

POLICY BRIEF

Employment in Ghana: A Trend Analysis



EXECUTIVE SUMMARY

It remains a daunting task for many low- and middle-income countries to quickly absorb women and particularly the youth -- two social groups that suffer from structural discrimination - into the labour market. The issue has become even more important in the last two years as the globe has suffered massive shocks – COVID-19 and the Russia-Ukraine war – with serious economic growth and employment ramifications. Unemployment remains high among the youth in many developing countries including Ghana (ILO, 2022), with dire implications for their future since employment is central to citizenship and socio-economic mobility. In this policy brief, we highlight employment trends in Ghana using census datasets from 2000-2021. The findings show significant increases in self-employment, declining employment in the agricultural sector particularly for women, and high rates of youth unemployment among others. We situate these trends in global and internal dynamics that structure Ghana's primary commodity-dependent economy.

INTRODUCTION

COVID-19, the Russia-Ukraine war and other more enduring global events have disrupted economic growth in many countries. In Ghana, these events have exacerbated internal conditions leading to unsustainable sovereign

economic expansion and, by extension, employment creation. Ghana's unemployment levels prior to these shocks was high. The situation has been compounded by the COVID-19 pandemic and its attendant socio-

and economy-wide contraction. The African Development Bank (2021) highlighted the severity of the pandemic for African economies, stating that it has led to a continental recession, the likes of which have not been witnessed in 50 years. Ghana, like many other African countries, is less economically resilient to global shocks. This is due in part to its natural resource export dependency as well as the fact that its agricultural and manufacturing sectors depend on imported inputs, the supply of which was disrupted by the pandemic. The pre-existing socioeconomic inequalities in the wider economy also mean that various groups have been affected differently by the pandemic (Tsikata and Torvikey, 2022).

Ghana is grappling with sustainable employment creation particularly for the youth and women. This chapter aims to inform policy and focuses on the character and nature of employment in Ghana over the last two decades through an analysis of census datasets.

FINDINGS

Increasing Self-employment

Many people are self-employed in Ghana, which is not surprising due to the informal structure of the economy. However, the trend of self-employment shows an upward trend. Self-employment in an informal dominant

economy also highlights the precarity of work.

Table 1 shows a summary of employment status and its equivalent percentage of economically active people. In general, self-employment has remained the dominant form of employment since 2000.

Although self-employment decreased slightly in 2010, overall, there has been an increase in the proportion of the economically active population working as self-employed. In fact, in 2021, the proportion of self-employed people (67.7 percent) was higher than the proportion recorded in 2000 (65.8 percent). In terms of the gendered dimension of self-employment, it is important to note that the proportion of women in self-employment has remained higher than the proportions of both males and the national average.

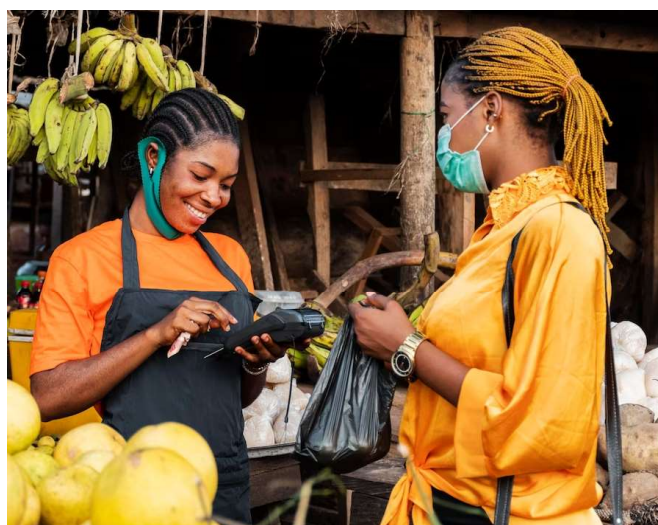


TABLE 1: Employment Status, 2000, 2010, 2021 (%)

Employment Status	2000			2010			2021		
	<i>All</i>	<i>Male</i>	<i>Female</i>	<i>All</i>	<i>Male</i>	<i>Female</i>	<i>All</i>	<i>Male</i>	<i>Female</i>
Self-employed	65.8	61.2	70.5	63.0	58.0	67.1	67.7	61.1	73.3
Employee	14.2	19.6	8.7	18.0	24.5	11.0	27.3	33.0	20.5
Unpaid family workers	6.1	5.1	7.0	-	-	-	-	-	-
Contributing family worker	-	-	-	11.0	8.4	13.7	2.9	2.2	3.8
Casual workers				2.0	2.6	1.2	2.0	2.7	1.3
Others	3.5	4.0	3.1	6.0	-	-	-	-	-
All employed	89.6	89.9	89.3	92.0	94.8	93.9	50.3	53.0	47.0
Unemployed	10.4	10.4	10.7	4.0			13.4	11.6	15.5

Agricultural Sector Employment

Over the years, the agricultural sector's contribution to GDP has been declining sharply. The sector has ceded its top position to the services sector. However, the sector continues to employ a substantial proportion of the population although that is also declining gradually. In 2000, more than half (53.1 percent) of the population worked in the agricultural sector. This, however, declined to 40.2 percent in 2010 and further to 33 percent in 2021.

Gender Dimensions of Employment

Ghana's economy has been described as an economy with jobless growth since it has not been accompanied by increases in formal sector job creation (Aryeetey and Baah-Boateng, 2016). However, unemployment is a female and youth phenomenon. Unemployment increased from 4 percent in 2010 to 13.4 percent in 2021 for the general population. In 2021, 15.5 percent of women were unemployed.

Another significant shift is the dwindling nature of women's employment in the agricultural sector. In 2000, marginally more women (54.6 percent) than men (54.3 percent) were employed in the agricultural sector. This slight difference in male and female participation had, however, changed by 2010 when more men (44.09 percent) than women (36.4 percent) were employed in the sector. The trend continues in 2021 with 36.6 percent of men and 28.8 percent of women employed in the sector.

Youth and Employment

Ghana's population is youthful, with 38.2 percent between 15 and 35 years old (Ghana Statistical Service, 2021) and a high population in urban areas. In 2021, the unemployment rate among the population aged 15-35 was 19.7 percent. It was even higher for the 15-24 years category, which stood at 32.8 percent (GSS, 2022). The national unemployment rate (13.4 percent) is, therefore, much lower than youth unemployment rates, indicating the severity of the youth unemployment situation. Nationally, the female unemployment rate of 15.5 percent is higher than that of males (11.6 percent), further indicating the severity of unemployment for women, especially for young women who face higher levels of unemployment

female population aged between 15 and 35 years (22.3 percent) is higher than that for their male counterparts (17.4 percent). The trend continues for the 15-24 years population where the female unemployment rate stands at 36.7 percent compared with the male unemployment rate of 29.3 percent. In terms of location, unemployment rates are higher in urban than in rural areas. This means that for youth who migrate to urban areas, their often-precarious living conditions are exacerbated by joblessness. It is important to centre the question of unemployment on the desirability of the types of employment available and job preferences, particularly among the teeming youth.

Another important issue to discuss is the youth agency question. The youth aspire to and desire particular kinds of jobs. While formal sector jobs are desirable, they are unavailable due to freezes on government employment in critical areas such as the education and health sectors. In rural areas in particular, both children and their parents desire professional, salaried, and skilled jobs which are not often available (Yeboah, Sumberg, Flynn and Anyidoho, 2017). While the rural areas tend to have lower unemployment rates, the fact that the youth desire jobs that can only be found in urban areas has policy implications for job creation, particularly in the agricultural sector.

CONCLUSION AND RECOMMENDATION

The study shows that too many of Ghana's young people, particularly females, find themselves without a job, a situation which has been the subject of much intellectual discussion. One critical area of employment which requires an increase in government employment is the public sector which is severely understaffed particularly in sectors such as education and health. These sectors can absorb many youth. Finally, youth employment programmes must be audited and evaluated in a transparent manner to ensure sustainability and to determine the extent to which these programmes achieve their stated objectives of providing decent jobs for the youth.

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