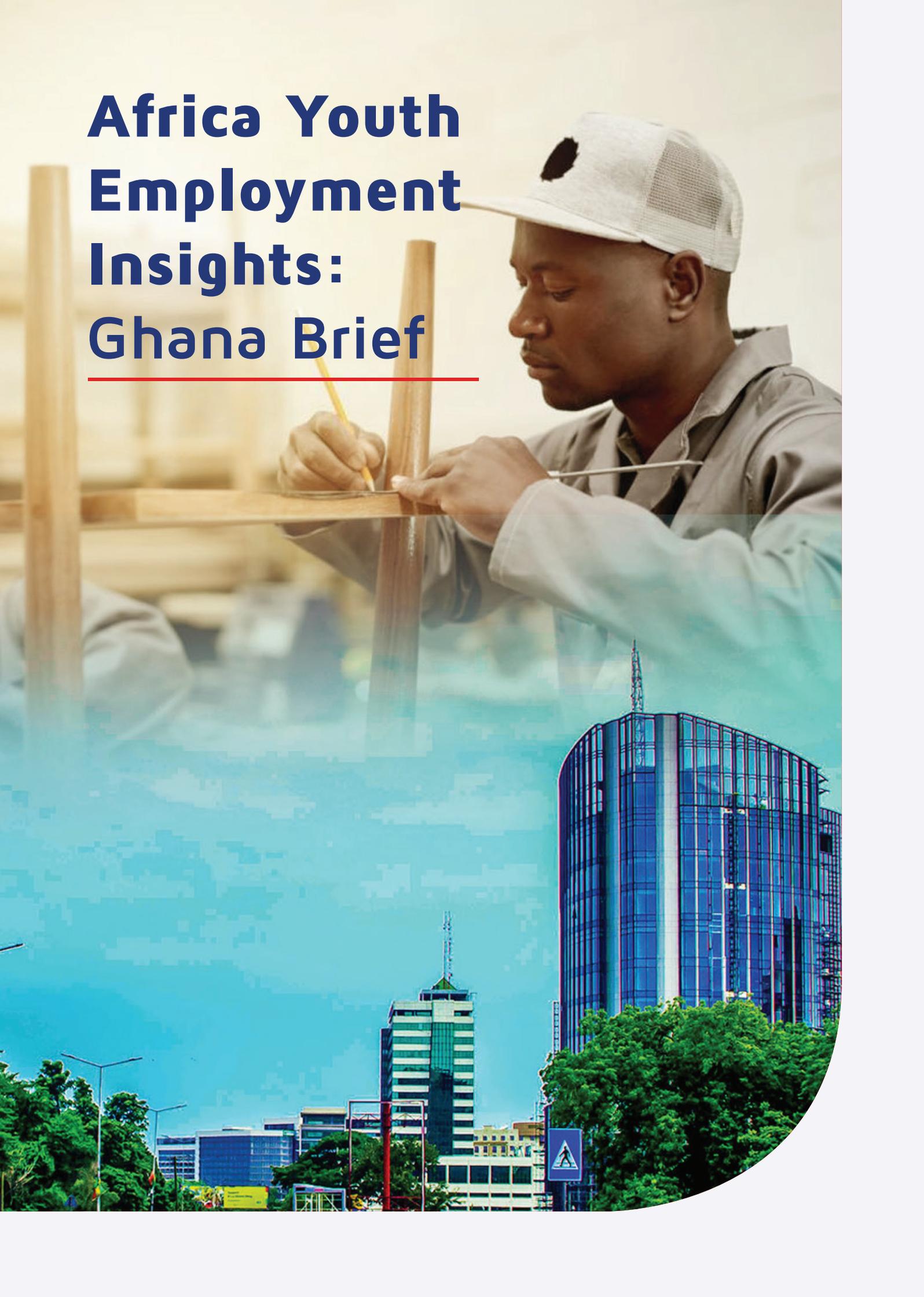


# Africa Youth Employment Insights: Ghana Brief

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## African Policy Dialogue Ghana

The African Policy Dialogue Ghana (APD) is a two-year (2019-2021) policy research initiative that seeks to generate empirical evidence regarding the in/effectiveness of government and non-State actors' interventions aimed at addressing youth employment challenges in Ghana. The initiative is a collaboration between The Department of Economics at the University of Ghana Legon, Ghana Netherlands Business and Culture Council (GNBCC), and the NABC.





## ACKNOWLEDGEMENTS

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The brief is designed as a quick reference source for development practitioners to better grasp youth employment dynamics in Ghana. The brief is a popular (abridged) version of the full-length working report: A snapshot of Youth Employment and Unemployment in Ghana

This profile was researched and written by Africa Insights Desk expert consultant, William Baah-Boateng, PhD (Associate Professor & Head of Department of Economics University of Ghana Legon). Additional support was provided by Barnabas Apom (GNBCC) and Ileen Wilke (GNBCC). The team is grateful for the continuing support received from Obadia Miroro PhD (INCLUDE Knowledge Platform), The Kingdom of the Netherlands Embassy in Accra, and Marina Diboma (NABC).

This Africa Youth Employment Insights series is managed and edited by Dennis Acquaye (Head of Market Intelligence, Africa Insights Desk).

# INTRODUCTION

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**T**he challenge of generating adequate quality of employment for the growing labour market entrants, dominated by young people, remains a major socio-economic and political problem in Ghana. In Ghana, an estimated 18.4 million people, representing about 65.0% of the country's population were below 30 years in 2017 and about 5.5 million people (or 19.4%) and 4.4 million (or 15.6%) were youth aged 15-24 years (younger youth) and 25-35 years (older youth) respectively. Children below 15 years constitute about 10.8 million or 38.1% of the population, suggesting potential surge in the youth population over the next decade.

Ghana's economy has grown rapidly in the past two decades peaking at 14% in 2011. The quality of economic growth vis-à-vis generation of quality employment has been less than stellar. Employment growth over this period has not been on par with the pace and scope of employment growth, particularly in the formal sector<sup>1</sup>. It is estimated that on average between 1991-2013, 1% economic growth resulted in 0.5% growth in employment, with most of the jobs created in the informal sector. Although employment challenge affects the entire labour force, its impact is particularly severe on the youth whose rates of unemployment or engagement in vulnerable and informal employment tend to be higher<sup>2</sup>.

Since 1992, during Presidential and Parliamentary election season, youth un/employment challenge tend to dominate political discourse, yet, durable solutions have proven elusive. A high degree and long periods of joblessness and poor quality of jobs for the youth constitutes loss of potential output, employment, and tax revenue. Moreover, it results in loss of human capital dividend, particularly from public and private investments made in educating and training young people. The educational attainment of youth has increased significantly, with the share of youth with secondary education or higher rising from 16.4% 2000 to 31% in 2017. The irony, however, is that unemployment rate is higher among the educated than the uneducated and thus raising questions about the quality of education and skills training in the country.

Aside loss of human capital dividend, persisting youth employment if not effectively addressed possess a credible national security threat along the lines of political upheaval, and social instability. Indeed, events over the last 9 years certain parts of Africa (e.g. the Arab Spring in North Africa and Middle East, northern and south-eastern Nigeria) confirm this threat. However, with proper training, coupled with well-focused and inclusive economic policy and enabling institutional environment, the youth bulge could be a powerful engine for spurring Ghana's economic transformation.

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<sup>1</sup> See Aryeetey and Baah-Boateng (2016)

<sup>2</sup> Vulnerable employment is defined as the proportion of own account and contributing family work in total employment. It is a defined measure of people employed under relatively precarious circumstances indicated by their status in employment. We use the term "employment challenge" to refer to both unemployment in particular and joblessness in general as well as engagement in vulnerable employment.



# 1. THE GHANIAN YOUTH

In Ghana, the youth constitutes 35% of the population<sup>3</sup>, at an estimated 9.92 million in 2017. Majority of the youth live in urban areas, with the number of female surpassing males (see Table 1). In 2017, the youth population was dominated by those aged 15-19 years accounting for about a third of youth population<sup>4</sup> with those in 25-29-age bracket constituting the least share of 21%. However, those aged 30-35 years formed the dominant population in 2015 whilst those aged 20-24 years are the minority accounting for 23.3%.

In effect, young people aged 15-24 years are estimated at about 5.5 million, representing 55.3% of total youth population with the remaining 44.7% forming young adult population aged 25-35 years in 2017. In 2015, however, older youth represent the majority with 4.7 million people (or 52% of youth population) as against 4.3 million younger youth (or 48% of youth population).

**Table 1: Youth population by age, gender location and economic status**

Category	2015		2017	
	Pop (million)	Percent	Pop (million)	Percent
<b>Total Population</b>	<b>27.02</b>	<b>100.0</b>	<b>28.36</b>	<b>100.0</b>
 Children (0-14 years)	10.78	39.9	10.80	38.1
Adults (36+ years)	7.19	26.6	7.64	26.9
Youth (15-35 years)	9.05	33.5	9.92	35.0
<b>Sex</b>				
 Male	4.03	44.5	4.80	48.3
Female	5.02	55.5	5.12	51.7
<b>Location</b>				
 Urban	5.05	55.9	5.37	54.1
Rural	3.99	44.1	4.55	45.9
<b>Youth Groups</b>				
 15 – 19	2.23	24.7	3.11	31.4
20 – 24	2.10	23.3	2.37	23.9
25 – 29	2.21	24.4	2.09	21.0
30 – 35	2.51	27.7	2.35	23.7
<b>All (15-35)</b>	<b>9.05</b>	<b>100.0</b>	<b>9.92</b>	<b>100.0</b>

<sup>3</sup> With 38.1% being children aged below 15 years most of whom will form the youth population in the next decade.

## 2. YOUTH EMPLOYMENT AND UNEMPLOYMENT IN GHANA

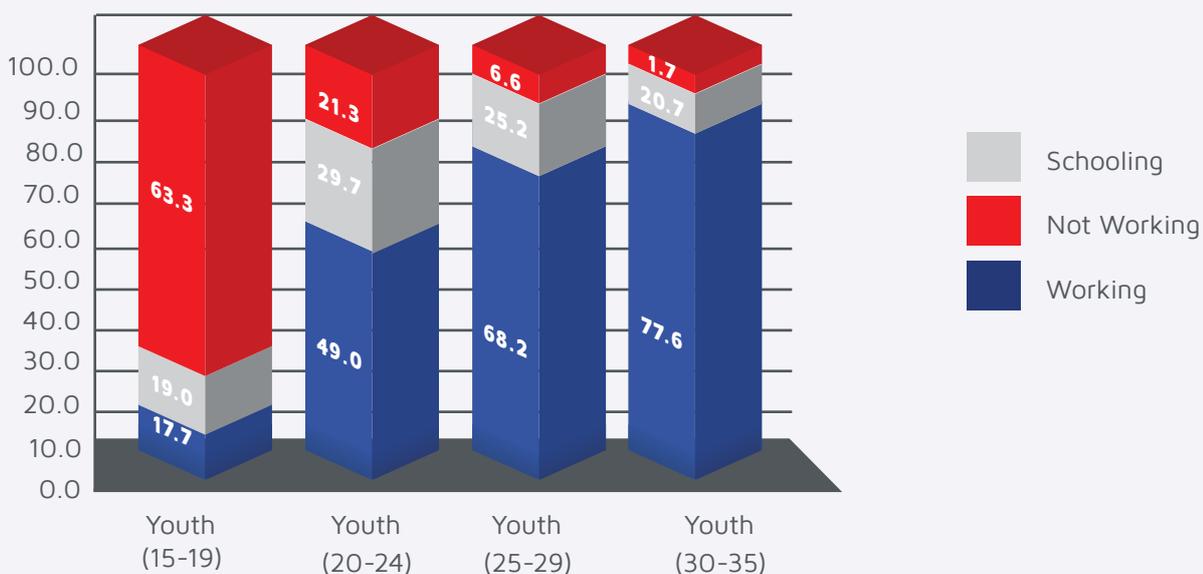
### 2.1 Economic Status of the Ghanaian Youth

The economic status of various youth sub-groups is invariably linked to age. According to the Ghana Statistical Service, a youthful person may occupy any of the following economic status categories: in-school, in-employment or non-working<sup>5</sup>. Figure 1 presents the distribution of economic status across the various age cohorts. From Figure 1, a link between age and schooling is observed, where increasing age corresponds with decline in the the liklihood of being in school.

The reverse is true in terms of engagment in economic activity. Indeed, as one advances from a lower to higher age-bracket, the prospect of working increases. However, the relationship between 'age' and 'non-working outside schooling' is rather spurious. At the lowest age-bracket less than a one fifth is deemed to be non-working; whereas, in the nearest age-cohort, (20-24 years), 3 out of every 10 is not working. Among the older youth cohorts, a quarter of those aged between 25-29 years are are not working compared to about one-fifth of those between 30-35 age bracket.

The varied economic status of youth underscores the, often ignored, heterogenous feature of Ghanaian youth, as a result, beckons for cohort-specific policies and solutions as opposed to a one-size-fit all approach to addressing the issue of youth employment.

Figure 1: Economic Status of Ghanaian Youth (in %)



<sup>5</sup> It must be noted that, although not formally recognised, a segment of youth inhabits the dual status of in-school and employed.

## 2.2 Youth Employment

In the analysis that follows, a distinction is made between “work” and “employment”. Work pertains to any activity performed to furnish goods and services for own use or for others or for sale; whereas employment concerns only those activities that result in goods and services meant to be exchanged for pay or profit. Thus, whilst all employed people are working, not all work is deemed as employment.

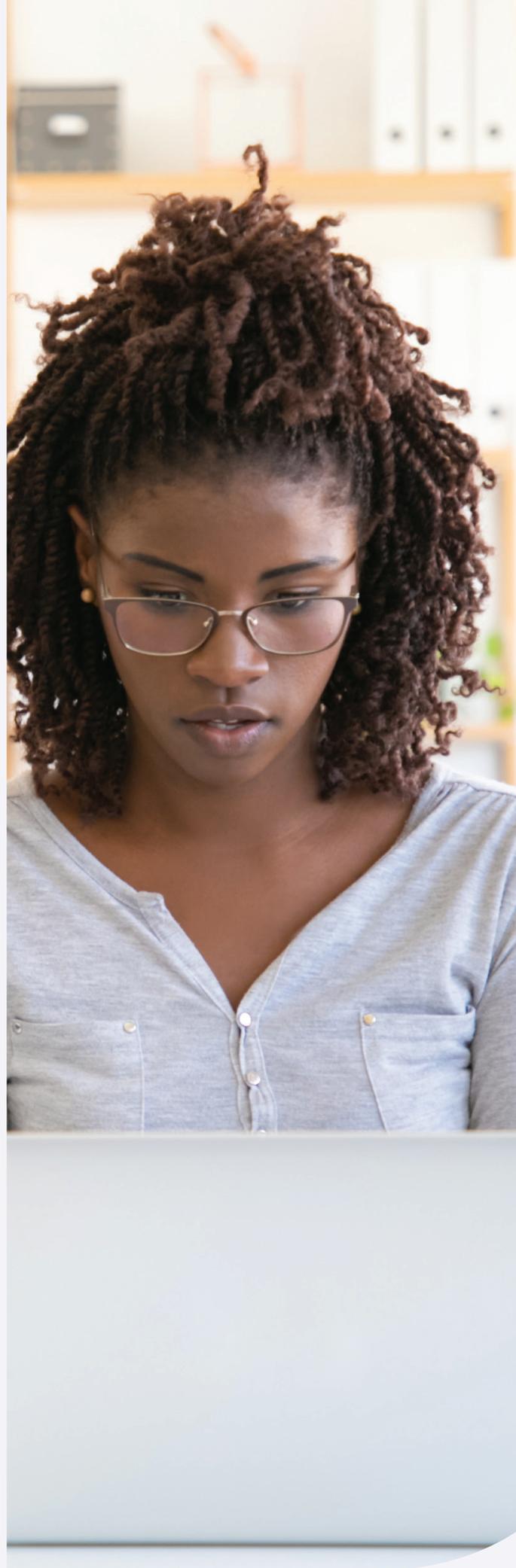
### 2.2.1 Employment Across Age Cohorts: Who Gets Employed and When?

In 2017, a total of 4.4 million (49.6%) youth were in employment. Of this, the oldest age-cohort (30-35 years) accounted for the largest share (1.5 million) of youth in employment as against 1.2 million and 1.0 million of those in 25-29 and 20-24 age brackets respectively, with less than a million found in the 15-19 age bracket. Again, looking at Ghana’s employment rate, that is employed (employment-to-population ratio) as illustrated in Figure 2, shows a rising rate with age. In fact, in 2017, the oldest age cohort (30-35 years) recorded the highest employment-to-population ratio of 65.2% with the youngest age bracket (15-19 years) recording the lowest ratio of 21.4%. Indeed, most of the youth in their teens are in school and as they grow, they enter the labour market as employed or unemployed.

**Figure 2: Total employment and employment-to-population ratio 2015 and 2017**



Source: Computed from Ghana Living Standards Survey VII, 2016/17 dataset



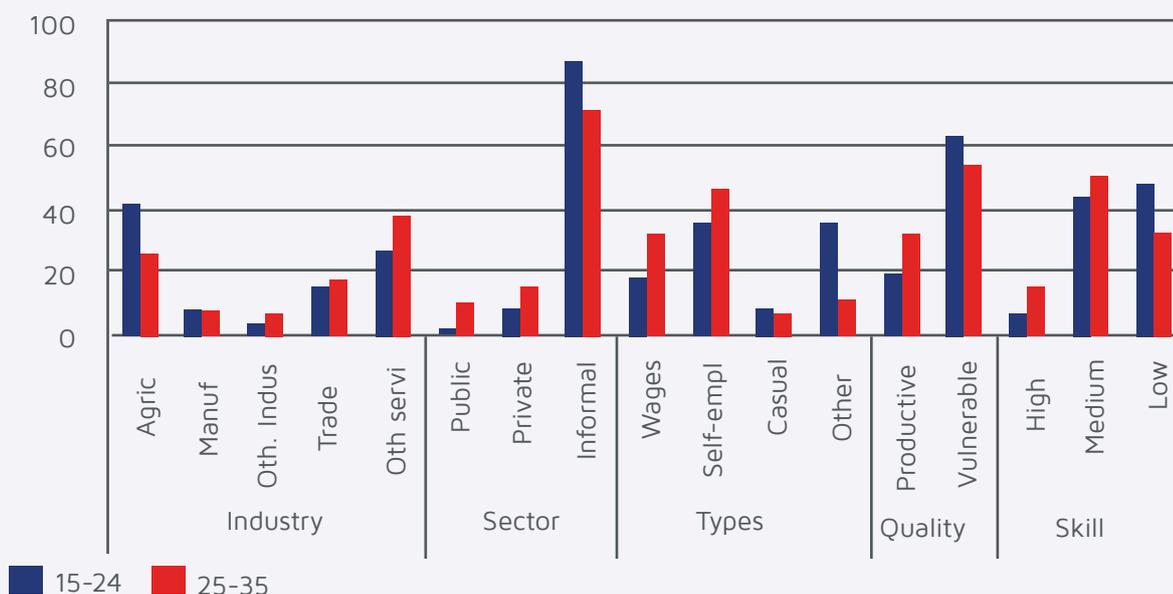
### 2.2.2 Employment Across Sectors of the Economy: Who gets Employed and Where?

The services industry accounts for the largest share (60%) of youth employment, followed by the agricultural and industrial sectors, representing approximately 21% and 19% respectively. In disaggregating the distribution of employment data across age cohorts, one observes stark differences. For example, in 2017, a higher proportion of older youth relative to their younger counterparts were employed in services and other industries. Whereas, younger youth dominate agricultural and manufacturing sectors (see Figure 3): in that, a sizable segment (35%) of younger youth are engaged in both sectors as family workers without remuneration<sup>6</sup>.

The youth labour market echo shifts in the adult segment of the labour market, with changes in the latter market having pronounced effects on the former. This is visible in the distribution of quality jobs. For instance, employment in the formal segments of the economy, where employer-employee relationships are subject to labour standards, is dominated by older youth. Indeed, 11% of employment among older youth is in the public sector, compared to 2% for younger youth. Equally, wage employment represents about a third of total employment for the older youth as against about a fifth for younger youth. Likewise, employment that require medium to high-order dexterity—and presumably well remunerated—accrue disproportionately to older youth. About 7% of jobs for younger youth as against 16% for older youth is high skilled in nature. On the other hand, low skilled jobs constitute almost 50% of younger youth jobs as against just about a third of jobs for older youth.

Figure 3: Employment distribution by different classification

Employment classification (%), 2017

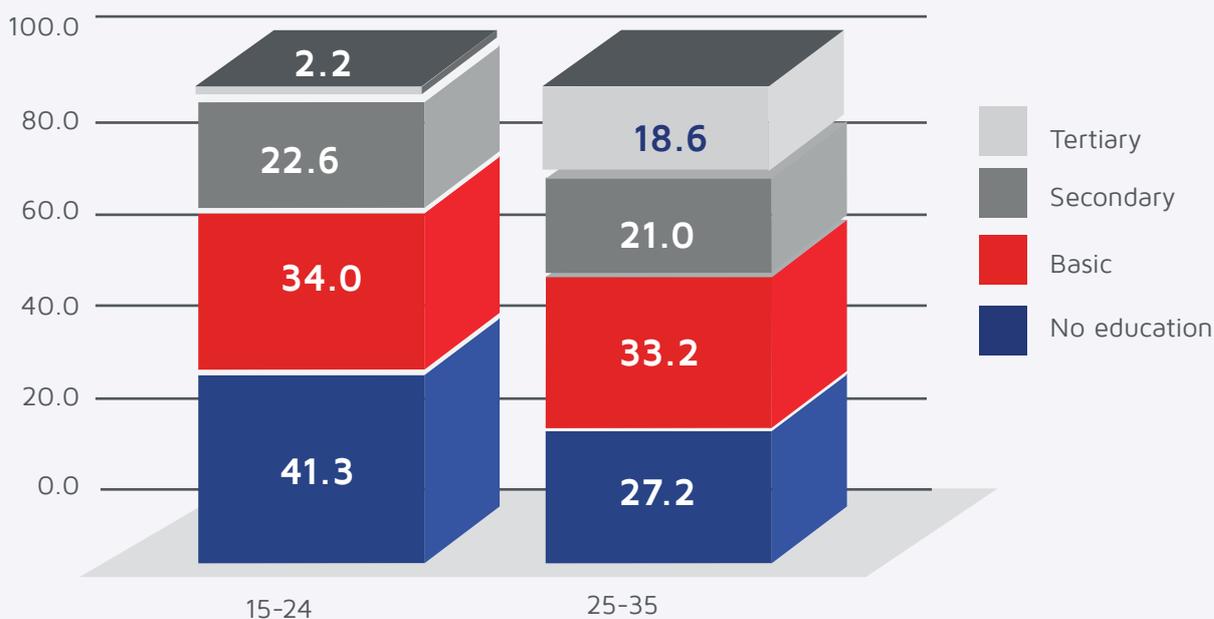


Source: Computed and constructed from the Ghana Living Standards Survey VII, 2016/17 dataset

<sup>6</sup> Compared to 13% of their older counterparts engaged in similar work arrangements.

As demonstrated in Figure 3, younger youth tend to dominate domains of the labour market that are 'low-skilled' and 'precarious' in nature (informal economy, casual employment etc). This pattern can be attributed to low levels of educational-attainment among younger youth (See Figure 4). With secondary education as the minimum entry requirement for employment in the formal sector, just about 25% of younger youth compared to approximately 40% of older youth could access formal sector employment (see Figure 4). Consequently, a higher proportion of younger youth (75.3%) as against 60.4% of older youth with low level or no educational attainment have to take refuge in the informal sector or content themselves with low-tier employment in the formal sector—areas characterised by low wages, poor labour conditions and job insecurity.

**Figure 4: Youth Educational Attainment Levels (%) in 2017**



Source: Computed from the Ghana Living Standards Survey VII, 2016/17

## 2.3 Youth Unemployment

### 2.3.1 Clarifying Conceptual Issues in the Ghanaian context

Many people erroneously equate non-working or incidence of joblessness to unemployment, but these are totally different concepts. 'Unemployment' refers to a phenomenon of jobseeking out of joblessness. Thus, an unemployed person refers to an individual, of working age, who, within a reference period is jobless, but available and actively looking for work. This implies that, if the individual is jobless and available for work but made no effort to seek employment, s/he, cannot be said to be unemployed but rather could be referred to as discouraged worker, which contributes to a disguised form of unemployment. In addition, a working individual seeking "additional" work due to perhaps low remuneration, or seeking to change job cannot be considered as unemployed. This is where the concept of underemployment comes in. 'Underemployment' pertains to the phenomenon of employment in jobs which occupy a fraction of workers' available time or allow partial utilisation of their capabilities. By implication, an individual working less than the desired number of hours a day or week, and desires to work additional hours is "visible or time related" underemployed, whilst the one working below his/her productive capacity based on his/her acquired skills is "invisible" underemployed.



## True nature of youth unemployment

Unemployment rate represents the total number of unemployed expressed as a percentage of the labour force—this is the ILO standard. Unemployment rate based on actively-seeking-job criterion—the ILO standard—in Ghana and many developing countries produces low estimates. This perception has drawn the reliability of Ghana’s unemployment statistics into question. Rather than blame the statistics, some scholars<sup>7</sup> contend that, Ghana’s artificially low unemployment rate is an effect of the ILO standard being unsuitable to the structure of the labour market of a developing country such as Ghana. More accurately, unemployment in a developing African country, such as Ghana, ought to be understood in terms of disguised unemployment. Disguised unemployment refers to the occurrence of insufficient employment opportunities and/or the underutilization of actual and potential human capital resources.

In the context of Ghana, heightened disguised unemployment is explained by three factors. First is the high level of discourage worker effect among the youth. For instance, estimates from GLSS VII dataset of 2017, indicates that 310,292 young people were jobless and available work but did not make any effort to seek for one due to reasons such as perception of no job, inability to afford job search-related expenses, despondency etc. Second factor is the pervasiveness of informal employment. In an environment, such as Ghana’s, where supply of social protection measures—i.e. unemployment benefits—is non-existent, most jobless jobseekers, particularly, those with low educational attainment and marketable skills, find informal employment as a preferred livelihood option to being unemployed. Consequently, in the analysis that follows, the study adopts a broader definition of unemployment that takes account of those jobless and available for work but made no effort to look for work referred to as discouraged workers.

<sup>7</sup> Baah-Boateng, (2015); Cling et al. (2007); Fares et al., (2006); World Bank (2006) among others

### 2.3.2 Incidence of Youth Unemployment

Of the entire working-age population, unemployment is highest among the youth. In 2015, youth unemployment accounted for 73.1% of total unemployment, climbing to 77% in 2017. Overall, 13.7% and 12.4% of young people were unemployed in 2015 and 2017, respectively. The rate is higher in urban than rural areas. Gender dimension suggests higher unemployment among males than females in 2015 and the reverse was the case in 2017 (see Table 2).

**Table 2: Youth (15-35) Unemployment by Age, Gender and Location**

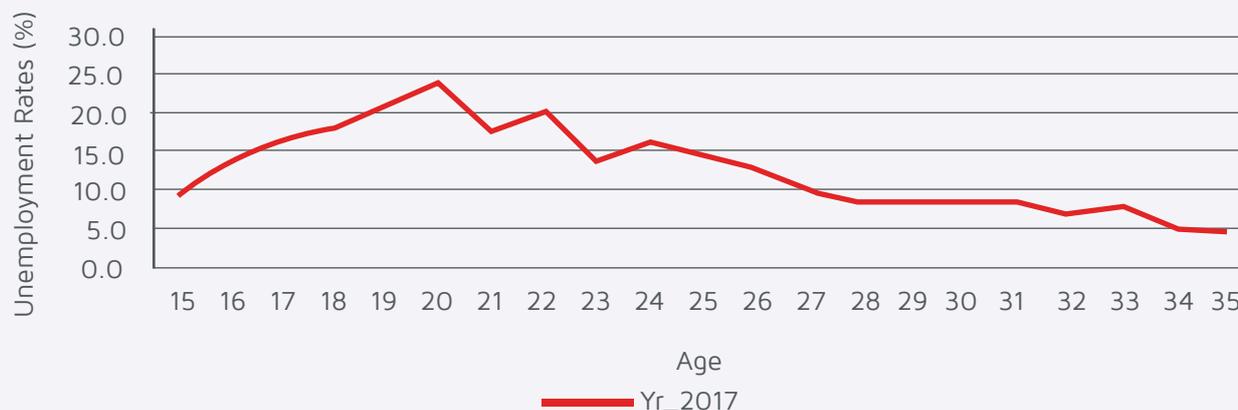
Category	2015		2017	
	Number	Percent	Number	Percent
 15+years	962,639	9.4	810,278	8.3
All Youth (15-35)	703,618	13.7	625,421	12.4
<b>Sex</b>				
 Male	324,460	13.9	293,690	11.7
Female	379,158	13.5	331,731	13.1
<b>Location</b>				
 Urban	451,382	16.1	437,159	14.9
Rural	252,236	10.9	188,262	9.0
<b>Youth Groups</b>				
 15 – 19	81,140	17.0	133,793	16.8
20 – 24	238,340	21.1	227,506	18.4
25 – 29	208,760	13.3	149,443	11.0
30 – 35	175,378	8.9	114,679	7.0

Source: Computed from the 2015 Labour Force and GLSS VII of 2016/17

#### Age dimension

The pattern of youth employment as viewed from an age dimension is seen to rise gradually through teenage years to a peak at the early 20s before declining with age (see Table 2). In 2015, youth unemployment rate rose from 17.0% among the teens (15-19 years) to 21.1% among those aged 20-24 before declining to 13.3% and 8.9% among youth in their late 20s and those aged 30-35 years (Table 1). A similar pattern is observed in 2017 with an increase in the rate from 16.8% among teenagers to 18.4% among young people in their early 20s and declined to 11.0% and 7.0% for youth in the late 20s and 30s, respectively. This pattern is confirmed in Figure 5, where, in 2017, unemployment rate climbed from 9.7% for those aged 15 years to a peak of 24.1% at the age of 20 years before declining to a low of 4.8% at age 35 years in 2017.

**Figure 5: Youth unemployment rates (%) by age 2017**



Source: Computed and constructed from the Ghana Living Standards Survey VII, 2016/17 dataset.

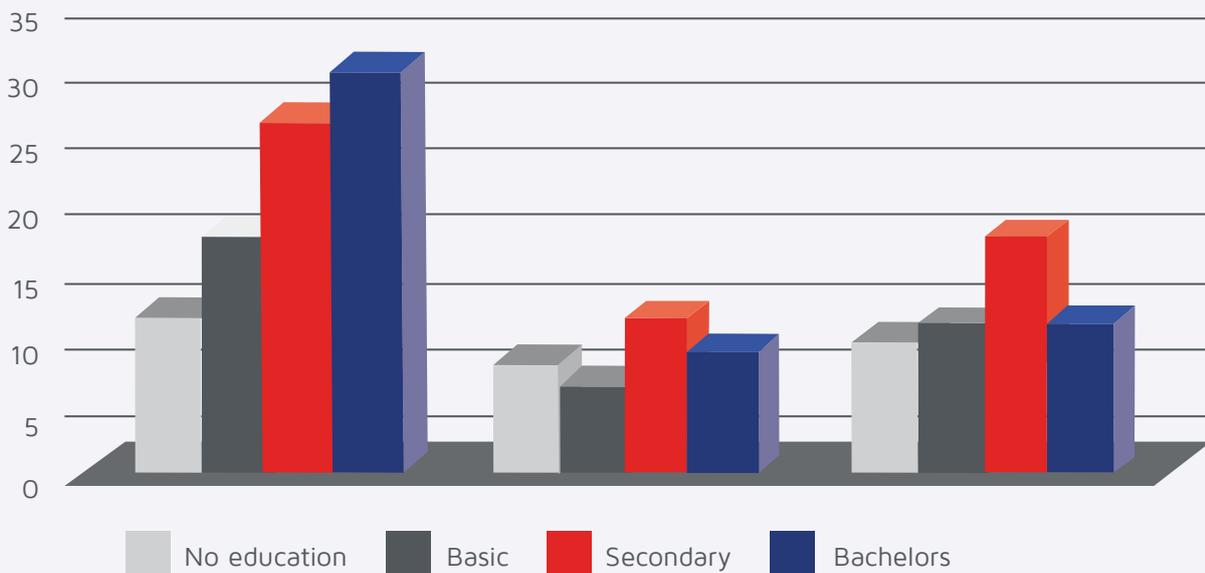


### Educational attainment dimension

In relating youth unemployment to educational attainment, appears to suggest that education is not a panacea to unemployment in Ghana. As illustrated in Figure 5, incidence of youth unemployment is higher among the educated (secondary and tertiary levels) than the less educated. This trend is propelled by two factors:

**Figure 6: Unemployment rates by educational attainment (%) 2017**

#### I. Sector orientation bias



Source: Computed and constructed from the Ghana Living Standards Survey VII, 2016/17 dataset

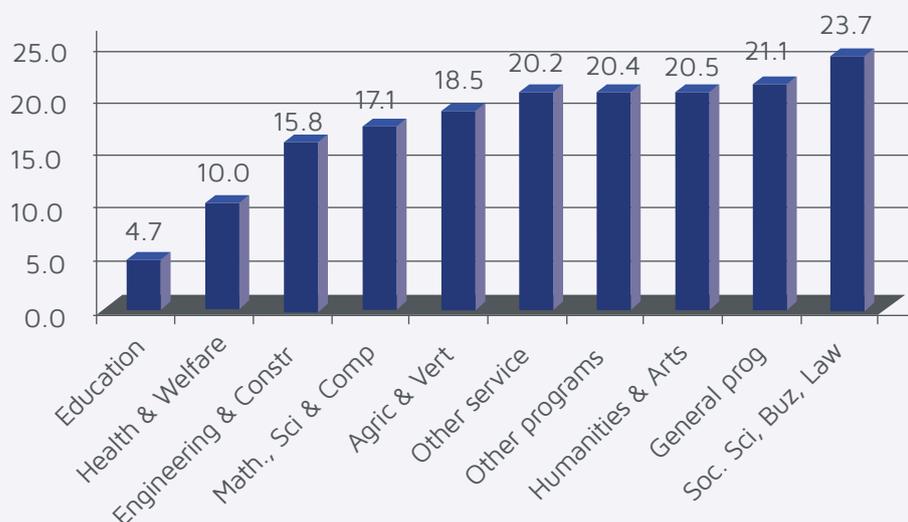
## I. Sector orientation bias

First is the institutional sector orientation bias. That is jobseekers' predisposition to orient themselves toward either the formal or informal sector based on their perception of their capacity to access employment opportunities in the sector. Here, orienting oneself toward a particular sector implies deselecting oneself from the other. For instance, it is widely known that secondary level education is the minimum requirement for most formal sector jobs; mindful of their meagre chances of securing jobs in the formal sector, youth with low or no education, orient themselves towards the informal sector where they anticipate favourable employment prospects. Conversely, the better-educated find informal sector unattractive, and thus, orient themselves toward the formal sector. Since demand for labour in the formal sector is far below the supply of better-educated graduates in the labour market, unemployment among the better-educated tend to be higher. Whereas, the labour-intensive informal sector has a higher manpower absorption capacity with no emphasis on qualification, thus, explaining the relative low levels of unemployment among the lesser-educated.

## II. Discrepancies in labour supply and demand in respect of programme of study.

Second is the discrepancy between volumes of skills demanded and those supplied in the formal labour market. Figure 7 reveals high rate of unemployment among graduates of the social sciences (with the exception of Education graduates). Indeed, graduates of the social sciences and humanities as well as general and other programmes recorded an unemployment rates of at least 20.4%, far below 10% and 15.8% of health and engineering graduates, respectively (see Figure 7). The high unemployment rate in the humanities and social sciences suggests that, supply of skills in such domains exceeds demand. Conversely, the substantial demand for educational and health-care professionals in the public sector, has depressed graduate unemployment in these fields to 4.7% and 10% respectively.

Figure 7: Youth unemployment rates by programme of study (%) in 2015

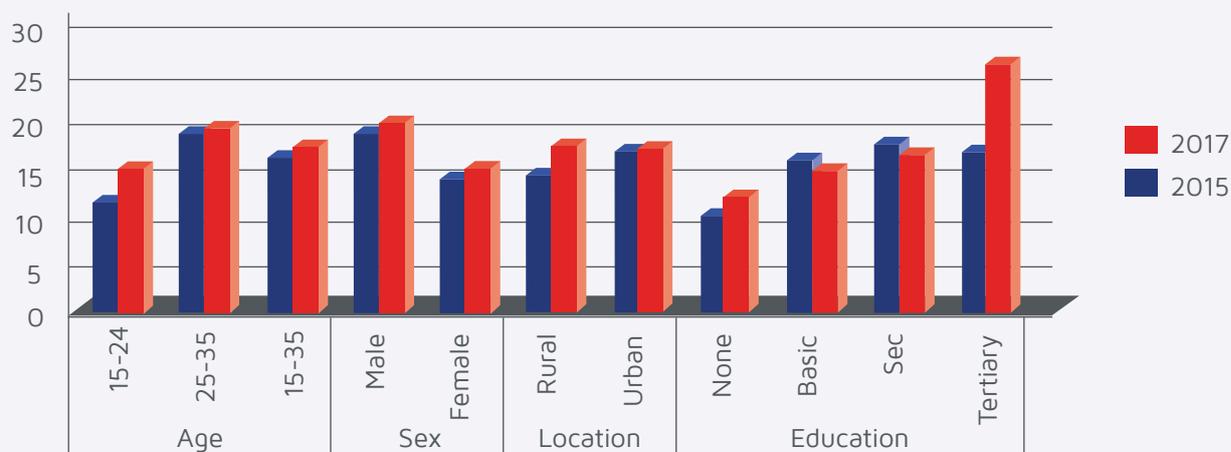


Source: Computed from the 2015 Labour Force survey dataset.

### 2.3.3 Duration of unemployment

Incidence of unemployment aside, duration represents another facet of unemployment. By duration of unemployment it is meant the length of time a jobless jobseeker remains without unemployment.

**Figure 8: Mean duration of youth unemployment (in months) in 2015 and 2017**



Source: Computed and constructed from the Ghana Living Standards Survey VII, 2016/17.

#### Duration of unemployed across diverse age cohorts and gender

Although the incidence of unemployment is lower among older youth, the reverse is true for duration of unemployment. In fact, estimates presented in Figure 8 suggests longer duration for older youth with, an average unemployment duration of 19 months as compared to 15 months for their younger counterparts in 2017.

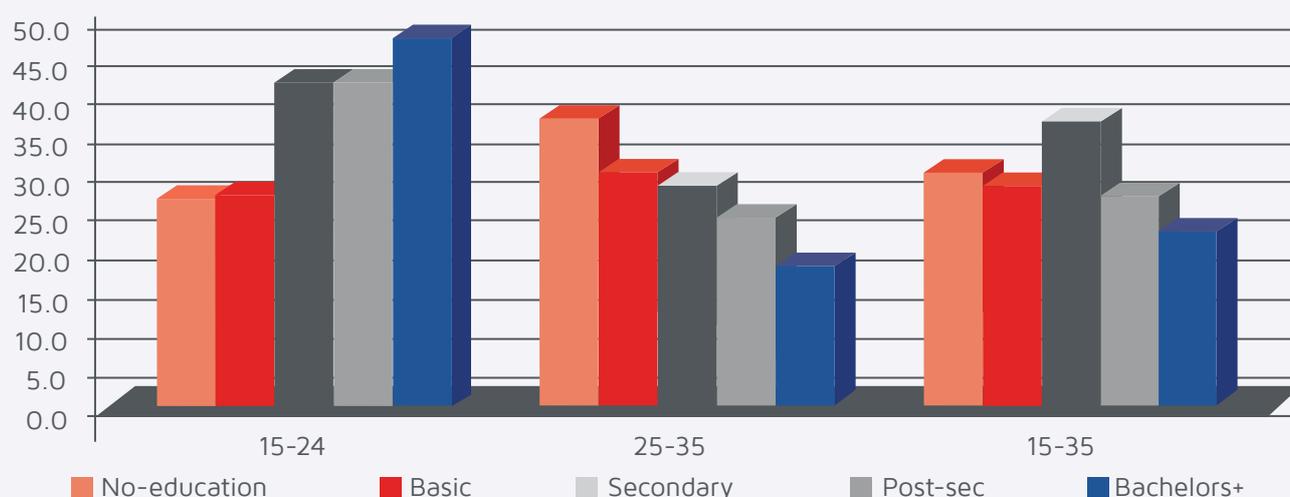
On the gender spectrum, unemployment duration is higher for males than females. Partly accounting for this is the fact that females are more likely than their male counterpart to seek employment in the informal sector where barriers of entry is very minimal. Whereas on the locational dimension, urban youth spent longer time in unemployment than rural youth in 2015, but no significant rural-urban difference in duration of unemployment was recorded in 2017 (see Figure 8).

## 2.4 Not in Education Employment or Training

As previously noted, the ILO Standard for measuring unemployment tend to underestimate the genuine rate of unemployment in developing countries. Making up for the shortcomings of the ILO Standard, this paper resorts to the concept of Not in Education Employment or Training (NEET). NEET measures persons of working-age who are jobless, and at the same time not receiving any form of education or training. Given NEET's capacity to capture those at the peripheries of the labour market<sup>8</sup> and those not engaged in professional skills acquisition, it is thought of as an alternative and broader indicator for measuring the true labour market challenges facing the youth.

<sup>8</sup> i.e. unemployed, discouraged workers and other types of non-working etc.

**Figure 9: NEET rate by level of education (%) in 2017**



Source: Computed and constructed from GLSS VII of 2016/1 dataset

### Distributions of NEET across age, gender, and regional dimensions

In 2017, an estimated 3.1 million youth were classified as NEET, representing approximately one-third of total NEET population. Of the youth population in NEET, 55% comprised younger youth (1.7 million) as against 45% of older youth (1.4 million).

From gender perspective a higher number of females (58%) than males (42%) were classified as NEET. The rate is higher (37%) in rural areas where extended family system creates some sort of private social protection than urban (29%) areas where NEET becomes luxury due to absence of social protection.

### Educational dimension of NEET

Generally, NEET rate among young people increases with level of education up to secondary and declines at higher levels of education. However, the pattern of educational dimension of NEET varies across youth age-cohorts. As shown in Figure 9, NEET rate for young youth increases as one ascends the educational ladder, the reverse holds for older youth. The low incidence of NEET among younger youth with little or no education is explained by their informal-sector orientation bias. Likewise, high NEET rate among better-educated younger youth is an outcome of their preference for the formal sector, where employment opportunities are in short supply. Formal sector orientation bias aside, the sustenance benefits derived from living at home dampens the cost of joblessness to younger youth, thereby reducing the desperation for job. As the youth crosses the 24-year age mark and move into a period of independence their chances of exiting NEET classification increases.

## 2.5 Unmasking Youth Employment and Unemployment Challenges

The issue of youth unemployment is essentially a reflection of the employment generation challenges and distribution capacity of the country. Employment or lack thereof is an outcome of the interaction between labour supply (by jobseekers) and demand (by employers). The demand for labour is driven by economic activity (growth, stagnation, or decline), whereas supply is driven by quantity and quality of labour force. The slow employment response to economic growth and increasing number of poor-quality labour force, coupled with absence of labour market information to bridge the labour demand-supply relationship account for employment generation challenges particularly among the youth.

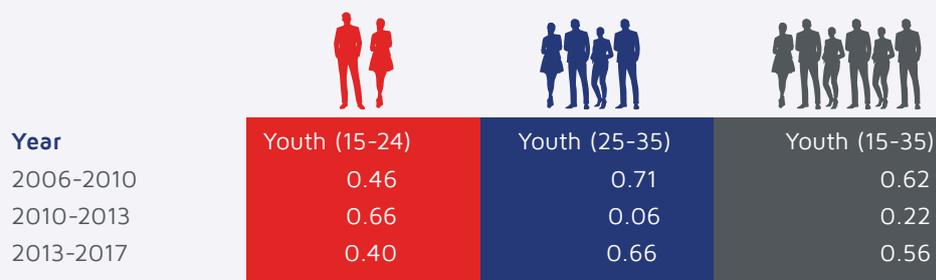
### 2.5.1 Slow employment response to economic growth

Generally speaking, the pattern of employment generation and distribution mirrors activities in the real sector of the economy. However, in the last two decades, the rate of employment growth has lagged considerably behind that of economic growth. As shown in Table 3 the gap between job growth and economic growth widened considerably from 2010 to 2013; after a brief narrowing, from 2017 onwards the gap started expanding. During the periods of broad divergence, the responsiveness of the youth labour market to economic growth was weak. For instance, between 2010-2013, the capacity of the economy to generate employment opportunities as a per cent of its growth (measured as employment elasticity) was rather low for the youth at 0.22. Thus, for each 1% of economic growth chalked, 0.2% of new employment for the youth was generated. Conversely, the intervening periods of 2006-2010 and 2013-2017 saw a relatively higher employment elasticity for youth of 0.62 and 0.56 respectively—with the lion share of new employment generated accruing to older youth (see Table 3).

The strength of employment generation responsiveness to economic growth has been linked to the sources of economic growth. Indeed, as illustrated in Figure 10, periods of non-extractive industries-led growth (i.e., 2006-2010 and 2013-2017) tend to augur well for youth employment.

Sectors such as manufacturing, agriculture and tourism are known to have high labour absorption, yet they have not been performing relatively well in terms of growth, whereas, the financial services and extractive industries—although having low labour absorption capacities—have been the dominant sources of economic growth in that past decade. With economic growth driven by low direct job generating sectors, employment response to economic growth in Ghana has been and continues to be weak. The adverse effects of weak job creation response (low supply of employment opportunities) affect the youth more than adults as evidenced in worse unemployment situation in terms of numbers and rates among youth than adults.

**Table 3: Job elasticity of economic growth, 2006-2017**



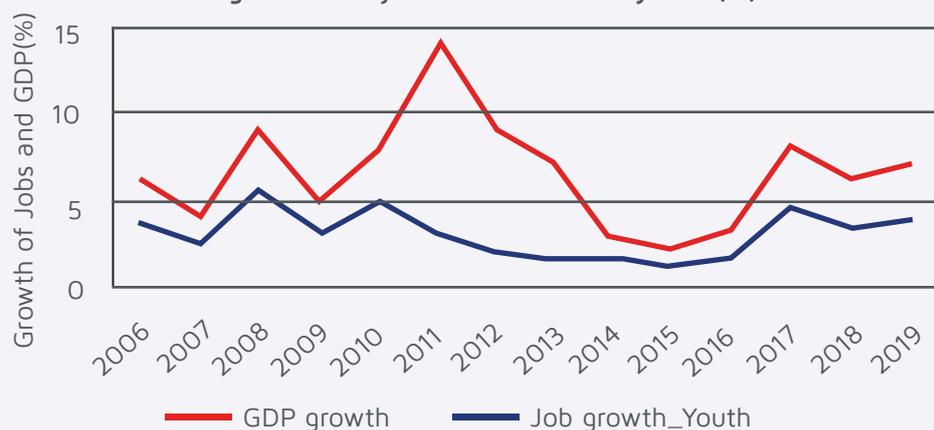
Year	Youth (15-24)	Youth (25-35)	Youth (15-35)
2006-2010	0.46	0.71	0.62
2010-2013	0.66	0.06	0.22
2013-2017	0.40	0.66	0.56

Source: Generated from National Accounts and GLSS, and Census dataset

### 2.5.2 Rising youth labour force amidst constrained employment opportunities

Beside rate of employment generation lagging behind the rate of economic growth, the pace of labour force growth outstrips that of new job creation. Ghana's youth population constitutes majority of new entrants unto the labour market—a population that recorded average growth of 1.8% (112,000 individuals) per annum between 2010 and 2017. Of the 112,000 young new labour market entrants, in the same period, less than a quarter secured employment, with the remainder resorting to schooling or remaining NEET. Thus, the employment openings for young people had not kept pace with the rising quantity of labour force culminating in high incidence of youth joblessness.

Figure 10: Economic growth and job creation for the youth (%) 2006-



Source: Generated from National Accounts and GLSS, and Census

### 2.5.3 Skill mismatch: Discrepancies in quality of skills demanded and supplied

Skills mismatch, that is the discrepancy between the kind of skills sought by employers and what jobseekers bring to the market, is a key source of the high incidence of educated unemployment. This challenge is driven by three factors, namely:

#### I. Over production of humanities graduates against STEM graduates

Ghana's education system, particularly at the tertiary level, tend to produce social sciences and humanities graduates above the labour market's capacity to absorb such skills. Conversely, the level of natural sciences graduates produced is below the market's demand for professionals from such fields. One possible reason for this phenomenon is the high cost of STEM training. Indeed, it is estimated that the cost of training a medical doctor is about seven times the cost of training a student in arts or social science. Moreover, the emergence of satellite campuses and distance learning has enhanced access to tertiary education to many qualified young people. However, training in social sciences and humanities dominate the distance learning phenomenon causing further increase in the supply of non-STEM graduates entering the labour market. Similar trend can be observed in the TVET system, where, aside the negative perception, the cost of a TVET education is higher relative to academic education. Moreover, persistent underfunding of TVET institutions has weakened their capacity to offer state-of-the-art training.

#### II. Training approach and content not in line with job market requirements

In the current era of the knowledge economy, successful employees are those that have a mind cultivated to apply descriptive knowledge to solve problems. Therefore, the ideal form of pedagogy, for the current era, is one that emphasizes training of the mind and problem solving to make young people useful and adaptive in a dynamic job market. However, the mode<sup>9</sup> of training offered in the Ghanaian education system diverges from the ideal. Indeed, education and skills development that focus on training the mind to solve problems in practical scenarios, as well as the development of soft skills are hardly adopted.

Rather, the preferred teaching approach emphasizes end-of-period examination with little or no exposure to solving puzzles from case studies—a situation that incentivises learning-by-rote mentality over that of learning-by-deep-understanding. Hence, even when STEM graduates are available, some employers are hesitant to engage them for the reason that, although graduates may be familiar with the theory, they lack the capacity to apply theoretical knowledge to solve problems, or the soft skills to manage interpersonal dimensions of professional collaboration.

9 education curriculum, teaching techniques and quality of teachers

#### 2.5.4 Absence of Labour Market Information System

The absence of regular, timely, accurate and reliable labour market statistics and information to carry out effective monitoring of employment generation effect of policy also undermine the fight against youth unemployment and joblessness. Consequently, it is believed that policy makers, especially political leaders, treat employment as residual of broader macroeconomic policies and only realizes its importance when agitation for jobs from the youth becomes intense.

Moreover, the absence of a platform that efficiently link job-seekers with job-openings continues to be a bane of youth unemployment. Although a number of public and private agencies are mandated to match jobseekers with prospective employers, the coordination process is not efficient. In that, these coordination agencies lack the institutional and infrastructure capacity to effect their mandate—thus leaving jobseekers to rely their social network and ad hoc job search strategies.



#### 2.5.5 High expectation of young people relative to labour market reality

The search behaviour of young people in terms of the type of job they look for and associated earnings also account for high incidence and duration of youth unemployment in the country. High reservation wage of jobseekers has been identified as one major determinants of unemployment, particularly among educated youth in Ghana.

Indeed, the prevailing attitude among some youth is to acquire large wealth in a short-period. This demeanour hampers the willingness of the youth to accept market-rate wages commensurate with their limited work experience.

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