

**Wednesday November 18, 2011**

## 2012 Budget: Govt Expected To Focus On Job Creation

Analysts and economic watchers expect the government to focus on measures that will help open up the private sector to growth to enhance and promote job creation in the coming year, ahead of the government's 2012 Budget and Economic Policy Statement to be presented to Parliament today.

They also expect the policy statement to focus on key policy decisions that would help consolidate the various economic gains chalked up in 2011.

Two of such institutions, the Centre for Policy Analysis (CePA) and Imani Ghana, told the Daily Graphic that they expected the government to come up with stimulant economic policies in today's budget that would help build on the various stable macro-economic policies achieved over the past year, "to enable it to engineer growth in the economy."

Both institutions are, meanwhile, looking up to see how the government will contain the pay pressure exerted on the public purse as a result of the phased implementation of the Single Spine Salary Structure (SSSS).

Speaking on CePA's expectations from the budget, the Executive Secretary of the centre, Dr Joe L. S. Abbey, said although 2011 was yet to end, "our analyses show that the government has met almost all its targets for the year and we expect the 2012 budget to build on those solid gains in the year ahead."

Dr Abbey, however, expects the Finance and Economic Planning Minister, Dr Kwabena Duffuor, who will be reading the budget, to

assure public sector workers of the government's commitment to fully implement the SSSS pay policy which was currently ongoing.

Concerning employment, Dr Abbey said the centre did not expect a direct mention of job creation from the public sector, citing the bloated nature of the government's pay purse and the limited opportunities for the public sector jobs.

That notwithstanding, CePA, he said, "will expect the government to use this budget to make mention of the government's intention to engage more personnel in the police service".

"One area the centre will be happy to see is a big call-up for more persons into the Ghana Police Service to help augment security on our highways," he added.

The Budget and Economic Policy Statement is a policy document of the government presented to Parliament once every year stating in detail how the government had fared in the previous year, what it intends to do in the coming year and how it expects to finance those expenditures by way of revenue generation.

Concerning government's proposed revenue generation, Dr Abbey said "CePA expects the old saying of spreading the tax net to raise more revenues for development" to be repeated.

He explained that although the rebasing of the economy saw the services sector overtaking the agricultural sector by way of sectorial contributions to the country's Gross Domestic Product (GDP), taxing in the agricultural sector was yet to cover some of its key areas, a development Dr Abbey said had led to more revenues escaping the government.

“Growth in the services sector has been booming yet nobody seems to look at it as an area that can be taxed more. Areas such as consultancy, Information Technology (IT), financial services and the like are less turned to when it comes to tax,” he said.

But with a much enhanced revenue collecting agency - the Ghana Revenue Authority (GRA) - the CePA Executive Secretary expects the government to “now reach out to those areas” by way of taxing to meet its growing expenditure.

Dr Abbey urged the government “to be bold enough to scrap some of the tax exemptions granted to certain businesses”, especially those that had outlived their usefulness.

The Vice President of Imani Ghana, Mr Kofi Bentil, also expected a mention of how “the government is going to absorb the expenses of the SSSS and how it intends to deal with oil revenue.”

He, however, expressed the hope that the government would not say it was going to use the oil revenue to service the SSSS expenses or pay salaries in general.

Such an action, he said, could push inflation up and further destabilise other macro-economic laurels.

Meanwhile, the Ghana National Association of Teachers (GNAT) and the National Association of Graduate Teachers (NAGRAT) say they are expecting the chunk of the budget on educational to go into infrastructural development, Emmanuel Bonney writes.

They expressed the hope that enough money would be given to the sector for infrastructure since the absence of infrastructure was greatly affecting the delivery of education.

They believed that education was the bedrock upon which the development and growth of any country relied.

In separate interviews, the President of NAGRAT and the General Secretary of GNAT, Mr Christian Addai-Poku and Mrs Irene Duncan-Adanusah, expressed hope that there would be sustainable investment towards quality education.

Mrs Duncan-Adanusah said the budget should focus on stabilising the economy while Mr Addai-Poku expected that the allocation for all remunerations and arrears to be paid workers would be catered for.

**Source: Daily Graphic**