On Wednesday, 15th November, 2017, the Minister for Finance presented the 2018 Budget and Economic Policy of the NPP Government to Parliament. As usual, we followed the presentation with keen interest. This statement is our preliminary assessment of the policies in the Budget Statement focusing on employment creation initiatives announced by the Minister. A more detailed analysis/assessment will follow in due course.

As has been the practice for so many years, TUC submitted some proposals to government for the 2018 Budget and Economic Policy. Employment creation and related issues, including the need to keep industrial peace, were at the heart of the proposals.

In our submission, we reiterated a point made in our earlier proposals and other submissions that the greatest challenge facing our country today is the lack of decent jobs for young people. We, therefore, repeated our call on government to “go beyond the rhetoric” and outline practical measures to address the employment challenge. We urged government to implement policies that create jobs in their right quantities and quality.
In the Budget Statement the Minister for Finance described unemployment as “the most critical economic problem of our time”. He then proceeded to announce a “new jobs programme” termed the “Nation Builders Corps” intended to reverse the growing trend of joblessness among university graduates. According to the Minister, the Nation Builders Corps Programme will employ 100,000 graduates across the country in 2018.

The TUC welcomes this bold initiative. It is perhaps the most ambitious jobs programme designed to address what has become the “most critical economic challenge” of the country. Providing jobs for 100,000 graduates in the sectors outlined in the budget will significantly improve public service delivery. It will also signal to young people who have invested so much time and money in their education that education pays. The benefits will far exceed the cost of the programme.

We do not know the details of the programme yet. For example, how many years will the programme employ the graduates? Is it going to be one year like the National Service Scheme? These are but a few of the important questions that need to be addressed as government prepares to rollout the programme in 2018.

Therefore, while we commend government for this bold initiative, we would also like to draw attention to the obstacles that continue to impede the growth of the private sector and its ability to create decent jobs. The 100,000 graduates that will be employed in 2018 will at some point have to transit into the mainstream labour market after they have acquired further skills and experience so that others
can also benefit from the programme. Strengthening the domestic private sector to absorb the beneficiaries of the Nation Builders Corps Programme will ease that transition.

We have also taken note of the several other initiatives announced by the Minister in the Budget Statement including the removal/reduction of taxes as well as the proposed reduction of energy tariffs intended to create the enabling environment for the expansion of the private sector development. These are commendable measures. But one important area that needs urgent attention is our trade policy which remains unfair to local manufacturers and farmers, especially livestock farmers. We need a very radical review of our trade policy to protect our manufacturers and farmers. Ghana also needs to work with other countries in the ECOWAS region to secure the sub-regional market for our private sector.

We expected to hear more about the measures government is going to implement to bring down cost of borrowing. The private sector in Ghana has suffered so much unfairness especially in the areas of trade, high cost of production and in terms of access to credit, compared to their counterparts in other countries that are trading with Ghana such as China, Turkey, Brazil and South Africa. The private sector needs the support of the state, at least for a specified period, to enable local entrepreneurs to expand their businesses and to create decent jobs for Ghanaians.

We continue to assure government that the TUC and its affiliates operating in all the sectors of the Ghanaian economy are ready to
support policies that will create jobs for Ghanaians and ensure prosperity for every Ghanaian regardless of their economic and social status or their location – rural or urban.

[SIGNED]

DR. YAW BAAH
SECRETARY GENERAL
TRADES UNION CONGRESS (GHANA)

ACCRA
16TH NOVEMBER, 2017