

# Post-Basic Education and Training: Education and Poverty - Beyond the Basics

## Post-Basic Education, Training and Poverty Reduction in Ghana

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### Education for all: *for what?*

Despite the narrow targeting of the Millennium Development Goals (MDGs) on primary education, it is becoming more widely acknowledged (e.g. by the World Bank and recently USAID) that there are no semi-automatic outcomes to investment in basic education, and indeed post-basic education and training (PBET) is crucial for poverty reduction efforts. Heavy investment at the basic, especially primary, education level (while acknowledging that quality needs improvement at this level), without also widening access to, and improving the quality of, PBET, is insufficient for equitable and sustainable poverty reduction in Ghana.

Regardless of this understanding of the need for deep and holistic education systems, the narrowness of the education MDGs has both reflected and exaggerated a trend for donors in Ghana (like DFID and USAID) to focus on basic, especially primary, education. The Government of Ghana (GoG), on the other hand, has a more holistic view of education and training and is also keen to expand opportunities at the post-basic level.<sup>1</sup> This has led to government-donor disagreement, tension, and indeed questions about policy ownership.

For the education and training system in Ghana to bring about the kinds of expected outcomes so often associated with education, investment should not be too narrowly targeted at the MDG of Universal Primary Education (UPE), but should treat the education system as an interdependent whole. Given the crucial synergies amongst all levels of the education and training system, the MDG-UPE target might be missed, and would likely be unsustainable post-2015, if educational funding is too closely tied to primary/basic education at the expense of other levels. Progress towards the Education MDGs in Ghana is already promising to produce some of the largest cohorts of basic education graduates ever witnessed. We must now ask: (Primary) Education for all: *for what?*

### Falling benefits to basic education

Ghanaian parents and students are aware of the poor quality of many schools at the basic level, and of the difficulty in finding formal employment upon its completion. The benefits of a basic education, alone, for many of the poor, are becoming questionable. Basic education is often used as a step to access further formal

education and training where the poor can see the direct benefits are better.

Recent quantitative research evidence from Ghana, and other countries in Sub-Saharan Africa (SSA), points to the importance of formal post-basic education as a means of accessing higher incomes and hence combating income poverty. Statistical analysis shows that 'there appears to be low return to having a primary education', and that middle school education (or JSS) has only a marginal impact. A 2004 World Bank report finds that 'significant positive returns are only found for senior secondary and tertiary graduates'. This contrasts with rate-of-return to education (RORE) estimates (e.g. Psacharopoulos) that still show primary education as having the largest impact on income levels for SSA. While acknowledging the limitations of quantitative calculations, and RORE estimates for SSA in particular, new research evidence suggests that the primary school on its own has a limited effect on poverty reduction. Two related propositions for the declining returns to schooling in the early years can be suggested, concerning respectively the *delivery context* (factors within the education sector that will ensure or inhibit the sustainable provision of a quality education system) and the *transformative context* (the enabling environment, outside of the education system, that is required to transform education and skills training into developmental outcomes).

- **Delivery context:** An unsupportive educational environment for the provision of schooling has led to declining quality at the basic education level which in turn has led to the decreased benefit to lower levels of education, and hence to decreased returns to education. One of the reasons for the decline in the quality of basic education, and hence the declining returns to this lower level, might be that the post-basic education and training environment has now become unsupportive of the basic education level, thereby disabling outcomes in the early years. Given the investment focus in Ghana has been on primary or basic education – to a greater extent than it has been at the post-basic level, it might be a lack of teachers and educational managers – who are products of post-basic education – that has resulted in this declining quality at the lower levels
- **Transformative context:** The environment into which graduates from education and training proceed may not have been sufficiently supportive in Ghana to catalyse developmental outcomes from education. For example, if education benefits accrue from obtaining employment and raising incomes, then it might be that the declining opportunity in the labour market has caused the decline in benefits of just having basic education.

<sup>1</sup> Some donors in Ghana, notably the World Bank and a recent Spanish grant facility, do have very new programmes in support of post-basic, principally tertiary level, education, but the overall emphasis of donor support is at the basic education level.

Further, transfers of resources to basic education may have damaged the roles of PBET in improving the wider non-educational environment – e.g. training agricultural and health professionals, employment creation, developing a knowledge economy, stimulating economic growth and promoting innovation, inventiveness and research. Hence donor targeting of basic education alone is unlikely to contribute to the development of the growth environment needed for poverty reduction to occur.

### **Post-basic education; higher income returns and other positive externalities**

It is not just higher incomes that appear to be related to senior secondary education levels. Research evidence from Ghana shows the importance of senior secondary, and other post-basic levels, in relation to labour allocation to more productive activities, health indicators, remittances, and the ability to make use of technological advances.

In poor countries, the policy recommendation that primary education should have the funding priority is usually based on the idea that benefits from primary education are more significant than those from other levels. The evidence for Ghana undermines this assumption by pointing to the current low returns at the lower levels of schooling. It would, however, be too hasty to jump to the opposite conclusion that investment should be targeted at expanding post-basic education where the private returns are highest. Primary education forms the basis of further learning, and since basic education feeds higher levels of schooling, a good quality basic education is essential to maintain quality outcomes at higher levels. Improving the quality of basic education is also dependent on having a stronger and more equitable PBET system. A holistic view of the interdependence within the sectors of the education and training system needs to emerge. This view is more likely to create the skill-mix needed for pro-poor growth in Ghana.

### **Do the children of the poor reach post-basic education?**

The evidence that returns to education are higher at higher levels of schooling leads to a further question; who actually reaches these higher levels and on whose incomes is there a positive impact? Indeed, this is a question almost never asked by economists. The present status quo is that formal post-basic education in Ghana largely excludes the poor, and that too much public money is spent on secondary and tertiary levels. Despite only 10% of the population achieving an education level of Senior Secondary (SSS) or higher, of the total resource envelope for education in 2005, an estimated 47% was allocated to SSS, teacher and tertiary education. Moreover, a recent study by the Ghana Statistical Service (GSS) reveals that the poorest 10% of the population are unlikely to benefit from public expenditure on either secondary or tertiary level. But it is at the tertiary level that the poor really are excluded. The GSS study shows that the poorest 45% of Ghana's population have no access to tertiary education (and hence do not benefit from public expenditure at this level) and derive no direct personal benefit from it. At the other end of the spectrum, the Ghanaian elite, the richest 1.5% of the population, command 55% of public spending on tertiary

education. It is therefore important that those receiving secondary or tertiary education pay more for the privilege and hence the cost-sharing mechanisms at secondary and tertiary levels need serious consideration. However, what is also essential, particularly if fees are increased at formal post-basic level, is that the poor are not further marginalised.

The fact that most of the poor are unable to gain access to post-basic education should not be a reason that, in order for funding to be pro-poor, only the primary/basic level should be targeted to achieve maximum impact. If post-basic education is to become less exclusive, there must be new investments directed towards improving access of the poor to post-basic education. This would mean much more financial support to needy, but talented, basic education graduates so that they might participate in secondary and other post-basic levels of education. The government and donors, for example, might explore mechanisms, such as bursaries, by which they can provide funds to support the poor through post-basic education.

***Policy Implication: The fact that the poor are very under-represented at the post-basic level implies that there should be greater support from the GoG and donors to facilitate their access.***

### **Education's Relationship with Unemployment**

Having a balanced basic–post-basic education and training system is still insufficient for the expected developmental outcomes to materialise from educational investment. In Ghana, as elsewhere, too much is often expected of the education system itself without concomitant support to the wider enabling environment within which education operates. Ghana's policy places economic growth at the centre of its fight against poverty and it is 'gainful' employment, particularly in the private sector, that the GoG views as 'the main engine of growth'. Employment / self-employment creation is thus placed centre stage in the fight against poverty in Ghana. However, the GoG rationale is that before employment / self-employment can be created, the poor need skills and better education. Moreover, since budget constraints mean that the GoG cannot create employment for the people, its primary role is twofold: providing education and skills training, and creating an enabling environment for private sector growth. In the latter of these, support to private sector growth is largely concentrated in the formal sector, with informal enterprises receiving little support from the GoG. Indeed, much of the emphasis – in politics and in policy – remains on education as a main route to 'development', and the need for literate, skilled people as a prerequisite for poverty reduction is seen as essential. We have to ask, therefore, is there too much expected of the education and training system itself?

Since the mid 19<sup>th</sup> Century, Ghana's education and training system has been repeatedly reformed in various attempts to increase employment. Since 1847, many commissions have recommended that the education and training system should be more work-oriented. The 2004 White Paper on Education Reforms in Ghana assumes that the reforms will promote employment. The new diversified 'Senior High Schools' proposed in the reforms are intended to train the youth 'for entry into the world of work'. This echoes previous educational reforms over the past 150 years and suggests that the GoG still believes that the solution to the unemployment issue in Ghana today lies in the secondary school, or rather what

is taught in the secondary school. But as Philip Foster noted of Ghana back in the 1960s, it is largely what happens outside of the school that determines how educational outcomes translate into employment outcomes. Unemployment is an economic, not an educational, problem. The expected outcomes of these repeated educational reforms – poverty reduction and employment creation – have largely not materialised, mainly because other supportive measures, including a supportive enterprise environment, were not in place. Unemployment and under-employment in Ghana are still huge problems and of major concern for the current government.

### **The Underlying Assumption of the Skills Development Agenda**

International targeting of basic education has led to the neglect of skills development. Skills development in Ghana has received too little emphasis. Skills development does not appear in the MDGs and has been side-lined in favour of investment in primary education. In Ghana, donors largely do not work in this area, or where they have (such as the Bank's Vocational Skills and Informal Sector Support project 1995-2001) the programmes have largely been judged unsatisfactory. Government budget allocation to the technical and vocational education and training (TVET) sector is small and there is virtually no support to informal sector training. However, various skills development strategies aimed at providing the youth with 'employable skills' have been promoted by the government over the years. Current programmes include public and private formal Vocational Training Institutes (VTIs), and other government-led non-formal programmes such as Integrated Community Centres for Employable Skills (ICES) and the Skills Training and Employment Placement Programme (STEP). But their limited impact is not simply due to their limited scope when compared to the total numbers of youth who need skills, but also because their implicit objectives follow the underlying assumption of the Ghanaian skills development agenda – that the skills provided will lead to productive and gainful work. But there is virtually no research evidence on the employment / self-employment outcomes of graduates from these programmes. For their part, the government would like to believe that the objectives are largely met: that the youth have successfully acquired marketable skills and become gainfully employed. Further, while

government intervention has been focussed on pre-employment skills training, there has been little attention paid to supporting traditional apprenticeships in the informal economy. Attention, therefore, needs to be given to making skills development, both delivered in the informal economy and pre-employment institutions, more effective and equitable.

***Policy Implication: GoG should not expect that these new education reforms or skills training will solve the problem of unemployment, without concomitant action to develop a supportive labour market environment.***

***Policy Implication: GoG needs to develop a pro-poor informal sector strategy as part of wider support to the development of a meritocratic labour market environment.***

The GoG needs to place a much greater emphasis on what happens when children leave school, early or not as the case may be. Since the majority of new employment opportunities are created in the informal economy, and since most of the poor work in this sector, from a poverty-reduction perspective, there needs to be more focus on the creation of supportive measures in the informal economy which start to deal with what the ILO terms the numerous decent work deficits that inhibit education and skills training from translating into poverty-reducing employment. Likewise, donors need to refocus attention onto the informal economy. The need for more supportive micro- and small-enterprise (MSE) policies often appears in policy rhetoric, but these are still largely absent on the ground. In 2005/6, there are hopeful signs that a new informal sector strategy is being developed, but again Ghana's policy history is strewn with the wreckage of unsupportive MSE strategies and projects. In particular, the history of support to MSEs in the informal economy has not revealed much action beyond the political and policy rhetoric. Moreover, private sector development in donor circles too often excludes discussion of the informal economy.

***Policy Implication: The development of a pro-poor informal sector strategy needs to be placed within the development of wider enterprise strategies that promote pro-poor growth and a meritocratic labour market environment.***

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### **Further information sources**

This Policy Brief draws on a fuller country study on 'Beyond the Basics: Post-Basic Education, Training and Poverty Reduction in Ghana'. It is part of a 6-country study coordinated by the Centre of African Studies at the University of Edinburgh and funded by the UK's Department for International Development (DFID). The Policy Brief does not, of course, represent the views of DFID. The full paper by Robert Palmer is available in electronic format from:

[www.cas.ed.ac.uk/research/projects.html](http://www.cas.ed.ac.uk/research/projects.html).

Also relevant and available on the same site are two papers by Kenneth King and Robert Palmer; one on 'Education, Training and their Enabling Environments' and the other on 'Skills development and Poverty Reduction'. More information on the full project, as well as country studies for Kenya, Tanzania, Rwanda, South Africa and India can also be accessed from this address.