

# Developing Countries' Underdeveloped Institutional Settings: Can the Evidence-based Policy Approach be an Effective Tool in the Effort at Reducing Poverty? A Study of the MASLOC Program of Ghana

Charles Amoyea Atogenzoya

*Department of Building Technology and Estate Management, Dr. Hilla Limann Technical University*

**Abstract:** With numerous socio-economic problems competing for the world's limited resources which are continuously dwindling in supply, there has been a long-running debate among academics, policy makers, and international development partners on the subject of how to improve policy success rates with our limited resources. Responding to this call, evidence-based policy (EBP) making and implementation has been recommended as one of the ways of improving policy success. Confident in the approach as an effective policy development tool, donor and development agencies are prescribing the EBP for the design and implementation of developmental policies in developing countries (due to its relative success in developed countries). The author presents a case study examining the impact of institutional deficiencies on the effectiveness of EBP in ensuring successful policy implementations. The case chosen is whether there is sufficient evidence to show that the not-so-much impressive results of the MASLOC program of Ghana can be attributed to institutional constraints? Using a qualitative research design based on mainly secondary data triangulated with interviews, the author shows that the institutional setting in developing countries can have a very significant influence on the level of success that EBP can have on policymaking and implementation.

**Keywords:** institutional environments, evidence-based policy, policy success, microfinance and small loans, developing countries.

## I. INTRODUCTION

Poverty eradication has been one of the topmost development issues in the world (but most especially in developing countries) over the past decades. Recognizing the link between poverty and other social problems such as armed robbery, teenage pregnancies, streetism, etc. poverty eradication or reduction has been at the heart of the development agenda of various governments, local and international NGO's, and other international development agencies. Ghana, a developing country, has had her own share of the poverty canker. As a result, successive governments over the years have rolled out various poverty intervention programs all in an effort to support the global fight against poverty. In the interest of space, some of such programs worth mentioning include: the School Feeding Program; the Rollback Malaria Program; the Livelihood Empowerment and

Social Protection Program (LEAP); the Ghana Land Administration Project (LAP); the Local Enterprise and Skills Development Program (LESDEP); the National Health Insurance Scheme; and the Microfinance and Small Loans Centre (MASLOC) established in 2006. According to the International Labor Organisation, quality jobs are key to the global fight to end poverty (International Labour Organisation, 2016) meaning improving the quality of jobs of people is a very significant component of poverty reduction strategies. Conscious of this, most of the afore-mentioned policy interventions by successive governments of Ghana have sought to create new jobs for the unemployed whilst seeking to improve the quality of already existing jobs.

With numerous socio-economic problems competing for the world's limited development resources which are continuously dwindling in supply, there has been a long-running debate among academics, policy makers, and international development partners on the subject of how to improve policy success rates with our limited resources. Responding to this call, personalities like former British Prime Minister, Tony Blair, have proposed evidence-based policy (EBP) making and implementation as one of the ways of improving policy success. The concept is a fairly contemporary approach that seeks to reform policymaking by prioritizing evidentiary or data-based decision-making (Howlet, 2009). According to Nutley, Walter, and Davis (2003), EBP ensures well-informed policy-decision making by relying on the best available evidence during policy formulation and implementation. It is therefore the combination of experience, judgement and expertise with evidence from research (Davies, 2004). Advocates of this tool believe that when policy making is based on available evidence, this will lead to a reduction in policy failures "caused by mismatches between government expectations and actuals on the ground conditions through the provision of greater amount of policy-information" (Howlet, 2009; p.153). Confident in the approach as an effective policy development tool, donor and development agencies are prescribing the EBP for the design and implementation of developmental policies in developing countries (due to its relative success in

developed countries such as Australia, U.K., U.S.A., etc.). However, whilst developed countries on the one hand are characterised by available effective and efficient institutions, developing countries, on the other hand, are bedeviled by unavailable or inefficient institutions in the form of underdeveloped institutional environments (Khanna and Palepu, 1997, 2010). As there are several influences on policymaking and implementation, the institutional setting in developing countries is therefore expected to have a very significant influence on the level of success that EBP can have on policymaking and implementation. In view of this, the relative fitness and practicability of transferring the EBP as a “one-size-fits-all” solution is called into question. Consequently, our faith in the EBP may be laced with fundamental shortcomings as our approach inherently assumes and treats institutional environments as a homogeneous set of contexts.

Despite the various interventions in Ghana, poverty reduction has been slow albeit there have been some significant results with the national level of poverty falling from 57% in 2006 to 24% in 2013 and extreme poverty almost eradicated (UNICEF, 2016). From the foregoing, one wonders why after several years of several policy interventions, general poverty is still so high especially in rural areas where it's has been estimated to be almost four times high as urban poverty (UNICEF, 2016). Could it be the case that most of these policy interventions were formulated and implemented without due regard to prudent policy formulation and implementation tools and procedures (such as the EBP approach) that are thought to ensure policy success? Or is it the case that these policy interventions were based on such prudent policy formulation and implementation tools and procedures but failed to achieve the much-desired results due to the influence of some exogenous factors? The author is of the view that the inability of most of the policy interventions to succeed was as a result of exogenous factors that are pertinent to the institutional setting of Ghana as a developing country. The author argues that the institutional contexts in which EBPs are designed and implemented have a significant impact on the extent to which the use of this methodology can help address the policy modeling challenges that developing countries are bedeviled with. The paper therefore seeks to evaluate the concept of Evidence Based Policy and examine its value and relevance for driving policy in developing countries, and how the institutional environment can affect the development of these Evidence Based Policies. This objective leads to the development of the research questions:

*How does the varying institutional environment in developing countries affect the use of EBP as a tool for driving policy success in settings fraught with weak institutions?*

In order to do this, the author looks at the design and implementation of one policy intervention, MASLOC Ghana, (the case study of this paper) and some of the issues that came to bear (which are peculiar to Ghana as a developing nation)

and contributed to the not-so-much impressive results of the program.

The rest of the paper is structured as follows: a construction of the association between institutional settings and the application of the EBP approach is given; this is followed by an overview of MASLOC and the data sources; next is a discussion of the institutional-related challenges that have bedeviled the program and have led to the below-expectation results that have been recorded; and then the conclusion with final comments.

## II. INSTITUTIONAL SETTINGS IN DEVELOPING COUNTRIES AND EBP

Much of the evidence relating to the success of EBP as a policy modeling approach involves developed countries (where the approach was “born”) where institutional settings are well-organized. This has led to many proposing it as a universally effective policy design and implementation approach which is capable of improving policy success in developing countries as well. Advocates of the EBP argue that, as in developed countries, it can drive policy success in developing countries. It is worth noting however, that prescribing the approach for developing countries simply because it has worked well in advanced countries is an oversimplification of the matter. The “it has worked in developed countries, so it will work in developing countries” fails to take into account the relevance of the institutional setting where the approach is to be applied. Institutions (both formal and informal constraints) dictate the rules of the game in a particular society and the constraints that shape human interactions in that society (North, 1990). Depending on their nature, institutions can support and facilitate policy outcomes, or they can constraint policy efforts at achieving the desired outcomes. The prospect of a policy succeeding is therefore largely dependent on the environment in which it is implemented. Well-functioning institutions serve as specialised intermediaries (Puffer, McCarthy, and Boisot, 2010) to support and facilitate policy implementation to achieve desired outcomes. Conversely, ineffective and/or unavailable institutions will adversely affect the prospects of policies achieving their objectives.

According to the institutional literature, developed and developing countries differ in terms of institutional settings (e.g. Khanna and Palepu, 1997, 2010; Puffer, McCarthy and Boisot, 2010). In view of this difference, the adoption and application of developmental policy approaches such as the EBP from developed countries (the origin of most of these approaches) to developing country contexts is not expected to yield the same results as would have been the case with a developed country. The institutional setting (both formal and informal) in developing countries is quite distinct from the ones found in developed countries. Whilst developed countries have supportive formal institutions to support policy design and implementation, the case is different in developing countries. Developing countries are beset with institutional

voids (Khanna and Palepu, 1997) that impede the effective design and implementation of policies in such environments. Most developing countries lack institutions such as efficient and impartial judiciary systems, effective regulatory bodies, probity and accountability, unbureaucratic and unambiguous administrative procedures, well-developed (labor, capital and product) markets, etc. (Khanna and Palepu, 1997; Peng, Sun, Pinkham, and Chen, 2009). Physical infrastructure is mostly in bad state: poor road networks, deplorable or unmotorable roads; poor telecommunication network and/or limited coverage; unreliable water and electricity supply systems; etc. (Ekeledo and Bewayo, 2009). There are also high levels of illiteracy (which affect ignorance levels), lack of media freedom and political instability (in most countries) and high levels of corruption. All these have an effect on the success of any policy in general and the use of the EBP approach as a tool in modeling policies in particular. The political environment in developing countries where everything is linked to politics (partisan politics) could have a significant impact on policy design and implementation. Lastly, the socio-cultural and geographical environment in developing countries is another factor that is expected to affect policy outcomes. Some cultural and religious beliefs as well as certain norms (behaviour entrenched in culture and ideology and considered as acceptable by society) tend to adversely affect policy implementation in developing countries. For instance, some of the reasons for the not-so-impressive results of the roll back malaria program by the World Health Organisation (WHO) in most African countries were found to include: ignorance about the causes of malaria (most people thinking that malaria is transmitted through the sun and others of the view that it is caused by the transfer of body heat through breastfeeding) and people refusing to sleep under treated nets due to heat and discomfort (Iliyasu, *et al.*, 2012); in some places women needing authorization from their husbands in order to visit antenatal clinics or take malaria drugs (Diala *et al.*, 2012); and in most farming communities, engagement in farming activities posing as a challenge for the implementation of the program (Mutagonda *et al.*, 2013). From the foregoing, to the extent that these institutional settings constrain policy formulation and implementation, the evidence-based policy making approach will also be adversely affected and consequently likely to achieve less-than-expected results (compared to developed countries) when applied in developing countries.

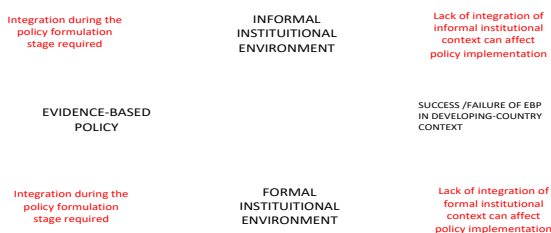


Fig. 1 The role of institutions during EBP formulation

### III. THE MASLOC-GHANA PROGRAM (OVERVIEW LARGELY BASED ON MASLOG-GHANA'S WEBSITE)

MASLOC was established in the year 2006 by the government of Ghana with the primary objective of implementing microfinance programs of the government aimed at poverty reduction through creation of jobs and wealth. This was in line with government's commitment to meeting the Millennium Development Goal (MDG) of halving extreme poverty by 2015. MASLOC was therefore set up to advance the agenda of halving extreme poverty through the design and implementation of sustainable microfinance intervention programs to ensure the protection of persons caught up in extreme poverty, vulnerability, as well as exclusion. The principle underlying MASLOC is to empower start-ups and small enterprises through the provision of micro and small loans to grow and expand their businesses as well as to enhance job and wealth creation. This is in consonance with the view of Kevan and Wydec (2001) that microfinance programs should seek to create employment and wealth as well as providing financial sustainability for the businesses they seek to support. MASLOC-Ghana also provides business advisory services, and capacity-building training to help SME owners to manage their businesses profitably. It's therefore committed to growing and developing small and micro businesses by providing sustainable microfinance, small loans, and business services to Ghanaian entrepreneurs. The program is composed of four different components: the small loans scheme which grants loans to individuals; the on-lending loans scheme which involves wholesale lending to microfinance institutions, Ministries, Departments and Agencies (MDAs), and rural banks for onward lending to the productive poor; the vehicle loans scheme which provides vehicles on hire purchase to productive unemployed drivers who wish to own vehicles; and the group loans scheme which provides loans to groups of individuals.

The main objective of MASLOC is act as an apex body responsible for providing, managing, and regulating on a fiduciary basis, approved funds for microfinance and small-scale credit schemes and programs of the government. For the purpose of the main objective, the program has the following specific objectives. It is expected that the achievement of the specific objectives will result in the achievement of the main objective.

Specifically, the program seeks:

- Engage directly or indirectly in microcredit and small loans business;
- Promote and enhance the development of a decentralized microfinance system;
- Support the development of small-scale business and entrepreneurial skills;
- Promote individual development and capacity-building through savings and deposit mobilisation;
- Identify, promote and coordinate operations of associate community-based programs;

- Co-ordinate and facilitate the activities of institutions and organisations in the microfinances sub-sector of the economy;
- In respect of operations with non-bank institutions, to promote collaboration, co-operation and complementarities with other non-bank finance institutions.

(www.masloc.gov.gh)

For the purpose of this study, all, but the on-lending loan scheme component of MASLOC (which involves lending to institutions) will be focused on. To ensure the smooth implementation of the program and the achievement of its objectives, a committee of experts from all the relevant areas associated with the project was set up in 2005 to prepare the policy document for the project. Recognizing the multifaceted nature of poverty and its eradication, the government had consultations with the different actors whose different knowledge and views had to be solicited in the modelling process (formulation and implementation) of the project in order to achieve its objectives. To a large extent, therefore, the role of interdisciplinarity in addressing a complex issue like poverty reduction (Klein, 2010) was very material in the design and implementation process laid out in the policy document. Moreover, according to the C.E.O at the time of launching the project, government was highly convinced about the feasibility of the project because the modelling of the project was based on evidence and not mere opinions. He said this (meticulous approach) had to happen on the back of lessons learned from several policy intervention failures in the past. With the two major effective tools for driving policy (interdisciplinarity and EBP) cardinal in the policy modelling process, most (government and civil society organisations) expected the project to produce more significant results than the ones that have been recorded so far.

#### IV. DATA

Our case material is drawn from multiple informants and a variety of sources: interviews and secondary material. The use of different sources of data was warranted by its benefit of ensuring convergence and triangulation of findings (Jick, 1979) which consequently lead to increased external validity and robustness of findings (Yin, 2008). Multiple informants were considered in order to reduce informant bias (Eisenhardt and Graebner, 2007) and produce more accurate and trustworthy models (Doherty, 1990). Secondary data were the main source of data and were collected from a variety of sources such as media reports/publications, program evaluation reports, MASLOC's website, annual reports, organisational (MASLOC) documents, interviews granted by MASLOC to the media, practitioner articles, etc. (in all, 10 documents were identified). Data was triangulated using semi-structured interviews. First, the author interviewed individuals who had a managing function within MASLOC (this included both past and present officials). Next, we interviewed some beneficiaries of the MASLOC program as well as some experts who had local knowledge about the subject matter

under investigation. The decision to interview multiple informants was to ensure greater richness and multiple perspectives (Eisenhardt, 1989) since interviewing various highly knowledgeable informants with diverse viewpoints of the focal phenomenon helps mitigate potential biases and also reduces the knee-jerk reaction often arising in interviews (Eisenhardt and Graebner, 2007). In all, we conducted 17 interviews.

To show how underdeveloped institutional factors can affect the EBP as an aspiration, the author began the data analysis by reading through the data and identifying issues that posed a challenge to the success of the MASLOC program. The triangulation between the two data sources (interviews and secondary materials) helped to achieve a more reliable and accurate (Jick, 1979) picture of the challenges besetting the program. The author then proceeded to link these problems to institutional factors that related to any of the challenges identified.

#### V. THE EFFECT OF INSTITUTIONAL FACTORS ON THE MASLOC PROGRAM

The first issue, relating to institutional voids, that has impeded the success of the project is corruption. Corruption does not only perpetuate poverty by creating a vicious cycle for marginalized groups, but it also aggravates and promotes development problems (Transparency International, 2018). According to Transparency International, corruption is the main contributory factor for the failure to combat poverty and Sub-Saharan Africa (of which Ghana is part) is the worst affected (Transparency International, 2010). In view of the importance of corruption in the fight against poverty in particular and the Millennium Development Goals (MDGs) in general, it is not surprising that Transparency International Chief Executive, David Nussbaum, believes "Governments, especially those of the G8, need to move beyond paying lip service to the principles of accountability and transparency if they are determined to improve the lives of the millions who live in poverty and instability" (Transparency International, 2018). Corruption is a major challenge for most developing countries due to the lack of effective institutions and strong leadership needed to fight the canker (Pralhad, 2004). For instance, even though there are some clearly defined selection criteria in the MASLOC implementation document, the selection process is not adhered to with party loyalists and government officials benefiting from the program even though they are not qualified. For instance, even though the vehicle hire purchase scheme of MASLOC targets unemployed professional drivers, there have been several cases of persons not being in this target group benefiting from the project. In 2017, the evaluation report of MASLOC revealed that several Members of Parliament (MPs) and Celebrities (actors/actresses and musicians) were among the beneficiaries of the vehicle hire purchase scheme. According to the report, whilst some of these unqualified persons had acquired the vehicles for their own use, others did so on behalf of some people as guarantors. The report further revealed that not only

did these individuals acquire vehicles under the project when they were not qualified, but most of them refused to pay back the monies. As at 2017, the amount that was owed by MPs and celebrities alone stood at close to one hundred million (100,000,000) Ghana Cedis (approximately US\$ 23,000,000) (Cityfmonline, 2017). After several attempts to retrieve the monies failed, in an article entitled “MASLOC to publish names of defaulting MPs, Celebrities” that shocked many Ghanaians, the CEO indicated in 2017 that his outfit was considering publishing the names and photographs of defaulting MPs and Celebrities (Cityfmonline, 2017). There have also been several reports alleging that staff of MASLOC have allocated to themselves close to one billion Ghana Cedis (about US\$ 228,000,000), a claim strongly denied by the C.E.O. It is clear that this act of unqualified people not only benefiting from the program (as a result of corruption) but also defaulting to pay poses a great impediment to the project achieving its objects even though it was formulated based on the EBP model. The level of corruption is perceived to be so staggering that the president of IMANAI Ghana (a policy think tank) described MASLOC in 2017 as nearly a scam that should be closed down (Cityfmonline, 2017).

The second factor that has affected the successful implementation of the program is political interference and/or politicization of its policies. The nature of politics in most developing countries does not facilitate the successful formulation and implementation of policy interventions. In most developing countries, the political system is not yet mature and as a result, partisan politics is the order of the day. Developmental issues are often politicized to the detriment of the real significance of those projects. Appointments to key positions for development projects are mostly politically biased where each government in power appoints its party ‘faithfuls’ to managerial positions. This creates managerial problems due to: a) sometimes the putting of square pegs in round holes (the appointment of non-qualified persons as managers) and b) lack of continuity in management. This has been one of the implementation challenges for the MASLOC program. When the project was launched in 2006, the party in power was the New Patriotic Party (NPP) and the government appointed its members as managers of the project. After losing elections in 2008, the new government (of the National Democratic Congress party) replaced all staff of the program with its own party members. Following this, there were a series of discrediting of initiatives and policies by the previous management belonging to the NPP, introductions of new initiatives by the current administration and countless accusations of financial impropriety by the previous administration. After eight years in power, the NDC lost power in 2016 and management of the program had to change once again with the current NPP government replacing the administration with its members. And once again, the usual discrediting of initiatives and accusations of financial impropriety by the previous administration was revisited and is still ongoing. This failure to draw a distinction between national policies and partisan politics has seriously hampered

the successful implementation of most projects in Ghana in particular and in developing countries in general. It therefore comes as no surprise that the MASLOC program too is being affected by political interference.

Another factor that can be attributed to the failure of the program is the lack of an effective system for enforcing contracts. The evaluation report of MASLOC revealed that about 60% of the beneficiaries are in default (MASLOC, 2017). Some reasons accounting for this high default rate include: most people remaining adamant and refusing to pay back their loans because they think it is ‘government money’ and so they should not pay; people using loans for different purposes such as marrying extra wives and buying motorbikes and other fancy items; and others preferring to expand their businesses with profits rather than paying back the loans (Oduro-Ofori, Anokye, and Edetor, 2014). According to the policy document of MASLOC, beneficiaries are supposed to repay the loans through their respective banks. That is, banks are expected to deduct the loans from beneficiaries’ account for onward payment to MASLOC. Unfortunately, this is not happening and there is no effective system in place to ensure that defaulters are made to pay back their loans and/or on time. First, the legal system in Ghana (just like in most developing countries) is very slow and therefore costly in terms of time and other resources. The only commercial court is located in Accra (the capital of Ghana) and tries only high-profile financial corruption cases. As a result, going to court is no option for MASLOC (due to the small nature of the amounts involved) and most of the beneficiaries know this. This explains the reluctance of some beneficiaries to pay back their loans and the inability of MASLOC to recover such monies from them (the defaulters). Second, most of these beneficiaries operate multiple bank accounts and/or do not use credit or debit cards. Unfortunately, there is no system currently in place to track peoples’ bank accounts because there is no central database that contains details of account holders of all banks. Even if there were a central database, there is no single national identification card with which people are mandated to use in transacting businesses and so people open accounts using various forms of identification documents. Third, there is no proper addressing system that can be used to trace and locate defaulters. Most streets, blocks and houses have no names or numbers. Landmarks (tress, gutters/culverts, shops, houses, unique structures, etc.) are mostly used as reference points and this makes it difficult to find defaulters when they are being sought. All these have constrained the ability of MASLOC to recover funds as a consequence of which the program is not able to reach out to many other potential beneficiaries.

The fourth factor that has affected the effective implementation of MASLOC is the business climate or environment characteristic of developing countries. The business environment in most developing countries poses serious challenges to businesses especially small ones. Some of them include erratic power and water supply, high and/or

ever-increasing utility tariffs, frequent fuel price increases, inadequate physical infrastructure etc. (Hoofman, 1999). In Ghana, between 2011-2016, the country suffered a severe power crisis. The power crisis was so severe such that it earned the name “dumsor” that gained so much popularity in Ghana and the world at large. During the most part of this period, electricity (power) was rationed throughout the country with businesses (and households) having to be without electricity for about 14 hours a day. This affected businesses that depended much on electricity as well as those that did not depend on electricity (because for instance water supply too was affected). Although the last few years have been better, there are still issues about erratic supply of electricity and high utility tariffs. Also, high fuel prices over the years have impacted negatively on the success of the project. High fuel prices lead to high fares which in turn affect the cost of doing business. Most of the businesses depend on the public transport systems (operated by private individual transport owners) to transport their supplies and/or goods. The frequent increases in fuel prices therefore tend to affect the profit margins which tends to affect their ability to pay back their loans. Last, the bad nature of roads has had a negative impact on the vehicle hire purchase scheme of the project. The vehicles that are sold to the drivers are not suited for the kind of roads that are found in the country. With a lot of roads in deplorable states (most roads are not tarred whilst the tarred one have developed a lot of deep potholes), the drivers complain that the vehicles are not durable because they break down often. In an interview in 2017 the drivers cited frequent breakdowns which lead to high cost of maintenance as one of the reasons for their inability to pay back their loans (Cityfmonline, 2017).

Finally, issues of managerial competences and capacities have also led to the failure of MASLOC to achieve its objectives. In most developed countries, rolling out a policy is one thing and the adequate resourcing of the implementing authority or agency is another. Most often than not, the offices or agencies responsible for overseeing the implementation of policy interventions are under-resourced and this often constrains their ability to effectively implement such policies to the attainment of the set objectives. For instance, though according to the policy document of MASLOC there is the provision for training, monitoring, and evaluation of beneficiaries, this is hardly done. Per the policy document, beneficiaries after having been approved for a loan, are supposed to be trained on the purpose of the loan, prudent financial management, etc. Also, once every quarter of the year, field and program officers of MASLOC are required to carry out monitoring and evaluation of beneficiaries, especially for cases of overdue payments. However, a survey conducted in 2014 revealed that no such activities had been carried out by MASLOC according to 80% of beneficiary respondents (Quansah, Emmanuel and Emmanuel, 2012). The official website of MASLOC, [www.masloc.gov.gh](http://www.masloc.gov.gh), reports that the centre is constrained in terms of staff and logistics to be able to effectively and efficiently carry out its duties. The

inability of MASLOC to train and/or monitor and evaluate beneficiaries is adversely affecting the loan recovery rate and the attainment of its objectives.

## VI. CONCLUSION

Per the available evidence, it is an open secret that the EBP approach to policy formulation and implementation is an effective tool for driving policy success because it improves the accuracy of decisions about what policies to implement. It's equally evident that its significance in modeling policy at a time of numerous socio-economic problems competing for limited resources cannot be underestimated. However, considering the fact that there are several other factors that influence policy design and implementation, EBP should not be expected to yield similar results in different institutional settings. For instance, though Ghana's MASLOC program is reported to have made some successes, the program evaluation carried out in 2017 reports that the program has achieved not-so-impressive results. This has been the case despite the fact that it was based on the EBP approach to policy modelling. The author identified some of the factors (mainly attributable to the institutional setting of the country) that have posed challenges to the successful implementation of the program. These include the high levels of corruption bedeviling the project, the political interference and/or politicization of activities of the program, and the lack of an effective and efficient system for enforcing contracts. The rest are the 'not-so-supportive' business environment and some management-related issues. Based on the preceding discussion, it is evident that 'institutional context' affects the extent to which the EBP approach is effective in driving development agenda. Whilst its relative effectiveness in advanced countries with available and effective institutions is undisputable, the same cannot be said for countries with underdeveloped institutional settings. One cannot deny the fact that it is still effective in developing-country settings (because without its use the results would have probably been worst), but the fact is that it is not as effective as in developed countries. This suggests that until the fundamental institutional issues that constrain policy design, implementation, and success in developing countries are addressed, the EBP approach will continue to yield limited success in such underdeveloped institutional environments. It is important, therefore, that the institutional context in developing countries be integrated as much as possible into the policy design and implementation process. In order to achieve this, the author recommends that policy makers adopt and incorporate the concept of causal modeling (Montuschi, 2017) in the design of intervention programs to complement the evidence-based policy modeling approach. Causal modeling has the benefit (in this context) of helping policy designers map the institutional-related factors of a particular institutional setting and their effect on the success of project interventions in those settings. This helps policy designers understand how the way institutional characteristics and project implementation are related contributes to project

success (achievement of project objectives). Through this, it becomes possible for policy designers to identify and build into project design and implementation, measures to curtail the adverse effects of institutional characteristics on a specific project's intended outcomes. This approach (causal modeling), all things being equal, will be one of the most effective ways to mitigate the negative impact of weak institutions and improve the level of success of the EBP approach in developing countries. Until this is done the evidence-based policy modeling approach will continue to have under-expected impact on policy success in developing countries with weak institutional setups despite its effectiveness as a policy modeling approach in developed countries.

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