Editorial

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When this journey of the Ghanaian Journal of Economics (GJE) started four years ago little did we at the editorial board and the reading and contributing public know that such humble beginnings will turn out to be a very magnificent endeavor giving opportunity to young and established researchers to express themselves through their research findings. It is hoped that this enterprise would continue to illuminate the path of research and open up more avenues for academics and policy makers to engage on critical matters of national and international concern.

The current volume has seven articles that touch on several topical matters. There are three main features that set this volume apart from previous volumes. First, the current volume is a break with the past of publishing wholly Ghanaian content. Close to half of the articles are focused on African wide research questions: energy consumption and efficiency in Sub Saharan Africa and the related policy conundrums; determinants of non-interest income in Kenya's financial institutions and property rights and land tenure reform in Burkina Faso. This effectively establishes the GJE as a premier journal on African and global affairs. Second, the volume covers a wide range of issues at the theoretical and empirical level that are critical to national debate on the state of the Ghanaian economy. These include the broader macroeconomic shocks that Ghana is currently undergoing and the attendant policy responses; the impact of inflation targeting on economic growth outcomes; the determinants of stock market performance and the participation of women in credit markets in the Upper West region. Third, the number of articles in this volume, the depth of the topics explored, the diversity of the matters examined and the contributions made by the articles in this volume positions the GJE as a forum for seeking long, medium and short term solutions to problems bedeviling African economies. This is the mission and vision of the GJE and, the editor-in-chief and his team is very impressed by the progress achieved thus far. It is hoped that the discerning readers of the GJE will find this collection of articles very worthwhile.

The opening article addresses a topic of current concern to policy makers in Ghana. After a number of years of severe distortions arising from both domestic and external imbalances, the Ghanaian economy entered a phase of slow growth culminating in a significant shift in both the politics and the economy. Stephen Younger examines the historical antecedents of the crisis, outlines the consequences and advances a number of policy responses for dealing with the crunch. The article is a result of a wide range of consultation with the managers of Ghana's economy, academics, trade unionist and development partners. Although the article deals with some consequences of not adhering to good policies it ends on a very positive note by assuring the policy makers that Ghana has recovered from similar shocks in the past, and with luck, should be able to do so now. However, this will require reversal of the large increases in the public sector wage bill that drove much of the fiscal shock and perhaps a bold attempt at diversifying the domestic economy while dealing with the debt overhang.

Nana Kwame Akosah examines the macroeconomic factors that drive stock market performance in Ghana. He argues that financial deepening, real GDP growth, foreign direct investment, current inflation and election cycles stimulate stock market development in both short and long run. Building on the findings of Stephen Younger, Nana Akosah argues that distortions in the macroeconomy such as high Treasury bill rates, excessive government expenditure and country risk premium have deleterious impact on stock market development in both short run and long run. The study therefore recommends coordinated fiscal and monetary policies that guarantee a sustained macroeconomic stability, and reflecting low and stable prices (foreign exchange rate, short-term money market interest rates and inflation). The attainment of these goals is essential to minimize the uncertainties and systemic risks, while enhancing public's confidence in holding long term financial assets and also strengthening foreign inflows.

The next article by Benjamin Musah Abu, Paul Bata Domanban and Samuel Sekyi addresses a very fundamental problem in small business financing. The authors look at the gender dimension of small scale enterprises owned by women in the Upper West region of Ghana. Specifically, they posed the following questions: does owner, enterprise and credit institution characteristics influence access to credit, source of credit and the quantum of the credit by small scale enterprises operated by women? Their sample of 250 women entrepreneurs across different sectors indicated that characteristics surrounding the entrepreneur and the enterprise such as entrepreneur's age, education and size of business among others affect access to credit. The results confirm that owner, enterprise and credit institution characteristics influence access to credit. If this is the case, the study recommends that the business advisory centre of the National Board for Small Scale Industries (NBSSI) should be more proactive and well-resourced to enable it perform its core mandate of facilitating the growth of micro and small scale industries to ensure access to credit.

Anthony Rahim Atellu takes the question of what determines the level of non-interest income in Kenya's commercial banks. He argues that non-interest income of commercial banks in Kenya is affected mostly by management efficiency, bank size, technological innovation and macroeconomic factors. An important policy implication of these results is that government should make every effort to create conducive environment for competition in the banking sector so as to ensure efficiency and expansion of the banking sector in terms of deposit mobilization by commercial banks. Moreover, moderating the lending rates of commercial banks may reduce overreliance on traditional interest income.

A significant number of African countries are facing severe energy crisis. Years of under investment, overwhelming demand relative to supply and reliance on unsustainable sources of power, among others have been put forward as the key problems. In the next article Solomon Aboagye and Paul Alagidede examine a specific aspect of the energy crisis by looking at energy consumption efficiency and the related policy interventions. The authors posit that among others, energy consumption efficiency is a function of the extent of openness of an economy to external commerce and domestic price developments. In particular, greater openness to trade and higher domestic prices tend to reduce energy intensity. Further, while the industrial and services sectors have adverse effect on energy consumption efficiency, the reverse is true for the agricultural sector. They conclude by looking at the mix of interventions that would improve Africa's energy efficiency use.

Pam Zahonogo looks at property rights and farmers' investment decisions in Burkina Faso. The article analyzes the relationship between land tenure arrangements and households' investment in soil improvement and conservation measures. Using a survey from 2,160 households across Burkina the study showed that land tenure arrangements seem to stimulate farmers' short-term investment decisions such as buying fertilizer while significantly reducing incentives for long-term investment decisions such as tree planting. Further, education and technology do affect investment decisions, suggesting that land tenure arrangement policies should take these issues into account.

Does inflation targeting feed into long run growth in an economy? Some literature argues that countries that target inflation tend to have better growth outcome. This is the issue addressed in the next article by Alhassan Mohammed, Yusif Hadrat and Buabeng Emmanuel. The authors find that since Ghana formally adopted rules based inflation targeting in 2007 the general price levels has been relatively stable in some periods. In particular, average inflation and inflation volatility have been lower during the post-inflation targeting period compared with the pre-inflation targeting period.

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