

## **STIMULUS PACKAGE FOR GHANA 2**

When I offered a “Stimulus Package for the Ghanaian Economy” on April 1, 2009, it was my hope that it would be considered as a suggestion to be discussed, debated and improved so that we can shift our attention in Ghana to the economy and away from the kind of politics that continues to divide us. I have been gratified for the most part about the comments made by a number of politicians, business people and economists. I have taken their critiques in good faith. I am looking forward to engaging in further exchanges with leaders from different areas of our society with the hope that we can offer our country a way forward that many of us can support and promote.

I am also happy to know that many responsible organizations and individuals have spoken out publicly about the need to strengthen our local industries. The Private Sector Foundation, the Association of Ghanaian Industries, Mr. Kwame Pianim and others have suggested that the country should take advantage of the Global Financial Crisis to turn its attention to encouraging those who have invested in producing goods and services here to do more and create more jobs for our people.

Because I used the words “Stimulus Package”, some have assumed that I was borrowing from President Barack Obama and equating our problem in Ghana with the difficulties being experienced in the United States of America. Far from it and I also have no interest or the intention to compare Ghana to the USA or President Mills to President Obama. Many Ghanaians have lived and worked in the USA and as a result understand the character of the American economy. America has a post-industrial economy. Ghana’s remains pre-industrial, raw material based and dependent on development assistance. Ghana does not need a consumers spending stimulus as America does. Mortgage lending virtually disappeared in the 1970s in Ghana in the midst of another global crisis and is only now coming back thanks to the efforts of the promoters of Home Finance Company and others. So we do not have an American type toxic mortgage and other loan assets to deal with. But we have an economy that is over-reliant on the importation of most of what we use, eat and wear. Whatever middle class we have (sometimes they pass for a

“rich” class) are mostly agents of foreign enterprises, importers and traders of imported goods. Ghana is not America. But Ghana is worse off than America in the vulnerability area as far as the economy is concerned.

Others have used political arguments to set aside my suggestions. Well, our economic crisis does not need the waving of political colours. It needs practical, long-term solutions.

Some have said that what I have outlined is a development strategy. Domestication has been alluded to. Someone has said, “Ghana First”; Another person has exclaimed “Ghana for Ghanaians”. Whatever it is called, we must act with a sense of urgency to “stimulate” the development and growth of domestic industries, the type that creates well-paying jobs.

We need to reach back to Ghana pre-1966 and re-discover industrialization and then fast track to the 21<sup>st</sup> Century to put the private sector into the picture as an important player the government should support. We cannot forget the Nkrumah factor because he was the one head of state who acted on his vision and conviction that we needed to industrialise and that the state should give the process a quick start. Not everything worked according to plan. But the Nkrumah Administration had the right idea. Times have changed. But the problem of how to inject a heavy dose of local participation in the economy remains. I believe that this is the time to find a way to enable Ghanaians to gain control over the domestic economy and adopt nationalistic policies in the management of the nation’s development agenda.

Once again, I am not asking us to copy the American, British, Japanese, French or Chinese stimulus packages. I am calling for a homegrown Ghanaian solution. The kind of stimulus package I am calling for is one that will give the commanding heights to Ghanaians, ‘domesticate’ the economy and create productive, sustainable jobs.

So what do we need to do to launch an aggressive crusade to buy locally produced goods and services? It needs leadership. We can all lead from where we are. As consumers, we can spend the extra time and make the effort to find locally produced rice, soap, fruit juices, etc. We can encourage local ICT service providers and others by using our purchasing power the right way. Parliament and the Mills Administration can lead in a way that will make this crusade national and enable it to gain a solid foundation. One relatively inexpensive way to enable local producers to find their feet in the market, walk and then run is for the government to ensure that the taxes collected from the people go to fund local enterprises. Locally produced items such as fruit juices, soap, electrical supplies, chocolate, rice, etc must be supported through a hard and secure policy that restricts all government-funded organizations and projects to buying local with no exceptions.

Also, services provided by local professionals – consultants, architects, road/building/electrical contractors and investment advisors must be given a preference. In addition to providing support financially, such a policy must also come with measures to promote quality through technical assistance. The Koreans did this successfully which enabled them to overcome poverty and gain a giant measure of prosperity within two decades.

But we cannot afford to wait for politicians to lead especially if they are concerned about who will take credit if the crusade becomes popular. We should all act positively and share in the benefits. In our individual lives, we can resolve to sacrifice a little to help create jobs for our children and their children and enable them to stay at home in Ghana.

The media has an important role to play in this. If every day all the radio stations, newspapers and television stations put out messages to Ghanaians to buy Made-In-Ghana goods and services and also field a story about enterprises, entrepreneurs, companies and individuals and their efforts to create jobs the crusade will get very far indeed. This type of stimulus – Ghanaian Stimulus – is what we need to bring the economy back home.

I wish to repeat the point that this is a good time to spell out clearly a new Ghana policy on adding value to raw materials prior to their export. We need a firm policy that will affect crude oil, timber, cocoa, sheanut, gold, bauxite and other raw materials so that progressively, we can build an industrial/manufacturing base upon which foundation sustainable increase in our standard of living can occur. We must be bold, innovative and comprehensive in our approach. Our Founding Fathers and Mothers had to fight hard and make sacrifices to win political independence. I am resolved and wish to encourage others to join the struggle to win economic independence – the type that will make available better options for the nation than are available to us now.