

# Jobs and Skills in Ghana: What types of jobs have been created and where?

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# An Overview of the Centre for the Study of African Economies (CSAE ) Projects & RECOUP

- CSAE is one of the consortium partners that designed the quantitative aspect of the work in 4 countries (Ghana, Kenya, Pakistan & India)
- Manufacturing firm level data collection
- Household level data collection (Labour force surveys)

# An Overview of the Centre for the Study of African Economies (CSAE ) Projects & RECOUP cont'd

- Collaboration with GSS
- Collaboration with Associates for Change (AfC) under the RECOUP Project
- Capacity building in country

# Survey Methodology

- Survey Areas:- Accra (including Tema), Kumasi, Cape Coast & Sekondi/Takoradi-mainly urban
- Panel surveys allow tracking of firms, workers and household respondents
- Use of handheld computers
- Cost-Effectiveness
- Timeliness in data collection and processing

# Other Approaches

- CSAE data used alongside National Industrial Censuses (NIC) & GLSS datasets (Rounds three to five)
- In collaboration with GSS
- Classic case of a successful institutional collaboration

# Jobs in Ghana: What types of jobs have been created and where?

- Jobs and skill creation have become a major preoccupation of African governments and Ghana is no exception.
- While poverty levels have fallen dramatically over the period from 1991 to 2005, GSS (2007), there has been an increasing concern with both the extent and quality of job creation.
- Recent reviews of the evidence of labour market developments in sub-Saharan Africa have pointed to a pattern by which job growth has been most rapid in urban self-employment not wage employment, Kingdon, Sandefur and Teal (2006) and Fox and Gail (2008).
- Jobs are important as they are the mechanism by which individuals get access to higher incomes.

# Some Research Findings

- Presented in 2 parts:
- Firm level employment
- Household level employment

## Table 1: National Industrial Censuses, 1987 & 2003

Size	1987				2003			
	Firms	%	Emp.	%	Firms	%	Emp.	%
1-4	2,884	35	7,400	5	14,352	55	35,834	15
5-9	3,391	41	21,264	14	7,829	30	48,982	20
10-19	1,101	13	14,306	9	2,427	9	30,784	13
20-29	310	4	7,235	5	541	2	12,405	5
30-49	232	3	8,594	5	401	2	14,538	6
50-99	191	2	13,116	8	287	1	18,270	8
100-199	114	1	15,866	10	124	0	16,819	7
200-499	74	1	22,596	14	87	0	26,240	11
500+	52	1	46,707	30	40	0	39,644	16
Total	8,351	100	157,084	100	26,088	100	243,516	100
Ave. Size	19				9			

Source: Ghana Statistical Service, *National Industrial Census 1987, Phase I Report*, and *2005 National Industrial Census Bulletin No. 1*.

Note: Size categories and average size refer to employees per establishment.



## Table 2 Firms and Employment in Ghana's Manufacturing Sector

Size	1987				2003			
	Firms	%	Emp.	%	Firms	%	emp	%
Small	6,275	75	28,664	18	22,181	85	84,816	35
Medium	1,834	22	43,251	28	3,656	14	75,997	31
Large	240	3	85,169	54	251	1	82,703	34
Total	8,349	100	157,084	100	26,088	100	243,516	100

# Household level Employment

- Will any job do?
- Employment, incomes and poverty
- Types of jobs

# Will any jobs do?

- The policy question on which we want to focus today is how higher quality jobs can be created. In particular we will focus in detail on the problems faced by young workers who are entering the labour force from school or training.
- For young workers the issue is not only which jobs are available but which types of skills they need for the jobs to which they aspire.
- So no, any will not do. Young Ghanaians want good jobs.
- Where are such jobs to come from?

# What do we mean by a job?

- Jobs in Africa are not easy to define.
- In economies with no unemployment assistance the distinction between being employed and being unemployed is limited
- We will show this to be true for Ghana.

# What do we mean by a job? cont'd

- Informal sector apprenticeship output can easily be measured but incomes is more difficult
- This distinction is of importance as most apprentices are not paid so while they have a job using the output criterion they do not have one by the income criterion.

# Employment, Incomes and Poverty

- In understanding how employment links to household income we need to understand both what gets produced in terms of output and training and what income accrues to those so employed.
- What are the links from apprenticeship to incomes later in life
- In this presentation we will focus on the incomes that accrue to those in all types of jobs.

# Employment, Incomes and Poverty cont'd

- In setting out the types of jobs available in the economy we will include both apprenticeships and family jobs which are unpaid.
- This will provide an overview of what jobs are being created and will feed into our discussion of the policy issues that arise in understanding the process by which higher quality jobs can get created.

# Types of Jobs

- Most employment is self-employment and the main distinction we draw is between rural based activity, farmers, and that located in urban areas.
- Within urban self-employment we make a distinction between those with employees and those without (only from GLSS4).
- Within wage employment we identify those in the public sector either as working for the government as civil servants or as employed in a state firm.



# Types of Jobs cont'd

- For those with wage employment in the private sector we identify those in small, medium and large firms or as working on a farm.
- The remaining categories of those classified as within the labour force are unpaid family workers, apprentices and the unemployed.
- As most apprentices are unpaid the last three categories do not appear in the earnings although the unpaid are producing output and the apprentices are being trained so it is not that these economic activities have no value.

Table 3 Occupational Breakdown for Population aged 15 to 64

	1991/92		1998/99		2005/06	
	Percentag es	No. of workers	Percentag es	No. of workers	Percentag es	No. of workers
Private Wage in small firm	2.7	224,903	3.4	352,401	6.7	886,391
Private Wage in medium firm	1.1	96,751	1.7	175,675	1.9	254,128
Private Wage in large firm	0.3	28,007	0.7	68,376	0.3	38,995
Civil servant	6.1	521,097	4.5	475,479	4.3	566,306
State firm	0.9	78,080	0.7	70,480	0.2	23,409
Other wage job	0.3	26,309	0.3	29,454	0.1	9,597
Wage in Agriculture	1.1	92,507	1.3	131,493	0.3	33,347
Self-employment no employees	23.2	1,968,964	24.1	2,532,030	16.6	2,204,060
Self-employment with employees			0.7	73,636	2.0	259,764
Farmer	41.7	3,537,346	35.1	3,689,169	37.3	4,951,174
Family	1.2	104,389	3.4	355,557	3.4	448,993
Unemployed	2.5	209,627	3.2	334,518	3.5	458,379
Apprentices	5.3	445,563	5.3	560,686	5.5	728,470
Out of the labour force (a)	6.0	505,820	5.6	585,933	5.7	760,394
Students	7.6	645,854	10.3	1,085,607	12.4	1,645,095
Total	100	8,486,914	100	10,519,443	100	13,268,502

Table 4 Female: Occupational Breakdown for Population aged 15 - 64:

	1991/92		1998/99		2005/06	
	Percentages	Numbers	Percentages	Numbers	Percentages	Numbers
<b>Female</b>						
Private Wage in small firm	1.4	62,381	2.4	130,525	3.8	266,793
Private Wage in medium firm	0.4	15,704	0.6	35,547	0.9	59,946
Private Wage in large firm	0.1	3,926	0.3	16,107	0.1	7,998
Civil servant	3.6	155,297	2.2	121,638	2.4	167,118
State firm	0.2	9,161	0.1	3,333	0.1	6,472
Other wage job	0.2	7,416	0.1	3,333	0.04	2,962
Wage in Agriculture	0.5	19,630	0.7	37,214	0.1	5,892
Self-employment no employees	32.7	1,428,209	32.8	1,819,578	24.2	1,694,829
Self-employment with employees	NA	NA	0.3	16,107	1.9	129,617
Farm	39.6	1,728,769	33.4	1,856,791	34.9	2,442,332
Family	1.5	64,998	4.1	226,059	4.7	326,030
Unemployed	2.8	122,144	3.8	211,618	3.6	254,811
Apprentice	4.3	186,269	4.8	266,605	5.1	354,888
Out of the labour force	7.3	319,318	7.0	386,577	7.8	545,658
Student	5.5	239,053	7.6	423,790	10.5	732,036

Table 5 Male: Occupational Breakdown for Population aged 15 - 64

<b>Male</b>						
Private Wage in small firm	4.1	167,873	4.5	220,950	9.9	619,598
Private Wage in medium firm	2.1	84,968	2.8	139,025	3.1	194,182
Private Wage in large firm	0.6	25,160	1.1	52,134	0.5	30,997
Civil servant	9.1	376,580	7.1	351,535	6.4	399,188
State firm	1.8	72,181	1.3	66,037	0.3	16,937
Other wage job	0.5	19,798	0.5	26,315	0.1	6,635
Wage in Agriculture	1.8	75,893	1.9	93,842	0.4	27,455
Self-employment no employees	12.1	498,669	14.5	718,958	8.1	509,231
Self-employment with employees			1.2	57,596	2.1	130,147
Farmers	44.1	1,817,729	36.9	1,830,661	40.0	2,508,842
Family	0.9	37,947	2.6	130,584	2.0	122,963
Unemployed	2.1	85,793	2.5	123,633	3.3	203,568
Apprentice	6.4	263,977	5.9	293,938	6.0	373,582
Out of the labour force (a)	4.4	180,659	4.0	200,097	3.4	214,736
Students	10.1	416,589	13.3	659,376	14.6	913,059
<b>Total</b>	<b>100</b>	<b>4,124,640</b>	<b>100</b>	<b>4,965,177</b>	<b>100</b>	<b>6,271,120</b>

## Table 6 Female: Occupational Breakdown for the Young aged 15 -24

<b>Female</b>						
Private Wage in small firm	1.5	20,557	3.4	58,353	3.7	85,305
Private Wage in medium firm	0.2	3,261	0.3	5,320	0.9	21,969
Private Wage in large firm	0.1	1,701	0	0	0.1	2,103
Civil servant	0.8	11,484	0	0	0.5	11,452
State firm	0.0	0	0	0	0.0	701
Other wage job	0.1	851	0	0		0
Wage in Agriculture	0.4	4,962	0.4	7,037	0.1	1,402
Self-employment no employees	18.2	257,603	12.4	212,131	8.3	194,683
Self-employment with employees	0	0	0	0	0.4	10,050
Farm	35.1	497,059	21.7	372,945	19.7	461,349
Family	2.8	40,264	7.6	130,780	7.0	163,599
Unemployed	3.8	54,299	5.9	100,745	5.2	121,297
Apprentice	9.1	129,156	12.6	215,563	9.9	232,310
Out of the labour force	11.4	162,048	11.1	190,849	11.8	276,716
Student	16.5	234,494	24.6	422,374	32.3	753,957
<b>Total</b>	<b>100.0</b>	<b>1,417,739</b>	<b>100</b>	<b>1,716,268</b>	<b>100</b>	<b>2,337,126</b>

Table 7 Male: Occupational Breakdown for the Young aged 15 -24

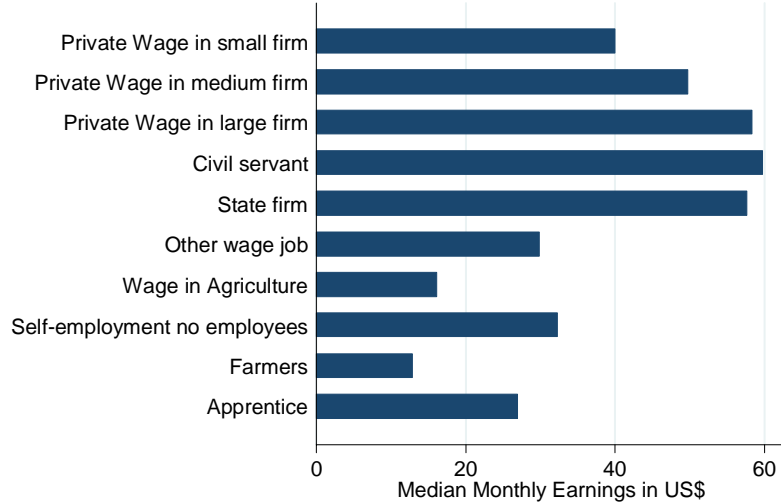
<b>Male</b>						
Private Wage in small firm	1.9	29,777	1.5	27,517	5.42	127,800
Private Wage in medium firm	0.6	9,978	2.2	40,432	0.92	21,693
Private Wage in large firm	0.2	2,693	0.1	1,872	0.07	1,651
Civil servant	0.9	13,463	0.3	5,428	0.53	12,497
State firm	0.3	4,435		0		0
Other wage job	0.1	1,742	0.1	1,872		0
Wage in Agriculture	1.6	25,342	0.3	5,428	0.27	6,366
Self-employment no employees	5.2	82,202	3.0	56,905	2.43	57,298
Self-employment with employees	0	0	0	0	0.43	10,139
Farm	42.2	667,914	29.6	554,823	25.6	603,633
Family	2.1	33,419	6.6	123,169	4.61	108,701
Unemployed	2.5	39,755	2.5	45,861	4.29	101,156
Apprentice	9.4	148,883	10.8	201,975	8.82	207,970
Out of the labour force	7.8	122,749	7.8	145,070	6.59	155,388
Student	25.4	401,667	35.3	661,332	40.03	943,884
<b>Total</b>	<b>100</b>	<b>1,583,861</b>	<b>100</b>	<b>1,871,872</b>	<b>100</b>	<b>2,357,941</b>

**Table 5 Median Earnings (Monthly) in Principal Job for Population aged 15 to 64**

	1991/92		1998/99		2005/06	
	US\$	Cedis 1998	US\$	Cedis 1998	US\$	Cedis 1998
Private wage in small firm	43 (255)	1,364,706 (255)	37 (303)	1,127,290 (303)	55 (1,048)	1,661,113 (1,048)
Private wage in medium firm	50 (110)	1,509,958 (110)	59 (165)	1,805,138 (165)	77 (310)	2,431,963 (310)
Private wage in large firm	55 (33)	1,744,186 (33)	75 (82)	2,184,389 (82)	101 (49)	3,196,294 (49)
Civil servant	60 (604)	1,928,043 (604)	71 (580)	2,198,022 (580)	121 (707)	3,691,361 (707)
State firm	58 (90)	1,724,578 (90)	90 (53)	2,745,998 (53)	109 (29)	3,453,388 (29)
Other	30 (30)	947,377 (30)	62 (34)	1,844,676 (34)	166 (16)	5,240,301 (16)
Wage in agriculture	14 (73)	446,144 (73)	11 (122)	344,609 (122)	50 (32)	1,412,458 (32)
Self-employment no employees	34 (1,950)	1,014,447 (1,950)	35 (2,853)	1,051,493 (2,853)	48 (2,650)	1,389,693 (2,650)
Self-employment with employees			87 (56)	2,674,344 (56)	95 (303)	2,814,129 (303)
Farmers	13 (2,155)	400,267 (2,155)	10 (2,990)	319,517 (2,990)	21 (3,531)	599,846 (3,531)
Apprentices	32 (159)	949,868 (159)	20 (154)	609,950 (154)	33 (338)	1,042,270 (338)
Total	27 (5,459)	833,912 (5,459)	23 (7,392)	705,498 (7,392)	41 (9,013)	1,215,982 (9,013)

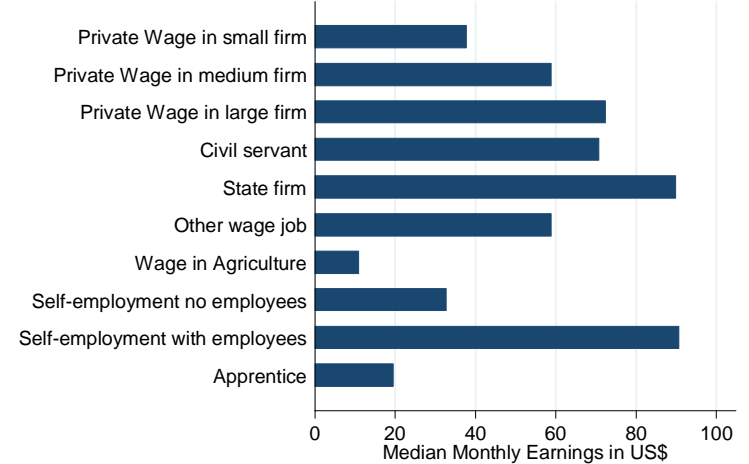
# All workers

Monthly Earnings by Job Type: 1991/1992



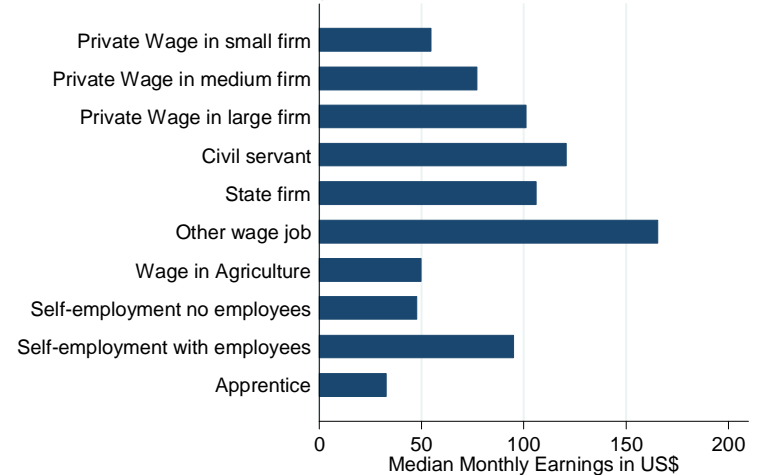
Source: GLSS 3.

Monthly Earnings by Job Type: 1998/99



Source: GLSS 4.

Monthly Earnings by Job Type: 2005/06



Source: GLSS 5.

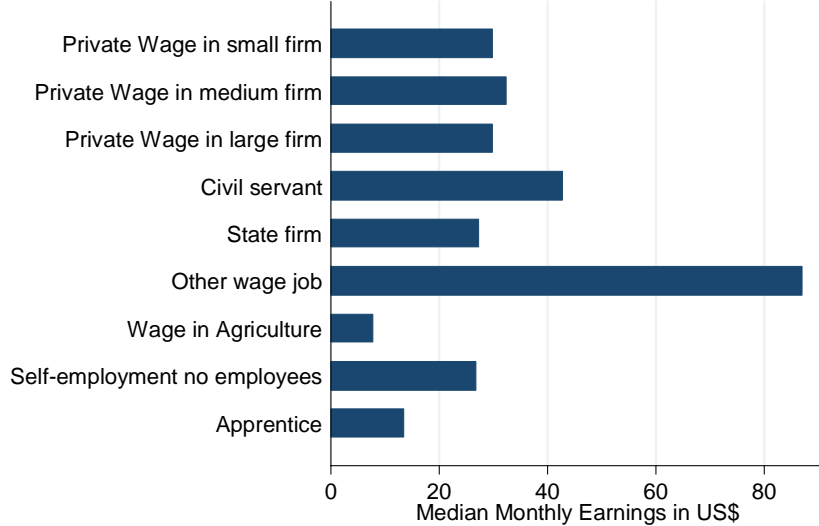


**Table 6 Median Earnings (Monthly) in Principal Job for Population aged 15 to 24**

	1991/92		1998/99		2005/06	
	US\$	Cedis 1998	US\$	Cedis 1998	US\$	Cedis 1998
Private wage in small firm	30 (55)	907,459 (55)	29 (66)	856,069 (66)	38 (229)	1,121,251 (229)
Private wage in medium firm	32 (13)	931,570 (13)	38 (25)	1,141,607 (25)	48 (47)	1,389,693 (47)
Private wage in large firm	30 (5)	873,257 (5)	29 (10)	920,177 (10)	57 (4)	1,699,114 (4)
Civil servant	43 (28)	1,336,383 (28)	60 (6)	1,873,377 (6)	68 (26)	2,014,328 (26)
State firm	27 (5)	880,969 (5)	31 (1)	876,690 (1)	190 (1)	6,022,004 (1)
Other	87 (3)	2,993,585 (3)	21 (2)	658,125 (2)		
Wage in agriculture	8 (16)	229,731 (16)	12 (12)	379,765 (12)	50 (7)	1,397,078 (7)
Self-employment no employees	27 (308)	812,774 (308)	24 (333)	714,364 (333)	33 (280)	1,042,270 (280)
Self-employment with employees			14 (1)	428,571 (1)	71 (17)	2,258,251 (17)
Farmers	9 (259)	275,218 (259)	7 (278)	229,687 (278)	11 (279)	307,613 (279)
Apprentices	13 (35)	458,973 (35)	18 (63)	545,021 (63)	27 (97)	769,034 (97)
Total	20 (727)	577,344 (727)	17 (797)	517,576 (797)	30 (987)	903,301 (987)

# Young Workers

Monthly Earnings by Job Type: 1991/1992



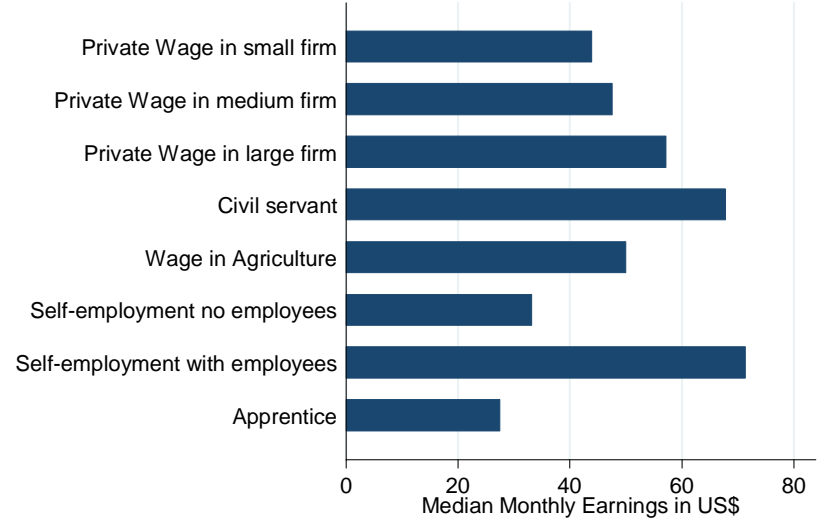
Source: GLSS 3.

Monthly Earnings by Job Type: 1998/99



Source: GLSS 4.

Monthly Earnings by Job Type: 2005/06



Source: GLSS 5.

## So what types of jobs have been created and where?

- The general view is that jobs were growing most rapidly among the urban self-employed.
- This view is not correct when we compare GLSS4 with GLSS5.
- In fact self-employment with no employees fell from 24 to 17 per cent of the population aged 15 -64.
- It also fell for young workers.
- Between GLSS4 and GLSS5 it is jobs in small firms which have exploded in importance

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# Is this good or bad news?

- It is both.
- The good news is that earnings across all types of jobs have risen dramatically over the period.
- Between GLSS4 and GLSS5 earnings in US\$ terms increased by nearly 80 per cent. In constant price cedi terms by nearly 50 per cent.
- This rise in real wages occurred across all job types.
- For young workers it was higher than average.
- That's the good news.

# There is bad news.

- Wages remain very low by the standards to which Ghanaians aspire.
- On average in 2005/06 earnings were US\$40 per month.
- In firms they were higher. In the case of larger firms very much higher – US\$100 per month.
- Ghana has reduced poverty by half by increasing earnings by 50 per cent.
- If you could find ways of increasing the number of jobs with earnings of US\$100 per month for everybody Ghanaians might start to believe the statisticians.

## Occupational Breakdown for Population aged 15 – 64: Gender Disparities

- 6 per cent of males are employed as civil servants compared with 2 percent females
- 10 percent of males are working as wage earners in private small firms as against 4 percent females
- Similarly we have a higher proportion of male apprentices than females (6 vs. 5 percent)
- However, we find more women in self-employment and family work than men

# One specific question for this project: how does skills training impact on earnings?

- CSAE, University of Oxford is working on that within the RECOUP Project
- Associates for Change also looking at the question from the qualitative perspective to complement the CSAE work



# First steps to answering the question

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- Who provides the training?
- Do different types of training have different effects and, if so, why?
- How might training impact of earnings?

## Some Results from Urban Panel Survey, 2006

- Training in Ghana
- Types of Training
- Educational background
- Occupational Outcomes
- Further work on apprenticeship is currently on-going

# Training in Ghana in 2006

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	Number of observations	% of total
No formal training	1099	67
Any apprentice/vocational/technical training, past or current	544	33
Total individuals, excluding children and the elderly	1643	

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# Types of Training

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	Number	% of total
Current apprentice	122	15
Past apprentice	317	40
Current vocational trainee	16	2
Past vocational trainee	112	14
Current on-the-job trainee	40	5
Past on-the-job trainee	158	20
Trained teacher/nurse	25	3
Total number of training events	790	100

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# Educational Background

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Complete sample	Number	% of total
No education (years<6)	226	14
Primary (years between 6 and 9)	218	13
Middle (9 or 10 years -- jss or middle)	896	55
Secondary	283	17
Post secondary (strictly academic)	13	1
Polytechnic	7	0
Total	1643	

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Individuals who did an apprenticeship in the past	Number	% of group
No education (years<6)	29	9
Primary (years between 6 and 9)	32	10
Middle (9 or 10 years -- jss or middle)	233	74
Secondary	23	7
Post secondary (strictly academic)	0	0
Polytechnic	0	0
Total	317	

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# Occupational Outcomes in 2006

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Complete sample	Number	% of total
Self-employed	549	33
Small firm	248	15
Large firm	169	10
Public sector	64	4
No earned income	613	37
Total	1643	

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Individuals who did an apprenticeship in the past	Number	% of total
Self-employed	181	57
Small firm	52	16
Large firm	30	9
Public sector	8	3
No earned income	46	15
Total	317	

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Note: this includes those who also did, in addition, other types of training.

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# Policy Implications

- Need to link investments and training to jobs
- There should be more engagement between Economists and Education planners (to know what data is available for targeting)
- Study and provide needs of small firms
- Grow large scale firms since they give higher incomes to workers