



**Beyond the Basics: Post-Basic Education, Training and Poverty
Reduction in Ghana**

ROBERT PALMER

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Contact details for author:

Robert Palmer, Centre of African Studies, 21 George Square, Edinburgh, EH8 9LD.

Email: Rob.Palmer@ed.ac.uk

ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
BECE	Basic Education Certificate Examination
BESIP	Basic Education Sector Improvement Programme, World Bank (1996-02)
CIDA	Canadian International Development Agency
CRT	Criterion Referenced Test
CSSP	Community Secondary School Construction, World Bank (1991-95)
DBS	Direct Budget Support
DFID	Department for International Development, UK
DPs	Development partners
DWPP	Decent Work Pilot Programme of the ILO
EdSAC I	Education Sector Adjustment Credit I, World Bank (1986-91)
EdSAC II	Education Sector Adjustment Credit II, World Bank (1990-94)
EdSeP	Education Sector Project, World Bank (2004-09)
EFA	Education For All
ERP	Educational Reform Programme
ESP	Education Strategic Plan
ESSP	Education Sector Support Project, DFID (1998-04)
EU	European Union
FCUBE	Free Compulsory Universal Basic Education
FUSMED	Fund for Small and Medium Enterprise Development (Bank of Ghana)
GER	Gross Enrolment Ratio
GLSS	Ghana Living Standards Survey
GPRS	Ghana Poverty Reduction Strategy
GSS	Ghana Statistical Service
GNP	Gross National Product
GoG	Government of Ghana
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Aid Agency)
HIPC	Heavily Indebted Poor Country
HERP	Health and Education Rehabilitation Project, World Bank (1986-91)
ICCES	Integrated Community Centres for Employable Skills
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
IMF	International Monetary Fund
ISSER	Institute of Statistical, Social and Economic Research, University of Ghana, Legon
JHS	Junior High School
JICA	Japanese International Cooperation Agency
JSS	Junior Secondary School
MC	Master-craftsmen/women
MDGs	Millennium Development Goals
MOEYS	Ministry of Education Youth and Sports (now MOES)
MOES	Ministry of Education and Sports
MOMDE	Ministry of Manpower Development and Employment (now MOMYE)

MOMYE	Ministry of Manpower, Youth and Employment
MSE	Micro and small enterprise
NBSSI	National Board for Small-scale Industries in Ghana
NER	Net Enrolment Ratio
NGO	Non-governmental Organisation
NVTI	National Vocational Training Institute
QUIPS	Quality Improvements in Primary Schools, USAID (1997-04)
PAMSCAD	Programme of Action to Mitigate the Social Cost of Adjustment, a revolving fund of US\$ 2 million set aside to assist MSEs (under NBSSI).
PBET	Post-basic education and training
PREP	Primary Education Project, USAID (1990-95)
PRSP	Poverty Reduction Strategy Paper
PSA	Public Service Agreement
PSDP	Primary School Development Project, World Bank (1993-98)
SDA	Service Delivery Agreement
SESP	Support to Education Strategic Plan, DFID (2005-2009)
SHS	Senior High School
SSA	Sub-Saharan Africa
SSS	Senior Secondary School
SSSCE	Senior Secondary School Certificate Examination
STEP	Skills Training and Employment Promotion
SWAps	Sector-wide approaches
TApS	Traditional Apprentices
TVET	Technical and vocational education and training
UNCTAD	United Nations Conference on Trade and Development
UBE	Universal Basic Education
UPE	Universal Primary Education
USAID	United States Agency for International Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
VSP	Vocational Skills and Informal Sector support project, World Bank (1995-01)
VTI	Vocational Training Institute

EXECUTIVE SUMMARY

Beyond the Basics: Post-Basic Education, Training and Poverty Reduction in Ghana

This paper is one of a series of six country papers – from Ghana, South Africa, Tanzania, Rwanda, Kenya and India. Together they form part of a Department for International Development (DFID) funded project that is exploring the possible contribution that post-basic education and training (formal and informal skills development, secondary and tertiary education) can make to poverty reduction in Sub-Saharan Africa and South Asia. The main research questions for this paper include:

- What is the poverty framework in Ghana – how is poverty defined and how does the country policy aim to reduce poverty? What assumptions underlie the policy?
- What is the relationship between basic education and post-basic education and training (PBET) in Ghana? Why are different sub-sectors of education and training supported?
- What is the relationship between donors and the government with regards to education and training priorities?
- What research evidence exists on the relationship between post-basic education and training and poverty reduction in Ghana?
- What roles does informal and formal skills development play in poverty reduction in Ghana?
- What are the country-specific transformative contexts and enabling environments that are needed for basic education and different sub-sectors of PBET to translate into positive developmental outcomes?

The Economy, Poverty and Poverty Reduction in Ghana

Between 1992 and 1999, the percentage of Ghana's population classified as poor reduced from 52% to 40%. However, poverty is still pervasive in Ghana and this average masks regional and occupational disparities. Poverty is highest in the Upper West (84%), Upper East (88%) and Northern Regions (69%), and between 1991/92 and 1998/99, poverty levels actually increased in the Upper East, Northern, and Central Regions. Poverty in Ghana is largely a rural phenomenon, with rural poverty running three times as high as urban poverty. This rural nature of poverty suggests that poverty is concentrated in the informal economy (which includes agriculture). Among occupational groups, non-export food-crop farmers and the non-farm self employed are still most at risk.

Ghana's policy places economic growth at the centre of its fight against poverty, but recent growth rates have been relatively slow. It is the area of 'gainful' employment, particularly in the private sector that the government sees 'the main engine of growth' for Ghana to enter the 'golden age of business'. Employment / self-employment creation is thus placed centre stage in the fight against poverty in Ghana. However, the government rationale is that before employment / self-employment can be created, the poor need skills and better education. Moreover, since budget constraints mean that the government cannot create employment for the people, their 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 government. 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. Ghana’s President Kuffour was recently quoted as saying that ‘Education is the key to development’.

Education and Skills Development Strategies in Ghana 1951-2004

Since the mid 19th Century, Ghana’s education and training system has been repeatedly reformed in various attempts to solve the problem of unemployment / under-employment. Commission after commission have recommended that the education and training system should be more orientated towards work. But, the expected outcomes of these programmes – poverty reduction and employment / self-employment creation - have largely not materialised, mainly because other supportive measures were not in place and the education and training system itself was, and is, imbalanced and focuses too much on primary education with less support to other sub-sectors at the post-basic level.

Current primary school enrolment is increasing faster than the school-age population. Enrolment ratios are increasing, but progress towards UPE has been steady rather than rapid. Ghana is judged to be on track to achieve MDG2 (universal primary education, UPE) by 2015. However, there are still more than one million primary school-age children not enrolled at the primary level, and recent developments at the post-basic level might threaten UPE. In the last few years, secondary and tertiary enrolments have increased dramatically and the recurrent cost implications could mean a reduction in support to basic education. The new White Paper on Education Reforms diverges remarkably from the existing educational policy framework, the Education Strategic Plan (ESP) (which itself derives from Ghana’s Poverty Reduction Strategy Paper), and largely advocates an increased focus on the post-basic education and skills training levels. Hence, tensions exist over education and training priorities between donor agencies (who have their sights on the education MDGs) and the government (who appear to want focus more on post-basic education and training). This has the potential of creating problems for donor assistance, including donors potentially withholding financing for education or problems concerning the multi-donor budget support (MDBS) mechanism. For example, donors might be encouraged to add more ‘disbursement triggers’ (conditionalities) to budget assistance, or to question the effectiveness of direct budget support (DBS). Given the fungibility of aid, particularly when donor assistance is in the form of MDBS/DBS, the government of Ghana would likely be able to pursue its own education objectives (eg. expanding post-basic education) regardless of many development partners’ wishes for a focus on basic/primary education.

In terms of access, formal post-basic education is disturbingly not pro-poor. A recent study by the Ghana Statistical Service reveals that the poorest 10% of the population are unlikely to benefit from public expenditure on either secondary or tertiary levels. Further, it shows that not only do the poorest 45% of Ghana’s population have no access to tertiary education (and hence gain none of the direct benefits from public expenditure at

this level), but the richest 1.5% of the population command 55% of public spending on tertiary education. Hence, the main avenue to post-basic education and training for the poor occurs through traditional apprenticeship training and other on-the-job training in the informal economy. However, currently there is no real support to this area and, coupled with the fact that there is no real decent work strategy,¹ this form of training is in danger of being poverty-perpetuating.

Education and skills policies in the Gold Coast and Ghana have been very much geared up to trying to solve many of the country's problems, principally the problem of unemployment/under-employment. This strategy has largely failed in the past, but the current education reforms are again following the same rationale. This is a worrying trend.

Formal Post-Basic Education and Poverty Reduction Outcomes – Research Evidence from Ghana

Recent quantitative research evidence (Mincerian returns and regression analysis) from Ghana, and other countries in Sub-Saharan Africa (SSA) shows that formal post-basic education has the largest direct impact on income levels and hence poverty reduction. This contrasts with the rate-of-return to education (RORE) estimates (cf. Psacharopoulos, 1994; Psacharopoulos and Patrinos, 2002) that still show primary education as having the largest impact on income levels. While acknowledging the limitations of quantitative calculations, and RORE estimates for SSA in particular, the latest research evidence suggests that the primary school on its own has a limited effect of poverty reduction. Apart from the evidence suggesting that those with higher levels of education receive higher incomes compared to those with less, some other main direct effects of post-basic education include: More time spent off-farm in more profitable and productive ventures; Improved health indicators; the importance of domestic and international remittances; and a better ability to utilise and interpret information technological advances.

There are also what might be categorised as two main indirect pathways to poverty reduction that post-basic education and training (PBET) help create even though the poor are hugely under-represented at this level.

The first is the role of PBET in the development of a wider educational environment that improves the outcomes of primary/basic education. The delivery context² at all levels of the public education and training system is weak: hence the context in which education and skills are delivered does not lead to the expected outcomes of the education and training system. Post-basic education, through training teachers, developing new curricula, training educational managers and supervisors has a key role in raising the

¹ Decent work, in ILO discourse, encompasses improvements in working conditions, reducing vulnerability and achieving improvements in productivity and quality.

² The 'delivery context' refers to factors that will ensure or inhibit the sustainable provision of a quality education system itself, such as: the financing of education; availability of teachers and educational managers; the educational infrastructure; attitudes towards education; a supportive home and community environment; and the opportunities for progressing up the educational ladder.

quality and improving the delivery context of education **at all levels**. Moreover, parental commitment to primary school attendance will depend on some clear evidence of improved opportunities at the post-basic level.

The second is the role of PBET in the development of the wider non-educational environment - eg. training agricultural and health professionals, employment creation, developing a knowledge economy, stimulating economic growth and promoting innovation, inventiveness and research that catalyses education-developmental outcomes **at all levels** of education. Thus PBET contributes to the development of a supportive transformative context that catalyses education and training outcomes.³

In fact, there is an increasing emphasis, especially from the World Bank, on the role formal post-basic education and training serve in meeting the MDGs and in reducing poverty indirectly among the poor. The government of Ghana is therefore closer to the Bank's rationale that there is a need to have a more balanced education and training system in Ghana. A recently agreed Bank project, the Education Sector Project (2004-2009), having a large tertiary element, reinforces this.

The delivery context at all levels of the public education and training system is low, especially for the northern regions and for the poor: hence the context in which education and skills are delivered does not enable education/training outcomes. There are suggestions that a trend is emerging that serves to further marginalise the poor. The poor quality of public basic education is leading the elite to use good quality private basic education to gain access to the best publicly funded secondary and tertiary institutes.

Skills Development and Outcomes in the Informal Economy

In terms of the impact that both formal and informal skills development have on poverty reduction in Ghana, there remains a lack of research evidence that examines the links between formal and informal skills development and poverty reduction. At present the underlying assumption of the Ghanaian skills development agenda is that providing skills to the poor will make them employable and hence reduce poverty. But this has not been proven. Further, there remain serious 'challenges' in the delivery and transformative contexts of informal skills training in particular.

While there continues to be virtually no support to skills training taking place **in** the informal economy, in the form of traditional apprenticeship, the government has, particularly since 2003, been promoting skills development **for** the informal economy. This has been manifest in the Skills Training and Employment Promotion (STEP)

³ The 'transformative context' refers to the enabling environment, outside of the education system, that is required to transform education and skills training into developmental outcomes, including poverty reduction. This includes, for example, the growth in the economy and availability of employment opportunities; decent work deficits; facilitative 'infrastructure' for enterprise; meritocratic access to both the formal and informal labour markets; technological capabilities; social networks and institutions; cultural values and attitudes; infrastructure and many other factors.

Programme. However, while the skills training element of the STEP has been relatively successful, the support to employment promotion has so far been virtually non-existent.

Education, Skills Development and Outcomes: The Transformative Context for Poverty Reduction in Ghana

There is long-standing evidence that the effects of schooling on productivity (and hence incomes and poverty reduction) is much more marked when there is a dynamic, supportive environment surrounding schools (see King and Palmer, 2005). However, Ghanaian policy focus is very much on the education and training system as the solution to unemployment / under-employment and poverty reduction, rather than on the creation of a supportive decent and productive work environment. But, without a supportive decent and productive work environment, the education and training system cannot have any real impact on the problem of unemployment / under-employment or poverty reduction. Apart from this 'work environment', other sectors/areas are crucial determinants of education/training outcomes. Three recent documents show a growing acknowledgement that what happens outside of school is also a crucial determinant of these education/training outcomes. These are: UNESCO's most recent EFA Global Monitoring Report on educational quality (UNESCO, 2004), the UN Millennium Project Report (UNDP, 2005) and the World Bank's forthcoming policy paper on Education, the *Education Sector Strategy Update* (World Bank, 2005). Education and skills training alone cannot solve unemployment in Ghana. Both the delivery context and the wider supporting environment are weak. The education and training system in Ghana should not be seen in isolation from the other strategies, such as those for health, governance and decent work. The area of decent work is a crucial cross-cutting issue that needs to be seriously addressed. The current GPRS does not fully cover this issue having no clear informal sector strategy. There are no automatic outcomes to education and training and without a supportive internal and external context, in urban and rural areas, many of the desired developmental outcomes, including poverty reduction, will not occur, or occur unevenly and exacerbate inequality.

If educated youth are not to re-enter an unchanged rural or urban economy, then education interventions such as those of meeting the education MDG need to be undertaken in an awareness of the potential of parallel change in other MDG sectors, such as the decent and productive work, health, sanitation, water and environment.

SECTION ONE: INTRODUCTION

BEYOND THE BASICS: POST-BASIC EDUCATION, TRAINING AND POVERTY REDUCTION IN GHANA

1.1. Introduction

This paper is one of a series of six country papers – from Ghana, South Africa, Tanzania, Rwanda, Kenya and India. Together they form part of a Department for International Development (DFID) funded project that is exploring the possible contribution that post-basic education and training (formal and informal skills development⁴, secondary and tertiary education) can make to poverty reduction in Sub-Saharan Africa and South Asia.

This section will introduce some of the themes for the report, noting that policy and practice need to look ‘beyond the basics’ and support or adopt more balanced education and training systems. The main research questions will be outlined.

1.2. The Project Rationale

The Millennium Development Goals (MDGs) have become a focus for many development agencies. For example, DFID’s central policy focus is based on the 1997 and 2000 White Papers on International Development (e.g. DFID, 2000), and are largely committed to the internationally agreed MDGs. Further, DFID’s Public Service Agreement (PSA) and Service Delivery Agreement (SDA) with HM Treasury both have a focus on the MDGs, and since DFID is responsible for delivering on the PSA/SDA objectives and outcomes, DFID has to tie policy closely to these agreements and hence the MDGs.⁵

The MDGs include two education targets (targets 3 and 4) that are concerned with universal primary education and gender parity. Nowhere in the MDGs is post-basic education and training (PBET) mentioned. Only with regards to gender parity is secondary education mentioned. Hence, the educational emphasis of the MDGs is obviously basic / primary education (Universal Primary Education - UPE by 2015). A straightforward interpretation of the MDGs could thus lead to a policy of diverting educational assistance funds towards basic education and away from PBET. However, if PBET is necessary for sustainable poverty reduction and the achievement of the MDGs, then withdrawing funding from these sectors could be counterproductive and reduce the effectiveness of spending in the basic education and other social development sectors due to limited capacity. It is therefore vital to review the evidence of the role that PBET has to play in developing a country’s capacity to reduce poverty.

⁴ The World Bank (2004d) uses ‘TVET’ to refer to formal and informal sources for skills acquisition, excluding informal learning on the job. ‘Skills development’ is used to refer to the outcome of the learning process without reference to the source of skills acquisition. This approach will be followed here.

⁵ “The implication is that DFID’s budget will be increasingly linked to its performance against the Public Service Agreement” (DFID, 2003: annex 1).

1.3. Basic Outcomes

All agree that the single most important key to development and to poverty alleviation is education. This must start with universal primary education for girls and boys equally...
James Wolfensohn, January 1999⁶

For twenty-five years within the World Bank, and increasingly within other multilateral and bilateral agencies, education, and particularly primary education, have been held to have a powerful relationship with many other development outcomes, and, through these, with the reduction of poverty more generally.⁷ This primacy of primary education is symbolised in its position as an MDG, and hence within DFID as an element in their PSA. Statements regarding the ‘developmental’ impact of basic education on almost every other millennium goal is found in chapter one of the EFA Global Monitoring Report of 2002 (UNESCO, 2002), ‘Education for all is development’. The 2003 EFA Global Monitoring Report (UNESCO, 2003a) also points out the positive benefits of education, and particularly basic education.⁸

With the developmental outcomes of basic education in mind, it is important to examine in what ways, and under what conditions, PBET can also be expected to contribute to poverty reduction. For example, these alleged positive developmental outcomes of basic education are frequently cited as self-evident, without reference to the original studies upon which the ‘links’ were first proposed (cf. King and Palmer, 2005). However, there

⁶ Quoted in the World Bank’s *Education Sector Strategy* (World Bank, 1999a: iii). It was perhaps dangerous of James Wolfensohn to say that ‘**all agree**’ that the single most important key to development and to poverty alleviation is education since clearly not all do agree.

⁷ Much of the earliest research argued that primary education was associated with growth rather than poverty reduction. See even the arguments of the Bank’s policy paper from the mid-1990s (World Bank, 1995a).

⁸ For example, see the following:

A] *Education as a human right:*

- A rights based approach to education recognises the intrinsic human value of education (UNESCO, 2002: 14).

B] *Education and human capabilities:*

- Basic education provides skills that are valuable in their own right, as a fundamental outcome of development (UNESCO, 2002: 14).
- Education can help to displace other more negative features of life; e.g. free UPE will reduce child labour (UNESCO, 2002: 14).
- Education empowers those who suffer from multiple disadvantages (UNESCO, 2002: 14).

C] *Education and other development goals:*

- Education improves productivity in rural and urban self-employment (UNESCO, 2002: 15).
- Education helps to increase agricultural productivity to a significant extent, [improving] household incomes and reducing poverty (UNESCO, 2003a: 4).
- Private returns to education are highest at the primary level in countries where primary and junior secondary schooling is not yet universal, (UNESCO, 2003a: 4).
- Quality UPE has a positive impact on lower fertility rates, improved nutrition and illness prevention (UNESCO, 2002: 15; 2003a: 4).
- The link between literacy and life expectancy is strong (UNESCO, 2002: 15).
- Increase in wages is associated with an additional year of schooling (UNESCO, 2003a: 4).
- Schooled mothers are more likely to send their children to school and these children tend to have greater longevity at school (UNESCO, 2003a: 30).

are serious grounds to question these almost axiomatic outcomes of basic education. Post-basic education and training play a crucial role in the realisation of basic education outcomes and hence contributes both directly and indirectly to poverty reduction (ibid).

1.4. Beyond the Basics

Economic growth is a key prerequisite for poverty reduction in the long term, and hence the goals of economic growth and poverty reduction can be seen as complementary. However, there is often a distinct tension between education and training policies that aim to reduce poverty and those that are seen to be required for global competitiveness (Tikly, Lowe, Crossley, Dachi, Garret, Mukabaranga, 2003: 104).

Many donors currently channel the majority of their aid for education into achieving the two Education Millennium Development Goals (MDGs), namely:⁹

- Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling;
- Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015.

For example, DFID allocates about c.80% of their aid for education to basic and primary levels (DFID, 2000: 36).¹⁰ Between 2001-2002, USAID allocated 72.2% of total education funding to basic education (UNESCO, 2004: 191). However, agencies are also aware that education and skills systems need to be developed to allow countries to be globally competitive. The World Bank's last official *Education Sector Strategy* (in 1999) noted this point (see World Bank, 1999a: 1). The latest draft version of the World Bank *Education Sector Strategy Update* (ESSU) also specifically mentions the growing importance of the knowledge economy (World Bank, 2005). This version notes that a more skilled labour force is required to meet changing demands and maintain competitiveness. Further, that a more 'expanded agenda' is crucial so that knowledge can be better applied and generated (World Bank, 2005).

It is clear that the World Bank, in particular¹¹, is advocating an approach to education and training systems that goes beyond the basics: that it is crucial to develop not only basic education, but also to develop a more balanced system that recognises the crucial importance of post-basic education. In fact, for the last twenty-five years, it has been also recognised in World Bank documents that primary education alone is not sufficient, and that education and skills training beyond the primary level are required if a country is to achieve growth and be globally competitive.¹²

⁹ See <http://www.developmentgoals.org/index.html>

¹⁰ The 2005 Global Monitoring Report estimates that 85% of total DFID aid to education went on the basic education level 2001-2002 (UNESCO, 2004: 191).

¹¹ In fact, the 2005 Global Monitoring Report makes the point that in 2001-2002, the three largest overall contributors to educational financing, France, Japan and Germany, gave more emphasis to other sub-sectors of education, especially the post-secondary level (UNESCO, 2004: 192).

¹² See King and Palmer (2004) for more examples more statements from World Bank policy papers of the need to view the education system holistically.

It is interesting to note that as early as 1980, the Bank was warning that the case for primary education should not imply a sudden change in policy towards other sub-sectors:

Renewed emphasis on the importance of primary education, its high returns relative to secondary and higher education, should not start the pendulum swinging too far in the other direction. High levels of knowledge are necessary for many people who serve the poor, both directly as teachers, health workers and agricultural extension workers, and indirectly as researchers, technicians, managers and administrators... (World Bank, 1980a: 49)

A 2002 World Bank policy paper recognises the importance of seeing education as a system, and one that is balanced:

Even countries far from achieving universal primary education and adult literacy must think about the **balanced** development of *all* levels of their education system... Progress in expanding enrollment in primary education quickly creates pressure for the expansion of secondary school and tertiary education, and it is important to put in place a policy framework for expanding these levels that ensures quality, relevance, equity, and financial sustainability. The secondary and tertiary levels are the levels that produce science and technology capability—which is crucial for economic growth and technology adaptation and innovation—and that also directly determine the quality and supply of professors, teachers, and education administrators. (World Bank, 2002a: 5, italics original, emphasis added)

A slightly earlier World Bank publication, of 2001, further notes the importance of taking a holistic view of the education system:

Primary education cannot expand and economies cannot grow without an education system that trains a large number of students **beyond the basic cycle**, including graduate students at universities. **To be sustainable, education development must be balanced.** It must ensure that systems produce students at different levels with qualifications that respond to the demand of the labour market, producing a continuous supply of skilled workers, technicians, professionals, managers, and leaders. (World Bank, 2001a: 7, emphasis added)

DFID's White Paper on International Development (DFID, 2000) makes it clear that the priority for their support to education, is to meet the international education development commitments of universal primary education and gender parity. The majority (c.80%) of education aid is targeted at basic and primary education. However, there is acknowledgement that post-basic education is also crucial in today's emerging knowledge society:

This focus on the sector as a whole recognises that countries need **a balanced approach to the expansion of education.** Success in improving access and

quality at the primary education level leads to increased demand for post-primary education and for teacher training. This in turn requires improvements in higher education. Jobs, whether in the modern manufacturing or service sectors, increasingly have a strong information processing and knowledge content. East Asia's experience shows that sustained export-led growth, and the development of the learning economy, require the investment in secondary and tertiary education essential to enhance capacity to research, analyse, train and manage. (DFID, 2000: 37, emphasis added)

Further, USAID's recent education strategy, *Improving Lives Through Learning* (USAID, 2005), notes that, while the priority is still quality primary education, it is also crucial to look 'beyond basic education' to issues of access to secondary education and technical higher education.

Many donors, therefore, are well aware of the importance of a well-balanced education and training system, and hence of the importance of PBET as well as basic education. However, in practice, the emphasis on the MDGs results in development assistance that is skewed towards basic education, and especially towards primary education.

Post-basic education and training are an essential part of any countries' education and training system and it is crucial that governments and donors do not skew educational priorities too far in favour of basic education, at the expense of post-basic levels. Seeing the education and training system holistically is one thing, but perhaps equally importantly is the need to understand both the internal and external environments that this system is supposed to function in.

1.5. Structure of Report

Section 2 - The Economy, Poverty and Poverty Reduction in Ghana: This section essentially places the research in context and examines issues concerning the labour market, poverty trends and poverty reduction in Ghana, as well as the strategies and assumptions that underpin the country's poverty reduction strategy, particularly in relation to education and skills development.

Section 3 - Education and Skills Development Strategies in Ghana 1951-2004: This section will examine the history of investment in different sub-sectors of education and skills development in Ghana since 1951, with a focus on the post 1986 period (the last major education reforms). Critical analysis of current, and proposed, education and training strategies in Ghana follows.

Section 4 - Formal Post-Basic Education and Poverty Reduction Outcomes – Research Evidence from Ghana: This section shall examine some of the evidence from the literature regarding the impact of formal post-basic education on poverty reduction. We will explore both the individual and societal benefits that can transpire from post-basic education. We will discuss both intrinsic benefits (direct contributions of educational processes and knowledge to the quality of life) and *derived* benefits (capabilities to

achieve or enjoy other things) (cf. Thin, 2004). Both direct and indirect pathways to poverty reduction and the delivery context of post-basic education will be examined.

Section 5 - Skills Development and Outcomes in the Informal Economy: This section examines skills development schemes, and their delivery contexts in Ghana and examines the extent to which they reduce poverty.

Section 6 - Education, Skills Development and Outcomes: Enabling Environments and Poverty Reduction in Ghana: This section will look at the transformative context of post-basic education and training in Ghana: the enabling environment that transforms education and skills training into developmental outcomes, including poverty reduction. The focus here will be on the employment outcomes of education and training.

1.6. Main Research Questions

- What is the poverty framework in Ghana – how is poverty defined and how does the country policy aim to reduce poverty? What assumptions underlie the policy?
- What is the relationship between basic education and post-basic education and training (PBET) in Ghana? Why are different sub-sectors of education and training supported?
- What is the relationship between donors and the government with regard to education and training priorities?
- What research evidence exists on the relationship between post-basic education and training and poverty reduction in Ghana?
- What roles does informal and formal skills development play in poverty reduction in Ghana?
- What are the country-specific transformative contexts and enabling environments that are needed for basic education and different sub-sectors of PBET to translate into positive developmental outcomes?

SECTION TWO

THE ECONOMY, POVERTY AND POVERTY REDUCTION IN GHANA

2.1. Introduction

In this review of the contribution of post-basic education and training to poverty reduction, it is first necessary to set the context and examine issues concerning the labour market, poverty trends and poverty reduction in Ghana – as well as the assumptions that underpin the country's poverty reduction strategy. Therefore, this section provides context and background for this review and will examine briefly: The economic and labour market context; The nature and extent of poverty in Ghana; The discourse of poverty reduction traced through two recent policy documents, *Vision: 2020* and the *Ghana Poverty Reduction Strategy (GPRS)*; The way in which poverty is thought to be reduced, and the underlying assumptions inherent within this rationale - particularly concerned with human capital formation - will then be explored.

2.2. Ghana: Economic and Labour Market Context

Ghana has a population of about 20.5 million (2002) which is expected to grow on average 2.1% a year between 2000-2015 (UNDP, 2002). Ghana is a predominantly rural, low-income country with a Gross National Product (GNP) per capita of US \$270 (GDP per capita of US \$304) and 56% of the population classified as rural in 2001 (GoG, 2003c: 13; See table 1 for some country indicators).

Table 1. Ghana: Human Development Indicators, 2002

Population (million)	20.5
Life Expectancy at Birth (years)	57.8
Adult Literacy Rate (% aged 15 and above)	73.8
Combined Gross Enrolment Ratio (primary, secondary and tertiary) (%)	46
Net Primary Enrolment Ratio 2001/2 (%)	60
Net Secondary Enrolment Ratio 2001/2 (%)	32
GDP per capita (US\$)	304
GDP per capita (PPP US\$)	2130
Human Poverty Index (%)	26
% Population below the Poverty Line	
< US\$ 1	44.8
< US\$ 2	78.5
< National Poverty Line	39.5
Human Development Index	0.568
Human Development Index Rank	131
Gender Development Index	0.564
Gender Development Index Rank	104
HIV prevalence rate (% aged 15-49) (2003)	3.1

Source: UNDP, 2004

Ghana is making progress towards achieving the MDG targets (Table 2) and, among low-income countries in SSA, is ‘well-placed’ to achieve them (UN Millennium Project, 2004: 129). There is, however, a long way to go and a danger that the narrow targeting of these goals could ultimately lead to them not being reached, or where reached, not being sustainable.

Table 2. Progress Towards the Meeting the MDGs in Ghana

Goal/Target	Will target be met?	State of supportive environment
Goal One: Extreme Poverty and Hunger 1: Poverty (halving extreme poverty) 2: Hunger (halving the proportion of people who suffer from hunger)	Probably Potentially	Strong Fair
Goal Two: Universal Primary Education 3: UPE by 2015 (achieve universal access to primary education by 2015)	Potentially	Strong
Goal Three: Gender Equality 4: Eliminate gender disparity in Primary and Secondary education by 2005	Potentially	Fair
Goal Four: Under-Five Mortality 5: Reduce under-five mortality by two-thirds by 2015	Probably	Strong
Goal Five: Maternal Mortality 6: Reduce maternal mortality ratio by three-quarters by 2015	Unlikely	Fair
Goal Six: Combat HIV/AIDS and Malaria 7: Halt and reverse the spread of HIV/AIDS by 2015 8: Halt and reverse the incidence of malaria	Potentially Lack of data	Weak but improving Weak but improving
Goal Seven: Ensure Environmental Sustainability 9: Integrate the principles of sustainable development into country policies and programmes and reverse loss of environmental resources 10: Halve the proportion of people living without access to safe drinking water by 2015	Potentially Potentially	Weak but improving Weak but improving
Goal Eight: Global Partnerships for Development 15: Deal comprehensively with debt and make debt sustainable in the long term 16: Develop and implement strategies for decent and productive work for youth	Potentially Lack of data *	Strong Weak but improving *

Source: adapted from DFID, 2003: 7; UNDP, 2002

* indicates opinion of author as target 16 has not been assessed in the above sources.

A more recent World Bank assessment of Ghana’s progress towards the MDGs shows that the country is only ‘on track’ to meet the water and sanitation goals (Table 3.) (cf. UN Millennium Project, 2004: 129). The UN Millennium Project ‘needs assessment’ exercise for Ghana noted that:

The most difficult challenges are halving hunger, achieving gender parity in primary schools, reducing under-five mortality, and increasing primary school enrolment. (UN Millennium Project, 2004: 129)

Table 3. Status of Progress towards the MDGs in Ghana

Indicator	Earliest	Most recent	MDG status
Proportion below national poverty line	31.4% (1992)		
Prevalence of Child Malnutrition (weight for age)	27.3% (1994)	24.9% (1999)	Off track
Primary net enrollment rate	56.8% (1998)	58.3% (2000)	Off track
Ratio girls/boys in primary and secondary education	85.8% (1998)	88.2% (2000)	Off track
Under-five mortality rate (per 1000)	126 (1990)	100 (2001)	Off track
% with access to improved water supply	53% (1990)	73% (2000)	On track
% with access to improved sanitation	61% (1990)	72% (2000)	On track

Source: World Bank, World Development Indicators 2003, cited in UN Millennium Project, 2004: 129

Ghana is a Heavily Indebted Poor Country (HIPC) member, which allows for partial debt forgiveness.¹³ Money saved by the government on debt servicing has gone into social and economic development projects around the country, though not necessarily into ‘poverty reduction’ as intended. The structure of Ghana’s economy, with an over-reliance on primary products (eg. agriculture, timber, gold) and a massive informal economy, has changed little since independence in 1957.¹⁴ In the period 1995-2004, real Gross Domestic Product (GDP) growth has averaged 4.5 per cent per year (Table 4).¹⁵

Table 4. Real GDP Growth Rates 1995-2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Avg.
Real GDP	4.0	4.6	4.2	4.7	4.4	3.7	4.2	4.5	5.2	5.4	4.5

Source: GoG, 2003c: 54; www.dfat.gov.au/geo/fs/ghan.pdf

Agriculture makes up the largest contribution to GDP, accounting for 35.9% in 2001 (averaging 36.4% between 1995-2001) and is seen as “critical to the realization of all GDP targets” (GoG, 2003c: 54).¹⁶

Teal (2001) presents data on the labour force status of Ghana’s population, based on data from the Ghana Living Standards Survey (GLSS) between 1987 and 1999 which he

¹³ In June 2005, it was announced that Ghana’s multilateral debt was to be written off by the International Community.

¹⁴ For a background on the informal economy concept, character and ways it is measured, see Palmer, 2004b.

¹⁵ The real GDP is the value of all the productive activity within a country at a specific year's prices. By valuing economic activity at a specific year’s prices comparison of purchasing power between time periods is allowed since inflationary effects have been removed.

¹⁶ In 2001, industry and services accounted for 24.9% and 29.9% respectively to overall GDP (GoG, 2003c: 54).

divides into five broad categories: wage employees, farmers, the non-agricultural self-employed, unpaid family labour and the unemployed (Table 5).

Table 5. Labour Force Status: Percentages of Individuals by Category of Employment

	Ghana Living Standards Survey Rounds			
	1987/88	1988/89	1991/92	1998/99
Wage Employees	17.3	18.1	15.4	13.2
Government	8.0	7.9	7.8	5.9
State Enterprise	1.9	2.3	1.2	0.6
Private	7.4	7.9	6.4	6.7
Farmer	58.7	54.6	56.7	55.7
Non-Agricultural Self Employment	19.5	24.2	23.5	27.3
Unpaid Family	2.2	1.1	1.3	0.3
Unemployed	2.2	1.9	3.2	3.5
Total	100	100	100	100

Source: Teal, 2001: 17

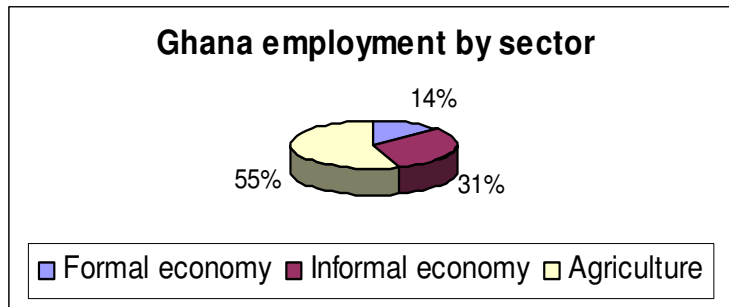
A further distinction is made for ‘wage employees’; those working as government employees, those working in state enterprises and those in the private sector. Table 5 shows that the majority of the population (83%) are self-employed (55.7% in agriculture and 27.3% in non-agricultural self-employment). Further, that the size of the formal wage sector is small (13.2%), and contracting, compared to the size of the informal sector (83% in agriculture and non-farm self employment).¹⁷

Table 5 also shows that wage employment in the public (government and parastatal workers) and private sectors are the same, at 6.7% for 1998/99. In the past it has usually been the case that the public sector has been the largest formal sector employer in Ghana. For example, even despite the retrenchments in civil servants following the Structural Adjustment Policies from 1983, government was still the largest wage employer in the 1987/88 period, representing 9.9% out of a total of 17.3% wage employment (Table 5). In fact, the 2003 GPRS notes that two thirds of all workers in the formal sector are employed in the public sector (GoG, 2003c: 32), and hence it would appear that the

¹⁷ This does assume a neat dichotomy between self-employment in the informal economy and waged-employment in the formal economy. In reality there is both waged- and self-employment in both the formal and informal economies. However, it is not possible to ascertain for Teal’s table how many of the self-employed are in the informal economy and how many in the formal. By the same rationale, it is impossible from the table to ascertain the number of those in the formal economy. However, given that that waged employment is found predominantly in the formal sector, while self-employment is predominantly in the informal sector, these figures for wage and self-employment can serve as crude proxies for numbers in the formal and informal economies respectively. Though, it should be noted this is a crude division and we should look at the relative importance of formal and informal sector activity and not be too concerned with specific percentages.

government is still the largest employer in the formal sector.¹⁸ However, table 5 also reveals a decline in the proportion of wage employees, from 17.3 % in 1987/88 to 13.2% in 1998/99. Over the same period, non-agricultural self-employment increased in importance from 19.5% to 27.3% (cf. Teal, 2001: 5). It is generally accepted that while employment growth in the formal economy in Ghana appears to be stagnating, employment growth in the informal economy is still growing. However, as the International Labour Organisation (ILO) notes, employment growth in Ghana appears to be ‘mostly survivalist’ (ILO, 2003c). Figure 1, from the ILO, shows the approximate breakdown of the labour market in Ghana into formal and informal sectors and agriculture.

Fig 1.



Source: ILO, 2003c

However, both Teal’s presentation of the GLSS data (Table 5) and the ILO diagram in figure 1 disguise a lot of information concerning the Ghanaian labour market. Teal’s presentation does not reveal whether some of those that are recorded as working outside of agriculture actually work part-time in agriculture and part time in non-farm activities (cf. ILO, 2003b: 25).¹⁹ The ILO diagram (Fig 1) makes a neat, but very crude, division between formal, informal and agricultural sectors – a division that does not actually exist in peoples’ everyday livelihoods.²⁰ The crucial issue of occupational pluralism, including the sub-issue of farm non-farm linkages, is in fact invisible in data presented in this manner.²¹ As Jolliffe notes, 74% of the farm households in Ghana have at least one member engaging in some form of non-farm work (Jolliffe, 2004: 290). Hence where a household is classified as ‘a farming household’, or an individual classified as a ‘farmer’, the diversity of the livelihood for the household or the individual is masked. Interestingly, in the early 1950s, Bauer commented that:

¹⁸ This figure, from the GPRS, of two-thirds of all workers in the formal sector being in the public sector is not directly comparable with Teal’s GLSS data since it is not clear from Teal’s data who is in the formal and informal sectors (see footnote 15).

¹⁹ By the same token, nor does Teal’s presentation reveal whether some of those that are recorded as working in agriculture actually work part time in agriculture and part time in non-farm activities. Further, as mentioned in footnote 15, Teal’s table also does not reveal how many are in the informal economy and how many are in the formal economy.

²⁰ Agriculture might be included as part of the informal economy (see Palmer, 2004b).

²¹ On occupational pluralism see Palmer, 2004b: 39-42.

In the Northern Territories of the Gold Coast many farmers spend a substantial part of their time in non-agricultural activities... [in] the colony area of the Gold Coast, the great bulk of the population has other occupations, generally some form of trading, in addition to their main activity. (Bauer, 1954: 11)

This imperfect specialization and the importance of secondary activities carried on by members of the household greatly diminish the value and relevance of the conventional occupational classifications of statistical compilations. This fact has not been sufficiently recognized. (Bauer, 1954: 12)

The notion of occupational pluralism, at both the individual and household level, is not new, but is frequently sidestepped in research and policy documents – and, fifty years later, is still not sufficiently recognised. Of relevance to this report, is that the relationship between education, skills development and occupational pluralism has not been explored sufficiently.²² Nor, in fact, has the possible synergies between education and skills development.

Bauer noted the issue of what is now termed ‘occupational straddling’ – long before the term was used – and that it was not only so-called ‘farmers’ that had other occupations, but “Government employees are also frequently part-time traders” (Bauer, 1954: 12).

More recently, the ILO’s Decent Work Pilot Programme (DWPP) in Ghana estimates that:

There are 2.3 million small businesses operated by 1.9 million households, and women operate over 66 per cent of these small businesses. Over 56 per cent of all non-farm enterprises are engaged in some trading activity, 24 per cent in manufacturing, with the remaining 20 per cent in other activities. Many of these would have forward and backward linkages to agriculture. (ILO, 2003b: 25)

Teal’s figures in Table 5 reveal that the unemployment level in Ghana is low. He comments that:

The measured rates of unemployment are very low. The rate is highest in the fourth round [of the GLSS] at 3.5 per cent [in 1998/99]. These very low rates for Ghana stand in marked contrast to those observed in other African countries. (Teal, 2001: 5)

However, measuring unemployment in developing countries is extremely difficult to do and this figure of 3.5% is likely to be on the low side. There is a great deal of disguised unemployment or underemployment in Ghana and Sub-Saharan Africa more widely.²³

²² But see Jolliffe (2004) who examines the impact of education on labour allocation between different income generating activities. He does not, however, examine skills training and occupational pluralism.

²³ It is very difficult to get an accurate unemployment figure for Ghana or other countries in SSA, not least because of the difficulty of actually defining what ‘unemployment’ is and the differing views between

Unemployment / underemployment is a huge problem in Ghana. Anecdotal evidence from the Ghanaian media suggests that it is not only school drop-outs who work as street hawkers, but some are Polytechnics or Senior Secondary School graduates (Palavar, 2005).

2.3. The Nature and Extent of Poverty in Ghana

There has been a fair degree of work on poverty in Ghana (cf. Canagarajah and Pörtner, 2003; Coulombe, 2004; GoG, 2003c: section 3.3; GSS, 2000; Kunfaa, 1999; Kunfaa and Dogbe, 2002; Norton, Bortei-Doku Aryeetey, Korboe and Dogbe, 1995). The Ghana Poverty Reduction Strategy Paper (PRSP) defines poverty as “an unacceptable physiological and social deprivation” (GoG, 2003c: 3), and recognizes it “as multi-dimensional with complex interactive and causal relationships between the dimensions” (ibid).

2.3.1. Trends in Consumption Poverty in the 1990s

A report by the Ghana Statistical Service (GSS), *Poverty Trends in Ghana in the 1990s* (GSS, 2000), which was based on the 1998/99 GLSS 4, states that 52% of Ghana’s population was poor in 1992 and that this had dropped to 40% by 1999 (Table 6). Extreme poverty reduced from 37% to 27% over the same time frame.²⁴ However, this overall *average* reduction in the number of the poor masks regional disparities. Between 1992 and 1999, poverty reduced most in Accra and the urban and rural forest zones, with slight reductions seen in most other areas. However, in the urban savannah regions poverty levels actually increased (Canagarajah and Pörtner, 2003: 61; GoG, 2003c: 13).

Poverty in Ghana is worst in rural areas, and since 1992 “rural poverty [is] running three times as high as urban poverty” (Canagarajah and Pörtner, 2003: 61). “The rural nature of poverty... suggests that poverty is... primarily an agricultural phenomenon and largely in the informal sector” (GoG, 2003c: 28). The percentage of those in poverty in urban areas in reduced from 18% in 1991/92 to 17.3% in 1998/99. In rural areas poverty reduced from 46% to 36% over the same period (GoG, 2003c: 14) (see also Table 7). In 1999, five out of the ten regions showed an incidence of poverty of 40% or more (Table 6). Poverty is highest in the Upper West (84%), Upper East (88%) and Northern Regions (69%). Between 1991/92 and 1998/99, poverty levels actually increased in the Upper East, Northern, and Central Regions.

government and the much of the population with regards to what actually constitutes ‘employment’ (see Palmer, 2004b: 60-66).

²⁴ The poverty line in the GLSS is the consumption expenditure needed to achieve minimum nutritional needs. Those in ‘poverty’ are defined as those subsisting on less than 900,000 cedis per adult per year. ‘Extreme poverty’ is defined as those subsisting on less than 700,000 cedis per adult per year.

Table 6. Regional Poverty Profile

	Incidence (percent)	
	1991/92	1998/99
Ghana	52	40
Upper West	88	84
Upper East	67	88
Northern	63	69
Brong Ahafo	65	36
Ashanti	41	28
Volta	57	38
Eastern	48	44
Grt Accra	26	5
Central	44	48
Western	60	27

Source: GoG, 2003c: 15

Table 7. Extreme Poverty Incidence by Locality

	Incidence (percent)	
	1991/92	1998/99
Ghana	37	27
Accra	11	2
Urban Coastal	14	14
Urban Forest	13	11
Urban Savannah	27	27
Rural Coastal	33	26
Rural Forest	46	21
Rural Savannah	58	59

Source: GoG, 2003c: 16

Even though there was a drop in extreme poverty of 10% between 1991/92 and 1998/99, still some 27% of the population were unable to meet their basic nutritional needs even after spending their entire consumption budget on food (GoG, 2003c: 16). Levels of extreme poverty are worst in the rural and urban savannah areas, at 59% and 27% respectively, and in the rural coastal areas (26%). Levels of extreme poverty remained the same in the urban savannah and urban coastal areas, and actually increased slightly in the urban savannah areas. This indicates that, over this period, neither poverty reduction policies nor the benefits of economic growth reached these areas (Canagarajah and Pörtner, 2003: 61; GoG, 2003c: 15). Between 1991 and 1999 the largest reductions in poverty occurred in Greater Accra, where the number of those below the poverty line fell from 26% to 5% (Table 6) and those in extreme poverty in Accra fell from 11% to 2% (Table 7). The rural forest area also showed a sharp drop in extreme poverty levels, from 46% in 1991/92 to 21% in 1998/99. It should be noted though, that the disaggregated data in tables 6 and 7 are still averages which will mask poverty disparities at the district and community levels.²⁵

²⁵ The GPRS (2003c: 16) comments that in future poverty data will be disaggregated to the district and community level.

2.3.2. Poverty among Occupational Groups

Table 8. Incidence of Poverty among Occupational Groups²⁶

	Incidence (percent)	
	1991/92	1998/99
Public Sector Employment	35	23
Private Formal Employment	30	11
Private Informal Employment	39	25
Export Farming	64	39
Food Crop Farming	68	59
Non-farm Self Employment	38	29
Non-working	19	20
Ghana	52	40

Source: GoG, 2003c: 17

In Ghana “poverty is pervasive” (ILO, 2003b: 25), with the incidence of poverty highest among food crop farmers (59%), export farmers (39%), non-farm self employment (29%) and the private informal employment (25%) (Table 8). The food crop farmers and those in non-farm self employment experienced the lowest drop in poverty, of only 9% for each category, between 1991 and 1999 (GoG, 2003c: 16). This is of policy concern since the “contribution of food crop farmers to the national incidence of poverty is far in excess of their population share” (ibid) and women are more predominant in both farming and non-farm self employment (ibid). Hence, as the ILO notes with reference to Ghana, there “is a clear gender-dimension in poverty, as relatively more women are underpaid and working in precarious conditions” (ILO, 2003b: 25). Women tend to be concentrated in the informal economy in Ghana, particularly in small farms and small retail enterprises. The 2004 GPRS update notes that:

Women’s roles in the economy have changed less rapidly than men roles over the past 40 years. Only about 5% of women are found in the formal sector, compared to about 12% of men. Both sexes are overwhelmingly represented in commerce and agriculture and allied industries or the informal sector of the economy where there is less income security, and absence of benefits such as maternity leave. (NDPC, 2004: 8)

Another ILO document refers to poverty ‘hot spots’ in Ghana among subsistence farmers and those in the informal economy (ILO, 2003b).

Many in Ghana’s informal economy:

²⁶ Based on the upper poverty line of 900,000 cedis per person, per annum (see footnote 27).

constitute the poorest sectors of the population with women and youth forming a large percentage. In spite of often very long hours of work, levels of output in the informal economy are relatively low, and working conditions are precarious, thereby impeding the returns from work to lift people out of poverty. (ILO, 2003b: 25)

While the incidence of poverty among export farmers is also high at 39%, since 1991 this group has experienced a 25% reduction in poverty. According to the GPRS, this is due to numerous factors, including “the conscious policy effort to promote the growth of the non-traditional exports in the 1990s, the relatively easier access to financing and access to markets” (GoG, 2003c: 16).

The GPRS notes that other groups showing marked reductions in poverty between 1991 and 1999 are those in private formal employment (19% reduction in poverty 1991 to 1999), private informal employment (14% reduction) and waged public sector employment (12% reduction) (Table 8) (GoG, 2003c: 17). The formal and informal private sectors as well as export farming are seen to hold promise for further poverty reduction in Ghana. However, the GPRS notes that the constraints to poverty reduction for food crop farmers and those in non-farm self employment need to be seriously addressed (*ibid*). It should not be forgotten that the ‘informal economy’ is, of course, an extremely heterogeneous entity in Ghana consisting of the very subsistence self-employment activities at the one end of the spectrum to the more dynamic entrepreneurial self-employment activities at the other.²⁷ A 14% reduction of the poverty level in the ‘private informal sector’ does not tell the policy analyst about which part or parts of the informal sector this reduction occurred in. It is, of course, most likely to have occurred in the upper or middle tier informal sector and not in the lowest end of the informal sector spectrum where the poorest really predominate.

2.4. Health-based Indicators of Poverty

Average infant mortality rates showed some improvement between 1991/92 and 1998/99, decreasing from 66/1000 to 56/1000. Average under five mortality also reduced from 119/1000 to 105/1000 over the same period (GoG, 2003c: 17). However, as usual, these averages mask “deep geographical disparities” (*ibid*), with infant and under five mortality rates being much worse in the three northern regions. Compared to Greater Accra, infant mortality is twice as high, and under five mortality three times as high, in the three northern regions (*ibid*).

Nationally 25-27% of children under five suffer from malnourishment (as measured by stunted growth and weight). The situation is again worse in the northern regions, where between 34-40% of the children under five suffer in this way (GoG, 2003c: 18).

Between 1992 and 1998, the percentage of those not consulting ‘modern’ medical personnel following illness or injury actually increased from 43% to 47% in urban areas and 55% to 60% in rural areas (GoG, 2003c: 18). This is seen as a direct result of the

²⁷ See section 5.2 and Palmer (2004b; section 5.3).

increased cost-recovery measures adopted in health facilities (ibid), the so-called ‘cash-and-carry’ policy.

The poor also suffer from difficulties concerning access to safe drinking water and hygienic sanitation facilities, which obviously means they suffer more from water-related diseases such as diarrhoea (GoG, 2003c: 19-20).

HIV/AIDS prevalence, averaging 3.7% of the population in 1999 (GoG, 2003c: 14), “is a matter of great concern, as enterprises risk to lose their qualified workforce” (ILO, 2003b: 25). Approximately 500,000 persons were infected with HIV/AIDS in 1999, with women twice as likely to be inflicted by the disease compared to men in the same age group (age 15-49) in 2001 (GoG, 2003c: 20). The socio-economic impact of HIV/AIDS is severe, especially so among the poor who are often unable to absorb the associated health costs, loss of earnings and loss of capabilities (GoG, 2003c: 20) which can either push them below the poverty line or make their existing poverty more severe.

2.5. Poverty Reduction – Priorities and Assumptions in Ghana

We shall now examine briefly how far Government of Ghana policy reflects current thinking on growth-poverty relationships. How is the Government of Ghana’s conception of poverty and poverty reduction reflected in policy? How do Ghana’s policies aim to reduce poverty? What are the implicit or explicit links made in national policy documents that connect education and training to poverty reduction and/or growth?

Ghana Vision 2020, originally called the National Development Policy Framework, led to the development of a five year Medium Term Development Plan (MTDP) known as *Ghana - Vision 2020 (The First Step: 1996-2000)* (GoG, 1995a). This latter document covered five main areas: economic growth, human development, rural development, urban development and the development of an enabling environment (ibid: section 5). *Ghana Vision 2020* (GoG, 1995a) set out Ghana’s desire to become a middle income country by 2020. The plan set developmental objectives to reduce poverty through human development and to eliminate hard-core poverty through the promotion of farm and non-farm activities and Micro and small enterprise (MSE) development (GoG, 1995a: vii). As a planning framework, *Ghana Vision 2020* has been replaced by the Ghana Poverty Reduction Strategy²⁸ as the *Vision 2020* “plan had strictly limited success” (GoG, 2003c: 1) in the five main areas above. The *Vision 2020* plan was formulated with “limited coordination” (ibid) between the Ministry of Finance and the National Development Planning Commission responsible for the document and suffered from a “lack of political commitment” (ibid). In any event *Vision 2020* was not costed and “annual budgets failed to reflect the policies incorporated in the plan” (ibid: 2).

The Ghana Poverty Reduction Strategy Paper, with its sub-title ‘*An Agenda for Growth and Prosperity*’ sets out the government objectives and framework for growth and poverty reduction. It also provides the main framework for government spending as well

²⁸ Prior to the current PRSP (GoG, 2003c), there was an interim PRSP for 2000-2002 that was used as an outline for growth and poverty reduction in Ghana.

as for donor collaboration. The donor community, through Direct Budget Support (DBS) (and increasingly through multi-donor DBS), supports the priorities laid out in the GPRS.

The main goal of the GPRS is:

to ensure sustainable, equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized and democratic environment. (GoG, 2003c: 30)

The GPRS outlines the policies and intervention areas that are planned to promote Ghana's growth and poverty reduction (GoG, 2003c: 44):

- Macro-economic stability;
- Production and gainful employment;
- Human resource development and provision of basic services;
- Special programmes for the vulnerable and excluded;
- Governance.

The GPRS aligns its objectives with the MDGs; for example with its focus on primary education and poverty reduction. As was initially stated in *Ghana Vision 2020*, the GPRS notes that growth is the key to poverty reduction (GoG, 2003c: 42-3). This view, that growth is essential for poverty reduction is in line with the World Bank and with the other multi- and bi-lateral donors.²⁹ Ghana's overall target in its "long-term poverty reduction strategy is to achieve growth to ensure the virtual disappearance of poverty by 2020" (GoG, 2003c: 35). Hence, "Ghana's fight against poverty is substantially dependent on stimulating economic growth rates" (Canagarajah and Pörtner, 2003: 61, fn 35), but, in Canagarajah and Pörtner's opinion growth rates "recently have been sluggish" (ibid).³⁰ However, the recorded growth rates since 2003 of over 5% are an improvement on the 1990s, but a significant issue in Ghana is how an economic growth rate of 7% (needed to achieve the MDGs) can be attained (DFID, 2003: 3).

Within the framework of economic growth, macro-economic stability, democracy and good governance, human capital development and gainful employment are key elements in the growth and poverty reduction strategy in Ghana. Indeed, 'gainful' employment, particularly in the private sector, both formal and informal, is seen as "the main engine of growth" (GoG, 2003c: 30) for Ghana to enter the 'golden age of business' (GoG, 2003b).

Hence, as the government's rationale is that growth is essential for poverty reduction and that employment³¹ is the key to growth, then employment is also the key to poverty reduction. Government policy for employment creation tends to focus on two main areas: i) education and skills training; and ii) creating an enabling environment for private sector growth. Participatory poverty analysis conducted as part of the GPRS noted that,

²⁹ But, as we shall note in section 6: i) growth is essential, but insufficient for poverty reduction; and ii) the type of growth is crucial.

³⁰ See also Coulombe and McKay (2003).

³¹ Employment in the sense of productive work.

among other things, improved access to education and promoting non-farm employment were crucial to poverty reduction efforts (GoG, 2003c: 29).

The GPRS notes that poverty can be caused and exacerbated by numerous factors, including “low capacities through lack of education, vocational skills... [and] entrepreneurial abilities” (GoG, 2003c: 3). Other factors include: lack of macro-economic stability; the inability of the national economy to optimize benefits in the global system; low capacities through poor health and low quality of life; low consumption levels due to lack of access to financial, social and physical capital; low technology level that often does not allow for shocks – like drought - to be coped with; superstition; lack of political and social power of the poor (GoG, 2003c: 3).

However, much of the emphasis – in politics and in policy – is a focus on education as a main route to ‘development’ and the need for literate, skilled people as a prerequisite for poverty reduction. Ghana’s President Kuffour was recently quoted as saying that ‘Education is the key to development’ (Chronicle, 2004), underlying the importance the government places on education. The Ghana *Human Development Report* of 2000 also noted that:

Much hope has been pinned on education as the lynchpin of Ghana’s drive for social and economic development. High human capital attainments in Asia are unceasingly cited as one of the major differences between the East Asian success and the African failure to leap-frogging economic development. (UNDP/ISSER, 2001: 10)

Further, the Ghana Poverty Reduction Strategy Paper (GoG, 2003c) notes that it is skills development (education and training) that is the key to growth, and hence – following their rationale - poverty reduction:

A strategy for rapid and sustained growth must first and foremost rely on the skills and creativity of the nation’s people and their abilities to respond to opportunities in an environment of good governance, political stability and economic transparency. (GoG, 2003c: 34, emphasis added)

2.6. Conclusion

Poverty in Ghana is still a serious problem and, while there has been an overall average reduction in poverty, poverty ‘hotspots’ are still evident in agricultural and informal economic activities, particularly in the north. Employment / self-employment creation is placed centre stage in the fight against poverty in Ghana, with education, skills training and an enabling environment seen as key prerequisites. However, too much focus has been given to the education and training system without concomitant attention to an enterprise enabling environment, especially for the informal economy.

SECTION THREE

EDUCATION AND SKILLS DEVELOPMENT STRATEGIES IN GHANA 1951-2004

3.1. Introduction

If the material is limited, the alternatives are to build a narrower ladder that, while tapering, reaches the objective, or to build so broad a ladder that it fails to reach anywhere. (Gold Coast, 1948a: 64)

This section examines the history of investment in different sub-sectors of education and skills development in Ghana. It is divided into two main periods. The period 1951-1986 covers the period from self-government and Nkrumah's plans for mass expansion of primary education to the last major education reforms in 1986. This brief historical review of the education and training strategies aims to shed light on how and why rationales and focus changed. In fact, Ghana's early push for universal primary education from 1951, the rationales for this and the effects this had on other educational sub-sectors and the wider economy make an interesting comparison to current policies for Universal Basic Education (UBE) and the proposed education reforms in Ghana. The period 1986-2004, covers the major reforms in 1986 up until the current proposed reforms of the education and TVET sectors in 2004. The core policy dialogue will be examined, looking at the relationship between the different governments and donors during the period 1951-2004, though emphasis will be on the period 1986-2004, and especially on the most recent proposed educational reforms in 2004.

We shall examine the following questions: What have been the education and training strategies for Ghana since 1951, and what rationales have been used to focus investment in particular sub-sectors? What are the assumptions that underpin these strategies and what impact has this had on the education system and the wider economy?; What has been the involvement of donors in education and training policies and projects since 1951? This section will note how the outputs of the education system are regularly linked to expectations of poverty reduction and growth in the policy literature.³² More specifically, how the education and training strategies adopted since 1951 have tried to tackle issues like unemployment by reforming the education system so that it prepares students better for the world of work.³³ While it is noted that education's policy history, derived from the main educational commissions, is often far removed from policy implementation, it can, nevertheless, offer a valuable lens into the ambitions and aspirations of a country's human resources and development ideology.

³² This is particularly the case in the later period.

³³ In fact, as we shall see (section 3.2), there has been an even longer history dating back to the mid 19th Century of government educational policy that tries to solve the unemployment problem by making the schools more suited to the world of work (see Foster, 1965a; 1965b).

3.2. Education and Skills Development in Ghana 1951-1986³⁴

In 1951 the Gold Coast became internally self-governing led by the Nkrumah administration. At this point, the pre-tertiary school system was comprised of up to seventeen years of education: six years of primary, four years of middle school, five years of secondary school and two years of sixth-form (6-4-5-2). The 1951 *Accelerated Development Plan for Education* (Gold Coast, 1951), which came into effect in January 1952, aimed to expand education in all sub-sectors, with a clear emphasis, however, on the expansion of primary and middle schools (the renamed senior primary schools) (Foster, 1965a: 184). Nkrumah announced the intention to provide universal and free primary education ‘within a comparatively short period of time’.³⁵ Following the decision of the Convention People’s Party (CPP) government³⁶ to make primary schooling free, primary enrolment increased dramatically. For example, in primary class one enrolments increased from 60,000 in 1951 to 132,000 in 1952 (Ninsin, 1991: 46). Over the period 1952-3 and 1959 the total number of those enrolled in primary education increased from 338,000 to 484,000, while at the middle-school level the pupil enrolment increased from 92,000 to 154,000 over the same period (Foster, 1965a: 187).

In contrast, the secondary school system was to undergo “more limited expansion” (Foster, 1965a: 184). Indeed “it is clear that the intentions of the government were not to undertake immediately any massive increases in secondary-school provision” (ibid.). Nonetheless, the total number of secondary enrolments increased from just 6,901 in 1951 to over 20,000 by 1960, with the largest increase in enrolments seen between 1959 and 1960 where secondary enrolments increased by about 5,000 in one year alone (Foster, 1965a: 191). As Foster notes, this was because 1960 saw “the first tremendous pressure... exerted on the academic secondary system through the increased output of the primary and middle schools” (1965a: 192).

This “vast expansion in the provision of primary and middle-school education... [from 1952-1960] was certainly accompanied by progressive ‘dilution’ of the teaching force by untrained teachers” (Foster, 1965a: 186). However, as Foster notes, this lowering of school quality as a result of a shortage of trained teachers was “a transitional state of affairs” (Foster, 1965a: 190) and the emergency training of teachers allowed the system to recover somewhat. Despite this ‘dilution’ of the quality of education, in November 1960 the CPP government carried educational reform further by implementing the Education Act 1960, Act 87, making primary schooling compulsory and free with effect from September 1961.³⁷ For example, section 20(2) of the Education Act stipulated:

³⁴ The Gold Coast became independent on March 6th 1957 and became Ghana.

³⁵ Primary school fees were abolished on January 1st, 1952 (Graham, 1971: Chapter 11).

³⁶ The CPP was Nkrumah’s party.

³⁷ It was the same year, 1961, that the Addis Ababa conference on education set the ambitious target to achieve universal primary education by 1980. This undoubtedly encouraged Nkrumah to continue with his expansionist policies in primary education. Ahadzie (2000: 19-20) notes that in the period 1961-1970, Ghana adopted the following targets: 71% of children in primary school by 1970; enrolment numbers in second and third cycle institutions should increase from 9 to 15% and 0.35 to 0.55% respectively; the proportion of GDP to be spent on education to increase from 5.78% in 1961 to 6.96% by 1970. Nkrumah adopted the target of 1980 for universal primary education.

No fee, other than the payment for the provision of essential books or stationery or materials required by pupils for use in practical work, shall be charged in respect of tuition at a public primary, middle or special school.

Again, the effect was dramatic. For example, enrolment in primary one increased from 123,407 in January 1961 to 219,480 by September that same year (Ninsin, 1991: 47). Between 1958 and 1965 the enrolment increases were from 471,000 to 1,145,000 in primary schools; from 140,000 to 268,000 in middle schools” (Rimmer, 1992: 100). Nkrumah’s policy of rapid expansion of primary education since 1952 was out of step with the thinking of the colonial administration who, prior to self-governance in 1951, controlled educational policy in the Gold Coast. The colonial administration’s ten year education plan (1946-1956) was later replaced by Nkrumah’s 1951 *Accelerated Development Plan for Education*. The former plan had aimed to achieve universal primary education in about 20-25 years (from 1946) (Gold Coast, 1948b: 54). This was adopted by Nkrumah’s new administration who wanted to provide a six-year primary education “as soon as possible... for all children” (Gold Coast, 1952: 33).

However, a report in 1948 from the Watson Commission³⁸ had actually questioned the wisdom of expanding primary education too quickly. It noted that achieving UPE in 20-25 years was not a realistic target, one which, moreover, could have adverse effects of not only the post-basic level of education, but on the entire economy of the country (Gold Coast, 1948: 64):

The pushing ahead of too ambitious schemes for the rapid expansion of primary education at the expense of secondary and higher education may do incalculable harm both to the structure of the whole educational system and to the economy of the country as a whole. (Gold Coast, 1948a: 64)

It argued for a “soundly balanced system of education” (Gold Coast, 1948a: 64), and not one that was unbalanced in favour of one particular sub-sector. Given the already large primary school enrolments in comparison to secondary level (200,000 pupils at primary level compared to 4,000 at secondary level in 1948), it argued that secondary schools should be given the highest priority, so that graduates of the senior primary (later Middle schools, and then JSS) would get a chance to continue their education (ibid.). The report commented that:

If the material is limited, the alternatives are to build a narrower ladder that, while tapering, reaches the objective, or to build so broad a ladder that it fails to reach anywhere. (Gold Coast, 1948a: 64).³⁹

³⁸ The Watson Commission was set up by the Gold Coast colonial administration to examine the recent disturbances in the Gold Coast.

³⁹ In Tanzania, Nyerere followed a ‘broad ladder’ approach, focusing on primary education. Indeed, in the 1980s, Tanzania nearly achieved UPE, but still remains one of the poorest countries in the world (see Wedgwood, 2005).

However, Nkrumah opted to continue building a 'broad ladder'. Indeed, the expansion of education, particularly primary education, by Nkrumah's administration at the start of self-governance in 1951 was to a large extent political in motivation since the "new government was elected to a large extent upon its promises to extend education to a wider proportion of the population" (Foster, 1965a: 184).⁴⁰

Foster notes that the opponents of the plan to expand primary and middle-school, due to fears about lowering of quality, ignored the "more significant consequences of mass educational expansion" (1965a: 190), namely the unemployment of school leavers from these levels. While it is difficult to calculate the unemployment⁴¹ level at this time, "there is no doubt in official circles that it has reached large proportions despite the considerable efforts made by government to alleviate it" (Foster, 1965a: 201-202). In the early 1960s some attempts were made by the government to tackle the problem of unemployment, though, as Foster argued in the mid 1960s, all of these "are likely to be unsuccessful" (1965a: 205).

Firstly, there was an attempt to "persuade school-leavers to return to the land" (ibid.: 203), though without widespread change in the nature of traditional farming and the "limitations of the institutional framework" (ibid.) this was unlikely to succeed. Foster notes that:

Since little effort has been made... to tackle the problems of land tenure, marketing, and onerous kinship obligations, where the root of the problem seems to lie, the campaign has been largely unsuccessful. (1965a: 203)

Ninsin notes that "the push to the land remained mostly at the level of rhetoric rather than deliberate policy and action" (1991: 105).

Secondly, vocational guidance schemes were introduced. However, contrary to popular thought that this vocational guidance could create jobs, the essential function of this guidance was not to create new jobs per se, but to effect the developing of better techniques for selecting graduates for entry into "the existing structure" (Foster, 1965a: 204).

Thirdly, the government set up 'Worker's Brigades' which involved the large-scale recruitment by the government of the unemployed for public works projects in agriculture and construction (Foster, 1965a: 204). Those working for the Brigades were paid a small wage and subsistence allowance and provided some degree of on-the-job training according to the work involved. However, the numbers employed in the Worker's Brigades was only a fraction of the total number of those unemployed and did little to solve the unemployed school-leaver problem. In 1961, for example, only 25% of the 15,000 recruited into the Brigades were middle-school leavers, and since the average

⁴⁰ For further discussion on reasons behind the desire to expand education so quickly, see Foster, 1965a: 183-184.

⁴¹ Indeed, it is very difficult to get an accurate unemployment figure in 2004 (see footnote 26, section 2).

output of middle-school graduates at that time was about 40,000 per annum, the Brigades had little impact on the total problem (Foster, 1965a: 205).⁴²

In 1951, when the Gold Coast became self-governing under the leadership of Nkrumah, the financial position of the country was sound, with some £200 million in reserves (Foster, 1965a: 179). This became the financial basis for all social and economic development in the Gold Coast and later Ghana – including the mass expansion of education. However, Nkrumah's socialist nation-building policies aimed at mass job creation by rapid industrialisation (Killick, 1978), an accelerated 'big-push' of rapid modernisation based on import-substitution industrialisation, mechanisation of agriculture, massive educational expansion and grandiose public sector projects⁴³ meant that these initial reserves were soon exhausted. In 1965, Nkrumah's CPP made the first approach to International Monetary Fund (IMF) and World Bank for financial assistance (Boafo-Arthur, 1999: 3). One of the Bretton Woods Institutions' recommendations was to drastically reduce government spending, something Nkrumah "found unacceptable... [since this] would have amounted to a cap on the expansionist development programmes that had become a distinctive trademark of the CPP" (Boafo-Arthur, 1999: 3). This might have meant capping the expansion of the education sector.

In fact, by 1965 Ghana's educational system was one of the most advanced in Africa. Enrolment was as high as 75% for 6-14 year olds (Agyeman, in Ahadzie, 2000: 20). However, on February 24th 1966, Nkrumah was overthrown in military coup by the National Liberation Council (NLC).

With respect to informal skills training during the Nkrumah regime, it is undoubtedly true that apprenticeship training was going on and had been for a long time. Research conducted in 1958 by Acquah noted that:

uneducated boys... are absorbed in work as apprentices to fitters, shoemakers, carpenters, blacksmiths and other self-employed persons, or as sellers of daily newspapers or as carriers outside stores or at the railway station. The remainder are to be seen roaming the streets with no form of employment. (Acquah, 1978 [1958]: 75).⁴⁴

With the expansion of the primary education system under Nkrumah's Accelerated Development Plan of 1951, and the unemployed school-leaver problem that became more apparent from the late 1950s, and into the 1960s, it is certain that it was no longer 'uneducated boys' who were going into apprenticeship training, but the graduates of the

⁴² For information on the range of other schemes adopted in Sub-Saharan Africa to 'solve' the primary school leaver unemployment problem, such as the Brigades of Botswana, the Village Polytechnics in Kenya and the 'Education for self-reliance' schemes in Tanzania, see King, 1991.

⁴³ For example: the hugely expensive Akosombo Dam project and the building of the headquarters of the new Organisation of African Union – that ended up being located in Addis Ababa and not Accra.

⁴⁴ The existence of what would now be termed micro and small enterprises was noted in a 1925 report by Guggisberg, who commented on the existence of artisanal employment in the fields of mechanics, carpentering, motor driving, engine driving (Guggisberg, 1925: 60), all of which undoubtedly had apprentices training in these enterprises.

primary schools who could not find employment. Research by Foster in Ghana in the mid 1960s (Foster, 1965b), again brought up the issue of traditional apprenticeship, or informal apprenticeship.⁴⁵ Foster noted that:

A considerable amount of road transport in West Africa is serviced and maintained not by highly trained operators but by “bush mechanics” who themselves have very little formal instruction. Upon this basis has developed a burgeoning system of informal apprenticeship; though most of the instruction is extremely rudimentary, here is an expanding base which can be built upon... [and] there are more opportunities for this kind of training than most of the large scale planners are prepared to admit. (1965b: 156, emphasis added)⁴⁶

However, government policy towards this type of informal ‘post-basic’ training was likely to be neglectful. Nkrumah viewed any part of the economy that was not geared up towards industrialisation, not concerned with this national, state-led, economy as peripheral. The cocoa industry, for example, was seen as a national asset that should be socialised in support of wider developmental objectives (Dzorgbo, 2001).⁴⁷ Those parts of the national economy that could be taxed to support other social projects fell within the official, ‘formal’ part of the country’s economy. Those that remained separate and un-taxable – like the micro- and small enterprises taking on apprentices mentioned by Acquah and Foster above – were largely disregarded by the Nkrumah government and thus received no support.⁴⁸

In 1966, the new Government of the NLC appointed the Kwapong Educational Review Committee. This committee brought about the introduction into the middle schools of two-year pre-vocational continuation classes (continuation schools) which were based on the industrial and farming needs of the country. At this time, about 80% of middle school leavers could not continue to formal secondary schools, meaning that the middle school was terminal for the majority of its graduates.⁴⁹ It was hoped that the continuation schools would better prepare the school leavers for the world of work, with subjects

⁴⁵ I would like to thank Kenneth King, Edinburgh University, for bringing this to my notice.

⁴⁶ Note that Foster uses the terminology ‘informal apprenticeship’, some eight years before Keith Hart’s work in Ghana was to coin the phrase ‘informal sector’ (Hart, 1973). Although the ILO Employment Mission to Kenya (ILO, 1972) is frequently cited as the first time the ‘informal sector’ term was used, it was actually Keith Hart’s research in Ghana that was presented at a conference on ‘Urban Unemployment in Africa’ at IDS, Sussex, in September 1971, and later published as *Informal Income Opportunities and Urban Employment in Ghana* (Hart, 1973) that first coined the term (see Palmer, 2004b: section 3).

⁴⁷ In fact, the cocoa industry was so heavily taxed by government that this partly led to the demise of the industry.

⁴⁸ In fact, even at the start of 2005 informal apprenticeship training has received very little government support (for more on the informal economy in Sub-Saharan Africa, see Palmer 2004a, 2004b). This is despite the fact that the 2003 GPRS has the objective to reform and strengthen the traditional apprenticeship system (GoG, 2003c: 74), and that President Kuffour has acknowledged the importance of the informal economy, most recently during his inaugural address in January 2005. Support to informal sector training is still very *ad hoc* and geographically constrained. Donor support for informal sector training was not to commence until the World Bank’s Vocational Skills and Informal Sector Project (VSP), which started in 1995 (See section 5.6 on the VSP).

⁴⁹ But, of course, the majority of the youth did not even get as far as the middle schools, with primary education being terminal for them.

including animal rearing, crop and vegetable production, Kente weaving, production of sandals, baking and cooking, and needlework. Indeed, continuation schools were intended 'to predispose... [pupils] to suitable occupations in industry and farming.'⁵⁰ However, the continuation schools programme suffered some serious set-backs⁵¹ that eventually led to its demise.⁵² One major contributing factor was that many pupils in the continuation schools were keen to enter in Senior Secondary Schools and therefore paid little attention to the vocational and technical subjects of the curriculum. This dual function - as both a continuing and terminal institution - of the continuation schools was a large factor in its demise.⁵³

Following the coup that removed Nkrumah, the NLC re-oriented itself to the West for support (Rimmer, 1992: 106) and in May 1966 received support from the IMF in the form of stand-by credit (Boafo-Arthur, 1999: 5). The NLC adopted laissez faire policies and launched a stabilisation programme with the support of the IMF (Rimmer, 1992: 179). Between 1966 to 1968, this IMF adjustment programme led to; a reduction in overall government expenditure; large scale retrenchment in the public and private sectors; removal of price-control and subsidies; devaluation of the cedi by 30% against the dollar (Boafo-Arthur, 1999: 5-6). Following the 1966 coup "total expenditure in education declined, participation rate[s] of school aged children dropped, [and] so did the proportion of trained teachers... [with] this degeneration [continuing] well into the 1980s" (Ahadzie, 2000: 20).

In 1969 the elected Busia government of the Progress Party took power and continued relations with the IMF/World Bank, though an agreement was not reached until December 1971 due mainly to Busia's expansionist policies which implied greater public spending - that ran counter to the former IMF/World Bank agreement with the NLC (Boafo-Arthur, 1999: 8-9).

In 1972, the Dzobo Educational Reform Committee of the National Redemption Council⁵⁴ produced their report entitled the *Report of the Education Advisory Committee on the Proposed New Structure and Content of Education for Ghana* (GoG, 1972). The Dzobo Educational Reform Committee noted that the graduates of the current middle and secondary school system:

have been found to lack the proper attitude and skills necessary to equip them to work with their hands, and to be willing to take up the type of practical work that is available in our society at the moment. As a result there is a high rate of

⁵⁰ <http://www.ghana.edu.gh/past/postIndependence.html> accessed on 12.05.04.

⁵¹ See section 3.12.1

⁵² The reforms in 1986 saw UNICEF financially supporting the revival of the defunct continuation schools under a new name – Integrated Community Centres for Employable Skills (ICCES), and with some adaptation. ICCES was essentially designed as pre-employment training for the informal economy (see section 3.10.3).

⁵³ See section 3.12.1 for further discussion of vocational schools being used by pupils as stepping stones to further their formal education – and not as terminal.

⁵⁴ On January 13th, 1972, Colonel Ignatius Acheampong of the National Redemption Council (NRC) staged a coup and overthrew the Busia administration.

unemployment and under-employment among middle and secondary school leavers. (GoG, 1972: 3)

Hence, the Dzobo Educational Reform Committee suggested the introduction of a Junior Comprehensive Secondary (later called Junior Secondary School - JSS) which would be diversified in nature that would, it was hoped, “predispose them [pupils] to working with their hands as well as their minds” (GoG, 1972: 9). New pre-vocational subjects were recommended, including:

Woodwork, Masonry, Metalwork, Pottery, Commercial Subjects, Marine Science (Fishing), Automobile Practice, Craft (Basket weaving), Home Science, Beauty Culture (including Hair Dressing), Tailoring, Dressmaking and Catering. (GoG, 1972: 10)

The resulting education reform in 1974 introduced the Junior Secondary School (JSS) concept⁵⁵, which included many of the pre-vocational skills suggested in the 1972 report, so that pupils could be better prepared for (self-) employment. Initially the JSS concept was implemented on an experimental basis. However, due to economic constraints facing the country from the late 1970s and the lack of interest of those administering it, the JSS programme never survived this experimental stage.⁵⁶

The refocusing by the NRC on creating an educational system that would be of relevance to youth (un)employment issues should be read against the background of the NRC’s relationship with external donors. In fact, Colonel Acheampong of the NRC repudiated all external debts that arose through fraudulent contracts, a sum amounting to \$94.4 million (Boafo-Arthur, 1999: 9). This antagonized donors and “foreclosed any possibility of his regime receiving concessional and long-term bilateral capital flows (Boafo-Arthur, 1999: 9). Hence, Acheampong adopted a policy of self-reliance, launching ‘Operation Feed Yourself’ and ‘Operation Feed Your Industries’. This also may have encouraged the experimentation with the JSS system that arose from the Dzobo Educational Reform Committee of 1972. However, the financial constraints facing Ghana in the late 1970s (including decreasing real incomes of public sector employees and high inflation) and the NRC government’s position vis-à-vis donor lending may also have contributed to the demise of the JSS experiment. The economic problems in the late 1970s led many in the civil service, including teachers, “to embark on backyard gardening and other farming ventures” (Boafo-Arthur, 1999: 9), which would undoubtedly have led to a reduction in the quality of education in Ghana.

In 1978 Acheampong was forced out by another coup led by General Frederick Akuffo who took power. Akuffo reintroduced the structural adjustment policies espoused by the donors – which meant a cut back in public expenditure, including in education.

By 1979, school enrolment for 6-14 year olds had fallen to 69.9% (from a high of 75% in 1965), and the percentage of trained teachers in schools had dropped from 90.8% in 1965

⁵⁵ The renamed ‘Junior Comprehensive Secondary’ (GoG, 1972: 10).

⁵⁶ <http://www.ghana.edu.gh/past/postIndependence.html> accessed on 12.05.04.

to 72% in 1979 (Ahadzie, 2000: 20). In June 1979, Akuffo was deposed in coup led by Flight Lieutenant Jerry Rawlings of the Armed Forces Revolutionary Council (AFRC). Rawlings' 'first coming' led to the termination of the structural adjustment policies. On September 24th 1979, Rawlings handed over power to an elected president, Hilla Limann, of the People's National Party (PNP), but later, on 31st December 1981 made a 'second coming', launching a second coup and taking power as head of the Provisional National Defence Council (PNDC).

Ghana went into economic decline in the late 1970s and early 1980s with GNP per capita falling by 23% between 1975 and 1983 (Nti, 1997: 5). This caused the real value of government financing for education to fall sharply from 6.4% of GDP in 1976 to 1.4% in 1983 (World Bank, 1996: 2). By the early 1980s, the education system in Ghana was facing huge problems (Sawyerr, 1997: 4; Yeboah, 1990). These included: lack of trained teachers, lack of materials, books and teaching aids, inadequate infrastructure, poor pay for teachers, high drop-out rates and low enrolment rates, poor educational management and administration and a general lack of financing for education.⁵⁷ The disruptions to the educational strategy of Ghana – caused by repeated coups and the economic crisis – led to the decline in educational expenditure by the government. Further, by 1983 approximately 50% of trained primary teachers had left the country (Ahadzie, 2000: 20) due to the deteriorating economic climate and working conditions in Ghana. Untrained teachers were employed to avoid disintegration of the education system (Konadu, 1994: 41) and the quality of teaching deteriorated. By 1983, the quality of education had reached crisis levels and 'it became necessary for a serious attempt to be made to salvage it.'⁵⁸

By the time the IMF/World Bank Structural Adjustment Policies (SAPs) were adopted in Ghana in 1983, the country was in crisis. Not only had the education system been so run down due to repeated political instability and budget cuts, but the economy was in crisis and informal sector activities burgeoned. Further, the early 1980s saw periods of severe drought and plummeting cocoa prices, exacerbating poverty and causing a greater shift to non-farm informal activities. To make matters worse, by the end of January 1983 about one million migrants returned to Ghana after being forcibly 'repatriated' from Nigeria. Thus by 1983/4 there were large numbers of new entrants into an already saturated economy, and unemployment was a huge problem. The SAPs meant a loss of formalised employment, especially in the public sector (Rimmer, 1992: 193-4), though the numbers involved were small relative to the number of repatriates from Nigeria (Rimmer, 1992: 195)

⁵⁷ <http://www.ghana.edu.gh/past/postIndependence.html> accessed on 12.05.04.

⁵⁸ <http://www.ghana.edu.gh/past/postIndependence.html> accessed on 12.05.04.

3.3. Education and Skills Development in Ghana 1987-2005

3.3.1. The 1986/87 Educational Reform Programme

By 1986, the Evans Ankomah Committee reiterated the desire to make education more applicable to the world of work. This was undoubtedly in part a reaction to the massive unemployment problems facing Ghana in the mid 1980s. The Evans Ankomah Committee revisited the Junior Secondary School (JSS) concept (to replace the existing Middle Schools) initially mooted by the 1972 Dzobo Educational Reform Committee. In 1987, the Educational Reform Programme (ERP) was started, with the objective of improving educational quality and re-orientating the – too academically focussed - educational system to better prepare youth for the world of work. The ERP resulted in the educational system changing from the 6-4-5-2 -3/4 version, to: six years of primary, three years of JSS, three years of senior secondary and three or four years of tertiary (6-3-3-3/4). This shortened the pre-tertiary education from 17 to 12 years (World Bank, 2004a: 9). Basic education consisted of the 6-3 element: six years primary and three JSS (the JSS was to replace the middle schools). The 1987 reforms led to comprehensive curriculum reform. “Whereas the Middle School was a grammar school, in the JSS pre-technical and pre-vocational education became universally part of the curriculum” (Dongre, 2002: 14). The ERP placed renewed emphasis on vocationalising the basic education system, as well as improving quality and management. Back in 1972, the Dzobo Educational Reform Committee had emphasised that the curriculum should be re-oriented so that graduates were predisposed to work with their “hands as well as their minds” (GoG, 1972: 9). This exact same rationale, manifest in the JSS concept, was taken up and implemented in the 1987 reforms.

In addition to the general subjects, the Junior Secondary School curriculum has been designed to provide opportunities for pupils to acquire basic pre-technical, pre-vocational, and basic life skills which will enable pupils to... appreciate the use of the hands as well as the mind and make them creative and self-employable. (Republic of Ghana, 1992, cited in McGrath, King, Leach and Carr-Hill, 1995: 22)

Moreover, further evidence that the government was keen to manipulate the education and training system so that it better prepared the youth for the world of work can be seen in the 1986 revival of the defunct continuation schools programme, albeit under a different name, ICCES (Integrated Community Centres for Employable Skills).⁵⁹

The 1986 Reforms aimed to redirect attention to basic education. In the early 1980s there existed large subsidies to secondary and tertiary levels, with only one-third of education expenditure going to the primary level (World Bank, 2004a: 7). Hence, at the secondary and tertiary levels, the 1986 Reforms called for an increase in cost-recovery (these were World Bank aid conditionalities under EdSaC I)⁶⁰; for example with increased charges for text books; removal of boarding and feeding subsidies at the secondary level; removal

⁵⁹ See section 3.10.3 for a fuller discussion on ICCES.

⁶⁰ See section 3.3.3.

of subsidies as the tertiary level. Text book costs were raised to recovery levels, but the anticipated revolving fund that could replace text books never materialised. Food and boarding subsidies were eventually removed, but by the close of 1988, the government had proposed a subsidised loan scheme for tertiary students – on account of the unpopular nature of removing tertiary subsidies completely (World Bank: 2004a: 8). The duration of SSS was also reduced from seven to three years. The increased attention in the 1987 reforms on basic education also had a political basis. At that time, Rawlings was seeking political support from rural areas, and a policy of spreading the benefits of education there, was dominant (Donge, 2002: 36).

3.3.2. Donor Involvement Since 1986

Prior to 1986, few funding agencies were in the education sector. The Canadian International Development Agency (CIDA) had been supporting technical Institutes since the late 1960s. The Soviet Union and the German Democratic Republic were supporting technical institutes, universities, and experimental junior secondary schools. UNICEF was giving assistance to experimental junior secondary schools. The World Bank was supporting social services, including education. (Sawyerr, 1997: 1)

Since the 1987 reforms, Ghana's educational system has been significantly supported by external donors (both bilateral: eg DFID, USAID, GTZ, JICA; and multilateral: eg World Bank, AfDB, UNICEF, UNESCO, EU), and as a result, donors have traditionally had a certain degree of power over the formulation and implementation of the education sector policies. It is estimated that "aid contributes somewhere between 5% and 15% of the total resources available to education in Ghana" (DFID, 2005a: 10). There are

specific allocations for particular purposes (e.g. books, buildings, school improvement, teacher training) and in the influence of agency staff and Technical Assistance personnel in policy dialogue and planning (including the design and preparation of the ESP, AESOPs, the ESAR, EdSeP, and SESP) (DFID, 2005a: 10).⁶¹

A recent Bank review on support to (basic) education in Ghana states that the 'donor community has a massive presence in Ghana' and that their support is 'substantial' (World Bank, 2004e: 7-8). For example, since 1989 over 90% of government expenditure has gone into salaries, leaving very little for administration and investments (i.e. books and buildings).⁶² Hence, donors have played a large role in supplying the investment, non-wage, part of the education sector spending. Between 1989 and 2001, World Bank aid to the non-wage education sector ranged between 4.5% (1999) to 69.4% (1995) of government expenditure and averaged at 33% for the twelve year period. Similarly,

⁶¹ ESP: The MOEYS Education Strategic Plan; AESOP: Annual Education Sector Operational Plan; ESAR: MOEYS Preliminary Education Sector Performance Report; EdSeP: The World Bank Education Sector Project; SESP: DFID's Support to the Education Strategic Plan.

⁶² The amount of the total education budget spent on personal emoluments increased from 86.5% in 2003 to 88.1% in 2004 (GoG, 2004c: 98). Foster and Zormelo (2002: 18) note that education costs are always dominated by teachers salaries, but Ghana is an 'extreme' case.

bilateral support to the non-wage education sector ranged between 6.5% (1994) to 155.3% (1998), and averaged at 41% for the twelve year period (World Bank: 2004a: 61).⁶³

In contrast to the government's more sector-wide view of education, the donors, particularly USAID and DFID, have tended to concentrate on the basic level. TVET has particularly suffered. This has been an area where the government has consistently reiterated its desire to expand. The donors, however, have generally been focussed on the basic level to the expense of other sub-sectors. In 2001-2, TVET received only about 1.2% of total education spending (GoG, 2003a: 6).

3.3.3. World Bank, USAID and DFID Support to Education Since 1986

In Ghana, the World Bank, DFID and USAID are three of the main development partners (DPs) and hence their support to education is worth looking at briefly.

The involvement of the World Bank in Ghana's education sector began as support for two sector adjustment credits, Education Sector Adjustment Credit (EdSAC) I (1986-91) and EdSAC II (1990-94), as well as the education component of the Health and Education Rehabilitation Project (HERP) (1986-91). EdSAC I and II were directly concerned with the education reforms initiated in 1986 and were largely concentrated on basic education.

In fact, donors largely financed the reforms of 1986. The Bank, in particular, was able to exert pressure on the government during and after the 1986 reforms, with the leverage of EdSAC I and II (Buchert, 2002). For example, the Bank was able to persuade the government not to expand secondary level too quickly, but instead concentrate on the basic level. In fact, the conditionalities attached to the EdSAC II included the requirement that the government keep recurrent basic education budget at 62%. In 1990, when the government overspent on tertiary and vocational education – at the expense of basic education - that led to tensions with the Bank (World Bank: 2004a: 20, 188).

A senior World Bank education advisor commented that, the then President, Rawlings wanted to agree with the donors on a 50% secondary school enrolment ratio target, but reluctantly agreed to lower the target of 30% after pressure from donors. This Bank advisor claimed that the donors agreed as they knew this was not attainable anyway. However, at the time of the 1986 reforms, the government of Ghana showed itself to be more able than other African governments to resist donor pressure. For example, the vocationalisation element of the JSS was very much a government desire that could not be curbed by donors. The government reforms of 1986 drew heavily on the Ghanaian 1972 Dzobo Educational Reform Committee – for example with the JSS element – and so the reforms to a large extent reflected 'home-grown' policies.

Following EdSAC I and II, basic education was supported by two further World Bank projects: The Primary School Development Project (PSDP) (1993-98) and the Basic Education Sector Improvement Programme (BESIP) (1996-02) were investment projects

⁶³ From 1989 to 2002, excluding 1993 for which data is unavailable.

with the aim of improving the quality of school infrastructure and implementing changes in school management to improve learning outcomes (World Bank, 2004f: ix). Two adult literacy projects – Literacy and Function Skills (1991-95) and National Functional Literacy (1992-98) – that can also be included in the definition of ‘basic education’ were also supported.

In Ghana, USAID has traditionally had a focus on basic education, supporting projects such as the Primary Education Project (PREP) (1990-95), US \$35 million, and the Quality Improvements in Primary Schools (QUIPS) (1997-04), US \$53 million (USAID, 2003).⁶⁴ For example, the QUIPS project selected a number of primary schools in each district for support on a broad range of fields: school management, improvement of teaching quality, and material support for teaching materials and infrastructure (Donge, 2002: 17).

DFID has also had primary and basic education as a priority area, and allocates about 80% of their aid for education to basic and primary levels (DFID, 2000: 36). For example, the Education Sector Support Project (ESSP) (1998-04) - UK £50 million – was targeted at the primary sub-sector. Similarly, the new DFID education programme, the Support to Education Strategic Plan (SESP) (2005-2009) (DFID, 2004a; 2004b; 2004c)⁶⁵ - UK £50 million - has as its goal the achievement of the education MDG within Ghana (DFID, 2004b), and hence support is targeted at basic education (primary and JSS levels).⁶⁶ The DFID SESP is justified in economic terms by the potentially large benefits to Ghana of achieving UPE (DFID, 2004c). According to DFID Ghana, basic literacy and numeracy skills [particularly for girls] have a direct economic impact by raising productivity and reducing poverty (DFID, 2004c) and lead to smaller healthier families.

Donor and agency support for post-basic education and training has been much less than support provided for basic education. The World Bank has been the largest supporter of post-basic education in Ghana. Between 1991-1998, two investment projects complemented the two EdSaCs, namely the Community Secondary School Construction (CSSP) project (1991-95) and the Tertiary education Project (1992-98). The Vocational Skills and Informal Sector support project (VSP) (1995-01) had an informal skills training component.⁶⁷

The new Bank education project in Ghana, the Education Sector Project - EdSeP- (World Bank, 2004e) is planned to run from May 2004 – October 2009 (see World Bank, 2004e)

⁶⁴ However, as we noted, USAID’s new education strategy, *Improving Lives Through Learning* (USAID, 2005), notes the importance of looking ‘beyond basic education’ (see section 1).

⁶⁵ The SESP is being postponed until DFID Ghana is clearer on the intentions of the government of Ghana to follow their PRSP and Education Strategic Plan, both of which have a strong commitment to basic education. There is some concern among donors, including DFID, over the new White Paper on Educational Reforms which has a more ‘post-basic’ feel to it (see section 3.11). The ESSP is therefore being extended until late 2005 when it is expected that government policy will be clearer.

⁶⁶ The aid modality adopted by the SESP is Sector Budget Support: all funds would pass through a single account in the MOEYS.

⁶⁷ For more detail on World Bank lending to the basic education sector in Ghana, 1986-2002, see World Bank (2004a).

and is valued at US\$ 78 million. It contains a large tertiary element (US\$ 33.3 million). The task team leader for the EdSeP is Benoît Millot, a co-author of the World Bank's study on tertiary education, *Constructing Knowledge Societies* (World Bank, 2002). Hence it is not surprising that much of the rationale for investing in tertiary education comes from this recent Bank publication.⁶⁸ There are three main components of the EdSeP:

- Sector Management Capacity Building - US\$12.37 million – to build capacity at all levels of the educational system: between and within organizations in the sector; of the leadership in the sector and its organizations; of general management procedures and practices; and management of key specific resources.
- Pilot Programmatic Scheme - US\$ 40.4 million – applies to basic education.
- Tertiary Education Innovation - US\$ 33.3 million – applies to tertiary education.

The EdSeP “seeks to promote efficiency, equity, and quality at all levels of the education system, and to boost access at the basic level and relevance at the tertiary level” (World Bank, 2004e: 3). However, any explicit targeting of Senior Secondary education is notable by its absence. The origins of EdSeP also reveal something of the donor-government interaction. In 2000 the Ghanaian government sought Bank support solely to “initiate the recovery of tertiary education” (World Bank, 2004e: 20). However, as the Bank started to prepare a:

conventional operation, entirely focused on TE [tertiary education]... a common view was developed, that weak management at all levels of the sector would undermine any attempt to improve the situation, and that any new operation would need to address the issue of overall sector management to be successful. Consequently, the concept of a project exclusively devoted to a single sub-sector was dropped (World Bank, 2004e: 20, emphasis added).

The Bank has no immediate intention of launching any new skills development projects after the ‘unsuccessful’ nature of the vocational skills project.⁶⁹ However, the Bank office in Accra indicated it might consider supporting a government led initiative (personal communication to author).

A recent World Bank publication notes that the effectiveness of development support to Ghana's education sector still has a long way to go:

Official development assistance in education is substantial, but its transaction costs are high; it is poorly coordinated, rarely leads to genuinely stakeholder-owned interventions, and has only a marginal impact on the sector. (World Bank, 2004e: 7)

⁶⁸ Benoît Millot was the architect of the EdSeP and was heavily involved in its development (Eunice Dapaah, World Bank Ghana education specialist, personal communication by email 18th February 2005).

⁶⁹ The VSP was ‘deemed unsatisfactory at the implementation completion reporting stage in terms of achieving its objectives’ (Eunice Dapaah, World Bank Ghana education specialist, by personal communication 18.11.04).

While the support from development partners (DPs) is ‘substantial’ and ‘significant’ at 8.5% of the 2001 discretionary expenditure, it has had mixed impacts (World Bank, 2004e: 7-8). For example, the DPs’ rhetoric of adopting sector-wide approaches (SWAs) in education has ‘not yet materialized’ and until recently ‘the education arena was... marked by an accumulation of uncoordinated initiatives’ (ibid). Lack of coordination and donor competition undermine the functional capacity and sustainability of the Ministry of Education Youth and Sports (MOEYS):

Donor-specific requirements drain much of the already weak MOEYS's analytical and planning capacity. DPs compete for the few available skilled staff to champion their own program. Most of the strategies and plans drafted under such conditions are regarded as externally imposed. (World Bank, 2004e: 8)

Aware of these issues, the MOEYS is trying to better coordinate DP support: A DP coordinator has been appointed in the MOEYS and regular DP meetings are planned to occur (World Bank, 2004e: 8).

3.4. The Current Education and Skills Development System in Ghana

It was the 1986/87 Education Reforms that shaped the structure of the current education and training system in Ghana from the 6-4-5-2 -3/4 to the 6-3-3-3/4 system in 2005.⁷⁰ Basic education is defined as both primary and Junior Secondary School (approximately age 15/16), representing years 1 to 9 of the schooling ladder.⁷¹ Post-basic education is defined as Senior Secondary School (SSS), Technical and Vocational Education and Training (TVET),⁷² both formal and informal, and Tertiary level education (principally in universities and polytechnics).

This sub-section provides an overview of the current education and training system in Ghana. The various types of enabling and disabling internal and external environments within which the education⁷³ and training⁷⁴ system operates are discussed later.

3.4.1. Education and Training Priorities

There seems to have been a slight shift in education and training priorities in some of the recent policy documents. This might be interpreted as deliberate, or evolving. Specifically, the PRSP has a distinct focus on basic education. Since the adoption of an approved PRSP was largely a pre-conditionality for receiving development aid, it might be argued that the PRSP was written largely for the donors, with its focus on basic education. The Education Strategic Plan (ESP) (2003-2015), but particularly the proposed

⁷⁰ See section 3.3.1.

⁷¹ The definition of ‘basic education’ is under review. The proposed education reforms intend to extend ‘basic education’ by two years (with the addition of two years of pre-school), making basic education 11 years in length (2 pre-school; 6 primary; 3 JSS) (see section 3.11).

⁷² The GPRS still uses the term ‘TVET’, instead of the now, more fashionable ‘Skills Development’ (cf. World Bank, 2004d).

⁷³ See section 4.5.

⁷⁴ See section 5.7.

Education Reforms seem to have a more holistic view of the education system, indicating more support to post-basic education and training.

The GPRS notes that the education budget to be spent on basic education is planned to increase from 58.6% (2000) to 64.4% (2005). Most of this increase is in primary level, from 31.9% (2000) to 36% (2005). Meanwhile, there is an overall decrease in estimated post-basic education funding for: formal secondary schools, 15.1% (2000) to 13.8% (2005); teacher training, 5% (2000) to 4% (2005); tertiary education, 13.3% (2000) to 10.3% (2005); and education management, 6.3% (2000) to 5% (2005). There is an increase in TVET financing, from 1.1% (2000) to 2.4% (2005), though this still remains woefully small (see GoG, 2003c: 100). The GPRS clearly states that it expects the role of non-government providers in PBET provision to increase:

Education of the youth will be linked with the labour market through expansion of technical and vocational education and training (TVET), special skill acquisition programmes and tertiary education, particularly through a greater role of private providers. (GoG, 2003c: 99 emphasis added)

The Education Strategic Plan notes that, while a focus on basic education is important – to meet EFA targets – PBET is also on the agenda. The ESP stresses, more so than the PRSP does, the whole sector, or sector wide, approach (SWAp) that the government intends to take with education development (GoG, 2003a: 34). It notes that:

The basic education sub sector is of great significance within the education sector. Ghana subscribes to the Education For All (EFA) principles... [however] It is important to stress... that the ESP is a whole sector plan. The Government and the Ministry is committed to a whole-sector development approach, i.e. a sector wide approach (SWAp), in which every sub-sector and every area of focus within the education sector is considered. (GoG, 2003a: 11, emphasis added)

The ESP stresses the need for a more balanced educational system and plans to provide “equitable access to universal basic education... [and] more opportunities at secondary and tertiary levels” (GoG, 2003a: 19). At the same time as improving access to, and the quality of, basic education, the ESP plans to expand and improve post-basic education. The intention is to:

Absorb an increasing number of school leavers from basic education within expanded and more diverse secondary and tertiary systems. (GoG, 2003a: 19, emphasis added)

Specifically, the intake of JSS graduates into second cycle education is expected to increase from the present 35% to at least 70% by 2015 (GoG, 2003a: 22). There would also be an improvement in the quality of post-basic education with a ‘50% improvement in numbers of qualified staff in post-basic institutions by 2015’ (ibid).

Table 9. Selected Statistics for the Education and Training System 2001-2002

	No. of institutions	No. of students	GER	% of total education spending
Kindergarten/Pre-school	9,634	702,304	46.2	7.4
Public	6,321	457,597		
Private	3,313	244,707		
Primary	15,285	2,586,434	80	34
Public	12,335	2,113,749		
Private	2,950	472,685		
Junior Secondary	7,582	865,636	64	22.7
Public	6,414	741,895		
Private	1,168	123,741		
Senior Secondary	510		18	15.2
Public	474	249,992		
Private	36			
TVET				1.2
Public	23	17,934		
Teacher Training (TTC)	42	19,686		4.5
Public	38	18,766		
Private	4	920		
Tertiary				11.5
Public				
Universities	5	40,673		
Polytechnics	10	18,459		
Other	5	n/a		
Private	21	n/a		
Non-Formal	8,000	196,170	n/a	0.5
Special Education	24	3,807	n/a	0.5
Management	n/a	n/a	n/a	0.3
Subvented Bodies	n/a	n/a	n/a	2.2

Source: GoG 2003a: 6

Table 9 gives the breakdown – per sub-sector – for the education budget in 2001-2. It can be seen that the majority of the educational budget (56.7%) is still spent on basic education (34% on primary, plus 22.7% on JSS), with secondary (15.2%), teacher-training (4.5%) and tertiary (11.5%) receiving the bulk of the remaining money. In 2001-2, TVET received only 1.2% of the total educational spending. It can be seen that the total number of primary students, representing about 60% of total number of students in formal education (2001-2) received about 34% of the total educational spending. Further, that 34% of spending on primary education is still way below the 50% required under the Fast Track Initiative (FTI) guidelines (Don Taylor, Education Advisor for DFID Ghana, personal communication 11th March 2005).

Table 10. Selected statistics for Primary Education in Ghana (2001)

School-age population (in 1000s)	Total (in 1000s)	Enrolment % female	GER (%)			NER (%)			Out of School Children (in 1000s)		
			Male	Female	Total	Male	Female	Total	Male	Female	Total
3177	2586	48	85.0	77.7	81.4	61.4	59.0	60.2	617.1	647.8	1264.9

Source: UNESCO, 2004: statistical annex table 5

Table 10 shows that, in 2001, although the GER was approximately 80%, the NER was about 60%.⁷⁵ This high GER relative to the NER suggests there are over-age pupils attending primary school in Ghana, perhaps due to repetition and/or to starting primary school at a later age than is expected. Further, the table shows that about 1.2 million children of primary school age were still out of school in 2001.

Table 11. Internal efficiency: dropout and survival in primary education in Ghana (2000)

DROPOUTS, ALL GRADES (%)			SURVIVAL RATE TO LAST GRADE (%)			TRANSITION TO JSS (%)			GPI F/M
Total	Male	Female	Total	Male	Female	Total	Male	Female	
40.7	39.4	42.2	59.3	60.6	57.8	90.3	89.5	91.2	1.02

Source: UNESCO, 2004: statistical annex table 7

Table 11 shows that only 60% of pupils who start primary education in Ghana complete the last grade (primary 6). Of this 60%, 90% go onto JSS, meaning that only about 54% of those who start primary go on to enter JSS. Well before the JSS graduation, where only 30% of JSS leavers enter SSS, the rest entering the informal economy, there are obviously very many primary school drop-outs entering the informal economy in Ghana.

⁷⁵ According to UNESCO, the **Gross Enrolment Ratio (GER)** is the total enrolment of pupils in a grade or cycle or level of education, regardless of age, expressed as percentage of the corresponding eligible official age-group population in a given school-year. The **Net Enrolment Ratio (NER)** is the number of pupils in the official school-age group expressed as a percentage of the total population in that age-group.

Table 12. Participation in secondary* education and TVET in Ghana (2001)

Secondary education Enrolment		Enrolment in TVET			Secondary education GER (2001)			Secondary education NER (2001)			
Total (000)	% female	Total (000)	% female	Total	Male	Female	GPI F/M	Total	Male	Female	GPI F/M
1107	45	15	13	37.6	41.2	34	0.82	32	34.3	29.7	0.87

Source: UNESCO, 2004: statistical annex table 8

* refers to both lower and upper secondary education (JSS and SSS)

Table 12 shows the participation rates in secondary (both JSS and SSS) and TVET in Ghana (2001), according to UNESCO figures in the latest *Global Monitoring Report* (UNESCO, 2004).⁷⁶ The total number of students in both JSS and SSS is similar to the figures from Ghana's 2003 *Education Strategic Plan* (GoG, 2003a) (table 9), while UNESCO's figures for total enrolment in TVET are slightly lower (at 15,000) than the GoG figures (at c.17,000) (table 9). At both the secondary levels there are more boys in school than girls, seen by the Gender Parity Index (GPI) of about 0.8.

Table 13. Participation in tertiary education in Ghana (2001)

Total students enrolled (000)			GER			GPI F/M
Total	Male	Female	Total	Male	Female	
68	49	19	3.4	4.8	1.9	0.4

Source: UNESCO, 2004: statistical annex table 9

Table 13 shows the participation rates in tertiary education in Ghana (2001), according to the latest UNESCO figures. The total number in tertiary education, 68,000 students in 2001, is similar for both the UNESCO data (UNESCO, 2004) and the GoG data (GoG, 2003a, seen in table 9). The table above also shows there are many more males in tertiary education in Ghana than females, seen by the enrolment figures of 49,000 and 19,000 respectively and the GPI of 0.4 at this level.

⁷⁶ It is not particularly useful that the UNESCO GMR provides aggregate figures for enrolment and GPIs for both JSS and SSS. It would be much more illuminating if JSS and SSS figures were shown separately, as they are in Ghana's *Education Strategic Plan* (GoG, 2003a) (table 9).

Table 14. Selected Statistics for the Education and Training System 2001-2004

	No. of students			GER		
	2001-2	2002-3	2003-4	2001-2	2002-3	2003-4
Primary	2,723,300	2,857,535	2,957,491	83.8	85.7	86.3
Public						
Private						
Junior Secondary	895,928	949,700	984,111	67.4	69.6	70.2
Public						
Private						
Senior Secondary		301,120	328,426	18*	23.8	26.6
Public	249,992*					
Private						
TVET	17,934	19,777	18,672	-	-	-
Public						
Teacher Training (TTC)	18,766	19,764	23,999	-	-	-
Public						
Private						
Tertiary	66,626		87,929	-	-	-
Public						
Universities	46,184		63,576			
Polytechnics	20,442		24,353			
Other						
Private						

Source: data from GoG, 2004c. Those marked with * are from GoG, 2003a.

Table 14 shows the enrolment figures and Gross Enrolment Ratios (GERs) for the years 2001-4. It can be seen that there has been an increase in enrolments at all levels of education. Specifically, the numbers in primary education increased from 2,723,300 in 2001-2 to 2,957,491 in 2003-4. GERs at primary level increased from 83.8 to 86.3 over the same time period. At JSS level, enrolments increased from 895,928 in 2001-2 to 984,111 in 2003-4. Again GERs saw an improvement at JSS level from 67.4 to 70.2 over the same period. However, it is at the post-basic education level (senior secondary and tertiary) that the largest increases in both enrolment numbers and GERs are seen. At the senior secondary level, enrolments increased from about 250,000 in 2001-2 to about 330,000 in 2003-4, an increase of c.32%. At the SSS level GERs increased from 18 to 26.6 over the same period. Tertiary levels saw a huge increase in enrolments from about 67,000 in 2001-2 to 88,000 in 2003-4, an increase of c.31%. Teacher training enrolments saw a 28% increase between 2001-2004. Meanwhile, at the TVET level, although there was a marginal overall increase in enrolments of 4%, from 17,934 in 2001-2 to 18,672 in 2003-4, there was a drop in TVET enrolments between 2002-3 and 2003-4.⁷⁷

⁷⁷ The Ministry of Manpower, Youth and Employment explained this through the normal fluctuation in enrolments. The enrolments next year are expected to increase.

Table 15. Total Resource Envelope by level of Education, 2003-2004 (Millions of Cedis)

	2003		2004	
	Total Actual Resources	% of total	Total Expected Resources	% of total
Pre-school	99,826	2.4%	192,079	4.1%
Primary	1,643,964	39.7%	1,656,297	35.1%
JSS	917,907	22.1%	765,950	16.3%
SSS	632,151	15.3%	654,996	13.9%
NFED	37,937	0.9%	76,898	1.6%
SPED	14,959	0.4%	19,806	0.4%
Teacher Education	167,580	4.0%	212,370	4.5%
TVET	46,765	1.1%	53,667	1.1%
Tertiary	577,479	13.9%	1,030,489	21.9%
MGMT and Subvented Agencies	5,655	0.1%	49,759	1.1%
Total	4,144,233	100.0%	4,712,310	100.0%

Source: GoG, 2004c: 111

Table 15 shows that in 2003 the total resource envelope for primary education was 39.7% of the total spending on education. This is expected to decrease to 35.1% in 2004. Between 2003 and 2004, total resources allocation for JSS and SSS are also expected to fall, from 22.1% to 16.3% and from 15.3% to 13.9% respectively. However, the total resource envelope for tertiary education is expected to increase from 13.9% in 2003 to 21.9% in 2004. This is largely due to the increase in donor funding for this level of education, particularly the World Bank's EdSeP⁷⁸ (GoG, 2004c: 111), as well as a large Spanish grant for the University of Development Studies and the Polytechnics (Don Taylor, Education Advisor for DFID Ghana, personal communication 11th March 2005).

Since 2002, the Kuffour government has “followed a dual-track education policy-making process” (DFID, 2005a: 3). In parallel to the ESP, an education strategy document linked to the GPRS, EFA and MDGs and developed with support from donor agencies, which had a focus on basic education, the government in 2002 commissioned a panel of academics and other educationalists to examine the education system in Ghana. Some of the main recommendations of this commission were adopted by government in the new *White Paper on The Report of The Education Reform Review Committee* (GoG, 2004a). The White Paper, among other things, proposes to expand post-basic education and to vocationalise the secondary level.⁷⁹ This turn of events, towards post-basic education and training, is obviously one met with some concern, particularly among donors who are focused on the MDGs, like DFID. DFID Ghana is well aware of this apparent move away from basic education towards post-basic education, and has voiced its concerns to the government and to other donors. A recent DFID Ghana report on the education sector

⁷⁸ See section 3.3.3.

⁷⁹ See section 3.11 for a full discussion on the White Paper.

notes that the new White Paper is “strikingly different in its priorities” (DFID, 2005a: 2) from the ESP. It notes that:

There are, however, some unwelcome trends and significant risks ahead. There is an apparent shift in resource allocation in favour of higher education and away from primary education. There is a weakening emphasis on the Education Strategic Plan and agreed annual programmes of work in favour of proposed reforms, including vocationalisation, which have great cost implications and limited prospects of success. (DFID, 2005a: 2)

3.4.2. Educational Equality or Inequality in Ghana?: What the Majority of the Poor Experience

Is Ghana’s education and training system pro-poor? Or, specifically for this review: Is post-basic education and training pro-poor in Ghana?

Currently, only about 50% of children experience the KG level (the GER in 2003-4 was 54.58%) (GoG, 2004c: 33), leading to high repetition rates in primary one level of 9.8% (GoG, 2004c: 43). At JSS level, the GER in 2003-4 at 70.2%, while the next level up, SSS saw a drop in GER to 26.6% (GoG, 2004c), making JSS the highest level currently experienced by the majority of youth today.

Indeed, about two-thirds of youth (and as high as one in twenty in some rural areas) have no access to further formalised education at post-basic level. The transition rate from JSS to SSS is about 30% (GoG, 2003a: 52). In 2001, for example, of the 247,699 candidates presented Nationwide for the Basic Education Certificate Examination (BECE), 149,611 passed obtaining aggregates between 6–30 for their best six subjects (the minimum required for SSS entry).⁸⁰ Therefore, 60% JSS leavers were qualified to enter SSS and compete for the 82,000 places available at these institutions.⁸¹ Thus only about one third of JSS leavers continue to SSS level. Further, the other formalised post-basic opportunities, namely at technical and vocational institutes, are minimal in comparison to the overall number of annual basic/JSS graduates. For example, the 23 public TVET institutes had a total of about 18,000 students at the post-JSS level in 2001/2 (GoG, 2003a: 6). Hence a rough estimate of 100,000 formal post-basic places exist annually for the nearly 250,000 JSS graduates. What do the remaining c.150,000 JSS graduates do?⁸² While some of these will enter into private institutions, most enter the informal economy to work and/or to seek informal skills training in traditional apprenticeships. Of those that do continue into SSS level only about 10% gain entry into tertiary education.

⁸⁰ At the BECE level, students are given an aggregate grade from their best six subjects, each marked from one to ten (one being the best). Aggregates can thus theoretically vary from 6 to 36. After aggregate 36, the student is given a fail at the BECE level.

⁸¹ Ghana’s *Daily Graphic*, 03.08.01.

⁸² To this very rough estimate of 150,000 JSS graduates entering the labour market each year, is to be added: primary school dropouts; those that completed primary but did not enter JSS; JSS dropouts; SSS and tertiary graduates and dropouts; and formal TVET graduates and dropouts. The point to be noted is that many tens of thousands of youth spill out every year into the labour market with no chance of further formal education.

Table 16 presents the data from the 1998/1999 Ghana Living Standards survey (GLSS 4 1998/99 cited in GoG, 2003c: 21). It shows that: 32% of all Ghanaians have never been to school; 25% achieved less than the examination certificate at the completion of JSS/Middle School; 33% achieved the MSLC/BECE (on completion of Middle School/JSS); 10% achieved SSS or higher. Thus 43% of the population can be seen to have completed middle school/JSS or higher, while 25% achieved only complete – or partial – primary education (or partial JSS/Middle School). Hence while one third of the entire population have never been to school, out of the two-thirds that did get some education, 33% achieved JSS/Middle-school completion.

Table 16. Levels of Educational Attainment (population aged 15 and above)

Highest level attained	Percent		
	Males	Females	All
Never been to school	21	41	32
Less than MSLC/BECE	25	26	25
MSLC/BECE	39	29	33
Secondary or higher	16	6	10
Total	100	100	100

Source: GLSS 4 (1998/99) cited in GoG (2003c: 21)

There is, of course, a gender dimension to educational attainment. In the population, 41% of females have not been to school, compared to 21% of males. Less females than males complete JSS/Middle School levels, 29% compared to 39% respectively. Further, less females achieve success or access to post-basic education. Only 6% of females attained senior secondary education or higher, compared to 16% for males. The recent *Ghana Poverty Reduction Strategy Update* (NDPC, 2004) comments on this gender dimension to educational attainment:

In education there continues to be a gender gap in educational outcomes which worsen as one reaches higher levels. Various studies suggest that women and girls are not encouraged to seek education due to the perceived loss of labour to the household when girls are in school. (NDPC, 2004: 8)

So, we can see that only 1/10th of the population has a formal post-basic education. During the progression to post-basic education from JSS to SSS, and from SSS to tertiary levels, there is a huge reduction in the number of places available to the youth, and many students are marginalised from these levels of education. There are simply not sufficient places (nor is there the money to pay for a massive increase) in formalised post-basic education and training institutions in Ghana to cater for the (ever increasing) demand resulting in many having no option but to gain their post-basic training in the informal economy. But what these figures do not tell us, is who it is that is able to progress to formal post-basic levels, or, put another way, to what extent do the poor access formal

post-basic levels? Certainly, it is to be expected that the poor find it hard to get access to post-basic education in Ghana. Indeed, there exist huge barriers for the poor in gaining access to these levels. The financial barriers⁸³ alone are formidable since many SSS and formal vocational schools charge fees that make education at this level out of reach of the poor. For those from poorer backgrounds who do get access to SSS or other second-cycle institutions, the financial barriers that need to be crossed to enter tertiary level are phenomenal.⁸⁴

The World Bank recently noted that “enrollments amongst the poor grow faster at the primary education level, and more slowly at the post-primary level, than amongst the less poor” (World Bank, 2004e: 5).

A recent study conducted by the Ghana Statistical Service (GSS) (cf. Danso-Manu, 2004), in conjunction with the World Bank⁸⁵ provides data on who it is in Ghana that benefits from the public expenditure on education. The data (Table 17) clearly shows that the poorest third of the population (tercile 1) have the lowest enrolment rates at all levels from primary to SSS level.

Table 17. Attendance (enrolment %) rate by expenditure tercile

	Tercile 1	Tercile 2	Tercile 3
Primary	79.5	88.4	93.0
JSS	72.7	84.3	92.1
SSS	48.2	60.4	61.8

Source: GSS Survey (1,740 households divided into three groups), Danso-Manu, 2004.

Further, the GSS study reveals that the poorest 10% of the population are unlikely to benefit from public expenditure on either secondary or tertiary levels (Danso-Manu, 2004). 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

⁸³ Other barriers that prevent the poor from getting access to formal post-basic education and training include; the opportunity cost to families and individuals of spending another three years in school (eg SSS) and not working; the availability of places and the distance that many have to travel to get to the nearest second-cycle institution (see section 4.6).

⁸⁴ For example, in December 2004, the University of Legon was charging 400,000 cedis (c.£24) just for the admission forms into the University. This is both a strategy to make the numbers of applicants more manageable and to raise funds for the University (Don Taylor, Education Advisor for DFID Ghana, personal communication 11th March 2005).

⁸⁵ The study by the GSS is being done by the same Ghanaian team, led by K.B. Danso-Manu, that worked on the recent World Bank evaluation review, *Books, Buildings and Learning Outcomes* (World Bank, 2004g). The final document from the GSS is expected around the end of March 2005, though the GSS research team made a preliminary presentation to Development Partners in late 2004 (cf. Danso-Manu, 2004).

1.5% of the population, command 55% of public spending on tertiary education (Danso-Manu, 2004). These facts clearly show that formal post-basic education, at the SSS and tertiary levels, is not pro-poor at all.

Apart from there being serious social inequalities within the education system, particularly at the post-basic levels, there are also serious issues of geographical educational inequality in Ghana. We noted earlier,⁸⁶ that the incidence of poverty is highest in Ghana in the three northern regions. It is in the north, that the enrolment ratios are 10-15 points lower than those in the south (DFID, 2005a: 12).

3.5. Basic Education: Free Compulsory Universal Basic Education (FCUBE)

Basic education has absorbed most of the educational budget for a long time. For example, between 1989-2001, basic education funding has had, on average, a 67% share of the education budget (World Bank: 2004a: 11). The 1992 constitution reiterated the earlier educational intention, as spelt out in the Education Act of 1961, by introducing a programme of Free Compulsory Universal Basic Education (FCUBE) (launched in September 1995) (GoG, 1995). The policy for the basic sub-sector was outlined in the 1996 strategy document *Free Compulsory Universal Basic Education* (FCUBE), which stated the government's commitment "to making schooling from Basic Stage 1 through 9 free and compulsory for all school-age children by the year 2005.. . [and] to improving the quality of the education services offered" (GoG, 1996: 1, emphasis added).

In practice, FCUBE is "not free, universal and compulsory" (Donge, 2002: 20). The free element of FCUBE "did not signal any change in policy, but was one of the periodic attempts by government to abolish unsanctioned fees that proliferate at the local level" (World Bank: 2004a: 9).⁸⁷ In reality basic education is neither free nor compulsory. Schools collect 'contributions' from students (cf. Kunfaa and Dogbe, 2002: 34), for example for sports and practicals. These school levies – often set by District Assemblies – for sports, cultural activities, etc – effectively do not make schooling free. The levies are 'compulsory' in the sense that students are sanctioned and sent home to collect fees if they are not paying. At the start of a year, the head teacher provides a list of all those on the school register to the District Education Office who then calculate how much the head teacher should collect as levies in total – to be paid to the district assembly. If, in term 2 or 3, some students drop out, the head teacher is still responsible for payment of the levies, meaning that head-teachers sometimes have no choice but to pay the levies of some of the students themselves. Also in rural areas, where there are settlers from the northern regions (where there are no school levies), it is not uncommon for these groups of people – on finding that they have to pay school levies in their present location – will send their children to stay with relatives in the north where they can get levy-free basic education. Free basic education, as a policy, was reversed and "charging pupils...for

⁸⁶ Section 2.3.1, Table 6.

⁸⁷ In fact, 'universal and free' primary education had been introduced in the Accelerated Development Plan of 1951, with primary education becoming 'compulsory and free' in the Education Act of 1961. In reality, primary, or basic education has never been universal, compulsory or free.

school fees became the current practice and thereby added direct costs of schooling to the opportunity costs that families faced” (World Bank, 2004e: 4).

However, in early 2005, the government announced that capitation grants will be paid to all primary schools in all districts. This will greatly help to reduce any justification for levies being charged at schools and will make primary education more accessible to the poorest (Taylor, 2005).

It is clear that the government needs to define what exactly it means by ‘free’ basic education and to enforce penalties for imposing charges in public schools. By ‘free’, the government means that they cover the costs of staff salaries, textbooks and other curriculum materials. While some parents argue that for school to be free, the government needs to contribute to school uniforms, transport to school and school lunches. FCUBE is therefore not free, and the costs of uniforms, transport, food and opportunity costs will inhibit school participation for the poorest.

While basic education (primary and JSS) is technically compulsory, there is no real mechanism in place to enforce the compulsory element of FCUBE.⁸⁸ Moreover, if the intention is truly to make basic education compulsory, then the charging of any user fees or levies needs to be stopped. In addition, there needs to be some mechanism in place so that poorer families, who cannot afford the opportunity cost of sending their child to primary and JSS, would be assisted. FCUBE is not universal. There are still about one million children of primary school age who are not in primary education.⁸⁹ In fact, it is difficult to see how FCUBE can be universal since the cost of increasing the GER towards 100% increases as the GER increases. The cost of getting every additional one percent of children into school is likely to increase at an increasing rate (cf. Williams, 1983).

Basic education test outcomes provide some measurable indication of the quality of schooling. The Performance Monitoring Test (PMT) and the Criterion Referenced Test (CRT), taken at primary 6 level, the transition point from primary to Junior Secondary School, served to assess learning achievement at this level. There have been improvements in the average scores on the CRT (Table 18).

Table 18. Criterion Referenced Test Results (% mean scores)

Subjects	1992	1993	1994	1995	1996	1997
English	29.9	30.9	31	31.6	33	33.7
Maths	27.3	27.4	27.7	28.1	28.8	29.9

Source: Agyeman and Boateng (2002)

⁸⁸ The proposed educational reforms plan to extend basic, compulsory education to include 2 years of Kindergarten (see section 3.11).

⁸⁹ See section 3.4.1, table 10.

The pass rate for CRT has improved over the last decade, but “still remain very low given that only 9% of pupils in public schools were able to achieve mastery scores in Maths and 12% mastery scores in English in 2001/2002 academic year” (GoG, 2004d: 9; cf. Casely-Hayford, 2002). However, there remains a disparity in the learning outcomes between the public and private schools. In 1999, 4% of pupils in public schools achieved mastery scores in Maths compared to 29% of pupils in private schools outside Accra (UNDP/ISSER, 2001: 15).⁹⁰ Both the PMT and the CRT “were discontinued in 2002, in anticipation of a new continuous assessment system and the setting and measurement of Minimum National Standards. This has not yet happened” (DFID, 2005a: 8). This leaves the Basic Education Certificate Examination (BECE) as the only current way of testing learning outcomes. The BECE is the first certification that pupils receive and takes place at JSS level 3. As we noted in section 3.4.2, the pass rate for the BECE in 2001 was about 60%. The BECE pass rate in 2002-3 and 2003-4 were 61.6% and 61.3% respectively (GoG, 2004c: 55). There is little variation in the BECE pass rate each year, and so it “does not provide any measure of real progress over time” (DFID, 2005a: 8).

3.6. Senior Secondary Education

The Senior Secondary School (SSS) level of education starts to become more exclusive, with about 30% of JSS graduates gaining access to this level.⁹¹ The current course duration is three years.⁹²

The PRSP plans to create one good, or model, SSS in each district (GoG, 2003c: 101). The ESP further notes the intention of the government to expand and improve post-basic education (GoG, 2003a: 22), by rehabilitating 10% of existing SSS by 2015 and providing at least 75% of the districts with a model SSS by 2015.

Table 14 showed that in recent years there has been increased demand placed on formal academic second-cycle institutions. Enrolments increased from c.250,000 in 2001-2 to c.330,000 in 2003-4, an increase of c.32%. Indeed, at the same time that many donors are trying to achieve the education MDGs (particularly UPE), it is now very difficult for the Ghanaian government to curb demand for formal academic second-cycle education, for three reasons: i) student and parental demand; ii) the decline in the occupational currency of the BECE; iii) the political consequences of capping second-cycle education.

This increase in the demand for SSS level education is to be expected. Firstly, over the next few years the government of Ghana will see the first FCUBE cohorts of the mid 1990s graduating from JSS, and many of these graduates – and their parents - will want to continue further in education. The earlier expansion of primary and middle-school during the 1950s and 1960s in Ghana had, as “one of the main functional consequences... [an] increase [in] the importance of the academic secondary school” (Foster 1965a: 196).

⁹⁰ See section 4.5.3 for a discussion on the difference in quality of public and private education in Ghana.

⁹¹ See section 3.4.2.

⁹² Although the proposed new education reforms would extend this to four years, which seems to be an unpopular decision both in Ghanaian civil society and among some of the development partners (see section 3.11).

Indeed, Foster (1965: 188) makes the observation that the increased demand for middle-schools in the late 1950s was created by the rapid expansion of primary education since 1951. He notes that:

throughout the history of the Gold Coast, expansion at lower levels has always exerted a direct influence on education at intermediate or higher levels. (Foster, 1965a: 188)

Secondly, as more and more JSS graduates are produced, year on year, there will be a gradual decline in the occupational currency of the BECE. Hence, there will be increasing pressure to obtain higher qualifications as the BECE loses value.⁹³ Indeed, it might be argued that the majority of formal sector jobs now requires a post-basic educational qualification.

Thirdly, the demands of parents and JSS graduates for better access to second-cycle education, if not met, could be political suicide. To place a cap on SSS enrolments is not feasible for this reason. To place a cap on the percentage of the educational budget to the SSS level would be disastrous, resulting in a dilution of quality as more and more students were expected to be education wit the same resources.

Senior Secondary School education test outcomes

On completion of SSS, students receive a Senior Secondary School Certificate. The current quality of SSS can be seen from the low Senior Secondary School Certificate Examination (SSSCE) test scores. The 2002 Anamuah-Mensah Report noted that about 45% of SSS students fail the SSSCE in the core subjects of English, Maths and Science (GoG, 2002a: 11). Nonetheless, there has been some improvement in the last ten years or so. Pass rates at the SSSCE increased from a dismal 13% in 1993 to a still worrying 23% in 1998. These figures include all those who passed with grade E or more in all subjects (UNDP/ISSER, 2001: 16). The West African Examinations Council (WAEC) has recently released the 2004 July-August Senior Secondary School Certificate Examination (SSSCE) results. Of the 96,668 candidates who registered for examination, 38,718, representing 40 per cent, passed in seven subjects and above (GHP, 2004).

3.7. Tertiary Education

Both the GPRS (GoG, 2003c: 101) and the *Education Strategic Plan* (GoG, 2003a: 22) call for an improvement in existing tertiary education. By 2015, the objective is to have tertiary education available for at least 15% of the post-secondary cohort.

Ghana has a tertiary enrolment (in universities and polytechnics) ratio of less than 2%, which places it in the bottom 10% of the world's 178 nations in this category. There is a huge social demand for improved access as currently only a quarter of qualified tertiary

⁹³ Again, this echoes the past. Foster (1965a: 196) notes that, with the expansion of the middle-school in the 1950s, it became "increasingly necessary to obtain a secondary education for a limited number of prestigious and well-paid posts".

candidates gain admission (World Bank, 2004e: 9). This is in spite of tertiary expansion in recent years (UNDP/ISSER, 2001: 12). Distance learning could contribute to opening up access to tertiary education in Ghana.

Between 2001-2 to 2003-4, Ghana's tertiary education system saw an increase in enrolments of c.31%, from about 67,000 to 88,000. This growing demand for tertiary level education has led to a growth in private tertiary institutions, predominantly in Accra, which has led to increased opportunities for secondary school graduates to continue education, but "these are too few, too small and too specialised to make much impact in the near term" (UNDP/ISSER, 2001: 12). Moreover, as private tertiary institutions are fee-charging, they "do not present a real alternative route for poor students" (UNDP/ISSER, 2001: 13).

The tertiary system in Ghana receives a great deal of funding from the government. In 2001-2, the tertiary sector, despite only have about 60,000 students received 11.5% of the educational budget (Table 9). Currently, university students are contributing 26% of the cost of goods and services as academic user fee - a 30% increase on the previous year" (GoG, 2004d: 84).

While it is difficult for poorer students to reach SSS level,⁹⁴ it is even more difficult for poorer students to get to tertiary levels of education. Hence, the majority of those in tertiary education are not the poor. The poor themselves, in other words, do not benefit directly from tertiary education. The impact on the poor is largely indirect.⁹⁵ Nonetheless, given that so much public money is spent on tertiary education, and that most of those that directly receive tertiary education are the non-poor, serious questions should be raised about the cost-sharing mechanisms that operate at this level. The pathway for those who eventually enter tertiary education seems to be increasingly - a private basic education, followed by an elite public SSS education.⁹⁶

In terms of tertiary level courses, the government is keen for more graduates to be trained in science and technology so that Ghana is better able to compete under global pressures. Hence, "higher education reforms have been designed to tilt the balance in favour of science and technology" (UNDP/ISSER, 2001: 10). The National Council of Tertiary Education has set a target to achieve an arts:science enrolment ratio of 40:60. At present the ratio is the reverse, 60:40 for arts:science enrolments (ibid).

3.8. Expansion of Post-Basic Education to the detriment of Basic Education Funding?

As we have said, there is concern among some of the donors that the expansion of post-basic levels of education in Ghana risk undermining the push for the education MDG of UPE by 2015. The rationale is thus: That if the expansion of post-basic levels of education occurs without improving the quality of basic education, given that a quality

⁹⁴ See section 3.4.2.

⁹⁵ See sections 4.3 and 4.4.

⁹⁶ See section 4.5.3.

basic education is one of the crucial determinants of post-basic outcomes, are we not risking low level learning outcomes at **both** the basic and post-basic levels, hence reducing effective demand for both as well as going backwards on the education MDGs?

For example, one education advisor of a major development partner made it clear that they would like to see the Ghanaian government refocus on the MDG target of UPE, and are concerned that the increases in enrolments at the SSS and tertiary levels will result in a decrease in monies available for the basic level of education. They would like to see a capping on enrolments. In fact, the recent *Preliminary Education Sector Performance Report* (GoG, 2004c) noted that the AESOP (GoG, 2003d)⁹⁷ enrolment targets set for both the SSS and tertiary levels for 2004-5 have already in 2003-4 been “surpassed significantly” (GoG, 2004c: 25). Table 19 shows that the target enrolment figure for SSS level was surpassed by 25.2% (66,016 students). At University level, the target was surpassed by 39.6% (18,039 students), while at the Polytechnic level the target was passed by 11.3% (2,481 students).

Table 19. Access indicators for SSS and Tertiary Education

	2003-4 Actual	2004-5 Target
SSS enrolment	328,426	262,410
University enrolment	63,576	45,537
Polytechnic enrolment	24,353	21,872

Source: GoG, 2004c: 25

This expansion of these types of formal post-basic education will obviously have cost implications for the already strained educational budget. The *Preliminary Education Sector Performance Report* (GoG, 2004c: 53) notes that this expansion of tertiary level enrolments, coupled with the high unit costs of tertiary education students, “will have a significant impact on budget allocations throughout the sector”. Further, the *Report on the Education Sector Annual Review* (ESAR) (GoG, 2004g), notes that “SSS and tertiary expansion have serious recurrent cost implications for MoEYS” (GoG, 2004g: 12). In fact, the projected budget allocation for the basic level is expected to fall in 2004,⁹⁸ while the resource allocation to tertiary education would increase (interestingly the budget allocation to SSS is also expected to decrease marginally). Hence budget allocations for basic and SSS education are falling at a time when, particularly at SSS, there is increased demand. This might lead to a dilution of the education system – where more pupils are squeezed into an existing, under-funded education system. As we noted earlier, the increase in tertiary budget allocation is in part due to the World Bank’s EdSeP, which contains a large tertiary element.⁹⁹

The issue is not so much that post-basic education should be capped per se, and we have noted that this is not possible anyway.¹⁰⁰ The real issue is who should pay for the

⁹⁷ Annual Education Sector Operational Plan 2003-2005

⁹⁸ See section 3.4.1, Table 15.

⁹⁹ See section 3.4.1.

¹⁰⁰ See section 3.6.

increased demand on the post-basic level. At present, SSS and tertiary levels of education both receive large subsidies from the government. A number of the bilateral and multilateral development partners would like to see more cost-sharing/cost-recovery at the senior secondary and especially the tertiary levels.

3.9. Formal Technical and Vocational Education and Training (TVET)

Formal Technical and Vocational Education and Training (TVET) in Ghana occurs at three levels. Polytechnics, the highest level training institutions, are located in regional capitals (n=10) and are followed by the Technical Training Institutes (n=30), both in the Ministry of Education and Sports.¹⁰¹ Public sector Vocational Training Institutions (VTIs) in the Ministry of Manpower, Youth and Employment¹⁰² number about 120: NVTI¹⁰³ (32), ICCES (66) and other VTIs (22). Other Ministries have vocationally related institutes, for example: the Ministry of Lands, Environment and Forestry has 15 Regional Technology Transfer Units; and the Ministry of Local Government and Rural Development has about 22 VTIs. In addition, there are over 450 private training institutions, many of them church-based VTIs (Botchie and Ahadzie, 2004). Entry requirements to VTIs are usually Junior Secondary School (JSS) or Middle School Leaving Certificate (MSLC), and have a training period of 3 years (Haan and Serriere, 2002: 30). However, ICCES does not have any specific entry requirements and caters for both school dropouts and JSS leavers.

The numbers that formal public TVET reach are low. In 2003-4, enrolments were only 18,672 (Table 14). Data is unavailable for the private TVET sector, though it may be rather large. But it is clear that the majority of post-basic opportunities lie in the informal economy, with “informal apprenticeship remain[ing] the only real option for a lot of young people for quite some time to come” (UNDP/ISSER, 2001: 12).

3.10. Informal Post-Basic Training

There should be a distinction made between skills development intended for the informal economy, and skills development that occurs in the informal economy. With respect to skills development **in** the informal economy, we will focus on ‘on-the-job’ traditional apprenticeship training, which typically occurs in informal manufacturing enterprises. Skills development **for** the informal economy refers to skills programmes that are specifically targeted at: i) upgrading the skills of those already in the informal economy by those outside the informal economy (for example the World Bank’s Vocational Skills and Informal Sector Support Project); ii) pre-employment training those not yet in the informal economy in skills that are deemed relevant for informal economy employment – where the programmes objectives specifically intend the graduates to become self-employed entrepreneurs in the informal economy (for example the government of Ghana’s ICCES and STEP programmes).¹⁰⁴

¹⁰¹ Previously: the Ministry of Education, Youth and Sports.

¹⁰² Previously: the Ministry of Manpower, Development and Employment.

¹⁰³ National Vocational Training Institute.

¹⁰⁴ ICCES: Integrated Community Centres for Employable Skills (section 3.10.3).

3.10.1. Skills Development in the Informal Economy

In a situation like Ghana where neither the formal academic senior secondary schools, nor the formal TVET institutions can absorb more than a fraction of the demand for post-basic education and training, post-basic skills development in the informal economy is, and will remain for some time to come, the most common source of further training that the poor will receive. In fact, traditional apprenticeship training is especially prevalent and organised in West Africa (World Bank, 2004d). In Ghana, traditional apprenticeship training is responsible for some 80-90% of all skills development in the country (Haan and Serriere, 2002: 34). It is for this reason; that informal economy skills training, particularly the traditional apprenticeships, represents the primary source of post-basic education skills learning, that this is such a crucial topic for this paper. We will briefly outline a number of informal economy skills training modalities which will be discussed in section 5 with regards to the extent to which they can contribute to poverty reduction in Ghana.

People generally do not enter into informal sector training out of choice, but instead see it as some form of safety net, a way of getting training when there are no other options available (i.e. if they have dropped-out of school or left school and found no opportunities either in the formal education or employment systems). Since traditional apprenticeship training is the largest provider of skills training for the country, it is crucial to examine whether this type of training in the informal economy is growth-related, poverty reducing or poverty perpetuating.

The underlying assumption of the Ghanaian skills development agenda is that skills training leads to economic growth and poverty reduction. Hence it is assumed that skills make a difference to what people can do, and that there are definite links between skills training and poverty reduction, growth, productivity and innovation. But, there are reasons to question this assumption.¹⁰⁵

Traditional apprenticeship in Ghana has a number of characteristics (UNESCO, 2003b):

- there is no clear organizational structure;
- they caters for the majority of TVET recipients, including illiterate and semi-illiterates;
- there is a close link between training and real production;
- there is no formal curriculum; what is taught depends on what is actually produced;
- skill training, customer service and work attitudes are integrated;
- standards vary; there are no common competency-assessment procedures;
- until recent interventions through like the World Bank/VSP project, it had no link with the formal education system;
- it serves mainly rural populations and the urban poor;
- no one single government ministry has responsibility for it;

STEP: Skills Training and Employment Promotion (section 3.10.3).

¹⁰⁵ See section 5.

- there is virtually no government support, control or supervision; the burden of training falls on parents and apprentices.

3.10.2. Skills Development for the Informal Economy (skills upgrading and pre-employment training)

Skills development **for** the informal economy refers to any formalised or semi-formalised skills programmes that have the specific objective of training people for the informal sector. It includes both skills upgrading and pre-employment training schemes:

i) Skills upgrading - upgrading the skills of those already in the informal economy by those outside the informal economy. There are some schemes that offer skills upgrading for both apprentices and master-craftspeople while they are on-the-job. Training is typically of short, modular duration, often in a local formal training institute, and fits in with normal traditional apprenticeship training. Examples in Ghana include the Vocational Skills and Informal Sector Support Project (VSP) for traditional apprentices (TAPs) and Master-craftsmen/women (MCs) (World Bank, 1995), and the Rural Enterprise Project, that aimed to support existing MSEs (including with business training), funded by IFAD (GoG/IFAD, 2000).

ii) Training in preparation for informal economy employment - pre-employment training for those not yet in the informal economy in skills that are deemed relevant for informal economy employment. In Ghana, these would include the Integrated Community Centres for Employable Skills (ICCES) and Skills Training and Employment Placement (STEP) Programmes.¹⁰⁶

The Integrated Community Centres for Employable Skills (ICCES) is a further manifestation of the government's desire to prepare Ghanaian youth for the world of work (see section 3.2). The central concept for ICCES was to:

train the youth... with a view to making them employable, preferably self-employed within and around their own communities. (ICCES, 1996: 5)

The logic seemed obvious and very appealing: that if you provide skills to the youth they will be employable and be able to function well in self-employment and rural-urban drift will reduce. The underlying assumption of this skills development agenda is that skills training leads to economic growth and poverty reduction. This view, while very popular, especially amongst developing country governments who seem to be attracted by the logic is actually backed up with very little research or evidence. It is simply taken as axiomatic that skills training gives people skills which they can use to get or make work and get income, hence reducing their poverty and stimulating economic growth.

¹⁰⁶ ICCES has been mentioned in a number of policy-orientated documents (e.g. Boeh-Ocansey, 1995), but every time has been misrepresented. STEP has not been written about by anyone in detail as it is such a new scheme. As part of his doctoral thesis, Robert Palmer, of the Centre of African Studies, University of Edinburgh examines both the STEP and ICCES programmes in more depth (Palmer, forthcoming).

But as the recent World Bank research, *Skills Development in Sub-Saharan Africa*, has noted:

Training requires an enabling environment... training alone is not an effective means to combat unemployment. (World Bank, 2004d: 27)¹⁰⁷

The second part of the ICCES concept, that the youth would be ‘preferably self-employed within and around their own communities’ is also revealing. Given that the vast majority of all ICCES centres in Ghana are, and always have been in rural areas, the concept suggests that rural-urban drift will reduce as people get or create employment with their new ‘employable skills’ in rural areas. In fact, this objective is explicitly stated later on, when an ICCES document suggests that:

If the ICCES concept gains grounds throughout the whole of Ghana the problem of the drift of the youth to urban centres to find jobs which to [sic] not exist will minimise. (ICCES, 1996: 5)

The intention was to offer further training opportunities for post-basic graduates and basic dropouts. Since 1986, ICCES has expanded to around sixty centres but has been beset with problems (cf. Logie, 2004). ICCES now has a key role to play in the current government’s skills drive, with the stated intention of having at least one ICCES centre in all 117 districts of Ghana.

The Skills Training and Employment Placement (STEP) Programme started in 2003 following the unemployment census in Ghana between September and December 2001. The STEP programme is a modular skills training initiative that is being run by existing service providers, including the Integrated Community Centres of Employable Skills (ICCES), NVTI and other VTIs (both public and private) nationwide. ‘Unemployed’ youth are trained in short courses, often for three to six months, in various trades such as batik tie-and-dye, soap, pomade and powder making, basketry, photography, food processing, garment construction, carpentry and masonry. Each STEP project has a maximum of 25 trainees per three month course.¹⁰⁸ In addition to the main trade skill being taught, like batik, the STEP trainees are instructed in entrepreneurial skills and cooperative formation skills. On completion the intention is that they will be able to create employment for themselves in cooperatives.

From the 2001 unemployment census “which attracted one million unemployed people”, mostly aged 15-24 (GNA, 2002), the Ministry of Manpower Development and

¹⁰⁷ This issue of the need to place education and skills development within a supportive enabling environment is taken up in sections 4.5 and 5.7 respectively.

¹⁰⁸ The government pays about 555,000 cedis (c. £33) per trainee to the ICCES centre that is providing the training (personal communication with Ashanti Regional Coordinator for ICCES/STEP, June 2004). There is a registration ‘commitment fee’ for each trainee of 5000 cedis (c. £0.30) (GoG, 2004f). Course duration varies from two months for food processing (eg, shito, pastry, cakes), to three months for textiles (batik, tie-dye) and soap production, and to six months for masonry, carpentry, dressmaking and electrical installation.

Employment (MOMDE) revealed that 11.2 per cent of the country's population was unemployed (GNA, 2002). Further:

Mr Donkor [deputy Minister at MOMDE] revealed that 60 per cent of the unemployed who registered did not want immediate employment but wanted to be equipped with entrepreneurial skills. (GNA, 2002)

The objectives of the STEP programme (GoG, 2004e) are:

- To offer short (between three-six months) demand-driven competency based vocational/technical training.
- To make trainees self-employable, instead of relying on central Government to offer those jobs, which are hard to come by due to budgetary constraints.
- To stem the unbridled drift from the rural to urban areas in search of non-existent jobs.
- To reduce the endemic poverty and create awareness for wealth creation.

Phase one of STEP, initiated in February 2003 and completed by July 2003, resulted in the training of some 3500 graduates nationwide (GoG, 2004d: 74). Phase two was conducted during 2004, with phase three, the final phase, due to commence in March 2005. The STEP has become politically very important for the current New Patriotic Party government who frequently make reference to it in their fight against poverty through skills training for job creation.

3.11. The Proposed Education and Skills Development Reforms

In January 2002, President Kuffour inaugurated a Committee of Review of Educational Reforms in Ghana, chaired by Professor Anamuah-Mensah (Vice-Chancellor of the University of Education, Winneba). This resulted in October 2002 in a report from the President's Committee entitled *Meeting the Challenges of Education in the Twenty First Century* (GoG, 2002a).¹⁰⁹ This report was then reviewed by government and a White Paper was produced, *The White Paper on Educational Reforms* (GoG, 2004a), that sought to indicate the agreed position of the ministers with regards to the 2002 Anamuah-Mensah Report.¹¹⁰

This proposed Education Reform is largely a post-basic education and training reform, and hence it is obviously crucial that this is discussed in our wider consideration of how post-basic education and training contributes to poverty reduction. And since it is likely that this reform will go ahead and become the education and training system in Ghana, then it is crucial to critically examine it, the assumptions that underpin it, and the likely impact it would have on facilitating poverty reduction in Ghana.

¹⁰⁹ Hereafter referred to as the Anamuah-Mensah Report.

¹¹⁰ Despite the fact that education reforms have been on the cards since 2002, it is interesting that the reforms feature in remarkably few policy documents or statements. In the 2003 Ghana Poverty Reduction Strategy Annual Progress Report (GoG, 2004d), for example, there was no mention of it.

3.11.1. Government Dissatisfaction with the Existing Structure of Basic and Secondary Education

The *White Paper on Educational Reforms* expresses the dissatisfaction of the government with the current structure of basic education (six years of primary and three years of JSS), and gives implicit and explicit statements about the assumptions which underpin these new reforms:

- Basic education “is inadequate to equip our young peoples with the basic reading, writing and numeracy skills required for further mass training at the secondary level” (GoG, 2004a: 4);
- Basic education “has failed to deliver its promise [from the 1987 reforms] of comprehensively equipping the youth... with directly employable skills for the world of work” (GoG, 2004a: 4). Indeed, the objective of the JSS system to prepare graduates for the world of work through work-placed skills has “for years been known to be totally unreal” (GoG, 2004a: 7);
- Basic education suffers from a “fundamental weakness... [since] too many subjects are taught at the Primary and JSS levels, and poorly taught at that, owing to shortages of qualified teachers and materials” (GoG, 2004a: 4).

Regarding Ghana’s current second cycle system, the *White Paper* notes that it “does not cater for the majority” (GoG, 2004a: 7) of basic education graduates. It notes that about 40% of JSS graduates gain admission to SSS and, hence, the current basic education system results in the “pouring out every year [of] hundreds of thousands of unskilled, unemployable and rather young Ghanaians onto the after-school world of work” (GoG, 2004a: 5). The Technical and Vocational Education and Training (TVET)¹¹¹ policy of the Ministry of Education, Youth and Sports (GoG, 2004b) makes the same point, noting that about 60% of youth either drop out of formal education or do not continue to further education or training post JSS, and that:

these are the people who either enter the informal apprenticeship system or join the ranks of the unemployed youth in the urban centres of the economy, and for whom an adequate TVET system... ought to provide access for the acquisition of employable skills. (GoG, 2004b: 1-2)

The problem “of nurturing Ghana’s teen-age population through some process of post-primary training for the majority remains with us and must be resolved in the present

¹¹¹ The Technical and Vocational Education and Training (TVET) policy of the Ministry of Education, Youth and Sports (GoG, 2004b) has been in the formulation process for the last seven years. The Cabinet of the NPP government was meant to make a decision on the policy document on 31st November 2004, but with the national elections in early December 2004, all Ministers were off campaigning and hence the TVET policy never stood a chance. It is expected that early in 2005, the Cabinet will look at it. This TVET policy is obviously related to the proposed educational reforms and contains many of the same rationales for the importance of investing in TVET. The term ‘TVET’ has gone out of fashion with many, such as the World Bank, who prefer ‘Skills Development’, but since Ghana still uses TVET, that will be followed here. TVET in Ghana refers to formalised training as well as informal apprenticeship training in the informal sector (GoG, 2004b: 2-4).

round of education reform” (GoG, 2004a: 1). The *White Paper* makes it clear that the most important part of the proposed educational reforms are to be found at the **post-basic level**.¹¹²

Any meaningful reform of post-basic education in Ghana must focus not just on the 40% of JSS graduates who now go into the existing institutions of SSS level. Instead it must focus on the other 60% of Ghanaian youth coming out of the basic school system who must be equipped to prosper in a global economy driven by knowledge, skills and technology. Thus the most important proposals in this reform package are the ones pertaining to the quantum expansion of places in technical, vocational and agricultural Senior High School Institutions, and even more the ones for a structured intervention by the State, in co-operation with the private sector, to promote a national system of Apprenticeship for non-classroom training (GoG, 2004a: 7-8).

The objective is to expand post-basic educational opportunities “so that eventually [by 2020] the majority of the youth will have had a full course of second cycle education, before entry into the world of work” (GoG, 2004a: 7). This is potentially a very important post-basic initiative to analyse for the future.

3.11.2. Major Proposals in the New Reform

1. Universal and compulsory basic education will be extended to include two years of pre-school teaching at the Kindergarten level. This education programme would run from age four to fifteen, eleven years of continuous basic education (see table 20 below). The new basic education system is meant to be introduced in the academic year 2007-8 and be completed by 2015 (GoG, 2004a: 12), but the “modalities for the realisation of this... are [yet] to be worked out” (ibid: 6).

Table 20. The New Basic Education System

2 years of Kindergarten, 6 years of Primary and The first 3 years of High School (Junior High School)

Source: GoG, 2004a: 5

2. At the primary level fewer subjects would be taught so that “grounding in the basic skills [literacy, numeracy, problem-solving skills and creative arts¹¹³]... would be improved” (GoG, 2004a: 6).

¹¹² The basic-level changes are of course significant; being the extension of ‘basic education’ by two years to include two years of kindergarten (pre-school) and the changes to the curriculum at the basic level to make it more ‘general’. However, the proposed changes to the post-basic level are more significant and will be the focus here.

¹¹³ Creative arts would include art and crafts, music and dance, physical education and ICT.

3. The present Junior Secondary School (JSS) system, that includes – in theory, but frequently not in practice – an element of pre-vocational and pre-technical skills training, will be discontinued. In place of the current JSS, will be the renamed ‘Junior High School’ (JHS), with a more general, comprehensive curriculum. The government intends that the JHS should not be like the present JSS “which served as a terminal programme for most pupils... [but] should become the entry stage” (GoG, 2004a: 5) to further post-basic education and training in the new diversified system of Senior High Schools or in a new system of structured apprenticeship.

4. Senior Secondary School will be renamed ‘Senior High School’, extended from three to four years, and diversified into four streams: vocational, technical, agricultural and general education.¹¹⁴ It is the decision of the government “that the Senior High School system should be organised both as terminal education for entry into the world of work, and as a preparatory stage for entry into tertiary education” (GoG, 2004a: 8). There will be a “radically transformed emphasis on the quality, quantity and financing of Technical, Agricultural and Vocational education” at the Senior High School level (GoG, 2004a: 9).

5. The government intends to partner with the private sector to promote more formalised apprenticeship training programmes, with government assuming “full responsibility” (GoG, 2004a: 9) for the first year of the programme.

6. By 2015, all levels of education are to be staffed by professionally trained teachers (GoG, 2004a: 11).

Factors critical to the successful achievement of the proposed education reforms (GoG, 2004a: 12-13):

- training sufficient teachers to staff all levels of education
- effective decentralisation of responsibility for provision and management of primary and second cycle schools to the districts. District Assemblies would be responsible for providing equipment and infrastructure to all basic schools.

3.12. Critique of the Post-Basic Elements of the Proposed Education Reform

3.12.1. Senior High Schools as *both* Terminal for Formal and Informal Employment and Continuing for Formal Education and Training

The intention to use the new Senior High Schools as both a terminal institution for the majority who will enter informal employment, and as a stepping-stone into formal tertiary education for others, is problematic. The JSS system was meant to be both terminal and continuing and this system has now been judged to have failed (section 3.11.1). Having institutions that are explicitly both continuing and terminal is also largely reminiscent of the rationale behind the Middle-schools introduced in the 1950s in Ghana,

¹¹⁴ King and Martin (2002: 18, fn 37) note that Nicholas Bennett, of the World Bank, who was one of the key architects of the 1987 reforms, commented that the government in 1990-91 had wanted to completely diversify the senior secondary school system by type. However, presumably donor dialogue with the then government had dissuaded them.

which were intended to provide both “terminal courses for the bulk of the students... [and] also to act as feeder schools” (Foster, 1965a: 199) to higher education. This philosophy surrounding the role of the middle-school ran into trouble due to not taking into account how the middle schools were perceived by parents and pupils, who wanted to use the middle schools not as terminal institutions, but rather as a stepping stone to secondary education. Foster argues that:

Although it had been hoped that a terminal curriculum could be developed alongside this recruitment function, it seems quite clear that there was no possibility of success so long as pupils thought mainly in terms of access to the secondary schools. (Foster, 1965a: 200)

In the middle-schools, the result was that there was a much stronger emphasis on more academic subjects such as English and Maths, with a concomitant neglect of other areas of the curriculum (Foster, 1965a: 200). Hence, it might be argued that the dual function of the proposed Senior High Schools could suffer a similar fate: it is possible many pupils will enrol in them with the intention of continuing their studies to tertiary level. Demand - from pupils and parents - is likely to increase for a more academic curriculum, with an emphasis on theory above practical instruction. It may well be that Ghana will see an increase in private tertiary colleges and universities to cater for this demand for further formalised training. The increase in the number of private tertiary institutes would not be a bad thing per se. However, unless the economy has sufficient opportunities to absorb the graduates of an expanding private tertiary sector, then under- or unemployed youth will simply be older under- or unemployed, having completed more education and training.

Many of the present institutions that are meant to be vocational or technical schools tend to have a curriculum that is biased more towards theoretical aspects and to formal sector employment. The current Secondary Technical School can be cited as an example, where graduates leave with a good theoretical grounding, but are often weak on the practical aspects of specific trades. Other institutions such as the Integrated Community Centres for Employable Skills (ICCES) currently serve a dual function: they are terminal for many, while the NVTI certificates that graduates leave with can be used to gain entry to further formalised education or training.¹¹⁵ However, pupils and teachers place a great emphasis on gaining these certificates and so teach aspects of certain trades more with examinations - rather than with self-employment – in mind. Indeed, subjects that would assist ICCES graduates with the theory of starting small enterprise, like entrepreneurial skills training, frequently suffer, are not formally tested and often get passed over for more academic and theoretical subjects.

¹¹⁵ In actual fact, the objectives of ICCES do not include ICCES trainees continuing their education post-ICCES. The objective is specifically for ICCES to be terminal and for graduates to become self-employed in and around their home communities (see section 3.10.3). The fact that ICCES trainees use ICCES as a mechanism to continue their education and skills training attests that the fact that: a) young people are using ICCES to access higher formalised training and b) that ICCES training alone is not sufficient for the youth to enter into self-employment. Many ICCES graduates go on into traditional apprenticeships before being employed or self-employed (see Palmer, forthcoming).

3.12.2. Reliance on the school to solve the unemployment problem

The new diversified 'Senior High Schools' proposed in the educational reforms intended to train the youth "for entry into the world of work" (GoG, 2004a: 8), suggests that the government 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.

Diversified secondary schools that were supported by the World Bank for over 20 years from the 1960s are now seen as largely ineffective. It was twenty-five years ago, in the World Bank's *Education Sector Paper* of 1980 that there was a formal statement about the lack of research evidence for the effectiveness of the diversified secondary school:

There has been no consistent empirical indication of changes in the attitude of students towards labour; in the majority of projects, student still preferred academic fields to vocational training... Because the amount of specialised work included in the curriculum may be insufficient for the formation of skills, the diversified second school is a questionable method for training large numbers in specific vocational skills. (World Bank, 1980b: 45)

But in the minds of politicians and policy makers in Ghana, the education reforms, including the diversifying of the secondary level, seem very connected to solving the unemployment problem. One educational specialist of a large donor agency in Ghana commented that, 'one of the main reasons why the government wants to look at this [the proposed reforms] is because young people do not get jobs'. This specialist went on to paraphrase what many in the government are currently saying; that 'there are all these street children selling dog chains and all that and so the education system must have failed'.

It should be noted, that the proposed education reforms of diversifying secondary education in Ghana to make the schools more relevant is nothing new, and that, in fact throughout the entire history of Ghana and the Gold Coast, there have been repeated attempts to solve the unemployment problem with the school. Philip Foster's classic *Education and Social Change in Ghana* (Foster, 1965a) examines over one hundred years of educational reforms and showed that since the 1847 Education Committee of the Privy Council, there have been repeated attempts in all the educational reforms to make the school curriculum less 'bookish' and more relevant to the world of work. In fact, since the publication of Foster's monograph in 1965, there have been three further attempts to reorientate the educational system better towards employment. The 1966 Kwapong Educational Review Committee, the 1972 Dzobo Educational Reform Committee and the 1986 Evans Anfom Committee all pushed for making the school curriculum more relevant to work.¹¹⁶ The current reform proposals – for the senior secondary level at least – seem to be using exactly the same logic again: that it is possible to change the school curriculum so that school graduates are better prepared for work.

¹¹⁶ See section 3.2.

It is a mistake to think, as the White Paper on education reform, and the comments from those in government, tends to suggest, that the education system by itself can have an impact on the problem of unemployment. As another education specialist in a large bilateral agency in Ghana commented, ‘unemployment is an economic, not an educational, problem’. Hence, it is argued here that unemployment cannot be solved with tinkering with the educational system alone. One multilateral agency is concerned with the notion of trying to use the school system to solve the unemployment problem. This agency is trying to put more and more to the fore the fact that the economy has to grow to be able to absorb any people who require to be employed, as their education advisor noted: ‘It is not just enough to blame the education system because you can train people very well and still not have them have jobs’.

3.12.3. The White Paper is Not Costed

While the White Paper acknowledges that the cost of financing the proposed reforms “will be enormous” (GoG, 2004a: 16), there is no real costing of either the initial capital costs required to initiate the reforms, or the recurrent expenditure to maintain the system. The proposal to increase basic education to eleven years, by making two years of pre-school ‘compulsory’, will significantly add to expenditure requirements. Given that, in 2000, only 50% of primary schools had pre-schools attached to them (GoG, 2003c: 100), a great deal of expenditure will be needed to make universal pre-schooling a reality.

3.12.4. The Proposed Length of Second-cycle Education: Increased Expenditure at the Post-basic Level Impacting on the Financing of Basic Education?

The Anamuah-Mensah Report noted the problems associated with the current SSS system as (GoG, 2002a: 10):

- Lack of adequate teaching and learning facilities;
- Poor infrastructural facilities;
- Lack of well motivated and committed teachers;
- Absence of proper guidance and counselling services;
- Poor management and supervision;
- Inadequately prepared JSS leavers;
- Absence of performance standards for each subject.

Further, it noted that if these problems were addressed “there would be no need to increase the duration” (GoG, 2002a: 10), since evidence from some SSS demonstrate that with adequate resources, high standards can be achieved in three years. Specifically, the 2002 Anamuah-Mensah Report recommended that the current three year length of the second-cycle institutions “should be maintained” (ibid.). The fact that the later *White Paper* (GoG, 2004a) indicated the intention to increase the length of second cycle education to four years suggests that the government does not think it is possible to tackle adequately the above deficiencies of the secondary school system any time soon, and hence the need for a longer duration of schooling to make up in some way for lack of quality. The proposed extension of the second cycle level from three to four years will

significantly add to recurrent salary expenditure in particular as students are required to stay in the system for one year longer.¹¹⁷

The education advisor of one bilateral agency in Ghana commented on the proposed reforms, saying that ‘I am very doubtful that this is the right way to go’. They are concerned with the fact that the reforms have not been costed and that extending the system at both ends – two years KG and an additional year of senior secondary will have serious ramifications for the government budget and it is very possible that government money to basic education will suffer as a result of this. It is very likely that some in this agency will want to put pressure on the government to adapt these reform proposals.

3.12.5. Formalising Apprenticeship Training in Partnership with the Private Sector

The proposal to formalise apprenticeship training in partnership with the private sector seems in need of more thought. It is not clear if the government is referring to the formal or informal private sectors, or both. Since the informal sector is obviously the largest current provider of apprenticeship training, and there are known limitations to informal sector training – particularly regarding perpetuation of traditional technologies - it is not clear how apprenticeship training can contribute to building a ‘knowledge-based economy’ to which Ghana aspires in one generation. Previous apprenticeship projects that attempted to formalise the system experienced difficulties in implementation (World Bank, 1995b). Further, the incentive private informal sector master-craftspeople would have in being involved in such a scheme is not clear. Nor is it clear if such people have even been consulted as yet. There are also questions that should be raised regarding the implications (for sustainability) of the formalisation of the informal apprenticeship system. The cost to the government of taking ‘full responsibility’ for the first year would also be high.

3.13. Conclusion

This section noted how the outputs of the education system are regularly linked to expectations of poverty reduction and growth in the policy literature.¹¹⁸ Since the mid 19th Century, Ghana’s education and training system has been repeatedly reformed in various attempts to solve the problem of unemployment / under-employment. Commission after commission have recommended that the education and training system should be more orientated towards work. But, the expected outcomes of these programmes – poverty reduction and employment / self-employment creation - have largely not materialised, mainly because other supportive measures were not in place.

Current primary school enrolment is increasing faster than the school-age population. Enrolment ratios are increasing, but progress towards UPE has been steady rather than rapid. Ghana is judged to be on track to achieve MDG2 (universal primary education,

¹¹⁷ Not to mention the extra costs of training more secondary teachers to teach an additional year of secondary students and costs concerned with the requirement for expanded infrastructure and teaching materials.

¹¹⁸ This is particularly the case in the later period.

UPE) by 2015. However, there are still more than one million primary school-age children not enrolled at the primary level, and recent developments at the post-basic level might threaten UPE. In the last few years, secondary and tertiary enrolments have increased dramatically and the recurrent cost implications could mean a reduction in support to basic education. The new White Paper on Education Reforms diverges remarkably from the existing educational policy framework, the Education Strategic Plan (ESP) (which itself derives from Ghana's Poverty Reduction Strategy Paper), and largely advocates an increased focus on the post-basic education and skills training levels. Hence, tensions exist over education and training priorities between donor agencies (who have their sights on the education MDGs) and the government (who appear to want focus more on post-basic education and training). This has the potential of creating problems for donor assistance, including donors potentially withholding financing for education or problems concerning the multi-donor budget support (MDBS) mechanism. For example, donors might be encouraged to add more 'disbursement triggers' (conditionalities) to budget assistance, or to question the effectiveness of direct budget support (DBS). Given the fungibility of aid, particularly when donor assistance is in the form of MDBS/DBS, the government of Ghana would likely be able to pursue its own education objectives (eg. expanding post-basic education) regardless of many development partners' wishes for a focus on basic/primary education.

The recent DFID policy paper on aid conditionality, *Partnerships for poverty reduction: rethinking conditionality* (DFID, 2005b), states the importance of countries pursuing their own path to achieving the MDGs:

We [DFID] believe that developing countries must be able to determine their own policies for meeting the Millennium Development Goals (MDGs). (DFID, 2005b: 1)

Given this, the government of Ghana could well argue that they have decided not to interpret the MDGs in the narrow sense – and focus too heavily on primary education – but that they recognise that more investment in post-basic education and training are essential for the MDGs to be met.

This DFID paper goes on to comment that “We [DFID] will not... attempt to impose policy choices on them [developing countries]” (DFID, 2005b: 2). In light of these policy comments from DFID at the level of international rhetoric, it is interesting to see how at the country level, in Ghana, there appears to be a distinct desire on the part of development partners, including DFID, to encourage the government of Ghana to keep the focus on basic/primary education, and not to divert too much funding to the post-basic education and training levels.

In terms of access, formal post-basic education is disturbingly un pro-poor. A recent study by the Ghana Statistical Service reveals that the poorest 10% of the population are unlikely to benefit from public expenditure on either secondary or tertiary levels. Further, it shows that not only do the poorest 45% of Ghana's population have no access to tertiary education (and hence gain none of the direct benefits from public expenditure at

this level), but the richest 1.5% of the population command 55% of public spending on tertiary education. Hence, the main avenue to post-basic education and training for the poor occurs through traditional apprenticeship training in the informal economy. However, currently there is no real support to this area and, coupled with the fact that there is no real decent work strategy, this form of training is in danger of being poverty-perpetuating.

Education and skills policies in the Gold Coast and Ghana have been very much geared up to trying to solve many of the country's problems, principally the problem of unemployment. This strategy has largely failed in the past, but the current education reforms are again following the same rationale. This is a worrying trend.

SECTION FOUR

FORMAL POST-BASIC EDUCATION AND POVERTY REDUCTION OUTCOMES – RESEARCH EVIDENCE FROM GHANA

4.1. Introduction

This section will examine some of the evidence from the literature regarding the impact of formal post-basic education on poverty reduction. Many quantitative studies on education and developmental outcomes are forced to simplify reality in order to be able to achieve some measure of the effect of education. While this is certainly useful to an extent, as it provides us with an approximation, we should not forget the complex actual livelihoods and education and training pathways that people follow.

Since the literature does not explore the synergies between education, skills development and work experience – and their combined impact on poverty reduction, we are forced to present the information regarding education and poverty reduction only. However, where education is correlated against some developmental outcome, it is often difficult to know to what extent education itself played in achieving that outcome, and to what extent other variables influenced the outcome. For example, synergies between education, skills training and work experience are very under-researched. It is important to note that, in addition to the usual education correlations, there are the added complexities of factoring in the other elements like training. A skills variable or work experience variable is often left out of education production functions and hence findings from education return functions should be interpreted with a degree of caution. Quantitative research also frequently simplifies the surrounding environment; for example the type of family background or the degree to which there exists a supportive external enterprise environment. Other crucial factors, such as the quality of the education are also frequently omitted from rates of return calculations.

In this assessment we will be concerned with both the individual and societal benefits that can transpire from post-basic education. We will discuss both intrinsic benefits (direct contributions of educational processes and knowledge to the quality of life) and *derived* benefits (capabilities to achieve or enjoy other things) (cf. Thin, 2004). The impact of post-basic education on poverty reduction varies depending on the type of education or training received at this level, and also who receives that training. We can think of the **different benefits** of post-basic education that arise from **different pathways** to poverty reduction:

- i) **Individual benefits, direct pathway** - the benefits gained by the **individual**, or household to whom that individual is part of, from post-basic education that has been **directly** received by that individual.
- ii) **General benefits, indirect pathway** – the benefits gained by the **general** society or community, that stem **indirectly** from all those with post-basic education.

4.2. The Effects of Formal Post-Basic Education: Individual Benefits, Direct Pathway

We shall start by examining some of the benefits gained by the individual, or household to which that individual is head of, from post-basic education that has been directly received by that individual. These can be termed an individual, direct pathway to poverty reduction. Some of the main effects of post-basic education include the impact on:

1. Incomes for the individual and household;
2. Labour allocation between farm and non-farm work;
3. Health indicators;
4. Domestic and International Remittances;
5. The ability to interpret information in changing environments.

We shall look at each in turn. Where the research evidence permits, we shall explore the effects of different levels of post-basic education and training.

4.2.1. Direct Effect on Increasing Incomes for the Individual and Household

With respect to rates-of-return to education (RORE) estimates, Psacharopoulos' long history of analysis has shown the returns to education to be highest for primary education (cf. Psacharopoulos, 1973, 1980, 1985, 1988, 1994; Psacharopoulos and Patrinos, 2002). For example, Psacharopoulos (1994) states that for developing countries, the average rate of return for primary education is 29%, secondary is 18% and post-secondary is 20%. For Sub-Saharan Africa, the latest RORE estimates are shown in table 21. Here, primary education still is seen to have both to the highest social and private rate-of-returns.

Table 21. Returns to Education, by level (full method), Sub-Saharan Africa (latest year)

Social			Private		
Primary	Secondary	Higher	Primary	Secondary	Higher
25.4	18.4	11.3	37.6	24.6	27.8

Source: Psacharopoulos and Patrinos, 2002: 13

For Ghana in 1967, the social returns to primary education were the highest (table 22), whereas the private returns were highest at higher levels of education. In 1967, the returns to secondary education were lower than those at the primary level.

Table 22. Returns to Education, by level (full method), Ghana (1967)

Social			Private		
Primary	Secondary	Higher	Primary	Secondary	Higher
18.0	13.0	16.5	24.5	17.0	37.0

Source: Psacharopoulos (1994: 18)

For Ghana in 1991, it was at the Senior Secondary level (SSS) that the private and social rates of return are the highest. The private and social returns to SSS (vs. JSS) are higher than the returns to JSS (vs. primary). At the higher level of education, the private returns have dropped significantly since 1967, suggesting that the increasing numbers of youth graduating at this level has not been matched with an increase in the availability of waged jobs, and/or that the quality of education has declined.

Table 23. Returns to Education, by level (full method), Ghana (1991)

Social				Private			
Primary (vs. no education)	JSS (vs. primary)	SSS (vs. JSS)	Higher (vs. SSS)	Primary (vs. no education)	JSS (vs. primary)	SSS (vs. JSS)	Higher (vs. SSS)
11.2	10.6	14.0	7.2	19.4	13.5	19.5	9.1

Source: Canagarajah and Thomas (1997: 46)

The Human Development Africa Region World Bank report comments on the figures in table 23 from Canagarajah and Thomas (1997), noting that:

The relatively low rates of return to JSS (private at 13.5% and social at 10.6%) may reflect that JSS not only does not prepare the large number of students who finish JSS to qualify for SSS, but also inadequately prepares them for labor market participation as well. In contrast, the high rates of return to SSS (at 19.5% and 14% respectively) indicate that SSS seems to be functioning as terminal education for entry into the labor market. (World Bank, 1998: 24-35, cited in Akyeampong, 2002: 19)

However, the RORE analysis has been strongly critiqued by Bennell (1996) on numerous counts who concludes that “the conventional RORE patterns almost certainly do not prevail in SSA under current labour market conditions” (ibid: 195). This is largely because RORE analysis calculates the returns to education for wage earners. Hence, given that the majority of people in SSA are not wage earners, RORE estimates are very problematic. Bennell (1996) further comments that, “the oft-repeated assertion that public investment in education is relatively attractive because actual social ROREs are relatively high vis-à-vis other types of investment can probably be no longer sustained in many SSA countries, in particular where wage employment opportunities remain minimal and

traditional agricultural practices persist” (ibid). The value of Psacharopoulos-type RORE estimates for Ghana is therefore questionable given Ghana’s huge informal economy.

In contrast to the Psacharopoulos-type RORE estimates, other quantitative estimates for returns to education, such as Mincerian returns and regression analysis, point to the importance of post-basic levels. Appleton, Hoddinott and Mackinnon (1996) note that the pattern of returns to education being higher for higher levels of education is common across SSA. Research evidence from Ghana confirms this position, showing that the returns to education are lowest at primary level and that it is at the post-basic level that returns are now highest.

Canagarajah and Pörtner (2003) analyze the effects of education on household welfare in Ghana, using the data from the two most recent Ghana Living Standards Surveys (GLSS), GLSS 3 (1991/92) and GLSS 4 (1997/98) (see table 24 below). Their findings point to the importance of post-basic education¹¹⁹ as a major determinant of welfare¹²⁰. They show post-basic levels to have strong and significant relationship to welfare outcomes in both rural and urban areas.¹²¹ Moreover, their statistical analysis shows that “there appears to be low return to having a primary education” (Canagarajah and Pörtner, 2003: 59), and that middle school education (or JSS) has only a marginal impact.

For rural areas, their analysis shows that for both sexes primary education does not have an impact on welfare outcomes.¹²² For men, a middle school education was shown to have a positive and significant effect on welfare in GLSS 4 ($t = 0.0809$, significant at the 5% level), and for women in GLSS 3 ($t = 0.0773$, significant at the 5% level). Post-basic (post-middle school) education is strongly significant for men in GLSS 4 ($t = 0.1786$, significant at the 1% level), and for women in the same survey ($t = 0.3152$, significant at the 1% level) (Canagarajah and Pörtner, 2003: 54-55). For rural areas, Canagarajah and Pörtner conclude that:

while increased education appears to have a positive effect on welfare, it thus seems that a primary education is not itself sufficient¹²³ ... The benefit gained from having some middle school education also is not large, which may suggest that the quality of the schooling system is poor. The strong positive effect of post-middle school education, in contrast, suggests clearly that this is useful in the fight against poverty. (2003: 55)

¹¹⁹ The education variable that Canagarajah and Pörtner used was based on the man or woman, 18 years or over, in the household with the highest level of education (2003: 55).

¹²⁰ Canagarajah and Pörtner (2003: 42) use ‘welfare’ to refer to the observed monetary value of consumption. Thus the welfare measure is largely an income measure of poverty.

¹²¹ Canagarajah and Pörtner (cf. 2003: 48) use the standard definition of ‘rural’ and ‘urban’ areas adopted by the Ghana Statistical Service, namely that a rural locality is where the population is no more than 5000.

¹²² However, in the GLSS 3 there appeared to be a ‘slightly significant effect for females’, where the t value was 0.0604 (Canagarajah and Pörtner, 2003: 54).

¹²³ However, Canagarajah and Pörtner (2003: 55) caution that “this result may be partly due to the way that education is measured. A person is considered to have some primary education if he or she has enrolled in school. There may, therefore, be relatively little difference in human capital between those with no educational background and those that report having primary education”.

Table 24. Education as a Determinant of Rural and Urban Consumption

	RURAL			URBAN		
	GLSS 3 1991/92	GLSS 4 1998/99	Combined	GLSS 3 1991/92	GLSS 4 1998/99	Combined
Primary (male)	-0.0074	0.0017	0.0165	-0.0301	0.0344	-0.0022
Primary (female)	0.0604*	-0.0090	0.0304	-0.0194	0.0860	0.0581
Middle (male)	0.0459	0.0809	0.0829	0.0737	0.0763	0.0747**
Middle (female)	0.0773**	0.0402	0.0529**	0.1754***	0.0657*	0.1216***
Post-middle (male)	0.1396***	0.1786***	0.1753***	0.1719***	0.1956***	0.1779**
Post-middle (female)	0.1311	0.3152***	0.2503***	0.3313***	0.3895***	0.3701***

Legend

* significant at 10%; ** significant at 5%; *** significant at 1%

Source: Canagarajah and Pörtner, 2003: 54-55; 57-58

For urban areas, Canagarajah and Pörtner show that the returns to education seem to be less for males when compared to rural areas. Moreover, that when compared to those that have received no education at all, “there is no significant effect of primary or middle education” (2003: 58). A post-basic educational level still shows a statistically significant and positive relationship with welfare (ibid). However, for females there appears to be a positive return to education at primary and middle-school educational levels.¹²⁴ That there is little difference between the estimates leads Canagarajah and Pörtner to comment that “most of the positive effect comes from finishing primary education” (ibid). Again post-basic¹²⁵ education is seen to have a “large and significant positive effect” (ibid).

As noted by Canagarajah and Pörtner (2003: 59), the low returns to primary education from their analysis should be read as low returns in *income*, as their welfare measure does not consider other possible benefits from having a primary education, such as the effects of primary education on health outcomes. It is only education at the higher levels, principally at the post-basic level, that returns “a significant difference from having no education at all” (ibid). Canagarajah and Pörtner suggest that “likely reasons for this include a low quality of primary education and the teaching of an irrelevant curriculum” (ibid). The authors conclude that:

the cost to ordinary Ghanaians of getting to a level of education that has a significant effect on poverty is prohibitive, with the result that there is a very real danger of transferring poverty from one generation to the next. Poor households cannot afford middle or higher schooling for their children and therefore cannot afford to give them this opportunity to escape poverty. (ibid)

¹²⁴ However, only the GLSS 3 (1991/92) rural data for females shows a statistically significant relationship (at 10%). In the latest GLSS (1998/99) for rural areas the relationship for females is negative.

¹²⁵ ‘Post-middle’ in the table above: i.e. post middle-school / post-JSS.

Canagarajah and Pörtner (2003) conclude that it is post-basic education, not basic education that gives significant returns to individuals. The recent World Bank (World Bank, 2004a: Annex K) study, *Books, Buildings, and Learning Outcomes*, assesses the impact of basic education on individual earnings and household expenditures. The findings are worth quoting at length since they are revealing and largely support Canagarajah and Pörtner's (2003) case.¹²⁶

Years of schooling has [sic] a positive impact on household expenditure. This result is found whether just the education of the household head is used or the average education level of all household members. The data suggest that an extra year of schooling increases per capita household expenditure by about 4 percent, so that completing basic education (nine years) increases it by 42 percent. (World Bank, 2004a: 196)¹²⁷

[However] [s]uch regressions have to be interpreted with caution. Using them to estimate the growth effects of educational expansion can fall into a trap of the fallacy of composition.¹²⁸ Educating one person alters their life chances given the current state of affairs, so that they will likely enjoy a higher income. But educating many people changes the state of affairs. If the income gains of education come from accessing a limited number of employment opportunities, then the returns to education will fall as the number of educated people rises. On the other hand, if income gains are from genuine productivity increases — either for the self-employed or the employed if the wage reflects the marginal product — then educational expansion will indeed lead directly to growth. (World Bank, 2004a: 197)

Evidence of the former, less happy, picture is give[n] by looking at the Mincerian returns for the two periods... The 1988 data show the expected pattern of returns increasing for each category of education, though the return to primary education is not significant. But by 2003 not only have all the returns fallen - the expected effect from having more educated people available - **significant positive returns**

¹²⁶ Interestingly, a recent DFID Ghana review of the education sector (DFID, 2005a), that relied heavily on this World Bank study, does not mention that the findings point towards the importance of post-basic education.

¹²⁷ This assumption suggested in this paragraph is that there is a linear effect for the education function: that every additional year of schooling had the same effect on increasing household expenditure, year after year. This is clearly fallacious. The 'years of schooling' measure clearly does not tell us anything about the quality of schooling achieved, or indeed how often the person attended school. The following paragraph cautions against the 'fallacy of composition', but does not comment on the fact that even educating a few people is very unlikely to lead to a simple linear effect of the impact of education on household expenditure. Moreover, the following paragraph notes that 'if income gains are from... productivity increases... then educational expansion will lead directly to growth'. This again assumes there is a linear effect to the education function; that every additional year of schooling received will lead to the same increase in household income year on year.

¹²⁸ In other words, it is fallacious to say that just because educating one person increases household expenditure, if everyone receives an education all households will enjoy increased household expenditure.

are only found for senior secondary and tertiary graduates. (World Bank, 2004a: 197, emphasis added)

Disaggregation into rural and urban areas shows returns to have fallen in both. **There was a significant return to primary education in 1988, but this is no longer the case. In 2003, in rural areas the only significant return is from post-secondary education.** Plausibly, secondary graduates find employment in urban rather than rural areas, but there are a few professional positions in rural areas (teachers, health workers) for which people have received post-secondary education. (World Bank, 2004a: 197, emphasis added)

The World Bank research suggests that returns have been falling for the basic level due to what is happening outside the education and training system – in the labour market. It suggests that a decrease in employment opportunities - which were the result of the income gains of education - have led to a devaluation of the basic education currency in the labour market. This World Bank (2004a) data agrees well with the Canagarajah and Pörtner (2003) conclusion: that primary education no longer shows the highest return and it is only at the post-basic level that there are significant returns to education. Indeed, there is further research evidence that reaches the same conclusion.

Van der Gaag and Vijverberg (1989) and Glewwe (1990) show the lowest rates of return to schooling in rural Cote d'Ivoire and Ghana to be at the primary-school level. In Ghana returns to primary schooling are almost nil; they are highest for post-primary schooling levels. A World Bank evaluation of basic education in Ghana (World Bank, 2004a: 42) notes that the positive returns to primary and JSS level are no longer evident, and in fact appear negative. As Canagarajah and Pörtner (2003: 55) noted, one reason why returns to primary schooling may be so low is because the quality of the schooling inhibits benefits to materialise.

The returns estimates noted above, such as Canagarajah and Pörtner (2003) and the World Bank (2004a), do not correspond with the pattern for SSA noted by Psacharopoulos' estimates. On the one hand, Mincerian returns and regression analysis evidence shows that it is post-basic education, not basic-education, that is showing the highest returns. On the other hand, (full-method) Psacharopoulos-type RORE shows the opposite.

Teal (2001) also provides comprehensive coverage of economic returns to education in Ghana using data from the four rounds of the Ghana Living Standards Surveys in 1987/88, 1988/89, 1991/92 and 1998/99. Teal (2001: 6) showed that there was a positive return to education at all levels, but that the returns were higher for higher levels of education. Moreover, unlike the studies mentioned above such as Canagarajah and Pörtner (2003) and the World Bank (2004a), Teal makes the distinction between the non-farm self-employed, those in agriculture and those in waged employment. This crucial distinction is usually omitted from returns to education estimates and was one of Bennel's (1996) main criticisms of using these estimates for SSA, since they are usually based on formal sector waged employment, while the majority of the labour force in SSA

is self-employed in the informal economy (including both agricultural and non-farm work).

Table 25 (below) shows that between 1987 and 1999 the average years of education of the population rose by 27% from 4.5 to 5.7 years (Teal, 2001: 6). It also shows that level of education seems related to the type of occupation in the economy. He notes that the public sector has the most educated employees, with an average of 12.4 years of schooling. Those in private wage employment have on average 9.3 years of schooling, those in non-farm self-employment have 6 years, while those in agriculture had 3.6 years. Teal suggests that this shows there to be “a clear hierarchy of use for education” (Teal, 2001: 6). The bottom of table 16 shows how the percentage of those in post-basic education increased from 5.4% in 1987/88 to 10.5% by 1998/99.

Table 25. Education by Type of Worker

		Ghana Living Standards Survey Rounds			
		1987/88	1988/89	1991/92	1998/99
Public Wage Job	N	490	537	560	474
Education		9.4 [5.3]	10.0 [5.3]	10.2 [5.5]	12.4 [4.4]
Private Wage job	N	353	401	336	404
Education		7.0 [5.1]	7.5 [4.9]	8.4 [4.8]	9.3 [5.0]
Non-Agricultural Self-Employment	N	1,004	1,309	1,350	1,664
Education		4.4 [4.8]	4.8 [4.8]	5.0 [4.8]	6.0 [5.0]
Farmer	N	1,804	2,066	2,353	2,855
Education		2.8 [4.3]	3.1 [4.3]	3.3 [4.3]	3.6 [4.5]
All workers	N	3,651	4,313	4,599	5,397
Education		4.5 [5.2]	4.9 [5.2]	5.0 [5.2]	5.7 [5.4]
Highest Educational Levels Reached (%)					
No Education		50.8	45.5	45.6	44.5
Primary or less		16.8	20.2	17.9	12.0
Middle School Completed		27.0	28.4	29.8	33.0
Secondary School Completed		2.5	2.9	3.8	5.2
Some Post secondary		2.9	3.0	2.8	5.3

Legend: The figures in [] parentheses are standard deviations. N is the number of observations.

Source: Teal, 2001: 20

Regression analysis by Teal shows that the increase in the average education level of 27% between 1987/88-1998/99 caused an increase in consumption of about 3% (2001: 11-12). He showed that the decadal consumption average was 11%, meaning that about one third of the rise in consumption can be attributed to the rise in education (ibid). Teal (2001) notes that the returns to education in Ghana are much higher for wage earners (public and private) than they are for the non-agricultural self-employed. Teal calculates rate of return estimates not only for the waged employed (both public and private), but

also for the non-farm self-employed and the farmer.¹²⁹ He concludes that this difference in the rate of return is due to the difference in the average levels of education of wage earners compared to the non-agricultural self-employed (and not to do with any difference in the rate of returns between the two types of occupation). Hence, Teal shows that farmers, on average, have the lowest levels of education and correspondingly the lowest returns to education. The rate of return is approximately the same for both private and public wage employment, even though, on average, the former has about three years less education than the latter (Table 26).

Table 26. The Mincerian Rate of Return to Education and the Average Years of Education by Occupation Type in Ghana

	Farmer	Non-Farm Self-Employment	Private Wage Employee	Public Wage Employee
Average years of Education in 1998/99	3.6	6.0	9.3	12.4
Rate of return (Mincerian)	1.0	2.5	6.2	6.1

Source: Teal, 2001: 21

What Teal’s data does not show is the impact of education on multiple occupations (since most people in Ghana straddle occupations), nor does the standard ‘years of education’ measure say anything of the quality of the schooling received or what was taught in the school – two key variables. The above research findings are largely concerned with post-basic education up to the senior-secondary level. However, given these findings, that returns to education are higher at higher levels, it is to be expected that those individuals with a tertiary level education would, on average, command the highest incomes of all.

With an increase in individual and household income, comes a host of associated derived benefits to post-basic education. More income usually means more security, better nutrition for the household, better healthcare and better overall livelihood. Hence, it is largely assumed that if there is an effect on income levels as a result of education, then poverty will be reduced in multiple ways: health improvements, social capital improvements, better standard of living and so on.

The findings presented above, taken alone, might suggest that – contrary to what we have argued elsewhere (cf. King and Palmer, 2005; King, Palmer and Hayman, 2005) – there is some sort of semi-automatic effect of schooling on developmental outcomes. This is certainly what seems to be suggested in all the econometric returns to education data. But we need to be more careful. We are arguing that in order for these positive developmental

¹²⁹ Though the huge methodological problems associated with estimating returns to self-employment (farm or non-farm) mean that results should be treated with caution.

outcomes to transpire from education/training there needs to be a supportive internal delivery context as well as a supportive external transformative context in place.¹³⁰ Without these in place it is difficult to see how returns to education can be so positive. Hence we have to place a large ‘health-warning’ on this RORE data and emphasise that what is likely to be a crucial determinant of these returns to education – and a determinant that is not mentioned in the studies examined in section 4.2.1 – is not only the quality of the education the students receive, but also the degree to which there is a supportive environment in place (for example, an availability of work opportunities).

As a closing note to this sub-section, it should be noted that the vast majority of workers in Ghana, and most other countries in SSA, operate in the informal economy and are largely self-employed. Apart from the data from Teal (2001) above, the effects of education on self-employment have only been documented in a limited number of studies, most of which have been conducted in Ghana (Jolliffe, 1996, 1998, 2002, 2003; Vijverberg, 1995, 1999).¹³¹

4.2.2. Allocative Efficiency: Labour Allocation Between Income Generating Activities

Jolliffe (2004), using data from the 1988/89 Ghana Living Standards Survey, estimates the returns to education in both farm and off-farm work in Ghana, and the role of education in labour allocation between activities.¹³² He notes that many households in developing countries are engaged in several income-generating activities and, because previous studies have focussed on the returns to *either* farm *or* wage/off farm work, there was a need to explore how education affects labour allocation between activities.¹³³ Indeed, he notes that:

Measures of the farmers’ returns to education that only incorporate changes in farm profitability are likely to miscalculate the value of education to farmers who also engage in off-farm work. Estimating a farm household’s returns to education on and off the farm will provide a more complete description of the value of education. (Jolliffe, 2004: 287-288)

Jolliffe (2004: 290) finds that the returns to education are much higher for off-farm work than they are for farm work and, consequently, “better-educated farmers allocate more labor to off-farm work” (ibid). Jolliffe (2004: 291) presents data from the 1988/89 GLSS

¹³⁰ See sections 4.5 and 5.7 on the need for a supportive internal delivery context, and section 6 on the need for a supportive external transformative context.

¹³¹ Palmer (forthcoming) looks at these in more depth.

¹³² Jolliffe built on the ideas of the economist Finis Welch who looked at the effects of education on resource allocation. He noted for example, that in dynamic, changing environments, better educated farmers were more able to choose between farm inputs to increase productivity, when compared to less educated farmers (see Welch, 1970; 1978).

¹³³ Occupational pluralism – households engaging in multiple occupations – is the norm in rural Ghana and much of SSA (see Palmer, 2004b: section 8). See also Reardon (1997) on household income diversification.

(Table 27) which shows that the education levels of farmers who only work on their own farm are lower than those who find some employment in non-farm activities.

Table 27. Years of Completed Schooling by Sex, Age, and Off-farm Participation

Age	Full sample	Farm work only		Off-farm work	
		Male	Female	Male	Female
All adults (20+)	4.23	4.0	1.5	6.3	3.3
20–24	6.13	6.3	3.1	7.9	5.2
25–29	5.89	5.8	3.0	8.0	4.7
30–34	5.93	6.6	3.1	7.9	5.0
35–39	5.16	4.6	2.3	7.5	3.9
40–44	4.48	4.1	1.0	7.3	2.9
45–49	3.24	3.9	0.6	5.5	1.8
50 and older	1.19	1.5	0.2	2.5	0.5

NB: The sample consists of the members of the 2393 farming households who are 20 years of age and older. ‘Off-farm Work’ includes all individuals who work off of the farm, regardless of whether they also work on the farm.

Source: Jolliffe, 2004: 291

Jolliffe’s analysis of the 1988/89 GLSS data suggests that “those individuals who have more schooling than the other members of their household... are less likely to work on the farm” (2004: 305). Unfortunately, Jolliffe does not make a distinction between the **type** of off-farm work. Since there is a whole spectrum of off-farm work, much of which is very subsistence orientated, it would have been useful to know what kind of off-farm work more education people are doing. It would seem that the more educated individuals opt for the more dynamic off-farm activities since Jolliffe’s finding is that off-farm activities have a higher return than farm activities.

While Jolliffe’s findings are very interesting, they are only suggestive that post-basic education will cause individuals to allocate more labour to off-farm work. This is because, as can be seen in table 27, even the highest number of years completed is eight – making 6 years of primary and two and lower secondary (JSS). Hence, there is only the suggestion that those with more education than eight years would, on average, allocate more labour time to off-farm activities.

4.2.3. Post-basic Education and Biophysical Outcomes

Infant and Child Mortality

With respect to child mortality in Ghana, Benefo and Schultz (1994: 23) show that for women aged 35 to 49 the effect of 1-4 years of maternal education compared to no education is approximately a 17% reduction in child mortality (15 versus 18 percent). Five to ten years of education reduces child mortality to 12%, while eleven years or more reduces the figure to 7%. Tetey (2003) shows that infant and child mortality are lowest amongst mothers with higher education. Compared to children of women with primary

education, where infant and child mortality is 70/1000 and 43/1000 respectively, children of women with secondary education or higher have lower infant and child mortality rates at 35/1000 and 18/1000 respectively. Wak (2002) also shows that the more education a mother receives the lower the chance of infant mortality is, with children of mothers educated to SSS and above faring the best.

Fertility

Benefo and Schultz (1994: 23) research in Ghana shows that the mean number of children ever born for women aged 35 to 49 was 6.13. In this age group, the effect of 1-4 years of maternal education compared to no education is approximately a 10% decline in fertility (6.11 versus 6.67). Compared to a woman with 1-4 years of schooling, a woman with 5-10 years of education has 12% fewer children (5.38 versus 6.11). Compared to a woman with 5-10 years of education, a woman with 11 + years of education has 31% fewer children (3.7 versus 5.38). Since formal post-basic education in Ghana starts after nine years of education (excluding pre-schooling), it can be seen that although fertility declines as education level increases, the impact of a post-basic education has a more significant impact.

Regression analysis conducted by Benefo and Schultz (1994) show that “education has a pronounced negative relationship with fertility **after the primary level**” (ibid: 31-32, emphasis added). Bonuedi (2003) shows that the education level of a mother affects the mean number of children she will ever have. For mothers with primary education the mean number of children is 2.9, while those with secondary education or above have on average 2.4 children. Whyte (2000) also shows that mothers with an education to SSS level or higher have the lowest fertility rates. Arko (2001) shows that mothers with an education to SSS level or higher have a preference for smaller families compared to those educated to lower levels.

While the kinds of research findings summarised above are useful, it has become almost axiomatic that each additional year of girls’ education has a measurable impact on reduced fertility. But just as the original research that another equally well-known claim was based on – that education has a marked effect on increasing agricultural productivity but only in dynamic environments (cf. King and Palmer, 2005) – it could easily be argued that the research finding about education and fertility (cf. Cochrane 1979) – is also dependent on an enabling environment being present. By contrast with this prevailing wisdom which is now an accepted and long-standing policy research finding, the Millennium Project’s Interim Report on Primary Education discusses the importance of egalitarian and inegalitarian environments for women’s work and status as key variables which may well have a bearing on whether there really is a translation of years of female education into reduced fertility (Birdsall et al 2004: 60).

4.2.4. Post-basic Education and Remittances

According to Coulombe and McKay (2003: section 6.4), remittances make up an important part of household incomes in Ghana. They note that in 1991/92, 36.5% of households received remittances, while in 1998/99 this figure was 40.8%.

Domestic Remittances: Remittances from a member of a family with higher education (and better incomes) to the rest of the family (who have less education) is another mechanism by which post-basic education can directly benefit households. Given that there are so few opportunities for formal sector jobs (requiring post-basic education) in rural areas¹³⁴, it is more likely that a household member with post-basic education would work in an urban area, or at least a district capital.¹³⁵ Given that post-basic education has the potential to provide higher income returns at higher levels, remittances are likely to be higher with higher education levels. However, remittances from basic education migrants are still likely to be relatively significant for poorer households. The effect domestic remittances have in supporting rural livelihoods is unclear, but anecdotal evidence from villages in Ghana suggests that, particularly for the elderly, domestic remittances can be significant (fieldwork by author, Ashanti Region Ghana, 2001-2005).

International Remittances: It has long been a concern that too many individuals who receive post-basic education and training in Ghana migrate and use their skills and knowledge outside the country. A recent DFID Ghana education review notes that:

There is very extensive out-migration from Ghana of educated personnel to countries all over Africa, and to Europe and North America. The role of education in fuelling this migration and the costs and consequences, in terms of replacement of skilled workers and earnings remittances, etc., have not been fully explored but are thought to be highly significant to Ghanaian society and economy. (DFID, 2005a: 12)

The so-called ‘brain drain’ of the countries’ professionals does indeed have implications in terms of the deskilling of the society, and the public cost to Ghana of educating individuals to post-basic level only to lose them abroad. However, the World Bank argues in its 2004 *Global Economic Prospect* that remittances from the African diaspora have become the largest foreign investor in Africa.¹³⁶ Ghana’s brain-drain undoubtedly has a flip side of ‘brain-gain’: the international remittances that individuals educated to post-basic level return to family member in Ghana. More research on these areas is needed.

4.2.5. Greater Ability to Interpret Information in Changing Environments

Education acts as a complement to technological innovation and educated people are better able to interpret information in dynamic, changing environments (Lockheed, Jamison and Lau, 1980; Nelson and Phelps, 1966; Schultz, 1975; Welch, 1970, 1978). For example, Lockheed et al (1980) showed that in modernising environments¹³⁷

¹³⁴ Limited opportunities in rural villages and small towns in Ghana include: teachers, agricultural extension officers, primary health care nurses, or sometimes coco merchants/buyers.

¹³⁵ In district ‘capitals’ of rural districts in Ghana there are other opportunities for post-basic education graduates to work for the District Assembly and related departments, but these job opportunities are still few in number.

¹³⁶ Cited in *New African*, December 2004, No. 435, p.74.

¹³⁷ Referring to a context where there were ‘new crop varieties, innovative planting methods, erosion control, and the availability of capital inputs such as insecticides, fertilizers, and tractors or machines. Some

education had a significant impact on farmer productivity, whereas in traditional environments education had little effect.¹³⁸ Lockheed et al (1980) are most well known for their claim that on average 4 years of education result in a mean gain in production of 7.4% (Lockheed et al, 1980: 129). In actual fact, they calculated the mean gain per year of schooling and simply multiplied up the results by four to get this figure (ibid: 120). This suggests that the more education a person receives, the more productive they are likely to be, and hence those with post-basic education will be more productive in agriculture than those with basic education alone. However, it is too simplistic to assume a straight linear effect for the education function: that every additional year of schooling had the same effect on productivity, year after year. But, it is at least suggestive that those with more years of schooling will fare better in agriculture compared to those with less.

This is also not simply a one-way relationship: that in dynamic enabling environment, education has more impact (on agricultural productivity for example). There is obviously a crucial role, particularly for post-basic education, in the development of an enabling environment.¹³⁹

4.3. Post-Basic Education and Training: Impacting Indirectly on the Poor

The research evidence from Ghana presented above indicates that there are many positive developmental outcomes for the individual (and his/her family) **the higher their level of education is**. For example, those with higher levels of education are more likely to have higher incomes; so it might be said that post-basic education has a direct effect on poverty reduction as it raises incomes to a larger extent than primary or junior secondary education does. However, the question is who receives the post-basic education? The poor are largely excluded from formal post-basic education or training due to issues, for example, of direct or opportunity cost.¹⁴⁰ Since the poor do not receive a large proportion of formal post-basic education and training (PBET), how can PBET be pro-poor? As it stands in Ghana today, formal post-basic education and training are not pro-poor: the poor often have huge problems getting a basic education, and when they do it is likely to be of poor quality; issues of cost (direct, indirect and opportunity costs) and access inhibits the participation of the poor in formal post-basic education and training.

What then, is the case that can be made to donor agencies to widen their support, or at least make their support more balanced – and not focussed on basic education? The effect of formal post-basic education (senior secondary and tertiary levels) on poverty reduction is largely indirect. The positive developmental effects of post-basic education are largely directly seen by the individual with post-basic education and their family. Hence, the impact of post-basic education on poverty reduction **for the majority** largely arises from indirect effects.

other indicators of [a modern] environment were market-orientated production and exposure to extension services' (Lockheed et al, 1980: 129).

¹³⁸ For a full discussion and critique of the Lockheed et al findings, and an analysis of how it has been misrepresented in policy documents see King and Palmer (2004).

¹³⁹ See sections 4.4.2 and 4.4.3.

¹⁴⁰ See section 3.4.2.

4.4. The Effects of Formal Post-Basic Education: General Benefits, Indirect Pathway

We shall now examine some of the benefits gained by the **general** society or community, that stem **indirectly** from all those with post-basic education. These can be termed a **general, indirect pathway** to poverty reduction. They include the effect of post-basic education on:

1. The development of a wider educational environment that improves the outcomes of basic education.
2. The development of the wider non-educational environment that catalyses education-developmental outcomes **at all levels** of education

4.4.1. The Development of a Wider Educational Environment¹⁴¹

Post-basic education and training have a key role in enhancing the quality and completion rate of basic education: hence increasing the outcomes of basic education (King and Palmer, 2005). Post-basic education and training encourage completion rates of lower levels of education (King and Palmer, 2005). Even if these youth do not subsequently get access to post-basic education, their situation will be improved through the completion of basic education – albeit to a lesser extent. Several recent reports by highly influential multilateral agencies confirm that post-basic education and training are crucial if the Education MDG for UPE is to be met.

The new World Bank *Secondary Education Policy Paper* makes a number of powerful points about the interaction of secondary and primary education, and not least on the leverage secondary education has in maintaining the quantity and quality of primary:

Increasing the provision and coverage of secondary education may have the effect of boosting up completion rates in primary education... investing in secondary education may have a direct impact in terms of reaching MDG #2 (Achieving universal primary education). (World Bank, 2004b: 14)

For example, there is research evidence from Ghana (Lavy, 1996) that shows that improving access to secondary education not only improves enrolment at the secondary level, but acts as an incentive for primary completion.

The World Bank *Secondary Education Policy Paper* goes on to note that:

the strong case made here is that MDGs and EFA Dakar goals cannot be accomplished without a systematic policy for post-basic and even post-compulsory education in developing countries. In fact, if transition rates to secondary fall, there is every chance that primary completion will fall and the drop-out rates in the final years of primary will not easily be reduced. (World Bank, 2004b: 14)

¹⁴¹ See King and Palmer (2004) for a fuller discussion of this.

The 2005 UN Millennium Project Report has recently powerfully confirmed this intimate and necessary connection between primary and post-primary education:

Investment in primary education should be balanced with selective support to postprimary... Indeed, planning for the expansion of postprimary level should be done in parallel with planning for achievement of universal primary education. Primary school investments can help create the pipeline for postprimary education, just as opportunities to enter into postprimary education are required to reinforce demand at the primary level (UN, 2005: 66).

The case here – that post-basic education is crucial for basic education outcomes is based more on common-sense than on research findings. The quality of basic education is enhanced through the training of more and better trained teachers, educational managers and tertiary level educational researchers.

4.4.2. The Development of the Wider Non-educational Environment¹⁴²

Post-basic education and training also contribute to the development of the wider non-educational environment that itself acts to catalyse education-developmental outcomes **at all levels of education** (King and Palmer, 2005). For example, post-basic education and training has a key role in training agricultural professionals, who in turn have a key role in developing an enabling environment to enhance farmer productivity. Lockheed et al (1980) showed that four years of education for farmers makes a difference to agricultural productivity of about 10% in “a modernising environment”.¹⁴³ Education makes virtually no difference, the research argued, if the environment is nonmodern [where agriculture is traditional and where there are no new methods and new crops being tried out] (Lockheed et al 1980). Hence, post-basic education – in the form of applied agricultural research and training of agricultural extension officers for example, enables basic education to impact on farm productivity.

A 2002 World Bank publication, *Constructing Knowledge Societies: New Challenges for Tertiary Education* (World Bank, 2002b), also makes a similar point about the vital importance of tertiary education for reaching the education MDGs, as well as providing the necessary professionals for the entire wider enabling system, including education and health. Tertiary education therefore contributes indirectly to both the education and health MDGs:

It is doubtful that any developing country could make significant progress toward achieving the... MDGs for education... without a strong tertiary education system. Tertiary education supports the rest of the education system through the

¹⁴² See King and Palmer (2004) for a fuller discussion of this.

¹⁴³ Referring to a context where there were ‘new crop varieties, innovative planting methods, erosion control, and the availability of capital inputs such as insecticides, fertilizers, and tractors or machines. Some other indicators of [a modern] environment were market-orientated production and exposure to extension services’ (Lockheed et al, 1980: 129).

training of teachers and school principals, the involvement of specialists from tertiary education institutions in curriculum design and educational research... A similar argument applies to the contribution of postsecondary medical education, especially the training of medical doctors, epidemiologists, public health specialists, and hospital managers, to meeting the basic health MDGs. (World Bank, 2002b: xx-xxi).

PBET thus builds the capacity of other sectors – health, extension, management etc – which are crucial to the development of a supportive environment that catalyse basic education developmental outcomes. But, PBET, much more so than just basic education, is essential for developing a knowledge economy, for stimulating economic growth and for promoting innovation and inventiveness within the Ghanaian society and economy. As Bortei-Doku Aryeetey notes:

The problem... is that sophisticated human capital accumulation will not take place without higher education. (2001: 36)

PBET also contributes to the development of a more vibrant and growing labour market, through the creation of employment / self-employment opportunities. The majority of those who create jobs in the private formal economy of Ghana are those who have post-basic education and training. In order to start a business in the formal sector, entrepreneurs have to traverse numerous, and continuous, barriers. Entrepreneurs need sufficient start-up capital, social and business contacts, an ability to deal with changing information, conform to regulations and deal with other formal institutions such as banks. Those with only basic education would find this hard to do.¹⁴⁴ Formal post-basic education and training therefore, have an important role to play in formal sector, private job creation. However, in Ghana, the formal sector remains small, with formal employment creation largely stagnant at present (see section 2).

Increasingly, those with a post-basic education in Ghana are operating in the informal economy, either on a full-time basis, or as a supplement to a public sector job that does not pay very well. Those with a post-basic education are likely to be better off than those with just a basic education and would therefore find it easier to start up a small or medium enterprise. Indeed, formal post-basic education and training are seen as important pre-cursors to job creation in the informal economy.

Evidence from East Africa has shown that, in the informal economy, those with higher levels of education are more likely to start enterprises (Alila and Pedersen, 2001) and hence have the ability to employ others. Evidence from production MSEs in five sectors of Kampala's informal sector (Sengedo et al, in Alila and Pedersen, 2001) shows that the education levels of employers and employees differ considerably. 40% of employers had a secondary school education, whereas the majority of employees had little or no formal education. This implies that a major pathway to becoming an enterprise owner is through

¹⁴⁴ It would be interesting to know to what extent the poor are able to start up formal sector enterprises, despite all the barriers that they will have to surmount.

higher education, and not generally through traditional apprenticeship or informal wage work, where barriers make it difficult for these people to become owners or graduate from apprentice to master.

Recent evidence from Ghana (Morton, 2004) suggests a similar pattern in West Africa. Morton shows that employers are, on average, likely to be more educated than employees, with most employers having some level of secondary education, while the average level of education for employees is only a basic education.¹⁴⁵

The evidence is still patchy and the need for more research in this area is crucial. Nonetheless, there is a suggestion that post-basic graduates are more likely to create jobs in both the informal and formal economies, and thus create employment for the (less educated) poor. However, work might be created, but what types of work is this likely to be: will it be decent work?; will the work reduce or perpetuate poverty among the, generally, less-educated employees? These crucial questions are addressed in section 6.

4.5. Inside the Black Box: The Education Delivery Context in Ghana

We have noted that there are no automatic outcomes to formal education and training (King and Palmer, 2005). It is essential to have a supportive delivery context to enable the educational process. Without this, the outcomes for post-basic education and training noted above will fail to transpire. It is crucial to explore the factors which enable or inhibit good educational provision, attendance, and achievements. We shall examine here the issues of **quality** and **access** to education and training in Ghana.

4.5.1. The Delivery Context: The Issue of Quality

The latest EFA Global Monitoring Report, *Education for all: The Quality Imperative*, makes it clear that the quality of education is a crucial determinant of outcomes of education (UNESCO, 2004).¹⁴⁶ In Ghana, the main challenges that relate to the delivery context of public formal education and training at all levels are:

1. Low pay and delay of salaries. Despite the fact that personal emoluments make up near to 90% of Ghana's education budget,¹⁴⁷ lecturers, teachers and instructors' salaries are regarded as being too low. It is also common for payment of salaries to be delayed, sometimes by months. These two factors result in a deterioration of morale and commitment on the part of the lecturers, teachers and instructors. It also forces lecturers, teachers and instructors to seek additional sources of income, perhaps resulting in less time spent in the lecture theatre, class room, or workshop and hence impacting on quality.
2. Lack of investment. Since about 90% of the educational budget is spent on salaries, there is little remaining finance for non-salary expenditure. This results in poor quality

¹⁴⁵ Morton draws his conclusions from a sample size of just 50 employers (33 in micro and 17 in small enterprises). His findings should be interpreted with caution.

¹⁴⁶ See also Behrman and Birdsall, 1983.

¹⁴⁷ See section 3.3.2.

teaching infrastructure (class rooms, work-shops, libraries, laboratories, furniture) and learning materials (text-books and other teaching materials).¹⁴⁸

4.5.2. Good quality basic education as a determinant of PBET outcomes

Good quality basic education is itself a crucial determinant of post-basic education and training outcomes. Where basic education quality is poor and hence basic-graduates are not of a high standard, PBET becomes more difficult to deliver and PBET developmental outcomes are weakened. The underresourced JSS structure contributes to poor inputs (of students) into SSS/TVET and post-basic informal skills training. Hence basic education quality is also crucial to achieving PBET outcomes. Specific factors that inhibit the delivery of quality ‘basic education for all’ in Ghana include:

1. Teacher absenteeism / difficulty to attract teachers to rural postings. Teachers are often absent from classes, particularly in more remote, rural areas. This is the result of poor conditions of service, including low pay and lack of incentives, but also due to the poor general environment in rural localities (lack of services, facilities, entertainment etc) (cf. Kunfaa and Dogbe, 2002: 34; UNDP/ISSER, 2001: 14)

2. Paid study leave. After three years of service, teachers are allowed to take study leave on full pay (as long as they pass the university entrance exam). Hence many of those that are on the government payroll are not actually teaching, further straining the budget. Teaching is therefore seen by many as an alternative route by which young adults can further their own post-basic education: by opting for teaching for a few years, taking paid study leave to further their education, and then leaving the teaching profession (Donge, 2002: 6; Hedges, 2002).¹⁴⁹ Donge notes that:

the teaching profession is seen as a means for individual advancement, especially through profiting from generous study leave opportunities. Resources flowing into education can thus be diverted to goals other than improving the quality of education, most notably furthering the individual careers of teachers outside education. (Donge, 2002: 26)

The 2003 Annual Progress Report for the Ghana Poverty Reduction Strategy notes that “among the factors affecting quality of education is the large number of trained teachers who go on study leave annually and teacher attrition” (GoG, 2004d: 9).

3. Poor supervision of schools (UNDP/ISSER, 1999). Schools are often not properly supervised at district level. It is not unknown for the date a circuit supervisor will arrive

¹⁴⁸ The decentralised nature of the education and training system means that District Assemblies are largely responsible for the construction and maintenance of infrastructure. However, competing demands at district level often mean that the funding is inadequate and that infrastructure projects are delayed.

¹⁴⁹ Until 2002 there was no limit to the number of teachers who could go on study leave in one year. However, the MOE/GES has now reduced it to a total quota of 5,000 teachers on study leave at any given time (Donge, 2002: 26).

at a particular school to be announced in advance, and the circuit supervisor be met by a 'gift' from the teachers to turn a blind eye to their absenteeism.

4. Low motivation of students (UNDP/ISSER, 1999) and parents. Where both parents and/or students do not see a value in education, commitment wanes, attendance suffers and fees are not paid.

5. Lack of trained teachers. This is especially the case in pre-vocation and pre-technical classes at the JSS level.

6. Automatic promotion of students at all levels of basic education. The automatic progression of students to the next year, regardless of their progress, "is a disincentive to high academic achievement and the development of a competitive spirit... [and] reduces the quality of education outcomes" (GoG, 2002a: 8).

7. Multi-class teaching and the shift-system. Lack of teachers and/or low student enrolment has led to the adoption of multi-class teaching; which involves different classes joined together and taught by one teacher. Where enrolments are high and infrastructure inadequate, a shift system or morning and afternoon lessons is in place in some schools. Both of these systems have been identified as 'inefficient' (GoG, 2002a: 7-8).

The quality of basic education also has a crucial role in the retention of students through the basic cycle. The 2003 Ghana Millennium Development Goals Report notes that:

specifically for the basic education sub sector, improving the quality of education will have significant improvement in enrolment and in retention rates. (GoG/UNDP, 2003: 11).

4.5.3. The Impact of Poor Quality Public Basic Education: The Educational Stratification between Public and Private

The private sector in basic education is expanding rapidly. This "reflects the widespread perception that the quality of education in public institutions is very low" (DFID, 2005a: 8). In 2001, 16% of Ghanaian primary schools were private and they taught 17% of the total number of pupils (Donge, 2002: 18).¹⁵⁰ DFID Ghana now puts the percentage of children enrolled in private primary schools at "more than 20%" (DFID, 2005a: 13). In Ghana, private basic education results in better learning outcomes for pupils and parents recognise this fact.¹⁵¹ For example, in 1999, 4% of pupils in public schools achieved mastery scores in Maths compared to 29% of pupils in private schools outside Accra

¹⁵⁰ Though this is probably an underestimation (Donge, 2002: 18).

¹⁵¹ In fact, it is not just the wealthy urban middle-class and elite that sends their children to private primary schools. In rural areas too, those parents who can afford it – usually those with a post-basic education themselves and with a salaried position (perhaps as a teacher) – spend a large amount of their salaries on private primary education. However, the quality of private education is, of course, not uniform, and the rural private primary schools are, generally speaking, undoubtedly of lower quality than their urban counterparts.

(UNDP/ISSER, 2001: 15). In private basic education the number of untrained teachers is higher than in the public system, but these teachers are much more closely supervised by the owners or heads of private schools. Private schools have a direct interest in training teachers and ensuring that quality education is delivered. As private businesses, the school will not survive if examination results are poor and hence there is a strong need to ensure quality education (Donge, 2002: 19).

Meanwhile, as public basic education in Ghana suffers from numerous delivery problems (section 4.5.1.) that result in lower quality educational provision, there is a growing disparity between the quality of public and private schools. Canagarajah and Pörtner (2003: 62) comment that “there are marked quality differences in education between public and private institutions, despite the recent increase in public spending on education”. However, it is not as simple as a case of quality private basic education versus lower quality public basic education. Within the public sector itself there “is a bifurcation between those schools that receive substantial contributions from the community and those that do not attract such contributions, or are situated in poor localities.” (Donge, 2002: 5)

The fact that schools still charge levies¹⁵² and that the community is often tasked to maintain school infrastructure, means that the wealth of the community has a large impact on the quality of education provision in public schools (Donge, 2002: 20). Hence in poor communities, the public education is likely to be of poor quality, whereas in better off communities public education is likely to be of better quality. In Ghana, basic education has become thoroughly stratified

between schools where learning outcomes are good or reasonable (private schools and public schools supported by relatively wealthy communities) and public schools that merely depend on government funding. (Donge, 2002: 6)¹⁵³

While the perceived or actual general poor quality of public education provision continues, an interesting pattern is emerging in Ghana: The poor quality of public basic education leads to the elite using private education to gain access to publicly funded secondary and tertiary education, further marginalising the poor. It is acknowledged that:

The poor quality of education within the rural deprived areas creates an uneven playing field for children aspiring to enter secondary and tertiary levels of education in Ghana. (DFID, 2004c: 27)

Research by Addae-Mensah (2000) shows that over 60% of entrants into the five publicly funded universities are from just 18 SSSs – considered to be ‘elite’ public boarding schools. Meanwhile, the Education Sector Review noted that the Ghanaian elite tend to send their children to good quality private primary and Junior Secondary Schools so that

¹⁵² See section 4.6.

¹⁵³ However, as we noted earlier, FCUBE is not free and government funded public schools still charge levies, though the amount collected is small compared to the private schools where equivalent levies and tuition fees are charged.

their children are better able to get access to the publicly funded ‘elite’ senior secondary boarding schools (GoG, 2002b). Hence, it is the poor who cannot afford the luxury of better quality private basic education that suffer. The poor will suffer not only by getting a basic education of inferior quality when compared to the non-poor who can afford private basic education, but the poor will also suffer with their access to formal post-basic education because of the disadvantage that they faced at the basic level. Inequalities will therefore continue to widen. Since the poor perceive that they stand little chance of getting access to post-basic education, enrolment rates among the poor at basic level might fall. As Cobbe noted in 1991:

the tendency for the children of the privileged to become more successful in the [SSS] selection process is likely to become more pronounced, and the incentives for the elite to rely on private schools and/or private tutoring outside the public system will also become stronger... Already enrolment ratios are falling among poorer groups because of higher out-of-pocket costs and the low perceived benefits of attendance. (Cobbe, 1991: 111)

4.5.4. Formal Post-basic Vocational Training Delivery Context

Formal post-basic vocational training in Ghana suffers from the same ‘training crisis’ that is seen in other developing countries (Bennell, 1999), that limits the impact of TVET on the poor. Formal TVET in Ghana suffers from a lack of investment, and hence lack of equipment, text books and training materials (UNDP/ISSER, 2001: 12). Grierson (1997) highlights a crisis of cost, relevance and equity for formal vocational training. There is a **crisis of cost** since “vocational training is inherently expensive” (Grierson 1997: 11). There is a **crisis of relevance**, since “there is a growing mismatch between the training offered by vocational training programmes and the skills needed for dynamic competitive markets” (Grierson 1997: 11-12). And there is a **crisis of equity**, since “vocational training programmes are often difficult to access and use, especially for those in greatest need of self-employment skills” (Grierson 1997: 12).

Issues of cost and equity are obviously linked. Grierson (1997) talks of a ‘crisis in equity’ where youths are not presented with suitable opportunities to further vocational education and training. Training can be captured by the non-poor with respect to;

- 1] Cost – fees are often too expensive and payment schedules too inflexible for the poor (especially for cocoa farmers who receive a bulk amount of money each year, typically November/December).
- 2] Access and number of places -
 - a) There remain too few formal TVET institutions for the demand.
 - b) The distance to the training centre is often too far: most formal training is located in urban / peri-urban areas or larger rural settlements;
 - c) There is a lack of facilities, such as hostels, teacher accommodation, rural infrastructure and so on.

3] Opportunity cost of training. The poor cannot afford to forgo the time and money for training courses, that often last three years, when they could be earning money directly or helping their family in enterprise activity, including farming.

At higher levels of the TVET system, for example the technical institutes, the distinctly academic focus leads to graduates who might be proficient in theory, but who lack practical skills. Those TVET graduates who go on to become instructors in vocational institutions where practicals form an inherent part of the curriculum are unable to instruct students in the practice of a particular trade.

4.5.5. The Tertiary Education Delivery Context

At the tertiary level also specific factors in Ghana inhibit the delivery of quality education. The World Bank recently noted that “the quality and relevance of tertiary education are considered inadequate by employers” (World Bank, 2004e: 8).

Low pay has been one of the major factors in the inability to attract young people to tertiary teaching: this has led to a severe shortage of qualified staff. In 1999-2000, about 40% of posts at universities, and 60% in polytechnics were vacant (World Bank, 2004e: 8). The 2000 Ghana Human Development Report puts these figures even higher, by stating that “more than 50% of faculty positions in the universities and 80% of those in polytechnics are vacant” (UNDP/ISSER, 2001: 14). The 2000 Ghana Human Development Report further notes that, “as of December 1999 only 0.3% of the teaching and research staff were below the age of 30”, with most (74%) in the 41-60 age range (UNDP/ISSER, 2001: 14). This difficulty in attracting new staff has made it “impossible for the universities to insist on the minimum requirements for Ph.D. degrees for beginning lecturers” (UNDP/ISSER, 2001: 14). About 50% of the teaching and research staff at the University of Ghana hold Masters degrees. Many pursue PhD degrees while lecturing, which might draw their time away from teaching (ibid.).

The Local Research Culture of higher education does not provide tertiary institutions with an adequate enabling environment within which to conduct high quality research (cf. Palmer, 2003). As we have noted elsewhere (King and Palmer, 2005), higher education and research are seen as critical for a country to become a knowledge economy, and “can make the difference between a dynamic economy and a marginalized one” (Salmi, 2003: 15; World Bank, 2002b). The World Bank’s view of development from a ‘knowledge perspective’ reinforces the need for universal basic education, but also refocuses attention on aspects that have been “overlooked” (World Bank 1999b: 2), such as local research.

4.6. The Delivery Context: The Issue of Access

Access to education is affected by numerous factors. Most factors are associated with the widespread nature of poverty in rural areas and the subsequent difficulties for families to raise enough money to pay for school expenses and bear the opportunity cost of not having children work on the farm. Also, since most people in rural areas are farmers, they do not receive a regular income and often find it hard to obtain cash at the required time

to pay for school expenses. As we noted, quality basic education is an essential prerequisite for quality post-basic education. If the poor face challenges that inhibit them getting a basic education, then less and less of the poor will ever have the chance to reach post-basic levels.

School levies also impact on attendance.¹⁵⁴ The poor are being priced out of good quality basic education. Kunfaa and Dogbe note that “education is often out of reach for poor families who face formidable barriers of access and cost in trying to send children to school” (2002: 34). Moreover, “better equipped schools are becoming even more out of reach for the poor, as schools introduce extra charges to finance upgrading projects” (UNDP/ISSER, 2001: 11). As noted in section 3.5, newly introduced capitation grants should serve to remove levies at the primary level and hence make this level more accessible for the poor (though indirect opportunity costs are still present for the poor).

The distance a child has to travel to school affects the access they have to education. The situation in rural areas is obviously worse than in the urban areas. A UNDP/ISSER report estimated that about three-quarters of all JSS students have to walk more than 30 minutes to school (UNDP/ISSER, 1999: 39).

The difficulty of progressing into further formal education and training would impact on enrolments at the basic level (Lewin, 2003). Charges at the post-basic level are high, and much higher than charges at the basic level in Ghana. Without mechanisms in place to assist the poorer students, fees at post-basic level will create an insurmountable barrier that stops the poor progressing beyond basic education:

Implications of cost-sharing [at the post-basic level] are that some needy students may not enrol, leading to a fall in enrolment. High fees for post-basic education may affect primary school enrolment. Parents may choose to forgo the expense of primary education in anticipation of not being able to find the resources to continue. (Republic of Ghana, 1999: 52, cited in UNDP/ISSER, 2001: 16)

DFID also note that low transition rates from basic to post-basic levels impacts adversely on the likelihood of families sending more of their children to school:

Growing evidence... suggests that the poor transition rate of children to higher levels of education is the key deterrent to parents considering sending more children to primary school. (DFID, 2004c: 27)

Generally speaking, social obligations in rural communities are also more acute than in urban areas and are often accorded higher priority than children’s education. Many rural families spend money every week on church and funeral donations and yet do not have enough left to cover school costs. Arguably these types of social obligations are important in rural areas and offer the basis of a support and informal insurance

¹⁵⁴ See section 3.5.

network¹⁵⁵, but social and community expenses still divert family income away from other expenses, like education. Where families have to make the choice of which children to educate, boys usually receive preference with girls often taken out of school early. Girl's enrolment also suffers in communities where they are betrothed early, often to older men, who take them from school when they are deemed old enough to marry. This is more common among the Muslim communities in villages and towns throughout Ghana.

4.7. Conclusion

Recent quantitative research evidence (Mincerian returns and regression analysis) from Ghana, and other countries in SSA, show that it is formal post-basic education, not basic education, that has the largest direct impact on income levels and hence poverty reduction. This contrasts with the Psacharopoulos-type RORE estimates that still show primary education as having the largest impact on income levels. The recent research evidence shows that the primary school on its own has a limited effect of poverty reduction. Two factors for this reversal can be suggested. The falling quality of public basic education might have led to the falling returns to lower levels of education. Moreover, if the returns to education accrue from obtaining employment and hence raising incomes, then it might be that the declining opportunity in the labour market has caused the decline in education returns at the basic level. We have to remain cautious about the quantitative returns-to-education estimates since their calculations by their very nature require simplification of reality so that it can be modelled. 'Years of schooling' and 'level of education' certainly say nothing about either the quality of the schooling, or what was taught in the school. Nor should we be taken in by the underlying assumption of the education agenda – that education alone somehow results in positive developmental outcomes. Both the internal delivery context (e.g. quality and curriculum) and the external transformative contexts (e.g. the opportunity for graduates to find work) are crucial.

The direct effects of formal post-basic education and training are generally not felt by the poor since they do not get access to this level of training.¹⁵⁶ However, we have argued here that post-basic education and training does make a major contribution to poverty reduction, though largely in an indirect manner. For example through job creation in the economy; The development of a wider educational environment that improves the outcomes of basic education; The development of the wider non-educational environment (e.g. training agricultural and health professionals, developing a knowledge economy, stimulating economic growth and promoting innovation, inventiveness and research) that catalyses education-developmental outcomes **at all levels** of education.

¹⁵⁵ Kunfaa and Dogbe (2002: 36) note that churches and mosques are seen as important institutions in rural areas, which often provide support to congregation members who are in difficulties. They note that families are less likely to get help from a particular church or mosque if they are non-members.

¹⁵⁶ The poorest 10% of the population do not benefit from public expenditure on secondary or tertiary education, and the poorest 45% of Ghana's population have no access to tertiary education (see section 3.4.2.)

The delivery context (quality) at all levels of the public education and training system is low, especially for the northern regions and for the poor: hence the context in which education and skills are delivered does not enable education/training outcomes. Post-basic education, through training teachers, developing new curricula, training educational managers and supervisors has a key role in raising the quality of education at all levels.

SECTION FIVE

SKILLS DEVELOPMENT AND OUTCOMES IN THE INFORMAL ECONOMY

5.1. Introduction

In the previous section, we examined the impact formal post-basic education and training has on poverty reduction. We noted, among other things that formal post-basic education and training are not directly pro-poor: the direct benefits are generally captured by the non-poor, but that substantial indirect benefits are felt by the poor. This section is concerned with the impact that skills development **in and for** the informal economy has on poverty reduction.¹⁵⁷ Skills development in and for the informal economy is another element of the post-basic education and training system.

First, however, it is crucial to place this discussion in context and to highlight some of the key points regarding education, skills development and the informal economy. Hence, this section will take the following format: It will start by briefly examining the concept of the informal economy, including how the informal economy is portrayed in a key policy document in Ghana, the Poverty Reduction Strategy Paper. Next we will very briefly examine the importance of the informal economy in relation to education outcomes and pose the question, ‘Education for all: For what?’; We will then explore some of the possible outcomes of skills development in and for the informal economy in relation to poverty reduction and growth, as well as the kinds of delivery contexts within which these types of skills training are provided.

5.2. The Informal Economy: Between Survival and Growth

When discussing the multiple roles of skills development in the informal economy, it is important not to see the informal economy as some sort of homogenous entity, but as hugely diverse and utterly heterogeneous (Fluitman, 2002). Needs, including skills needs, are different for different parts of it. Hence, the role skills development plays in the informal economy in relation to poverty reduction and growth varies according to which sub-sector is examined (cf. Mitra, 2002).

To facilitate conceptualisation and intervention, it can be useful to distinguish between different types of enterprise that make up this sector (cf. Hart, 1969; Katzin, 1964; King, 1980; McGrath et al., 1995). There should be a distinction between the more dynamic and the more subsistence orientated owners and workers.¹⁵⁸ For example, many of those who are uncritically enthusiastic about the potential of microfinance institutions to reduce poverty¹⁵⁹ “misconceive very poor people as nothing more than budding micro-

¹⁵⁷ See the discussion in section 3.10.3 on Informal Post-Basic Training: Skills Development in and for the Informal Economy.

¹⁵⁸ Or as Loucks put it: ‘while all entrepreneurs are self-employed, all self-employed are not entrepreneurs’ (Loucks in Mburugu 1993:1, cited in McGrath et al. 1995: 16).

¹⁵⁹ These types of people have been termed ‘microfinance evangelists’ (after Copstake 1995 in Rogaly 1996: 100) on account of their ‘hard-sell’ approach to promote the brave new world of micro-enterprise finance.

entrepreneurs, an ideology inherited directly from the World Bank and the major bilateral aid donors” (Rogaly, 1996: 110). This misconception fails to see that many people in the informal economy are not dynamic entrepreneurs but instead are survivalists. This interpretation fits with others (King, 1980; McGrath et al., 1995: 1) who distinguish between entrepreneurship self-employment, who comprise of the upper tier of the informal sector, and subsistence self-employment, comprising of the lower tier of the sector that are “surviving rather than developing through self-employment” (McGrath et al., 1995: 2).¹⁶⁰

Another crucial issue regarding the informal economy is that conceptualisation of it should not simply focus on the urban informal economy, as much previous research has done (Aboagye and Gozo, 1986; Hart, 1970; Hart, 1973: 61; Todaro, 2000), but to look also at the rural informal economy (Bagachwa, 1997; Bromley, 1978; Livingstone, 1991; Palmer, 2004b). This implies that any analysis of informal skills development contribution to poverty and growth has to consider rural areas too. In SSA, policy and implementation focus tends to be on the urban informal sector and its (diverse) needs (eg. GoG, 2003c: 73).¹⁶¹

5.3. Ghana’s Informal Economy

The informal sector came into the development literature in the early 1970s in the Kenyan context (ILO, 1972). However, the term ‘informal sector’ itself originates from research based in Ghana (Hart, 1969; 1970; 1973) and today this country is known for its well-developed informal economy (Haan and Serriere, 2002).¹⁶²

Large numbers of young people in Ghana enter the informal economy each year. Since the transition rate between JSS and SSS is c.30% (GoG, 2003a: 52), many of those entering the informal labour market are JSS graduates. The informal economy in Ghana, both rural and urban, employs 89% of the labour force (including 56% in agriculture and 21% in retail trade) (Xaba et al., 2002). Hence, the informal economy in Ghana is the primary destination for all school leavers. But how does the government view the informal sector?

The ‘fuzzy’ conception of the informal economy (Blunch, Canagarajah and Raju, 2001; Peattie, 1987) means that when policy planners, donors, academics or politicians talk about the ‘informal economy’ they may well be talking about very different ‘informal economies’. Some academics or policy people might be referring to manufacturing enterprises when they discuss the informal economy. Others might be referring to urban

¹⁶⁰ It is not suggested here that there are two distinct groups in the informal sector, the subsistence type and the entrepreneurial type enterprises, or that there is no movement (in both ways) between them, rather the informal sector is seen as a continuum between the two. For the sake of policy and donor interventions it is more useful to make this distinction since specific target groups can then be identified (McGrath et al. 1995: 2).

¹⁶¹ In India, little attention is paid to those who wish to continue to live and gain skills in rural areas, compelling them to join the urban informal sector due to lack of skills (Singh, 1999: 171).

¹⁶² See Palmer (2004b) for a fuller discussion on the origins of the informal sector concept in Sub-Saharan Africa.

enterprises. Others still might be referring to subsistence, hand-to-mouth income-generating activities. Unless it is specifically spelled out what the term ‘informal economy’ is taken to mean at a given time, or in a given document, confusion can creep in (see Palmer, 2004b: 22-28).¹⁶³

The Ghana Poverty Reduction Strategy Paper (GPRSP) seems to discuss the informal economy only in relation to the more dynamic, growth-orientated, manufacturing and urban MSEs, and has less to say about the more subsistence-orientated, retail and rural MSEs. The latter are most likely to be micro-enterprises owned and operated by women.

The GPRSP does, however, discuss the importance of agriculture and stresses on the need to modernize this sector, but has very little on farm non-farm linkages, or about rural MSEs. On the informal economy, the GPRSP notes that:

A large portion of the **urban** work force is self-employed in the informal sector. The sector is therefore very important to Ghana’s economic progress. (GoG, 2003c: 71, emphasis added)

The GPRSP goes on to discuss the constraints facing the informal sector in Ghana, but keeps the discussion very much with urban informal enterprises in mind:

Features of the **urban** informal sector that need to be addressed according to the GPRSP:

- Low levels of education and training of the self-employed and other workers. Women and disabled particularly disadvantaged.
- Limited access to credit.
- Lack of institutional framework to overcome disadvantages of very small size.
- Lack of effective contract enforcement.
- Low level of technology use.
- Limited vertical integration. (GoG, 2003c: 73, emphasis added)

In fact, there is no explicit strategy outlined in the GPRSP regarding the informal sector. Nor is there sufficient attention paid to promoting ‘decent work’ in Ghana’s informal economy. As we shall see¹⁶⁴, promoting an enabling environment in the informal economy, including having an explicit strategy and supporting decent work, is crucial if education and skills development in Ghana is to be translated into positive developmental outcomes. Without such a supportive environment, many of those entering the informal economy after competing basic education and, perhaps, some degree of post-basic informal skills training are likely to find themselves in a largely static situation, that is poverty-perpetuating, not poverty-alleviating.

¹⁶³ Indeed, what was fascinating about a recent policy dialogue discussion on ‘poverty reduction and wealth creation in the informal economy’ in Ghana, organised by the ILO and MMYE on 1st March 2005 in Accra, was that participants’ discussions and contributions were all referring to very different informal economies in Ghana. Not one person stood up and asked for clarification or a working definition on Ghana’s informal economy (see Palmer, forthcoming).

¹⁶⁴ See section 6.

5.4. Education for all: For what?

While basic education discourse in Sub-Saharan Africa (SSA) has focussed on *quantity* and, more recently, *quality* of service provision, there has not been sufficient discussion of *outcomes*.

The progress towards the Education MDGs is already promising to produce some of the largest cohorts of basic education graduates ever witnessed in a substantial numbers of countries. This is occurring at a time when formal sector employment is continuing to fall, and the great majority of all school leavers are obliged to enter the informal, micro-enterprise economy, urban and rural. In SSA it is estimated that the informal economy is responsible for 93% of all new jobs (Chen, 2001).¹⁶⁵ Post-independence history indicates that parental commitment to primary school attendance for all their children will depend on some clear evidence of improved opportunities for skills development and/or formal post-basic access on the one hand, and equally evidence of a relationship between basic education and ‘decent work’ through increased income generation in small and micro-enterprises (SMEs) on the other. Politically, therefore, the massive costs of UPE/EFA need to answer the question: EFA for what? (cf. McGrath and King, 1999: 10).

This inescapable interconnectedness of the MDGs (especially the Education MDGs with the Poverty Reduction Goal (Target 1)) and the Decent and Productive Work (Target 16) underlines the crucial and urgent need to point to the immediate post-school and income benefits of EFA. The sustainability of the current unparalleled investments in basic education of good quality will be determined by such evidence. The next few years’ experience of the quality and outcomes of EFA will determine whether the massive numbers of poor, first generation school-attenders and their families will continue their new commitment to schooling.

The informal economy provides both skills training and an opportunity for (self) employment. As this represents the primary destination for basic-education graduates, it is crucial that a country develops the capacity of its informal economy. Both skills development provision and supporting enabling environments for micro- and small-enterprise development may have the potential to build this capacity.

5.5. Weak Empirical Basis to Link Skills Development with Poverty Reduction in Ghana

The ILO (1998) sees training as being important for workers in the informal economy and discussions during a workshop of donors and researchers on the then-forthcoming *Skills Development in Sub-Saharan Africa* publication (cf. World Bank, 2004d) noted a definite link between skills training and poverty reduction, and that skills training is good for growth, productivity and innovation (Fluitman, 2002). Skills development is often said to be beneficial to informal sector operatives in a number of ways; it is argued that training increases productivity, quality, diversity and occupational safety and improves health.

¹⁶⁵ In India 92.5% of the workforce operate in the informal economy (Jhambala and Subrahmanya, 2000: 2).

The underlying assumption of the skills development agenda is thus that skills training leads to economic growth and poverty reduction (cf. Working Group for International Cooperation in Skills Development, 2002: 16). However, the empirical basis for this thesis is lacking. Unsurprisingly, the research, monitoring and evaluation evidence from Ghana for the impact skills development has for and in the informal sector is very weak. Those programmes that have been evaluated were externally funded, like the World Bank's Vocational Skills and Informal Sector Support Project, or IFAD's Rural Enterprise Project. Government programmes that target the informal sector, such as ICCES and STEP have never been evaluated.¹⁶⁶ The objectives of these programmes have never been assessed. It is simply assumed that objectives are reached and that these programmes have a positive impact on their target clients: the unemployed poor or the rural youth. Similarly, for skills training in the informal economy, in traditional apprenticeships for example, empirical research findings or evaluation studies on the impact of informal sector training on poverty reduction are not common. It is therefore clear that more research based evidence is required that examines the relationships between skills development for poverty reduction and growth.

5.6. Possible Links between Training (in and for) the Informal Sector and Poverty Reduction¹⁶⁷

While the empirical basis for linking skills development to poverty reduction in the informal economy is extremely limited, we can outline a number of **possible** links between skills development and certain developmental outcomes. It should be noted that skills training by itself is not sufficient for developmental outcomes to materialise. As the World Bank's *Skills Development in Sub-Saharan Africa* notes, "training requires an enabling environment... training alone is not an effective means to combat unemployment" (World Bank, 2004d: 27). Training forms part of a package to support the informal economy (World Bank, 2004d: 127).¹⁶⁸

We can start by looking at some of the possible effects that skills training in the informal economy, principally through traditional apprenticeship training, has on poverty reduction.

Firstly, it is widely assumed that skills training in the informal economy **increases productivity of workers**, thereby increasing incomes and hence leading to reductions in poverty levels for these workers and their families. The World Bank notes that:

The importance of skills training for the informal sector is rooted in the need to enhance productivity of informal sector activities and improve the quality of its

¹⁶⁶ Robert Palmer, of the Centre of African Studies, University of Edinburgh is organising the first tracer study of ICCES graduates in Ghana (Palmer, forthcoming).

¹⁶⁷ See section 3.10.3 for a discussion on what is meant here by skills training **in** and **for** the informal economy.

¹⁶⁸ Section 5.8 examines briefly the type of environment within which the informal training occurs in Ghana.

products and services, in order to raise the incomes of those employed in the sector. (World Bank, 2004d: 128)

Secondly, it has been argued that informal skills training helps to **develop social capital**. Training allows for a gradual building up of informal business networks (with suppliers, customers, other apprentices and masters) (Assad, 1993). ‘Informal social networks’ (Hart, 1973) will be strengthened and knowledge about informal sector associations and contacts will be gained.

Thirdly, informal skills training can help **develop business skills and experience**. Training in the work place results in experience in, and the development of, general business and managerial skills, including customer relations skills, crucial to apprentices’ future survival as independent entrepreneurs (Fluitman, 1994). Since informal skills training occurs on-the-job it is highly relevant to the real world of work, and allows apprentices to get acquainted with real work conditions.

Fourthly, given that most people, particularly in rural areas, practice occupational pluralism – working both on and off the farm - the increased productivity resulting from skills training in non-agricultural rural employment has **positive knock-on effects to agricultural enterprises**, principally through cross-financing (Palmer, 2004a: 35-36).¹⁶⁹ Farm-Nonfarm linkages are well acknowledged (eg. Haggblade, Hazel, and Brown, 1989; Reardon, Berdegue and Escobar, 2001).

Fifthly, informal skills training represents **the most accessible source of post-basic training for the poor**. Relative ease of entry into informal skills training means that traditional apprenticeships are by far the most widespread source of skills training in Ghana (and SSA more widely). They provide a cheap way for the poor to acquire skills and as an important source of technical skills for those who cannot access formal training. Traditional apprenticeship is much cheaper than formalized training.¹⁷⁰ Parents can often pay over time. This makes traditional apprenticeship a viable, and the most accessible, destination for basic-education graduates.

Skills training that is provided externally – by an NGO, government or donor scheme - to supplement skills training received through traditional apprenticeships in the informal economy can also have a positive impact on developmental outcomes. In Ghana, two recent programmes – both donor financed – that attempted to upgrade the skills of apprentices and master-crafts-people are the World Bank Vocational Skills and Informal Sector Support Project (World Bank, 1995b) and the IFAD/GoG Rural Enterprise Project (GoG/IFAD, 2000).

¹⁶⁹ There is, of course, a two-way relationship with farm activities cross-financing non-farm activities and vice-versa.

¹⁷⁰ For example, a carpentry apprentice might typically pay about 400,000 cedis (c.£24) total for a three year apprenticeship. A formal vocational school might charge in the region of 600,000 cedis (c.£35) a year for three years.

The World Bank Vocational Skills and Informal Sector Support Project (VSP) (1995-2000) (Amankrah, 2001; Korboe, 2001; World Bank, 1995b; World Bank, 2001b), for example, focussed on skills upgrading for Master-craftsmen and traditional apprentices. Courses were of short duration and provided through public and private training institutions (for an overview see Haan and Serriere, 2002). Apprentices that were trained under the VSP indicated that they experiences improvements in the following areas: reading of formal technical designs; turning out better finished products and providing safer services; skills to make more interesting products; improved status as they were envied by the non-enrolled peers for superior skills and better respected by their masters; improved prospects as they are sought after by some employers; and enhanced self-esteem (Haan and Serriere, 2002: 42). Master-craftsmen also experienced improvements in their technical efficiency and productivity, for example in: reading of blue prints and production of own designs; undertaking of minor repairs of own tools; improved appreciation of resource economics; safer and more reliable production methods; technical information, specifics on materials and standards; appreciation of aesthetics; improved creativity; and product pricing and time management; enhanced workshop economics (e.g. reducing wasteful use of materials and improved ability to set profitable prices for products) (Haan and Serriere, 2002: 42).

Two current government funded skills programmes in Ghana are the Integrated Community Centres for Employable Skills (ICCES) and the Skills Training and Employment Promotion (STEP) schemes.¹⁷¹ The outcomes of both these programmes have never been evaluated. While there has been evaluation of the process of the training, the government has never conducted any sort of tracer survey on ICCES or STEP graduates to determine the outcomes.¹⁷² The Ministry of Manpower, Development, Youth and Employment (MDYE)¹⁷³ does not know what happens to ICCES or STEP graduates, they can only guess. And for their part they would like to believe that the ICCES and STEP objectives are met: that the youth have successfully acquired marketable skills and are now gainfully employed.¹⁷⁴

With regards to the STEP programme, the government is keen to portray the major outcome as being job-creation. However, the assumed link between skills training and self-employment creation has yet to materialise in reality. It is true that the **skills training** component of Skills Training and Employment Promotion has taken place, albeit with many delivery challenges,¹⁷⁵ but as yet the **employment promotion** has not occurred. The 2003 Ghana Poverty Reduction Strategy Annual Progress Report mentions the STEP programme, but notes that “information on job placements is not currently available” (GoG, 2004d: 83). Nor is it likely to be available since the government has no current

¹⁷¹ See section 3.10.3.

¹⁷² There has been ample time for this to take place for ICCES, which started in 1986. The STEP programme, however only started in 2003, but the key role that STEP is playing in the governments fight against unemployment should have meant that more attention was paid to what actually happens to STEP graduates.

¹⁷³ Previously the Ministry of Manpower, Development and Employment.

¹⁷⁴ See section 3.10.3.

¹⁷⁵ See section 5.7.

plans of collecting this information (Dr. Angela Ofori-Atta, Deputy Minister for Manpower, Youth and Employment personal communication, 12.11.04).¹⁷⁶

The STEP programme will not lead automatically into employment creation, without a supportive transformative context in the informal economy.¹⁷⁷ The government has announced plans to release loans to STEP graduates, but as of February 2005, no loans have been released, even when the first phase of STEP training was completed in mid 2003. The government wants STEP graduates to form into cooperatives of four or five and to seek loans from the rural banks (who would have been extended a loan from the government to on-lend to STAP clients). Loans are not automatically given, and it will be interesting to see how many STEP graduates actually apply for, and are able to access these loans when they become available.¹⁷⁸

5.7. The Delivery Context for Skills Training in the Informal Economy of Ghana: An Enabling or Disabling Environment?

There are some basic questions that need to be asked regarding the meaning of training and skill-building or upgrading (in and) for the informal sector (Mitra, 2002: 4).

Included in this is the very fundamental issue of **training for what** and **what kind of training for whom?** What kind of training should be provided and how? This reiterates the need to look at the heterogeneity of the sector itself, which leads to a wide range of training needs. (Mitra, 2002: 4, emphasis added)

If we are to really assess the possible contribution of skills development in and for the informal economy, these two key questions, **‘training for what?’** and **‘what kind of training for whom?’**, need examining in the Ghanaian context in greater detail. The latter of the questions (‘what kind of training for whom?’) will be dealt with first, while the former (‘training for what?’) will be largely the subject of section 6. As we noted in section 3.10.1, post-basic skills development in the informal economy is, and will remain for some time to come, the most common source of further training that the poor will receive. Skills training in the informal economy in the form of traditional apprenticeships is the most accessible and widespread form of post-basic training for the poor. Far greater numbers of the poor are trained in this way, rather than through public or donor-financed skills programmes that are designed with the specific objective of training for self-employment (ICCES and STEP), or training to upgrade or supplement existing skills acquisition in the informal economy (the World Bank’s VSP).

¹⁷⁶ Interestingly, in March 2005 the ILO is funding two foreign consultants to conduct a review of the STEP programme and are keen to look at the ‘employment placement’ element of it (see Palmer, forthcoming, for a discussion of their findings).

¹⁷⁷ See section 6.

¹⁷⁸ The government has in fact set aside a considerable sum for STEP graduate loans from the HIPC fund – some 5 billion cedis. It will be interesting to assess the credit disbursal and repayment rates. Apart from credit, there seems to be very little in the ‘pipeline’ with regards to other business development services for the graduates. Indeed, the institutional framework for MSE support in Ghana, and particularly rural Ghana where most STEP programme are, is known to be very poor (see for example, Palmer 2004a)

The kind of training received relates closely to the delivery context for skills training in Ghana's informal economy. We shall continue our distinction here between skills training **in** and **for** the informal economy.¹⁷⁹

Skills training in the informal economy, largely in the form of traditional apprenticeships, also face challenges to effective skills delivery (but also have a number of strengths) (World Bank, 2004d: 133-134). We shall now briefly examine a couple of the most important restrictions to effective skills delivery in informal apprenticeships that inhibit them from being more poverty reducing.

Firstly, the delivery context of informal skills training can often **perpetuate traditional techniques**. Informal apprenticeship training contains the inherent tension between production and training. Since training occurs while a customer's product is made, the training received during a traditional apprenticeship is usually limited both to the customer's demands and to the capability of the master. Master-craftsmen and women are not trained teachers or instructors, and are likely to have acquired much of their practical skills training in the informal economy through traditional apprenticeship. Hence, pedagogy and training methods, combined with the lack of technical skills of mastercrafts-people can result in static training outputs, where the introduction of new product designs and production technologies are excluded and traditional technologies perpetuated. Since traditional apprenticeships usually have no links with formal training, there is no exposure to modern training approaches. It is therefore very questionable to what extent traditional apprenticeship training can train a worker to be competitive in globalising economies (cf. Bortei-Doku Aryeetey, 2001: 42).

Secondly, and partly because training occurs on-the-job while making products for sale, there is no structured, or predetermined, training programme. At the start of an apprenticeship, there is a great deal of time wasted as the new apprentice simply observes activities in the enterprise or carries out endless repetitive, very basic activities. There is also very little emphasis on theory.¹⁸⁰

Skills training for the informal economy includes the pre-employment skills training programmes in Ghana that are targeted at the informal economy, such as the ICCES or STEP programmes face certain challenges to delivering quality skills training.¹⁸¹

Once people graduate from ICCES, with 'employable skills', they receive no post-training support or assisted access to credit facilities. The outcomes of ICCES training on poverty reduction are thus very mixed: the delivery context is very weak and disabling, and since the transformative context is also weak outcomes are unsure.¹⁸² It is likely that graduates who have more supportive and better off families (the non-poor) are better able to make use of the skills that ICCES training has managed to give them. The outcomes of poor ICCES trainees are less bright.

¹⁷⁹ See section 3.10.3.

¹⁸⁰ See Palmer (forthcoming) for a fuller discussion on traditional apprenticeships.

¹⁸¹ See Palmer (forthcoming).

¹⁸² See section 5.6.

The skills training component of the STEP has experienced many challenges to delivery. Equipment and financing have been inadequate; trainees have complained that the courses were too short; there have been delays in disbursing the finance from the Ministry, and training has thus been delayed; some service providers have taken advantage of the additional resources from the STEP programme to develop their own programmes, this detracting from the quality of skills provided to the registered STEP trainees; STEP trainees were often chosen by the VTI who was organising the training, and hence friends and family of VTI staff featured prominently among registered trainees; there was no market survey prior to commencing the STEP training, and hence local markets are in danger of being saturated with too many STEP trainees trained in the same trades (see Palmer, forthcoming).

5.9. Conclusion

Since traditional apprenticeship training occurs on-the-job, then the delivery context for the training is also intimately linked to the transformative context within Ghana's informal economy itself.¹⁸³ For traditional apprentice graduates to enter into self-employment, training itself is not enough. The level of additional support from colleagues, family, social-networks, informal and/or formal finance opportunities, business advice is likely to have an impact on the success or otherwise of a new start-up. Those with more post-training support are more likely to enter into enterprises capable of growth, rather than into ones only capable of making a small profit for day-to-day living. If informal skills training is to result in 'decent work' in self-employment, a 'supportive enterprise-environment' is required. In a 'non-supportive enterprise-environment' informal skills training would in all probability serve as a poverty trap.

After basic education, the poor do gain certain skills through training schemes **in** (traditional apprenticeship) or **for** (e.g. ICCES, STEP) Ghana's informal economy. However, it is the quality of both the delivery context and the transformative context that raise serious doubts about the impact this training can have.

There remains a tension between growth and poverty alleviation in the skills development policy in Ghana. Government skills development strategies seem to be associated largely with the more dynamic sections of the informal economy, usually in manufacturing enterprises. Skills development for the poorer end of the informal economy (usually retail) is less widespread. However, this might not necessarily be a bad policy. It has been suggested that different sorts of intervention are needed for different types of enterprise (subsistence- or entrepreneurial-enterprises) (cf. Hulme and Mosley 1998). For example, Palmer (2004a: 65-66) suggests that, in Ghana, credit is, relative to other interventions, more important for subsistence type enterprises, than it is for the more dynamic enterprises. Further, that training is a more crucial intervention for expanding MSEs that are in need of more entrepreneurial-management skills training to accompany credit provision (ibid.). But, what is worrying in Ghana – and this might stem from there being no specific informal economy policy and different ministries and policy makers referring

¹⁸³ See section 6.

to different informal economies - is that government attention largely ignores the need for a supportive enterprise framework for the informal economy. Public skills training that is provided – to a relatively small number of people – is a necessary, but not sufficient policy for MSE promotion. Further, there is virtually no public support to the largest element of the skills training system, the traditional apprenticeships.¹⁸⁴

¹⁸⁴ The new White Paper on Education Reforms (GoG, 2004a) in Ghana has announced the intention of the government to support traditional apprenticeships. However, the modalities, and more importantly, the costing of this have not been worked out yet.

SECTION SIX: CONCLUSION

EDUCATION, SKILLS DEVELOPMENT AND OUTCOMES: THE TRANSFORMATIVE CONTEXT FOR POVERTY REDUCTION IN GHANA

6.1 Introduction

This final section will start to examine part of the wider environment within which the education and skills development system operates in Ghana – the transformative context that catalyses education/training developmental outcomes. While we will note that there are numerous other inter-sectoral linkages and components that make up this transformative context in Ghana, the focus here will be on the labour market environment since job creation/employment is seen as one of the main pathways out of poverty for the poor.¹⁸⁵

6.2. Thinking Outside the Box

There has... been a quite massive infusion of resources into the system since the onset of educational reform in 1987... [but these] improvements in inputs do not result in improved outcomes. (Donge, 2002: 23)

Donge attributes this to failures that lie within the black box of education, for example in teacher morale not improving (2002: 23). While there are indeed major failures within the black box of Ghanaian education and training (cf. Donge, 2002),¹⁸⁶ there are also crucial failures **outside** the black box, in the wider environment, that serve to disable the education/training-outcome relationship. These factors are often ignored in discussion on educational outcomes. For example, a recent World Bank review (World Bank, 2004a) on Bank support to basic education in Ghana also makes little of the effect factors outside the school have on outcomes. While this Bank review comments that in addition to what happens in the school, the home environment is also a crucial determinant of educational outcomes, discussion on other external factors is limited:

Many factors contribute to educational outcomes. Access to, and quality of, school facilities are important. But so is the home environment, including the importance parents put on their child's education and the time the child has to spend working in household or other enterprises. (World Bank, 2004a: 2)

In fact, there is growing acknowledgement that what happens outside of school is also a crucial determinant of education/training outcomes (cf. King and Palmer, 2005).¹⁸⁷ In order to assess poverty reduction and growth outcomes of post-basic education and training in Ghana, it is essential to understand not just the Ghana-specific delivery contexts of different types of education and skills training,¹⁸⁸ but also to understand the

¹⁸⁵ See section 2.5.

¹⁸⁶ See also section 4.5.

¹⁸⁷ See section 6.5.

¹⁸⁸ See sections 4.5 and 5.7.

Ghana-specific transformative context: the enabling environment that transforms education and skills training into developmental outcomes, including poverty reduction. Just as the larger surrounding educational environment of post-basic education and training is critical to what is achieved in schools, so also the non-educational economic environment in urban and rural areas is crucial to the outcomes of schooling.

Education and skills development are often said to be beneficial to individual workers in a number of ways; it is argued that education and training increases productivity, quality, diversity and occupational safety and improves health. While it is not the intention to dispute these claims per se, it is essential to question the capacity of the economy, especially the informal economy, to realise these outcomes. Since our focus is on poverty reduction, and since the majority of the poor and most vulnerable are found mainly in the informal economy, including agriculture, of Ghana,¹⁸⁹ we will focus for a moment on the link between education and skills development and informal economy employment / self-employment.

If education and skills training is to promote the socio-economic well-being of the poor, it must improve their prospects for 'decent' work and higher earnings. Employment / self-employment, or rather 'decent work', is seen by many (Canagarajah and Pörtner, 2003; IFC, 2000; ILO, 2003a; Islam, 2004; Khan, 2001; Osmani, 2003; World Bank, 2004c: 136) as the main pathway out of poverty for the poor.¹⁹⁰ For example, the *World Development Report 2005* argues that "jobs are the main source of income for people - and the main pathway out of poverty for the poor" (World Bank, 2004c: 136). Further, the ILO notes that:

Poverty elimination is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation and sustainable livelihoods. The principal route out of poverty is work. (ILO, 2003a: 7).

It follows, therefore, that one of the most critical outcomes of education and skills training systems is the impact that this system has on employment / self-employment outcomes.

There needs to be an examination of the 'enterprise environment' within which skills development and education operate. What kind of employment / self-employment outcomes result from skills training in and for the informal economy? What levels and types of education and skills training lead to poverty-reducing as opposed to poverty-perpetuating employment / self-employment outcomes? What are the decent work deficits in Ghana's informal economy and how might these serve as a disabling environment? These are all questions that need examining.¹⁹¹

¹⁸⁹ See section 2.3.2.

¹⁹⁰ Decent work, in ILO discourse, encompasses improvements in working conditions, reducing vulnerability and achieving improvements in productivity and quality.

¹⁹¹ Palmer (forthcoming) examines these issues in more depth.

6.3. Work as the Main Pathway Out of Poverty in Ghana

As we noted, working is internationally recognised as the clearest pathway out of poverty for the poor. In Ghana, employment creation issues remain central to poverty reduction efforts.¹⁹² Both urban and rural respondents in the *Voices of the Poor* survey in Ghana identified unemployment as a one of the ‘leading problems’ (Kunfaa and Dogbe, 2002: 27). Canagarajah and Pörtner’s analysis of the determinants of poverty based on the Ghana Living Standards Surveys 3 (1991/92) and 4 (1997/98) point to key intervention areas that where poverty can be addressed most effectively (Canagarajah and Pörtner, 2003). They note, “first and foremost, it is clear that there need to be more jobs for the poor” (ibid: 63).¹⁹³ Further, “infrastructure and other market variables such as access to financial markets, markets for products, and good roads” are also crucial (ibid). Lastly, they highlight social services, especially education as being of importance in tackling poverty. Their regression analysis shows that “there is a clear need for post-primary education as a way of growing out of poverty” (ibid).

Research conducted in Ghana for the World Bank’s *Voices of the Poor* Study (cf. Narayan and Petesch, 2002) identified lack of money, unemployment, high fertility rates, low crop yields, disease, ill health and lack of roads to farms as the main causes of poverty in Ghana. Lack of capital for investing in farming or other nonfarm enterprises was seen as one of the key factors that constrains improvement in livelihoods (cf. Kunfaa, 1999; Kunfaa and Dogbe, 2002: 21-24).

We have shown that Ghana’s education and training system has been repeatedly expected to directly impact on employment / self-employment outcomes.¹⁹⁴ In Ghana, education and training are seen as crucial variables in the employment nexus between growth and poverty.

Working might be the clearest pathway out of poverty for the poor, but the type of work that people have is critical. Most of those working in Ghana’s informal economy do not work under ‘decent’ conditions and many are struggling to move from subsistence to existence – far from being poverty reducing, much informal economy work in Ghana is poverty-perpetuating. The ILO strategic areas regarding decent work include: Employment and labour issues; Standards (at the macro-level); Social Protection; and Social Dialogue. In Ghana there are decent work deficits in virtually all these areas. Decent work is the goal, but in practice there are real limitations as to how decent ‘decent work’ can be in Ghana. Without a supportive decent work environment, the education and training system cannot have any real impact on the problem of unemployment / under-employment.

¹⁹² See section 2.5.

¹⁹³ However, ‘more jobs for the poor’ is easier said than done. Job creation is a stated government objective in Ghana, but there remain serious problems concerning successful intervention in this arena. Job creation in Ghana largely means the creation of an ‘enabling environment’ so that the private formal/informal sector can create jobs for themselves.

¹⁹⁴ See section 3.

In fact, Government of Ghana policy with regards to poverty reduction notes that, within the framework of economic growth, macro-economic stability, democracy and good governance, human capital development and gainful employment play key roles in the overall growth and poverty reduction strategy. Indeed, 'gainful' employment, particularly in the private sector, both formal and informal, is seen as "the main engine of growth" (GoG, 2003c: 30). However, "despite an overall development focus on private sector as the engine of growth, job creation has been quite slow in the Ghanaian economy" (NDPC, 2004: 9). Employment creation is meant to be supported and facilitated by the creation of an enabling environment for private sector growth (GoG, 2003c). Thus, on the one hand, while it is acknowledged that human capital development cannot happen in isolation, on the other hand, the government has for a long time tinkered with the education system to solve problems like unemployment / under-employment without putting other supportive measure in place (like support to micro and small enterprise development that actually has substantial impact).¹⁹⁵ The proposed education reforms (GoG, 2004a) in 2005 continue this trend. In fact, current government support to private sector growth is largely concentrated in the formal sector, largely ignoring informal enterprises.

While acknowledging the importance of the informal economy, the current Ghana Poverty Reduction Strategy (GPRS) does not fully cover this issue - having no clear informal economy strategy. Government policy towards the informal economy has been neglectful at best, and disabling at worst. The framework within which the education and training system functions today is characterised by: slow/skewed economic growth; stagnant formal sector employment; little support for micro and small enterprises; and standards and social protection that ignore the informal economy.

Policy focus is very much on the education and training system as the solution to unemployment / under-employment and poverty reduction, rather than on the creation of a supportive decent and productive work environment. But, without a supportive decent and productive work environment, the education and training system cannot have any real impact on the problem of unemployment / under-employment or poverty reduction. Hence, there needs to be more government focus on the creation of a supportive enterprise environment for all, and not simply a focus on education and training and an 'enabling environment' for the few.

6.4. Multi-Sectoral Strategic Approach to Educational Outcomes

In Ghana, as in other developing countries, a decent work environment is crucial for education and training outcomes to transform into poverty reducing employment outcomes. A crucial dimension of promoting a decent work environment in Ghana is that the informal economy, both rural and urban, employs 89% of the labour force (including

¹⁹⁵ Of course the government has introduced a number of schemes and programmes that were supposed to support Micro and small enterprise (MSE) development, such as the National Board for Small Scale Industries (NBSSI), the Programme of Action to Mitigate the Social Cost of Adjustment (PAMSCAD), but these have largely not reached the poor, particularly in rural areas (Palmer, 2004a: 17-20).

56% in agriculture and 21% in retail trade) (Xaba et al., 2002). The informal economy suffers from serious decent work deficits.

Apart from the ‘work environment’, other sectors/areas are crucial determinants of education/training outcomes. Three recent documents show a growing acknowledgement that what happens outside of school is also a crucial determinant of these education/training outcomes. These are: UNESCO’s most recent EFA Global Monitoring Report on educational quality (UNESCO, 2004), the UN Millennium Project Report (UNDP, 2005) and the World Bank’s forthcoming policy paper on Education, the *Education Sector Strategy Update* (World Bank, 2005).

The EFA Global Monitoring Report on Quality highlights the importance of external contextual factors that impact on the quality of an education system.¹⁹⁶ Some of these factors include: the economic and labour market conditions; socio-cultural and religious factors; aid strategies; educational knowledge and support infrastructure; public resources available for education; parental support; labour demands (UNESCO, 2004: 36). There is, however, less explicit discussion on how external contextual factors impact on educational outcomes. Rather, this is implicit in the discussion related to context and school quality.

The recent UN Millennium Project Report (UNDP, 2005), like the World Bank’s 2005 policy paper on Education (World Bank, 2005), make a more explicit connection between the external environment and potential educational benefits. These documents correctly conceive that that impact of schooling is inseparable from MDG-related initiatives in health, gender equity, water, environment and decent work. The World Bank 2005 education policy paper (World Bank, 2005) makes some very explicit statements concerning what drives educational outcomes, noting that it is not just factors within the education sector that are important, but also external factors such as the macroeconomic context and other sectors.

Chapter two of the UN Task Force on Education and Gender Equality report, *Toward Universal Primary Education: investments, incentives and institutions* (Birdsall, Levine and Ibrahim, 2005) makes it clear that “the education system cannot do it alone” (ibid: 23) and that “countries cannot depend on the education system alone to be the engine of economic, political and social change” (ibid: 30). The Task force calls for the need for structures and sectors outside of education to be supportive of the education system since “the benefits of education are conditioned by the [political, social and economic] context” (ibid: 27).

Further, the United Nations Conference on Trade and Development (UNCTAD) makes it clear that better education does not automatically translate into poverty reduction - job creation is needed:

¹⁹⁶ There is, of course, also mention of learner characteristics and the teaching and learning enabling inputs (such as teaching materials, human resources and infrastructure) (see UNESCO, 2004: 35-37).

Primary education and health care are the backbone of the new focus in PRSPs. The emphasis is motivated not only by moral considerations but also by the drive to improve efficiency and income distribution and hence to reduce poverty through accumulation of human capital. Clearly, better education and health on their own cannot achieve much on these scores; jobs with adequate pay need to be created. (UNCTAD, 2002: 42)

6.5. Balancing Ghana's Education and Training System

For the education and training system in Ghana to bring about the kinds of expected developmental outcomes so often axiomatically associated with education, the system needs to be balanced and not excessively skewed towards the narrow MDG target of Universal Primary Education (UPE). Indeed, given the crucial multi-way synergies between all levels of the education and training system, if educational funding is too closely tied to achieving the MDG-UPE target by narrowly funding primary/basic education, and not other levels, it might be that this target will actually be missed and will likely be unsustainable post 2015.

The government, for their part, are keen to expand the post-basic levels, so that more of Ghana's youth get access to further education and training than the majority receive at present. But, as we noted, for those development partners whose sights are set on achieving the education MDGs, the government's wish to expand post-basic levels is, in the eyes of some development partners, threatening the reaching of this goal.

Part of the rationale that development partners (DPs) give for wanting to keep the focus on primary education is due to the concern that spending more elsewhere in the education and training system, on post-basic levels, will result in a withdrawal of monies from primary or basic education. Hence primary education funding will suffer and the education MDG of UPE will not be met. Another reason that DP's use to rationalise a focus on primary education is that the poor are most underrepresented in post-basic education levels and hence a focus on the poor means a focus on primary education. But, these two rationales could be fallacious.

Firstly, what we have been arguing in this paper is that it is important not to focus too directly on the education MDGs themselves, and hence on primary education above other sub-sectors. Such a narrow focus on the education MDG of UPE, with the primary sub-sector prioritised above all others, may in fact contribute to the missing of the UPE target. We have noted in this report that post-basic education and training are crucial to the successful delivery and sustainability of primary or basic education. For example, if the growth in the number of basic education students in Ghana is to be maintained, these students, and their parents, need to see evidence that there is an improved chance of them continuing education or training at the formal post-basic level. Hence, the perception of access to the formal post-basic education and training environment has a direct effect on basic education completion. Without improved access to this level, basic education in Ghana will suffer.

Secondly, while it is certainly true that the poor are under-represented in formal post-basic education and training (PBET), this should not be a reason, per se, that to be pro-poor, funding should be targeted at the primary level. The formal post-basic system in Ghana in general excludes the poor, with most of the poor only able to access a basic education at best. But, this level of education will only get more exclusive if there is not a serious amount of investment at this level. We noted earlier that demand for formal PBET is increasing and will continue to increase, and hence, without more investment at the PBET level, the poor will be even more excluded from formal PBET as competition for access gets harder and harder.

We are arguing that development partners, like the Ghanaian government, should encourage a more balanced education and training system that recognises the crucial importance of post-basic education and training. This, obviously, leads to the question: what is the right balance to achieve, how is it achievable and sustainable?

Clearly there are huge quality issues at both the primary and JSS levels and we are not suggesting that it would help anyone to reduce the funding to these levels. Indeed, funding for basic education needs to be increased. As we noted, quality basic education outcomes are themselves essential for quality PBET inputs and hence outcomes.

For example, in 2001/2, 34% of recurrent public expenditure on education was directed at primary education (section 3.4.1), a figure still way below the 50% required under the Fast Track Initiative guidelines. However, concomitantly, it is crucial to further expand the post-basic levels. This issue then becomes one of who should pay for the post-basic education. Funding at post-basic levels could not be of the same sort of funding for primary or basic education, since it would be too expensive for the government and development partners to fund these higher levels.

Obviously, a logical solution would be to charge the non-poor and make provision for the poor, for example through bursaries to the post-basic levels. But, given that the number of bursaries could not be that numerous, the poor would then be faced with even higher post-basic 'entry barriers'. This issue of examining modalities by which the poor can gain the direct benefits of post-basic education needs to be further addressed. However, for development partners to simply maintain the status quo, and to continue the narrow targeting and funding of primary education, will result in further marginalisation of the poor at post-basic levels, and hence further marginalisation of the poor to the higher benefits at this level.

It is clear, therefore, that Ghana requires investment in all parts of the education and training system, and funding should not be narrowly channelled to basic education alone. This is recognised by the Ghanaian government and the new White Paper on Educational Reforms clearly spells out a strong post-basic rationale. However, many development partners, such as DFID, target the majority of their education funding towards basic education. But, there is an increasing emphasis, especially from the World Bank, on the role formal post-basic education and training serve in meeting the MDGs and in reducing poverty indirectly among the poor. This holistic view is more likely to create the skill-

mix needed for sustainable growth in Ghana. Indeed, Acemoglu (1996) found that productivity is increased by the interaction of skill-levels among workers. Transferring this analogy to the economy as a whole, Ramacharan (2002) argued that countries should not push for universal primary education at the expense of other (post-primary) levels. Ramacharan suggests that poor countries will grow more rapidly if they have a balance of unskilled, semi-skilled and highly skilled workers. Thus, the skill-mix in a country needs to be right and hence resources need to be invested at all levels of the education system.¹⁹⁷

6.6. Education and skills development for poverty-perpetuation or poverty-reduction?

There is long-standing evidence that the effects of schooling on productivity (and hence incomes and poverty reduction) are much more marked when there is a dynamic, supportive environment surrounding schools (see King and Palmer, 2005).

We have noted that education and “training requires an enabling environment... training alone is not an effective means to combat unemployment” (World Bank, 2004d: 27). Other supportive measures are needed. We have noted above that there are a whole series of other areas that make up a disabling or enabling context within which the education and training system occurs. It is essential for educational policy makers to think more multi-sectorally, or rather think supra-sectorally – that is organising work/interventions around themes and problems rather than being too closely tied to working ‘within your sector’.

A crucial determinant, therefore, of the outcomes of the education and training system is the environment within which the education and training occurs. Research is needed on the types of education and training outcomes in static (in-egalitarian) or dynamic (egalitarian) settings. How does the impact of education and training on employment / self-employment outcomes differ in different settings? In technologically dynamic employment settings is education important since it acts to complement the changing environment (education better enables workers to process information and make decisions in a changing environment)? However, in the more-or-less technically static work environment of rural micro-enterprises, is it that experience will substitute for education? In other words, in a static setting, were limited change comes into the workplace, after some time a worker’s experience would equip him with the knowledge of which decision to take and the appropriate time to take it, hence making education less important. The potential benefits of formal education in static environments do not materialise. Conversely, in a dynamic environment, education would compliment the changing environment and hence developmental outcomes would materialise.

If educated youth are not to re-enter an unchanged rural or urban economy, then education interventions such as those of meeting the education MDG need to undertaken

¹⁹⁷ I am grateful to Gregory Loos, Basic Education Task Manager of USAID for bringing these two authors to my attention.

in an awareness of the potential of parallel change in other MDG sectors, such as the decent and productive work, health, sanitation, water and environment.

6.7. Further Research

6.7.1. If, indeed, the basic education system in Ghana is meant to be pro-poor, then education policy must research the mechanisms for ensuring continuation of talented children to formal/informal skills training, secondary and higher education.

6.7.2. Evidence on the relationship that both formal and informal skills development has with poverty reduction in Ghana, and elsewhere, is seriously lacking. The underlying assumption of the Ghanaian skills development agenda, that providing skills to the poor will make them employable and hence reduce poverty, needs to be researched.¹⁹⁸

6.7.3. The outcomes of education in Ghana are affected not only by the delivery context (issues like access, quality and management) that have been a focus of recent research, but by the wider context within which education and training is delivered. It would be interesting, therefore, to examine the transition from education/training to work in areas where there are elements of supportive environment being put in place. However, given that there is so little support nationally to informal enterprises, for example, this might prove difficult.¹⁹⁹

6.7.4. Education and skills training, while an essential component of a poverty-reduction strategy, remains only one component of this strategy, and does not automatically lead to pro-poor outcomes in the labour market. It is crucial to examine the enabling, or disabling, delivery and transformative contexts within and out with the system. The delivery context would include examining the related issues of quality and access to different types and different levels of the education and training system. The transformative context for education and training outcomes includes an analysis of factors external to the education and training system that affect the outcomes from this system. This would include an analysis of: 'Decent work deficits' at regional and country level, including the facilitative 'infrastructure' for enterprise; Meritocratic access to both the formal and informal labour markets; Aid instruments and pro-poor policies.

¹⁹⁸ Government skills programmes like the STEP and ICCES would provide good case studies.

¹⁹⁹ Having said this, the ILO's Decent Work Pilot Programme (running from 2003-2006) in two districts in the Central Region (Awutu-Efutu-Senya and Ajumako-Enyan-Essiam) is trying to establish informal sector support mechanisms and strategies at district level.

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