

ECONOMIC POLICY DESIGN AND ANALYSIS - COUNTRY OWNERSHIP

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ECONOMIC POLICY

- Fiscal
- Monetary
- Sectoral Policy
- Private Sector etc.

CONSTITUTIONAL PROVISION AND OWNERSHIP

- **Management of National Economy**
 - **Article 36 clause 2, 1992 constitution**
 - **Good Management of National Economy**
 - **Serving maximum welfare, freedom and happiness**
 - **Adequate means of livelihood**
 - **Suitable employment**

- **State of The Nation Address**
 - **Article 36, clause 5**

- **National Development and Planning Commission**
 - Analysis of micro-economic options, Article 86/87
 - Multi-year rolling plans
 - Proposal for equity development
 - Coordination of development policies

- **The Budget Statement and Economic Policy**
 - **Article 179**
 - **Coordinated programme of economic and social Development Policies**
 - **Increase Agriculture and Industry**

OWNERSHIP SUMMARY

- **Article 36 clause 2**
Article 36 clause 5
Article 86/ 87
Article 179

FINANCING DEVELOPMENT POLICIES

The country ownership as enshrined and entrenched in the constitution has been distorted by external relationship - Donors, Multilateral Agencies and Development Partners .i.e. World Bank, African Development Bank and IMF.

The donors therefore prescribe to developing countries the path to take, through various programmes laid down by them such as:

- HIPIC - Highly Indebted Poor Country

- MDG - Millennium Development Goals
- NEPAD - New Partnership for African Development
- PRSP - Poverty Reduction and Strategy
- GPRP - Growth and poverty Reduction Strategy

These prescriptions normally lack inputs from the intended beneficiary nations and as such have adverse consequences on the economies and the socio-cultural wellbeing of these nations. Below are but a few of the unfavorable effects:

- **HIPC:**
- Classification of countries as poor is derogatory and psychological detrimental to the citizenry.
- Highly indebtedness/Debt Sustainability
- Debt cover

The Fiscal Policy implications of such a programme are:

- The introduction of new taxes
- The rate of existing taxes increased
- Tariffs increased at various levels
- Removal of subsidies and
Privatisation of S.O.Es increased.

MDG

- Reducing Poverty, (Under \$1)
- Improving Enrolment in school
- Reducing Infant and Maternal Mortality
- Improving Water and Sanitation
- Financing with 0.7% GDP of G7 Economies

- **NEPAD**
- Good Governance/ Africa Peer Review Mechanism
- Private Sector Development
- Infrastructure
- Agriculture
- A forced and false regional integration and code of ethnics;

–1st PRSP

–2nd GPRS

BUDGET EXPENDITURE:

- Government of Ghana - GoG
- Donors - World Bank, IMF, ADB, etc

INVESTMENTS

Economy	Total	GoG	GoG % contribution	Donor	Donor contribution %
Ministry of Food and Agriculture	393	119	30	274	70
Ministry of Land and Forestry	291	15	5	276	95
Ministry of Energy	261	21	8	240	92
Ministry of Tourism and Modernization	10	10	100	0	0

• INVESTMENTS Economy	Total	GoG	GoG % contribution	Donor	Donor contribution %
• Ministry of Environment	26	7	25	19	75
• Ministry of Private Sector Development	151	4	3	147	97
• Ministry of Water Resources and Housing	966	6	1	960	99
• Grand Total	2097	181	9	1916	91

- ***Clear indication of lack of ownership-
Dependent on goodwill of donors**

BEST PRACTICE OF OWNERSHIP

- Willingness of the people to take responsibility for outcome of national policies
- Domestic capacity to design economic policies and implementation
- Consensus building on policies
- General participation
- Reflect preferences and interest of all citizens
- Full implementation of programmes
- Less dependency on foreign aid
- Voluntary acceptance of full responsibility

CURRENT GLOBAL AND COUNTRY APPROACH TO OWNERSHIP

- Tony Blair Debt Cancellation Proposal
- George Bush Millennium Challenge Account.
- Poverty Reduction through Growth
- African Peer Review Mechanism

THANK YOU