participant G12]

5.3.2 Accountability logics- the causal condition of poor budget credibility

Understanding accounting practices requires it to be embodied in the practical organisational accountability systems (Roberts and Scapens,1985). Empirically accountability and transparency are causal conditions in this study's explanation of budget credibility in Ghana. That is, at the core of the phenomenon of poor budget credibility is a lack of accountability and transparency in the management of national resources. As Pallot (1992) have argued "Accountability of government to the citizens, through elected representatives, is the cornerstone of all financial management and reporting in government". I argue in this thesis that you need to change the accountability logics, which drives budget logics and budget credibility, to have better financial management reform outcomes. For example, changing the accountability relationships became the prime focus of the reforms in New Zealand in 1985, which was labelled as 'new contractualism' (Schick 1998). The underlying mechanisms in Schick's argument mobilised the principal-agent theory (or buyer-seller relationship) (for example see Leruth and Paul, 2007). But unlike Schick, in this thesis, I have developed those relationships based on the empirical logics of the situation.

For several years, the public accounts of Ghana were not prepared because of the political situation and capacity constraints in the Controller and Accountant Department and across government. With the restoration of parliament in 1992 the backlog of accounts was prepared, and that triggered the clearance of the backlog of audit reports as well. In a review of audit reports da Rocha (2001 p3) observed that:

> What the reports covering the period 1993 to 1999 reveal is a frightening and depressing picture of public property misused, neglected, or damaged: money stolen or misapplied, gross negligence and fraud. It seems that nothing changes from year to year. When the figures are added up, the total runs into trillions of cedis lost to the national coffers

Whilst it was a while back since this report was published, more recent studies have found that there have been persistence lapses in enforcing the laws governing accountability in Ghana (Betley et al., 2012). The significance of da Rocha's line, "It seems nothing changes from year to year", still applies, making the root-metaphor of accountability in Ghana, "flagrant violation with impunity" an appropriate description.

The previous financial legislations [FAA 2003] had some accountability mechanisms that was decoupled in practice, but the current law [PFM Act 2016] that replaced it, weakens accountability further. It appears to be ineffective in holding central agencies accountable as expressed be an official (GAS-D1) in the Ghana Audit Office:

> … currently I must say that … I'm quite involved in the financial management …, not from accounting side of the issues. I must say that my considered opinion is that the 2003 Financial Administration Act that was promulgated I think it's still a better law than the PFM Act 2016 which is currently in place... I have a few reasons for that. One of the reasons is because if you look at Section 15 of the Financial Administration Act [2003] you see it creates an obligation, especially Subsection 3, it's place obligation on the accountant general and his team, everybody working on his behalf to ensure that before payments are made the expenditure is a lawful charge against appropriation, there is a budget for it, and those who are authorising it has the right to authorise, for whom you can hold culpable if they didn't ensure that before making payment. Now you can't find that in the current PFM Act, so under what law are we going to hold people for making wrongful payment because the obligation to ensure that that expenditure is a lawful charge, that is the money was appropriated for that, there is a budget for it and the one authorising is the person who's supposed to authorise before we pay. That requirement, if it is no more there, then against what are you going to hold those officers and the treasury responsible for not honouring what the law requires of you?

The provisions in the PFM Act 2016 did not improve the budgetary accountability by making both political heads (Principal Account Holder) and administrative officers (Principal Spending Officer) of government entities responsible for the budget without spelling out the accountability relations between them. Rather the new law, PFM Act, 2016, centred the MDAs' accountability around reporting to the Minister of Finance and the Chief Director of the Ministry of Finance[26]. This centring of the accountability relationship around the Ministry of Finance has not worked well in the past, and the new laws have only codified what has not worked in practice. Accountability relationships are weak throughout government, including at the local level, as explained by an MoF official (J1):

> That's social accountability… so we're trying to gradually build demand for accountability from the citizens. For me, my belief is that the citizens demanding for accountability's more effective than central government demanding for accountability...

Within this main causal condition of budget credibility are embedded the sub-categories of accountability and efficiency, social accountability, poor reporting, ineffective audit practices, inadequate logistics to support audit, ineffective oversight by the parliament.

[26] PFM Act 2016 (Article 102) interprets the position of a Principal Account Holder (the minister of a line ministry) and Principal Spending Officer (a chief director or chief executive or the most senior administrative officer responsible for producing output)

5.3.3 Phenomenon Management - Professional Logics

The context of the budget credibility logics is conditioned by the state of public sector accounting professionalism in Ghana. At the height of Ghana's economic decline through the 1980s there were about three qualified accountants in the entire public service. A massive drive to recruit more qualified accountants into the public took place in the early 1990s increasing the numbers to about twenty- five in the mid-nineties when the PFM reforms began (PUFMARP High Level Design Report, 1996). To attract qualified staff the accountants were put on the payroll of the Internal Revenue Service, which had higher remuneration rates than the civil service. Thus, the root-metaphor of 'privilege' befitted professional staff such as qualified accountant in Ghana's public service. Legitimacy was bestowed by the means of paper qualification, rather than skills, knowledge, and experience. As Participant G18 in the CAGD complained about qualified accountants who occupied higher positions but relied on unqualified colleagues to do the work. He observed:

> he's not ready to learn from the 'small boys' who are doing the real job because of pride.

Professional identity was defined by membership of the Ghana Institute of Chartered Accountants (ICAG) which provides the norms of behaviour based on international norms provided by the International Federation of Accountants (IFAC) and modified locally. However, the unwillingness or inability to enforce sanctions have led to situation of gross abuse of public funds by office holders (da Rocha, 2001) including accountants:

> And we have records of professional accountants who have gone into embezzlement and other things. Because the spirit of the civil service is not in that person. And he can't go to do that thing in the private sector because the checks at the private sector is such that you'll find difficulty doing it. [Controller and Accountant General's official-G18]

To a large extent professionalism is missing, with only a few exceptions as a participant observed:

> What is missing is conscience, conscience in terms of professional conscience in terms of even your domestic affairs which is eating into your work. [MoF senior official- Participant G11]

Another official echoed the same:

> We are putting in place some measures which, in a sense, is also addressing the issue of professionalism and ethics in our work. [MoF official- Participant G15]

But professional identity is not to be conferred by ICAG /IFAC alone as PFM extends beyond accounting to other disciplines including economics, planning, procurement, valuation, and law. This situation has created a crisis of professional identity for PFM professionalism in Ghana. A participant observed:

> That's, knowledge is value laden, based on the person, his view might be different, this is based on me and my experience. I think that professional identity is not there, it's missing, and to me, that is the gap [MoF official- Participant G11]

The reforms have created avenues for more professionals to be recruited to join the public service as accountants, increasing the numbers to over one thousand today, but paradoxically it has not impacted on the degree of professionalism. A participant observed:

> .... I would say to the best of my knowledge… professionalism…it hasn't been influenced by these reforms. I think it's more influenced by career progressions as they see in the sector, and their own personal ambition of improving themselves [Ministry of Health (MoH) official- Participant G13].

Professionalism is weak, as observed by different participants in different ways. A participant relayed his experience with how a qualified chief accountant spent her workday:

> …. we did the debrief today in her office and we got eight or nine interruptions of her having to sign those things. I can see that's an issue. She is having to do micro level stuff when she should be probably be focused on more macro-issues.
>
> And she herself pointed out there is a real lack of capacity building in financial management across the sector and the decentralized level particularly. She needs much more [Participant G27]

Empirically what emerged to be the drivers in the logics of the category of professionalism are the sub-categories of professional identity of staff associated with financial management, rent seeking activities, and the understanding public officials have of their fiduciary responsibility.

5.3.4 Intervening conditions - Intervention Logics

Intervening conditions contribute to the context for managing the budget credibility logics. These are internal over-politicisation of the budget system and externals donor interventions in the PFM system.

One aspect of NPM reforms has been the internationalization of organisational best practices (Hood 1995). In the developing countries, the extant literature (both normative and academic) has found strong influences of international financial institutions (WB and IMF) in PFM reforms ((Hopper et al., 2016). Neu and Ocampo, 2007 refer to this as the missionary activities of the World Bank. This incessant pressures for LDCs to adopt prescribed accounting and budget techniques, one after another, have sparked off a charge of crude ethnocentrism against the international financial institutions (IFIs) and international development partners. The 'best practice' principle, once advocated by external donors, was based on using western practices as the yardstick of accounting practices in LDCs (Abdul-Rahaman et al., 1997).

However unwarranted interventions in the financial management are not restricted to external forces alone, as local political leadership intervene in the budget process sometimes for personal gains. Scholars have found corruption and neo-patrimonialism in managing public funds in Ghana (Lassou, 2017).

There are therefore multiple forces, from LDCs' governments and their international donors, exerting pressure on financial management reforms. The underlying logic is more complex, as

explained by the vicious and virtuous cycles of empowerment Lopes and Theisohn (2003) that influence development as in Figure 5.1 and Figure 5.2 below:

Figure 5.1 Vicious and Virtuous Cycles of Employment

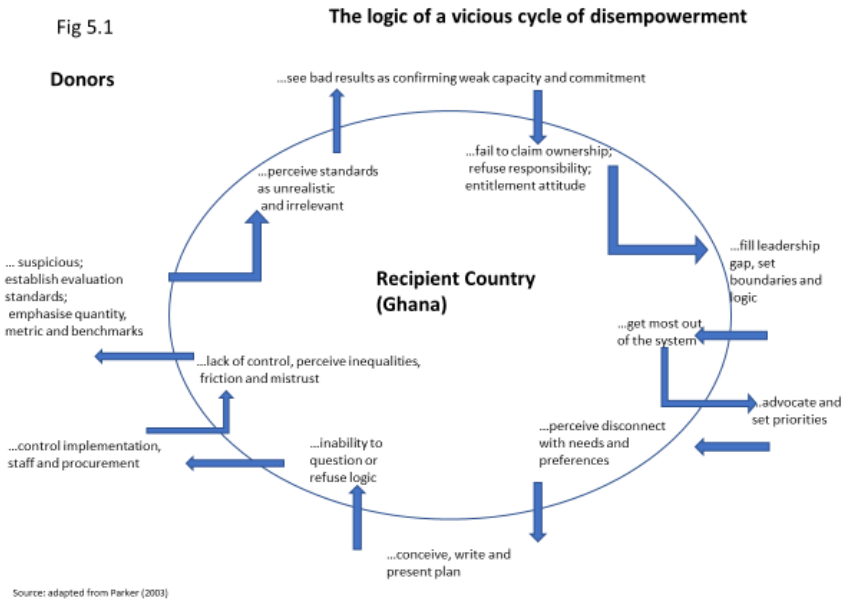
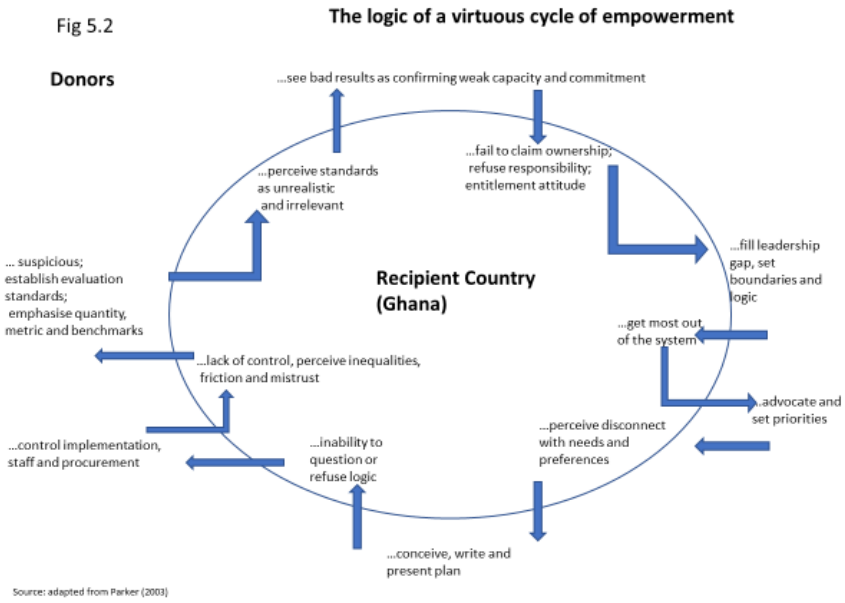


Figure 5.2 Virtuous Cycle of Employment



In Lopes and Theisohn's (2003)' scheme LDCs are caught-up in a trap of vicious cycle of disempowerment by local leadership who see bad results and do not often take action to correct them. Donors only act to help the leadership to get out of the rot.

This notwithstanding, this study found that that relationship serves the interests of the local political elite, the IFIs, and the bilateral donor agencies operating in Ghana. For this reason, I argue that the root-metaphor of 'neo-patrimonialism and neo-colonial hegemony' capture the essence of the combination of internal and external intervention logics on the Ghana budget system.

The study provides the details of the intervention logics below for both internal over-politicisation of the budget and external agencies below.

5.3.4.1 Internal over-politicisation of the budget system

One of the sources of frustration for implementing the approved budget was the inability of Controller and Accountant General (CAG) to reconcile the government cash position on timely bases to guide the release of funds to meet government obligations. A well-placed participant (G26) who worked on the automation project within government in 1990s and early 2000s observed:

> … the Ministry of Finance, the Controller and Accountant General Department, and the Bank of Ghana did not necessarily have the same figures on the cash position of government. And it was that then, but it was essential [G26- Principal reform consultant]

Improving cash flow planning and management has been one of the long-standing items on the reform agenda, that has gone of forever since the reforms begun in the mid-1990s, but without perceptible results. Without the results, there has been cash rationing in the government. That rationing mechanism ensures that after the payment of wages and salary, politicised programmes (such as school feeding, one-district-one-factory) are given priority in cash releases over all other approved government programmes in the budget. But often even this cash prioritisation procedure fails, and sometimes cash resources are not enough to meet the cost of those politicised programmes, as observed by a senior MoF official, participant G11:

> Even though we know the school feeding project, or school feeding programme, was a priority of Government, we have assigned the resources to that priority of Government and said two million [cedis], which is spread in one million [cedis] first quarter, one million third quarter. The money going to the right place hasn't been met, so the programme hasn't been done…

The logic of the over-politicised intervention is that often the standard government programmes approved in the budget are starved of cash resources, that effectively results in budget reduction for those MDAs affected, and the building up of arrears. At the same time, politicised programme some of which might be new initiatives are 'catapulted' into the budget to receive funding.

An MoF official (G11) said:

> the reform you want to go for… for instance, you want to ensure cash management is linked to implementation. Well, cash management is sitting somewhere, and

> implementation is sitting somewhere [else], let's look at the institutional rearrangement that will support the reform we want to implement.

But to-date that type of reform has not happened, making the budget system not credible.

5.3.4.2 External donor interventions in the PFM system

In this thesis I argue that the combined effect of officials' inability to institute a sound cash management system coupled by politicised intervention is that donor resource inflows take on a greater role than its relative share of the national budget. It also means that the government become more dependent on donor flows to fund development projects.

Institutionalists have argued that the world society forms an environment within which nations states alongside other actors are embedded (Drori, 2009). Developing countries, like Ghana, are subject to both the global society's cultural processes as well as its discourses of developmentalism (Ibid). The institutional logic of globalisation impacts directly on 'cross-national diffusion of ideas and practices, and on the rationalising and standardising impact of international organisations, the professions, and the universalised model they carry" (ibid, pp. 449). In Ghana, just as in other developing countries, the rationalising and standardising tendencies of globalisation are diffused through loans and aid conditionalities.

A well-placed participant from MOF (G15) noted:

> …. a lot of our programs, PFM programs, are supported by donors. DFID is supporting. I think USAID also supports. So, donors are in there. But the donor support – if donors are supporting, I think it's only natural that they would come with some request or prior actions or certain, should I say requirements. That's because I am supporting you must do A, B, C, D. It is possible?

Reform funding often come with foreign consultant attached as a conditionality of funding, as noted by participant G4 from Ghana Audit Service:

> So normally it comes with that (consultants) but the other side of it is that it comes with a lot of foreign knowledge and expatriates who are not too conversant with the local environment and local knowledge. And finally, they, some of these expatriates also have their own agenda turning their consultancy many times into employment, so they remain with us for so long a time and of course if the problem gets solved, he is no more needed, so the problem stays on and on and on and on and on ……

On occasions reform outcomes unwind after cessation of project activities because there was no commitment to project driven by development partners(donors) as observed by MoF official:

> [it] unwinds, because within the period, somebody's breathing down your neck, you have the commitment, you have the resources, you are trying to implement it, while the person who is breathing goes away [it unwinds]. So, it's a challenge. We say, we are done with the reforms [laughs]. That's why.

The intervening sub-categories such as over-politization of budget allocations and funding; managing the personnel cost ('Compensation' as a budget item); the logics of international community ('donors') interventions; and tendency of officials to accept standing practices as the norm through institutionalised behaviour (Greenwood et al.,2008).

5.3.5 Actions/Interaction strategies - Technology-Logics (automating), and Financial Management Logics

Two major categories were identified in the empirical analysis as the strategic actions in managing the phenomenon, viz; automating the financial system (techno-logics); and re-engineering financial management (financial management logics). An inefficient mode of undertaking transactions with the public financial management system and doing government business sustained itself throughout the financial decay of the 1970s, 80s, 90s and beyond. Part of this was put down to personnel capacity constraints across government, especially in the CAGD. In documenting the system for BPEMs computerisation reviewers in 1996 found big gaps between what the accountants said they did and what took place under existing procedures. The manual system permitted errors, and data were prone to manipulation to suit bookkeepers and preparers of financial statement, which inevitably supported financial malfeasance.

5.3.5.1 Techno-logics

Automating arose because government spending transactions were executed manually, and spending instructions were not channelled through one source, but through multiple sources to the central bank (Bank of Ghana) for payment. In addition, reconciliation of the cash book to the bank statement was done manually and trialled behind actual spending and revenue inflows. Sending spending instructions to the bank from multiple sources meant that the Ministry of Finance (MoF) and the Controller and Accountant General (CAGD), which is an almost independent department of the MoF, did not know the available cash balances in the bank. Automating the government financial management system became a central focus in the reform agenda to help generate financial data, support controls, balance cash position of government, and to prepare periodic accounts. The Government's preferred solution was to implement an integrated financial management system using a technology platform which was initiated under BPEMS from 1997, revamped as GIFMIS in 2009, and was only partly accomplished when the PFMRP came along in 2015.

The primary objective of automating was to support the reporting needs of the CAGD on public funds to enforce controls; the reporting of sector ministries was considered as a periphery requirement in the original specification (BPEMS), later changing to meet the reporting requirements of the sector ministries during the GIFMIS implementation.

Further upstream, there was a need to develop a system to manage Government's budgeting (all budgeting requirements); but the government's preferred software (the Oracle Financials) did not have, at the time, an appropriate public sector budget module that could meet the specifications for performance management. The failure of the BPEMs computerisation to find an appropriate answer to the government's budgeting requirement complicated its implementation and delayed the whole reform process. A substitute ad hoc software solution was developed partly in-house in 1998 to move the implementation of the budget reform forward. That substitute, an Access-based software, competed and effectively displaced the adoption of BPEMs integrated financial management solution using the Oracle public sector budgeting (PSB) module for almost thirteen years. It was replaced in central government, within the MDAs, only after the existing Activity Based Budgeting was revised and replaced with Programme Budgeting in 2014[27]. The MoF purchased the license to deploy Hyperion during the Programme Budgeting (PPB) reforms under the GIFMIS and the PFMRP phase in 2014.

As noted by participant, G2, from the MoF:

> ….so, we support the Activate software for the subnational government and then the Oracle Hyperion for the national and also serve as a link between the ministry on the budgets and then the financials suite.

The root-metaphor of techno-logics is in promoting modernity; and the source of legitimacy is based on advancing progress of national social and economic development agenda. The source of authourity, supporting the techno-logics, is based on what are specified in contracts and the skills and knowledge of ERPs. Techno-logics are driven by specialised IT and financial domain professionals. The source of norms is derived from technical controls, ethics, and personal conscience. Technological solutions get attention because it promotes efficiency in operations, and the strategic basis of ensuring that is through client support desk and solving crises that arise in a timely manner to minimise downtime. Techno-logics is effective when it gets users support through o-operative attitude by IT-personnel and their capacity to engage with not technical colleagues

The empirical data yielded the following the sub-categories under automating: of learning, selecting consultants, developing integrated solution, designing of systems, and using technology.

5.3.5.2. Financial management re-engineering Logics

The reforms have been a vehicle for re-aligning the financial management arrangements to ensure strategic allocation of financial resources; fiscal discipline; and improvements in public service

[27] At this time, the Oracle Financials had acquired Hyperion as part of its suite to respond to the requirement of public sector budgeting performance management.

delivery. These are standard objectives of financial practices worked out by the IFI's (WB and the IMF) and being diffused to developing and emerging countries through the reforms (Neu and Ocampo 2007). Some effort has gone into improve reporting through revising the government's chart of accounts (COA) and improving transactional processes (such as setting up suppliers and contractors on the system, ceasing to write manual cheques by adopting electronic payment system). However, it was apparent from what participants reported that financial management re-engineering is misconceived in the Ghana reforms; and it is thought of in terms of procurement and computerisation, as participant G4 in the Ghana Audit Service observed:

> So, I say whenever we are talking about the financial management reform, unfortunately people start talking about procurement of hardware, software, etc., claiming travel abroad, etc

In addition, a lot of government business activities are done outside of the official budget and accounting system (outside of the Consolidated Fund and official GIFMIS system), as G4 pointed out:

> Ask them [MoF] to tell us how much is below the budget expenditure[line], and how much of revenue goes unaccounted for? Not what they have budgeted for. Total revenue for the government. Ask them, the schools. How much school fees do they collect? The hospitals, do they collect. Even ministries and MDAs' internal generated funds, we don't even know how much they are collecting. Then you are talking about activity-programme based budget.

The official budget does not capture all the sources of funding to the sector ministries and some revenues go unaccounted for. However, the reforms have not been able to re-engineer the financial systems to address such basic requirements of an accountable public financial management system.

The root-metaphor is 'enabling controls; and legitimacy is derived from improving efficiency in operations and service delivery by helping to transforming post- colonial structures. The Ghana constitution PFM Acts and related legislation provide the source of authourity for the financial management logics. The identity of the officials who work in this area is defined by their membership of professional organisations; and the norms in financial management generated from on accounting and financial management techniques, the law and accounting standards. The attention financial management gets depends on the nature of reporting statement prepared, and audit reports and management letters. The strategy of financial re-engineering is ability to provide sound financial advice; accounting colonisation; and ensuring financial controls

Under re-engineering financial management, the empirical sub-categories include: Capturing financial transactions in GIFMIS/ Budget Execution/ Sector financial management / making payment/accounting/ banking.

5.3.6 Consequences of the phenomenon

The consequences of the budget credibility in manifesting itself on the reform credibility encompass sub-categories such as initiating reforms, designing the reforms, knowledge translation and diffusion, commitment, ownership, problematizing issues, comprehensiveness, championing, and sustaining the reforms.

The research has shown that in the Ghanaian IPFM context, reform credibility and budget credibility are co-joined. An MoF official (Participant G11) noted:

> The reform itself is having an impact both ways, on the way we do our things as well as the way we do our things having an impact on the reform.

In addition, participants' responses implied that a way to judge the performance and the seriousness of the MoF intentions as the champion of the reforms, is to judge the one thing they are responsible for: the management of the national budget (which is the credibility of the budget). I turn my attention to answer this question before I draw the conclusion for this chapter.

5.4 WHY THE REFORM CREDIBILITY HAS COME TO DEPEND ON BUDGET CREDIBILITY LOGICS IN GHANA

In the final section of this chapter I analyse the empirical evidence from participants to, first establish the PFM reform credibility in Ghana, and why it corresponds to budget credibility, if it is not as a consequence; and secondly explicate why both the budget practices, and the IPFM reforms suffer credibility gap.

The Ghana IPFM reforms are mainly driven by international development partners, whose intervention actions on government reforms are often formulated from the observed large variances between budget and actuals: An MoF participant, G11, has observed:

> I'm beginning to suspect that sometimes the need for the reforms is not generated from us. Somebody comes from outside, says that our budget is not credible because it takes what you have budgeted for and what you spent, do variance analysis, and say your budget is not credible. I'm using the budget as an example because budget is just a subset of PFM; and based on that they say, "Okay, because your budgets are not credible, we need to ensure that we make your budget credible, so let's implement these reforms.

The MoF has had an institutionalised approach to pruning down the MDAs' requests for funding and the implementation of the budget; and it has not changed, despite years of reforms emphasising improvement through prioritisation of budget requests. Participant G4 noted:

> …. They [MoF] go through all their consultation processes, try to massage your ego and say bring what you want, etc., but at the end of the day they will cut it without recourse to what you will use the money for…. so, you just don't cut. What you do is you come to me and say: "look my friend, yes, I've seen your request, but we don't have that money, this is where we can meet you so go and reprioritise within it." Because either I buy that

> computer, or I don't buy that computer but don't give me a fraction of the money for the computer.

A sector financial manager from an MDA, G20 referring to a diagnostic into their financial management systems said:

> Budget preparation is basically the beginning of this PFM (reform) thing… from the onset the people who were supposed to use the system did not identify with what was really called a budget. It's one of the weaknesses that they found.
>
> .... to be honest with you the budgeting process – the national one is laborious. It's not exciting and at the end of the day you do all the budgeting and can[you] be sure that you don't get virtually anything. So, the incentive to even do it well is not there.

From the position of these Ghanaian government officials the budget therefore corresponds to the reforms. The reforms are largely driven by external donor interventions, the reforms have not affected the MoF's approach to the management of the budget to any appreciable extent, after several years of reforms, and it has negatively affected the motivation of officials to pay due attention to it beyond the mere formalities.

5.4.1 Why both the budget practices and the IPFM reforms suffer credibility gap

Government of Ghana programmes are not expected to run well, if at all, because after payment of wages and salaries there is very little cash left to distribute to the MDAs for operational activities (those line items are termed "Goods and Services"). Officials have come to accept that government programmes will not run according to schedule and that has become a self-fulfilling tendency; the reforms are not addressing this tendency. Participant (G11) observed:

> …… so ideally to undertake efficient programme-based budgeting……. [if] I am the programme manager for expenditure management programme, the compensation, the assets and the 'goods and service' all come to the programme manager as expenditure management programme. But here's a case where probably there is money to pay compensation only; so, you pay compensation, but the compensation has a role to play in helping deliver the service, but if you pay compensation you've not paid 'goods and services…How do you expect the totality of the programme to run?

If official know and accept that programmes are not going to work well, then it raises the question of why did the government introduced programme budgeting, that is more tasking and requires more elaborate expenditure planning sequence, in the first place?

Ghana PFM reforms suffer credibility gap because reform ownership is construed in political ownership terms rather than national ownership, and past improvements in budget practices have been reversed with time. The reforms ownership has changed as political administration has changed, and the programme suffers as a result. For example, after several initial challenges, there was a change in government in 2001, when the first reforms under BPEMs were about to take-off, as noted by participant G4:

> You see, when BPEMs was ongoing I think things were moving pretty well until there was a change in government from NPP to NDC and almost everything which was done was rubbished and we made sure it deteriorated for a long while before saying now let's do a new reform so that we can attribute it to ourselves. "So, what I'm trying to say is that the ownership is becoming political instead of a national ownership, which would transcend any government, so that is the problem.

In addition, techniques are often implemented half-heartedly (loosely coupled), making them unsustainable in the long run before any gains made from introducing it are reversed (for example the implementation of the Medium- Term Expenditure Framework (MTEF)). Improved disbursement arrangements of budget funds in 2005 to 2007, where government agencies did not have to apply to the MOF for their approved budgets to be released to them, were also subsequently reversed. As noted by participant G4:

> ….And mind you that's why I say that these reforms are killed by changes in government, as far back as 2007, 2005, 2006, 2007, we introduced that, and we are releasing monies to MDAs without them even applying because we said "look, let's look at our cash position and project what we can pay". So, come the date we credit you, if you remember there is something you call bank transfer advice, we introduced it at that time, so we will inform you that so much has been transferred to your account, so you can operate. So, to relieve this it has all been reverse.

The reforms therefore do not have consistent direction to sustain and institutionalise improved accounting practices. The system is also often characterised misleading notions: for example, on revenue projections there seem to be a mistaken belief that the revenue estimates approved by Parliament in the budget is just a projection (just as donor pledges of budget support); and that approved budgets are only a guide. The unpredictable budget system is a product of these misconceptions. Participant G11 summed up an often-repeated statement from the MoF:

> But in reality, even though we have targeted two million for a particular programme and we said the first quarter you get one million, the revenue is a projection and it is based on the projected revenue that we promised one million for a particular programme in the first quarter. The donor inflow is a projection, it is based on that projection that we promised the one million, so the moment our forecasts, our projection is not right, or our forecast, our projection doesn't materialise, straight away the planned one million to be released to this particular project suffers.

The prediction of donor inflows may be a challenge to government revenue forecasters, but that explains only a fraction of the phenomenon. At the root of the unpredictable funds flow to the sectors is not just the challenge of forecasting revenues (both domestic and foreign), but over-ambitious budgets and the prioritisation of the budget during budget implementation using cashflows and political factors.

5.5 CONCLUSIONS

In this chapter, the study mobilised the paradigm model (Strauss and Corbin, 1998) and institutional logics (Thornton et al, 2012) to explain the dynamics of the PFM reforms in Ghana. The process of elucidating the cause-and-effect relationships of problems can in fact lead to the redefinition of preconceived interests or to the identification of new interests (Haas, 1992 pp.15). This cause-and-effect analysis has shown in this chapter that the Government of Ghana is not a monolithic entity operating reforms in a homogenous environment. Rather the government is a multi-faceted complex entity operating in a heterogenous environment, and within that framework, the concept of 'acting units' captured the essence of the multiple players impacted by the reforms and their interests. The government faces different internal and external pressures to modernize it accounting practices, and various organisations play different roles in the public financial management reforms.

In response to the external pressures the GoG has enacted legislation and has implemented automated accounting systems in attempts to effect accounting change. In addition, accounting innovations has been introduced especially in the budgeting systems, through the introduction of the MTEF and programme budgeting approach. These systems changes have impacted on some of the procedures, but they have not impacted on the underlying accounting practice, as they have not been able to tackle the key environmental and social factors (including the mind set) that influence the existing practices.

The technical explanation provided in this chapter is intended to highlight the relationship between the major empirically derived categories, their properties, and dimensions. The property of budget predictability has far reaching consequences that go beyond the credibility of the budget to other aspects of accounting practices and reforms in Ghana. The informality associated with the budget generated a number of root-metaphors that have been discussed in this chapter. For example, budget credibility's root-metaphor of wish-listing budgeting has been a common feature of the financial management practices in Ghana, and it is associated with selective enforcement or unenforceable regulations. The other root-metaphors demonstrate the tensional forces and contradiction within the financial management system. Attempts to enact accountability fail because the financial logics indicate the need to tighten controls whereas in reality accountability is characterised by flagrant violation of regulations with impunity. Progress is enacted through attempt to modernise through techno-logics whereas in fact it enhances the hegemonic control of the IFIs from a distance.

Hegemony turns the reforms into enforcing central controls rather than, necessarily, enhancing efficiency in executing transactions and supporting management decisions. Centralising controls within the MoF and the Accountant General's Department only enhances the notion of

professionalism as a privilege and does not address the professional capacity constraints that has impeded meaningful reforms. The central controls rather have impeded the smooth operation of the budget, especially when it is manipulated during its implementation phase to meet changing political and donor requirements.

Identifying the budget logics as the core phenomenon, highlights the poor practices (such as cash management) that result in the prevailing properties and their dimensions. For example, the lack of predictability of releasing funds to government ministries, departments, and agencies is undergirded by the poor cash management practices. The consequence of poor budget credibility logics is the reform credibility which is manifested in the poor to mediocre performance.

In the following chapter the study provides a processual narrative of the reforms focusing on the conception of change, politics of accounting change, implementation actions and achievements, before discussing the implications of the analysis on the IPFM reform logics in Chapter 7.

6 A PROCESSUAL NARRATIVE OF GHANA PFM REFORMS AND DISCUSSIONS

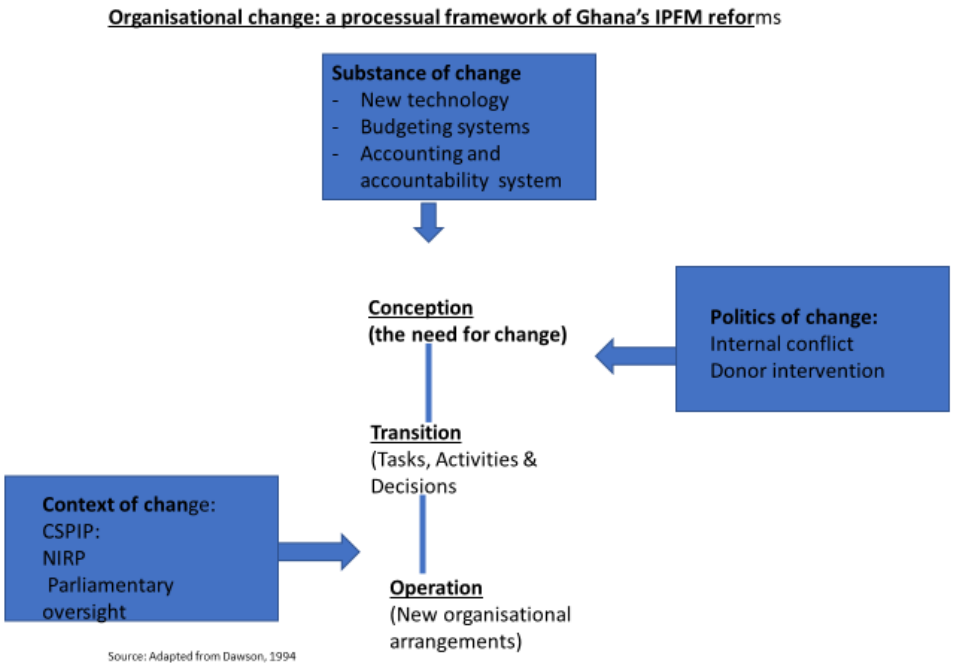
6.1 INTRODUCTION

In this chapter the study has mobilised the processual approach to provide an analytical description of the Ghana IPFM reforms, building on what has been presented in the previous chapters, especially in Chapter 4. I analyse the empirical data to provide a narrative that explains the various stages of the reforms including: the conception of the need for change (initiation); processes of organisational transition (implementation); and operation of new accounting practices and procedures (challenges, and the achievements (Dawson, 1994). Providing this evolutionary narrative is important to deepen the understanding of the causal explanation provided in Chapter 5. In that chapter, the study analysed the conditions and properties of the reform based on the core category and the main categories derived empirically from the participants.

The processual approach adopted in this chapter derives from the view of "society as a complex, multifaceted, fluid interplay of widely varying degrees and intensities of association and dissociation" (Buckley, 1967 pp.18) that impacts on accounting reforms. Dawson (1994) provided three general time frames for an empirical analysis of a largescale organisational change – representing the beginning, middling, and ending- namely:

- The initiation or conception of change
- Process of organisational transition
- Operation of new practices and procedures.

Figure 6.1 A Processual Framework of Ghana's IPFM Reforms



In this chapter the study mobilises the Dawson's processual framework in Fig 6.1 (above) to analyse: (i) the politics of accounting change in Ghana's PFM reforms, (ii) the processes of implementation; and (iii) the new operations. We conclude this chapter out the implications of the analysis on the reform outcomes

6.2 CONCEPTION OF CHANGE

6.2.2 Design of the reforms

During the first wave of the financial management reforms in Ghana in 1996 six months were set aside in the initial stages to produce the overall concept design of the reform programme (PUFMARP) and the Budget and Expenditure Management Systems (BPEMS). There had been an attempt to implement an ad hoc reform project, Expenditure Tracking Online (EXTRACON) dating back to 1991/92, which was in the Office of the President and found to be piecemeal. The new initiative, PUFMARP, however aimed to find comprehensive solutions to the problems that had bedevilled the systems for ages. EXTRACON was therefore jettisoned before it reached fruition, in anticipation of an implementation of a full enterprise resource planning system (ERPs). A participant G4 said:

> Okay. Let me say that the reforms are home grown. We thought that our financial management was not going right. … the first initiative even before BPEMs, something was being done at the Office of the President (called EXTRACON) and we said "no, that's not it

For the new project (PUFMARP), one of the big four international accountancy consulting firms was selected through a competitive bidding process to spearhead its implementation. The initial design was followed by a detailed design, lasting another twelve months, carried out by a sizeable team of consultants that went to almost all the MDAs to uncover the roots of problems and to find solutions. Whilst there were slippages in concluding these studies, the effort was simply to ensure that there was a sound integration of government financial management systems that helped to address the business needs of government.

Having a direct bearing on the achievement of the objectives of the reforms were the aspects such as the development of the legal and regulative framework, capacity building, development of manuals, development of the information strategy and systems for government, and a communication and change management strategy. In addition, the project was to address the issues with the organisational structure of the Ministry of Finance (MoF) that impacted on the management of the national budget, but the wider organisational aspects in the Government of Ghana were tabled to be addressed elsewhere within other reforms: viz, (i) the National Institutional Renewal Programme (NIRP) and (ii) the Civil Service Performance Improvement Programme (CSPIP) which run concurrently. Theoretically this should have worked well if co-ordination was not a problem. However, each of these reform programmes was run by different central organisations headed by politically astute individuals who had direct political access to the Office of the President. This created a situation where each of the reforms was run autonomously without effective co-ordination amongst them.

Within the IPFM reforms the central issue was how to accomplish data integration using suitable ERPs. The focus was to introduce ERPs that will support better financial data integration, promote transparency, and ensure effective management controls. The vexing issue of addressing obsolete accounting practices was not explicitly addressed, but it was assumed that introducing automated electronic systems would change the accounting procedures and ultimately accounting practices. This assumption proved to be false. For analytical purposes however, what is important is that this false assumption generated contradictory forces that fed into the accounting logics from the techno-logics. ERPs promote the diffusion of a specific accounting logic (Heinzelmann,2017), but the value of ERPs would not be realised where this logic is contradicted by existing practices.

The accounting system prior to the reforms had been compromised through over-centralization of the transactional and management control arrangements. In a semi- manual system bottlenecks had been created at the control points in processing government transactions and there were gridlocks in government payments. There was separation of duties that required that all government payments went through onerous verifications and counter-verifications by different officials. What should have deterred corruption, ended up creating more diversions and greater opportunities for

officials' rent-seeking activities. A single transaction required thirteen signatures, and so it required various internal agents and the client (the government's contractors) to physically follow transactions, which could be held up anywhere in the chain for no reason at all, to ensure that payments were made. That was the system then in the 1990s, but not very much seemed to have changed three decades on apart from passing legislation and the introduction of automated systems.

In the pre-GIFMIS period government cheques had to be written and signed manually, and banking transactions had to be reconciled manually. There was a proliferation of government bank accounts in the central bank and the commercial banks, that made it almost impossible to reconcile the bank accounts to strike one government cash position. Cheques were written by the Treasury without knowing the government cash balance in the bank. In the earlier central bank practices, government cheques were not allowed to bounce and that meant that often government went into overdraft at the central bank, whilst it may have cash surpluses in the commercial banks (from collection of tax revenue for example) or even in "other accounts" at the central bank itself.

The existing accounting logics at the beginning of the reforms required financial management re-engineering to streamline the processes and procedures. But ERPs also have their own logics that require re-configuring of accounting procedures. Ultimately ERPs tend to support accounting colonisation of other functions (for example procurement, human resource management, project management, and capital asset management). In addition, it introduces new cultural devices including symbols, schemas, scripts, and classification systems. In situations where the ERP software has been written for the private sector, it would introduce market-logics that might not reflect the full business requirements of the public sector.

The design also implicitly assumed diffusion of classifications, scripts, and schema (Scott, 1987) from central agencies (the MoF and the Controller and Accountant General's department) to the line ministries. It did not allow for the possibility of translation by line ministries in a way that supported their business practices for each individual agency. All transactions were to be processed the same way and all reports to be prepared in the same way. For some of the line ministries (such as Health) that had advanced in-house financial management systems, their own systems potentially posed a threat to the implementation of the BPEMs, as a central system. But the most insidious competition to the BPEMS did not come from the line ministries but from within the champions of the reforms, Ministries of Finance and the Controller and Accountant General Department (CAGD). The slower implementation of BPEMs coupled with the initial success of the MTEF (as budget planning component of the reforms) required the adoption of a substitute software, Activate, developed partly in-house for budget preparing the budget. This software effectively displaced the adoption of BPEMs for over ten years. The threat that came from the

CAGD involved a legacy standalone software, ACCPAC, for preparing the consolidated fund accounts. The presence of this software enabled the CAGD to resist the adoption of the BPEMs.

Another important element that introduced different interests and conflict were the international development agencies that partnered with the Government of Ghana to implement the systems. There were several contributing donors, and each tried to be identified with a separate component of the reform programme. This behaviour followed the need of each donor being able to make visible contributions and to be able to demonstrate their achievements to their home constituents. For example, the budget reforms went to the British, Audit to the European Union, and the Accounting and Budget integration to the GoG with the World Bank loans, and Fiscal Decentralization to Canada. The fragmentation of funding sources (logics of visible contribution) worked against the logics of integration.

Overall, attempts were made to address some of these issues, but the discourses at the time did not extend to the identification of conflicting interests and contradictions and so most of the contradictions remained latent and not addressed.

In the interviews, the question of the reform design was intentionally made open-ended. Participants were asked about how the project was designed, to enable participants to interpret it their own way. Design of reforms meant different things to different people, it therefore called forth a wide range of interpretations from participants, reflecting their levels of understanding of reforms and the lens they put on. As reflected in the recurring theme in these interviews, the participants saw the reforms in mostly technical ICT terms, with the objective of 'data capture to create transparency'. This background echoes a participant's assertion that the design was carried out by technical experts. The participant, G6, from the Ministry of Finance said:

> When you say design, the design used qualified project financial persons in IT.

Design could be at various levels: strategic design, tactical design, technical design, and operational design, aesthetic design, ergonomic design and so on. Strategic design objectives are key, but obviously they must be translated to the day-to-day working level in terms of technical and operational design. For example, for the NPM-type reforms initiated by Reagan and Thatcher, the strategic objective was to enable market forces in government to improve efficiency (or more generally to deliver value for money, and its recent equivalent, -best value).

However, there were many responses from participants needing some interpretation. Most of the participants talked about technical design reflecting components of the PFM cycle. Participant G1 reiterated the message that the design of the reforms was government-led.

> I would say it is government-led…, PEFA was considered in 2012... So, the bedrock or some of the issues, and even the project issues are – when we even did the midterm the

> Bank said they'll want to support us for us to do another PEFA this year. So, the PEFA issues were things – even about predictability and credibility, these are the key areas PEFA normally looks at. And that's what we used in developing the PFMRP; and the components were also designed and developed by government. The budget credibility, IFMIS, the oversight and accountability, we look at the whole PFM cycle and look at what are the issues with each of the blocks in the cycle. If it's about budget formulation and approval, if it's about execution, if it's about execution procurement, internal audit, if it's about oversight, external, parliament, what should be done to enhance the system? So, the design is government-led.

Participants narrowed design down to implementation design, and technology design. In the PUFMARP/BPEMS phase the implementation design and technology design focused mainly on one component (budget implementation). The Budget and Public Expenditure Management system (BPEMS) could not address the other remaining core components of the programme (budget preparation, accounting, cash management, aid and debt) in a satisfactory manner, despite making references to their modules and interface. Admittedly most of the components overlapped, but each required a separate set of activities to address their underlying accounting technologies. The documented evidence indicated that the BPEMS consultants focused on delivering the ERPs solution during the PUFMARP/BPEMS stage, which was orderly in the initial phases of the project, but once its completion delayed, it became unclear where the boundaries of each component's activities started and ended. The ERPs implementation came to dictate the pace and performance of the reforms from that stage onwards.

6.3 POLITICS OF ACCOUNTING CHANGE IN GHANA: IMPLEMENTATION CHALLENGES

There are challenges in conflating international "best practices" with autochthonous systems in developing countries like Ghana. Legacies of post-colonial influences on national accounting and administrative systems are felt all over the developing world, but even more so in Ghana where earlier leadership attempted to overcome them. The singular aim of reforms has been to build transparent systems to improve accounting practices, adapt the existing ones, or transform them to make them more efficient and effective. Re-modelling accounting systems in LDCs present challenges analogous to modernisation of Japan, during the Meiji restoration in 1868 which they successfully implemented through adoption and adaption by blending borrowed ideas from other countries (Goldstone, 1991).

While such high-level strategic issues are important, the politics of the IPFM reforms in Ghana extend to quotidian issues of co-ordination[28]); the nature and extend of MDAs' involvement in the reforms, the engagement of functional (or domain) and technical experts; the payment of extra allowances to government staff involved in reforms, or for participating in reform workshops; and

[28] Coordination include decisions on who manages the reform secretariat, the tenure of the reform management staff in which organisation the reform secretariat is located

the intrinsic value of the technical content of the reforms. Some of these issues are rooted in the notion of reform ownership, others emanate from the low remuneration in the Ghanaian public service, societal issues, and the interests of politicians and senior government officials of reform.

6.2.1. Initiation of Ghana IPFM

The records show that the Public Expenditure Review Process of 1993 and 1994 informed the crafting of the initial reform policy. But the background of PFM reforms goes much further into the 1980's after the economic, political meltdown in the 1970s. The conception of change was rooted in the ERP of 1983, which was advanced by the IMF reviews undertaken in 1986 and 1991 following an invitation from the Government of Ghana (Premchand et al., 1986) that led to the PERs of 1993 and 1994. In more recent years, the reforms are conceived through strategic plans which are developed using formal tools based on PEFA reports[29]. An MoF official said:

> There were diagnoses. You know, we always have our public expenditure review; sometimes external, sometimes internal, we do it. Sometimes we do it through PEFA. All these things take place.

Following the PERs of 1993, 1994, and 1995 that ushered in the initial PFM reforms in 1996, the PER 2009 led to the re-engineering and repackaging of BPEMS into the Ghana Integrated Financial Management Information System (GIFMIS). In terms of the chronology of the reforms, GIFMIS replaced PUFMARP in 2010, and the Public Financial Management Reforms Programme (PFMRP) as the latest wave of reforms started in 2015. The PFMRP built on the GIFMIS in 2015, and they all share the same components of broad reforms, with slight variations of the details.

There are claims that the reform ideas came from internal sources leading to frequent references of homegrown solution. As a participant G6 said:

> The main ideas came right from the Ministry of Finance and Controller and Accountant General, I don't want to go into the details of who did what". "It's alright, just leave it at that the main Ministry wrote up what they felt in terms of design, and it was taken up with the help of the World Bank to develop the project that supported the implementation, and they had co-financing, like I said, from all these other development partners, DFID was supporting the MTEF, Canada had some small amounts also, and so were other countries.

Officials insisted that the reforms are homegrown, that the reforms were designed by Ghana Government as an umbrella programme christened as Public Financial Management Reform Program (PUFMARP). It started in 1995/96 from which sprang two separate major components covering budget and accounting reform. These were the Budget and Public Expenditure Management System (BPEMS) and the Medium-Term Expenditure Management (MTEF) reforms, respectively. The separate components that were identified to make the reforms

[29] The PEFA reports are based on PEFA assessments of which the first was undertaken for Ghana in 2006/2007, and in total four undertaken by 2019

comprehensive included: (i) budget preparation; (ii) budget implementation; (iii)accounting; (iv) cash management (v) aid and debt management; (vi)revenue; (vii) public procurement; (viii) auditing (Technical Annex-WB, 1996). Some of these components overlapped, but the development partners (DPs) 'carved' the reform space, choosing components in order to influence development policy depending on their preferences (Canada International Development Agency (CIDA)– Fiscal decentralization; European Union (EU)- External Audit; UK's Department for International Development (DFID)- Planning and Budgeting).

The government sought to computerise the accounting system by implementing a government-wide ERPs for budget planning, budget preparation, budget execution, and financial/fiscal reporting, and audit.

6.3.1 Indiscriminate one-size fits all reforms

The politics of reform has been influenced by indiscriminate one-size-fits all advice that emerged from the international financial institutions. The solutions the IFIs proffer to LDCs tend to reflect the home background of their staff and consultants, especially the disposition of the French working through the IMF mechanisms to influence Africa governments (Lassou et al, 2019; Lassou and Hopper, 2016). The approach of the IFIS therefore have tended to ignore specific country context, and a genuine quest for these countries to find rationalised solutions to their problems. For example, the idea of Ghana establishing a special court to prosecute official malfeasance was proposed by the IFIs and rejected. There had been also a proposal to implement an organic budget law (another Francophonic idea) suggested by the IMF. An MoF participant, G1, said:

> The PFM Act started through the strategy of GIFMIS. Because under GIFMIS, we had a consultant to review all our legislation, then do it within international best practice and come out with recommendations. And the recommendation was for us to have …. organic budget law, but later it became a PFM Act. …. So last year we had, even, IMF to help us.

The usual line of influence is through the IMF's consultants cum staff making 'impartial' suggestions to the government. During implementation, the strategies and plans were converted into concepts notes submitted by the Minister of Finance for the Cabinet's approval. Proposals are submitted to the Cabinet [and sometimes to Parliament] in a package as part of conditionalities that must be met before a loan agreement of the World Bank would be signed. The formal Cabinet approval is taken as a signal by the IFIs of the government's commitment to implement the proposed plans. As a senior MoF official (E1) explains:

> Yes, it has. Even during the GIFMIS era – in any case, always, before we even embark on these reforms there is a concept note to seek the consent of Cabinet, not only our minister. Even when we were moving to GIFMIS and to program based, there was a concept note that was prepared and submitted to Cabinet. With this new project that we were doing, the same thing happened and even [the then] minister and the chief director and director of budgeting and the controller had to travel to Washington for – [for discussions and

> approval]. So, we have the commitment. Then you can see that even with the changeover, our new minister is always talking about the PFM Act and all these things….

The PFM reforms development processes in Ghana therefore results in the adoption of solutions that are heavily influenced by the IFIs and international development agencies directly and indirectly through inputs from international consultants.

6.3.2 International development partners crowding the PFM reform agenda

The PFM reform agenda are often crowded by the World Bank and the development partners with related but different agenda such as procurement reforms. WB's procurement guidelines are suspicious of the high incidence of corruption in developing countries like Ghana, making loans disbursement often slow and rigid, perhaps for good reasons. But there is also a power play behind the hegemonic influences of international organisations who placed procurement legislation high on the agenda of PFM reforms. The first legislative change in the Ghana IPFM reforms was the Procurement Act 2003, which was revised in 2016. Participant G6 confirmed the changes in the procurement laws that has essentially left everything the same:

> Yes, the public procurement act has been revised, in fact it's no longer called even a Board, it's an Authourity now, it was revised because some of the schedules for handling procurement were too small, and because of the size of procurement and so yes, revised, but the idea is to remain the same, to ensure that procurement are transparent, or that the procurement procedures are clear enough when they are tendering,….

Inasmuch as procurement reforms are important, when coupled with PFM reforms, it tends to crowd the latter's agenda and detract from it. Whilst a lot of effort has gone into passing laws, it seems that it has been easier than bringing about reforms in the sense of fundamental changes in practice.

6.3.3 The carving-up of the IPFM reforms space and the reforms' performance narrative by the international development partners

International development agencies (such as the WB, DFID, DANIDA, EU) carved-up the reform pie without paying attention to the needs of systems integration: An unintended consequence is that major reform components are implemented in parallel, coordinated by a secretariat operating within given resource constraints and bounded rationality. The PUFMARP, for example, was impacted by the design to implement several reform components in parallel, influenced by individual donor funding requirement. The institutionalised logics of development agencies is to be seen to have made direct demonstrable contribution, and the same time be accountable to their home constituents. Often this carving-up is done behind the scenes, especially in negotiations and informal agreements between donors who attempt to not get in the way of each other. In each country there is a lead-donor to coordinate these arrangements, depending on who exercises greater hegemonic influences. In Ghana, these arrangements allowed the WB to give loans to support the

techno-systems approach without getting in the way of the DFID or EU (see Lassou et al, 2019; Lassou and Hopper, 2016). This phenomenon was highlighted by a participant, G6, in a convoluted manner:

> Then on that, the World Bank, the other aspects, the accounting path and the [i.e. integration] of allocation and reporting was to be dealt with, so the budget aspect was going on a parallel line with the accounting and reporting, and so that was probably the first flaw…

This participant was arguing that there were negative consequences on the reform from the rapid progress of the budget reforms (based on the MTEF implementation) without the accompanying progress in BPEMs (the financial management, accounting and reporting automation) supported with a World Bank loan. She was observing that there was a flaw in the project's implementation design. That, the designers expected different government officials and departments to handle the budget reforms (from the MoF) and the budget execution (integration of allocation and reporting- by the Accountant General's department). These reform activities were to happen in parallel because they were supposed to be performed by different agencies and departments. But when rapid progress occurred in budget preparation alone, without the budget execution and accounting modules, the overall momentum of the reforms was lost.

This argument is valid to an extent. This view has been echoed by other participants. Firstly, once the budget preparation component was improved, it had to be accompanied by improvements in budget implementation[30]. But when this could not happen because of delays in implementing BPEMs, it held back the overall budget improvements drive.

The counterview was that remedial steps were taken to maintain the momentum of the reforms by procuring an alternative software, Activate, that was procured as a temporary solution. This temporary software became institutionalised in Ghana and eventually ended up displacing the BPEMs for more than 15 years. Secondly, there was some evidence that the design of the BPEMs was in itself flawed by trying to computerise the existing system, as it was, without sufficiently re-engineering the budget execution processes that continued to refer to 'allocation of cash' and other practices that were to be changed to accommodate the results-based system under the MTEF. Thirdly it was counter-productive for government to desire an integrated solution yet design implementation plan that reinforced the existing line of separation between the budget and accounting functions in government. This was a problem that a senior CAGD official at the time commented on lamenting that the accounting class perceived the PFM reforms only as in budgets

[30] Implementation of the budget was what Participant G6 meant by 'allocation and reporting'- a function that was to be performed using BPEMs automated system

terms that resided in the MoF, making it difficult for them to relate to it. Observing the re-birth of the reforms in 2009 from the moribund BPEMs, participant G4 observed:

> BPEMs... we thought it was time to rehash it and because people were looking at it as budget, budget, people didn't really relate to it, so people thought it is something about Ministry of Finance, so we said let's look at the globe and see what, is there any better way or something which may bring the project back home instead of them seeing it as something happening at the Ministry of Finance. It was when it was a budget, they say 'oh it's Ministry of Finance, it has nothing to do with us.' So, we introduced the Integrated Financial Management Information System and be done in Ghana, we prefixed it with Ghana, so we called it GIFMIS, Ghana Integrated Financial Management Information System. And so now we were going to the people say 'no, it's about your financial management, it's not about Ministry of Finance, it's about you yourself'.

The narrative usually provided by the international development partners on PFM reforms' performance was often negative but couched in a language that there was some progress, followed by a list of remaining challenges to address. Where local participants did not see progress, that appeared patronizing. Sometimes they erred on the side of caution by over-compensating, and hardly getting the narrative right or even acknowledging their role in the poor outcomes. Participant G4 observed that:

> These international communities they're also part of our problems, they ran to the press too much, literally. At a point in time I was hearing oh Ghana, GIFMIS now is so and so, and so and so.

Running reform components' activities simultaneously arose when the reforms were divided up between different sponsors. In a situation where human resource capacity was limited coordination became more challenging than it would have been.

6.3.4 Slow moving reform components were hindered by faster moving components

There was a complex set of interrelations between reform components, that was not considered and addressed, partly because of the disparate funding sources. The implementation of the Medium-Term Expenditure Framework (MTEF) was funded by a nimble sponsor, who appeared to understand the social and political context and were prepared to experiment with new ways of working in the LDCs[31]. They supported the government to take risks within well prescribed safeguards, making it possible to gain the immediate attention of senior officials in the MoF and within the wider government. Compared to the lugubrious and bumpy BPEMs (funded with the World Bank loans), the MTEF made rapid initial advances in its implementation and quickly

[31] DFID (ODA at the time) provided the flexibility in funding and procurement to support the implementation of the MTEF

dominated the PUFMARP's overall implementation space. However, it resulted in preparing the budget on an improved basis that could not be implemented on an improved platform.

6.3.5 The conflicting public sector budget reform approaches.

Scholars have argued that the line-item budgeting (traditionally called incremental budgeting) cannot co-exist with activity-based budgeting and programme- based budgeting (ABB/ PBB) (Wildavsky ,1978)**.** They have argued that the line-item budgeting is so robust and easier to operate it would displace any half-hearted attempt to replace it with other budgeting systems. This theoretical insight is consistent with what had happened in the Ghanaian case where a partial attempt was made to implement activity-based budgeting system that has recently been replaced by a half-hearted attempt to introduce a programme budgeting approach. An MOF participant, G2, noted that as against the official assertion that the Ghana Government was operating programme-based budgeting, he said:

> ...the programme-based budgeting now is not being implemented in Ghana. That is my opinion, [others in the MoF] will disagree with me. What we have done is just to change the budgeting format, the presentation, … from activity-based to programme-based, just to report on programmes and then it just indicates there are some output indicators and then some measurements; because when you are applying for banks, they just apply for funds just like activity-based [before using line items]

The past efforts and resources that went into the reforms made it difficult for some of the senior officials in the MoF to openly admit that after over two decades of reforms the line item still prevailed in Ghana.

6.3.6 Reform ownership politics

The notion of ownership of the Ghana IPFM reforms raises several intertwined issues that are complex to fully address within the limited scope of this research. In PFM reforms ownership extends from political ownership to professional ownership to the general polity, and that is linked to transitioning the reform between political administration. The issue with political ownership is that it changes with changes in political administrations, and with the recent improvements in democratic elections in Ghana there has been political changes from one of the dominant political parties to another in 2001, 2009, and 2017. What happened in Ghana was that the reforms were well under way, albeit with difficulties and the change in government in 2001 brought it to a standstill. As participant, G6, a retired official from the MoF narrated:

> Yeah, and so it took time for them to learn the ropes of what was happening. For the new administration to understand the systems, that were being operationalised for them to take over…. there was some revision, I know they had these consultancies to review what was happening already. And so, the lag also contributed to in a longer lag in implementation of the programme, but in fact they believed also in the programme".

The change in government from NDC to NPP in 2001 did not stop the reforms, but it brought the main thrust to a standstill, as participant G4 from the Ghana Audit service explained:

> There is a bit of problem with ownership. What happens in Ghana is the ownership changes with political changes, whereas this was realised and done in one regime, when the next regime comes it is lost completely to us. That is the problem we have. You see when BPEMs was ongoing I think things were moving pretty well until there was a change in government from NDC to NPP and almost everything which was done was rubbished and we made sure it deteriorated for a long while before saying now let's do a new reform so that we can attribute it to ourselves. So, what I'm trying to say is that the ownership is becoming political instead of a national ownership, which would transcend any government, so that is the problem. And so NDC started it, let's call it somewhere in 1999 and that, you know, NDC came back in 2008, so around 2009 they started it again from BPEMs, they didn't want the BPEMs anymore, they said they wanted GIFMIS, which I think the name was fantastic and the initiative was fantastic but it didn't take off as quickly as we would have expected because what people wanted was to show that the old initiative had died ….

This interesting point partly explains why progress in the reforms has been slow. This is supported further by the observation that political parties in Ghana are mostly interested in reforms when they are in opposition, which they soon forget when they get into power. This point resonates with that made by another key participant who observed that the new administration in 2001 needed to undertake reviews of the status of reforms before re-starting it. Then came again a change in government in January 2017, where unlike the past years, the new administration has been quick in adopting the existing programme, as participant G4 said:

> So, I know very soon when the current administration realises the importance of PFM reform of course, fortunately the current minister really understands, I'm surprised at him though, because he has been a private sector person for all his work and I was thinking it will be difficult to get this man to appreciate where we should go. He really appreciates the issues and gives it so much importance….

Addressing ownership issues resulted in actions some of which have had unintended consequences on the reforms. Such actions include: (i) Rejecting the model of appointing of consultants (albeit Ghanaians) to co-ordinate and manage the reform in preference to civil servants, (ii) Distinction between IT-technical staff and functional (or domain staff) and providing the functional support staff from the civil service; (iii) re-locating the reform secretariat in the CAGD instead of the MoF.

Issues 1 and 2 are considered as mainstreaming of the reforms in the civil service. The original design of the reforms was formulated to enable consultants to bring in knowledge and skills that were lacking in government. But it caused problems as civil servants viewed the reform secretariat with suspicion, something that was further exacerbated by the fundamental differences in the remuneration level of civil servants and consultants. It was therefore no wonder that plans were made to engage civil servants as consultants (even when some of them were not up to the tasks). Participant G2 said:

> And so, the ownership issue became a problem because like the reforms belonged to the consultants. So, the mainstreaming of the reforms has been a challenge. In fact, there were plans to take another set of young officers who were slightly below the directors, train them for them to be consultants for let's say 3 years and then go back to serve the government. But one of the reforms, the Fiscal Decentralization Unit, tried that, in fact they got officers, one from Budget, one from Local Government and another from the CAGD, who went out of their payroll and became consultants for about 3 years and then came back.

The final evolution of that scheme ended in centring all the components under GIFMIS in the reform Secretariat in the CAGD and appointing CAGD officers to coordinate the reform efforts. Participant (G2) concludes with the affirmation of lesson learning: "So when the reforms were relaunched as GIFMIS, they learned from this experience of ownership…"

Regarding the location of the secretariat: There had been a prolonged uncertainty about the ideal home for PFM reform coordination, which has resulted in oscillating the centre of the reforms between the MoF and the CAGD. The conflict on the ideal location of the reform secretariat, and the desire to relocate it from the MoF to the CAGD goes back to the initial stages of the reform in 1996/7. The reforms have at various times been branded as solely budget reforms (under PUFMARP), accounting computerisation (under GIFMIS), and now as general all-encompassing reforms (PFMRP). Ghana PFM reforms were labelled as GIFMIS for about five years (from 2010 to 2015) and the secretariat was moved from the MoF to the CAGD offices. This move therefore highlighting just the implementation of the computerisation in exclusion of all the other reforms activities. The reforms were rebranded PFMRP in 2015 to correct this shortcoming: Participant G17 from the Ghana Audit Service said:

> Ministry of Finance decided to champion it, champion the reform, and make it the centre ...so that all MDAs will feel part of it and know that it's for them as well. So that's even the reason for the change of the new form, GIFMIS [to PFMRP]. Because the whole thinking was GIFMIS, it is an accounting system. It was losing its focus as a public financial management system that has GRA (Ghana Revenue Authourity) in mind, that has Public Services Commission in mind, as in HRMIS, that have Ministry of Finance budget in it.

Housing the reform secretariat has been a problem and that is rooted in question of ownership. Under PUFMARP the housing of the reforms in the MoF and the earlier reform gains made by the MTEF component to it being type casted as budget reforms, for which the accounting staff could not relate. It's rebranding to GIFMIS was supported by moving the secretariat to the Controller and Accountant General's department

This is relevant point as it appears that centralising the reforms have caused ownership problems in the MDAs. The PFMRP location in the CAGD continues to raise issues about commitment and so on. If the MoF is championing it, then locating the secretariat at least in the MoF is where the reforms should go, but it has not reached there yet. The reforms coordination is located and

controlled by CAGD staff, making it appear to be about accounting solely. In the CAGD there has been rapidly changing project management staff. Housing the integrated financial management reforms secretariat in the CAGD raises some issue: At the time of conducting the research interviews, there had been rapid changes in the project director role, as noted by participant G4:

> That's why. See, they've been in office for less than ten months and I don't think it is necessarily a political idea but people within it who don't buy the concept think it is a unit of accountant general where you can just change people, which I find ridiculous. So that's why I'm saying that within ten months there were three heads of the place, which is not going to help, so the leadership keeps dancing.

Currently while the reforms are being championed from the MoF, the secretariat continued to be in the offices of the Accountant General (CAGD) and the secretariat staff, responsible for the project co-ordination, are drawn from the CAGD.

6.3.7 Commitment by officials to implement reforms as a key constraint

The PFM reforms have clearly identified fundamental issues the MoF aims to address in successive strategy documents. During implementation, questions arose whether there was the political commitment to address these challenges. As participant G11 observed:

> Are we getting that commitment to work towards the attainment of the objectives that meet those fundamental problems? Sometimes you look at previous happenings and it informs you a lot. Any time we sign on to any programme or project, we do so well, all our indicators improve, the project ends, the IMF or World Bank goes away and turns back to the worse situation. They come in again, I'm talking about our history….

Commitment pledges are made in official documents and in public statements, but most of these statements have proven to be empty rhetoric in Ghana. This resonates with the public statement issued by a senior politician in Ghana that it would not serve the interest of politicians to change the poor accountability regime in the country[32]. Commitment to implement reforms can be both vague and ephemeral. It can mean anything, including promises made today and taken away tomorrow. Scholars have pointed out that manipulation may occur, and officials' public utterances may not correspond to their private behaviour (Oliver,1991).

To demonstrate how vague commitment can be, the same participant, G11, observed:

> Yeah. So that commitment level is there, people are doing what they can do… does it?

Another participant G6 said almost the same thing in a different wat:

> There's commitment from beginning, every government that came in knew that there is something to be done with our financial management system, so there was commitment,

[32] The XYZ News reported in 2013 that "a former Chairman of the Public Accounts Committee, Albert Kan Dapaah, has stated that politician can't change the poor accountability regime in the country because they lack the will and fortitude to make such contributions" He was quoted as saying: "Everybody is happy with the system as it is the people who are practicing it are apparently happy with the system "

> but the road to achieving the commitment is a different thing because we're not the only player in there.

Commitment is hydra-headed in the public sector; it requires the concurrence of myriad principal actors at both political and technical officers' level for reforms to operate well. Participant G7, from the MoF declared:

> So, you could see that once you get the political backing and get a technical officer's backing you are in business. So, in the reform, public reform, if you don't get the political backing or the political will and you don't get the technical officers also backing and providing their capacity and skills, you won't go anywhere.
>
> How do you get the backing? How genuine is the backing even when granted top-down?

At both the political and technical levels, it requires the collective thought of a like-minded group for reforms to perform well. Success of reforms cannot depend on just an individual politician or an individual senior officer on a crusade.

6.3.8 Politics of manipulations

The reforms have had steering committee meetings as fora for championing the planned improvements across government. In the PUFMARP reform the steering committee had some donors as members, and that made the meetings the forum for impression management and public relations by the Chairman (the Deputy Minister-MoF) to impress donors, rather than use those meetings for removing reform roadblocks and bottlenecks. Rituals and symbolic performance were substituted for technical performance in the PUFMARP steering committee, when the Chairperson took decisions that could not be implemented: Participant G26 who partook in the steering committee deliberations observed:

> There was a steering committee which was setup. With one, the minister being the overall head, and with the Controller being the deputy. But you still found out that decisions taken at the steering committee level were not easily implemented, because of this underlying issue that sometimes for courtesy sake or in order not to prolong various discussions some decisions were made but because of ownership they were difficult to implement.

That is, whilst the MoF presided over the reforms it could not carry the other government agencies, especially the CADG wholeheartedly with them. The frontal assault that was mounted by the accountant general at the initial phase of the PUFMARP reforms was replaced with politics of manipulation in the course of time, and that made progress harder to accomplish.

6.3.9 The politics of politicisation of civil servants

Reflecting on the politicisation of the civil service from a memorandum written by the researcher after an interview with a participant who choose to speak off-record. The participant observed that, with a very few exceptions, the MOF civil servants had been politicised at the most senior levels. Her office driver asked her whether they should be getting ready to attend a week-end retreat with the ruling party. Public officials always seek political direction, as participant, G11, from the MoF commented:

> No, it's our culture, which is family orientated, political, everything's politicised, our family systems and it's just, in fact, seriously, I think the reforms are good, we are looking at technical problems, we are solving it through technology, IT, integrated financial management systems, human resource management, Hyperion, we are doing this, we are doing this, we are doing that, we are looking at some institutional arrangement, let's create a PFM RP, let's create this, let's create this, let's change this, let's do this, but in the end the same human beings… who did the reforms in the independence are those who are here doing the reforms now.

Politicising the civil service with political appointees at all levels means that political loyalty is more important than professionalism.

6.3.10 Discriminatory enforcement of rules and regulations and informality

Participants alluded to a culture of impunity that did not pay sufficient attention to what matters most, resulting in misplaced priorities and flagrant violation of the laws. Some areas came under scrutiny by participants, all bordering on discriminatory practices in observing norms and in the enforcement of laws and regulations. For example, on the willingness to enforce sanction where it matters most, such as in applying the newly passed PFM Act 2016, participant G15 said:

> I think people are beginning to realize that, no, this is something we have to be serious about.

By inference people do not pay much attention to the observance of norms in Ghanaian society, and enforcement of laws are done on discriminatory basis (according to political circumstances, wealth, and class). The politics of social acceptance and tolerance of "discriminatory behaviour" in the Ghanaian society generate informality and selective implementation of the rules and regulations.

The excessive use of informal processes in the management of the budget, running alongside the formal process is one of the many areas where the reform actions have not been able to address. Dating back to 1998, an internal government evaluation of the MoF found that it's policies and activities were centred around few individuals, therefore making it difficult to distinguish between official policy positions from the sentiments of those individuals (CSPIP Diagnostic Workshop on MoF, 1998 pp5). Participant G15, from the MoF, suggested that informality could be addressed through enforcement of the PFM Acts as per his comment:

> …the issue about the institutionalisation with regards to informality and formality, yes, it's a very important issue. But, again, the way the new law has been crafted, it's crafted in a way that should I say, it has – if you want, codified the processes that we have to go through. It's in the law. Processes we have to go through to ensure that ultimately the budget will address some of these problems.

This comment demonstrated impression management or wishful thinking on this participant's part, as it seemed far-fetched how the codification of processes by law would solve the problems of informality in the budget (and PFM) system in Ghana. The problem in Ghana, like other

developing countries, is not about the absence of the law, but its' selective enforcement. It is particularly difficult for anyone to rely on the law when at the heart of the problems are the few individuals who wield the power to bend official policies and the enforcements of the law around their personal wishes.

6.3.11 Increasing the stakes to circumvent official procedures

Improving controls without addressing fundamental issues increases the incentive to defeat the system by working around it. Participant G2 observed:

> Yes, let me give you a story. I think about 3 years ago, one of my friends came and said he has an issue with his employment. He used to work for NADMO [National Disaster Management Organisation] as a clerk and... No, as a labourer but he got a job as a pupil teacher in the village, which is better, I mean in terms of salaries he has a condition of service. So, he decided to take the appointment as a pupil teacher. Meanwhile he had taken the biometric registration at NADMO and he was being paid through their system every month and because the validation service, when you are employed, it takes a very long time before your salary [is paid].So this guy was still collecting his salary, NADMO salary and he had started teaching so when he came to do the biometric registration to enable him receive his pay as a teacher, already in the system, he pressed his thumb on it and the system rejected it and then all his records were pulled, the appointment letter date as a pupil teacher and the salaries that he was receiving from NADMO were all thrown up and so he was supposed to pay 9,000 cedis before, I mean he... [Laughs] Yeah, so it was a refund, so you have to refund, you have to go for a loan, refunded all the 9,000 before he was accepted as a teacher. So that is the reforms that have gone on.....and so it is only the legitimate employees that are paid, and then you realise that are some people without social security, so last year, I don't know whether you heard...

The significance of this narrative is that the inefficiencies in the system provide incentives to by-pass controls. For example, the late processing of payment to new employees compels people to deploy various means to work around the system. Thus, the system has its own in-build incentives to encourage fraud of all kinds. It also points to the constant trade-of between efficiency in controls and efficiency in operations.

More generally the over-use of controls can lead to abuse and paralysis. The observation of a participant (below) made references to hierarchies of approval which are reminiscent of the 'old bad days', noted in the PER 1993 and 1994, when nothing much happened beyond spending the budget funds which arrived in an untimely manner and therefore did not achieve the desired results. Participant G15 from MoF said:

> Yes, there is, there is improvements in controls, a lot of improvements in controls. A lot of improvement in controls. For instance, before your projects enters the budget it should be coded, so you have a code in there, and within the systems that we use there is a set-up at the hierarchical structure on how the controls go. You bring your request, maybe it ends up with the Director of Budget who then sends it to the notification of the schedule officer to work on so, you know, there are controls set up in the system aside that, like I mentioned earlier now you cannot spend something outside what is on the GIFMIS platform, unless you get people to do something. Then even with the coming into force of the PFM Act,

> even before the law there were processes that you need to adhere to which are also to make sure that MDA comply. For instance, minister of education, GES cannot on their own apply for the release of funds to them without going through the sector minister…. yes.…these are some of the controls. In the budget process there are certain things that we have to go to Cabinet for approval, yeah there are certain things, so all these controls, mechanisms have a certain place and there are, you know, checks and balances to make sure there's compliance.

Notwithstanding the accounts of improvements in controls given by this participant, it appeared that the references to coding of projects, ministerial approvals, and cabinet approvals as evidence in improvements in controls are superficial. Nothing much has changed, with the automation of the financial management systems. In a biblical parlance, Ghana's PFM reforms is like putting new wine into an old-wine skin.

6.3.12 Automating central controls

Automation has given total control to the MoF, which can be both positive and negative. The logics of the new technologies empowers the central agencies, the MoF and the CAGD to exercise greater control than before, as a participant G9 explained:

> The impact is heavy. The impact is heavy in a sense that now, Ministry of Finance can sit here and say, okay, we're shutting down the system, nobody is going to disburse. Government can decide that funds flow, it's terrible and therefore the whole financial system…, we're going this way. That is huge impact. Hitherto, we didn't have that control, so people were still doing their own thing.

In a country of general non-compliance attitude, automating controls could be beneficial. On the other hand, the negative effect of excessive controls cannot be overlooked.

6.3.13 Connectivity challenges and enforcement of protocols

The focus of the new accounting technology, GIFMIS is mainly to enforce central controls and meeting the requirements of central agencies, such as preparing the accounts. The design of the new technologies from the beginning neglected to support sectoral business operations in the MDAs, and inasmuch as some efforts have been made recently to address this issue, it remains the biggest shortcoming of the automation design. Related to this is the challenges of connectivity that impedes enforcement of protocols and standards to achieve integration at the sectors level. In ICT terms, one of the key objectives of the automated system was to achieve integration within sectors and in the whole of government. In situations where users at the lower-level units refuse or are unable to use the system for all transactions, integration becomes difficult to achieve.

A participant at the sector level (one of the larger ministries with a geographical spread across the country) argued that at their headquarters in Accra, they need to be able control the operation of their information systems in order to perform the strategic role as a central nerve centre of the ministry. Being in control means that they could address operational challenges, knowing the types

of operational risks they could address themselves at every level, and which one they would refer to somebody else, either internally or externally for resolution. With extended operations across the country, systems integration requires that widely spread ministries (such as Health and Education) are enabled to enforce standard protocol and processes according to the organisational rules and timelines. The participant argued that where for some reason standard protocols and processes fail, the ministry's management need to take action to get the system moving. This responsibility could not be assigned to another organisation without diluting the ministries accountability responsibility. Participant G13 explained:

> Let me give just a very, very simple one. We are integrated so we must be connected, and you are not connected. You are not getting connectivity. So definitely everything they are talking about that would help improve this integration and efficiency would not happen. You may have to go back and take the paper because you are not connected. There is no connectivity that would link you up for the purpose of [integration]. So that's just one example. So, it becomes difficult for you as an individual or a unit or a head. That decision sometimes is high above.

'Going back to take paper' means that integration cannot be achieved in ICT terms. Symbolically 'going back to take paper' means that other funds are being managed outside of the official GIFMIS systems. At the heart of the matter is the quality of management relationship within the sectors, and between sectors and the central agency (MoF). These factors call for cohesion and trust, between government organisations based on logics. The underlying cooperation, conflict, and tensions, both technically and politically, between the MoF and the sector ministries is an integral part of this thesis which we examine further using the theoretical framework of institutional logics. We argue that the designers and the implementers of the centralized reforms and systems assumed a monolithic governmental organisation without tensions and conflicts, therefore did not address the specific operational needs of the specific ministries (and the acting units within them).

6.3.14 Software license fees

The politics of the reform extends to the cost and benefits of either buying a software package or developing and running one in-house. For a developing country, like Ghana, the benefits of in-house development include: (i) the avoidance in making large payments in license fees to a foreign company (in foreign currency), and (ii) the added advantage of the government's using the new technologies to spawn local IT-related industries, bridging the international digital divide, and creating local employment. The downside on the other hand, include: (i) the potential risk of not finding sufficiently qualified local expertise to develop the system, and (ii) the potential cost of a total failure of the project to meet the requirements of government. Both in-house and external sourced software package have risks and benefits, but in Ghana it was decided in 1998/99 to source an enterprise resource planning (ERPs) externally for the PFM system. Buying the software means

that you own it, but the service costs can be high, so some countries have decided to develop in-house programmes. As participant G10 explains:

> Licensing is the service. It's like buying a vehicle. You've bought the vehicle from an authorized dealer, you own it, but the vehicle needs to be serviced. So, you can choose to go to the one you bought it from to service it or you can decide not to service the vehicle at all and use it – find whatever you can do to use your vehicle. That doesn't take away your ownership of the car.
>
> So, if the software licensing…. and they say we don't have money to renew the license and support agreement that doesn't mean we cannot use the software. We will use it. We're not in the cloud, we're on-premises.

Government of Ghana may own the software 100% but meeting the cost of license fee can be a problem. The full exploration of this topic will take us outside the scope of this research, but this discussion took place to clarify a point that was brought to the researcher's attention that on occasions Ghana is not able to pay the license fees. In the past there has been an accumulation of license fees that potentially could have undermined the running and maintenance of the software. Possibility of forfeiting the maintenance agreement for non-payment of crippling license fee has implications for the long-term viability of such projects, especially when there is a downturn in the economy for instance. As another participant, G9, in the MoF said:

> We can say yes, there's a faraway company providing services to the government of Ghana. We can continue with that business but it's huge. And I think that, one; government must have full control of its software which, of course, we can have. But for the license, that you're owing licensing fees, sometimes it becomes embarrassing.

The GoG has been known to not being able to meet local electricity and other utility service cost (such as water and telephones) in the past, especially at the district level. But this time the service provider is an external company, who are more likely to enforce the contractual terms, and possibly grinding government operations to a halt for not paying license fee. An MoF participant said:

> So, you look at it this way, you look at it that way, they're all a little bad. But who has to talk about them? We have to feel it or maybe we have to wait for that time for the calamity to happen then we will really appreciate and understand it.

The strategic consideration is far-reaching, and different countries in Africa have approach this issue in different ways. However, countries contracting World Bank loans have had to abide by the World Trade Organisation (WTO) guidelines and often do not have the choice but to open-up their procurement to international competition when the threshold is exceeded. Some scholars have pointed out the hegemonic influences on public sector software acquisition in LDCs, especially in Francophone Africa (Lassou and Hopper, 2016), but for our purpose in addition to the political dimension we consider it as one of the routes through which accounting technologies emerge and are maintained in LDCs.

6.3.15 Fear of reform fatigue

Though none of the participants talked directly about reform fatigue there was evidence that officials were becoming weary of reform consultants and preferred to carry out their routine and non-routine activities without consultants. An MoF official, G7, avers:

> But if you take the budget component, we drove it from here, we are driving it, we didn't get any consultant.

The statement above shows how much pride GoG officials attach to doing things themselves without consulting intervention, thus providing indirect evidence of both consultants and reform fatigue. Loading the IPFM with reform components can be detrimental to reforms outcomes because it overburdens government staff and results in extra workload, especially when operational staff do not perceive that it is solving their problems embedded in day-to-day tasks. The rhetoric of the reforms (efficiency, transparency, and accountability) had not matched the actual practices; and that made sustaining the reform massage difficult to carry across. Certainly, if the lull in the PFM reform activities between 2001 and 2009 was to be explained, it was probably a result of reform fatigue. Summing up the impact of over two decades of budget reforms, participant G20 noted:

> ….to be honest with you the budgeting process – the national one is laborious. It's not exciting and at the end of the day you do all the budgeting and can be sure that you don't get virtually anything. So, the incentive to even do it well is not there.

In this way the participant expressed the tedium associated with going through the formal process of preparing a budget that is never implemented as intended. But also, in this message he conveyed a professional, and perhaps a personal, disappointment of the missed opportunities in the successive reforms to make things work better.

6.4 TRANSITION: IMPLEMENTING THE IPFM REFORMS

6.4.1 Implementing reform tasks and activities

Under three waves of PFM reforms (PUFMARP/BPEMs (1996-2001), GIFMIS (2010-2014), and PFMRP (2015-2018)) each has been based on developing strategic and action plans as the first step in the implementation process. There was a long lull between 2001 to 2009 before the project was rebranded as GIFMIS, but during this time the reform secretariat remained in Ministry of Finance.

In the PUFMARP/BPEMs project, Oracle Financial was procured as the government's preferred Enterprise Resource Planning (ERPs) software. However, during that time the system was not used for either budget preparation or in process government transactions and accounting for them. The period from 2001 to 2009 is significant in the sense that it coincided with the term of office of a

new political administration in the 4th Republic of Ghana (NPP first and second term). The previous regime had been in power from 1982 to 2000, and 2000 became a watershed in Ghana's political history. It was the first political transition from one democratically elected government (National People's Congress (NPC)) to another (New Patriotic Party (NPP)). The impact of the changing of political administration raised issues of continuity of reforms.

With the changing fortunes of political parties, incoming administrations would review t the previous reform activities before adopting it as their own. Reform ownership have run on party-political lines, rather than as national programme. At each stage in the reforms project staff had to cope with the politics of surviving under changing political administration who tried to vilify some of them. The political reviews have had the tendency to slow down the progress of the reforms. For example, whilst the project was never entirely folded up, the automation (BPEMs) had to wait for the return of the previous regime (NDC) to office in 2009 for it to be resurrected.

In 2010 the reform secretariat was transferred to the Accountant General's Department (CAGD) and the project re-branded as GIFMIS. One of the officials of the GIFMIS project, participant G1, said:

> So, we started with the GIFMIS from 2010 to 2014 where we tried to bring an integrated system and look at the budget execution processes. In 2015 we also realized that the Activate does not sync very well with the IFMIS, the financials. So, there was the need to introduce a new budgeting model which is the Oracle Hyperion model which syncs seamlessly with the GIFMIS. All is geared towards enhancing our PFM system.

It took another four years of implementation before the Oracle Financial got anywhere near being deployed to the MDAs. After almost 20 years of development and implementation, even at the time of concluding this research in 2019, the system was not fully deployed across all the MDAs. As participant G22 from the CAGD said:

> So, for GoG all institutions who benefit directly from GoG [Consolidated Fund] are on GIFMIS, because if you do not use GIFMIS you can't get any money from GoG. So, headquarters in Accra, all regional offices, all GoG beneficiaries even from the district, all of them are on GIFMIS. Then we came to IGFs, we rolled out to about 50-something IGFs institutions, not all of them were using the system fully up until we started this exercise where government says, "All IGFs institutions, give up your manual cheque books and use the electronic system to pay." Now, in so doing, most of them have started using the system fully. Even though we had rolled about two years ago, a lot of them were not using it fully. They were using it at their own convenience. And if whether they were bothered or not, they didn't care. But now, because your cheque books have been taken from you, you need to go to GIFMIS and spend.

The internally generated funds (IGFs) present an on-going challenge to the GIFMIS implementation according to this participant. Automation has therefore come to the Government of Ghana at a great cost in terms of resources - effort, time, and financials. One of the unintended consequences is that automation has been substituted for fundamental reforms (for example

addressing institutional conflicts) that are required and should have been given more attention for automation to work better. There has also been lost opportunities to benefit from automation of system. For example, automation has been turned into further centralising of controls, and a straight- jacket that did not support and promote technological development in the wider society, in the age of the internet.

In each instalment of the reforms the MoF/GoG identified the weaknesses in the financial management system and developed strategies to address them. The problems in the PFM systems are therefore well documented; and the baseline situation established (dating back to 1986) (Premchand et al, 1986). All the three waves of reforms have been supported at the presidential level and approved by Cabinet.

6.4.1.1 Building on previous reforms

On-going reforms have built on previous efforts, and there has been some rebranding of reforms. Participant G1 recalled the re-packaging and rebranding of the reforms as follows:

> So yes, we did the diagnosis and in 2009 after the public expenditure review, it was realized that that IFMIS thing should be implemented so that we can now be able to bring some sanity in our public expenditure management. So, the BPEMS was re-engineered and repackaged into what we call the Ghana Integrated Financial Management Information System, GIFMIS".

The PFMRP built on GIFMIS which built on the PUFMARP/ BPEMs that had preceded it. BPEMs wrote the automation documentation and took the procurement decision to implement Oracle Financials. The GIFMIS adopted and updated the BPEMs documentation and re-designed the segments to allow for separate entity reporting (to enable the MDAs to prepare their separate accounts and financial statements). Participant G22 from the CAGD explains.

> When we started the implementation [of GIFMIS} there was only one balancing segment called GOG. So, at the end of the day you could only prepare one central account at national level when we started. Now, it got to a point where the committee was demanding reports that GIFMIS was unable to generate. And we the experts explained to them that the decision was taken at the start of the implementation to report at central level because people argued from our [Financial administration decree] FAD and [Financial Administration Regulation] FAR that Ministry's department and agencies didn't need to produce a balance sheet. Why would Ghana New Agency want to produce a balance sheet? That was the argument. Balance sheet is only meaningful at the government level, GOG point of view. Now, at a point, that was creating more noise. So, we the team here now decided that every institution that is on GIFMIS will have its own balancing code. So that actually was a major reengineering that took place from the system point of view. Even Oracle came in and felt it couldn't be done".

Others saw it differently, alleging that recent reforms had re-packaged and re-branded previous ones for political reasons. Politicians preferred to make the existing reforms appear to be

abandoned, in favour of new ones (the new replacing the old), so that they can claim credit for any improvements they are able to implement.

Some held that reforms the Ghana reforms have had no impact, have not been sustained, and lacked depth for its' inability to deinstitutionalise poor practice and to institutionalise better practices in their place [PEFA report, 2013]. For example, the initial progress made with the MTEF reforms were quickly reversed before it could institutionalise better planning and budgeting practices. Programme budgeting (PB) was built on a very dysfunctional MTEF processes that did not serve any of its intended purposes. There is evidence of the lack of impact of the MTEF on budget planning; and that the MDAs continued to submit wish-list budgets. Two participants from a sector ministry confirm it:

> Participant 13: "… it is the way the [reform] modules are and/or ends. It doesn't really end for you to see. So maybe part of the implementation, the challenges are 'picked' [i.e. identified]……. and then in the process of making it better, then suddenly a new one comes, and then we have to make it look like we are abandoning the old one, but you go into it and you see that the structure and contents are the same).
>
> Participants G14: Yes. And also, sometimes that is the message that doesn't come well. As if we are moving away from line item budgeting. We haven't moved away from line item budgeting. We have rather improved on it by adding program based (in terms of activity analysis) on top of it. So, first all that we analyse is how much of a certain line of electricity, travel expenses, that, that, that, that. Now we have added a bit small on it that if you went to do a training how much of it was on fuel, how much of it was travel cost? How much was it this or that? So beyond just knowing the total we spent…. one billion on fuel. What for? We don't know. Now you can know how much we spent on that fuel, how much the paying of salaries contributed to your program, how building of buying something. So that is what has moved up, but we haven't moved away from line budgeting."

Internal assessment reports show in spite the progress made in some areas, the impact of reforms implemented are limited by the significant institutional, policy, systems and process weaknesses that continue to exist (EY, 2017 pp8). Furthermore, initial gains that were made, have been reversed within the life span of the reforms, therefore defeating any claim to sequencing.

6.4.1.2 Introducing techniques and tools

Reform techniques and tools introduced are only partially institutionalised. Often reforms techniques were implemented half-heartedly, and not supported to solve the underlying issues before another layer of techniques were introduced. The reforms therefore have become an assemblage of techniques, and not an arena for problem solving. Inappropriate new tools have been introduced before the ones preceding them are even understood and deployed well. Participant G13 from a line ministry said:

> …. that drove the reform into [the] now program-based budgeting, where they said some of it are not necessarily for our consumption [now], but at a certain level we will need to link them up.

That is, the introduction of the new budget planning and preparation techniques, Programme Based Budgeting (PBB), introduced between 2011 and 2014 to replace the existing Activity-Based Budgeting (ABB), was only partly implemented (loosely coupled) to show that Ghana had adopted the PBB approach. An in- depth appreciation of these techniques (ABB and PBB) indicate that they are in fact complementary, and they are derived from the same toolbox. One cannot hope to get the benefits of PBB if ABB is loosely coupled. But as the official observed, that message does not go down well with the top-down official script that maintain that Ghana has progressed from line-item budgeting to ABB, and finally to PBB. Whereas no real changes have taken place, especially in the underlying practices.

6.4.1.3 Reforms sequencing had been misconstrued with phasing and piloting of projects.

Efforts were made to sequence the reforms, but that did not work well because the concept was misconstrued as "phasing" and "piloting" of the project. Sequencing requires a plan laid beforehand to build on previous outputs and outcomes within the same project or programme of reforms, but at each stage challenging the authourities to push harder against whatever constrains them. Pettigrew (2012) has argued that:

> sequencing of change involved challenging and changing the beliefs and idea systems of top decision makers, often linked to power changes at the top, followed by enabling changes in structure, people, and reward and recognition systems, with the new strategy emerging out of this complex and precarious multifaceted change process (pp 1307-8).

He argued that this discovery challenges the Chandlerian dictum that structure follows strategy, which seem to be the unspoken approach of the reforms in the developing countries. In practical terms sequencing of reforms aims to reduce fatigue, and to pursue the next step logical step in a difficult terrain, having seen the results of an earlier step.

Building on the previous reforms that had been re-packaged because of their lack of initial impact is not "reform sequencing". Neither is piloting or prototyping. For example, participants observed that implementation of the Programme-Based Budgeting (PBB) in Ghana proceeded with great caution, to forestall the previous international criticisms (Andrews, 2006) that the government 'proceeded aggressively' (pp137) with previous budget reforms (under the MTEF implementation). Participant G1 from MoF said:

> So, we did all these things in the reforms. Even though there are issues, sometimes people talk about sequencing, we've made sure that subsequent reforms take into account whatever the previous reforms did. We didn't totally abandon them – we're still doing MTEF but now we're doing program-based, and MTEF started under PUFMARP. We revised the chart of accounts……we have harmonized chart of accounts and all those –

> the ICT-based and the staff and all those things are there. And there are legal frameworks too that have been put in place to make sure that some of these things work as expected.

As a pre-caution the PPB was introduced on a pilot basis. The same participant, G1, said:

> Yes, it's something we considered, seriously. So even from the GIFMIS time, the budget, the HRMIS, - all used a phased approach. You recall that …. at that time, we looked at only seven MDAs, we had then considered and tested it with two MDAs before we went to seven and brought in education, health and agriculture and those things. After that, we still piloted it. So, we did it form 2012, before 2014 we got the appropriations, and we got all MDAs without the local level. We went at the local level in 2015 entering in 2016. So, we did it from 2014, 2015, almost two to three years before we went local level.

That approached phased in the PPB, but it does not necessarily mean the introduction achieved the project goals, and the outcomes were satisfactory. For the implementation of GIFMIS further observed:

> The IFMIS is the same thing, they started at a national level, did the training for national level treasurers and MDAs before going to transaction processing centres, looking at the cost centres. So, the phased approach was used to get staff hooked onto the system gradually. Even though we did a big bang we didn't go straight away. Now they're deploying to MMDAs. Last year they started with a number, they've scaled it up to 55. HRMIS, the same thing, they piloted with eight MDAs, looking at GHS, GES, Ghana Police and some other institutions to test the system, do the user acceptance testing and training and get them to use it, then use the feedback to expand the coverage to all others. So yes, we use the phases approach and made sure that – and each of them went with intensive capacity building and change management processes. Even with the project, we have a change management consultant assisting us. So, we use the phased approach, we piloted all the implementation before rollout".

Participants referred to sequencing reforms, when in fact they meant the piloting of the project's interventions. The understanding of reform sequencing therefore has been mixed up with piloting and phasing in the Ghana reforms with the consequence that institutionalised practices, that are to be reformed, are not clearly delineated to form the basis for the next round of the programme implementation. PFM reform researchers have however suggested the following sequence (see Talierco, 2009 in Chapter 8; DFID, 2005):

- Addressing the issues of budget credibility in delivering predictable resources
- Improving Internal controls and holding managers accountable
- Linking policy priorities to budget planning and implementation
- Instituting accountability through monitoring and evaluation processes that take into account both finance and performance in an integrated manner

6.4.1.4 Basics First, Good Enough and Reform Sequencing

BPEMs was designed to be implemented in phases with in-built piloting., but the initial implementation did not work out as planned. The problematics of coordinating complex PFM reforms is not unique to Ghana but found in other countries that have implemented integrated PFM

reforms. Thus, the question remains how to address the challenge of implementing complex multi-faceted reforms with several components. An MoF participant, G15, reflected:

> So, I think from where I sit, program design was probably okay. I think the major difficulty was that the program had about eight or so components.

It has been argued elsewhere in this study that the IPFM reforms in Ghana were subjected to external sponsors dividing it up to fund separate elements. Evidence from other places found that reforms are "often led by different development agencies, with insufficient attention provided to the co-ordination and sequencing of reform" (DFID, 2005). The concept of "platform approach" (Brooke, 2003) was promoted by DFID to focus the attention of reform implementer on a few milestones at any one time, and to "address the implementation of reforms that frequently fail to complement and build upon each other" (op. cit. pp2). It was applied to a number of PFM reforms (for example in Cambodia, India (Orissa State), East Timor and Russia), but it received critical reviews and has since been discredited for not providing the panacea to some of the fundamental challenges that reformers face (see Allen, 2009)). For example, Allen (2009), found in the case of Cambodia that it did not address the issue of institutional dynamics, overloading the reforms with activities, and premature movement upwards from one platform to another. Instead, Allen (2009) argued that reform implementers should go back to "getting the basics rights" advocated by Schick (1998). Nevertheless, the problem of coordinating complicated reform programme from one project management unit is problematic (and requires to be addressed).

6.4.1.5 Technology imposition and diffusion in the MDAs create internal coercive isomorphism

Throughout all the three phases of Implementing the ERPs, based on Oracle Financials, the line ministries were not given the option of how the new technology could be used as an internal management tool. Instead the automated accounting systems was diffused through imposition procedures by the MoF and CAGD. The underlying accounting and business practices and procedures have therefore changed very little despite the adoption of the electronic systems. A well-placed participant from a line ministry, G14, said:

> … – we were there, and they brought it. They said they have to wire that, that without even looking at whether we even have the computers, or we don't have. So those are some of the challenges with the implementation. But as far as where we were going to, and the understanding of the objectives of the project, it was clear to me.

An official from MoF/CAGD confirmed:

> So, we did develop the system, we tested and deployed it to all these MDAs.

From an MDA's perspective they were not consulted enough about their requirements, and the computer systems were imposed on them, as users (even some of the key ones). This is something that has held back the non-coercive adoption of the new system. But in addition, it has resulted in

some of the MDAs (including Parliament) buying the same or different software licenses for their own use. As participant G4 observed:

> …. there is this turf war where people think unless I own the right to the software, the network and etc., it is not mine. Therefore, notwithstanding the huge and unnecessarily expensive network that we have in government and the software that we have paid for which is the Oracle financials, payroll, etc., people are paying for the same right to acquire the same software on their own.

6.4.1.6 Championing the reforms through Steering Committee meetings

Steering Committee meetings were instituted as part of the implementation mechanisms. The reforms established the tradition of involving the Ministers of Finance (or a deputy Finance Minister) as Chairperson of the steering committee dating back to 1995/96. Often that leadership role is delegated to a deputy. Some ministers however participate in project technical sessions and other activities, especially if they have the technical background. In Ghana the steering committee practice had the Governor of the central bank as a member, and some of the ministers of key big spending MDAs, the Public Service Commission (PSC), and the Office of the Head of Civil Service (OHSC). The steering committee meetings were the fora for briefing the minister and members of progress, and for the project team to ask for assistance to remove project impediments. The sponsoring donors and project financiers were also invited to attend to get the project briefing direct from source and to assess progress.

In the PUFMARP/BPEMs phase if the steering committee arrangements had worked well, the reforms would have advanced much further than it did. In the subsequent phases of implementation some technically minded ministers even took personal charge of such meetings and did not leave it to their deputies. The PFMRP (2015-2018) for example had two management committees, the executive and steering committees, essentially playing the same role. But in most cases the steering committee became just a talking shop, where ministers micro-managed the project. For example, in the BPEMs automation software contracting, the Deputy Minister of Finance compromised the government's position for personal gains, that derailed the project for almost a decade. He was subsequently charged and jailed for making payments for a software implementation in the Judicial Service of Ghana that never took place (see viewpoint@ghanareview.com).

6.4.1.7 Implementing performance management formed part of the budget logics

The reforms attempted to develop a performance-based budgeting as part of the introduction of the MTEF through the introduction of activity-based costing and budgeting. However, the performance- based approach was not fully implemented. An MoF official, G9, said:

> So, we call it the performance-based budgeting, using the activity budget approach.

One critical aspect of performance management is to ensure the budget has been costed properly and adequate resources have been made available for a service. This enables the budget to serve as a cost control mechanism at the same time. Where the budget has been costed based on historically inadequate level and remains incremental it defeats the logics of performance budgeting. In Ghana costing practices remains largely ad hoc, undeveloped, rudimentary, and unchanged. However, costing seemed to be better understood at the sector level, especially in the Ghana Health Service (GHS) where they have had a long experience in developing and working with clinical costs. But centralising the reforms has not always supported separate ministerial costing initiatives as it was under the MTEF. However, there are signs that the MoF is beginning to improve their approach with the issuance of a costing guidelines in 2017 as part of the introduction of programme budgeting[33]. the. Under the activity-based budgeting regime the estimates were costed based on a formula of quantity, frequency, and unit cost of the activity. With the introduction of programme budgeting, the unit costs are required to be computed for the various cost heads that go into the computation of both activities and outputs cost (see pp8 of the Costing Guidelines for MDAs, 2017)These changes require both a greater clarity of direction to be provided by the MoF, and capacity across government which appear to be lacking at the moment. Participant G15 from MoF made these observations regarding the computation of the unit costs.:

> …. we were actually doing the research with Statistical Service to support us to determine this unit cost. But that hasn't materialized in the fullness. That's a very interesting side. We're still waiting for this country to grow. So, if that had come on board and we could have standardized the unit cost across board; and which would be used by everybody. But, of course, the variables will differ from MDA to MDA based on their …

The MoF seemed to misconstrue the concept of unit cost of output produced as the unit cost of inputs; and deferring to the Statistical Service of Ghana to undertake surveys to determine standard prices for common items, rather than an exercise to be undertaken by cost accountants and service managers.

Over a decade after the MoF introduced the MTEF it was not systematically ramped up, rather it declined to an incremental "line-item" budget that existed before. To remedy the decline of the MTEF and the ABB systems the MoF introduced the PBB address the failure of the implementation activity-based budgeting and the MTEF reforms. The implementation of the activity-based budget had become problematic. For some of the MDAs, it was not unusual to see a budget book (budget volume) the size of 3 Bibles combined. A ministry like health had over 15,000 activities that they updated incrementally from one year to another:

> You can do analysis – all that they do is to do the workshop, all that they do is to procure, and nobody knows the purpose. So, changing to programme-base was moving people's

[33] MDAs for preparation of costing estimates for the Sector Medium Term Development Plans (SMTDPs)

> focus from just undertaking the activities to project; and I can say that even parliament have not started focusing on the results that MDAs are going to achieve; other than as in the previous times where they're looking at the project that will come into their areas.

The budgeting system in Ghana, therefore deteriorated rather than improve, over the period in which the activity-based budgeting was maintained. The previous attempt to implement performance budgeting only resulted in weakening accountability as the MDAs focused on spending public funds without showing results. With the recent change to programme-based budgeting has only shifted attention to the implementation of infrastructure projects, that seems to get the attention of parliamentarians better the overall budget performance. Any hope of improving this situation is further aggravated by the poor budget funding arrangements where the available cash are rationed to meet the cost of payroll and running expenses leaving very little to run MDAs' programmes. An MoF official, G11, puts it succinctly as:

> But here's a case where probably there is money to pay compensation only; so, you pay compensation, but the compensation has a role to play in helping deliver the service, but if you pay compensation you've not paid 'goods and services'. How do you expect the totality of the programme to run?

Therefore, transitioning from one budget system to another in Ghana has been crippled by technical weaknesses, ambitions programmes, and poor funding arrangement arrangements.

6.4.1.8Techno-logics and change management

Techno-logics drove the change management programmes, that focused on acceptance of technology, but it did not address attitudinal change within the public service. There were change management programme intended to break down the resistance to use the new technologies. For example, the MOF's working procedures relied on using messengers to ferry large paper files from one office to another. To change that required change management training to go with the GIFMIS automation. Participant G1 observed:

> Under the GIFMIS, for instance, we have change management component where we have a whole team that were doing change management because people have – it's like the vice president saying paperless at the ports and people resisting. So, there was a change management because now everything that you need to do, if you want to raise a PO, a requisition and all those things should be on the system. Even with the Budget Division people were a bit…. – because now you'll get a notification that an MDA has sent a request and you will have to process everything online

With the roll-out of the GIFMIS, government has gone from running a parallel system of paper files and electronic files to using only electronic processes. One of the participants who is strategically placed reports of a gradual change in behaviour to what the system required. The aim was to make sure that whatever project MDAs wanted to implement was in the budget for the year was given a project code and was on the system. Anything that was not on the GIFMIS platform

could not be spent. But the threat of reversing is not yet over, especially when a sizeable proportion of MDAs' revenue and spending are still not on the GIFMIS.

In addition, from our observations there was little evidence of a fundamental attitudinal change in the civil service regarding management behaviour in the application of knowledge, development of new skills, customer care, and staff welfare, and general conduct of business including professionalism. Embracing change makes the system move forward to the target stage, not backwards. But that has not been the case with the reforms as participant G1 note the reversal that happened with the budget improvement:

> So yes, if you look at the budgeting component, that is also to bring some behavioural change in the way we do things. Because the activity-based budgeting, at a point when we did the review, has more or less become and incremental in the sense that MDAs do not look at what they're going to achieve at the end of the day even through there are objectives, outputs and activities; the concentration was on activities.

Any drive to bring about attitudinal change, under the PFMRP, has been done through legislation. Officials hoped that the promotion of the PFM Act 2016 through capacity building and sensitization would bring attitudinal change:

> So yes, behavioural change is one of the things that we're aiming at. Still under HRMIS too, the same. There is a lot of capacity building, a lot of sensitization. When we even did the law, the PFM ACT, we've gone all over, we've trained all MDAs and all the 216 MMDAs. I've been to all the regional capitals sensitizing people, telling them about the sanctions, telling them about what the 'dos and don'ts' in the law.

The MoF has adopted market logics in vendor education to ensure better compliance of procurement procedures, and ultimately to achieve better budget controls. A senior official in the MoF E1 said**:**

"And we've educated the contractor. If something is not in the budget, you're not convinced that it's in the budget, you don't go and execute that contract. You're doing that at your own risk.

Thus, where official commit to spend funds that have not been approved in the budget, they do so at the cost of being sanctioned for infringing legislation.

6.5 NEW OPERATIONS: ACHIEVEMENTS

The assessment of reform progress for this paper has shown that there were many slippages, and the reform results have been mixed. From a longitudinal examination of the available evidence, we have chosen seven points in the trajectory of the reforms in the last 30 years. These points can clearly be identified based on available official documents such as IMF assessment reports, Government of Ghana public expenditure review, the PUFMARP/BPEMs design report, and the Ghana Public Financial Management reforms reports. The list of official documents that have gone into our assessment have been listed in Appendix 1. The various assessments have been

summarised in Appendix 11 to give a dynamic picture of areas of concerns and achievements within the system as recorded in these official documents:

1986 IMF report

1990 IMF Reviews

1993/1994 PER

1996 PUFMARP/BPEMs High Level Design assessment report

2006 PEFA assessment

2009 PEFA assessment

2012 PEFA assessment

2018 PEFA assessment

The budget credibility had been undermined by revenue underperformance, unreliable forecasts, and poor cash management practices. Weaknesses in the collection of tax arrears prevented adequate resources mobilisation. The non-integration of the Internally Generated Funds (IGFs) into the mainstream of government revenue raised control issues that demonstrated the breakdown of accountability and the limitations of the central authorities in the government. The power relationships led to established practices that were inconsistent with central-state logics and accountability. The entrenched accounting practices presented to officials rent-seeking opportunities, while causing resistance to reform.

Ghana's budget reforms had attempted to establish better linkage between policy goals and the approved financial estimates, and to move away from incremental line-item budgeting to performance and programme budgeting. The most recent emphasis of the budget reforms aimed to replace Activity Based Budgeting system (ABB) with a system of Program Based Budgeting (PBB). However, one of the key reform challenges had been how to institutionalise budgeting-for-results and to make it effective. This was a pursuit that have gone on for over two decades. The budget credibility continued to be in doubt because of uncertainty in funding the budget and the gaming of the system by various acting units within government.

6.5.1 Improving the treasury function and the application of the International Public Sector Accounting Standards (IPSAS)

The reforms have attempted to strengthen the treasury functions to enable cash resources to be used properly, and to improve reporting by applying the International Public Sector Accounting Standards (IPSAS). The current standard of accounting reporting is on a modified cash basis (with

on-going debate about the relevance of accrual accounting). Generally, the formats for presenting both the budget and public accounts had not been user friendly, and that impacted on the ability of the parliament, the public, and civil society to hold government to account.

The fundamental problem of the Government's budget management practices (including monitoring) was that there had been an over- concentration on financial inputs, and very little attention paid to results. As observed in the PEFA 2010 report, there is no clear view of comprehensive spending in most sectors (for example in ministries such as Education, and Health). The calculative practices and tools provided by management accounting had not been widely adopted. In recent years, some attention had been given to monitoring and evaluation (M&E) by the executive government in establishing separate units, under the Presidency, charged with that responsibility. It is not clear whether this arrangement obviates the need for each ministry to have an effective monitoring unit.

6.5.2 Management controls and internal audit

There were recognised weaknesses in management controls and internal audit. Ghana tried to implement the concept of a unified internal audit system headed by an Internal Auditor General, but these arrangements were not effective., There are adequate laws, both in the constitutions and the Audit Service Act 2000, to support the independence of the Supreme Audit Institution of Ghana (the Ghana Audit Service (GAS)). Generally, GAS made good audit recommendations, but there was very little implementation of Public Accounts Committee (PAC) recommendations and the follow-up was inadequate. In recent years, the PAC has made gallant attempts to hold MDAs accountable in televised broadcast of its proceedings and the PFM Act 2016 requires ministries to set up an Audit Committee to ensure that audit recommendations are implemented.

6.5.3 Enabling a stronger legislative framework

One of the key project achievements has been in changes in legislation (such as FAA, 2003; PFM Act,2016; Procurement Acts, 2003 and 2016), codifying of some of the new processes in the PFM law. Participant G15 claimed that the new PFM Act has introduced tougher sanctions that were missing in the old law:

"Apart from that, the law itself – the sanctions regime in the law was not strong in the FAA".

Another participant, G5, pointed out that the PFM Act, 2016 has established levels of authourity for payment that was not there before:

> Now, it is also designed in a certain way that there are levels of authourity that people depending on your level, what you can do and what you cannot do, so where junior officers can effect payment or instruct payment to be made and then it would be difficult for even the auditor to trace; those are the things that we want to do away with, so it is coming with a system in such a way that you to get to a point where payment are also effected online,

> okay, and they're already paid to the supplier, you get into a system where procurement process is going to be based on IT, so you don't even see the companies that are bidding for contracts, what you can only deal with is the name and then those are the issues and that is how the system is being designed now, and the process is ongoing.

There is a legalistic mind-set that has encouraged the reforms' success to be judged by the laws that have been passed (such as the Financial Administration Act, 2004 and PFM Act 2016, Procurement Act 2003 and Procurement Act 2016) rather than the achievement of the rationality of the reforms. Whilst laws could be a great catalyst for change, often they are not implemented as intended. As a result, they have not had any real impact on the introductions of innovations, and in improving the efficiency and effectiveness of public service delivery. The study can argue that having stronger sanctions in the law by itself is a good thing, but that requires enforcement. The statement that Ghanaians have "less affinity to probably enforce sanctions" resonates better with the available evidence, culminating in the appointment of the Office of Special Prosecutor under the current government (NPP government of 2017-2020).

6.5.4 Budget credibility has been enforced using GIFMIS's techno-logics as a central control tool

The GIFMIS system has been used as a tool to control "wrongful" expenditure submitted for payment (G1). GIFMIS allows only transactions that are on budget to be processed, and it rejects any payment that is not on the system (from accumulated unpaid government debt) as "wrongful. Participant G17 noted that:

> ...discussing on Joy FM News File I think two weeks or three weeks ago…. disallowing those transactions that had been tabled to government for payment running into billions. It's bigger than anything you can think of.

The reform approach has focused on implementing 'technical' solutions through computerisation of the accounting system to enforce controls, automation is as good as the people who use it. Whilst it might improve controls, accuracy, and speed of data collection; it is often expensive to implement, it mostly fails, and often it is not used as intended.

6.5.5 Realising part of the vision of an integrated solution in government

GIFMIS has enabled the integration of the automated payrolls system and the financial management system starting in 2013/2014. Automating the HR system has aided integration (dealing with changes in the nominal roll electronically: for retirement, vacated post). But centring reforms has meant that staff have had to travel from the far corners of the country to make inputs into the payroll system at their Ministry's HQ in Accra. But no budget provision had been made for travel costs, therefore compelling staff to find other 'ways- and-means' to meet that cost. That, potentially, has been one of the many sources for corrupting officials. This may be a temporary

problem, but it has significant implications in operations of the sector ministries (such as Education and Health) that have staff spread across the country.

Automating the systems supported the cleaning up of the payroll of "ghost names", and that has been positive. Adopting these technologies, including the biometric has taken out suspicions names that should not have been on the payroll, but participant G2 says some of the names were false positives:

> But what is happening is that when you don't satisfy a condition and your name is thrown out of the system, you go back and regularise it, so in 2 months' time you come back, so it's a cycle. So, you see that the payroll numbers, let's say this month is 400,000, the following month because of some exercise it drops to 350,000 and then it goes to 380,000, within 2 months we are back to 400,000. Although, some undesirables have been thrown out, genuinely thrown out, but some because of one issue or the other……." last year for instance, there was an exercise and a lot of the directors here (MoF) did not receive their salaries, yes. … And so, they will have to go back, regularise, and come back …….. The reforms have yielded a lot of results in the compensation area, and what we did last year for instance, with those who were receiving allowances on the payroll, who shouldn't have, like directors who, were all thrown out. If you have an official vehicle and you receive car maintenance allowance, you will be cut off. So, these reforms have actually paid off.

The phenomenon of "ghost names" have been in the Ghanaian public service for a long time and has resisted these periodic exercises to get rid of them. It seems therefore that this achievement was only temporary, so long as the systems continue to generate incentives for fraudsters who know the inherent weaknesses in the system to operate. Especially where fraudulent activities are considered as errors and it is "taken for granted" they will be regularised without any repercussions. The usual response to wrongdoings by well-placed senior officials in Ghana is that it is the system, and not the culprit's fault. For example, during the payroll cleaning exercises several directors in the MoF had their names taken out of the payroll for living in government bungalows and still collecting rent allowance through the payroll. This is what makes a participant confident to assert that the problems of ghost names will be in Ghana for a long time. Participant, G4, said:

> the issue of ghost names is the structure of the payroll, I keep explaining this, that if one teacher resigns in say Bumburugu nobody's going to bring input from Bumburugu to Accra, until someone from Bumburungu is coming to Accra for something else, before they will piggy-back on him and say "okay, collect this when you go". If he remembers then he delivers, if he doesn't remember he goes back or throw it something else, that ghost name remains on our payroll…. So, given the structural problem that payroll has, the ghost name is going to remain with us for a long time. Why are we able to access our bank details, transfer, make payment when we are even driving etc., and payroll must necessarily be within the Accountant General's Department situated only in Accra?

Another instance was ministers who are also members of parliament (termed Article 71 Office Holders) receiving double salaries and other overpayments wrongfully in three successive administrations from 2001 to 2017. These occurrences were attributed to the systemic and structural flaws in the system, where salaries of members of parliament are processed by the

Parliamentary Service and ministers' salaries are processed by the Controller and Accountant General's Department (Daily Graphic Tuesday May 8, 2018).

6.5.6 Budget reforms has fostered a deeper understanding of MDAs' mandate

The implementation of the MTEF budget reforms introduced the conceptual toolbox of strategic planning. As a requirement the MDAs had to assess their organisational structures, roles and mandates as specified in their enabling legislation. This requirement was re-enforced further by the implementation of programme budgeting. Two senior participants in a sector ministry shared their insights below.

Participant G14:

> I just wanted to add that maybe one of the things that the reforms have brought is also to help us really understand our functions. Previously headquarters will do so many things going into implementation and others but then agencies all but with this at least with the program based we plan based on our core functions. So, headquarters for instance is not supposed to do implementation but rather provide administrative support and the supply of nature. So, we are moving into a situation where we are using our functions in the planning process. And I think it's a good thing.

Participant G13:

> As he said, now people are really doing things according to their functions. Because the first point of the program-based budget is about your function before you define what you do. And so, people now know they have to do things by way of what they are mandated to do, which is a good thing, and how those broad areas are costed and implemented. …. Now, they must report according to that also. So, they must be able to report what they said they would do. Have they done it? And they've done it they should see it as meeting the output targets that they will set, which they report on the output target. So that makes, I said in the beginning, helps you to have a sense of how well you fare meeting your functions. But also, how well you are contributing to the higher-level objectives of the sector. So, in the past, health sector for example, the only report are indicators. So, if we have 30 indicators that is what we are using. Now, we report that in addition to all the outputs that are in here.

Both MTEF and Programme Budgeting required the MDAs to re-assess their mandates and functions to justify their budget allocation. A positive consequence has been a better appreciation of the roles of acting units within the MDAS in how they contribute to the achievement of the organisational mission and vision.

6.5.7 Building capacity at the sub-national level

The budget reforms have facilitated the decentralization reforms in building capacity at the local-government level (in the districts). Budgeting techniques such as the MTEF required the translations of strategic plans to the estimates; and projecting three years ahead within a prioritisation framework have all been found to be useful and practical tools: An MoF official (G7) said:

> If you take the Activate software, it is one thing that we introduced that helps them in budgeting, and it also has some functionality in it that helps them to project for three years for the MTEF, and it also helped them to link the budgets and the plan at a district level as well as the national policy framework. So, and also if you go to the Assemblies now the budget officer or the budget office is well equipped, and it is leading all these reforms that we're introducing now. So, these are the techniques, small, small things that we introduce that has helped us.

The combined reform activities have given skills to government accountants and auditors as well. Participant G12 commented on the spread of skills:

> Yes, particularly with the implementation GIFMIS. A lot of skills have been acquired by accounting officers in the ministries and that is one of the biggest achievements. Budget preparation practices has also improved because it's now being supported by software called Hyperion. So, we will have to learn how to do proper budgeting before the system can accept it. The auditing, Auditor General is changing because they are installing a system called Audit MIS to follow the lines of the business, so they can do online auditing as well. So, these are all, you know, the skills that I see coming up.

With this, the study can conclude that while the practical applications of techniques and tools (such as strategic planning) have not yet penetrated the delivery of public services to an appreciable extent, they have built some capacity within the public service to facilitate further reforms.

6.6 CONCLUSION

Based on the processual approach this study has identified that the financial management system in Ghana, as an ex-colony, was designed for colonial administration (Priestley, 1974), and not for ensuring performance and internal accountability. No wonder dating back to 1955, the UN encouraged post-colonial accounting research in the LDCs emphasising accountability relationship between citizens and the governments (Premchand, 1975, Abdul-Rahaman et al.1997).

To a large extent Ghana's post-colonial experiences failed to transform the government accounting systems to support the country's developmental aspiration. The path of reforms was set in the 1980's after the political, economic disasters and financial meltdown of the 1960s and 70s. The reforms that started from the 1983 onwards were rooted in neoliberal philosophies and explained through neo-classical economic principles to gain international legitimacy (and not necessarily local approbation). "Structural reforms" in the 1980s and 1990s paved the way for isomorphic reforms of the driven by economic philosophies that emphasised broad macro structures.

The PFM reforms and the economic structural reforms have not performed well. The key message emerging from our analysis and discussions is that whilst the reforms have faced challenges, it has been successful in drawing up new legislations and in implementing automated electronic systems on a partial basis through coercive imposition. However substantive changes have not happened, and temporary improvements in the budget system became moribund. This study has theorised

that, it is due to the prevalence of poor institutionalised accounting practices. The credibility of the reforms itself has come to depends on the credibility of the budget (by not implementing it as intended and approved).

One of the key issues is the role played by central agencies (principally the MoF and CAGD) viz a-viz and the line ministries. The line ministries' (hereafter referred to as the ministries, departments, and agencies (MDAs) contribution to the achievement of sound financial management practices have been suppressed even though they are both the subject and object of reforms.

6.6.1 Budget reforms dominated the reforms from the start and alienated the accountants

The carving up of reforms and the initial successes made in the budget reforms alienated the accounting class from the reforms. The low degree of integration of the financial management function, coupled with the limited involvement of the Accountant General's staff in the budget preparation and implementation meant that they could not relate to the reforms that had budgeting as a leading component and became the dominant successful component in the initial stages.

The lack of integration of the financial management function within the Government of Ghana is reflected in the organisational make-up of the MoF, which performs the role of budgeting (where the economists and budget officers are located); viz-a-viz the CAGD which performs the financial accounting function (where the accountant staff are located). Institutionally, the government accountant being part of the Ministry of Finance but sitting outside of it is a legacy of the colonial reforms in the 1930s. To-date CAGD accountants continue to focus on processing invoices, keeping bank accounts, and cash books. Exceptions to this role occur only when a professional accountant is posted to head the accounting function in a service or agency (such as the Ghana Health Service, or the Ghana Education Service) when they may perhaps combine the budgeting and financial accounting functions. Even in such situations the budgeting function and accounting function do not sit easily together.

6.6.2 Low pay provides incentives for gaming of reforms by official

The low remuneration in the public service in Ghana compels officials to seek salary top-ups from externally funded projects, including reform programmes that have been projectized. For example, where the reforms had paid allowances to official for them to attend training programmes, or for them to perform reform activities, in some instances it had led to the gaming of the reform training schemes. On occasions attending training workshops and receiving per diem was considered more important by some officials, if not the most, for topping up their salaries. Where the travel and transport allowance (T&T) had not been provided, attendances had been low, or they are shunned by senior officers as participant G2 from MoF explained the practice:

> But here we give everybody training…… when you come for the training you are given a T and T allowance…. So you'll realise that the directors will attend the training because they will get some allowance and when they go, [they'll] carry the documents to the guys who come in and do the work; [then] they realised that the quality [of work] was not good; So this time around where they're requesting specifically for training, and because over the years we've interacted with them, right now I know almost all the technical guys in all the ministries and so when we are inviting officers for workshop we know the ones we should go for, so we ask for specific people in addition to new ones that are coming, ...

The appropriateness of paying additional financial incentives to motivate participants to attend reform activities is questionable, but such practices have become institutionalised features of the reforms in Ghana, and perhaps in other countries where official remunerations are low.

6.6.3 Re-engaging the office of the Accountant General in the reforms

The passive resistance offered by the Accountant General's Department resulted in BPEMS's stuttered implementation for over a decade. The dynamics of the MoF re-engaging the CAGD in the financial management reforms changed the project's fortune but created other challenges. As noted by an ex-Accountant General official (G4):

> We thought it was time to rehash it, because people were looking at it as budget, budget, people were really being …. so, people thought it is something about Ministry of Finance, so we said let's look at the globe and see what, is there any better way or something which may bring the project back home instead of them seeing it as something happening at the Ministry of Finance. So, we introduced the Integrated Financial Management Information System and being done in Ghana, we prefixed it with Ghana, so we called it GIFMIS, Ghana Integrated Financial Management Information System. And so now we were going to the people say "no, it's about your financial management, it's not about Ministry of Finance, it's about you yourself.
>
> I went away. But I came back, and it is still ongoing, and I was surprised that it's still ongoing because I thought it's something, we thought you could do within two to four years, actually we were aiming at four years, that maximum by four years we should be able to roll it out. Well they claim they have some progress, but not able to answer that yet. ....

As Dechow and Mouritsen (2005) have argued "ERP systems are particularly interesting for what they make impossible" but there are hurdles to overcome which they termed as systems-based 'blind spots' and 'trading zones.' Furthermore, they argued that "management control in an ERP-environment is not a property of the accounting function, but a collective affair where local control issues in different parts of the organisation are used to create notions of global management" (pp691). Further progress in GIFMIS implementation may well depend on the full participation and cooperation of the MDAs, therefore making it counterproductive for the MoF/CAGD to deny the sector ministries control and ownership in an ERPs target environment. of the other government agencies.

6.6.4 Centralising logics alienate some MDAs

Centralising PFM reforms in the MoF and the CAGD tends to cut out the rest of the MDAs and defeats ownership at the MDA level, risking of the reforms. It appears to be appropriate for reforms to be driven from the centre, but the actual reforms should be translated into the MDAs business operations at the MDA level. This was what was attempted during the first wave of the MTEF reforms that gave it its initial success. But that translation was not completed, as any management reforms at the MDA level had to be interfaced properly with the PFM reforms. As participant G15 from MoF observed:

> But if for example because we are championing the PFM processes, MoF, maybe, hijacked the whole process there wouldn't be that ownership.

For "bottom-heavy" sectors such as health, reforms must embrace a large mass of people, therefore making it difficult to direct reforms remotely from above and at a distance. As an official (G13) observed to make an impact they need to go on the journey with a large mass of people:

> …. thinking it's not to the extent that is expected. It hasn't been able to have that knowledge impact. The reason is that you journey with a large mass of people who go through this process; and as you've seen, the PFM cuts across the procurement, the audit, financial management, planning. Each forms a very significant part of the activities of almost every unit and hospital facility that we have across. When we talked about the planning process, in the past it's quite heavy. It's bottom-up. So, you get a district calling all the sub-districts and hold meetings to do this, and the region will call all the districts together to do this. Then national will call all the regions so it's quite huge. What hasn't been done which would have helped with is the teams. To be able to keep the teams so that they can impact this all the time.

In defence of the policy to centralize the reforms, the centralising logics appeared to have been driven by market logics such as the cost and affordability of reforms. However**, f**orming and working with teams is important for institutionalisation of practices and sustainability. Reforming is not cheap; and could not be done on a piecemeal shoe-string budgets; neither is it prudent for it to be done by borrowing large amounts of money (especially in poor countries).

In summary the Ghana reforms have decoupled in the sense of the overall programmes being symbolic displays to satisfy legitimacy-seeking purposes (Modell 2009). But there has also been decoupling of operating-level practices and action such as budgeting and other transactional procedures (especially the MTEF, Programme budgeting, and Cash Management) that appeared not to confer any internal operational benefits.

On the other hand, the introduction and diffusion of budget techniques with coercive automations has generated skills and knowledge across the Government of Ghana.

The processual approach has demonstrated that against the historical (baseline) benchmarks of PFM's performance of 1993 and before, the same problems and issues persist in the Government

of Ghana's PFM systems (after 26 years of reforms). A litmus test of whether pernicious institutionalised accounting practices had changed was based on observations in October 2019 in some government organisations, where officials were still taking brides in processing government payments. This observation was not an isolated occurrence, as in the Judicial Service, which must have the highest ethical standards, several high court judges were caught and dismissed for taking brides in 2015[34].

In the next chapter, this study goes beyond the observation of decoupling to conduct a deeper analysis of the institutional processes underlining these findings in the case of Ghana.

Donor influences had been pervasive from the design stage of the reforms, during implementation, and to the post-implementation narrative. Such influences on accounting reforms comprised the conditionalities that were sometimes imposed, funding constraints and requirements, and the type of advice proffered. These influences ensured that only certain types of questions were asked, and certain types of issues considered, while other questions and issues were ignored. Such discursive issued sets the limits to accounting change (Young 1996). The conception of reforms in Ghana showed that co-financing of reforms by external donors affected design of performs leading to the fragmentation of reforms that did not pay due consideration to the synergies within the PFM systems. The co-financing of the reforms by donors had an in-built logic of demonstrating visible contribution to Ghana's development and influence buying defeated the logic of integration of reform components

Public sector accounting reforms depend on other public sector reforms to have any significant impact. When treated in isolation without taking into account the other types of public sector reforms, accounting reforms is self-defeating. Problems of reform integration is further exacerbated by internal coordination of the myriad public sector reforms that enhances the performance of accounting and PFM reforms. In Ghana public sector reforms were ran from a central secretariat as a project funded by donor loans and aid. It made the reforms susceptible to hi-jacking by politicians and other high-ranking officials in government who capture the financing for personal gains. Reform hi-jacking had been a common occurrence in both the MoF (especially PUFMARP) and some of the earlier versions of public service and civil service reforms.

Reformers in developing countries such as Ghana have misguidedly misconstrued the implantation of central controls (through technology for example) as reforms. Improving accounting controls may be desirable, but it is fundamental misunderstanding to use available tools to impose controls without addressing underlying fundamental issues. Such reforms actions have only increased the

[34] See https://www.bbc.co.uk/news/av/world-africa-34814630/anas-aremeyaw-anas-ghana-s-undercover-journalist-unmasked. The film captured more than 30 judges and 170 judicial officials implicated in the country's biggest corruption scandal. (viewed at 19.06 05/12/2019)

incentives to by-pass controls and defeat the reforms. For example, low-pay and the dependence of extended family on the few people with regular salaries in Ghana encourage public and civil servants to take brides Controls enforcement by itself cannot change improve accounting performance, until the underlying condition are addressed. Decoupling in the implementation of the ERP solution had resulted in the failure to use the accounting technologies to improve operational management. How and Alawattage (2012 pp. 406) have argued that whilst the 'ERP's potential to integrate, standardise, centralize and routinise, opened up opportunities and facilitated changes in the role of management accountants' this has not happened in Ghana. Both PUFMARP and GIFMIS neglected to support sectoral business operations in the MDAs

The culture of dishonesty and manipulation by key central agencies, especially the MoF and the CAGD, characterised the earlier phases of Ghana's PFM reforms. This manifested in the politics of deciding the location of the central control of the PFM project secretariat, the engagement of senior MoF directors as reform consultants, paying allowances as *intressement* to those who were favoured to participate in reform project activities. These issues generated unhealthy dynamics for the reforms. The politics extended to the role of some key officials occupying influential positions in government in making accounting change happen or blocking the type of changes required to move the systems and practices to a higher level. For example, decentralising instead of centralising of financial management in government to improve budget execution was ignored in the 1980s Often well-placed professionals chose the easy path in executing the duties of their office (for example in, reconciling accounts, or in presenting accounts).

While this was not a reflection on all individuals working in the public sector in Ghana (for there were some hard working, honest officials who did their work well and made genuine sacrifices), overall Ghanaian public officials had been caught up in the culture of Kalabule, and they are still yet to emerge wholly from it.

The implications of the dynamics associated with accounting change is the results evidenced in the construction of the reform phases seen from the time of the Economic Recovery Programme (ERP) from 1983 to the completion of this study. The PFM reform phase saw enthusiastic adoption of some of the accounting techniques that were later reversed resulting in a silent dismantling of reform.

In this period there had been very little change in the thought collective (Douglas, 1986) of the accounting cadre in the public service despite the recent increase in their numbers. The underlying institutional thinking has been fossilized, making it difficult to deinstitutionalise the old practices and to re-institutionalise new ones. Such challenges have continued to the present times

7 DISCUSSIONS OF THE INSTITUTIONAL LOGICS OF THE GHANA PFM REFORMS

7.1 INTRODUCTION

This chapter discusses the implications of the empirical findings through the theoretical lens of institutional logics, which has been adopted as a guide to the interpretation of evidence from the empirical data (Ravitch and Riggan, 2012; Creswell, 2005). Fundamental to institutional logics is the interinstitutional orders, and the social relationship between society, organisations, and its individual members. Buckley (1967) reminds researchers to focus on the relationship of the whole to the parts, which is also reflected in the dialectical framework of embedded agency (Benson 1977 and Seo and Creed, 2002). The empirical data indicated that it is how the whole society (as Ghana) has operated that has determined how the reforms (as change and innovations) have emerged and became institutionalised or otherwise.

Underlying the ILA approach is that the world reflects and is constituted by multiple logics because of multiplicity of institutions shaping our lives. As Nath has observed, "The concept of institutional logics refers to the organizing principles that furnish guidelines to actors as to how to behave, or the higher order belief systems that shape cognition and action." (Nath, 2019 pp 1116).

7.2 THEORISING ACCOUNTING CHANGE WITH INSTITUTIONAL LOGICS THROUGH THE NOTION OF EMBEDDED AGENCY

The narrative of change, based on the ILA, revolves around how the categorical elements are transposed from one institutional order to another within the institutional system. Thus, this study asks how, within the constraints of the existing institutional orders, individuals and organisations (as acting units) blend the categorical elements? To account for change scholars such as Thornton et al. (2012) have mobilised the notion of cultural entrepreneurs in the ILA, as an allied concept of institutional entrepreneurs. Institutional entrepreneurs are said to be endowed or can acquire the necessary attributes because of where they are placed to blend the categorical elements of the institutional orders to bring about change.

To illustrate how change occurs within the inter-institutional order system, Thornton at al. (2012) introduced three notions: "technological disruption"; "combination evolution"; and "cultural materials". Using these concepts as linguistic tools, they argued that entrepreneurial and innovative activities occur at increased rates during a period of technological disruption when cultural entrepreneurs innovate using a combination of evolution and cultural materials. "Cultural materials" represent technology or institutional symbols and practices, and the more there are the more the cultural entrepreneurs are able to invent or innovate. With this they go on to show how

cultural entrepreneurs visualise problems and innovate to solve them by transposing logics from one institutional order to another or by blending the orders.

In developing change narratives, logics theorists have mobilised phrasal nouns (such as "dominant logic", "knowledge corridors", and "pattern recognition") to describe how cultural entrepreneurs innovate or bring about change. The logics language is drawn from the strategy, entrepreneurial, and cognitive literatures that point to cross-context innovations that have emerged out of contradictions in symbols and practices. These linguistics tools are derived from psycho-institutional human capital concepts (Thornton et al., 2012). Concepts such as "dominant logic" – is said to be a filter that operate on managerial attention; "knowledge corridors" – occur when an individual with the appropriate background (knowledge, experience across , and profession) are able to recognise an opportunity that others could not see, and act on them; and "pattern recognition" - that individuals with the right experience are able to recognise and capitalise on the prevailing juxtaposition of events to bring change. Narratives are therefore important to how institutional logics account for change. The success of a narrative depends on how a story is made "available and accessible to the human psyche not at the intellectual, but at the emotional level where it is more powerful" and can be activated (Thornton et al., 2012 pp. 105). The ILA change narrative is not dissimilar the dialectical approach to accounting for human agency, which will be discussed in the concluding chapter (Chapter 8).

7.3 BUDGET LOGICS: PROGRESS AND MODERNISATION LOGICS

Within the ILA, this study mobilises the concepts of rational myths (Meyer and Rowan, 1977, Scott 1991) and modern rationalised polity (Jepperson and Meyer, 1991) to discuss how they generate multiple institutional logics relevant to our empirical evidence. To neo-institutionalists, change occurs through evolutionary development of institutions; and mechanisms such as the modernisation of the world society through structuration of organisational fields (DiMaggio and Powell, 1983 and Meyer et al., 1997), or alternatively through exteriority of society[35].

The notion of progress and the quest to modernise bureaucracies go hand in hand; and accounting reforms are part of bureaucratic modernisation efforts in LDCs. This position is reinforced by the observation that bureaucracies are the most preeminent institutional form in modern society (Zucker, 1983). Scholars have argued that in principle everything is organisable in bureaucratic terms (Scott, 1991). But modernisation of bureaucracies has a distinctive set of belief systems and the mindset, as institutions, supporting the modern modes of consciousness and are reflected in the knowledge systems and cognitive styles (Scott, 1991; Berger, Berger, Kellner 1973). These

[35] The ILA offers a non-deterministic, a non-functionalistic alternative for theorising change that is based on the exteriority of society (Friedland and Alford, 1991).

scholars have identified three set of knowledge and cognitive styles to include: bureaucratic administration, technological production, and pluralization of life-worlds.

Scott (1991 pp.166) has noted that:

> Knowledge systems supporting bureaucratic forms, for example, include beliefs in delimited spheres of competence, the importance of proper procedures, and impersonality. Associated cognitive styles include an emphasis on orderliness, autonomous organizability, predictability, affective neutrality, and moralized anonymity.

These requirements for formal rationality are only a generalised "ideal-type" symbolic model in modern society. For rationality comes in different forms as the concept of rational myths try to illustrate. The concept of rational myths posits that rationality does not come in one undifferentiated form, rather they come in various forms and guises, shaped and influenced by specific values (Meyer and Rowan, 1977; Scott, 1991). There are 'multiple and diverse examples of potential sources of rationalised myths: public opinion, educational systems, laws, courts, professions, ideologies, technologies, regulatory structures, awards and prizes, certification and accreditation bodies, government endorsement and requirement'. (Scott, 1991 pp. 167).

Related to the notion of rationalised myth, but quite distinct from it, is the concept of modern polity. By modern polity, Jepperson and Meyer (1991) meant "the system of rules conferring societal authourity in pursuit of collective ends, establishing agents of collective regulation and intervention" (pp. 206). They argued that the construct of modern polity 'provides many opportunities, empowerment, resources and legitimations enabling formal organisation of all sorts of activities in terms of the claimed collective good' (pp. 208). It is an enabling concept that mobilise people and their activities through rationalization to produce collective goods that otherwise will not be provided. It focuses on (i) collective control and sovereignty, and (ii) collective means and ends. These two elements support the rationalization of collective actions through legitimation of public agents in society to perform collective tasks or functions. The "system of rules" can be narrowly or extensively defined to include conventions, but the idea is that they are constructed to cover "polity centres". Jepperson and Meyer (1991) identified the key polity centres to include: (i) the construction and legitimation of necessary goals; (ii) means and ends technology (scientific forms of production or education), (iii) standardised and universalised resources (monetarisation), (iii) principles of collective sovereignty on property rights;(iv) and systems of rationalised control (for example enforcement of contracts). The polity centres function to ensure societal goals such as the pursuit of material wealth, adoption of scientific methods in production, monetary rules, property rights, labour contracts and so on, are generated and maintained. These are generated from the legal, scientific, cultural, and administrative systems in society. Jepperson and Meyer (1991) argued further that there are aspects of the modern society

that are not securely linked to polity rules, and that it is crucial to have a wider polity that supports social and organisational rationalization. Jepperson and Meyer (1991) posits that:

> When these constructed elements are widespread and linked to universalised depictions of the moral and natural worlds, rationalized organising is greatly facilitated (pp. 208).

It is within these rationalised myths and polity centres that competition and conflict may arise and generate different logics that shall termed as modernisation-logics. In the proposed framework, the study adapts the LDCs neo institutional elements developed in the previous matrix (in sections 3.5.4 in Table 3.1, and in Table 7.2 below) into a LDCs inter-institutional order matrix to explain the PFM reform through the budget logics.

7.4 COMPETING LOGICS WITHIN INTERINSTITUTIONAL ORDERS

The budget logics are driven by three ideal-types of institutional orders, which this study constructed as follows: (i) national community order (defined as the Ghanaian polity); (ii) state order; and (iii) international community order. Some elements in these orders are contradictory (or competing), while others are co-operative or both.

The national community order represents the 'polity of Ghanaians', which the study has constructed to represent a situation where the state is closer to the community and reflect their logics. This order is represented by (i) extended family as a clan (ii) local community as neighbourhood, (iii) axial religion (Christianity and Islam) co-existing with traditional ancestral worships (iv) local community that perceives market as a specific place (such as Makola in Accra, Kejetia in Kumasi)[36]. The notion of 'modern polity' as construed in Jepperson and Meyer (1991) included the state, but extended to collective discourse, social movements, and civil society made up of private entities such as "corporations, enterprise managers, science, professions, and modern individuals" (Jepperson and Meyer, 1991 pp. 208). The flexibility in the notion of modern polity enables us to align it to the community order, which I define to include aspects of a unitary state with decentralized organs that have delegated financial duties and responsibilities; public discourses, social movements, and civil society endowed to represent the community spirit in a meaningful way. For the purpose of this study I would distinguish the 'Ghanaian polity' from the formal state organs (especially the central bodies such as the Ministry of Finance, the Presidency, and the others). In addition, I define civil individuals and community leaders as the "acting units", or the focal points, within the national polity.

[36] These are examples of markets in the cities of Ghana.

The state order has been constructed to represent a state that has been captured by self-interested African bourgeoise (Ekeh, 1975) or elite groups[37], who have largely jettisoned most of the welfare requirements of a nation-state. That behaviour makes the state a vampire-state (Frimpong- Ansah, 1991), where the political class see the states assets as personal property from which they derive their authourity. Another characterisation of Ghana at its best is a corporatist state, when the welfare concerns are addressed (Campbell and Pedersen, 2001) or wavering between 'politicised state capitalism' and 'politicised market capitalism', when it relies on markets and privatisation of public services (Hopper et al, 2009 pp. 477). From Jepperson and Meyer (1991) schema (in Table 7.1 below), Ghana occupies Cell 3 (Segmental state, which is a state outside of society) and attempting to move to cell 1.This state order could also occupy cell 2 as a statist state constructed to mean a unitary state with direct controls by the central agencies and less financial delegation to other state entities, but civil society moving to perform the social functions of the state (such as education and health). The state is therefore not a monolithic whole, but divided into separate acting units within the central agencies such as the Presidency, MoF/CAGD and some of the powerful sector ministries)

Jepperson and Meyer (1991) provide a guide to four main types of polity as in Table 7.1 below:

Table 7.**1**: Four main types of modern rationalised polity

	Degree of collective institutionalisation of public functions and functional relations		
Degree of authorisation of social subunits as public actors		Low	High
	High	1 Liberal /Individualistic	2 Statist society
	Low	3 Segmental (state outside society)	4 Corporatist

Source: Jepperson and Meyer (pp. 216): Four main types of modern rationalised polity

The international community order is the third ideal-type construct representing the rest of the world based on the root metaphor of a global village. We derived this from the construction provided by Thornton et al., 2012 to reflect modern Western society with root metaphors of (i) family as a firm (that we consider as a nuclear unit) (ii) professions as relational networks; (ii) corporation as hierarchical organisations; and (iv) international community of diplomatic agencies. This order includes the international financial institutions (the World Bank and IMF) and the other United Nation bodies, multi-lateral and bilateral diplomats and development agencies,

[37] Ekeh eschewed the use of the term 'elite' as a description of the privilege classes in African because "it connotes to me a class of men who enjoy autonomy in the formation of their values and in their decision-making processes, independent of external sources" (pp94). In the absence of the autonomy in the formation of values, bourgeoise seems more appropriate.

international multilateral corporations, and networks of foreign interests in Ghana. The influence of the international community is exerted through consultative group meetings attended by the multilateral and bilateral aid agencies and Government of Ghana officials.

Table 7.2: Adapted Interinstitutional System Ideal Types for Ghana

Y-Axis:	**X-Axis: Institutional Orders**		
	National Community Order (decentralized state responding to community logics)	**State Order**	**International Community Order**
Categories	Extended Family 1 Local Community 2 Religion: Axial Religion and natural 3 Community Market 4	Statist and state corporatism 5	International Market- 6 Profession – 7 Corporation- 8 International Community -9
Root Metaphor 1	Extended Family as Insurance Community- as Neighbourhood Axial religious Church going as fashion (catwalk) Community Market- Roadside stalls; market as specific place of trading	State as Vampire/state assets as personal property and authourity	International Market- Transaction Profession – Profession as relational network Corporation- Corporation as hierarchy International Community - Global village/ and networks
Source of Legitimacy 2	Extended Family - Lineage Local Community- Patronage Axial religious- belief in afterlife and ancestral worship and superstition Community Market- Variety of and reliability of supplies	Stolen elections either by vote buying or ballot rigging/ Board membership for cronies	International Market- Share price Profession – Personal expertise Corporation- Market position of firm International Community - International Capital/ donors/loans
Sources of Authourity 3	Extended Family Patriarchal	Bureaucratic domination through police and the	International Market- Shareholder activism

	resourcefulness or matriarchal authourity Local Community- Material wealth, but values also count Axial religious- Priesthood charisma & Magic (Miracles) Community Market- Status conferred by capacity to purchase on wholesale basis	military /professional jargons and obfuscation	Profession - Professional association Corporation- Board of directors Top management International Community - faceless, local, and international network of Board Members
Sources of identity 4	Extended Family- Hometown by lineage (not by place of birth) Local Community- facial recognition/ emotional connection Ego-satisfaction & reputation Axial religious- Church Groups Community Market- Personal contact	Social & economic class: By money or education and international networks	International Market- Faceless Profession – Association with quality of craft Personal reputation Corporation- Bureaucratic roles International Community - A mixture of diplomats and corporate/personal networks.
Basis of Norms 5	Extended Family - Membership in household/ (Ancestral Extended family Local Community- informal group membership Axial religious- Membership in congregation Community Market- Self-interest and community service	Citizenship in nation/ Education and belonging to elite groups	International Market- Self-interest Profession – Membership in guild & association Corporation- Employment in firm International Community - International diplomacy and neo-colonialism
Basis of Attention 6	Extended Family - Status in household/	Status of interest group/connection to elites	International Market- Status in market Profession – Status in

	Financial resources within the extended family Local Community- Personal investment in group Axial religious- Relation to supernatural Community Market- Status in market conferred by size of establishment		profession Corporation- Status in hierarchy International Community - diplomatic rank and status in international network
Basis of Strategy 7	Extended Family - Increase family honour/ Enhancing personal prestige and status Local Community- Increase status & honour of members & practices/ Enhancing personal prestige and status Axial religious- Increase religious symbolism of natural events/ Superstition and magic Community Market- Increase efficiency profit	Increase community good/ control of citizens and biopolitics	International Market- Increase efficiency profit and market capture Profession – Increase personal reputation and knowledge of local terrain Corporation- Increase size & diversification of firm, transfer pricing, International Community –, local charity for hearts and minds, aid to influence policy, diplomacy, and hegemony through regional military agreements
Informal control Mechanism 8	Extended Family - Family politics/ personal achievement (education or money) Local Community- Visibility of actions/ Behind the scenes dealings Axial religious- Worship of calling/ Sub-groups / aura	Backroom politics/ patronage	International Market- Industry analysts Profession – Celebrity professionals Corporation- Organisation culture International Community - aid for policy influence

	Community Market- Clan affiliations and ability to break bulk		
Economic System 9	Extended Family - Family capitalism/ Subsistence Local Community- Cooperative capitalism Axial religious- Evangelical capitalism and Islamic finance Community Market- Social and market capitalism	Welfare capitalism/ market capitalism	International Market- Market capitalism Profession – Managerial capitalism Personal capitalism Corporation- International Community - International capital and IFIs

Table 7.2 outlines the multiple logics influencing the Ghanaian society. Scholars have asserted that in a situation of multiple logics, one of the logics will dominate by acting as a filter on managerial attention (Stafford and Stapleton, 2018). This study argues that, to a large extent, the international community logics dominate managerial attention of both the state order and national community in Ghana. The rest of this chapter discussed how the impact of the domination by the international community has been unfavourable for the PFM reforms in Ghana

7.5 THE BUDGET CREDIBILITY LOGICS AND PFM REFORMS IN GHANA

In the remaining sections of this chapter, I discuss the budget credibility logics through the framework we have developed based on institutional logics approach. The traditional political economy analysis of reforms through the lens of neo-classical economic framework, (see Fritz at al. 2017), attribute the performance of reforms to questionable commitment by politicians and officials to reforms, and their rent seeking behaviour. With a few exceptions (Manning and McCourt, 2013) the practitioner-literature tends not to explain the role of the international donors on the reforms. Scholars have intermittently drawn attention to the role of the Western countries and their agents in developing countries. Often these roles are examined through theoretical lens of the political economy and neo-colonial interest (Lassou and Hopper ,2016; Tinker 1980, Cooper 1980). In this thesis we argue that the roles of both state officials and the international donor community are more complicated than what it is often portrayed to be.

In the discussions in this section, I link the interinstitutional orders to the appropriate categories from our empirical data (in Table 5.1 in Section 5.3) to discuss the explanation of the budget logics.

The budget logics are driven by three forces (National Community (or polity) Order, State Order, and International Community Order): some are contradictory (competing), while others are cooperative or both.

Table 7.3: Budget Credibility Logics of Ghana Reforms

Y-Axis	X-Axis: Institutional Orders			Links to the empirical categories' codes
Categories	**National Community (NC) Order** (see Note 1 at the end of the Table)	**State Order**	**International Community (IC) Order**	(Bracketed Numbers refer to the empirical categories, some of which provides the relevant quotes in the discussions)[38]
Root Metaphor 1	National needs and aspirations expressed through inclusive and pluralist society	Vampire/state assets as personal property and authourity Centralising controls and politicised state capitalism (Hooper et al., 2009)	Hegemonic control and the notion of Global Village Networking Sponsors of democratic and governance reforms (some supportive of creating inclusive and pluralistic society)	Budget Execution (No.22). Reform Ownership **(**No 17)
Source of Legitimacy 2	Design of reforms: aspirational "Home Grown" reforms to reflect local needs and conditions Local accountability for legitimacy and democratic control salient tools to manage the budget,	The constitution and PFM Acts confers legitimacy. On government to manage the budget. However, there is often 'Stolen verdict' through election malpractices making the need to gain legitimacy stronger: High pre-election public expenditure	Design: Suggestions of international benchmarks and best practice through PEFA assessments to facilitate financial reporting and control from a distance. International accountability for legitimacy	Institutional reforms (No.49)

[38] For details of these categories see Appendix 5: The Mapping of the 69 categories

	enhancing management accounting first, rather than financial accounting and reporting	by the incumbent government Focusing on external reporting (aggregate government expenditure) in the design of technologic solution. Adoption of inappropriate budgeting techniques Performance contracting for legitimacy, when the basic pre-requisites have not been put in place (coercive isomorphism, see Ohemeng, 2011)).	and hegemonic control	
Sources of Authourity 3	Passive resistance to imposed technology solution and desire to develop own systems, and external reporting requirement Non-compliance measures: Exclusion of internally generated funds (IGFs), some donor funds and statutory funds from the budget	Bureaucratic domination through financial regulations, the police, and the military: professional classes, **jargons,** and obfuscation: Imposition of technology solution, and reporting requirement that sometimes cannot be enforced. Legislation: Successive PFM laws and procurement laws that had been difficult to enforce.	Some donors are suspicious of the credibility of the national techno-solution therefore operating parallel system for local projects Bypassing national systems undermining the credibility of the system	Budget Execution (No.22). Design of computer systems (No.30). Professionalization of public sector accountants (No.46). Using technology to manage financials (No.64).

Sources of identity 4	Facilitating the recruitment of government officials by extended family and lineage Promoting informality and local Community ethics in public offices and establishment of axial religious-groups in public offices Community facilitating 'personal contact' as the basis of conducting official business	Social & economic class: By money or education and international networks: High degree of patronage recruitment Loss of professional skills and knowledge informality	Using local professional staff as 'face. Co-opting nationals as international professionals through recruitment; professional network. Supportive of formal recruitment mechanisms	Implementing automated systems (No.4) Professionalization of public sector accountants (No.46). Using technology to manage financials (No.64).
Basis of Norms 5	Political extended family/ community areas and axial religious affiliations Chiefs as conservative pre-modern force Evangelical groups Islamic foundations	Citizenship in nation/ Education and belonging to elite groups: Politicisation of public servants.	Aligning local politics to self-interest through diplomacy and corporatists and neo-colonial interests. Neutrality of international norms	Implementing automated systems (No.4) Changing identities of auditors and accountants (No.27). Professionalization of public sector accountants (No.46). Institutional reforms (No.49).
Basis of Attention 6	Local contractors gaining access to government contracts through extended Family/ financial resources/ personal reputation in community/ axial religious Conducting public transaction through these mechanisms	Status of interest group/connection to elites: Corruption to gain attention	Visibility in support of local interests used a means to get official business done/ diplomatic rank and status in international network/ size of aid. And sometime facilitation fee contributing to official corrupt practices	Learning for reforms (No.1) Health Sector Financial Management reform (No.12). Budget Execution (No.22). Professionalization of public sector accountants (No.46).

				Using technology to manage financials (No.64).
Basis of Strategy 7	National contractors have limited capacity to participate in large government contract Receiving some education on GIFMIS requirement s to ensure compliance with public sector procurement regulations and possibly increase the efficiency of government contracting.	Increase community good/ control of citizens and biopolitics: Tendency to pay more attention to international community interest in neglect of the local community. Providing vendor education to GIFMIS requirements to national contractors on procurement as means of ensuring compliance with financial management and procurement regulations	International companies avoid taxes by transfer pricing of goods to increase profit and market capture/ personal reputation and knowledge of local terrain local charitable contributions to win hearts and minds/ aid to influence policy, diplomacy, and hegemony through regional military agreements	Implementing automated systems (No.4) Capturing financial transactions in GIFMIS /Budget Execution (No.11). Budget Execution (No.22). Audit reforms (No.26). Medium Term development planning (No.31). Behaviour change (No.54). Techniques introduced through the reforms (No.55). Using technology to manage financials (No.64).
Informal control Mechanism 8	Acceptance of 'discriminatory practices' because of family linkages and contributing to official corruption	Backroom politics/ patronage: Approved budget used as a guide only Low remuneration of civil servant encourages apathy and tolerance of non-compliance and enforcement of sanctions	Influence buying through aid for policy influence (See Dreher et al,2009 on votes of temporary members on the UN security council for IMF loans)	Financial Management in sectors (MDAs) (No.40) Professionalization of public sector accountants i (No.46). Transitioning between reform initiatives (No.52). Transitioning from Activity-based to programme-budgeting (No.57).
Economic System 9	Extended-family systems support subsistence living, and that	Welfare capitalism/ market capitalism:	International financial Institutions sponsoring neo-	Implementing automated systems (No.4)

	made it possible to extend low wages/salary policy across society, including public officials	Neglect of state welfare and extension of markets to every dimension of society (toll roads, private schools, hospital fees and others)	liberal policies/ capitalism and market discipline in state operations.	Procurement (No.6) Costing of Budget (No.7) Medium Term development planning (No.31)

Note 1: This order represents the Ghanaian polity as a pluralist ideal-type society. This construct therefore partially includes 'decentralized' state organs that are enabled and respond to the community logics

In the discussions that follows from section 7.5.1 to 7.5.9, this study asks whether the three institutional orders identified in Table 7.3 above are co-dependent, or they are competing/conflicting logics. This analysis often brings out the domestic and international challenges to state legitimacy (Goldstone, 1991)

7.5.1 Root Metaphors

The notion of 'a vampire state' captures the essence of why the behaviours of successive governments in Ghana have fed into the logics of budget credibility. Ghanaian politicians have had the tendency to treat the state assets as personal property, distort budget appropriations from welfare programmes into 'politicised priority programmes', and bypass budget controls during implementation. Budget allocations are vired to the office of the President, while some departments do not receive their approved allocations. A parliamentary participant, G5, observed:

> Yes, because you see the Office of the President: They will see their budget boom, while some ministries are suffering, they are suffering. When we are approving this 2018 budget most of the Ministries, some have been given 40% of allocation of their budget, that's at September 40%, some are given 50%, some even 30-something per cent. It means that by the end of the year the amount they get, is I guess only 50% or 60% (of their budget). Where is the money for the difference? Meanwhile the total expenditure, they have not exceeded, but it's almost the same we have approved for them, so how? What happened? So that is where the problem is".

Distorting the budget to support the Office of the President is not consistent with the national community aspirations, and the international community would not support that. Undue resources being allocated to the office of the president and their unplanned activities often derailing the budget implementation are ubiquitous practices, irrespective of the political party in power. Another participant cited the distorting effect on the budget funds by a former president's frequent week-end trips to Kumasi (his home constituency) as an example. Another egregious example is how state-owned enterprises (SOE) have been managed by successive government, and the threat they pose to the fiscal stability of Ghana (PEFA, 2018). The behaviour of officials, in distorting the management of the budget, contradicts one of the root metaphors of the international

community (as sponsors of governance and democratic reforms). However, the same behaviour enhances the hegemonic domination of the international community (their other root-metaphor). For this reason, they are prepared to tolerate and support any governmental regime that reasonably enhances their hegemonic influences, if they do not embarrass them. To control the excessive abuse of power by national politicians, the relationship between the 'Vampire State' and the international community is grounded in aid and loan conditionalities that often require specific reforms: As participant, G15, said:

> A lot of our programs, PFM programs, are supported by donors. DFID is supporting. I think USAID also supports. So, donors are in there. But if donors are supporting, I think it's only natural that they would come with some requests or prior actions or certain, should I say requirements. That because I am supporting you must do A, B, C, D. It is possible.

Researchers have found that some of the reforms recommendations provided by the international community in Africa since 1980 are 'over-specified simplistic solutions' that do not address the underlying issues in accounting and auditing (Hopper and Lassou, 2016). Others have asked: ". . . how on earth can the IMF and the WB persist for so long in pursuing the wrong policies that produce such poor outcomes?" Chang (2007, p. 35).

The answer seems to lie in the financial and technical influences donor countries and organisations exert through the neo-colonial relationship with the former colonies. The medium of exchange is "aid" and "the underlying assumption is always the economic and technical superiority of the donor country' (Oyugi, 1986 pp 270). Critical scholars such as Oyugi have argued that underlying the 'lopsided' relationship between the international donors and their ex-colonies is a psychology that guide all transactions in which recipient countries like Ghana are conditioned to accept a position of inferiority. Such countries are placed in situations where they can neither manipulate the relations nor control it to their advantage. But that does not mean that recipient countries do not attempt to manipulate the relationship. Oliver (1991) has shown that in response to institutional pressure to conform, a resource dependent organisation, instead of passive conformity, may adopt various strategies including proactive manipulation. But active manipulation is not left to the resource-dependent state alone. The international community is often complicit in such manipulations, as the economic recovery programme (ERP) archival records show:

> The Chairman indicated that in the past, praise for success in implementing the economic recovery programme came from the international community, especially our external collaborators. Internally there was scepticism about this success because the gains were not visible particularly in terms of remunerations. The unpleasant situation currently is that both the external and the internal constituents are sceptical about the sustainability of the ERP…. *(Review of the Economy, 3 December 1990, MFEP)*

The relationship is often a game of the familiar international diplomacy between nations states. The process of relationship building between the host country and the international diplomats

underpins the lopsided relationship and the maintenance of the structure of the unequal transactions. Oyugi describes the process as:

> the resident ambassador establishes a very cordial relationship with the Head of State or with certain key ministers in the government. The relationships soon begin to acquire an informal character. The informal out of office meetings become more frequent; the frequency of social gatherings increases and known passions (such as golf-playing) are taken advantage of. Sooner or later, a symbiotic relationship emerges that is exploited by both sides but especially by the stronger side (pp 271).

Both economic and political ideologies are integral part of this relationship. To meet the requirements of their financial sponsors, resource dependent countries (Pfeffer and Salancik, 1978), like Ghana, have centralized financial and management controls, and have adopted politicised state capitalism (Hopper et al., 2009).

In Ghana, the dynamics of these relationships have often impacted on both the management of the budget and the programme of financial management reforms.

7.5.2 Source of Legitimacy

The legitimacy to manage the budget is granted to the government in power through the political processes and the regulatory framework. As an MoF official, G11, explained:

> There's a legal framework, yeah. Unfortunately, we started the implementation of some of these reforms before the PFM law was passed, that's Act 921, yeah, we started some activities before 921 was passed. So, in terms of the relationship between Minister of Finance, cabinet ministers, the MDAs themselves and the role they are supposed to play, as part of the reforms the PFM Act spells clearly what we're supposed to do, even the reporting requirements and all the roles that each of the institutions are supposed to play. So, as part of the reforms, I think we've tried to address that institutional arrangement, and there are even timelines assigned when specific reports are supposed to go.

The law since 2016 has been strengthened, building into its fiscal responsibility provisions which require the minister to take personal responsibility for the budget. However, it is not just the legitimacy of the Minister of Finance to manage the budget that is often questioned (even by his own colleagues)[39], it is the legitimacy of the whole government that is often questioned. The state needs for gaining legitimacy (from both the domestic constituents and the international financial backers) has always been high because of the nature of electioneering in Ghana, which is characterised by vote buying and rigging of the election results. The state logics in Ghana often lead to a high pre-election public expenditure that is opaque. In the design of a technologic solution to address the budget management the BPEMS/GIFMIS techno-solution focused on aggregate expenditure reporting from the consolidated fund account (reporting by the Controller and Accountant General), rather than on both management and financial accounting and reporting

[39] From conversation notes taken with one of the gatekeepers.

(meeting the business requirements) at the MDAs-level. This focus on external reporting is partly historical but has emerged partly also from the adoption of solutions to gain legitimacy, especially from the international community. Such solutions often eventually turn out to be inappropriate for ensuring how resources are allocated and disbursed. The BPEMs design offers a clear example where, financial reporting requirements were manipulated to suit the Controller and Accountant General. The design of BPEMs reiterated the requirements of the 1992 Constitution of Ghana, that all funds inflows to the government of Ghana (with the exception of trust funds) to go into the Consolidated Fund of Ghana (CFG) held at the Bank of Ghana. PEFA 2018 observed:

> Due to the way the Financial Administration Act (2003) was formulated, the annual financial reports prepared by CAGD cover only expenditures financed out of the Consolidated Fund, into which the revenues collected by GRA are deposited (pp. 5)

To produce complete public accounts for the Government of Ghana required the CAGD to report on a broad conception of CF (including all revenue collected by ministries, some external inflows, and statutory funds). But the department found it difficult to produce the information required (PEFA 2018) and resorted to a minimal and restrictive interpretation of the constitution for its own legitimacy. The restrictive interpretation was further legitimised in the FAA 2003, which reinforced the narrow interpretation of the CFG, and essentially bifurcated the meaning of public funds (and reduced the scope of the Consolidated Fund reporting)[40]. In addition, the CAGD as an acting unit, influenced the BPEMs design to focus on the CF reporting in exclusion of the reporting requirements of the MDAs. This narrow direction that had been given to BPEMs was reversed only after the software licenses were acquired, and during the second phase of the project, under GIFMIS-stage and a new leadership in both the CAGD and MOF. As an official, G22, in the CAGD reported:

> When we started, reporting was an issue, but a lot of those hurdles have been 'skipped'. So, they don't only generate their trial balance, they (MDAs) are able to generate all the other statements of accounts on the system. Initially, this is one major reengineering that took place. When the system was setup, if it was set up to look at reporting from a central point of view, the Oracle technology is defined such that there's something called a balancing segment in the chart of accounts. Now, if I give a code for that balancing segment, everything must balance in terms of debit and credit around that code. When we started the implementation there was only one balancing segment called GOG. So, at the end of the day you could only prepare one central account at national level when we started. Now, it got to a point even GIFMIS was unable to generate reports. And we the experts explained to them that the decision was taken at the start of the implementation to report at central level because people argued from our FA and FAR that Ministry's department and agencies didn't need to produce a balance sheet. Why would Ghana New Agency, why would they want to produce a balance sheet? That was their argument. Balance sheet is only meaningful at the government level, GOG point of view. Now, at a point, that was creating more noise. So, we the team here now decided that every institution

[40] The has since been remedied in the section 48 of the PFM Act (2016), that states: "Any revenue or other money raised or received for Government shall form part of the Consolidated Fund".

> that is on GIFMIS will have its own balancing code. So that actually was a major reengineering that took place from the system point of view. Even Oracle came in and felt it couldn't be done. (CAGD official).

To obtain legitimacy from the international community, from 2005/2006 onwards the design of PFM reforms in LDCs have had to adopt benchmarks and best practices based on Public Expenditure Financial Accountability (PEFA) diagnostic tool in order to get endorsement and financial sponsorship from the international community (WB/IMF). In this institutional element, the ICs' logics do not conflict because the second pursuit is to ensure that the government reports enable them to fulfil their fiduciary requirements. The potential conflict in logics is that the notion of "best practice" has been critiqued (see Andrews 2006, 2012, Grindle, 2013, 2017) as not supportive of credible reforms.

Enacting legislation to impose performance management within the civil service is another example of the introduction of inappropriate reform techniques. Any effective performance management has three basic canons of accountability: (i)ability to determine and measure outputs and outcomes (as policy ends); (ii) adequate and reliable flow of resources to implement activities (as means); and (iii) ability of the principal to provide a creditable feedback to the agent (or the performer). In the absence of a credible budgeting systems, the first two conditions cannot be met, and the third becomes just an empty ritual. Ohemeng (2011) has noted that Ghana attempted to implement a 'voluntary' performance management system in the 1990s (see Dodoo, 1997), which failed. Without addressing the conditions-precedent the government legislated to impose a performance management system, when a voluntary one failed in 2008, that continues to falter. Ohemeng (2011) describes attempts to legislate to institutionalise performance management system in the public service as 'chasing a mirage'. Such findings in Ghana public sector are consistent with the argument made by both DiMaggio and Powell (1983) and Meyer and Rowan (1977/1991) that organisations adopt practices due to pressure in the environment to obtain resources to survive lead to lose coupling and decoupling. Similarly, several studies have highlighted the problematics of the use of performance measurement and management (PMM) techniques in NPM reforms whether used on voluntary basis, such as the balanced scorecard, or diffused by means of coercive pressures to public sector organisations Modell (2009).

7.5.3 Sources of Authourity

Ghana being a unitary state, in the period before automation (GIFMIS), the government had a manual centralized management system where all transactions (except petty cash) were channelled to the Accountants General's Department for payment. This created payment bottlenecks, which the reforms aimed to address (BPEMs Design Report, 1997/98). When the budget funds were not released by the MoF and the CAGD, the MDAs' management could by-pass the central controls

to incur expenditure. This had unintended consequences such as arrears and debt accumulation, as G6 explained:

> So, it was contributing a lot to the serious high deficit in the accounting, in the budget processing and, you know, in the subsequent years, so there was a lot of deficit financing. It's contributed, yes, but right now, what I mean is that currently the ability to implement that module, Procure to Pay is contributing to the transparencies, and then capturing electronically whatever is allocated in the budget, and so you reduce the excessive expenditure that you make in those days that they didn't record this on the system.

But under the manual regime there was an equitable balance of power between the MDAs and the MoF/CAGD, because if the MoF did not disburse funds, the MDAs could still incur expenditure and retain the invoices for later payment. That alone served as an incentive for the MDAs to resist reforms that did not improve the budget execution system but supported the enforcement of the prevailing centralized controls. Under GIFMIS all payment transactions (including local government but excluding some IGFs-funded transactions) are controlled electronically through the GIFMIS. The design of the automation of the budget execution processes has therefore been used to enforce the authourity of the central management agencies (such as the MoF and the CAGD). Participant G9 observed that the system is effective:

> The impact is heavy. The impact is heavy in a sense that now, Ministry of Finance can sit here and say, okay, we're shutting down the system, nobody is going to disburse. Government can decide that funds flow, it's terrible and therefore the whole financial system we're going this way. That is huge impact. Hitherto, we didn't have that control, so people were still doing their own thing…. What stops them is the controls that has been introduced.

While these changes have been effective, the imposition of technology solution, norms, and reporting requirements has been a source of coercive isomorphism (DiMaggio and Powell, 1991; Scott, 1991), and that in some jurisdictions, and in Ghana also, they haves been difficult to enforce. However, this have not stopped some scholars from arguing for coercive isomorphism as a way of bringing about change in PFM in LDCs (see Andrews, 2009). In Ghana, several PFM and procurement laws have been enacted, but it has been difficult to enforce. The imposition of techno-solution by the central state online ministries has on occasions conflicted with the requirements of the IC working in the sector ministries. The ICs in such situations adopt parallel systems in implementing their projects and in so doing undermine the state systems. But the logics point to the ICs supporting the GIFMIS because the enforcement of controls would check corruptions as participant G17 argued:

> The reform, once controls are strong, means that corruption will go down and there will be more money in the hands of government for developmental projects.

On the other side, the line ministries finding that the centralising logics to be restrictive align their needs to those of parliamentarians' inklings, in setting up statutory funds and protecting the

revenues they have generated internally from central bureaucratic domination. This resulted in the IGFs law in 2007 which granted authourity to the line ministries to retain a portion of their IGFs' for internal use without paying it into the Consolidated Fund.

Another source of authourity comes from how the professional groupings in the public or civil service are classified and controlled. Professionals in the civil service are however realistic about the limits of their authourity as expressed by participant G15 when talking about managing government programme:

> You are able to in a sense, direct where certain government programs or projects should be. You have a say in it. You may not be a final authourity, but your work actually informs it.

In the public service the ultimately source of authourity rest with politicians, and public servants are always conscious of this, even where the law empowers them by giving them specific responsibilities.

7.5.4 Sources of Identity

March and Olsen (1984, 1989) have argued that logics guide action and that logics are tied to identity. The ruling elite in Ghana are identified by their social and economic interests established by their wealth, educational networks, or both. As inferred in Nakpodia and Adegbite (2018) elites refers to superior social groups who are influential because of their wealth, power, or privilege in society. In Ghana recruitment into the public service is often done by 'quotas' granted to the elites who may be politicians and senior officials, or by personal introduction and other acts of patronage, rather than on merit. As a result of the recruitment mechanisms, to a large degree, professionalism in the public service has eroded with time, and with that have been the loss of professional skills and knowledge. An MoF Official, G11, stated.

> I think that professional identity is not there, it's missing, and to me, that is the gap that we need to see how best we address, first and foremost, the success of any undertaking, to me, depends on the human being, you can take a company, change the staff, bring in new staff, and they can turn the whole company around. You can keep that same staff there, do whatever you want to do, maybe the company will not change because the people who are there themselves are the problem".

Professional failure is therefore at the heart of the poor performance of the public financial management and its reforms. But it is a moot point whether the practices of the international community, whose interest is better served by recruiting from the limited pool of local professionals, has exacerbated the problem or promoted greater local professionalism. Often these local professionals are employed and deployed by the international community as part of the new 'face' of their organisations. This practice exhausts the pool of the available professional talents available in the public service, but these persons can also become role models and rallying point for greater local professionalism. The co-optation between the professional groups in the central

state and the international community in the LDCs/EEs, including Ghana, can produce stability in the status quo and unchanging institutionalised practices. But it also has the potential to produce change when competition of interests arises between these elements. Analogous to the argument made by scholars such as DiMaggio and Powell (1983) that the state and the professions are the great rationalizers leading to homogeneity in structure and culture. With the failure of the Ghanaian state to play this role properly, the international development community, in effect, make up for this failure the 'State' in rationalising accounting practices in Ghana.

Professionalism is a source of rational myth that creates zone of competition and conflicting logics. It is linked to theories of ethics and values that are based on theory of personal construct (Kelly,1963). At the micro level, the behaviour of the individual is important for the operation of financial management reforms. But the individual agent also operates as part of a collective, which defines his identity. Both automation and financial management re-engineering as reform actions highlight the interaction between the individual as a governable person versus the society of which he/she is part. This is reflected in the person as a professional financial manager and his professionalization in a collective organisation. Research from emerging countries have pointed out that better professional arrangements in managing public finances would accomplish the goal of accountability than passing numerous legislations and setting anti-corruption commissions. In the words of Iyoha and Oyerinde (2010 pp361):

> Accountability in public expenditure can more easily be realized within the context of a sound accounting infrastructure and a robust accounting profession and not in the multiplicity of laws and anti-corruption agencies; all of which are reactive in nature.

They argued that when non-qualified personnel oversee accounting functions and positions, as in the case of LDCs public service, including Ghana, the effect is 'accountability blindness'.

On the other hand, professionals by belonging to an organisation could hinder institutional change Zucker (1977) especially where the professional organisation is set to defend the existing status quo.

7.5.5 Basis of Norms

In most cases preserving the existing status quo provides the basis of norms. Whilst the basis of belonging to Ghana is by citizenship, equality before the law and opportunities for all is heavily skewed towards the educated and the elite groups. The tools for ensuring equality is a neutral and depoliticised public service in a secular state, but increasingly these attributes are being eroded away. Some senior civil servants (especially above director level in the MoF) have been drawn into the two main political parties (NPP and the NDC), according to accounts given by some well-placed participants. This element of the logics of a centralising state works co-operatively with a community logic of politicised extended family system where political largesse is spread among

family members, expressed as 'mechanical' solidarity in Durkheimian terms (De Graft Johnson, 1986). The position of the international community is ambivalent in this inter-institutional order because it has at least two elements in competition with each other. Firstly, the international community aims to align local politics to self-interest through diplomacy, of which in Africa most are propelled by corporatist's and neo-colonial interests. They therefore work in promoting local elitism such as supporting status quo traditional rulers (chiefs) and conservative politicians. In the pre-independence period, the native authourity councils of chief and elders had found favour with the British interests and they alongside with the intelligentsia (lawyers and merchants) were being prepared for political power (Austin, 1976). It was these groups that were pushed aside by popular movements led by Nkrumah's Convention People's Party to the dismay of the colonial interest.

In direct opposition to promoting local elitism by the international community are the international norms that are driven by principles that are to be seen to be fair and progressive in the best case, and neutral in the worst case. In these two conflicting institutional elements the corporatists and neo-colonial interests are in conformity with the "Vampire state" logics, while the second element of the international community (the progressive and neutrality norm) competes with the politicisation of public servants and the patrimonial extended family political systems.

7.5.6 Basis of Attention

The basis of attention in society is gained through status in a network and wealth. Among the various "classes" in the civil service, pay scales determine the differences in attention given to accounting staff and doctors in the Ghana Health Service (GHS). Often this has been a source of tension between the accounting class and the professional class that controls a public sector organisation in Ghana, as participant, G20, said:

> And that is what is creating the issue. For example, as at now, if you're a chartered accountant and you're in the Ghana Health Service your take-home pay is about GHS 3,000. But if you're with controller, they would put you on IRS or whatever it is, so you get more comfortable. And as for remuneration, you can't discount it. Even in the hospital, when the doctor knows he takes GHS 6,000 or GHS 7,000 and he knows you take GHS 2,000, why should he respect you?

The pay differential between qualified accountants in the public service sector and the accountants in the Controller and Accountant General's department has also emerged, where the latter are paid through another organisations (Ghana Revenue Authourity 's) payroll in order to circumvent civil service pay restrictions. This is an example of official dishonesty and gaming that has undermined the system, as participant G18 said of pay differential between accountants in the service sectors and CAGD accountants who are on IRS payroll:

> That is what is happening. …. when you charter then Accountant General sends you there [*IRS, now part of the Ghana Revenue Secretariat*] and then asks them to second you to this place. Then they put you on their salary, not on their budget. They put you on their

> payroll. And because you're not on their budget we are mandated to send the monies they pay these staff to them…. Yes, we're on the single spine here. But the chartered accountants are sent there and then they're instructed over there .... Ghana Revenue Authourity is instructed to give them some other form of appointment letter and send them to Accountant General so they can be on Internal Revenue salary. Meanwhile, they are not drawing that salary on their budget because we send the money back to them…. In Ghana, secondment per the Public Services Commission is for two years. You can be seconded to an institution which needs your services, the skills you have which they don't have, for two years.

Contrary to the regulations, these are permanent staff of the Controller and Accountant General Department, yet they are 'seconded' to another organisation and 'transferred' back to their parent organisation at the same time.

Status in the MDAs is often conferred on professional staff who are considered as part of the 'inside group' within the organisation. Where this insider status is not possible for those professionals classed as 'external' it is important that they get support to withstand the onslaught of the management (such as CAGD accountants or external auditors). But this does not work well for Internal Audit staff who are posted by the Internal Audit Agency (IAA) compared to their professional colleagues from the Ghana Audit Service who have more clout. Internal auditors are often considered as a mere appendage to a minister or the internal management, and in some cases are abused for expressing professional opinion when they would be told by an MDA senior management "Hey, are you part of us? You either belong to us and change that your language or just go!" as participant G4 said. The consequence is the low status of internal auditors resulting in low morale among their ranks, and the widespread loss of confidence in their work.

The basis of attention of a state that is controlled by elite groups, and treats most of its citizens as subjects, is through the networks of those in power. Access to state power has become the singular source of corruption in the Ghanaian society. This is manifested in local contractors trying to secure government contracts through extended family systems, or financial resources, or personal reputation in community, or axial religious affiliations. Members of the international community, on the other hand gain access to the political establishment through politically visible projects, diplomatic ranks, and status in the international network. The multi-national corporations on the other side of formality sometimes offer facilitation fees to officials to gain access to senior politicians therefore promoting corruption, and in so doing the derailment of reforms[41].

[41] At the time of completing this research in 2020, the Airbus scandal had surfaced in which the company confessed to a High Court in London of paying huge bribes in order to secure contracts in Ghana, between 2011 and 201. The company was fined three billion pounds (£3bn) as penalties. (General News of Monday, 3 February 2020 Source: www.ghanaweb.com)

The basis of attention is also determined by the limited budget funding, and the poverty that conditions Ghanaian public officials to be concerned with the immediate and pragmatic issues. As de Graft Johnson (1986 pp.224) argued from his experiences of dealings in Ghana:

> Long-term plans are not produced because few feel any concern for it. Administrators and planners who try to incorporate a future of say ten years or more in their programmes get little concrete support. And anyone who suggests a fresh and strategic approach in policy-making process is likely to be dismissed as a "mere theoretician".

Short term planning has thus been institutionalised, elevated to a status above medium to long term planning. Controlling this shortcoming explains why the medium-term expenditure framework (MTEF) planning-budgeting approach appealed initially to many public officials in Ghana. But the institutionalised short attention span partially explains why forward estimates were never taken serious in that environment and could not be institutionalised. In the initial stages the MTEF had an initial appeal as a novel concept but it most of its critical elements could not be sustained because they required sustained medium-to long term planning.

7.5.7 Basis of Strategy

Whilst the goals of the government of Ghana are developmental in nature, the basis of its management strategy is through control, of which technology is deployed to make it more efficient and effective. The strategy of control prevails throughout the system, from budget preparation to budget execution, and accounting to audit. This strategy cuts through to the reform processes which aim to improve controls.

The reforms were designed to address weaknesses that arise in a manual environment, as participant G1 alluded to:

> The rationale, …. the current PFM reforms what we're doing, the main objective is to improve budget management, financial control, and reporting. And this is targeted at enhancing fiscal discipline, making sure we have strategic allocation of resources and service delivery efficiency. And this is going to be done through the systems and processes that we put in place including capacity building. So mainly, the PFM reforms to a large extent are targeting to improving on the management of our budget, ensuring that there is effective and efficient financial control and efficient financial reporting as well.

Official government documentation of the Ghanaian public service reforms has observed that 'the present management strategy has internal systems designed to maintain the status quo thus making it difficult to introduce innovation and manage change in response to policy reforms to stabilise, recover and accelerate the economy" (NIRP, 1996 para 2.4). Among the key characteristics of the Ghanaian public service are that management decisions are often centralized, and leadership is top-down; and these determine the power structure which is hierarchical. These by themselves are not unusual for the public service, but what makes the system static is the culture of command and control communication structures that accompany them.

In Ghana there is a tendency to pay more attention to international community interests in neglect of the local community, perhaps in fulfilment of the resource dependency theory (Pfeffer and Salancik, 1978). The centralist state, instead of increasing community goods, straddles a space between increasing its own prestige and resources and the control of its citizens through biopolitics (Foucault 1997; Lemke,2001).

In Ghana this plays out in terms of ensuring that the local political opposition is impeded through financial pressure, by denying official contracts to potential and known members of the political opposition and taking steps to cripple them financially. The practices of any government in power feed into the limited capacity of local companies to participate in large government contracts, while enhancing the opportunities of multi-national corporations (MNCs) to bid for national contracts. An MOF public expenditure review found that foreign companies were able to win major government contracts because they have access to credit and better turnovers than their local counterparts. Access to credit and better turnovers put them ahead of the competition as they were classified in a higher category (PER 1994). When it comes to payment the foreign contractors did not face the same injustice meted out to their local counterparts, the government the PER (1994 para 49 pp. xiii) reported:

> It is in the light of the advantages to the foreign contractors that Government in 1994 had to settle huge amounts emanating from disputes with some of these contractors. The local companies by their contract terms are qualified for compensation. However, this does not usually reflect in their contracts.

The MNCs further avoid taxes through transfer pricing of goods to increase profits and market capture. As a senior minister declared at the IMF conference in 2018, explaining how Ghana earns almost nothing from international mining companies (gold and oil), those in telecommunications, and others through avoidance and abuse of tax exemption devices. For the case of the gold mining companies he said:

> Mr Minister, I don't think we are earning enough revenue from the people I call our big boys. And here I'm going to call them – I have a way of sometimes offending people. Now, because of lack of know-how on our side we are being cheated by the mining companies in taxation. Because we are not able to audit them properly. It's a pure – we have tax evasion and tax avoidance. The IMF will tell us that the avoidance one is not a crime. It is the evasion part that is. am I right Mr Minister? And therefore, businessmen will want to avoid. Whatever they can do to push you out and pay the minimum they would. So, we need the GRA to have crack auditors to be able to audit well the mining companies. Look at what the vice president told us, that for about five to six continuous years we have 10% carried over interest, and we've earned zero from it. So why don't we leave the gold underground, if we are not getting anything from it as a country, so that our children will come and exploit it later. Why do we exploit it now and earn nothing from it?

For the oil mining companies:

> So, we need to have another way of protecting our interest. Not our interest in a form of you telling us the whole of the thing is zero. Next year it's zero. The following year it's zero. No. That cannot be. If it is zero, then don't operate. Now the oil companies, it's not different. We are not able to audit them well and therefore they are not getting the maximum of our revenue.

For the telecommunication companies:

> You'll be in Washington and call your wife or somebody in Ghana, and the call will be coming from where – the call will be coming from Libya. Have you noticed it? Am I right? Why should it be so? Please let us be serious. We are not getting our required amount of revenue from these telcos [telecommunication companies]. Either we don't understand their operations, or they don't understand it. We need the technical know-how to make sure that we get the best out of it. Mr Minister of Finance I think I will say that I want us to look at areas where we can block loopholes.

For tax avoidance and tax exemption granted to foreign companies he said:

> Mr Minister I think we are losing a lot of money with this type of free zone business and you should say no to the free zones as they stand now. We give them time and ask everybody to adjust to, move to a particular area where we want them to be and then we start again afresh so that we can benefit from the tax exemptions. The amount of tax exemptions we give at Cabinet – Mr Minister of Finance – everyday he is on the list because all tax exemptions must be brought by him, and he is the one who needs the revenue. And he is the same person who also is forced to give the tax exemptions. So, you see the contradiction. We have a lot of tax exemptions and some are of course abused. So, we need to administer the tax exemptions also very well.

In recent years, the government has embarked on providing vendor education on GIFMIS requirements to national contractors as means of ensuring compliance with financial management and procurement regulations and increasing the efficiency of government contracting and budget implementation. While vendor education gets more local companies involved in public procurement, there is co-optation between local vendors and international companies who are better equipped to participate in large scale government contracts.

The international donors have adopted several strategies to influence policies in LDCs such as: establishing aid agencies such as the Department for International Development (DFID), United States Agency for International Development (USAID), Canadian International Development Agency (CIDA), Swedish International Development Agency (SIDA), and so on. These agencies have established field offices as clearing houses in developing countries, often given a lot of local autonomy and supporting budget to operate and to finance projects (Oyugi, 1986). Through these field and local staff mechanisms the international agencies can leverage their position LDCs in exerting policy influence and enforce the psychology of technical superiority.

An aspect of this relationship was the Poverty Reduction Strategy Paper (PRSP) and the modalities of aid as argued by Whitfield (2010)

7.5.8 Informal Control Mechanisms

Informality prevails in government operations including the management of the budget. Ghanaian officials argue that the parliamentary approved national budget is only a guide, and that has become a taken for granted practice. The unfortunate consequence is that it has allowed the MoF to divert funds from one ministry to another within the approved amounts by Parliament by simply holding back the funds and releasing to another ministry

Informality is also a defining characteristic of how business is transacted in government, and that extends to the implementation of the budget. These institutional elements have emerged from the larger societal influences that support and facilitate the recruitment of government officials through the networks of extended family and lineage. Informality is promoted by local community ethics in public offices (Ekeh, 1975) and the influences of axial religious groups (Swidler, 2013).

The source of informality comes from the 'politics' of negotiating routine transactions in ordinary situations in Ghana public sector. Participant G11 observes:

> No, it's our culture, which is family orientated, political, everything's politicised, our family systems and it's just, in fact

The culture of introducing politics into everything means that people pay attention to trivial issues (Seiler (1966) while they do not pay sufficient attention to serious matters with dire consequences that might appear to be remote until they suddenly emerge. The informal culture also means that official appointments and performance appraisals are made based on incorrect performance criteria. For example, where both the supervisor and the supervisee do not understand what is required of them many situations arise that are not understood in their proper contexts and do not get addressed (Ohemeng et al., 2015)

In this elemental order, the central state logics and the community logics are not in competition, therefore creating the stability and persistence of practices.

The high degree of informality in government operation supports the influence buying of the international community through aid for policy. As it has been shown the pore powerful nations buy votes from the temporary members on the UN security council for IMF loans (Dreher et al.,2009)

Often informal control mechanisms prevail because of the high degree of patronage in engagement of public servants. The PUFMARP/BPEMs design report identified several weaknesses in the public service of Ghana, especially people issues, that impacted on financial management practices, and have persisted. The report found that there was a 'mismatch between the competence of existing staff and the demands of the function. Low pay and inadequate career structures and

training were generally identified as contributory factors. For example, it noted that the low remuneration package of civil servants had encouraged apathy and tolerance of non-compliance without enforcement of sanctions *(pp. 5 of PUFMARP High-Level Design Report, 1996, Government of Ghana).*

7.5.9 Economic System

The economic system in Ghana is mostly dominated by subsistence living (through farming and petty trading)[42] by the local community and a state sector that is aid-dependant. From the time of the Economic Recovery Programme (ERP) in 1983, Ghana has implemented neo-liberal economic policies laid out according to the terms of the international development community. The dominance of neo-liberal values in the world today is not contested (Hellstrom and Lapsley, 2016), and the state has worked closely with the IFIs and donor agencies (such as the USAID, DFID, CIDA, DANIDA, EC) to implement market policies, including austerity government programmes under the SAP. In defence of the neo-liberalism, neo-classical economists have argued that, market failures notwithstanding, markets are best for signalling needs and directing productive resources towards satisfying those needs. On the other hand, some scholars have argued that the aim of NPM reforms in spreading neo-liberal creed is a guise for extending neo-colonialism of which accounting is implicated.

The interactions between the inter-institutional orders of the local community and the international community are ambiguous, but mostly supporting the application of markets principles. This is because Ghanaian have grown accustomed to fending for themselves. The Government of Ghana has not been able to support a viable welfare state on a sustainable basis, and most state support has been provided and received by citizens on neo-patrimonial terms. Under state capitalism in Ghana, market principles have been extended to every dimension of society to balance the government's budget. There are toll charges on ever-deteriorating poorly constructed trunk roads, and those who can afford it would choose private schooling and private health care. With a few exceptions, the so-called private schools are staffed by underqualified teachers operating with sub-standard facilities, but nonetheless providing alternatives to the poor state schooling system. In the hospitals patients, who have contributed to a recently introduced state health insurance system, are provided low-priority hospital care, as opposed to a slightly better treatment for fee-paying counterparts. Mostly, private hospitals do not accept the state's health insurance patients.

From the time of the ERP, the state has consistently implemented neo-liberal economic policies to gain the approval of the international community in terms of loans and grants. But as we have

[42] This constitute the informal economy. As Akobeng (2018) has estimated of the 1.2 million taxpayers in Ghana's population of 30 million, 1 million are in the formal sector and 200,000 are in the informal sector.

argued in Section 4.5, dating to pre-independence liberal economic policies did not result in anywhere near the estimated foreign capital inflows required to transform the Ghanaian economy. Donor financial pledges had often been peppered with various conditionalities resulting in unfulfilled pledges. In recent years, these unfulfilled pledges have contributed to the difficulties of managing the budget.

The effects of the failed pledges by the international community on the budget logics has been twofold. Firstly, by complicating the scenario in predicting the cash resources to support budget execution. Implementing robust cash management practices, instead of rationing government cash, has been one of the several reform efforts that has eluded Ghana for over two decades (since PUFMARP in the 1990s, if not before). The poor cash management practices have become a self-fulfilling prophecy which has undermined the predictability of budget releases, at the same time causing distrust between the MoF/CAGD and the sector ministries. There has been an institutionalised practice of the MoF in cutting back ministries' parliamentary approved budgets with little or no notice given to them. The dating of the commencement of such practices is not exact, but the signs are that they emerged after the stand-off between the military government (Acheampong' regime) and international lenders resulting in the economic decay that started from 1972.

In response, the MDAs evaded these arbitrary MoF's cutbacks by committing funds without getting the required approvals from the MoF. As MoF (G15) said:

> There are also cases when you're operating a budget system where you have a lot of surprises with regards to commitments that you're not able to control. That's the expenditure side. In other words, you've passed the budget, you're implementing the budget but unfortunately your systems are in a manner that some MDAs are able to make some commitment outside the budget which eventually stares you up in the face as arrears or as judgment debt or etcetera. So that's another feature that we've been contending with in the past

Over time the sector ministries have taken steps to establish alternative funding outside the direct control of the MoF, sometimes through national revenue apportionment (as statutory funds), and other times through retaining their IGFs (which was finally legitimised by law in 2007). These actions reduced the degree of discretion the Minister of Finance had in allocating budget funds since the statutory funds were not strictly under the control of the Minister of Finance; and the IGFs were often not even captured in the budget presented to the MoF. The total situation was succinctly summed up by an MoF participant, (G2), who explained:

> I think of one of the issues, of credibility over the years, okay, it has become more pronounced, is the credibility of the budget. MDAs play their part, and then ceilings are given to them, they use their ceilings to do their costing, okay. I can't say implementation because implementation depends on the cash flow, okay. Sometimes a lot of issues crop

> up because of the mounting debts, because let's say you have to pay l salaries, government cash position is not good, so they go to the market, okay, every week there is OMO [open-market operation] meeting and building the domestic interest. So, in fact, one of the expenditure items, if you take debt assessment issues the interest, domestic interest, it has grown more than anything, and so increasingly Goods and Services [budget items], as for salaries, it is semi-statutory so you'll have to pay, and then we see, there's so many statutory funds because anything that happens, they can set up a fund. So, the discretionary powers of the Minister of Finance are growing smaller and smaller; and so, what suffers are Goods and Service, and then the Capital Expenditures, so contractors have done their work, and payment is held up, and huge arrears build up. All the expenditure which could go through in December, the last two weeks of December were charged against this year's budget and from the start it has created a lot of problems and so a lot of the ministries cannot go through with their programmes, because they will not get funded, although it is in their budget, so there's a huge budget [credibility gap]….. But it's cash. …. Yes. And the availability of cash to support budget implementation.

The reduction of the discretionary powers of the Minister of Finance has been accompanied with such mounting debt, and massive interest payment on borrowing, huge arrears build-up and often the government not being able to pay contractors after they have done their work (especially in the road construction sector). The train of repercussions is a long one, built around the failure to institute adequate cash management arrangements to support a credible budget execution system. Ultimately the beneficiaries of this situation are the few multi-lateral conglomerates who understand this terrain and are supported by both their home governments and the local political elites.

In return to the gaining legitimacy, successive governments have granted international companies with numerous tax exemptions to attract direct foreign investment. In the words of a minister of state (G23) talking about free-zone tax exemptions:

> That's how our law is, and it is allowed. So, they are showered with all kinds of tax exemptions and they are free zones. Supposedly exporting 75% of the product and they don't export anything. They sell all in the local market.

The economic system as enacted by various Ghana governmental regimes in the past has operated as a vampire that sucks the blood from their living citizens and feed it to the international corporations, which are allowed to operate in extracting both human and material resources and contributing as little as possible into the system.

7.6 CONCLUSION

Within the institutional logic framework presented for discussing the empirical findings of Ghana's PFM reforms there was an implicit argument that without a wider polity, important social and organisational rationalization such as reforms to ensure budget credibility will not occur. This

study has argued that the notions of rational myths and modern polities are related, and they help to explain how budget credibility and accounting change is impacted by society as a whole. The construct of modern polity explains how authorisation is granted by society for specific agents to mobilise collective means to achieve ends such as the production of public goods which otherwise will not be performed. But that process involves definite cognitive styles (albeit with variations) regarding how bureaucracies are organised which can be explained through the notion of rational myths. The central frame is that budget and accounting changes come from the modernization logics generated from the tensions within the interinstitutional orders. explained through rationalised myths and polity centres

The competing logics within the interinstitutional orders of Ghana have had the tendency to maintain sub-optimal accounting practices rather than to make changes when required. The three interinstitutional orders of the national community, the state, and the international community failed to generate sufficient competing logics to cause fundamental changes because the state acts on a vampire basis, and it is in turn a victim of external hegemonic interests. In this regard this chapter's observation of Ekeh's argument that the privilege classes in Africa are not true elite, but only act as a class of bourgeoise is very profound.

The essence of politics and culture, Gramsci argued, was the struggle between different "hegemonic forces" or political consciousness. This chapter has established that the international community exercise hegemonic influence and that guides the relationship between the interinstitutional orders in Ghana. The case in Ghana being that the international community is privileged over the state, and the state in turn is privileged over the national community. These privileges are enforced not just through material resources but by military force when the state or the international consider using it to be expedient. As a result, a fundamental condition of the institutional logics is breached when one order is privileged over the others (as previously explained in Chapter 3). Gramsci had argued that behind hegemony is always the potential for physical coercion in the background seems appropriate (Richardson, 1987, pp.350). The international hegemony structures the way in which people perceived social reality in Ghana.

In the absence of overt military actions, the national budget becomes the battle ground or the arena for the international community to exert hegemonic control. This chapter has provided a framework to explain the nature of the relationships between the state, the international community and the national community and how they impact on the PFM reforms through the budget logics. The relationship is lop-sided that leads to the acceptance of lower status by the state and the national community (in a partnership of development). The dynamic of this relationship underlies the manipulative behaviour by state officials (either as politicians or bureaucrats) that has made it difficult to implement fundamental changes. The institutional logics framework shows that there

is a clear link between the root metaphors of the three orders and the rest of the institutional logic categories on the y-axis: source of legitimacy, source of authourity, source of identity, basis of norms, basis of attention, and the basis of strategy, the informal control mechanisms, and the economic system operating in Ghana

8 CONCLUDING CHAPTER

8.1 INTRODUCTION

The purpose of this research, as explained from the beginning, was to examine the context and conditions under which public sector accounting change occurs in the developing and emerging economies, using Ghana as an example. The study aimed to create a deeper understanding of the IPFM reforms and to contribute to both the literature on accounting change and PFM reform practices. Implementing financial management reforms, either to improve, or to transform planning and budgeting, accounting, and auditing practices, in developing and emerging economies is intended to enhance the delivery of public services and to promote economic development in LDCs. However, the reforms usually perform poorly or often have had unintended consequences (Hopper et al., 2016, Burns and Scapens, 2000; Bhimani, 1993; Miller, 1991) that have resulted in the misapplication of accounting practices (internally) for coercion, or to gain undeserved legitimacy (externally). Reforms therefore negative connotation (Denzin and Lincoln, 1994) instead of it being seen as rational tools for supporting democratic accountability (Hopper et al.,2009).

The primary focus of this concluding chapter is to show how the theoretical assemblage and the empirical evidence collected have addressed the research questions of the thesis. In addition, it provides a brief review of recent scholarly works on PFM that have emerged since I began this research; and state the contribution of the thesis to the literature in accounting research, and policy and practice. In this concluding chapter I also discuss the limitations of the study, and the potential new paths for accounting research that have emerged from this research.

8.2 RELATING THE WORK DONE TO ADDRESS THE RESEARCH QUESTION (RQ)

This study has brought together empirical data from Ghana PFM reforms and various theoretical insights to address the central question in this study which sought to examine how accounting practices emerge in the public sector, how they have been maintained, and how attempts to improve or transform them have fared. Thus, the study aimed to explore what was going on with the reforms and to explain how and why sub-optimal accounting practices persist in developing countries, after several years of reforms, by referencing Ghana's case. These questions were addressed by investigating how the public financial management reforms have been implemented and what explained the results experienced in the DCs. Intellectually, various puzzling questions related to our theoretical framework emerged from the study. Firstly, it opened up the question as to what relationship exist between individuals' commitment to action and collective commitment to action

such as reforms (which has been termed the question of collective action in a latent group). Secondly, it threw up the question about how if actors' behaviours were shaped by institutions, how they could possibly change them if their intentions and actions were shaped by the very institutions they wish to change (the question of embedded agency).

The research explored these questions theoretically and empirically by mobilizing institutional logics and a processual narrative to the ramifications of the research question, which fundamentally amounted to how new institutions were created, or how existing one's changed (DiMaggio and Powell, 1991) in a situation where the logics produced and reproduced the existing order.

8.2.1 Persistence of sub-optimal financial management practices

From the data collected and analysed in this study, it was found that sub-optimal financial management practices persisted in the line ministries of the Government of Ghana for many reasons. Amongst them, from the line ministries' perspectives, was the tendency of the institutional rules to be categorical and general, and that conflicted with the logic of efficiency (Meyer and Rowan,1977). Some of these rules (for example employment rules that stifle efficiency) were agreed with external agencies such as the IMF as a particular government regime sought legitimacy and needed resources. Government of Ghana PFM reforms and its visible outputs such as the financial management regulations are isomorphic within the broad institutional environment of development countries. Inasmuch as some of the outputs have been found to serve internal needs, most of the practices (such as the establishment of the internal audit agency, or performance contracts) have been sub-optimal in the Ghanaian environment. Regimes of government adopted these practices to enhance their reputation, and for that they were rewarded by the IFIs and the donor community with grants and loans to boost their re-election chances. The conflict between legitimacy and efficiency requirements (Meyer and Rowan, 1977, Seo and Creed, 2002) have tended therefore to prevent regimes from adopting appropriate practices suitable for the current needs of Ghanaians. Scholars have suggested that the size and persistence of efficiency gap increase with environmental uncertainty (Seo and Creed, 2002); and that is evidenced in the Ghanaian context where the government has lounged from one spending crisis to another, with ever increasing national debt that has not resulted in the provision of adequate infrastructure.

A maladaptive syndrome is a common cause of sub-optimal persistence of institutional practices associated with organisational interdependence (the weak condition), and resource dependence (as a stronger condition). Institutional theorists have argued the weaker case where organisations (or country) persist with sub-optimal practices and become maladaptive as a result of economic interdependence (Powell, 1991, Seo and Creed, 2002). Economic interdependence encourages organisations to get locked-into common practices that cut across organisational boundaries. These lock-in practices may prevent or reduce the flexibility of subsequent adjustments. The

stronger case is where economic dependence (partial or full) leads to adoption of practices that could make a country maladaptive. Seo and Creed (2002) provide two appropriate examples:

> Path-dependent patterns of development (Arthur, 1989) and "competency traps" (Levitt & March, 1988) are good examples, in which initial technical choices preclude even those future options that would have been more effective in the long run. As adoption spreads, the technical investment becomes irreversible; because of this lock-in feature, later competitive improvements cannot be capitalized on easily… (pp 227).

In Ghana, the stronger case of economic dependence on foreign donors reduces the flexibility of adjustment, which has set the country on a path-dependent patterns of development that is manifested in almost all its institutions including public financial management practices. But there were also manifestations of competency traps, as evidenced in the automation of the public sector budget module where the competencies acquired in the implementation of the Activate Software held back the implementation of a comprehensive ERP for more than a decade.

Scholars have argued that when sub-optimal practices begin, they lead to the decoupling of the technical core from institutional practices in the first instance, but they are followed by institutional crisis in the long run when decoupling becomes an inadequate or infeasible response (Seo and Creed (2002). In Ghana's case, the evidence of institutional contradiction has been demonstrated in the analysis of the logics (in Chapter 7) that has resulted in several coup d'états (some successful and some unsuccessful), a revolution, and successive IMF programmes of austerity. Such manifestations are not idiosyncratic events, rather they the results of systematic outcome of institutional contradictions.

8.2.3 Embedded agency

This research has brought together both theoretical insights and empirical data to address the paradox of embedded agency which was one of the key meta-theoretical principles undergirding the ILA discussed in Section 3.4.5. The significance of this paradox is to explain the role of human agency (as individuals or organisations) in bringing about institutional change. The question arises as to how individuals and organisations nested in institutions can envision and enact changes to the very context in which they are shaped (Greenwood and Suddaby,2006).

Explaining how the embedded versus agency paradox has been addressed, and by implications how its resolution translated into accounting change was one of the central questions of this research. The paradox emerged from the structure-agency dichotomy which had been one of key concepts to understanding social science investigations. In this research, the unravelling of paradox helps to explain whether the results of the reforms that has been investigated was as a result of structural constraints (imposed by the institutional environment); or was as a result of the resistance to change by human agency; or a combination of the two. In this sub-section I explain how the paradox has been addressed by theorists and to position the explanation that emerged from the ILA

framework of this research. I conclude this sub-section by briefly discussing the significance of the implications of the paradox for accounting and organisational change in Ghana.

8.2.3.1 Elaboration and resolution of the paradox

Various scholars have contributed to explaining the paradox of embedded agency (Granovetter, 1985 Holm, 1995; Seo and Creed, 2002; Greenwood and Suddaby, 2006; Battilana, 2006; Thornton and Occasion, 2008, Thornton et al., 2012). Initially, the new institutionalists were concerned with explaining stability and not change, therefore the questions of institutional change and the potential role of active agency came as afterthoughts. Concerns about agency only came up in discussions to get a better balance between the structure-agency dichotomy to be able to reconcile the contradictions between stability and change, and embeddedness and agency (Seo and Creed, 2002). Neo-institutional theorists drew on Bourdieu's practice theory and Giddens's structuration theory (as in Hirsch and Lounsbury,1997), or Giddens (as in Barley and Tolbert, 1997) to create a better understanding of these issues, but left several important questions, at best, only partially answered. For example, Seo and Creed (2002) illustrated a common neo-institutionalists' position about institutional change by referring to Barley and Tolbert (1997) who had suggested:

> that a critical number of actors must make a collective, conscious choice before they can make a multilateral departure from established patterns of social reproduction (scripts) and, second, that a bigger contextual change (e.g., technological and economic shock) may be necessary before actors can make such a collective choice" (Seo and Creed, 2002 pp 225).

This was critiqued, firstly, for not addressing the question of the source of the contextual change - whether technological or economic shocks would emerge exogenously or endogenously; and secondly for not explaining how the actor would "collectively come to that conscious choice point—presumably, a point where they recognize the need, the opportunities, and the appropriate courses for collective action for changing existing institutional arrangements?" (Seo and Creed, 2002 pp. 225). That is, in Barley and Tolbert's explanation of change, one is left guessing on these two critical context issues. It is well accepted amongst institutional theorists that factors such as technology and economic shocks came as a "jolt' (Meyer, 1982) from exogenous changes in the environment. But the question of the role of an active human agency was left unanswered.

Seo and Creed (2002) approached the institutional change and the paradox of embedded agency as a dialectical issue by adopting a framework developed in (Benson, 1977) for organisational analysis. The dialectical framework departed from the conventional neo-institutionalists' approach that mostly relied on Bourdieu's and Giddens's theories to explicate institutional change and to balance the embeddedness and agency. Instead, institutional change and the paradox of embedded agency are explained through four basic principles that guided dialectical

analysis: social construction, totality, contradiction, and praxis. Seo and Creed (2002) offered a succinct narrative of how these four principles work together to provide a comprehensive solution to the paradox of institutional change and the paradox of embedded agency by stating:

> Various institutions—organisations, organisational fields, or states—can be understood as the multilevel social arrangements that are continually produced and reproduced by social interactions (social construction). However, these ongoing, multilevel processes produce a complex array of interrelated but often mutually incompatible institutional arrangements (totality). Such institutional incompatibilities provide a continuous source of tensions and conflicts within and across institutions (contradiction). The ongoing experience of contradictory reality reshapes the consciousness of institutional inhabitants, and they, in some circumstances, act to fundamentally transform the present social arrangements and themselves (praxis) (Seo and Creed, 2002 pp.225)

In Benson's and Seo and Creed's scheme[43] institutions are social constructions produced and reproduced through human interactions as a continuous process. It is total, because it embraces whole societies and their multiple, interpenetrating social structures operating at multiple levels and in multiple sectors. Whilst these social structures are connected, their linkages are neither complete nor coherent, therefore allowing for loose coupling. Contradictions arise from the ruptures and inconsistencies both among and within the established social arrangements in an ongoing social construction process. The final element, praxis, brings into the scheme the element of active human agents who may resort to creative reconstruction of themselves and social patterns of organisations or its institutions through reasoned analysis of both the limits and the potentials of existing institutional arrangements. As Seo and Creed (2002) declared these four principles work together and they cannot be 'understood separately, but taken together, they constitute an overall perspective on the fundamental character of social life". (pp 225)

8.2.3.2 The dialectics and the ILA

This study argues that the ILA-SI framework as a meta-theory encapsulates the dialectical perspective adopted in this concluding chapter to discuss the paradox of embedded agency and to explain accounting change (as an institutional change). For example, both frameworks are social construction theories, that treat the society as a whole made up of individuals and organisations. More significantly they both rely on the force of contradictions to explain institutional change and the paradox of embedded agency. Their outcomes are also similar in the sense that they both produce non-deterministic outcomes. The only major difference is that the dialectical framework brings an additional dimension of *praxis* as an organising mechanism for collective action that is missing in the ILA approach. The relative strengths of the ILA are in the detailed approaches in explaining the contradictions within the inter-institutional system.

[43] Whilst Benson laid out the four principles, it was done in the language of organisation change, and Seo and Creed developed it further into institutional narrative.

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The empirical evidence of this study, based on the IL's inter-institutional orders, identified the sources of institutional contradictions and their dynamics within the Ghanaian reforms phenomena as discussed in Chapters 4 to 7. Specific contradictions and tensions in the financial management system and the budget systems were highlighted as between the MoF and line ministries, between civil servants and consultants, between the various classes in the public service, and the host government and the international community leading to manipulations, for example (Oliver, 1991).The dialectical framework and the ILA are essentially the same, as they both rely on the logics of contradictions to explain change and to resolve the paradox of embedded agency. Both the dialectical framework and the ILA are notable for overcoming some of the old problems in new institutionalism by infusing interests and power into day-to-day human interactions. By allowing the possibility of loose coupling, the framework generate frictions, tensions, and contradictions that shape the consciousness of actors about the limits of the current social forms and the need for change.

Seo and Creed (2002) offered four sources of latent contradictions, including: (i)1efficiency contradictions as a result of institutional restrictions affecting performance levels; (ii) non-adaptability contradictions resulting from "locked-in" patterns of behaviours and thoughts not allowing organisational field to adjust to exogenous jolts; (iii) interinstitutional incompatibility contradiction arising from mutually held values that are inconsistent; (iv) misaligned interests contradiction of the interests of those privileged and those disadvantaged by the existing logics. In this sense the framework does not depend on exogenous shocks or 'jolts', such as technology and economic shocks to explain change. Finally, praxis brings into the framework both social and political creativity that leads to non-deterministic outcomes. But the key points are that actors are assumed to be partially autonomous (Seo and Creed, 2002) and out of the contradictions flow change. The most acute the contradictions the more likely change will occur (Greenwood and Suddaby, 2006).

These contradictions can be explained further by considering actors as either individuals or organisations in organisational field Theoretical considerations from Seo and Creed (2002) argued that the force of contradictions propel actors from being unreflective to being an imaginative critic of existing arrangements to taking practical action for change. At the individual level, the prospects of an individual playing the role of institutional entrepreneur is enhanced by their social standing within an organisation (Battilana, 2006). At the organisational level, organisations may be considered as being part of a network. The central organisations in the organisational field are more likely to be highly embedded than the periphery ones. As

Greenwood and Suddaby (2006) argued, the periphery organisations would be: (i) less likely to be aware of institutional expectations; (ii) less likely to learn the norms and expectations from others because they are less connected to the network; (iii) they are more likely to engage in context changing activities because they have more to gain by changing it than maintaining the existing arrangements. Greenwood and Suddaby asserted that:

> Thus, although institutional entrepreneurship may emerge anywhere, it is generally thought more likely to emerge from less embedded organizations at the periphery of a field (pp. 29)

These theorists make a clear distinction between matured and emerging organisational fields (Greenwood and Suddaby, 2006, Maguire et al., 2004). For example, Maguire et al. (2004) examined conditions for exercising agency in emerging field and found that their requirements are different from those in matured field. The conditions for exercising agency to change context require actors to have interests they wish to advance, be organised, and have sufficient resources to leverage on the contradictions that become apparent .Institutional theorists therefore tend to agree that institutional change is a political process (Seo and Creed, 2002; Maguire et al., 2004) that brings together the power and interest of organised actors. A key ingredient in this social construction is the 'subject position', which goes beyond the bureaucratic position of actors to their legitimated identities in the field (Maguire et al., 2004 pp658). The subject position provides the actor with both the institutional interests and opportunities, and sometimes the resources to exercise power in a given field. This theory implies that the more socially legitimated actors have a greater credibility to bring change. But much depends on the degree of embeddedness, in the sense that lowly embedded actors are more likely to engage in context changing activities than highly embedded actors.

However, the empirical evidence from mature fields contradicts insights from the degree of embeddedness theory. Greenwood and Suddaby (2006) found that institutional change emerged from the centre of an organisation field, in which elite actors (as individuals and organisations) were highly embedded. In their study of the big five accounting firms, Greenwood and Suddaby (2006) found that elite accounting firms adopted multidisciplinary practices (MTD) because their central position, in a network, sharpened their senses of awareness of alternatives rather than dulling those senses as the theory predicted. They argued that the central location of elite organisation exposed them to the contradictions in the organisational field because such actors performed boundary bridging activities; and their position made them immune to the coercive and normative forces within the organisational field.

By implications, the empirical evidence showed that when organisations are not easily whipped back into line, for example by market forces, they can easily engage in boundary misalignment activities. Greenwood and Suddaby's (2006) study showed that change can emerge endogenously, and these actors could impose institutional change from within the organisational field. Greenwood and Suddaby (2006) declared that:

> The proposition from the existing literature, then, is that new ideas occur at the margins of a field because it is there that organizations are less embedded, less privileged, and more exposed to institutional contradictions. Organizations at the field's center, in contrast, are more informed, continually socialized, better advantaged, and thus more embedded and resistant to change. Several studies support this basic proposition … (pp.29)

8.2.3.3 The significance of embeddedness to Ghana PFM reforms

The insights from organisations at the field centre and the periphery, and the distinction between matured and emerging organisational fields has implications for the findings of this research. The characteristics of developing countries, like Ghana, within the international system appear to resonate with the case of organisations in an emerging field. Whilst the internal make-up of the state bureaucracies resembles matured fields, in reality their position vis-à-vis the IFIs and the international donors make their positions not very dissimilar to emerging organisations.
The characteristics of emerging fields lend themselves better to the studying of institutional entrepreneurship in developing country context, especially where the 'subject positions' of actors are either being dominated or dominating. In the developing world, the nation-state is often being dominated by hegemonic external influences. Internally, some of the governmental entities are being dominated by other entities.

Such characteristics of emerging field include, firstly, a greater scope for strategic actions from the opportunities generated by uncertainty in the institutional order; secondly, considerable rewards for successful change, as their structuring will provide some actors with significant advantages; and thirdly, their emerging structures present different sets of challenges than those found in matured fields (Maguire et al.2004). Unfortunately, that is where the resemblances between the emerging field and the nation- states in developing countries as emerging field end. Maguire et al.,2004 argued that:

> For example, isomorphic pressures will be less relevant if there are no established patterns or leaders to mimic; the widely shared values associated with normative forces have yet to develop; and diffuse power makes it difficult for individual actors to coerce others"

However, in the developing countries, the nation-states are subject to greater isomorphic pressures and these pressures have been relevant in the design of accounting change, as they are influenced to mimic Western countries. Secondly, the norm and values have been developed elsewhere within the neo-liberal ideologies and foisted on these countries. These countries

institutional entrepreneurs are confronted with conditions of a matured field without the benefit of either. Potential institutional entrepreneurs, even as elites, are likely to operate in limbo without the benefit of the taken-for- granted symbolic and material resources of a matured field, or the exciting opportunities and risks of an emerging field.

Embeddedness in Ghana's public sector accounting institutions is more identifiable at the organisational (or line ministries) level. For examples of there are traces of agency when the line ministries take non-compliance measures to counter GIFMIS automation directives that are issued by the central agencies (such as the MoF). There are also instances of organisational entrepreneurship when line ministries lobby parliamentarians to approve the setting up of agency funds (such as Petroleum Fund, Energy Fund, GETFund, Road Fund, and the others) to by-pass central budget rules that are restrictive and do not work well. Individuals also attempt to bend restrictive financial management rules through creative non-compliance measures. Whilst it is the duty for auditors and law enforcers to sift through these activities to decide which ones are criminal, for accounting change researchers an institutional environment that is full of contradictions provide another opportunity to research. For some of the infractions that may be breaking the rules may count as Schumpeter's creative destructive measures that qualify the wrongdoers as institutional entrepreneurs as defined in Battilana (2006).

8.2.3 Addressing the paradox of collective action in latent group in Ghana

The dynamics of moving from individual commitment and actions to collective commitment and actions present a particular challenge in the public sector accounting change and public sector in Ghana.

Conventional analysis based on functionalism does not deal with this problem well. As argued in section 2.4.2 orthodox theorists working in the rational choice tradition generally consider institutions as epiphenomenal and interpret collective action as an aggregate consequence of individual choices which is *asocial* (DiMaggio and Powell, 1991). Their approach assume that individual self-interest adds up to collective interests without offering an adequate explanation. This results in situations where in Ghana, like other LDCs, comprehensive accounting and organisational reforms are conceived by the leadership as a rational choice but never delivered as intended for reasons that contradict the original intentions of politicians. In practical terms, practitioners working in the functionalist's tradition tend to assume that once an individual (especially highly placed politician or a high ranking official) makes a commitment to action, that automatically translates to collective commitment and action. They therefore get bemused when reform actions do not happen when resources have been committed and there is an open declaration of those intentions.

In the dialectical approach **c**ollective human agency is explicated through human action or praxis (Benson, 1977; Seo and Creed, 2002). Seo and Creed (2002) avers that praxis is the key mediating mechanism to explain institutional change under the condition of divergent interests and unequal power.

They declared:

> Since either the ongoing reproduction or the change of institutional arrangements is the outcome of political contests among people with divergent interests and unequal power, a dialectical theory of agency has to show how these contradictions can give rise to a form of political action capable of challenging and transcending institutional constraints. A dialectical framework provides a unique theory of action—the theory of praxis—to explain social change in the midst of social embeddedness.

Here, scholars make a distinction between 'human behaviour' and 'human action' in the sense that human behaviour is the routine day to day activities that contribute to the automatic reproduction of institutions, whereas action is a sub-set of human behaviour that is conscious and purposeful departure from institutionalised social pattern (Jepperson, 1991; and Seo and Creed 2002). Seo and Creed (2002) defined praxis as "political action embedded in a historical system of interconnected yet incompatible institutional arrangements" (pp223) or as Benson declared: "praxis or the free and creative reconstruction of social patterns on the basis of a reasoned analysis of both the limits and the potentials of present social forms" (Benson, 1977 pp5).

The process theorists, (such as Buckley,1967) share with the Marxists the view that history is a dialectic process whereby the new structures emerge from conditions inherited in the previous ones. But they depart from the Marxists, by holding the position that the outcomes of group or collective actions are not deterministic because they find that highly structured human associations are relatively infrequent. "In sum, institutionalised patterns constitute only one conceptual aspect of society, and they point to only part of the ongoing process" (Buckley,1967, pp.22). In addition, they see the role of interests in social processes and their conflict and adjustments as the true key to a dynamic sociology. There is therefore a linkage between the processual approach and institutionalism, particularly the "old" institutional theory and institutional logics in explaining change.

The process approach therefore shed light onto the intellectual puzzle of collective action. Buckley summarises this by saying that the process approach, irrespective of the theories that contributes to it, aims to solve one basic problem: "how do interacting personalities and groups define, assess, interpret, *verstehen*, and act on the situation?" (ibid pp. 23). To Buckley it doesn't matter whether our cognitive theories are converging or diverging, mathematical or non-mathematical,

congruence, balance, or conflicting, so long as the researcher focuses on the group's decision processes of understanding and acting on their common problem

Symbolic interactionists explicate human collective behaviour in accountability terms, in the way people individuals interpret and consider each other's actions. Accountability underlies how an individual construct his conscious actions in line with "group actions" of a community. Mead and Blumer asserted that group or collective action consist of the alignment of individual actions; and this alignment is a social action that is accomplished by individuals fitting their respective lines of action to each other's through the process of interpretation. This contrast with conventional views of sociological analysis that treats human groups as "social systems" and regards collective actions as created by social systems and structures (Parsons,1951, 1968).

In both the literature and the empirical evidence from Ghana, the dynamics of (accounting change) were clearly manifested in the interactions between individual and collective action and also in accountability relationships. For example, peer-group accountability puts pressure individuals to behave positively or negatively (in for instance taking brides) (Silitonga and Dujin, 2019). Similarly, in Ghana, the experiences of line ministries' internal auditors demonstrate peer-group pressure when they are asked "are you one of us" when they attempt to be professional and assert themselves.

This study has argued that the 'pragmatists' answer to the collective action consist of the alignment of individual actions through the individual interpreting and considering each other's actions. This departs from the sociological approach which treats collective actions as explained in the structures and systems of society. As Mead has shown, human society is made of individuals who perform as acting units. These individuals construct collective actions (sui generis) to cover the various polity centres in society. These polity centres may be various or limited in each society, but the more developed they are the better for collective action. The import is that the efficacy of reforms depends on developing the polity centres in society as I have previously presented in this thesis based on the arguments of Jepperson and Meyer (1991) on polity centres and rational myths in Chapter 7.

8.2.4 Further discussion of the empirical evidence in addressing the research question

The empirical evidence that emerged in this study indicated that, in Ghana like other developing countries, various actors may pro-actively and skilfully utilize the ambiguity associated with the PFM reforms to advance various interests in reciprocal interplay with institutionalised structures (Modell, 2009). Such tendencies cannot be explained within the framework provided by neo-classical economics and rational choice theories. In other words, the conventional narrative and explanations of PFM reform performance that are based on methodological individualism could

only provide a partial *asocial* narrative. The arguments presented in this thesis go beyond that of the traditional rational-irrational explanations into the transrational. For example, it helps to explain why in winner-takes-all democracy in Ghana, politicians have often promised far reaching reforms (including financial management and to fight corruption) when out of power, only to renege on promises when in power. The framework of this study would explain that opposition politicians see and feel the contradictions in society, which mostly dissipate when they get into power. The explanation of reforms performance is based on the contradictions in the inter-institutional orders and the power dynamics in allocating resources.

The empirical investigations of this research have provided a casual explanation of how budget credibility has become a binding constraint on accounting change and the PFM reforms. The notion that the budget system can lead to a rational budget allocation requires co-ordination between plans and budgets, with planning in the lead (Wildavsky, 1975). Planning and budgeting in Ghana, as presented in this thesis (for as in Appendix 6), show that over-ambitious political promises intervene in the regular management of the budget, leading to budget failure. This study therefore related the budget credibility, as the central category, to the main categories through selective coding to develop a substantive theory on PFM reforms in Ghana.

The centrality of budgeting credibility in the initial phases of PFM reforms is consistent with insights provided by other researcher-practitioners (for example Talierco, 2009). Generally, scholar avers the centrality of budgeting in both post-industrialised countries and LDCs alike (Hopper et al.,2009; Enthoven, 1982). Covaleski et al (2013 pp 338) has argued that 'the core document within the public administration arena which influences the ability of an organisation resources from one use to another is the budget'. For this reason, this study attributed the causal explanation of why sub-optimal practices have persisted in Ghana to a budget credibility gap that has been created by an accountability and transparency failure. The evidence was derived from the application of grounded theory informed methods to the collection and analysis of the empirical data.

The processual narrative of Ghana PFM reforms showed how and why sub-optimal practices have persisted. Historically, most LDCs/EEs accounting systems have emerged from their pre-colonial legacy systems that had been skewed toward delivering accounting reports to meet the requirements of external users. In so doing, priority has been given to financial accounting over management accounting. Such are the institutionalised practices from which the current public sector accounting systems have emerged (Hopper and Lassou, 2016; Lassou et al. 2019; Lassou, 2017; Hopper et al. 2009; Abdul-Rahaman et al, 1997). The arrangements where the colonial officials reported externally to the metropolitan centres (both in government and in business) have persisted after decolonisation in the form of neo-colonial reporting mentality within LDCs. But

tailoring financial reports for external users, and not internally and primarily for own consumption, often lead to inaccurate and misleading accounting practices.

Public sector accounting in LDCs has taken a form that requires it to be transformed to serve the internal needs of users first (economic and social development) before assigning other priorities to it. As Lassou et al., 2019 quotes a World Bank official as saying

> A Medium-Term Expenditure Framework that Ghana and most [developing] countries have started developing . . . are not based on any realism and are 'donor-driven' and a lot of funds are put into these activities. . . [In practice] the MFEF and the programme-based budgeting are one thing but in terms of reporting it is only financial report[s] [that count] which have no bearing on the programme-based budget or the MTEF; thus, in the end there is no link to any development priorities (pp. 10).

As a corollary to the focus on financial reporting, the development of management accounting practices and internal management reporting have been side-lined, especially in the public sector in Ghana. These weaknesses from the underutilisation and underdevelopment of management accounting have been reflected in the trends of the academic research literature that were produced. Hopper et al, 2009, and Abdul-Rahaman et al, 1997 found that the earlier scholarly papers were mostly on financial accounting. In governments, in Africa for example, it is reflected in the separation of budgeting from accounting in physical and institutional arrangements (including the management of the chart of accounts, assignment of organisational roles and professionalism. Financial accountability lines are therefore fuzzy, with MDAs' management focus being on funding and the budget funds 'released' by the Ministry of Finance[44].

The third unintended consequence of placing too much emphasis on financial accounting is the failure of accounting to play a relevant role in socio-economic development in LDCs. Citing other scholars, Hopper and Lassou (2016) have argued:

> A recurring research finding is that whilst basically sound accounting and accountability systems were often adopted and maintained, in actuality they played a ceremonial role to gain legitimacy from the populace and external funders and played little part in ministerial and parliamentary scrutiny or decisions. Meaningful accountability often never occurred (pp. 4)

Management accounting development is driven from internal requirements to produce information, primary, for internal management decision making. The development of management accounting therefore depends on reform activities that make it possible to direct attentions to internal decision making. Hopper and Lassou (2016) building on Ghartey's (1985) have noted that effective accounting requires good governance, without which it cannot flourish.

[44] MDAs' management put very little emphasis on budget performance information

Conception of accountability in LDCs is flawed by the prevalence of the central financial reporting of the overall government accounts over those of the line ministries, departments, and agencies (MDAs). The internal reporting arrangement within government organisations to the Ministry of Finance and Parliament are therefore weak. Most often the only reliable financial reports available are prepared by the Controller and Accountant General Department (CAGD) based on the control totals from the general ledger, rather than the reconciled accounts of the MDAs at the MDA-by-MDA level. Most of the time the CAGD's accounts cannot be reconciled to the budget, because of the disparate sources of funding the MDA budget. The empirical evidence shows that the national budget is funded from the consolidated fund, that often exclude a portion of internally generated fund at the MDAs level and other ear-marked funds (labelled as statutory funds) which are set up by different statutes as special funds controlled by boards.

Theoretically I have discussed the implications of the empirical findings through a framework of interinstitutional orders with elements that explains actors' behaviours in Ghana within institutional fields. This thesis argues that there are potential insights to be gained in the explication of accounting change in the development context from the application of the ILA as meta-theory, that encapsulate a dialectical framework. The study therefore mobilised institutional logics and institutionalism, grounded in the empirical data from the field, to theorize the reforms in Ghana for both instrumental and intrinsic reasons. Ghana's reforms as an example of public sector accounting change is instrumentally useful because it has been one of the countries in LDCs/EEs where the current global NPM-type reforms were initiated in the 1980s. Its background of colonial and post-colonial experiences provides a rich social milieu to support an evolutionary processual-type analytical narrative, and casual type explanations of public sector accounting change, from the ground-up. These steps served as antecedents to the analysis and discussions of this study based on institutional logics.

I have argued in this thesis that for research based on the application of institutionalism to be relevant in the LDCs/EEs it has to recognise and address the shortfalls in neo-institutionalism. Based on this argument this study has brought new insights and extended the accounting literature by applying institutional logics to explain accounting change in the LDCs/EEs.

The empirical findings of the budget credibility logics as a binding constraint on the reforms is exteriorised by the actors in the institutional orders to reproduce individuals' and organisational behaviour. Through this mechanism, isomorphic reforms initiatives produce uniformity that work across organisations thereby overriding any diversity that the local environment would support (DiMaggio and Powell, 1991). In Ghana, this process simply takes place when an previous group (in the MoF, the ministries , parliament and elsewhere) passes on to the next generation that that is how things are done here, therefore actors behaviour become unreflective and routine, influenced

by the collective mind-set through peer-group pressure ((Silitonga and van Duijn, 2019). This research therefore have shown how and why individual commitment to reform does not translate into collective commitment, rather it is the collective practices that exert pressures on individuals to conform, which is found at all levels in Ghana – as citizens, politicians, or public servants. The logics in the Ghana reforms indicate that there is only a limited autonomy of action as the behaviour of the state itself is endogenized by the overwhelming influences exerted by the international community. This circumscribes the potential for institutional or cultural entrepreneurs to change the system from within. Rather actors are influenced by the situation in which they find themselves, while the contradictions grow, and actors become more aware of them.

While this explains why and how accounting and organisational practices have persisted, it also shows the conditions for possibility of change through *praxis* and in individuals resisting the 'tyranny' of the collective.

8.3 RECENT WORKS IN PFM REFORMS

The unproblematic view of accounting still prevails in development practice, partly because the agenda is driven by economists and other policy makers who consider that 'accounting is technical, unproblematic, and flows automatically from market relations' (Hopper et al.,2009). The strategic importance of accounting reforms appears not to have gone down to the collective consciousness in LDCs where economic macro-categories such as unemployment, inflation rate, exchange rate and balance of payment command more attention in policy discourse.

Accounting scholars have noted that the desire to implement accounting change has been a long-standing item on most LDCs post -independence agenda as in the industrial countries (Adhikari and Mellemvik, 2011). The difference is that while the terms of the debate have shifted in the OECD countries from whether a particular accounting technology is relevant to how best it (for example accrual accounting reforms) can be implemented, in the LDCs its relevance is still being debated. This accords with observation by scholars that in the developing world 'negotiations over even simple matters may never reach a conclusion, or at best may extend over long periods of time" Seiler (1966 pp 655). Adhikari and Mellemvik (2011) have noted that in the case of Nepal:

> There were many talks about accounting reforms in the 1990s but nothing significant happened to change the existing practice. However, the pressure for public sector reforms increased at the outset of the new century as the country plunged into a difficult financial situation (pp. 131).

Thus, while the discussions on the relevance of accounting change has not gone down to the local community level, financial crisis has given the impetus for interventions by external donors. At the time of conducting this research (2016 to 2019) a few studies have emerged on the Ghana

reforms (Lassou, 2017; and Lassou et al., 2019). Other major pieces on the PFM reforms can be found in Alsharari et al., (2015); Goddard et al. (2016); Alkaraan, 2018 and a swathe of literature reviews on academic papers on PFM reforms (van Helden and Uddin 2016, van Helden and Ouda, 2017). There have also been recent 'normative studies' sponsored by the World Bank/IMF based on five country cases studies (see Fritz et al., 2017) and Woolcock et al., 2018. Some of these papers, individually and jointly, have conveyed the pervasive role of foreign sponsors in LDCs/EEs reforms.

These papers are representative of two broad strands of recent developments in public sector accounting research in LDCs that is worth noting: (i)The normative literature driven by the IFIs and the others in the international community sponsoring reform in the LDCs/EEs. This strand tends to be inspired by political economy and management practices; (ii) The theory driven literature of which social theory dominates, with neo-institutional theory emerging as a specific development within that. In terms of theoretical developments, Alsharari and Abougamous, 2017 paper appears to be the only one that has mobilised a unified framework of neo-institutional theories to explain the PFM/NPM reforms in the LDCs.

I have already reflected the direction and content of accounting and institutional change research the literature review in Chapter 2 of this thesis. In this section I critique the key recent literature that has emerged to position the theoretical and empirical contributions of this research within these developments, especially alongside the insights created by Hopper, Lassou, and their colleagues based on neo-colonialism and globalisation. Firstly, I consider the direction in LDCs/EEs research provided in the normative literature stream as found in Fritz et al.,2017 and Woolcock et al. (2018)

Fritz et al.'s (2017) paper represents the 'realist' traditional research approach based on political economy analysis. Its audiences are policy makers and practitioners, and it has normative orientation drawing on neo-classical economic theory to explain reform outcomes and advice for better implementation. This paper was written by sponsors of PFM reforms, and whilst diagnosing PFM reform performance, they tend to reflect external agents' (etic) perspective of reforms. Fritz et al. 2017 considered 'nontechnical' drivers and constraints of reforms to include institutional incentives and constraints, as well as political commitment, capabilities, and demand to pursue reforms, interacting with institutional aspects' (a footnote on page x). In this study, consideration of these 'non-technical' drivers for PFM reform performance were then nuanced into sequencing of the implementation of reform components as part of the package of managing the 'basics first' (Fritz et al., 2017). In another paper by the WB staff, explaining the success/failure of particular public sector reform efforts, they attributed the performances to technical policy reform design,

leadership and political support, and implementation capability of public servants (Woolcock et al., 2018). Reform performances were couched in terms of technical dependencies between these three factors. In conclusion they stated:

> …that neither political will, nor technical design, nor capacity can be seen in isolation, but as multiple strands of a single reform effort, interacting in dynamic ways across the reform journey. Understanding the complexity of these interactions implies that external funders, partners and supporters of reform need to be just as ready to take an iterative approach to their assistance strategies as reformers do in implementing their reform programs (ibid, pp. 16)

In both Fritz et al. and Woolcock et al. I found references to 'technical' aspects of reforms, which appear to be distinct from 'non-technical' aspects. I have argued in this thesis that such distinction is not helpful to provide a holistic account of reforms. Secondly, such studies often fail to recognise the complex role played by the 'external' influencers on PFM (some of them negating positive change). By focusing mostly on the internal and technical factors that decouple reforms these studies only succeed in creating partial and static explanation of the performances of public sector reforms.

It is in the light of the dominant and complex role played by 'external agents' that Lassou et al.'s (2019) paper on Ghana PFM reforms mobilising political economy is important for factoring in neo-colonial political theory (Finau, 2019). Whilst examining Ghana's PFM reforms, it asked different research questions and employed different method-philosophical approach.

Lassou et al. (2019) found that the rent seeking behaviour of officials and the hegemonic influences of neo-colonialists in both Ghana and Benin (another West African state) decoupled reforms. Their paper went further than most in providing a theoretical explanation of the IPFM reforms, however, their mobilisation of institutionalism was limited, and they did not address the myriad institutional issues that inform neo-patrimonialism and patronage behaviour. Many factors appear to be subsumed into patronage- such as, informality and lack of professionalism resulting from recruitment processes that were not addressed. I have argued that if they had taken into consideration other factors (such as knowledge or income levels between the two countries) he might have found that patronage was not context independent.

However, Lassou et al.'s approach failed to provide a balanced explanation of how patronage works in the context of reforms. From their analysis patronage always works in a negative direction, wherever it appeared (in Ghana and Benin) and as such it is context independent. Grindle (2013) has found that the effect of patronage is not inevitably negative, and in fact it has been positive in some cases in the US and some Latin American countries in facilitating reforms. So, context does matter. Others have provided a more positive view of informality as an organisational resource (Firey,1948). Lassou observed that, on paper, Francophone based-systems are supposed

to be stronger than the Anglophone based- systems. There are so many checks and balances in the Francophone systems he argued. However, in practice the Ghanaian system (Anglophone-based) seemed to perform better (reports are produced, even if weak, and audits are done, and Public Accounts Committee (PAC) held hearings even if their recommendations were not often implemented). However, they found that in both contexts, reforms to improve transparency and accountability decoupled. It seems Lassou had not considered the effect of Pritchett's (2013) isomorphic mimicry. If he had done so, he would have realised that, may be, the reasons decoupling occurred was because the two countries were both implementing 'best practice' reforms in different contexts. Or maybe they both operate in the same context - poor developing countries- and not what he argued as different context.

I have argued in this thesis that context is complicated and needs to be unpacked to isolate and fully explain the forces at work. For example, Ghana may be a 'flailing state' and Benin a hegemonic state. As Pritchett has shown India is a good example of a 'flailing state'- so advanced in developing democratic institutions, and even has capacity to embark on space programmes, yet in many important areas it cannot join the dots to advance its socio-economic development. Ghana in some ways is not dissimilar to the India case in this respect. The two countries (Ghana and Benin) are at about the same level of income and they are jointly affected by factors such as poverty (some of which are beyond their control, and others which they can control). Their financial management context may be different, but they may face similar or dissimilar binding constraints that need to be investigated.

In a paper preceding the Lassou et al. (2019), Lassou treated context as a homogenous in his explanation of decoupling of reforms (Lassou 2017) (pp. 489). The homogenous assumption, based on Western culture might have been simplifying for the institutional context in Meyer et al. (1997), and the organisational context in DiMaggio and Powell, 1983. As Thornton et al., (2012 pp. 18) have argued this assumption does not always apply. In the case of Africa, the influence of the IFIs are so ubiquitous to the extent that this study can assume that there is a heterogenous institutional environment for public sector organisations (one from the international, and the other national). However, there has not been much attempt to investigate the institutional orders and their impact on accounting reforms in LDCs.

To take the argument one step further, others have observed that decoupling takes place in both developed and developing countries (Pollitt, 2013 pp. 411). So, that leaves us in a position where either patronage is everywhere and so does not explain anything, especially the performances differences between countries; or its effects are so pervasive that it joins up with other factors, that work to nuance these effects. Lassou's paper did not take into consideration these factors and did not explain their effects. For example, the real difference between the Anglophone and the

Francophone systems is that the former is a principles-based approach whereas the latter is rules-based approach. But the issues of convergence (as a latent force exerted by the IFIs activities in LDCs) means that differentiation between the two accounting systems is increasingly becoming nominal.

In Lassou et al.'s (2019) view patronage, corruption, and neo-patrimonialism function as an institutional structure that decouple reforms, but it does not explain the mechanisms through which they impact on change or stability. In short, the paper does not pay much attention to how social order shape actors' behaviours and how they in turn shape their structures. A more satisfactory analysis would take into consideration the stratification of society, its rituals, and symbols that maintain the order (Collins 1986) which makes reform decouple (See also Douglas, 1996; 1986). Following this path requires a more systematic theorising drawing from institutional theory, particularly from institutional logics to demonstrate the tensions and contradictions they generate.

The comparative study, undertaken by Lassou, between Ghana and Benin assumed that both countries operate in a homogenous ecology. Yet it is widely acknowledged that each country has different conditions (see Douglas, 1986), therefore providing different context within which the reforms are have been implemented. Equating the reforms from one-country to another over-simplify the understanding of their dynamics, rather each country requires independent evaluation and theorising (Yang and Kassekert, 2009). However, Lassou, 2017 did not question the assumption of homogeneity implicit in the isomorphic-decoupling theorising. Observing that there are globalisation forces, neo-colonialism, and patronage operating to decouple reforms led him to give too much weight to institutional structures. These studies therefore provided only a static account of reforms in a highly institutionalised environment and did not give us sufficient understanding of the role of agency. The combined unintended effects, unfortunately, create the impression that LDCs governments are "passive, inefficient manipulators of symbols rather than substance" (Powell, 1991 pp 183).

The recent literature has drawn attention to hegemonic influences resulting in LDCs implementing inappropriate accounting technologies (Lassou et al.2019) building on Hopper et al., 2009. This is an interesting line of theorising on which we have built in this thesis. Neo-patrimonialism taking the form of patronage, nepotism, clientelism have been cited for contributing to the poor reform outcomes in LDCs. This line of theorising of societal behaviour can be traced back to Weber through to Merton's interpretation of structural tendencies in society to maintain itself. Merton made a distinction between 'manifest' functions (which are results that people consciously try to accomplish), and 'latent' functions (which are produced by the social system itself) (Collins 1994). The latent function of the social order manifests itself in these 'dysfunctional' tendencies (Merton, 1968). Merton argued that "culture must be recognised to have multiple consequences, some of

them functional and others, perhaps, dysfunctional" (Merton, 1968, pp. 90). But Collins has observed that:

> Unfortunately, this terminology does not get us very far. It merely puts a value judgement on it, admitting that that things can be bad instead of good, but it misses Durkheim's central point that sociology ought to show the conditions under which structures produce one thing rather than another. To go around and label things as functional does not answer the question of why certain structures happen to exist to serve that function rather than something else (Collins, 1994 pp 199).

One could find a function for anything therefore it is misleading for us to argue that neopatrimonialism functions to maintain social order and stop there as Lassou (2017) did. This is especially unsatisfactory explanation, as Collins has argued, when the neopatrimonialism is not serving the whole society but certain individuals and 'monopolistic groups' within it.

The defects in some of the existing traditional line of theorising called for a better explanation of how social order is maintained in the societies in which researchers are interested. As Spencer saw it, modern societies have emerged from competition on the market guided by freely made contracts (Collins 1994). In that sense society needed contracts to maintain social order. But in a society of contractual laissez-faire, Durkheim questioned how such contractual society will work if people did not trust each other, because an advantage will always be on the side of the side that cheats. These discussions raise a number of themes that have been raised in public administrative reforms in the LDCs (and elsewhere too) about performance contracts, societal values such as trust, and peer group pressure (Silitonga and van Duijn, 2019).

Social order theorising attributes reform performance to either structural or rational actors (as individuals), or both as in post-structuralism. For our purposes in this research post-structuralism takes us beyond the insights gained from either utilitarian/rational explanation or structural-functionalism theories. Thus, this study rejects explanations of reform performance based solely on 'methodological individualism' (such as corruption) and structuralist accounts (such as culture) to accept the position of post-structural explanations, which is currently in the ascendency (Alawattage et al., 2016). It is these inter-disciplinary post-structuralist perspectives that I have brought together under the rubric of institutional logics.

Further insights into the inter-disciplinary theory driven accounting research in the LDCs have been provided in reviews by van Helden and Uddin (2016) and van Helden and Ouda, (2017). Both called for more qualitative research on accounting reforms.

Van Helden and Ouda (2017) framed public sector accounting in emerging economies as an interplay of three group of factors, namely: pressure by western development partners to introduce NPM reforms; local values and interest; and constraints of resources, including institutional capacities. According to their account, pressure is exerted by the international agencies, both

bilateral and multilateral agencies operating in the LDCs to introduce reforms ('of privatisation, marketisation, decentralization and output orientation' (pp.1). These policy reforms are often prescribed on the terms conditioned by aid offer. They argued that given the resource constraints in the LDCs, these countries take the aid with the conditions, but they are not able to implement reforms that do not favour the interest and values of local communities; that, in any case they do not have the capacity to implement because the reforms are advanced for their circumstances. In their scheme cultural values work into the system through informal dealing by officials and gaming.

Whilst the schema is useful, other alternative explanations are possible, even within the context of the interplay of the same three group of factors.

For example, donors offer their prescriptions because local officials and politicians are either inept, or they do not care enough, or they are simply self-interested (Parker (2003); the NPM is not intrinsically bad, it is the way it is unpacked and implemented that has generated the poor results, and it could serve the interest of the community by reducing poverty and improving public services, and supporting economic and social development (Abdul-Rahaman, et al, 1997; the officials have the capacity, but are influenced by peer group pressure and existing institutional practices to seek rent and not to implement reforms (Silitonga and van Duijn, 2019).

The truth is somewhere in the middle of these assertions.

In explaining technical change, such as in public sector accounting, this study draws attention to the dichotomy of 'evolutionary' theories (which emphasise past history) and a future goal orientation (neoclassical economic theories, of means and ends) (Elster 1983 pp. 10). In the evolutionary theories the use of current techniques is based on past events (rational or irrational), whereas in the means-ends scenario changes occur as a deliberate rational choice (Hindess, 1988).

Starting with the latter, if the means are not available, it is difficult to achieve the ends. For example, there is the often-cited factor of capacity constraints in LDCs: a charge that are not patently false but is only speciously true (Merton 1949). Most accounts of capacity constraints are prestidigitation as there are pockets of adequate managerial capacity (Rahaman and Lawrence, 2001a)

Reviewing the accounting research literature led Abdul-Rahaman et al.(1997) to observe and question that approach by saying:

> Much of the literature, as is evident from the citations in the text above, stresses the deficiencies, weakness and inadequacies of the public sector accounting and financial management systems of developing countries. This common thread reflects an overly Neurocentral theoretical perspective of the subject focus. Researchers have tended to seek to analyse and describe the public sector accounting and financial management systems of

> developing countries from a perspective shaped in and through the experience of the developed world. In this respect it is of concern that the descriptions and comparisons of writers in this area are scarcely empirically developed (cf. Blondal, 1988; Craner and Jones, 1990). Our view is that a more balanced approach is required which would steer a path between the tendencies of excessive relativism and crude ethnocentrism (Abdul-Rahaman, 1997, pp. 54).

In this debate several strands of arguments have emerged that may be categorised into three main groups: Those who have questioned whether the assumptions underlying the prescriptions made by the IFIs- inspired advisors apply in the context of LDCs; those who do not challenge the assumptions in the models, but argue that they are not fit for purpose in the public sector in general- whether in developed or developing countries; and those who question the motives behind the prescriptions- as using the reforms as a Trojan horse that are being introduced to promote neo-liberalism and western values in the LDCs. There is also a latent fourth group who do not question the motives of the external sponsors of the reforms.

The first group argues that the prescribe solutions are based on rational choice and neo-classical economic theories some of which are questionable. Within this group are those who find these principles unsuitable for the development needs of LDCs for neglecting the social context of development and focusing excessively on economic benchmarks, of which accounting reforms are implicated. At the extreme end are those, within this group, who base their argument on cultural differences between the North and South: saying that the underlying assumption of individualism in western rational models (such as accountability that is based on principal-agent contracts) does not apply to Asian and African cultures that rationalise collectivism (Sealyham and Perera, 1996).

The second group are those who argue that the models and techniques (such as accrual-based accounting or programme and performance budgeting) themselves are flawed, in the sense that they not fit-for-purpose as they do not work well in the public sector, whether in the North or South (Wynne, 2007, 2008). Among this group are those who put forward the capacity constraint (both human and funding) in the developing countries as justification for not embarking on these reforms, as the resources could be put to better uses. The less extreme narrative advanced by a sub-section within this group are those who say that the models are fit-for-purpose but the LDCs do not yet have the capacity or their circumstances are not conducive for these prescribed solutions (Schick, 1998).

The third group questions the motives of the external agencies who sponsor these reforms. Among them are people who reject western prescription on ideological grounds (neo-liberal creed), domination and hegemonic influences of the West. In this group are the growing list of critical accounting scholarship such as found in Hopper et al, 2009 and Lassou et al., 2019, Lassou and Hopper, 2016. For example, Hopper et al., 2009 have argued that:

> Rich countries have shaped politics and policies in LDCs from colonialism, and today international aid institutions' prescriptions often include (or presume) MASs framed in institutional contexts and rationalities not invariably found within LDCs. But many LDCs depend on external finance and cannot ignore its providers' strictures. Thus, when Western MASs are applied, they often assume unanticipated roles or are ignored (Hopper et al., 2009, pp. 473).

This influence of the international institutions (WB/IMF/WTO) and the international aid agencies on reforms (promoting neo liberalism and modernism) has led to the charge of neo-colonialism and reinforcement of neo-patrimonialism against external sponsors of reform in LDCs.

For the fourth group who do not question the motive, they do question the approach of external agents such as the WB and other international agencies alike. For example, they question the WB's internal incentives and their approach of leading from the front in proffering solutions rather than some other alternatives (bringing together interested parties to solve problems on reforms). They have argued that the WB internal incentive systems have become an 'iron-cage' preventing them from playing the role of honest brokers of reforms (Polidano, 2013). Within this group include some of the current and past staff of the WB and the other agencies (Manning and McCourt, 2013)

To conclude this section, I have sketched the underlying issues and tensions and how previous researchers have approached them, on which I have built this study's empirical explanations and theoretical insights. Based on the empirical evidence from this research I argue that it is safe to conclude that the main problem of introducing accounting techniques into LDCs is not because they are grossly inappropriate, but the problem is that poverty brings distinctive uncertainties (Hopper et al. 2009). Hopper et al.,2009 reviewing research of several scholars have not found different accounting techniques in rich and poor countries, or that LDCs import grossly inappropriate practices. They found that "most problems lie in the interplay of MASs and their cultural, economic and political context. Poverty brings distinctive uncertainties, e.g. exposure to the elements, undiversified economies, and a dominant (but not necessarily effective) state" (pp. 473).

It is based on these theoretical and empirical insights that I position this research and our contribution to both the literature in accounting, policy, and practice as I explain in the next section.

8.4 RESEARCH CONTRIBUTION TO THE LITERATURE

Form the review of the extant literature, as far as I could see, not much research has been done to develop a rigorous conceptual framework to explain how foreign and local interests are interwoven to influence PFM reforms in LDCs/EEs. This research has contributed to the literature by developing this conceptual framework to close this gap by providing both empirical and theoretical explanation of reforms. Firstly, the research has provided an example of applying rigorous

framework for relating the empirical elemental categories to provide a causal explanation of the reform phenomenon (Elster, 1983). This study has provided this by developing and relating categories such as budget credibility, professionalism, accountability, donor intervention and local politics, automating, financial re-engineering, reform credibility to each other within the paradigm model (Strauss and Corbin, 1998)

Secondly, I have expounded on the notion of modern polity (Jepperson and Meyer, 1991) in the LDCs and incorporating it into social order theorising in the analysis of accounting reforms, to create a deeper understanding of accounting reforms in LDCs.

Thirdly this thesis has proposed some elements of institutional orders and have shown how they become embedded in the development context. I have extended both the institutional logics and accounting research literature taking interinstitutional orders into non-Western context to explain accounting change phenomenon in LDCs, using Ghana as an example.

8.5 RESEARCH CONTRIBUTION TO POLICY AND PRACTICE

The contribution of this research extends into areas of both policy and practice by showing how the local community (family, religion, traditional markets) influences the state, and how it plays a greater role than the institutionalised notion of Western markets. Furthermore, our research shows the logics of how the international community sometimes collaborate with the government of Ghana and sometimes compete with it to implement reforms. But it also shows that the local community is not entirely neutral and can exert influences on the dynamics of change, behind the scenes through collaboration or competing logics with the state or the international community.

The paper therefore shows how logics impact on PFM reforms, and their implications thereof on the design, implementation, and evaluation in the developing and emerging economies context.

8.6 LIMITATIONS OF THE DATA

Throughout this research I adopted an emic stance to reflect the views of the Ghanaian participants (and our data were mostly derived from government officials or ex-government official who have played key roles in reforms). I collected the data by contacting gatekeepers in the government of Ghana and adopted snowballing techniques. I made efforts to include the key representatives of the international community, such as the World Bank and the IMF offices using previous contacts. But they did not respond (except obtaining the views of an expatriate consultant, and in honouring an invitation from the IMF to attend a joint IMF-GoG conference in 2017). While acknowledging the possibility of unbalanced representation of views from the international community and the resultant potential biases, I have expressed elsewhere in this thesis that it was the conceptual

categories that I aimed to identify from research participants, and not necessarily the factual 'truth'. For this reason, it was sufficient to obtain the views of participants based on their knowledge of the reforms, and not from where they have emerged. In addition, there are numerous research publications from the IMF and WB and the international community on Ghana reforms and other countries to provide sufficient insights on their views. Future research would be more representative if it could include representatives of the international community from all levels (corporations, individuals, multilateral and bilateral agencies) as primary sources of data gathering. It would also benefit from including representation of nationals, outside of the state.

8.7 NEW PATHS BASED ON FINDINGS, METHODS AND CONCEPTS FROM THIS RESEARCH

Notwithstanding the long-standing awareness that the deterministic-unproblematic view of accounting is often misleading, it continues to occupy the underbelly of current IPFM reforms in developing and emerging economies where the reforms are often considered in purely technical terms. As a result, accounting changes are "black boxed"; and there is very little insight into how the accounting craft changes and might change under the reforms. Institutionalism and institutional logics research, and how they might impact on public sector accounting reforms has been limited in the LDCs.

This research has advanced propositions regarding the elemental orders in the institutional orders that I have argued have been influencing PSA reforms in Ghana. More studies both with quantitative and qualitative methods could be conducted to confirm some of the elemental orders in Ghana, but also in other LDCs/EEs

This study also departs from other studies emerging from the LDCs that were based on the neo-institutional theory (DiMaggio and Powell, 1983) that assumed homogeneity. Our research advances heterogeneity in institutional fields, calling for additional comparative studies in the developing and emerging economies to confirm the proposition made regarding the elemental orders.

In addition, I would urge other researchers on LDCs public financial management reforms, adopting grounded theory informed- methods to confirm and test some of the categories uncovered in this research. There should be more institutional based research in LDC contexts focusing on providing better understanding of institutional orders and institutional effects, the specific constraining factors; and framing of middle range theories in explaining accounting change.

In our data analysis I have shown the link between the emerging categories and sub-categories of the IPFM in Ghana and in the process have developed a substantive theory based on budget credibility. The limitation on this study is that it is based on the conditions of the reforms as I found

them in Ghana, and I do not expect the theory to apply in other countries. However, the methods I have used can be extended to other countries to explore the binding constraints on their IPFM reforms inductively.

This study adds to the emerging literature calling for professionalization of accounting practices in developing and emerging countries to promote better reform outcomes. In this research I have pointed the way for future research in developing a deeper understanding of the institutional conditions and context of the IPFM reforms by applications of institutional logics and institutionalism. I conclude with discussions whether a better understanding of LDCs' social and cultural, political and legal environment will make any difference to reform implementation

The debate has two parts, the earlier debate by scholars in the 1970s and 1980s: and the second round of debate by scholar- practitioners in post-NPM in the 1990s and 2000s. The earlier literature in the 1970 and 80s debated whether making management accounting choices based on understanding LDCs social and cultural, political, and legal environment will make any difference to the efficacy of accounting (Hopper et al.,2009). There were three strands in this debate:

Firstly, there are those who argued that a better a better understanding taking the specific context in consideration in making accounting choices will make a difference (Needles (1976) and Gray, 1989). Gray emphasised taking the environmental factors into account, but his methodology on cultural modelling was based on Hofstede's approach that has been questioned. Scholars have objected to Gray's framework, arguing that it gained authourity and prominence in international accounting research largely because of subsequent researchers' unquestioning acceptance and application of this methodology (Heidhues and Patel, 2011). Importantly, I proposed that international accounting research may be further enhanced by considering the contextual factors such as political, legal, social, and historical environments of countries.

Secondly, there were those who wanted an adaption of western models incorporating indigenous non-Western development models. For example, referring to ancient Egypt, they wanted to incorporate traditional disclosure practices into western accounting disclosure practices Mirghani (1982). This argument is difficult to sustain because of the reference to ancient Egypt rather and more specific indigenous accounting innovations in modern times. Any such enhanced role through integration between indigenous practice and international accounting would require a better research agenda.

The third group comprised those who thought addressing the pre-conditions, for example good governance, was a sine qua non for better accounting (Ghartey, 1985). Hopper et al (2009) noted that Ghartey's argument was to put good governance in place first. I argue that in the light of the recent experiences Ghartey's point has been proved right in Africa, but 'good governance' is too

broad and needs to be unpacked. These comments are made in the light of Ghana's experience of implementing good governance and liberal policies for over almost three decades, but not having leaps of improvements in financial management performance.

In the post-NPM world, in the light of recent experiences the search for better accounting has shifted to the understanding of the local context in the implementation of the accounting reform (Manning & McCourt, 2013; Grindle, 2013; Pritchett and Woodcock, 2013). Some contributors to the contemporary debates advocate the merit of incorporating more ''participatory'' approaches. (Pritchett and Woodcock, 2004). Perhaps to complement that they have proposed 'problem-driven iterative analysis' as one way of bridging the gap. (Pritchett and Woodcock, 2013).

The fundamental argument in this thesis is that the exiting accounts of the conduct and performance of reforms in LDCs (the exiting theorising) have neglected to take into sufficient account of 'the discursive elements that shape political and economic perceptions, the definition of actors' interests and, ultimately, behaviour.' (Campbell and Pedersen,2001). For examples in the case of the UK Ezzamel et al. (2007) show how discourse was the carrier of institutions and institutional change in accountability in school staff and their organisations in the Local Management of Schools (LMS) in the 1990s.

Referring to the influences of scholars such as Foucault, Latour, Woolgar, Ricouer and others Campbell and Pedersen,2001 have argued how discourse and linguistics analysis have shaped social theories and have had impact in Europe and has the potential to impact in other places. Citing the example of Denmark, Campbell and Pedersen argued that scholars incorporating "discursive elements shape political and economic perceptions, the definition of actors' interests and, ultimately behaviour. Moreover, they believed that differences in the discursive side of institutions helped explain variations in public policy and economic performance among corporatist countries. For example, they credit Denmark's remarkable success in reducing its budget deficits during the mid-1980s to the ability of its leaders to utilize the principles of a well-institutionalised discourse, stressing social cooperation and consensus building, which enabled the major social partners to redefine their interests in terms of bringing the budget under control". (Campbell and Pedersen, 2001pp. 6).

In addition to institutional theorists, Campbell and Pedersen have noted that other theoretical traditions in political economy (for example Bourdieu) have incorporated the discursive approach into their work. The discursive elements have a general application that could impact on the relevance of accounting research and accounting practice in the LDCs. This important development appears to have had only a marginal effect on theorising of LDCs accounting reforms, but there are signs that it is beginning to emerge (Alawattage et al, 2016).

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APPENDIXES

APPENDIX 1: OFFICIAL DOCUMENTATION

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APPENDIX 2 INTERVIEWS/ OBSERVATIONS

Participant Code	**Organisation**	**Interview Code**	**Participant Code**	**Date**	**Duration of Interview**
1	**Ministry of Finance (MOF) Participant**	IMG 1812- 00.54.44 1814 -00.05.08	G1	16 Jan 2018	00.59.52
2		IMG 2201 2202 2203 2204 2205 (theoretical sampling)	G1	25 February 2019	00.16.25 00.08.59 00.01.38 00.00.29 00.06.12
3	MOF	IMG- 1819	G9	17 Jan 2018	01:14:23
4	MOF	IMG_ 1835- 24.10 1836- 9.38 1837- 25.08 1838- 19.57	G15	22 Jan 2018	01.27.13
5	MOF	IMG-2199 Theoretical Sampling	G15	15 Feb 2019	0.03.32
6	MOF	IMG 1824- 00.29.46 1825- 00.00.31 1826 -00.39.03	G11	18 Jan 2018	01.08.8
7	MOF	IMG 2200 Theoretical Sampling	G11	18 Feb 2019	00.28.38
8	MOF	IMG 1810- 01.03.18 1811- 00.20.28	G6	10 Jan 2018	01.23.26
9	MOF	IMG 1891- 01.17.20 1892-00.02.16	G2	30 Jan 2018	01.19.36
10		IMG-2210 Theoretical Sampling	G2	25 February 2019	00.43.54
11	MOF	IMG 093838	G3	17 Jan 2018	00.10.18
12	MOF	IMG 1817	G7	16 Jan 2018	01.04.59

13	MOF - Consultant	IMG 2064/2065/2066/2067	G26	5 Sept2018	
14		IMG 2201 2202 2203 2204 2205 (theoretical sampling)		25 February 2019	00.16.25 00.08.59 00.01.38 00.00.29 00.06.12
15		IMG 2210 (theoretical sampling)		27 February 2019	00.43.45
16	**Controller and Accountant General Department (CAGD)**	IMG_1823	G10 and G16	17 Jan 2018	00.40.27
17	CAGD	IMG 1895- 00.17.09 1896-00.25.32	G18 and G19	30 Jan 2018	00.42.41
18	CAGD	IMG 1940-00.56.49 1941- 00.02.18	G22	4 May 2018	00.58.67
19	CAGD	IMG-2068	G25	05 September 2018	09.11
20	CAGD	IMG-2105	G8		00.10.49
21		IMG-2206 Theoretical Sampling	G8	25 February 2019	00.24.07
22	**National Development Planning Commission**	0:45:08	G28		00.45:08
23	**Ministry of Planning**	Transcribed recording of GB-0:09:30	G29		00.09:30
24	**The National Vision, Petroleum Management. The Non-State Actor. An Inclusive Growth Agenda**			9 October 2019	00.21:37 00.20.29
25	**Ghana Audit Service (GAS)**	IMG- 1721-00.38.05 1722-00.17.36 1724-00.01.35	G4	21 Nov 2017	00.56.76

26	GAS	IMG_1832- 00.36.35	G4	22 Jan 2018	00.36.35
27	GAS	IMG_ 1889-00.55.42 1890-00.03.24	G17	29 Jan 2018	00.58.66
28		IMG 1953- 00.24.31 1954-00.09.22 1955- 00.15.10	G24	8 May 2018	00.48.63
29	Parliament	IMG- 1757-00.01.05 1758-00.21.55 1759-00.13.26	G5	22 December 2017	00.35.86
30		IMG 1827 -00.37.14	G12	18 Jan 2018	00.37.14
31	PAC Proceedings	IMG 2221 2222		12 March 2019	00.04.16 00.11.29
32	PAC Proceedings			13 March	00.11.50
33	Parliament In its own words- with Majority Leader	IMG 2227 IMG 2228		13 March	00.01.26 00.12.29
34	Ministry of Parliamentary Affairs	Chief Director of Ministry		14 October 2018	00. 22.15 00. 12.26
35	Senior Minister	Transcribed recording from IMF conference	G23		
36	Ministry of Health	IMG_ 1834 -1.03.06	G13 and G14	22 Jan 2018	01.03.06
37		IMG-	G20 and G21		01:08:50
38	Ministry of Education	Consultant	G17		00.17.21
Total					25hours
Average per event					39minutes

Ghana Television Broadcasting (GTV): Public Accounts Committee proceedings. 11.30 am Tuesday 12 March 2019

In the vetting of the Ministry of Justice and Attorney General's Department.

The department in 2015 attempted to by-pass the procurement law by embarking on procurement when they did not have the funds available at the initiation of the process. The department complained about the non-release of the budget funds by the MoF.

Against a member's question: Watch the response of the Chairman of the Public Accounts Committee

In the vetting of Ministry of Education and Ghana Education Service: PAC proceedings reduce to checking non-compliance issues in Education: Proceedings reduced to minor infractions (an Education accountant had to travel the length of the country to explain a query on about $200) when this matter could have been dealt with internally and explained by the accounting officer if there were still outstanding issues. It is good to spread the accountability chain across government and to haul lower ranking officials to explain their actions. But those details mean that the PAC meetings becomes an auditing process, rather than focus on higher level policy issues. The overall impact is that process becomes tedious for members (wonder if they get any research briefings from Parliamentary staff); the process begins to accumulate a backlog; and officers depart from the service before they are called to explain their actions to the committee. (14.3.2019)

APPENDIX 3: LIST OF MEMOS

Write-up of Analysis from the Analytical Memoranda

In the memoranda I did not aim just to describe. I compared and analysed the similarities and contradictions between participants' accounts of the reform phenomenon drawing on archival materials, current official documents, and other sources. The topics and sub-topics are listed below:

1. Ghana is seen as a reform minded country
2. Initiation and Design of the Reform

What was PUFMARP and how was it designed?

Defining PFM

Diagnosing issues in the PFM system to support reform

Design of reforms

Design of reforms meant different things to different people

Designing the financial management reforms

Initiating the reforms as a home-grown solution

Design: Claims about the reforms being homegrown

The design of the PFM reforms being government led

Donor support is indispensable to Ghana

PFM reforms and national strategic document

Rejection of the central integrated solution by parts of the governments:

Problematization of reform issues

The reform design claimed to address PFM issues comprehensively, but to others the issues raised albeit important, were selective

Integrated solution

Seeing the reforms as top-driven

The human factor dimension rather than just systems

Being empathetic of MDAs involvement in the PFM reforms

Relationship issues between MoF and the sector ministries

Seeking to do things better at the sector level as a re-occurring theme

MoF tends to blame the MDAs without always acknowledging their failure to play their part

Seeing the reforms mostly in terms of automation

Drawing a distinction between automating systems and financial reform policy implementation

Design and project ownership: both the automation and reforms

Imposing the automation of the accounting system on the users at the MDA level

Challenges of connectivity impedes enforcement of protocols and standards to achieve integration

Reform programme are re-branded and re-packaged to make them appears new

Re-packaging and rebranding the reforms

Building on previous reform efforts through sequencing

Developing reform strategies and action plans under the 3 waves of reforms from PUFMARP to GIFMIS to PFMRP

Using a phased approach to implement the reforms

Documenting GIFMIS design

Centralising the PFM system

3. Implementation: addressing a range of managerial and technical challenges

Commitment

Reflecting on reform commitment

Requiring commitment at both political and technical officers' level for anything to work

Demonstrating political commitment to reforms through ministerial participation at executive committee and steering committee

Compromised Oracle negotiation – by-passing the project management team to the Minister to get executive decisions

Attempting to develop a performance-based budgeting as part of the introduction of the MTEF

Costing of the budget has been incremental, and practices remain largely ad hoc.

BPEMs was designed to be implemented in phases, but the initial implementation did not work out as planned.

Holding that the implementation was not piloted and became a problem

Limitations of the Oracle Financial Package at the time meant the Public Sector Budgeting could not support activity-based budgeting

The low degree of integration of the financial management function and the low commitment of the CAGD in BPEMs

Paying allowances has led to the gaming of the training system

Explaining the stalling of reforms between 2001 to 2009

Involving the Accountant General in the financial management reforms changed the project's fortune

Risks of MoF keeping the reforms too close without sufficient MDAs involvement

Bottom-heavy sectors such as health reforms must embrace a large mass of people for reforms to be successful

For sustainability reforms should be supported by business cases:

Change management has focused on acceptance of technology, but not on attitudinal change

Vendor education to support reforms

Developing accounting and reporting with the chart of accounts

Managing the payroll cost

4. Project's Achievement

The PUFMARP reforms were impacted by attempting to implement components in parallel.

Project achievements are shown in terms of changes in legislation which is never implemented as intended

Using the GIFMIS system as a tool to control wrongful expenditure submitted for payment.

Establishing levels of authourity for payment in the PFM Act

Automating the HR systems has aided integration of the payroll into the financial management system

Cleaning the payroll have shown many positives

Reforms helping unplanned effect of letting MDAs know their functions better

Introducing techniques of linking planning to budget under the MTEF has been helpful at the district level

Acquiring skills especially by Accounting officers

Remaining sceptical about enforcement of rules with the promise of a strengthened sanctions regime

Taking things seriously keeps coming up, by participants reflecting on various aspects

Developing an economic classification system

The PFM reform agenda was crowded by the World Bank and the development partners

Improving controls without addressing fundamental issues increases the incentive to defeat the system

Automation gives total control to the MoF, which can be both positive and negative

Over-use of controls leads to abuse and paralysis

Assessing if the reforms have been worthwhile

5. Planning

Clamouring by the people of Ghana for a long-term plan

Justifying the need for long term planning

Not needing to cost medium-term plans for them to be useful

6. Budgeting

Preparing budgets based on 'a wish list' of projects and programmes from sectors' medium term plans

The timing and involvement of the Cabinet in the budget process

The role of the Economic Management Team (EMT)

The role of the Vice-President in the budget process

Optimal deficit targeting set out under the IMF programme imposes the budget constraint

Budget Programmes are not expected to run according to their schedules

M&E systems

Coordination

Impact of new political priority programmes on other programme budgets

Special programmes

The role of programme managers

Relating PFM reforms to other service delivery policies in government.

Recognising that reforms should be addressing delivery of MDA programmes

Budget calendar and supplementary budgeting

Legislating for statutory funds to by-pass MOF's straight-jackets and inefficiencies

Recent politicised projects reducing the scope of discretion further

Budget management supports mostly the public service payroll (or compensation is a popular term used)

Attempting to make 'false' savings through reforms impact on perceptions of PFM reforms

Relating procurement to the budget system

MoF thinking of introducing inputs price guidelines for the MDAs Budget

Effect of cash rationing is that sometimes budgeted funding does not get to the frontline services-

7. Budget Credibility signalling reform credibility

The consequences of separating the budgeting from accounting, with budget execution function shared between the MoF and the Accountant General

Budget credibility and reform credibility come together

Reforming for credibility

Undermining the budget system by poor releases of funds

Budget credibility narrative

Even improvements in budget practices get reversed with time

Linking reform to policy credibility

Separating Budgeting from Accounting and Reporting

Capital expenditure procedures remain underdeveloped

Producing poor quality budgets knowing that there are no personal consequences - ignoring guidelines

Reflecting performance measurement in the current budget is meaningless until the budgeting system is made credible

Executing the budget as planned will motivate staff to do it even better.

Arrears have a first call on the budget-

Making the budget system worthwhile requires resources to flow (in a predictable way) through the system

Generating and using reports from GIFMIS is lagging

8. Reforms as donors' intervention

Reforms are mostly externally propelled projects and officials may or may not willingly buy into them.

Funding constraints from the WB for reforms mean that reforms would have to be centralized to control activities in the project lifespan

Reviews are carried out, driven, and financed by the donor community, mostly for their consumption

Applying donor conditionalities results in using donor systems and foisting TAs on countries

In defence of donors conditionalities and the use of foreign consultants to provide technical assistance

Uneasy relationship with consultants especially TA foreign consultants

Rejecting the notions of a special court for ARIC

Resisting imposed Technical Assistance

Driving budget component by own efforts

Unwinding of reform outcomes after cessation of project activities

Using out-crops of foreign think tanks

Funding software acquisition with WB loans possibly influenced the choice of software

9. Professionalising the financial management function

Growing the number of professional accountants with the reforms

Professionalism

Reforming the relationship between other professions and the finance and allied functions

Professionalization

10. Transparency

Whitewashing fraudulent practices in Ghana,

Lacking overall transparency; and the sectors themselves complicit in obscuring government financial dealing -

11. Accountability

The PFMRP stretches to look at the oversight function through strengthening the PAC

Improving committee reports to the House

There is no clarity who is directly responsible for managing the finances in the MDAs and for what they are accountable.

Making sure that everybody who manages public money is held accountable

GIFMIS promotes transparency and accountability

Audit Reports are issued on time contrary to the existing notions

Training auditors to respond to their task

12. Reform co-ordination

Rejecting the model of appointing of consultants (albeit Ghanaians) to lead and manage the reforms

Uncertain home for PFM reform coordination:

Oscillating reforms with no certain home.

13. Ownership

In reforms ownership is political ownership and that is linked to transitioning between reforms–

Buying and running a software for the PFM system

Software license fee-

14. Internal Controls

Introducing Risk management echoes that the MoF does not have the appropriate structures to manage reforms and weaknesses in internal control function

Improvements in internal controls that would never come–

15. Extending reforms to Local Government from the central government reforms

The scope of the research has changed from focusing on the central government to the general Public Service

Extending reforms to fiscal decentralization (local government) but the reforms are restrictively centralized

Developing social accountability as part of the reform J2

Incorporating the local government (Assemblies) budget into the national budget

Giving grants to local government appear to lack clear enforcement mechanisms

Dovetailing fiscal decentralization to central government reforms

Building fiscal decentralization on a weak central government reforms is challenging to both

Proposing local government borrowing bill

Composite budgeting

On-going IGFs strategy work for LAs

Developing the inter-governmental fiscal relationship by Roy Kelly (from Harvard University)

Constructivism - Hungering for improvements, but mediocre changes

Evidencing the impact of reforms at the local level

Checking compliance of the LAs to the DDF

Superficiality of reforms, just going through the motions

Questioning the performance of District Assemblies

Privatising revenue collection solutions for local government

Embracing urbanisation for its revenue potential

16. Sustainability

Sustainability weighs on the conscience of the WB

17. Inappropriate structures in the MoF centrally and in the MDAs to support professionalization of financial management

Reorganisation the Budget Division in the MoF as part of the problem and any solution

Mainstreaming the reforms in the civil service

Inappropriate structures of the MoF to support reforms:

The low degree of integration of the financial management function,

Organising the management units in the ministries to support budget management

More collaborative work between Budget and Macro-Economic Research

Segmenting the government departments into functional specialisations where other professional specialists cannot develop their careers

Professionalising the CAGD is still lagging

Centralising accountants in the CAGD versus sectoral accountants

Ad hoc reforms

Questioning whether there are better alternatives than pretending to reform and squandering public funds

Accrual accounting is hardly understood beyond a few people in the accounting circle

Making the introduction of accrual accounting as a technique and a tool pre-mature-

Compelling MDAs to come on board reforms

Making costly mistakes for attempting to centralize all government of Ghana reporting

18. Other considerations

Official assertions are often misleading: for example, on revenue projections

Doxa

Accepting long standing practices as the norm

Misleading (Abuse of) accounting language

Labelling the current budget practice as either programme budgeting or performance budgeting is misleading

Looking at the spectre of "black boxes" because of the way things are done in Ghana

The financial management reforms have also 'black-boxed' sector financial management issues: -

Superficial reforms safeguarding the status quo

Attrition of knowledge in a dynamic world

Initiating changes in management styles, but limited to individual managers' innovation

Corrupt practices and malfeasance by Public Accountants

There is constant official gaming of the PFM system

Gaming the system

Calling for seriousness in our government business dealing – playing Charles Skelly

Inventing devices within government to by-pass controls (official gaming)

Reforming the salary structure

Paying top-up allowances to civil servants for engaging in reform activities

Paying allowances has led to the gaming of the training system

Paying allowances for participating in the reforms

19. Notes on Methods

Using a topic guide for participants

Reflexive piece on switching-off the tape in the middle of the interview and getting to the end of the session

Procurement practices emerging from international

Limiting the power of Parliament to make inputs to budget to only after the budget has been presented to Parliament.

APPENDIX 4 REVISED INTERINSTITUTIONAL SYSTEM IDEAL TYPES

Y-Axis:	X-Axis: Institutional Orders						
Categories	Family 1	Community 2	Religion 3	State 4	Market 5	Profession 6	Corporation 7
Root Metaphor 1	Family as firm	Common boundary	Temple as bank	State as redistribution mechanism	Transaction	Profession as relational network	Corporation as hierarchy
Source of Legitimacy 2	Unconditional loyalty	Unity of will Belief in trust & reciprocity	Importance of faith & sacredness in economy & society	Democratic participation	Share price	Personal expertise	Market position of firm
Sources of Authority 3	Patriarchal domination	Commitment to community values & ideology	Priesthood charisma	Bureaucratic domination	Shareholder activism	Professional association	Board of directors Top management
Sources of identity 4	Family reputation	Emotional connection Ego-satisfaction & reputation	Association with deities	Social & economic class	Faceless	Association with quality of craft Personal reputation	Bureaucratic roles
Basis of Norms 5	Membership in household	Group membership	Membership in congregation	Citizenship in nation	Self-interest	Membership in guild & association	Employment in firm
Basis of Attention 6	Status in household	Personal investment in group	Relation to supernatural	Status of interest group	Status in market	Status in profession	Status in hierarchy
Basis of Strategy 7	Increase family honour	Increase status & honour of members & practices	Increase religious symbolism of natural events	Increase community good	Increase efficiency profit	Increase personal reputation	Increase size & diversification of firm
Informal control	Family politics	Visibility of actions	Worship of calling	Backroom politics	Industry analysts	Celebrity professionals	Organisation culture

Mechanism 8							
Economic System 9	Family capitalism	Cooperative capitalism	Occidental capitalism	Welfare capitalism	Market capitalism	Personal capitalism	Managerial capitalism

Source: Thornton et al., 2012 (pp. 73)

APPENDIX 5: THE MAPPING OF THE SIXTY-NINE CATEGORIES TO THE SIX MAIN CATEGORIES

No.	Sub-sub-category	Sub-categories	Categories	Core category
1		Learning		
2	Initiating Public Expenditure Management Reform Project (PUFMARP)			
3		Designing the reforms (PUFMARP/GIFMIS/PFMRP) (PUFMARP; (GIFMIS)		
4			Implementation of automated systems	
5			Budget Credibility	Budget Credibility
6		Procurement		
7		Costing of Budget		
8		Selecting consultants		
9		Knowledge translation/ Diffusion		
10		Commitment to reforms		
11		Capturing financial transactions in GIFMIS/ Budget Execution		
12		Health Sector Financial Management reform		
13		Making Payment		
14		Keeping and rendering accounts		
15		Keeping the Balances of the Consolidated Fund		
16			Improving the Financial Management system (**Improving the financial management; accounting and reporting including transparency**	

			and accountability).	
17	Reform Ownership			
18	Problematizing Specific PFM Issues			
19		Budget Planning and formulation		
20		Improving reporting, accountability, and efficiency		
21		Coordination of budget preparation		
22		Budget Execution (on Internal Control, **Improving budget management, financial control, and reporting)**		
23	Implementing comprehensive reforms			
24		Keeping the Balances of the Consolidated Fund		
25		Reform ownership and championing		
26		Audit reforms		
27		Changing identities of auditors, accountants, and budget staff		
28		Integration solution		
29		Sustainability of reforms		
30		Design of computer systems		
31		Medium Term development planning		
32		Fiscal Decentralization		
33		Composite Budgeting		
34		Social Accountability		
35		Budget Monitoring Transfer system		
36	Dovetailing national reforms into LA reforms			
37	LAs Performance Assessment			
38	Collection of Local Revenue			
39	the intergovernmental fiscal framework			

40		Financial Management in sectors (MDAs)		
41		Sector reforms		
42		Oversight		
43		VFM		
44	Trajectory of reforms			
45	Buying logistics to support reforms			
46			Professionalization of public sector accountants in Ghana (in management of phenomenon)	
47		Rent seeking behaviour of some reform staff		
48		Improving Auditing		
49		Institutional reforms		
50			Reforming for Accountability and Transparency	
51		Programme Performances		
52		Transitioning between reform initiatives (Moving from PUFMARP)		
53		Budget Rigidities		
54	Behaviour Change			
55	Techniques introduced through the reforms			
56		Reforming for Fiscal Discipline		
57		Transitioning from Activity-based to Programme-budgeting		
58		Fiduciary role of managers public finances		
59			Credibility of reform, this should be elevated to Category levels	
60		Strengthening financial management within a sector		
61		Performance monitoring		

62	Integrated Planning			
63		Performance management (budgeting)		
64		Using technology to manage financials		
65		GIFMIS and PFMRP M&E		
		Domestic Revenue		
		the MTEF		
68		Introducing IPSAS		
69		Implementing the TSA		

APPENDIX 6: THE EMPIRICAL EXPLANATION OF THE SUB-CATEGORIES OF BUDGET CREDIBILITY IN GHANA

This appendix provides the empirical sub-categories that explains the central phenomenon of budget credibility weaknesses in the government of Ghana

Long Term Planning

The people of Ghana have clamoured for a long-term development plan for the country (Constitutional Review Commission's report completed, 2011). As an official from the National Development Planning Commission (NDPC) observed:

> Particularly the constitutional review commission indicated in their report that wherever they went Ghanaians were calling for the long-term plan that all parties would subscribe to, and not we having to have the situation where this one comes, he implements a four or eight-year plan. Another one comes – as if you don't know where we are going. So, the commission's report – the constitutional review commission's report was emphatic on that – the need for a long-term plan.

With no consistency in development policy direction, the desire by the people for a more robust planning system is not surprising. A casual glance at the state of infrastructure (especially the roads) in Ghana will not fail to reveal the failure of short-termism in policy development and implementation. To reinforce the point the NDPC participant went on to argue:

> Yeah. Spatial planning in particular; and infrastructural planning. They are such things that should be long term. Because if you take let's say development of rail network the gestation period can be around five years. The study period, the feasibility before construction. That would be about four years, and if you are a government your term is over. So, if you do that the government will not be interested in either infrastructure because they won't finish. And the next government perhaps will come and continue and take the glory. But if you have a national long- term plan with infrastructure we all know – the infrastructure. The direction for infrastructure development. Any government that comes will proceed along those lines.

Development scholar have long debated the value of long-term planning in developing countries[45]. However, for the purpose of this present enquiry, Lewis distinguishes between 'indicative' and 'controlling' plan. Indicative plans only seek to give guidance in contrast to controlling plans as in communist countries where the plans give authorization and compels officials to deliver on them. Lewis argued that:

> The figures in the Development Plan indicate expectations, aspirations, and intentions, but are not binding commitments. This (as we shall see later) is one reason for the irresponsible tendency to use grossly inflated figures, intended to impress the reader, without committing the writer. On the other hand, the fact that the indicative Plan does not commit

[45] It is outside the scope of this enquiry, but for an introduction to the discussions see Arthur Lewis in Development Planning: The essentials of economic policy

> helps it to ride changing circumstances better than a document which seeks to effect control (Lewis 1966, pp. 20).

Ghana has operated with indicative medium-term plans, but their links to the annual budgets have been tenuous. There is neither 'indicative' or 'controlling' long term plans, even though Ghana Governments signed up to the MDGs; and presently the SDGs are part of the wider influences on its development policy.

Planning and Budget formulation

Instead of long-term development plans, in the most recent past Ghana has had successive medium-term plans that are intended to support budget planning. Wildavsky has pointed out the notion that the budget system can lead to a rational budget allocation requires co-ordination between plans and budgets, with planning in the lead; and "to understand contemporary budget reforms, therefore, one first must try to comprehend national planning" (Wildvaksy 1975 p.255).

Going back to 1992 at the commencement of the 4th Republic, Ghana developed medium plans (Vision 2020, GPRS I and GPRS II) but none of them was successfully implemented. The failure to sustain a robust medium-term planning has been both a cause and a consequence of budget credibility. Apart from the intellectual argument advanced by scholars such as Lewis (op cit.), years of preparing unfunded development plans have eroded the credibility of planning. Budgets are prepared by ministries (namely, the MDAs) based on a 'wish list' of projects and programmes from sectors' medium term plans knowing that the probability of getting funding is very low. In turn, the medium-term plans have not been taken seriously by the MDAs because of unreliable funding.

Participant G1 from MoF summed up the situation as follows:

> So, there are issues about credibility when we also look at the planning stage of the budget formulation. MDAs need to prepare their sector medium term plans. Now the plans that they prepare, it's been observed that the plans are becoming more or less a wish list where MDAs come up with a tall list of projects and programs without looking at the resource constraints of the country. So, it is a very big weakness that transitions into the budget itself.

Attempts to improve budget planning aimed to address the wish-list budgeting approach. In a country where there are many urgent needs, it is not surprising that the MDAs have a 'tall list of projects and programmes' that they present to seek resources. Emerging from lower levels across the country and aggregating it upwards, projects multiply in numbers by the time they reach the headquarters level.

The concept of 'a wish list' implies some laziness in the preparation of the plans and budget; therefore, requiring redress through more rigorous project and programmes development processes. It requires the MoF to provide the necessary guidelines for the MDAs' projects and

programmes to pass through specific 'testing processes' or 'stress-testing' before been accepted into the approved list that can go to the budget. However, opinions are still divided on one of the key criteria regarding whether medium-term plans should be costed and given price-tags before they are approved. The view often advanced by the IMF and other development partners is that medium term plans should be costed, and that appears to the line that officials in the MoF follow. An opposing view is held by the National Planning, who argued that the medium- term plans do not need necessarily to be costed to be useful. A participant from NDPC, G29, expressed:

> The PBB is usually like a plan. Because it has everything it takes. It has the vision, the mission, functions of various ministries and then it has the programmes that they are implementing within the context of their plan – the programmes that they are implementing – how much it will cost. So that one will limit them to what they can do within the resource limit.
>
> But the ones that we asked them to do it's as if there is no limitation. So, we have these two documents coexisting. The one being the bigger one but some of us have been arguing that well, that is fine. This PBB determines what you can do with government resources. But what we asked them to do is something that the private sector, civil society, everybody can buy into outside the limits that has been set by Minister of Finance.

The participant argued that costing as a tool for staying within given resource constraint but that should not be used to check the development of strategic choices in the initial stages of decision making. It is in this sense that the argument advanced by the NDPC should be seen.

The Medium-Term Expenditure Framework (MTEF)

The MTEF component of the reforms, starting in 1998, built on the existing diagnoses and proposed several changes to address the poor budget credibility and other challenges in the system that have been identified in the Public Expenditure Reviews of 1993 and 1994. For example, it proposed the merger of the recurrent and development budgets, forward estimates, prioritisation of expenditure, strategic planning as an essential step in the budget preparation process and so on. These solutions were mostly quickly adopted officially but never implemented as intended.

The MTEF proposed solutions appealed to the key actors in government (both the MoF and the MDAs) for different reasons. But its initial appeal did not last because of its potential impact on the existing practices implication, especially in the way the MoF manages the budget. For the MoF, the MTEF had an appeal because it had the potential of improving existing practices (such as policy hearing) and providing new tools prioritisation of expenditure, and an enhanced budget calendar) to regain control on a situation that had deteriorated over time. For the MDAs officials, the MTEF reforms provided new tools such as (strategic planning and activity-based budgeting) that reinforced their organisational mandates and gave them better control over their sectoral programmes. What both the MoF and the MDAs had in common was that the MTEF introduced a

better language for dialogue (integrated budgeting, forward estimates, linking expenditure plans to the estimates, prioritisation, consultation) that did not exist before.

The MTEF challenged some existing notions. For example, by handholding all MDAs in workshops to develop their strategic plans, that had 3-years duration, the MTEF questioned the notion of the existing planning system and the role of planners who have been ensconced in the National Planning Commission. The strategic planning tool went further to highlight the uneasy co-existence of the NPDC who has the constitutional role to undertake planning but, in the eyes of the MDAs, not the financial clout to back it up. Funding came from Ministry of Finance, and that further undermined the NPDC's ability to compete with the MoF for attention. This uneasiness still exists, but attempts have been made lately to build bridges between the medium-term planning and the budgeting.

Policy choices is an essential part of any credible budget system. This is enhanced when there is a transparent process of prioritisation the allocation of national resources to individual MDAs; and the MDAs in turn allocating their resources to activities, projects, or programmes. The MTEF procedures trump an annual budget which offers a narrower fiscal space for funding all government priorities. By providing MDAs annual resource envelope looking at 3 years ahead, the MTEF had the potential benefit of enabling MDAS to prioritize their needs over the medium term. However, for the forward estimates to be useful in any form, it had to be binding in some form, therefore requiring the MoF to improve its performance in forecasting resource envelopes. It also required the MDAs to undertake a proper full costing of their needs looking three years ahead. Given the limited capacity to even implement the annual budget as intended, it seemed far-fetched to maintain a credible profile of revenue and expenditures over three years. From the time it was first introduced in 1998, the forward estimates were never implemented properly as resource envelopes to be approved either by Cabinet or Parliament, or both; and to be taken seriously. The estimates contained the forward estimates which were mostly derived incrementally and never approved. Parliament continued to approve the annual budget.

Problematizing the line-item budgeting was appropriate because public funds were disbursed without knowing for what purpose they served. By introducing the MTEF (as a means of showing the activity and outputs of sectors) the budgeting system was going to support the streamlining of governmental organisations and aligning their funding to their functions. As Wildavsky's (1978) has argued, it is easier to cut a line item without organisational changes, whereas you cannot eliminate an objective from the budget without eliminating the organisation that is responsible for producing it.

With the introduction of the MTEF the process for "cutting" the budget was to be done through prioritisation and re-prioritisation of MDAs estimated needs, instead of arbitrary reductions. But that re-prioritisation within a fixed resource envelope and alignment of submissions to the mandates of the MDAs did not work well. The MoF continued to resort to arbitrary cutbacks of the budget submissions sometimes through "gaming" and fudging. In the Ghana Education Service (GES) for example, the payroll would be underprovided in the budget by the MoF, causing an overspent during implementation that would be curled from the "Goods and Services" budget lines. This would result in the under provision of funds for operational activities in their offices and schools. As participant, G27, said:

> And then the education sector tries to kind of insist that we have no choice about these people who are already enrolled in the system. And then Ministry of Finance still takes it down but knows that they are going to have to spend more than allocating the budget. So that to me would suggest it's a failure of the budget preparation process. It's not honest enough to say what the actual need is….
>
> It's at senior political level. As the top level of Ministry of Finance to actually have an honest allocation in the budget rather than getting it wrong by 20% and knowing they are getting it wrong. Because then when it comes to execution that 20% has to come from somewhere. And normally that means that it comes out with the good and services and investment or whatever else

This gaming has not been one-way. In the reverse direction some of the MDAs (such as the Ministry of Food and Agriculture) would commit government by awarding contracts based on their budgets, and not necessarily on the cash allotment provided by the MoF cash committee. In a situation where the cash allotments are often less than the approved budget, arrears would be created within the system to be paid by the MoF at some future date. So, whilst there may be insufficiency of budget allocation, the cash allotments become the more critical determinant of the budget credibility.

Under the MTEF sectors were encouraged to explore other ways of delivering their policy mandates either by using the private sector or enabling non-governmental organisation. In addition, the government sought policy consistency through 'policy hearings' from sector groups (encompassing a number of MDAs in the same sector). Policy hearings, like other reform initiatives, were implemented only superficially because the MDAs intuited that the MoF would not completely follow through and make changes from the outcomes of those sector group meetings.

Not implementing the budget as planned has been institutionalised as a "rational myth" (Meyer and Rowan, 1997; Scott, 1987). Misconceptions mixed with inadequate preparation, and over-politicisation of the budget funding processes (termed in Ghana as 'budget releases') ensured that the required changes never took place. The budget book for the MDAs (called budget volumes)

under the MTEF became truly voluminous. Every activity undertaken by a ministry was listed as part of the budget, perhaps naively with the hope of securing a bigger budget, that never materialised. The most important principle of aggregating at output levels was not adhered to. For example, in almost all the key MDAs purchases were misleading listed as budget activities in the budget book. This made the budget book extremely voluminous and meaningless. Instead of refining the MTEF processes further through improvements, it was left to operate for almost 12 years in a decayed form until the 'diluted' practices lost their relevance.

Despite the initial success of the MTEF in Ghana it did not make any lasting impact on expenditure planning. The MTEF was never fully and properly implemented, and together with the activity-based budgeting they were problematized with the view of introducing changes under programme budget reforms.

Transitioning between the Activity Based Budgeting (ABB) and Programme-Based Budgeting (PBB)

While the reforms have introduced programme budgeting the appropriateness of implementing this type of reform in Ghana is doubtful. The practice of releasing funds, during implementation, on-line-item basis (under the guise of programme) continues, and again without knowing for what purpose the money is to be used. The funding processes remain almost intact except for the automation, and opinions were divided, even within the MoF whether programmes budgeting is being practiced in Ghana. At the sector level a similar picture emerged that the claim of having moved away from line-item budgeting is a pretence, when participant G13 said from the Ministry of Health said:

> And also, sometimes that is the message that doesn't [go down] well. As if we are moving away from line item budgeting. We haven't moved away from line item budgeting. We have rather improved on it by adding program-based in terms of activity, analysis on top of it. So, first all that we analyse how much of a certain line of electricity, travel expenses, that, that, that, that. Now we have added a bit small on it that if you went to do a training how much of it was fuel, how much of it was travel cost? How much was it this or that? So beyond just knowing and total we spend one billion fuel. What for? We don't know. Now you can know how we spent on fuel. How paying of salaries contributed to your program. How much for building of buying something. So that is what has moved up, but we haven't moved away from line budgeting. But line budgeting is not the main medium of our planning now. It's more activity, and now program based. So, you must have a program to improve the health of the people, and then how do you do it? And then you come to the inputs on what inputs are needed to do it. We were working only from inputs. I need to communicate so we need mobile phones. We bought a thousand mobile phones. In the planning process there is nothing to show how the thousand phones contributed to improvement in health. Even in [improving] communication, and then in health. But now with program-based budgeting you are able to know how the thousand phones improved communication between service providers and then led to improved service delivery in terms of and then improved maybe health outcomes.

The message does not go down well because the official script is that there has been a move from line-item budgeting, whereas there has not been any change in practice. Programme budgeting is a procedure where budgets are approved by Parliament at programme level and the associated funding it provided at that level to programme managers. Wildavsky (1978) has argued that line-item budget is so resilient because it is easy to operate, it will always bounce back when attempts to replace it are incomplete. So, the question for reformers in Ghana is to decide whether their line-item budgeting can co-exist with programme budgeting.

Having introduced the presentation of the budget in programme terms, the MoF continues to manage the budget through a process akin to line-item budgeting. Programme managers have been appointed for each programme, but they do not play their expected roles because cash resources are rationed, and programme do not run according to their prescribed plans. An MoF official puts it all down to the limitation of cash resources when he said:

"Yeah, if the money is there, and we are not doing any form of cash rationing. I mean, you take a programme, budget management programme, just give it to them and leave the programme managers to manage the budget and do what they want, but unfortunately the money is not there*[laughs]*..."

But the problem runs deeper, including the neglect to address adequately the accountability mechanisms between budget holders in the MDAs that weaknesses in monitoring and evaluation by budget holders.

Executing the budget

The most important factor undermining the budgeting system in Ghana are the institutionalised practices associated with budget execution. Discourses on budget execution extends to efficiency in the execution of transactions, how data are captured and controlled, and how results are monitored and evaluated. These procedures invariably involve the work of internal auditors who ensure that the internal control arrangements are sound and effective.

The budget implementation system in Ghana is often riddled with gaps and conflict between governmental organisations. Internal auditors are abused for expressing professional opinion when they are told by MDA senior management "Hey, are you part of us? You either belong to us and change that your language or just go!" [Participant G4 from Ghana Audit Service]. The consequences of the low status of internal auditors are low morale among their ranks and the widespread loss of confidence in their work.

Notwithstanding the recent reforms the internal audit function Ghana government appears to be placed in an organisational quagmire. Administratively they report to the head of an MDA, but functionally they report to the head of the central Internal Audit Agency. The Internal Agency is

merely an organisational structure that has not been effective protecting the professional interest of internal auditors posted to the MDAs. For example, the requirements of internal auditors were not factored into the GIFMIS, because they did not play any role in its implementation; neither were they given any specialised training as auditors.

The reforms have brought in improvements such as the development of an Audit Charter which requires internal audit units to submit their work plans and budgetary needs every year to an Audit Recommendation Implementation Committee (ARIC) (now simply termed as the Audit Committee under the PFM Act 2016) to consider before it goes to an MDA management. This is to ensure that internal audits get the resources to implement their work plans, but generally the Audit Committees have not been effective in exerting any influence on MDAs' management let alone with the MoF. The consequences are that considerable delays are encountered in updating internal audit manuals with developments such as new technologies and new legislations (currently, the Public Finance Act 2016 and the Internal Agency Act). The delays were attributed to the lack of budgetary resources to support this work.

One aspect of internal audit practice in Ghana, which has undermined its potency is pre-auditing. It appears to be incongruous to the environment in which it is supposed to operate, but the discourse on that has been limited. The justification often given to pre-auditing practices in Ghana is that it ensures non-financial budget holders can perform their fiduciary responsibilities without infringing regulations. The supposition behind the arrangement is questionable. It assumes that non-financial managers are financially illiterate (which generally may be the case in some sectors, but not all); but more controversially it is supposedly to check the work the accountants have done before approval. This procedure therefore calls into question the trust between the accountants and service managers; but worse still, it involves the internal auditors in the very financial transactions they would be required to audit in future.

The practice of pre-auditing is mostly found in Anglophone public sector systems if financial management practices are weak. In the UK for example, it was found in local government authorities where financial management systems were characteristically old-fashioned than their more advanced peers. In the LDCs that inherited financial systems from the British, it not clear whether this practice was part of the colonial legacy or whether it had arisen by borrowing practices from Francophone systems (or generally the 'Continental Systems') where this practice is the rule rather than the exemption. Pre-auditing practice often goes with centralization of financial controls as opposed to systems that rely on a greater decentralized approach. In Ghana for example internal audit was department in the CAGD until the Internal Audit Agency was established circa 2000.

For this reason, whilst some practitioners have advocated for convergence of financial management systems[46], pre-auditing appears inconsistent with the Anglophone accountability tradition where a greater spending autonomy is granted to public sector managers through decentralization and delegation. In the Anglophone tradition emphasis is placed on post-auditing. Pre-auditing not only compromises the integrity of internal auditors but is also represents a misuse of limited audit resources. In addition, it becomes a source of institutionalised corruption when the additional approval step creates bottlenecks in the transaction process. It can also sometimes take away the responsibility from the Spending Officers, who ultimately is accountable for the budget and all actions related to its management.

However, the transition from pre-auditing to systems audit and post-auditing has not been clear-cut in Ghana resulting in weakened internal audit function as participant G4 from Ghana Audit Service explained:

> Let me say a particular one which we are bringing to the attention of government this year. This year our focus is on internal audit. It's so weak from our point of view such that we can call it non-existent more or less. Because the depth to which external auditors have to go is unprecedented. Otherwise as an external auditor you go into an organisation……if you have good internal auditing system after evaluating, and the thing is a good one, you normally look at their reports and pick issues from there, do a quick walk through the system and you go. But this time when you go you just have to put the internal audit aside, because you even know before entering the place that it's useless. So, we are bringing to the attention of government how weak the internal audit is. A very clear example again is the situation where ministry of finance will many a times refer big claims against government to the auditor-general to verify for him. And, I say why auditor-general? You have internal auditors. That's part of your internal processes. Subject it to it. But because they have lost confidence in the internal auditors. Let me be quick to address that it's not because the internal auditors are incompetent. I don't think so. It's not because they are incompetent, but I think they have a structural problem.

The structural problem highlighted by the participant was that there was a mistaken identification of who to champion the cause of internal auditor. It might have seemed glamorous and enabling to put the IAA Director General under the presidency, instead of the Minister of Finance. But they did not take account of the political nature of the "Office of the President" that would not allow the Director General to have ready access and support of the president and the key cabinet member. The designers of the financial management reforms in Ghana have not taken time to understand the local environment in designing the internal control reforms.

The consequences of that failure to understand the political nature of the Presidency, and placing the IAA under it, had resulted in it being caught in the crosswinds of powerful political forces without a clear political champion. There are signs of failure of internal audit everywhere in

[46] Convergence philosophy is implied in the work of the International Federation of Accountants (IFAC) in the development of the International Public Sector Accounting Standards (IPSAS)

Ghana, and that continues to impact on the budget and policy implementation. As a participant said "and soon it may be almost gone, and nobody would like to be an internal auditor" in Ghana public service. If the structural issues are not resolved it could lead to the total failure of internal audit, and along it the failure to improve the budget system.

Procurement

Procurement practices play an important role in the credibility of the financial management system. Budget credibility is implicated because when payroll is excluded, it has been estimated that about 80 per cent of the government's tax revenue is spent on procurement related items (World Bank, CPPAR-2008). Procurement are enacted from international practices to support anti-corruption drives. As expressed by an MoF official:

> So, in 2016 we amended the procurement law taking into consideration the current trends and then the best practices that are happening in other parts of the world to amend the public procurement law.

Two pieces of procurement legislation[47] have been enacted under the reforms, both of which were promulgated on the bases of best international practice but have not succeeded in changing the fundamental underlying challenges in tendering and contract management practices. The 2016 Procurement Bill merely tinkered with the previous legislation, thereby confirming a widely held view that legislation is easier to change than practice. But the epithet of best practice is often invoked to convey legitimacy in situations where no genuine progress has been made in the reform. Ameyaw et al (2012) found no significant evidence to show that the passage of the Public Procurement Law and its implementation has made any impact in curbing corruption in public procurement in Ghana.

Misconceptions abound, including perceptions in procurement practices in Ghana. Value for money is often construed in inputs cost terms (cheapness) in neglect of other considerations that yield best value. For example, the pursuit of economy has led to an inkling to standardize in the budget process the unit cost of inputs at low levels for school building, and other facilities, including infrastructure (for example roads, trains, and housing). Participant G15 from MoF said:

> Ideally, we are supposed to have gone through best practice in setting caps. … Setting standardizations to guide the choosing of our programs and activities. Ideally that's what it should be. It should be that maybe when you are building some schools, or you are embarking on a school project for a certain community there must be some thresholds beyond which you cannot go. Or if you are building some bungalows or houses for teachers there must be some thresholds beyond which you can't pass. We are not there yet.

Such practices have contributed to the construction of shoddy and dangerous school building, badly constructed and maintained road network, poor housing and badly maintained government

[47] In 2003 and 2016,

building; while the more influential Ministries, like security and foreign ministry, arguably are able to put up more elaborate headquarters buildings.

The MoF has traditionally focused, exclusively, on administering budget inputs and therefore tend to be misled onto the path of monitoring inputs cost rather than taking steps to engage in monitoring the overall performance of the budget. By saying this I am not suggesting that Ghana should necessarily jump into performance budgeting but begin to put steps into improving the management of the budget. One way of doing so is to allow managers of public services to manage their budget and to be subjected to the scrutiny of auditors on cost of purchases and other value for money considerations. Misconceptions of unit cost of the service provided (output costs) rather than input cost has come to dominate the thinking of some officials who do not realise that checking MDAs from over-exaggerating the cost of procurement is ultimately the work of auditors, not budget officers in the MoF. In their attempts to check the cost of inputs an MoF official, G15, said:

> So, it's possible for us to do a budget where prices are exaggerated and it's also possible for us to embark on procurement process where prices are over-exaggerated. It is also very possible. …In other words, we don't have any guidelines with regards to how – whether they are goods, or they are services, or they are whatever, what it will actually cost. Proper guidelines. We have to move towards it. …. But that notwithstanding, maybe a first level of check is the ceilings. So, we say no matter what you do we are giving you a ceiling. So, at the budget preparation level at least these are respected. So, they prepare a budget. They make sure that they are within the ceiling. But I agree, the budget is not just about budget preparation within respective ceilings.

Before the MTEF was introduced the MoF used to provide exchange rate and inflation assumptions in the Budget Circular to guide the MDAs in the budget preparation. It only fuelled incrementalism in the line-item budgets, and as result the MoF dropped that practice. Providing input cost standards guidelines to standardise inputs across government geographically is not the best use of policy space. Rather there is room for the MoF to give guidelines on costing of outputs/ and programmes if that is what is intended.

Official discourses often mix-up input cost and output cost; costing and pricing. Similarly, in another interview a participant said that programme budgeting was introduced because 'activity budgeting was becoming incremental'. By saying that he implied that the MDAs in preparing their budget would simply add a percentage figure on their previous year's activity-based budgets. Thus, the MDAs had gone backwards to start thinking of 'activities' as they used to think about 'line-item inputs' in the 1990s. The MDAs would therefore propose the number of workshops or procurement they will undertake without any reference to results (either in terms of achieving objectives or producing outputs).

There is another way that official discourse on procurement interlinks with budget credibility. Sound public procurement practice requires that public procurement spending be rationalised by combining procurement processes with public finance managements *(OECD Recommendation of the Council on Public Procurement)*[48]. In Ghana this creates a difficult situation for managers in the MDAs when they cannot procure whilst the budget has been approved but the funds have not been approved by the MoF. In a recent PAC hearing, the Ministry of Justice and Attorney General's Department had in 2015 attempted to go past the procurement law by embarking on procurement when they didn't have approved funds. The depart complained about the non-release of the budget funds from the MoF [*GTV: Public Accounts Committee meeting. 11.30 am Tuesday 12 March 2019]*

A PAC member expressed an opinion that they could not hold MDAs accountable for such practices, including the non-performance of their responsibilities if their approved budgets were not released to them by the MoF. That member wanted the PAC's report to the House to reflect this issue but the Chairman of the Public Accounts Committee held the opinion that it would not change anything because in his opinion the budget figures are only 'indicative' subject to revenue realisation. This is a contentious opinion, but it is the prevailing official view that makes budgeting not credible. Institutionalisation of budgeting culture is consistent to what Zucker (1977) has noted about the transmission, maintenance, and resistance to change of highly institutionalised actions.

Budget rigidity

Conventionally the annularity of budgeting provides the flexibility to re-programme the discretionary budget to priority sectors, or project and programmes in the medium term. The budget is said to be rigid when the discretionary element is limited and continues to remain so different periodic episodes. Whilst the boundary line between the discretionary and non-discretionary budget is not fixed permanently it could prove to be almost impossible to change despite prior actions. In Ghana's case a limited proportion of the budget is discretionary, as most of it is taken up by non-discretionary payments (debt amortisation, statutory payments, compensation, and others). These are reflected in the statements from a MoF participant, G15, as below:

> Rigid budget structures (putting together non-discretionary and near-discretionary elements amount to 107% of the budget) …the budget is so rigid in the sense that if you take personal emoluments or let's say compensation of employees, you take interest payments and then you take the transfers you make to earmarked funds. Just these three items…."

[48] http://www.oecd.org/gov/public-procurement/OECD-Recommendation-on-Public-Procurement.pdf. Downloaded 16.22 p.m. June 1, 2020

The three items (payroll, interest payment, and earmarked funds) may be almost non-discretionary in the short term but should be made to move into the discretionary zone in the medium to long term.

Budget management supports mostly the public service payroll (or compensation is a popular term used). The problematics of managing budgetary resources in Ghana is noted by participant G11 from MoF:

> But here's a case where probably there is money to pay compensation only; so, you pay compensation, but the compensation has a role to play in helping deliver the service, but if you pay compensation you've not paid [for] goods and services.

The bureaucracy becomes a self-serving entity invoking the title of a "vampire state" (Killick,2008; Frimpong-Ansah 1991), where paying officials is the only things that it can barely sustain. Again, people are socialised into thinking and behaving in a self-serving manner. Most young public servants at the start of their careers may be eagerly willing to serve and contribute; but have their hopes quickly dashed from days, weeks, and months sitting in their offices without any resources to operate

Interest costs continue to go up because of borrowing to finance large scale projects that are not integrated into developing local capacity (skills, knowledge, and local industries)

Using earmarked funds to exclude part of the general revenue inflow to parochial interest interests. Unfortunately, the time span of politicians is short-term, and that is why the problem persist and becoming worse from administration to administration. For a country like Ghana, that is why there is something to be said for the IMF 'diet plan' (which attempts to force the hand of the government to tackle these elements). The IMF's programmes therefore serve a useful role, like engaging external consultants to do a dirty job that cannot be done internally.

Parliament keeps approving statutory funds, so long as they satisfy their narrow interest, without fully considering the consequences. Parliamentarians in knowing where their interests lie resist. This is an example of the history of the present: failing central funding mechanism, resulting in MDAs using pressure to usurp the authourity of the Minister of Finance (as it was in Zimbabwe and other countries)

An example here is the District Assemblies Common Fund (DACF), as explained by participant G15:

> Yes. It got to 5%. Constitutionally it's been since it is 5%. So, we did 5% up to some time and then I think sometime in the early 2000s it was moved 7.5 because a big case was made in parliament. And then getting it back to 5% has been a hell. Because both the government MPs and then the opposition MPs together would not agree, because I think a share of the DACF is to them, so they usually would not agree. So, it's not about one

> political party. It's about all parliamentarians saying no, you know what. You can't touch this.

These statements indicate why accountability are even more difficult to maintain in Africa under parliamentary democracy (for example as the experiences of Nigeria and Kenya parliament show) than other forms of government. Parliamentarians in Africa often support what enables them to pursue their personal and party agenda rather than the greater national interest.

Enacting statutory funds to by-pass MOF's straight-jackets and inefficiencies

From the MoF's perspective statutory funds have been an impediment to improving on the budget rigidity. However, from the MDAs' perspective enacting statutory funds is a way to assert their independence from the straight jacket of the MoF. Participant G7 said:

> Yeah, what we are doing is to cap …. DACF have been brought back to 5% instead of 7½ %, and then you take NHIS, Getfund, Road fund, they have all been worked on so that they are aligned to government policies and programmes, because it doesn't make sense for central government to be looking for money at the same time, because it doesn't make sense for central government to be looking for money at the same time when fund is there that can do infrastructure, that can support what do you call it, scholarships, it's all the same government money, it's not going to do anything different.

The bureaucracy in the MoF have not been able to address the fundamental issues that have led to the desire to set up earmarked funds. These funds, to a large extent, have been set up by the sponsoring MDAs to bypass the MoF bureaucracy.

Recent politicised projects have reduced the scope of discretion further

Under successive administration in Ghana political programmes and projects are sometimes 'catapulted' into the budget during implementation, and that undermines the implementation of the existing budget. On occasions funds are taken away from the existing programmes to the 'catapulted' programmes, and supplementary budgets are passed during the year to regularise the situation. When the political programmes are introduced as part of the regular budget the negative impact on other existing programmes if all the programmes are subject to a political prioritisation process at the approval stage. In the present situation there are several political programmes called special initiatives as participant G17 confirmed:

> In 2017 we had introduced a number of projects. School feeding program, one district one factory. All those are special initiatives, and then some capital projects as well.

However, in a cash rationing situation, as in Ghana, the impact could still be negative if, consistently, they are given funding priority during the budget implementation. 'Politicised' projects distort the budget planning processes as well as its programme of implementation.

Monitoring performance

Performance monitoring of the MDAs' budget management is done in quantitative terms with the CAGD publishing the MDAs spending against approved budget on their website. There was very limited evidence of qualitative monitoring of performance from the MoF and CAGD. But some of the more advanced financial management sectoral ministries have dedicated teams undertaking performance monitoring. For example, the Ministry of Health has about thirteen members of staff distributed geographically who undertake performance of the budget. The central planning unit coordinates the planning function, but the structure for planning has not changed much with the introduction of the various reforms. The central unit liaises between the central agencies (mainly the MoF and NDPC) with the various agencies under the ministry, who have their own planning and budget units that undertake their planning and budgeting functions. Through this process new developments in planning, budget preparation, and budget implementation are conveyed to the lower units. Whilst the reforms have changed much what clinicians do, they have created better awareness and is helping them to do better planning. Participant G14 from MoH confirmed:

> … the reform to me, what it has brought is that …. people are aware and it's also helping the clinicians to do better planning. Because now they know which areas that is taking away their money and those areas that is bringing in more money and what they have do.

Performance monitoring therefore takes place within the sectors, like Health, at the operational level and aggregated upwards to the HQ level. However, it does not easily translate to systematic monitoring at the MoF level where budget officers are more focused on releasing budget funds than monitoring performance.

Domestic revenue

Domestic revenue remains the special challenges to the orderly implementation of the budget. The causes of poor revenue performance according to an ex-minister of finance is attributed to:

- Not earning enough revenue from 'our big boys' made up telecommunication companies, mining companies and including oil and gold.
- Granting tax exemptions in Cabinet brought up by the Minister of Finance
- Establishing free zones in many areas of the country with a whole host of tax exemptions

The consequences are that Ghana earns very little from its mined mineral resources, and domestic revenue is mobilised by imposing additional taxes like VAT. The empirical evidence indicated that the conditions in which the domestic revenue collection takes place disadvantages GoG and

promotes the foreign companies cheating the Ghanaian taxpayers. Others have attributed it to the large informal sector, making it difficult to bring people into the tax net (see Akobeng, 2018[49]).

Managing cash and the treasury single account (TSA)

The effect of cash rationing is that sometimes budgeted funding does not get to the frontline services- A senior official in the MOH said:

> So, what has been approved for the year is based on that you do quarterly. They don't all the time release what you have requested quarterly. Just because they also have their cash management issues on how much revenue may come in in the first quarter and across all ministries. But whatever they release then we can also look at it. And when they don't release all they would adjust our cash plan to reflect what they've released by the program.

The MoF rations the cash available among sectors and when it gets to the MDA level the management rations what has been made available to the various agencies under it. The released funding for the sector, if insufficient, is distributed on a discretionary basis among their programmes, giving priority to political priority programmes. In rationing the cash resources, the MoF may or may not consult the MDAs, as a sector participant G13 indicated:

> Well, usually they might consult us but sometimes also there are some urgent priorities that they know. For example, within it where they know there are priority of government.

The cash allocation usually works well for a sector that has targeted government programme, and not so well for those ministries without government flagship programmes.

[49] Online post: https://www.modernghana.com/news/874013/set-challenging-revenue-targets.html downloaded 17.50pm 24/04/2020- "Only 1.2 million out of the 30 million population in Ghana are paying taxes. Out of the 1.2 million, 1 million are in the formal sector and 200,000 are in the informal sector".

APPENDIX 7: THE EMPIRICAL EXPLANATION OF THE SUB-CATEGORIES OF THE CAUSAL CONDITIONS OF BUDGET CREDIBILITY

This appendix provides the empirical sub-categories of the causal conditions that explains the events, incidents, happenings that lead to the occurrence or development of budget credibility weaknesses in Ghana. The empirical explanation is the lack of transparency and accountability failure, of which I identify their specific dimensions within the overall PFM system.

The budget of Ghana has not been credible because of adequate revenue inflows coupled with over-ambitious development budget causing a resource gap. But technically financing the budget should not have been an issue if the government treasury was organised well and there was an adequate efficient and effective cash management system. This situation is aggravated by the constant gaming that goes on between central government agencies and the sectoral MDAs. Year after year the Ministry of Finance has not been able to provide funds to the MDAs to perform their functions efficiently and effectively. The approved budget is therefore not implemented as intended. Some participants presented an 'official script', usually issued by the MoF that says that revenue projections are not an exact science, to explain why the projected sums do not materialise in the year. The picture is however more complex than that because that response does not question the existing system of incentives for the revenue collection agency (Ghana Revenue Authourity) to achieve their performance targets. It also does not question the management and technical capacity of the MoF to produce adequate revenue forecasts to support cash management and the budget.

Under the existing arrangements the revenue agency negotiate collection targets with the MoF; and it retains a percentage of collection to meet their operational costs. It is therefore to the benefit of the revenue agency to negotiate lower targets and over-collect, than to negotiate a higher target and under-collect. The MoF on the other hand, wishes to set high revenue projections (that may be unrealistic) to match ambitious spending plans. In the ensuing game the revenue target is negotiated based on new revenue initiatives and an incremental projection of growth in existing measures (Akobeng, 2018)[50]. When the projected revenues are not collected, the official script usually attributes it to poor revenue projections, whereas underlying it is the politicisation of the revenue targets. Recently the Minister of Finance said: "We are in tough times. Maybe you and I are not paying the taxes we should be paying; maybe I was too optimistic with regards to my revenue projections. Be that as it may, I think revenue has gone up on average between 15-20 percent each year since 2017. Even in these doldrums, we are up by 11 percent compared to last

[50] Set Challenging Revenue Targets.https://www.modernghana.com/news/874013/set-challenging-revenue-targets.html downloaded 17.50pm 24/04/2020

year. But we are certainly missing our targets and we need to do something about that. That is clear to all of us especially the new leadership that we have brought to the GRA. We're truly expecting great things from the people we have put in place," [51]

The Minister's observations were made after various initiatives and structural reforms in the GRA including, appointing a new Board Chair to lead the revenue growth, rotating the three Commissioners for Domestic Tax collection, Customs Division, and Support Services Division; and changing the postings of more than 1,400 GRA personnel in June 2019. Despite these measures taken in 2019 the actual performance was GH¢26.8 billion (7.7 percent of GDP) as against the agreed revenue target set for July 2019 of GH¢31.8 billion (9.2 percent of GDP) (Citi Business News, 2019)

The current strategies to raise more revenue include adding some 10,000 recruits to drive revenue collections from the informal sector, but the minister of finance acknowledged that that strategy had not worked well either.

The second underlying factor was the process of controlling spending commitments during the year. Until recently, before GIFMIS was implemented, it was fairly easy for the MDAs to commit funds by placing orders, without prior approval from the MoF (sometimes the MoF would give the initial approvals and withhold the final approval at the payment stage). Successive cash rationing regimes have required the MDAs to get prior approvals through control devices such as budget allotments and financial encumbrances procedures. Through various manoeuvring the MDAs could side-step some of these control procedures, therefore committing and receiving the goods that eventually turned into payment arrears if the MoF was unable to release enough cash during that year to pay. In this gaming process the MoF would make the previous year's arrears the first claim on the subsequent year's budget, therefore reducing the budget and cash flows to that MDA. The MDA in turn incurs expenditure that eventually turns into arrears that are claimed to be 'unanticipated' and 'unknown spending'.

There is a political angle to the occurrence of unanticipated expenditure commitments that has plagued the system. Not paying enough attention to identify needs during the budget preparation stage causes unplanned items, largely political in nature, to be introduced in the year during implementation. Such expenditure items could emanate from anywhere, but especially from the office of the president. These unplanned expenditures usually displaced planned and regular items in the budgets of other ministries.

[51] Business News of Thursday, 31 October 2019 Source: Citi Business News

The GIFMIS was designed to ensure that all expenditures go through the system to check such practices and to support reconciliation of spending against budget. Thus, a lot of faith has been placed in the automated system that it would make commitments and arrears controls more efficient. Were this to be obtained, and all government payments went through the automated system, then the budget systems would become more credible. However, there are sceptics who hold that a large percentage of expenditures (the statutory funds and donor funds) are still outside the budget, with the responsible agencies politically resisting change. In addition, there are other ways that could be used to by-pass the controls by initiating transactions outside the system and introducing them into it at later stages for payment. Whilst this could be done, officials are now careful because the audit trail is easier to trace GIFMIS. A participant G1 from the MoF recalled a recent incident and commented that:

> …. so now even the ministers are careful. It happened this year with Special Development Initiative Ministry where they put 800,000 – even though it was not in the system, but the details they requested for, they brought it and you're using GHS800,000 for just developing a website. And it created a lot of –

Budget credibility issues begin at the budget preparation stage and carry through all the stages through implementation to monitoring and evaluation, accounting and reporting, and audit. Whilst the MoF provides budget ceiling to the MDAs to develop their budgets, it is not unusual for the MoF to cut down budget numbers without adequate consideration what the money is used for, and sometimes without recourse to the MDAs. In addition, whilst there are procedures for prioritising and reprioritising the budget by the MDAs, it does not happen as it should because of the insufficiency of funds to meet needs, therefore reducing the incentive to pay a closer attention to the details, thereby undermining the budget planning process.

Causal Conditions of accountability and transparency

The absence of accountability and transparency prevails because of the inadequacy and inappropriateness of institutional structures to ensure that finances are delivered according to Government's priorities; that there is value for money and the money goes where it's intended to go; and that the fiduciary responsibility of managers of public finances are enforced. In the absence of these institutional structures, including effective enforcement mechanisms to deter, have emerged a culture of impunity. Historically, accountability failure can be traced back to corrupt behaviour in Ghanaian society, but also to the post-independence behaviour of ministers and party officials alike in the 1960s (Austin, 1976). But for our purposes, analytically, I focus on the interactions between the executive and parliament.

Article 179 of the Constitution of Ghana (the1992 constitution as amended in 1996) provide for the President to lay "at least one month before the end of the financial year, estimates of the revenues and

expenditure of the Government of Ghana for the following financial year" (pp91). Parliament is not required to be consulted at any stage of the budget planning process until the president presents his/her budget, but the constitution vaguely mandates that "Parliament shall prescribe the procedure for the presentation of Appropriation Bills (article 179 section 8 pp.92). There is an implied limit on the power of Parliament to make inputs to the budget, and what changes can be made can only happen after the budget has been presented to Parliament. As a parliamentary participant, G5, confirmed:

> Now, the Parliament involve in the budgeting process, our Constitution is so restricted that Parliament is not involved until we have come to the budget presented in the Article 179 to Parliament, it is only when that budget, the document is read by the Minister of Finance on behalf of the President that Parliament can make an input.

In presidential systems the budget is presented to parliament as the "President's budget". In the USA's presidential model that Ghana has borrowed from, the budget is taken as "dead" on arrival in Congress. It is there afterwards that Congressional members engage in pork-barrel politics by loading the budget with their requirements. The designers of Ghana's constitution wanted to have a hybrid system positioned between the British and American systems, reflecting the colonial legacy as well the country's republican aspirations. For example, the President appoints his ministers from both inside and outside Parliament. This creates an uneasy tension for effective parliamentary scrutiny of the executive, especially where the president's party command a majority in the House. The president's influences over the house is further re-enforced by his powers to appoint MPs as ministers from the ranks of parliamentarians as well as from outsiders. The president is therefore able to influence the house through the aspirations of members of parliament to the position of ministerial ranking to enjoy better facilities and remuneration that would otherwise not be available to them. This makes the work of the majoritarian e party whip easier to accomplish, ensuring that the executive effectively controls parliament. In this sense the Ghana government organisational system has been designed to enhance paternalistic/political paradigm in neglect of the other possible paradigms such as that of parliamentary accountability [52]. As Huber and McDaniel (1986) have observed "perhaps the earliest approach to organisational design

[52] Huber and McDaniel (1986) have identified four type of organisational design paradigms, namely political/ paternalistic, accountability/authority paradigm, the workflow paradigm, and the decision-making paradigm

involved the tribal leader's allocating tribal resources, including human resources, according to blood ties or political allegiances" (pp.572).

Accountability in the government of Ghana was eroded away with the backlog of un-scrutinized audit reports waiting for the attention of the PAC. In the inherited Westminster tradition, that the PAC is chaired by a member from the opposition minority party. What has happened in Ghana with the backlog of un-examined audit reports, party members would preside over their own cases (or the cases from their party colleagues). Backlogs are caused by a chain of delays: in completing the accounts, the audit, and in Parliament itself. Attempts were made to clear backlog of audit reports between 1993 and 1999 (see da Rocha 2001) and subsequently successive Auditor Generals have made attempts to submit the reports timeously. But the effectiveness of parliamentary scrutiny of the executive has been weak, especially in the enforcement of PAC recommendations.

To address some of these issues the PFM Act 2016 attempted to embody the parliamentary oversight function in the legislation- As G12 said:

"…. managing to make sure that all the sections that would strengthen parliament's oversight of the budget was included in the act, [all the upstream planning and the downstream".

In the PFM Act (2016) has enacted more elaborate sanctions so that the recommendation by the PAC of Parliament, for instance, would just not be a mere report but some include measures taken to surcharge or impose other types of penalties.

The World Bank Project Appraisal Document (WB-PAD) for the last wave of PFM reforms under the PFMRP (2015-2018) provided that:

> Sub-component 3.2: Legislative Oversight (US$0.6 million). The objective of this sub-component is to enhance the capacity of the Legislature to exercise appropriate oversight over both upstream and downstream PFM processes to ensure transparency and accountability in public financial management.
> 38. The main activities financed will be: technical assistance to strengthen the technical capacity to support Parliamentarians in performing budget analysis as well as analysis of audited public accounts and reporting on audit report reviews/hearings; enhancing the technical and professional capacity of clerks of the two committees, equipment supports and website improvement.

The current reform under the PFMRP stretches to look at the oversight function through strengthening the Parliamentary Accounts Committee of parliament (PAC)

Addressing accountability challenges has been further compounded by the non-clarity in the current PFM Act 2016 regarding who is directly responsible for managing the finances in the MDAs and for what they are accountable. The current law makes the Principal Spending Officer responsible for the budget, but it does not address the accountability relationship between him/her and the Principal Account Holder (who is the sector minister).

The approach to accountability in the Anglophonic system requires the accounting officer to have control over his management team (including his accountant who has the delegated power to manage the finances) and to take full responsibility for his actions. This delegated power may be enacted into a separate law that makes the Finance Director liable for his actions for which he could be sanctioned under the law and by professional standards. In English local government for example the S151 officer (Director of Finance) is appointed to give some independence and power to finance managers, but still accountable to the chief executive. There are also guidelines supporting the work of central government finance directors. The Francophone systems places the responsibility of accounting on centrally appointed Accountants as Credit Controllers (see Lassou 2017). Anglophone-Africa has attempted to combine aspects of centralized and decentralized accounting. The system is still evolving and there are contradictions in practices and in the legislation. Holding accounting officers responsible is key to public sector accountability practices, but it is diffused in the PFM Act 2016 without clarity, as participant G4 from the Ghana Audit office observed:

> This is the most important law, to hold heads of institutions accountable and where they are not involved in authorising then whoever made the payment can be held responsible. I don't find that in the new PFM Act. So, I said "against what are we now going to say why is that the vote is for the head of a secondary school and he was not there, and you spent it?" And the guy's answer is going to be "who says if he's not there we can't spend it and what instructions are you talking about?

The practice of spending large sums of operational money on behalf of institutions (in Ghanaian public service) dilutes accountability. Large procurement is defended by the desire to achieve economies of scale in purchasing. However centralizing procurement promotes corruption, dilutes accountability

Persistence lapses in the law weakens accountability as observed by participant G4 below:

> … currently I must say that … I'm quite involved in the financial management …, not from accounting side of the issues. I must say that my considered opinion is that the 2003 Financial Administration Act that was promulgated I think it's still a better law than the PFM Act 2016 which is currently in place... I have a few reasons for that. One of the reasons is because if you look at Section 15 of the Financial Administration Act [2003] you see it creates an obligation, especially Subsection 3, it's place obligation on the accountant general and his team, everybody working on his behalf to ensure that before payments are made the expenditure is a lawful charge against appropriation, there is a budget for it, and those who are authorising it has the right to authorise, for who you can hold culpable if they didn't ensure that before making payment. Now you can't find that in the current PFM Act, so under what law are we going to hold people for making wrongful payment because the obligation to ensure that that expenditure is a lawful charge, that is the money was appropriated for that, there is a budget for it and the one authorising is the person who's supposed to authorise before we pay, that requirement if it is no more there then, and against what are you going to hold those officers and the treasury responsible for not honouring what the law requires of you?

Adding to the confusion about who is responsible for the spending the budget, at the Public Accounts Committee sittings, departmental Ministers or their deputies take the lead in answering questions on the management of the budget on behalf of their Spending Officers. Ministers therefore see themselves as the de facto accounting officer (AOs) in addition to their policy responsibilities. This is because Ministers take the lead in directing not just the policy implementation in the ministries, but in managing the finances as well. Some of them feel compelled to come to the PAC because according to the PFM Act, they are the principal account holders.

In one of PAC sittings a curious line of questioning by members suggested that the PAC hearings were used as the fora for members to lobby for their constituency projects to be undertaken by the executive. In addition, at the PAC meetings members were pre-occupied with minor non-compliance issues. For example, in one case an Education Ministry accountant had to travel the length of the country (to the capital - Accra) to answer a query on about $200, when this matter could have been dealt with internally and explained by the accounting officer if there were still outstanding issues. It is good to spread the accountability chain across government and to haul lower ranking officials to explain their actions. But those details mean that the PAC meetings becomes part of the auditing process, rather than the fora for discussing higher level accountability and other policy issues. From the observations it appeared that members were not sufficiently briefed by Parliamentary research staff,

The overall impact was that the process became lengthy and tedious for members. This observation helped to explain how the processes lead to an accumulation of backlog cases resulting in officers departing from the service before they are called to account for their actions to the committee.

Lacking transparent and accountability

Accountability has been found to be weak in the Ghanaian public service, and transparency has been lacking. Accountability ensures that those who manages public money are held to explain their actions. One of the reasons for the reform was to improve transparency through improvement in data capture, as participant G6 said:

> To establish transparency, to establish good allocation and reporting system, and credible data, yes, because you don't allocate and get errors in reporting, it wasn't good enough, they didn't make for credibility, and even though the allocations may have been transparently made, if the accountant is not capturing it, but I don't want to use the word fraudulently, but not erroneously capturing it because of lack of technology information systems to capture it as it's allocated, one is likely to think that there are fraudulent things going on but it's just that there are errors in capturing

The reforms have also introduced some changes to strengthen accountability, for example the introduction of the notion of Audit Committee in the PFM Act 2016 to improve existing

arrangements. It stipulates that the Minister of Finance will determine the number of audit committees to be established, and each committee shall be made up of five members. Of the five members composing the audit committee three independent members shall be nominated by the Internal Audit Agency and the Institute of Chartered Accountants (Ghana) and two members by the Principal Account Holder (who is the Minister of the sector). The members shall elect a chairperson from among the three independent members, even though the principal account holder is given the responsibility to appoint the members and the chairperson. The audit committee is also granted the right to co-opt a senior management personnel to be part of the committee. The main function of the audit committee is to ensure the implementation of the recommendations of the (i) internal audit reports; (ii) Parliament's decision on the Auditor-General's report; (iii) Auditor-General's Management Letter; and (iv) report of an internal monitoring unit focusing particularly on financial matters raised. The audit committee is required to issue an annual statement of implementation status report, and statement "of the remedial action taken or proposed to be taken to avoid or minimise the recurrence of an undesirable feature in the accounts and operations of a covered entity" with timelines for the achievement. These reports are to be endorsed by the relevant sector minister and distributed to Minister of Finance, Parliament, Office of the President and the Auditor-General within six months after the end of each financial year.

Transparency is affected by corruption and fraudulent practices in government. Participant G4 from the Ghana Audit Service explained why it was difficult to achieve PFM objectives in the presence of corruption:

> …we say we can't do all these things if you don't keep a good eye on corruption. Corruption had become pervasive and so prominent in public financial management that we can't assume that we can achieve anything without putting an eye on corruption, yeah. So, some of us have advocated strongly that we need a fourth one to minimise or eliminate corruption. If we can't eliminate, we should minimise corruption because without minimising corruption all the three, none of them is going to go get anywhere.

Corruption and opacity of governmental operations support each other. Overall, transparency in the management of public money is lacking.

The notion of social accountability has also been promoted as part of the reforms. This was presented as the solution to accountability and transparency issues in local government as a participant G7from the MoF said:

> That's social accountability… so we're trying to gradually build demand for accountability from the citizens. For me my belief is that the citizens demanding for accountability's more effective than central government demanding for accountability, because you don't live there with them, they give you reports, what is in it whether true or not we don't know, but if they said we're going to build a school in this room and they didn't do it, we live here, they didn't do it, why didn't you do it, so then they have to explain, but if they send

> a letter to us that oh here's our reports, oh we checked, they build a school for, you know they didn't even build a school. It happens, sometimes.

Central government is better placed to have the required tools to monitor local government. But where central government is weak, and does not open itself up to be accountable, it is difficult to achieve social accountability even at the central level

Weakening local accountability by direct control of local government budgets

Incorporating the local government (Assemblies) budget into the national budget weakens local accountability. The Ghana decentralization reform, as a sub-component of the PFM reforms, appears to have had the opposite effect, rather centralising local government instead. Capturing local authorities (LAs) budget as part of the central government budget system leads to micro-managing their finances and weakens local accountability (see Bahl and Bird, 2018)[53]. Participant G7 from MoF avers:

> And then so when the budget is ready and approved by the Assembly, then we capture the budget inputs into the national budget… because before then, before the composite budget was introduced and then this unit was set-up, the national budget guideline did not give recognition to the Assemblies, but now when you pick the national budget guideline it says that each Assembly you are entitled to A, B, C, D, E, they are all in the national budget guidelines.

Given that the national budget is never implemented as intended, it is not clear what purpose the extension of its coverage to local government will serve. It seems pointless for the MoF to issue budget guidelines to LAs when at present it has limited capacity even to guide central government departments and agencies. That notwithstanding, the MoF persists in directly controlling and managing local finance, as stated by participant G7:

> So, they (local government) use that the budget guidelines to prepare their budgets. And then when they submit the budgets here, so one of the things when we go to support the regional hearings is that we ask, we find out whether they complied with what is in the budget guideline. That's 1. 2, want to find out whether the budget responds to the needs of the community, 3, whether the budget responds to government policies, because government's also have an agenda to achieve, but that agenda is not to defer from the community needs, so if it responds, fine, then we are okay, if not we ask you to go back and make some changes. So, but they are not obliged to take the recommendation, by law the budget is for them.

Gaming the system and dishonesty

There is constant official gaming of the PFM system by the principal actors as explained by a participant (G27) about the process in the agreeing the Ministry of Education budget:

[53] Fiscal Decentralization and Local Finance in Developing Countries, EE Elgar, 2018

> "The [budget] lines from both Education Finance, and the Ministry of Finance person basically corroborated this. It was that they – the Education Sector does present the actual need in compensation. And then the Ministry of Finance takes it down. And then the education sector tries to kind of insist that we have no choice about these people who are already enrolled in the system. And then Ministry of Finance still takes it down but knows that they are going to have to spend more than allocating the budget. So that to me would suggest it's a failure of the budget preparation process. It's not honest enough to say what the actual need is".

Traditionally the GES payroll budget gets overspent by 20% to 30%, which is then deducted from their Good and Services budget leaving them very little operational support.

Equally all payment arrears (even when they are within budget) are deducted from the following year's budget. These arrears are not overspending, but because the MoF did not release the cashflow in time before the end of year. The cash arrears therefore become another way of cutting back the budget which has been agreed and approved by parliament.

Another area of gaming is where the CAGD accountants are recruited and paid outside the CAGD payroll through the Ghana Revenue Authourity. As a CAGD staff explained:

> Yes, we're on the single spine here. But the chartered accountants are sent there and then they're instructed over there – this time, Ghana Revenue Agency. Instructed to give them some other form of appointment letter and send them to Accountant General so they can be on Internal Revenue salary. Meanwhile, they are not drawing that salary on their budget because we send the money back to them. So, I would advise that you add this to your research, which part of the world this is done?
>
> "That is what is happening. …. when you charter then Accountant General sends you there and then asks them to second you to this place. Then they put you on their salary, not on their budget. They put you on their payroll. And because you're not on their budget we are mandated to send the monies they pay these staff to them.

This micro-practice is evidence of the lack of transparency in government dealings. In addition, it is ethically compromising for qualified government accountants who are exposed to potential corruption through this mechanism. The government reformed the salary structure sanity into the rewards system yet there is official obfuscation and that has not addressed the accounting class issue of putting staff on the GRA payroll. Participant from the MoF, G2, observed:

"The wages and salaries aspect, because of the reforms in the salaries structure, you know, the government introduced Single Spine Salary Structure to replace the GUSS, Ghana Universal Salary Structure and so like a spine, everybody was supposed to fit into the Spine".

This is hardly a solution for solving a fundamental issue as the public sector reward system that is meant to be transparent to the presidential level. s not everybody is on it. There has also been a reported incidence of ministers who are parliamentarian (termed Article 71 Office Holders) inappropriately receiving two pay cheques, one from the President's payroll and the other from the Parliamentary payroll. Hardly reforming the system…This area is outside the scope of the project,

but if there is the opportunity extend the conversation to the achievement and challenges of the single spine

Paying-top allowances for reform activities

Paying top-up allowances to civil servants, on a discretionary and discriminating basis, for engaging in reform activities add to an opaque public sector renumeration system, with disguised pay scales.

It undermines confidence and professional development. It is also difficult to determine whether staff are really committed to make a difference or they are being falsely induced to perform, and the effort will not be sustained when the allowances are no more paid. But also, it creates a situation of 'them and us', and those left out of reform activities complain, and may undermine the reforms as explained by an MoF official:

> Yes. So, what made the difference was that they will be given a top-up allowance, okay, which will be paid every quarter, so that was the agreement, so every quarter since 2010 these officers are given a top-up, paid by GOG, Ghana government. The previous reforms, the consultants were paid from the grants and the loans and DFID or the World Bank, but this time around every quarter, the key guys on the reforms are paid.

Allowances are also paid to public servants for attending training events and workshops, that has also led to the gaming of the reform training activities, as explained by MoF (G1)

> So overtime and you realise that the directors will attend the training because they will get some allowance and when they go carry the documents to the guys who come in and do the work, they realise that the quality is not good; So this time around I go to a town where they're requesting specifically for training and because over the years we've interacted with them, right now I know almost all the technical guys in all the ministries and so when we are inviting officers for workshop we know the ones we should go for, so we ask for specific people in addition to new ones that are coming….I have been privy to the system. Just last week, at least I got some little allowance for participating in the budget process. So that is an indication that it has continued.

Due to the poor remuneration, some staff attended workshop for the allowance they would receive, rather than the knowledge and skills they would acquire. As a result, in some cases very limited learning took place. The indication is that training events are provided to impart information as well to serve as an incentive system to motivate staff through the allowances that are paid. In situations where allowances are not paid to staff, motivation goes down and the process it affected as stated by s participant, G2:

> For some time now, they've not been motivated or given something for that tedious work they do. So that also affects the process.

This situation has become a dilemma for reformers in Ghana- whether to pay allowances or not. Once paying attending allowances has become institutionalised, it presents difficulties to reverse it.

APPENDIX 8: THE EMPIRICAL EXPLANATION OF THE SUB-CATEGORIES OF BUDGET CREDIBILITY MANAGEMENT -CONTEXT

Strauss and Corbin (1998 pp96) explain that the context represents the set of conditions within which the action and interaction strategies are taken in the reform programme. From the empirical analysis, professionalization of public sector accounting function emerged as the main contextual category, which had the following properties:

- Professionalising financial management identities
- Professionalising the financial management function

In the empirical analysis participants equated professionalism to professional identity, though others expanded the meaning to include technical competence, while others have added ethics and conscience of public official.

Over the years the professionalism in Ghana public sector has deteriorated from the high level, it was once held, to very low standards because of low renumerations and conditions of service. While those who could find greener pastures departed from the service, those who are recruited are often selected on the bases of 'who they know'. There is an informal quota system for allocating vacant positions to senior public/civil servants, politicians, and other notables. For this reason, public servants often owe allegiance to somebody. Participant from the MoF, G11, has observed:

"Come to the public service, and the human beings in the public service may owe their allegiance to somebody…. this is based on me and my experience. I think that professional identity is not there, it's missing, and to me, that is the gap"

This tendency in the recruitment of public servants has eroded professionalism away. The basis of appointments has not necessarily been on merit, but on the informal network of family ties and other social networks.

The second contextual factor is that until recently the Ghana CA qualified accountants recruited did not have public sector accounting training as this participant, G18, from the CAGD observed:

".. until 2010, 2011, there about, CA Ghana was not doing public sector accounting, it was purely commercial accounting. So, all those who have gone through that qualification, those who have been trained by CA were all commercial accountants"

CA qualified professionals therefore learned received their public sector knowledge as part of their on-job training, However, this shortcoming has been addressed through the polytechnics offering public sector financial management options for the accountants preparing to work in the public sector.

But there are still the disparities in the grading and ranking of recruited qualified accountant and graduates in the CAGD, as participant G18 explained the situation that used to exit before:

> .. if you chartered and you're were in the house doing nothing, you can be working on your farm as a farmer and it dawns on you to come and work in the government sector and you came in as a chartered accountant, you're given chief accountant. Without practice and without any background you're given chief accountant. And if you were in the house or you were doing anything else and you come in after five years you were given director

At that time graduates were given a grade of an accountant. This resulted in situations where qualified staff were put in exacting positions (say as a District Accountant) that required experiences and knowledge that they did not have, and therefore could not perform the role. What made it more difficult was that they could not be seen to be learning from their staff who may well be experienced graduates or technicians. As the participant explained further:

> So, some of us we asked, what is this wisdom in this? Someone charters, he's idling somewhere, he comes, and you give him chief accountant. And after five years you give him director. Does it make sense? And someone who comes with a masters are still given accountant. First degree, second degree; accountant. So, some of us spoke against it. And it got to a point they brought it down to senior accountant. If you're chartered and you come, you're made a senior accountant. And if you're a graduate and you come in…. you're given assistant accountant. I don't know the reason behind that.

These grading disparities have been a hindrance in the defining the professional identifies in the CAGD, which has a scheme of service that classifies qualified accountants as professional, but they may not have the requisite knowledge and experience to be placed in a challenging environment. Participant G18 explained:

> That is a big problem in the department. They prepare the scheme of service and you don't know what informed them …..I have asked those who prepared it to give us the philosophy behind it and they've not been able to do that….Per the way they're considered, it means even the first day of employment you can put him in a very challenging environment.. Some are chiefs, some are principals, some are seniors. And only a few are chartered accountants, only a few. About 300 in the whole department are chartered accountants… Most of them are not in the MMDAs, they're in the MDAs. Only a few re in the MMDAs.

Currently there are 3,800 employees in the CADG out of which 300 of them are chartered accountants.

APPENDIX 9: THE EMPIRICAL EXPLANATION OF THE INTERVENING CONDITIONS OF BUDGET CREDIBILITY

This appendix provides details of the structural conditions bearing on action/interaction strategies that pertain to budget credibility. Three conditions were identified including: (i) the impact of new political priority programmes; (ii) donor interventions, and (iii) the acceptance of long-standing practices as the norm. These conditions facilitate or constraints the strategies taken within a specific context.

(*i) The impact of special or priority programmes on other programme budgets*

Reflecting political manifestos in the budget is a normal practice of any government. But the way that is done, especially where the new political programmes displace existing ones, is important. Any displacement should be done during the budget preparation and not during implementation of the budget. As participant G11 said:

"even though we know the school feeding project, or school feeding programme, was a priority of Government, we have assigned the resource to that priority of Government and said two million [cedis], which is spread in one million [cedis] first quarter, one million third quarter. The money going to the right place hasn't been met, so the programme hasn't been done…"

Some projects have been labelled as "government priority programme"; and they are given 'first call' on cash flow during cash rationing. The implementation of these projects is given priority during the year and affects the rest of the MDAs' programme implementation. Such practices indicate the poor state of budget management. Prioritization should happen at the budget planning and preparation stage, and rarely if ever done during budget implementation through cash control. All items approved in the budget should be considered as prioritised and should be given equal treatment, rather than labelling some as special programmes and given priority funding over others. Participants G2 explained the problems it causes:

> Yes, earmarked funds, all are there. You take all those things out and our debt repayment – so what is left for MDAs to embark on their program activities sometimes becomes a challenge. So yes, it has gotten a significant improvement in the way we do things – MDAs, the way they do things because now we're doing performance-based budget, you have to report on your performance. But to some extent, because of this fiscal challenge they're not able to – if you ask the MDAs, and I know when you go to the MDAs, they will tell you this one was a major, major factor. All of them will tell you it's a major factor because we believe that we could have made significant strides if resources – but I think this new government is also doing well in trying to – government programs, yes. IPEP and all those things, Infrastructure for Poverty Eradication Program, the One Dam One Factory, and others.
>
> So, all these things – the resources that we're given both at the national and the local level, some have been channelled through the implementation of these programs. So, in preparing their budget you make sure that your design program structure, take into

> consideration…. If it's about planting for food and jobs; Ministry of Agric, maybe you have a program for food security, make sure that the planting for food and job is catered for. If it's about fertilizer subsidy, which is a government program to improve – you make sure that it's programmed, budgeted for – and these programs we make sure resources are released. But the routine things are sometimes some of the things they don't get enough resources and they complain. But it has, to a large extent, helped improve upon implementation of government project.

The MDAs respond to the priority accorded to special programmes by making sure that they are factored into their budgets to get the funding. But as the participant has explained there is a negative impact on the routine programmes of the MDAs.

(ii) Donor interventions

Donors do not simply fund reform projects, but they conduct reviews, propose consultants, and impose conditionalities. Their interventions in reforms are both direct and indirect, Reviews are carried out driven and financed by the donor community, mostly for internal use only as participant G8 observed:

> Even currently there is a review taking place. We call it health-check, on all the systems. The GIFMIS, HRMI budget systems, procurement, and others. All the components under the PFMRP would be – so the consultants I think they have just one month to go, to finish with the review. That's an external review. Internal reviews are being carried out as well.

On donor conditionalities a participant from the MoF, G15 explained:

> ...a lot of our programs, PFM programs, they are supported by donors. DFID is supporting. I think USAID also supports. So, donors are in there. But the donor support – if donors are supporting, I think it's only natural that they would come with some request or prior actions or certain, should I say requirements. That's because I am supporting you must do A, B, C, D. It is possible?

The relationships are between reforming countries and their development partners who sponsor reforms are complex, as some see donor conditionalities as a problem, whereas others argue that it is necessary to bring forth progress in LDCs. Participant G4 puts this in perspective:

> When people think conditionality is wrong because the situation really is if you want to live in that situation and you want to pace what you are going to do? It will not work. So, I say "okay, I have this for you, you must have to change something and then come for it". So normally it comes with that but the other side of it is that it comes with a lot of foreign knowledge and expatriates who are not too conversant with the local environment and local knowledge. And finally, they, some of these expatriates also have their own agenda turning their consultancy many times into employment, so they remain with us for so long a time and of course if the programme gets solved, he is no more in debt, so the problem stays on and on and on and on and on.

The relationships between Ghana government officials and their development partners sponsoring reforms were captured in their relationship with technical assistance provided as conditionalities,

and the nature of advice given by advisers. The activities of expatriate consultants raised questions about their commitment to provide impartial advice. This relationship is further complicated by public servants who compare their emoluments., skills and knowledge to consultants, thereby generating tension between the two.

(iii) The acceptance of long-standing practices as the norm.

Practices that have taken place over a long period of time, are institutionalised, and become have accepted as the norms. Participant G11 said:

> And it is because of the norms and the practises, they're institutional. For instance, if you believe that: 'yieh as for salary, if you don't pay people their salary, there will be aluta in the country, …there will be war in the country.

Doxa is where people are socialised into practices by institutions. Also distinguish between management accounting rules and routines as long-standing practices (Burns and Scapens, 2000). As Burns and Scapens (2000) argued "institutions comprise the taken-for-granted assumptions which inform and shape the actions of individual actors. However, at the same time, these taken-for-granted assumptions are themselves the outcome of social actions, i.e. they are socially constructed." (pp. 8)

This is a complicated example of institutional norms; but is a good one to have a discourse on as discursive and non-discursive practices. Any organisation that fails to pay its workers cannot exists, so by definition government administration should not put the livelihood of staff at risk. On the other hand, if workers do not work, they should not be paid, and government has an equal obligation to make sure that their workers work to meet the expectations of taxpayers. Where you have poor management of existing resources, as the case is in Ghana, civil servants get paid but are not given adequate resources to perform their duties (policing, education, health, infrastructure etc). The discourse should be on how to have a more rigorous budget management processes than what is prevailing.

APPENDIX 10: THE EMPIRICAL EXPLANATION OF THE STRATEGIC ACTIONS/ INTERACTIONS OF BUDGET CREDIBILITY

This appendix provides strategies devised to manage, handle, carryout, respond to budget credibility under s specific set of perceived conditions (Strauss and Corbin, 1998). I identified two separate categories impacting on the actions and interactions of budget credibility, namely automating financial management systems: and re-engineering financial management system.

Automating financial management systems

Automating the financial system has been one of the central focus of the integrated financial management reforms. Automating systems arose out of obsolescence of existing systems (such as the BPEMS); perceived needs to enhance the budget system, such as in the implementation of the Hyperion; modification to the system or changing requirements such as the GIFMIS. The need for automating the processes and procedures arose because in the manual systems, government was confronted with three key institutions of government not necessarily having the same cash balances at any time. As participant G26 explains:

"By that I mean the Ministry of Finance, the Controller and Accountant General Department, and the Bank of Ghana did not necessarily have the same figures on the cash position of government".

Re-engineering financial management system

In Ghana what has been the foremost concern of reformers is to improve efficiency and transparency in financial management. The inefficiency in the current system causes misallocation of resources, a lack of efficiency and effectiveness in public service delivery, and fiscal discipline leading to overspending, arrears, and debt.

APPENDIX 11: THE EMPIRICAL EXPLANATION OF THE CONSEQUENCES OF BUDGET CREDIBILITY

This appendix provides the outcome of results of actions and interactions. Our examination of the Ghanaian IPFM context shows that reform credibility and budget credibility are co-joined. It may be unstated but implied from participants' responses that a way to judge the performance and the seriousness of the MoF intentions, as the champion of the reforms, is to judge the one thing they are responsible for: the budget. There have been claims and counterclaims of the credibility of the reforms. In this section I analyse the responses of participants: first, to demonstrate why the reform credibility has come to depend on budget credibility in Ghana (as consequence); and secondly explicate why both the budget practices, and the IPFM reforms suffer credibility gap.

The link between budget credibility and reform credibility

I start by explaining that link, by showing how and why the reforms are to be judged by the behaviour of the MoF in its budgeting practices. After decades of financial management and budget reforms budget practices have not changed much and the MoF continues to prune the MDAs budget request without adequate consultant. Participant G4 sums up the current situation that has been around persistently by saying:

> Yeah. You see… when we look at the accountability chain, I think Ghana does well in budget formulation. They [MoF] go through all their consultation processes, try to massage your ego and say bring what you want, etc., but at the end of the day they will cut it without recourse to what you will use the money for; which beats all the process because after you have gone through rigorous planning because first and foremost it requires that you should have your what you call midterm objectives and goals and activities, we go with it. So in three years or four years now, they made it four years, you want to achieve so and so, so the first year you must be able to tick off here so the second year you are there, there, there, and fourth year you are there, so you've done all those beautiful things academically, beautiful. At the end of the day they consolidate all their estimates, which come to Ministry of Finance, then there is a cut, I've been trying to cut, which has no reason to do with, and I ask them do you foresee somebody be able to buy half of a computer, so you just don't cut. What you do is you come to me and say: "look my friend, yes, I've seen your request, but we don't have that money, this is where we can meet you so go and reprioritise within it." Because either I buy that computer, or I don't buy that computer but don't give me a fraction of the money for the computer. I say: "can you walk into a shop and say I want 80% of my computer, please give that to me?" It's not like buying water or buying cocoa, I want this fraction.

This statement goes to reinforce the earlier statement by a senior MoF official stated that if they approve budgets and they do not give them, then the MDAs loose interest in what the MoF is doing. The focus of reforms has been in adoption of technology (BPEMS, GIFMIS, Hyperion, IPPD, and HRMS) and changing laws (PFM Act 2003, PFM Act 2016 and regulations, Procurement Act, 2003 and Procurement Act 2016, Internal Agency Act, GRA Act 2009, and others). These activities are time and resource demanding, and as much as they are useful, they do not address the core substance of reforms: improving the way business is done in government to achieve pre-planned result. There was an acceptance that the problems in the PFM system have been diagnosed properly, but there is some doubt whether the reform actions are truly providing solutions to the diagnosed problem. Participant G11 said:

> The challenge... maybe we may come to it later, but I'll pre-empt it, the challenge about it, the fact is whether what we are doing is actually solving the diagnosed problem, but I think the diagnosis was done very well, so there are no other problems.

The same participant from the MoF observes:

> The reforms are addressing technical issues, they are addressing some aspect of institutional issues, but I think the reforms should go beyond that and try and address the human issues as well, which is very difficult to look at.

The evidence indicates that PUFMARP stalled for various reasons, including political commitment and in-fighting, but within it, the MTEF was a credible approach that was unintentionally, or perhaps deliberately made to fail. In its damaged form, the MTEF staggered on for several years in the form of the continuing deployment of the software (Activate) it introduced, but otherwise very little else of its planned improvements were maintained. The first phase of automation under BPEMS brought out the internal conflict within the central agencies of government. In the second phase (GIFMIS) the research sees some of the more knowledgeable MDAs rejecting the central automation solution. GIFMIS's success is couched in terms of automating the accounting systems, and pushing on to implement programme-based budgeting, but as participant G4 said:

> But if people are paying monies and receiving monies outside the system which is never even captured, and you are talking about programme-based [budgeting] what programs are you talking about?

Contrasting this statement to the assertion by those who falsely maintained that all payments go through GIFMIS it there is an official script that wants to paint a rosy picture, by saying that all expenditures are on GIFMIS. Others reject this assertion:

> But I was like, when we are talking of programme-based budgeting and the audit report is showing that 40% of their expenditure is not in their books, what is doing program-based budgeting about? Let's first capture all the revenue and expenditure. When we do that then we will go to the programme basis.

Programme budgeting seems so inappropriate at this stage as participant G4 declared:

> Ask them [MoF] to tell us how much is below the budget expenditure, and how much of revenue goes unaccounted for? Not what they have budgeted for. Total revenue for the government. Ask them, the schools. How much school fees do they collect? The hospitals, do they collect. Even ministries and MDAs' Internal generated funds, we don't even know how much they are collecting. Then you are talking about activity-programme based budget.

Reforms are driven by international development partners based on observed large variances between budget and actuals: As a senior official in MoF has observed:

> I'm beginning to suspect that sometimes the need for the reforms is not generated from us. Somebody comes from outside, says that our budget is not credible because it takes what you have budgeted for and what you spent, do variance analysis, and say your budget is not credible. I'm using the budget as an example because budget is just a subset of PFM; and based on that they say, "Okay, because your budgets are not credible, we need to ensure that we make your budget credible, so let's implement these reforms.

This statement questions the reform ownership and rejects the idea that the reforms are "home-grown" solutions.

How and why the Ghana IPFM reforms are not credible

Government programmes are not expected to run well, if at all, because after payment of wages and salaries there is very little cash left to distribute to the MDAs for operational activities (termed "Goods and Services"). Officials have come to accept that government programmes will not run according to schedule and that has become a self-fulfilling tendency; the reforms are not addressing this tendency. Participant G11 said:

> …. so ideally to undertake efficient programme-based budgeting……. [if] I am the programme manager for expenditure management programme, the compensation, the assets and the 'goods and service' all come to the programme manager as expenditure management programme. But here's a case where probably there is money to pay compensation only; so, you pay compensation, but the compensation has a role to play in helping deliver the service, but if you pay compensation you've not paid 'goods and services…How do you expect the totality of the programme to run?

If official know that programmes are not going to work well, then it raises the question of why did they introduce programme budgeting, which requires more elaborate planning sequence, in the first place? The answer lies in the decay in the budget practices that had come about after the failure of the MTEF reforms. The budget practices had regressed to what it was before the MTEF where money was issued on a line-item basis (falsely called activity budget), without knowing for what the money was used. The solution required going back to re-problematize the line-item budgeting to explain why the practices had the tendency of becoming that state, rather than attempting to build on a 'bastardised' form of activity-based budgeting in the name of progress.

For example, Wildavsky (1978) argued that it is easier to cut a line item budget without organisational changes, whereas you cannot eliminate an objective from the programme budget without eliminating the organisation that is responsible for producing it. Could it be that officials shun organisational changes, and therefore resisted the activity-based budgeting (ABC) that the MTEF introduced? Or perhaps there was a limited capacity to implement anything beyond the traditional line-item budget. Official reviews however problematized the "activity-based budgeting", that was in place, and attempted to address its obvious shortcomings by introducing programme budgeting. Not perhaps realising that programme budgeting is even more demanding than what had gone before it. For example, Betley et al.,2012 in the case of Ghana, have pointed out that in some cases: "One response to challenges in implementing reforms, piloting, sometimes became an end in itself (rather than a means to an end), to be replaced by something new, rather than learning and adapting, based on the initial implementation lessons".

Whilst there are claims by officials that they have learned from the failure of pass reforms, the impact of the reforms itself and accounting practices are minimal.

MoF monitoring of government programmes inadequate

Another consequence of budget credibility and reforms failure is that there is a limited formal

feedback mechanism to the MoF of the impact of such reforms on the programme of the MDAs. Existing financial management practices (such as budgeting and accounting) in the MoF does not challenge officials to examine the impact of their performances on MDAs programmes. The day-to-day business of budget officers, who are supposed to be sector economists in other jurisdictions, do not take them into programme implementation. These officials may undertake some project inspection activities, but such activities do not take them into assessments of the overall impact of programmes in the MDAs. The issue being that there is very little recognition that the PFM structures and systems do not exist for their own sake, but rather as mechanisms to facilitate implementation of MDA's programmes. The way in which the budget processes work and how the budget is managed, say, in the school feeding programme have direct impact on that programme. There was very little evidence to show that officials were making attempts to relate sector programmes to the implementation of the reforms.

The implications of understanding the impact of reforms on MDAs programme implementation is a useful entry point for critical scholars to raise and address larger issues, such as the social and economic relevance of reforms. Examining the ideologies (covert or overt) that drive the way government does business in poor countries is currently being smudged by technocratic rationalities, which come as side-shows but eventually amount to decay, deprivation and wanton abuse of power by rulers. For example, could the lack of penetration of reforms so far be attributed to the foresight of knowledgeable pragmatic reformers who implicit reject the NPM-type reforms that draw on the neo-liberal creed: privatisation, markets (market testing), or competition, agencification and "accountingization" (Hood 1995). Alternatively, there may be some genuine learning taking place, that requires time and space to germinate. I found some evidence of both in our data, and it is not impossible for them to co-exist even in the same person.

Ownership impacts on coordinating reforms with consultants

Reform co-ordination has been an issue in Ghana reflecting the relationship between civil servants, who feel underpaid and unappreciated, and the reform consultants. It has been a feature of the WB-sponsored reforms in Ghana and elsewhere, that a central secretariat located in the MoF is charged with the responsibility of co-ordinating the reform. The PUFMARP reforms for a period of four years were run by a three-person secretariat of Ghanaian consultants with technical financial management, information technology, and project management experiences. These skills were not readily available in government at the time when the number of qualified accountants in government were not more than twenty-five (in contrast to over 300 now); and both IT and project management skills were limited. As the reforms progressed more IT-skilled consultants were recruited from Ghanaian in the diaspora to work alongside functional experts in government. An MoF participant G2 observed:

> Yeah. But the functional guys will be taken from the system of the ministries.

Rejecting the model of appointing of consultants (albeit Ghanaians) to lead and manage the reform in preference to civil servants, participant G4 explained how the previous arrangement bred apathy in civil servants:

> But the problem is it's [the reform] normally driven by people form the private sector or people from the outside and the average civil servant who is already paranoid because he thinks he is getting a peanut and these people who maybe at times he thinks he has the same qualification and skills with, are pay so much, are brought in; they fold their arms and say you 'do it and let's see', if your mandate actually enters my office, let's see, and that is the cost of most of what, I think we need internal champions, that was the concept which was developed with the GIFMIS was started. This realisation came and said look, let's get a GIFMIS director who is a member of the team from government…

Reflexively having been appointed to manage the reform secretariat as one of the first three project managers I think that the dynamics between civil servants and consultants is an uneasy one in the reforms, often fraught with envy as reflected in the statement by the participant above. With the low pay and poor conditions of service most civil servants, even in rich industrialised economies, aspire to become consultants especially toward the end of their careers. For many, becoming a consultant remains only an aspiration. My personal background was a former public servant in the UK and Ghana for several years as a chartered accountant prior to joining the MoF as a reforming consultant. My two other colleagues came from the private sector with, as diaspora Ghanaian with considerable IT project management experiences. Our background helped to break down some of barriers in the MoF and helped changed some attitudes. This encouraged senior civil servants in the MoF and the other departments to want to be part of the reforms. As an official from the MoF, G2, explained:

> ...they selected three senior directors, one had just retired and two had two years [to go], and so with the help of DFID they decided to let them take an early retirement so they could consult... so they took an early retirement and of course their remuneration was very good so the motivation was very high for them and so they became the face of the reforms and so they trained all the MDAs and especially those who were with the Ministry of Finance, the Budget Division and then also there was one aspect of this, because they were consultants and they had led the system they come from and they were being paid very well, I think they got over ten times what they used to receive…as civil servants, okay. So, when they became consultants and started being paid well the other civil servants who were not part of the reforms, they didn't like it so much.... And because they had a lot of motivation still, they were pushing them to work hard and the civil servants were not well motivated, okay and so it caused a lot of resentment. So, I realise that even in the time they were training, the other participants from the other ministries took part in the training, they were very serious but the budget officers from within the Ministry of Finance, which we call the Schedule Officers, who just attend the meetings and they were not too committed, they were not too committed.

Despite the participants claim that the ex-director turned consultants got motivated to work hard, some of these directors embodied the old budget practices in their very beings and became part of

the on-going problems for the reforms. There was a dual edge that became a decision dilemma. The system needed these directors (despite getting near to the retirement age) to accept these changes (and not to resist the interventions). On the hand by bringing them on board, the reforms risked them over-turning the new ideas and practices. They were eager to take an early retirement from the civil service to join the secretariat and were trained as facilitators, especially to carry the MTEF message across. In my view, that risk later materialised and changed the dynamics of the progress of the MTEF reforms. They became the 'old wine skin' into which the new wine was poured; and they were sufficiently plugged into the MoF decision making circles to be able to over-turn the changes (especially in changing the orientation of the MoF in budget execution) that were required to get the benefit embodied in the new processes. Apart from failing to carry their more junior colleagues in the MoF with them, they created the dynamics of getting paid consulting fees which triggered emotional responses from their former colleagues. In addition, they did not have credibility within the colleagues who saw them to be part of the problem.

More generally the reforms around the world bring in international consultants to provide the missing knowledge to build up skills. Often attitude of the indigenous public servants in developing countries towards donors (development partners) and their consultants is ambivalent. Especially when consultants are attached to the reform funding as a conditionality, as noted by participant G15:

> So normally it comes with that (consultants) but the other side of it is that it comes with a lot of foreign knowledge and expatriates who are not too conversant with the local environment and local knowledge. And finally, they, some of these expatriates also have their own agenda turning their consultancy many times into employment, so they remain with us for so long a time and of course if the problem gets solved, he is no more in debt, so the problem stays on and on and on and on and on. So that has been some of the challenges that I think the reforms have gone through. We did not take time to learn how to fish ourselves. You see the change comes like "oh some people can do it for you", yes I agree, but if people have done it already and I already make, not to contradict myself, say we don't need to reinvent the wheel, we don't need to reinvent the wheel, but those people who have invented a wheel who now have to show us how to develop it ourselves.

Managing consultants, including foreign ones, to get the best out of them is a challenge that is not explicitly acknowledged by reformers, therefore has received very little attention. However, it is an ever-present issue within the development arena where international sponsors of reforms have spun a total industry offering reform advice to LDCs/EEs. The reform projects, when financed by international agencies often come with consultants who are both carriers of knowledge and skills, but also embody the values of these agencies which may be consistent or in contradiction with local values. The more successful recipients of foreign technical aid (Japan for example, after the second world war) are the ones who have been able to balance their needs against those of foreign consultants.

The IPFM reforms faced uncertainty on where to locate the secretariat

There has been much uncertainty where to locate PFM reform coordination, making them oscillating reforms with no fixed location. From its inception the architects of the reforms in MoF and the CAGD had struggled over where the co-ordination and management of the reforms should be. The struggle of location and leadership led to one of the main architects, the then Controller and Accountant, resigning before he was pushed out. But his successors carried on the fight as participant G26 has expressed:

> Yes. First of all, we had a challenge about who should own the various modules of the software. The Controller and Accountant General Department felt that because they were accountants to government, they should have ownership, because key was the accounting aspect of what the work – the expenditure aspect of the work. But then there was the budgeting part of it which comes under the Ministry of Finance that, you have to prepare the budget before you expend, right?
>
> So, the ministry held that they should own the software, because you have to go ahead with the budgeting part. And that did not help us. Because even though the Controller and Accountant General initially acquiesced to it we felt that it did affect their level of participation or enthusiasm in the project…. We had a compromised solution whereby at one stage both the Controller and Accountant General and minister in the Ministry of Finance had more or less joint ownership of the project.

These struggles did not stop there until BPEMs (PUFMARP) were re-branded as GIFMIS in 2009/10 and the location of the project and the secretariat was transferred to the Controller and Accountant General's Department. As a result of these struggles, in the convoluted history of the reforms, at various times the reforms have been branded incorrectly as solely Budget reforms (under PUFMARP), accounting computerisation (under GIFMIS), and now as all-encompassing reforms (PFMRP). But housing the integrated financial management reforms secretariat in the CAGD is problematic for a reform project that involves the MoF itself, the Auditor General, and Parliament. Locating it in the CAGD has meant that the secretariat is treated as one of the units in the CAGD where they rotate the secretariat leadership among accounting staff, as expressed by participant G4:

> That's why. See, they've (the new Government -NPP) been in office for less than ten months and I don't think it is necessarily a political idea, but people within it who don't buy the concept think it is a unit of the Accountant General where you can just change people, which I find ridiculous. So that's why I'm saying that within ten months there were three heads of the place, which is not going to help, so the leadership keeps dancing.
>
> Further he adds: "So these are some of the things I have intention of meeting with him (the Minister of Finance) to say, 'look leadership is very important in reform, you can't be playing Charles Skelly [*children's game*} with the leadership, over the past ten months I've seen three heads of GIFMIS, are we kidding?"

During the time when the reforms were labelled as GIFMIS, people talked about the reforms as if it were the property of the CAGD alone. By rebranding as the PFMRP the MoF aimed to correct this impression, as another participant G17 explained:

> Ministry of Finance decided to champion it, champion the reform, and make it the centre and make components and so on. So that all MDAs will feel part of it and know that it's for them as well that's even the reason for the change of the new form, GIFMIS. Because the whole thinking was GIFMIS, it is an accounting system. It was losing its focus as a public financial management system that has GRA in mind, that has Public Services Commission in mind, as in HRMIS, that have Ministry of Finance budget in it

Under PUFMARP, the location of the secretariat in the MoF and the earlier reform gains made by the MTEF component lead to the reforms being type-casted as budget reforms, which made it difficult for the Accountant General's staff to relate what was going on. By rebranding the reforms as GIFMIS and moving the secretariat to the Controller and Accountant General's department (where is now located) changed the ownership dynamics but did not resolved the problem. The reforms have stuttered on, raising questions on how committed government is towards the reforms. If the MoF is the champion of reforms, then locating the secretariat at least in the MoF is where the reforms should be. The reforms coordination is located and controlled by CAGD staff, continuing to create the impression that it is about accounting solely.

Political ownership of reform

Reform ownership in Ghana has been construed in political ownership terms rather than in national ownership terms. The issue with political reform ownership is that has changed with political administrations, whereas national ownership would have ensured the continuity of the reform agenda. Where reforms ownership is in political ownership terms, the programme suffers as political administration changes. Participant G4 expressed this in stark terms:

> So, what I'm trying to say is that the ownership is becoming political instead of a national ownership, which would transcend any government, so that is the problem. And so NDC started it, let's call it somewhere in 2009 and that, you know, NDC came back in 2008, so around 2009 they started it again from BPEMs, they don't want the BPEMs anymore, they said they want GIFMIS, which I think the name was fantastic and the initiative was fantastic but it didn't take up as quickly as we would have expected, because what people wanted it to show was that the old initiative had died, and we are not quick enough.

What happened in Ghana is that BPEMS was going reasonably well with all the challenges until there was a change in government in 2001 from NDC to NPP when the programme was reviewed and almost everything was set aside. As participant G4 said:

> You see when BPEMs was ongoing I think things were moving pretty well until there was a change in government from NPP to NDC and almost everything which was done was rubbished and we made sure it deteriorated for a long while before saying now let's do a new reform so that we can attribute it to ourselves

This is a very interesting point. It explains partly why progress in the Ghana PFM reforms has been slow in institutionalising new practices. This is supported further by the observation that political parties in Ghana are mostly interested in reforms when they are in opposition. Soon to be forgotten when they get into power. This point resonates with that made by another key participant who observed that the new administration in 2001 needed to undertake reviews of the status of reforms before re-starting. Then came again a change in government 2016; though the new administration has been quick in running with the reforms, it is taking time for them to also own the process because that initiative came before them.

Over-loading the reforms with the Fiscal Decentration agenda diverts attention from de-concentration and dilutes reform effectiveness

Stretching the reforms to Local Government stretches the capacity of central implementers and over- centralizes the administration of the country. Ghana's PFM reforms cover Ministries, Departments and Agencies (MDAs) represent central government organisations. Metropolitan, Municipal and District Assemblies (MMDAs) represent local government.

The reform components include fiscal decentralization (local government), but the reforms are restrictively centralized. Participant G4 clarifies a point that seems to be not well understood by other officials:

> … the whole decentralization, it's within this area. It's not even Accra because that would not be fair to the people of Accra, it's within Accra because it doesn't even cover Accra, it's within just 1 or 2km square. That is about Ghana's decentralization. It doesn't make sense to a teacher or a contractor who have to come all the way from Paga to Accra, whether it's going to health or education or finance there's no difference. So, for it to make meaning to them you bring service…., by the way we have already created regional administrations and treasuries and whatnot, we have created district administrations, treasuries and whatnot, so they have become wasteful because the purpose, the role they are supposed to play they are not allowed to play. That is the biggest challenge.

The reforms have not enabled the decentralization of central government to the local level, instead it has been construed as spreading of central government practices (such as the MTEF, GIFMIS) to local government. While this may be required to spread financial management knowledge and skills to local government, it does not constitute the de-concentration of central government services across the country. Missing the de-concentration with fiscal decentralization to local government has led to the dilution of the central reforms by stretching the limited capacity at the centre, and not focusing on the core problems that have made de-concentration difficult to implement. In addition, dovetailing fiscal decentralization to central government reforms affects the developing of democratic pluralism at the local government level. Participant G7 said:

> , so whatever reforms that are taking place at the district level dovetails into the national, and the national reforms also influences the reforms at the district level, so now you could see that what is left still we have to do which we are working towards, is to get the

> Assemblies IGFs into the fiscal, into the fiscal table, apart from that all other revenue and expenditure is captured in a fiscal table and then so when we are reporting we are heading towards, now heading towards general government by accounting and reporting, that's what we are heading towards now.

It seems the reforms are ad hoc, replicating other reforms sponsored by the WB without addressing the problematics of sub-national government, appropriate to Ghana. Building fiscal decentralization on a weak central government reforms has been challenging to both central and local government alike, especially in a situation the central government reforms do not provide a solid platform on which the LAs reforms (as fiscal decentration) can be built. Rather, the blame of the failure to deliver government service has been shifted to local government, as evidenced by participant G7 from the MoF questioning the performance of local government:

> District Assemblies, they are our biggest challenge, that they are not delivering, and they are a huge cost to their state. A government is visible or not visible based on the performance DA. The roads are dirty, no drainage, rubbish is everywhere and yet we have a whole bureaucracy running around pretending they are working.

Such narratives have led to proposals to privatise local government revenue collection, and a myriad of other potential solutions to a problem which is probably ill-defined and not well understood, but outside the scope of this study.

Improvements in budget practices get reversed with time

An example of improvements in budget practices being reversed:

> If, yes, if you think out of the one million you will get only one hundred, tell me so that I can plan. That is all that we are saying, predictability, being able to know that within this month "oh finance is going to give me this". It's not been done. And mind you that's why I say that these reforms are killed by changes in government, as far back as 2007, 2005, 2006, 2007, we introduced that, and we are releasing monies to MDAs without them even applying because we said "look, let's look at our cash position and project what we can pay". So, come the date we credit you, if you remember there is something you call bank transfer advice, we introduced it at that time, so we will inform you that so much has been transferred to your account, so you can operate. So, to relieve this, it has all been reversed.

The impact of the poor cash management is that almost all government do not run as expected. Participant G4 has noted:

> They get delayed. They don't get delivered. Every government programme, tell me one? Almost every government programme is hanging somewhere. They will start this one and immediately, look yesterday I saw front page graphic, somebody say Senior SHS likely to collapse, if you saw it, those were the words of the chairperson of the CHATS, that is Secondary Schools Association.

Performance management is superficial

Part of the basis for undertaking performance measurement has been set up with the introduction of programme budgeting, as an MoF participant, G2, said:

> Yes, and you see, we have all the projections, the base year, and then the indicative year, and the output indicators are all specified, so the measurement aspects and the performance are so strong.

Having established the platform to undertake performance management by determining the numbers and inputting them in the system is only part of the picture. All the numbers do not mean anything until the budget is implemented credibly as planned.

Executing the budget as planned will motivate staff to do it even better.

The budget systems had been demotivating in its impact on some of the officials in the sector ministries, as confirmed by participant G20:

> But because people do the work; they plan, they do these things and at the end of the day what they have planned and what they have done is not used they get demotivated. And that sucks the energy that has been injected by [indiscernible 0:47:30] and it leads to wear and tear. Attrition. People are demotivated so why keep the job, then they move to other areas and stuff like that.

Thus, whilst the budgeting system has the potential to incentivise staff to perform better, with the present set-up it sends the wrong signal to officials.

Sustainability of reforms is an issue

Often the gains from past reforms, such as activity-based budgeting that was introduced to overcome incremental input-based budgeting, were reversed. In Ghana public sector budgeting the notion of 'activity-based budgeting' came to, incorrectly, represent input-based budgeting. That is, it came to take on the characteristics of the very thing it was supposed to displace.

In the GoG, several projects have been implemented that left no traces after the projects have folded up. A participant explained that sustainability of the reforms has weighed on the conscience of the World Bank with them granting the government further loans to ensuring that GIFMIS is sustained to become part of the MDA's activities. As participant G8 said the WB reasoned that:

> if you're going to stabilize the infrastructure then there's the need for us to give you more money to see that this GIFMIS project does not come to an end but continues and see how best we can sustain it so that it becomes part of the MDA's activities. So there and then, the World Bank approved that component. And that component alone took about $32 million – the component 2.

This demonstrate the link between ownership and sustainability. But also shows that reform ownership at the MDA level is key to the reform's ultimate success and sustainability.

Accounting techniques considered as technical and that makes it hard to implement popular reforms

Accounting is often considered as technical techniques that accountants apply and only a few macroeconomics can articulate the issues in accounting practices. For example, the concept of accrual accounting is understood only by a few officials beyond the accounting circle. Officials

admit that the GIFMIS was implemented by "forcing institutions to come on board" with the consequence that the systems are not deployed as it should, especially in producing reports for management use, as explained by an MOF participant, G9, referring to the introduction of accrual accounting and GIFMIS:

> The system will push people into it. But before you do that, like I'm saying, if you have just about 5% to 10% of the MDAs using the various reports from the system; that is a concern. Unless that also happens then the full accrual or that kind of thing we can – but right now – these days you say you don't even want to call them accountants, you want to call them financial officers because of the performance aspect which is creeping into it–

This makes the introduction of accrual accounting as a technique and a tool pre-mature to implement in the GoG. MDAs may be compelled to come adopt the systems, but it does not mean the practices have been institutionalised.

Making costly mistakes

The reforms have been implemented at great costs in human effort and financial resources. There have also been costly mistakes for attempting to centralize all government of Ghana financial reporting, by excluding the requirements of MDAs' reporting. The difficulty arose later, was not a technological one, because the technology allowed for the MDAs reporting, but a management decision that was taken at the beginning: Explaining how Oracle technology works G9 observed:

> If you go into any environment where Oracle ERP is being used, you will realize that in that chart of accounts they put spare segments. Why? Because your chart of accounts is not something you can switch on and switch off. it wasn't even a redesigning of the chart of accounts. We only took the initial balancing segments, which was only one. And now in our reengineering from the technological point of view said okay, now systems should look at multiple balancing segments as against one balancing segments. But that was a technological challenge. Because once you've done your chart of accounts it's your reemployment again. Good. That was what Oracle was suggesting. Oracle said you can't readjust your chart of accounts. But we had some specialists in our midst with team who did it. So, we called it a chart of account switch. What we did was a change of account switch.

While this should have been done in at the beginning between 1998 to 2000, it took about fourteen years for the importance of MDAs reporting to dawn on decision makers. The change of accounts switch took place in 2015.

APPENDIX 12: GHANA PATH OF PFM REFORMS (1986 TO 2018)

	1986 IMF report[54]	1990 IMF Reviews	1993/1994 PER	1996 PUFMARP/B PEMs High Level Design assessment report/ MTEF workshop reports	2006 PEFA assessment	2009 PEFA assessment	2012 PEFA assessment	2018 PEFA assessment
Areas of concern: Key issue identified at the time include[55]: (These are taken quoted from the reports, with minor editing	Progressive disuse and eventual collapse of the budgetary system Delays in presenting the budget after the start of the fiscal year	1. Inadequate staffing and other resources devoted to expenditure management. 2. The gearing of existing systems to financial control and not to management	Inadequate accounting and budget controls. Poor quality data. Difficulties of obtaining comprehensive expenditure	**MTEF Workshop findings** Late release of budget guidelines Practice of incremental budgeting.	Incomplete costing of sector strategies Significant contingency allocation in the budget	Credibility of the budget low impacted by low predictability and control in budget execution. Sizeable expenditure	Significant difference between the approved budget and the outturns The budget calendar tends to be issued to the MDAs late,	Budget preparation: weaknesses in costing the budget Segmentation of the budget system from earmarking of funds reduces GoG's flexibility in allocating

[54] This period detailed are taken from Premchand and Talat, 1986
[55] Taken from page 7 of the report with slight modification to the wording where necessary to enhance meaning.

when deemed necessary)	Crisis management as the prevailing management style Lack of financial planning Reduction of the role of MOFEP from managing the economy to enforcers of cash controls Abandonment of budget hearings For 1986 MOFEP could only produce "Provisional Estimates- 1986"	3. While focusing on financial control, accountability is deficient 4. Financial controls are misplaced on the small share of total outlay, whereas it should be on contractor driven payments ***(For example, resulting in judgement debt)*** 5. Loose connection between programme goals	information for budget management Problems of reconciling government (various) bank accounts on a timely basis Recognition of the budget being incremental Budget Calendar not adhered to example late release of the Budget Circulars	No linkage between revenue and expenditure. Lack of centralized data management system. Lack of transparency in priority setting. Use of unrealistic allocations. Resources are spread too thinly.	Internally generated funds (IGFs) partially on-budget Significant donor funding off-budget Large expenditure deviation across budget heads Fragmented data on expenditure (reporting	areas that impact on MDAs performance Long delays in processing new hires onto the personnel databases exacerbate arrears. MOFEP grossly understated the level of arrears (per External Audit report of 2007)	therefore limiting the time they available to prepare and submit estimates. Financial reporting by the CAGD does not cover retained Internally Generated Funds, Development Partners funded investment expenditure and Statutory Funds The level of reported	budgetary resources Budget execution appears to be less than optimum, MDAs mostly receive budget releases after a long delay. Approval of budget release does not guarantee that cash will be made available: approved invoices exceed cash available (therefore cash rationing)

		and financial outlays 6. Budget not comprehensive, with large external aid transactions and disbursement off-budget 7.Services are not costed, and cost consciousness in the system is low 8. Budget system encourages civil servants to be paper pushers 9. Inadequate financial information flow	(beyond the expected six months) Weak staff capacity in coping with the budget work in both the MOF and the MDAS. Inadequate staff technical capacity to evaluate projects in both the MOF and the MDAS Financial encumbrances (issued by the MDAs) far	Submission of unrealistic expenditure returns Management of MDAs not involved in collection and submission of budget data. Weaknesses in project monitoring Specification of project titles (descriptions) Intentional inflation (padding) of estimates	by CAGD only partial) Tax arrears collection weaknesses Weaknesses in cash management Excessive detail of activity level information in the budget Weaknesses in the external	CF coverage narrow interpretation by CAGD: Reference Articles 40 and 41 of the Financial Administration Act, 2003 (FAA) narrow rather than broader definition of the central government's funds. Capturing and reporting donor funding: Different	expenditure arrears was significant Transparency is an issue: information available to a large extent technical and difficult to comprehend for non-professionals. State owned enterprises (SOE): substantial weaknesses in the monitoring of fiscal risks from the SOEs	Surplus cash sitting in commercial bank accounts of MDAs. Controls in GIFMIS being circumvented (as pointed out by the Auditor General in his review of the large stock of payment arrears outstanding at the end of 2016 Non-transparency of autonomous agencies that provide public services financed in part by IGFs:

		(excessive details at the sub-item levels, but lacking key data on actual expenditure) 10. Expenditure monitoring is episodic, and delayed 11. No contingency planning for situations where reduction of payment is required. 12. Commitments are not properly recorded and monitored.	exceed the allocated limits Drawing limits not respected by the MDAs: leading to expenditure overruns. Budget cutbacks and freezes of allocation. Hangover from cumbersome certification and payment systems	Mistrust and the lack of co-ordination between MOF and MDAs Weak relationship between recurrent and development budgets MDAs feel no responsibility for personnel emolument (PE) budget Lack of uniformity in project coding	oversight of budget by Parliament	chart of account classification of donor funding makes reporting difficult Weaknesses in accounting standards: a mishmash of accrual accounting and cash accounting standards makes financial statements meaningless	Fiscal risks from weaknesses in reporting on Public Private Partnership and bridging loans and another off-balance sheet financial instruments Credibility of the budget affected by delays in transfer to local government resulting in arrears at that level	They do not prepare their annual accounts in a timely manner. Late provision of information to local government (MMDAs) from the central government of the amount of annual funding. MMDA budgets are not approved until well after the new FY starts. And their funding tends to be delayed.

			Lack of timely and accurate expenditure reports Delays in preparing timely financial statements has knock-on effects on audit reports Estimating of matching-fund requirement by MDAs at budget formulation posed a problem (affected by the exchange	Misapplication of item 7 (description and uses do not match) Lack of coordination between MoF divisions (IPA and the Budget Divisions) Effect of spill-overs on the budget Dichotomy between the Medium-Term Development Plan (prepared by the NDPC)		Using Treasury Bills to raise revenue to finance the budget, instead of using them to support cash management Budget Credibility may be impacted by the increasing levels of Public Private Partnership without adequate	Wish list planning and budgeting: linkage between sector plans and strategies and annual budget remain weak. they tend to include new investments and neglect recurrent costs implications. They tend also not to be prioritised by taking account of budget constraints.	Large public investment projects tend to be inadequately prepared and executed (being addressed the GEMs project funded by World Bank- approved in 2015) Potential risk posed by contingent liabilities (of GoG guarantees provided on loans to SoEs). It is not clear that the Debt Management Department in MoF is

			rate changes, setting fund aside distorted government prioritising allocation). Wage related expenditure amounted to 68 % of total expenditure with the remaining 32% going to goods and services and servicing of debt. Large proportion of the budget goes to the ministries of	and the sector programmes of the MDAs PUFMARP/BBPEMs Review Report (grouped under People; Organisation; Processes; and Technology.		reporting on them State owned enterprises posed fiscal risk: the oversight of public enterprises and public borrowing pose risks The Medium-Term Expenditure Framework (MTEF) outlying years are merely	No institutionalised framework for selecting new investment, heavily influenced by political consideration. Projects outside of the sector plans are catapulted into the budget Cabinet involvement comes late in the budget preparation process (in setting the	systematically monitoring such loans, recording of such guarantees. Public Debt Management Report of 2016, the first one ever prepared, reported it for the first time as required by the new PFMA.

			Health, Education, Agriculture Roads and Highways (combined they consumed 57% and 67% of the recurrent and development budget respectively) Roads and Highways consumes about 40% of the development budget, but it still has overruns (see para 22 and 23			indicative and do not represent base lines for subsequent annual budgets. Opacity of financial arrangements: (i) All security agency funds are reported on in aggregate, (with details of expenditure undisclosed) (ii) government	final ceilings but only in October). Ghana Revenue Authourity modernisation has been mish-mashed: affecting their performance. Despite the multiple changes, the new organisation and structures are not fully operational yet and the new business processes are not fully	

			of PER 1993 and paras 41-47 of PER 1994) Procurement capacity: inadequate staff capacity to prepare bid evaluation report leading to delays in awarding civil works Government contract payments causing cash flow problems for contractors, leading to			bridging loans from commercial banks with details undisclosed (interest payment is included in domestic debt reports) Internally generated funds by MDAs: Expenditure out of the retained IGFs is reported on in MDA financial	applied yet. in other cases, the old systems have been abolished but the new ones not yet implemented. The current practices of cash planning are an issue. Weaknesses in cash management impact upon budget credibility The warrant mechanisms-General and	

			contract price escalation MDAs' procurement made on needs basis, and not based on strategic bulk purchases. Foreign companies win major government contracts and are able tom put more pressure on government to pay (see para 48 and 49 of PER 1994).			statements but not in the consolidated financial reports prepared by the CAGD. Reconciliation tends to be done on annual basis. Budget call circular issued with budget ceiling, which does not serve as hard budget constraint	Specific Warrants, and Release Warrants- is used as control on spending but has been ineffective to control commitment. Practices such as paying year-end outstanding bills from the coming years budget reduces the credibility of the budget and impacts on government service delivery	

						Short time duration for MDAS to prepare the budget (6-8 weeks) Weak link between sector strategies and the annual budgets: projects out of the sector strategies being catapulted into the budget. (ii) arbitrary budget cuts	Rules and regulations are not adhered to resulting in substantial weaknesses in expenditure controls. Weakness in the management of payroll: lack of an establishment database to control new entries, promotions and transfers entered in the personnel database. The	

						distort made plans Short duration for Parliament to approve the budget (tends to happen 2 weeks into the fiscal year): this has led to a dilution of performance as to the extent of parliamentary scrutiny of the budget The time available to the	personnel and payroll databases are directly linked, but cumbersome administrative procedures lead to long delays in processing the changes in the personnel database and likely contribute to accumulation of expenditure arrears. The Procurement procedures are not entirely transparent:	

						Parliament to review the budgetary documents are approximately 5 to 6 weeks and has been adhered to for the budgets of the years 2006, 2007 and 2008 Tax arrears remained high (compensated for by a high debt collection ratio). Areas of	deficiencies in transparency combine with the lack of objections and appeals from the suppliers. value for money. Is an issue. Internal audit is still rudimentary: most their time is spent on pre-auditing transactions. Most entities have established Audit Report Implementation	

						concern include the absence of legal constraints on officer discretion in the application of IRS assessments, Export Duties, penalty waivers and rates; the selection basis for tax audits; and the lack of effective controls in the taxpayer	Committees (ARICs), but they did not function well. Accounting and Reporting: Accuracy, integrity and timeliness of public accounts remains. Reconciliation of accounts are often delayed for 3 months. some accounts quarterly and for some accounts annually. It takes 8 weeks for MDAs and	

						registration system. Cash management is a challenge in the PFM systems Reconciliation of accounts: The consolidation and calculation of balances are weekly. The consolidation and calculation of balances are weekly	MMDAs to acquit some of the cash advances, but still with significant amount of un-acquitted cash imprest, uncleared balances being brought forward. In-year reporting is an issue: The monthly financial reports include information only on	

						Debt Management weakened by ignoring the ceilings on net domestic borrowings approved in the submitted budget. (using TBs as a source of budget revenue) Payroll control weakened by how the IPPD was implemented (eliminating	expenditure but not on commitments. There are no commentaries on the extent to which the budget implementation is on track. The public accounts do not allow a full comparison of revenue and expenditure against the Budget External Audit is impacted by the weaknesses in Internal	

						some of the modules for controlling new hires, transfers, and promotions) There are extensive authorisation procedures for the entry of new hires, that include budgetary controls through MoFEP approvals, but these are largely ineffective. The integrity	Audit: The external audit covers about 92% of total government revenue and expenditure and fair audit time is spent on financial audits and systemic issues (the focus has been on transaction testing and compliance.) . The legislative scrutiny of the budget proposals and	

						of the payroll management system remains elusive because of the absence of an effective directly linked establishment control. Internal audit: only a limited amount of the audit time (approximately 20%) is deemed spent on systemic	external audit reports: not enough time is allowed for the debate in the house, no adequate technical support, and backlog of external audit reports to be reviewed by the PAC, affecting their impact.	

						issues. Audit Report Implementation Committee (ARIC) were to be sent to the President then to Parliament. The follow-up was low. In year report: CAGD publishes monthly expenditure returns, within four to six weeks of the close of		

						the month. The format permits only a partial comparison of revenue and expenditure to the original budget allocations which are included in the budget tables. The accuracy of the accounts is poor because of weaknesses in reconciliation		

						In 2008 expenditure substantially exceeded approved budget estimates and borrowings were far in excess of the approved budget even though no supplementary budget was submitted. For several years the domestic borrowing limits have not been respected.		

						Further in all three years reviewed the Executive did not adhere to the approved budget amounts for the statutory funds transfers The timeliness of scrutiny of the audit reports that were issued in 2006, 2007 and 2008 was negatively		

						impacted by the disputed legitimacy of the tenure of the Auditor General. Therefore, the audit reports on the consolidated funds of 2006 and 2007 were only tabled in 2009. Approved PAC report by parliament with the recommendations were forwarded to		

						the ARIC in each entity for implementation that proved ineffective.		
Achievement	Creation of regional and district budget officer positions		Substantial gains made in limiting unbudgeted expenditure and creating a balance budget. Revenue collection improvement through widening the tax base, and administrative		Control over expenditure Parliamentary approval of budget before start of fiscal year Clearing of backlog of external audit	Multi-donor budget support (MDBS) improved the credibility of the budget The budget process had policy input by the Cabinet at the beginning of the	Almost all sectors/MDAs have costed sector plans. Though not all sector strategies are fully costed (see page 13) Ghana Revenue Authourity modernised and strengthened by bringing together	Payroll Controls: The Enhanced Credit Facility (ECF) reviews indicate considerable progress in strengthening controls Passing of the 2016 PFM Act Capping by law earmarked funds (or Statutory

			and structural reforms. Ad hoc effort to resolve expenditure management lead to the creation of Expenditure Monitoring Units (EMU) in the MOF to estimate monthly expenditure.			budget process, and by both the Cabinet and the Parliament at the end of the budget cycle. Some elements of revenue administration work very well: These include clarity of taxpayer obligations and liabilities (Export tax and IRS	Internal Revenue Services (IRS), Customs, Excise and Preventive Service (CEPS) and Value Added Tax Service (VATS). The new chart of accounts has been introduced and implemented in the 2012 budget. The external audit is well established and	Funds) to no more than 25% of the budget, (*Earmarked Funds Capping & Realignment Act, April 2017)* Rationalising the internally generated funds by the MDAs (channelling a larger portion of the IGFs into the CF) (MDA Retentions Act, 2007 (Act 735))

						provisional and final assessments); the sustaining of vigorous tax awareness and educational programs; and transfers to the Consolidated Fund work very well. Public Procurement: has good rating from the Ghana Chamber of Commerce.	professional and adheres broadly to INTOSAI (International Organisation of Supreme Audit Institutions) auditing standards PAC sittings being broadcasted: Since 2009 the Parliament started broadcasting of hearings on TV and radio. This seems to have	

						They report an improved perception of being more broadly accessible and fair. There is an effective procurement complaint resolution process which is subject to oversight of an independent body. The PAC has held public	impacted upon the responsiveness of the senior management as to the implementation of the recommended measures.	

						hearings from 2007. **Edit and use in the write-up** Revenue administration and procurement reform is showing signs of positive impact. unreported extra budgetary activity is limited; there is good and timely public access to		

						budgetary and fiscal information; the recording, reconciliation and reporting on debt service and the debt portfolio are strong; both internal audit and external audit have been reformed, even though in some respects it may still be described as a work in progress.		

						Parliament reviews both the budget proposals and actual expenditure.		
Remaining challenges	All the concern areas Highlights include: Fifty per cent of fees collected in hospitals retained in commercial banks Not all foreign loans/credits are on-budget. State owned enterprises (SOE) financial performance not available.	A. Inadequate capacity to anticipate various demands for expenditure and plan for them B. Inability to deliver value for money These challenges are reflected in: Computation of running cost for all programmes						

	Partial adoption of programme budgeting that remained moribund. Object classification was not comprehensive with items not divided into sub-items There is a lack of synchronization in the allocation of local currency and foreign exchange Some "fees" receipts are classified as "taxes"	Computation of full monetary costs of selected programmes to be monitored Budget Guidelines with more specific adjustments (for inflation, exchange rates) Budget Guidelines with ceilings that is checked against core and non-core list of programme and projects Budget reviews to pay special						

	Non-tax revenue has no subitems for reporting purposes Economic planning activity in the context of the budget and fiscal planning is inadequate Budget circular with its detailed guidance not sent out anymore by MOFEP Lump-sum provision are made in the budget which can lead to misapplication of resources ***(This is an example of contradiction in advice- the practice is***	attention to selected programmes. MDAs to be encouraged to pay attention to Operations and Maintenance (O &M) expenditures Budget Calendar issues Budget Implementation issues (including non-lapsable drawing limits; flexibility to vire)						

	consistent with programme budgeting) MOFEP not projecting revenue and expenditure independently and not undertaking fiscal planning (including contingency planning) No norms of expenditure for salaries and wages and other current items of expenditure Revenue forecasting techniques are inadequate Pre- and post-budget consultation/commun	Cash Management: to implement an organised cash Payment processes Expenditure monitoring Evaluation Value for Money 1.Budgetary process a. Budget formulation b, Budget Calendar. 2. Budget Implementation 3. Cash Management						

	ication between MOFEP and spending ministries is not adequate Post s approved in the normal course of MDAs' business are subject to veto by MOFEP Projects not well prepared and the approval process is not adequate Financing of development projects: tentative and uncertain Two types of budget-foreign exchange and local currency	4. Payment processes 5. Expenditure Monitoring 6. Evaluation 7. Value for Money: Management improvement 8. Institutional support measures 9. Implementation approaches						

	budgets. The foreign exchange budget was prepared in March (after the local currency budget), therefore lacking synchronisation. Expenditure is cut in ad hoc and unplanned manner when there are cash constraints Delays in finalising accounts impact on fiscal policy making Weak monitoring therefore lacking reliable and timely expenditure and revenue plans and actuals							

	Lacking project appraisal and fiscal planning in the MOFEP							
Reform action taken					Legislative/ regulatory action Attempts to provide comprehensive data on budget and reporting More information on budget to public			

					Improved timing of budget approval by Parliament (Gazetted monthly budget execution report) Stronger commitment controls: ***(This is possibly a negative attribute- what is required are smarter controls)***			

					more transparent procurement procedures Clearing audit backlog reports Decentralising treasury offices of CAGD to MDAs Reforms owned and directed by senior management in MOFEP:			

					(This is possibly a negative attribute)			