

2010 Population and Housing Census

Economic Activities in Ghana

PREFACE AND ACKNOWLEDGEMENTS

The mandate of the Ghana Statistical Service (GSS), like many other national statistical offices, includes data collection, compilation and analysis as well as dissemination of statistical information in an accessible and user-friendly manner. In order to satisfy the needs of users, GSS is required to analyse and interpret statistics in a form that makes it easily understood for people to appreciate the value of the statistical information. There is also the need to disseminate widely all the statistics produced by GSS so that all data users including potential data users can have access to it.

Ghana, like many other developing countries, relies mainly on survey and population census data for planning at the national and the sub-national levels. Detailed analysis of such data provides users with a wealth of information for planning and policy formulation. Analysis of the 2010 Population and Housing Census (PHC) data on topical issues, therefore, provides information for effective planning at all levels.

Several reports, including six monographs, were prepared using the 2010 Census data and published in 2012 and 2013. The published reports from the census data was a collaborative effort between the GSS and Local consultants from research institutions and universities in Ghana with funding from the Government of Ghana and various Development Partners (DPs). In order to strengthen the report writing capacities of the Ghana Statistical Service (GSS) and Ministries, Departments and Agencies (MDAs) which are engaged in population-related activities, professional staff of GSS and these MDAs were paired up with consultant writers to prepare the reports.

The monograph on 'Economic Activities in Ghana' is one of the additional eight monographs that has been prepared from the 2010 Population and Housing Census data and is meant to inform policy makers on issues relating to economic activities in Ghana. The report focuses on the economic activity status of Ghanaians aged 15 years and older, employment status of the employed population, occupation and industry of the employed population as well as the sector of employment.

The Ghana Statistical Service wishes to thank the United Nations Development Programme (UNDP) for providing funds for the preparation of this monograph and the lead role UNFPA played in mobilising resources from the UN System and from other DPs for the 2010 PHC. Our appreciation also goes to Dr. Samuel Annim and John Foster Agyaho for the dedication and competence they demonstrated during the preparation of this report.

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EXECUTIVE SUMMARY

CHAPTER ONE

INTRODUCTION

1.1 Background

As nations aspire to grow via a transformed economy and reduced poverty and inequality, an understanding of the economic activities of its' citizenry remain indispensable. This has culminated in a wide range of both theoretical and empirical discourse on issues related to economic activities in a country including the following: determinants of the decision to engage in an economic activity; structure of labour markets (demand and supply); wage determinants and differentials; patterns and trends of employment and unemployment and most importantly the relationship between economic growth and employment (employment elasticity of growth). The economic growth-employment nexus predates the 1950-decade given the work of Petron J. Verdoorn, 1949 and further developed by Nicholas Kaldor, 1966. Kaldor (1966) in his inaugural lecture posits that growth in the manufacturing sector will attract labour from the non-manufacturing sector where either diminishing returns are present or the relationship between employment growth and output is nil. This will lead to maximization of output in both the manufacturing and non-manufacturing sectors and therefore overall growth accompanied by increased labour productivity. Kaldor's inclination, which has received much attention among economic development advocates, suggests that although there is relationship between employment and overall growth, the type of sector of employment is imperative.

The well-established growth-employment relationship has been extended to examine the channels through which both poverty and inequality would be affected. The theoretical literature suggests that there is a virtuous circle in which economic growth has a poverty reducing effect through employment generation with rising productivity which translates into higher wages, and reduced poverty further enhancing higher productivity and accelerated economic growth. On the other-hand, the pro-poor growth (bottom-up approach) agenda being heralded by the World Bank underscores the discourse of ensuring that economic growth and employment generation has both poverty and inequality effects. The pathway is empowering the poor and vulnerable in society with high returns and sustainable economic activities as well as instituting income redistribution policies to address the issue of inequality. The poverty reducing-employment relationship is enshrined in the second target of the first Millennium Development Goal (MDG) which seeks to eradicate extreme poverty and hunger. The second target seeks to 'achieve full and productive employment and decent work for all including women and young people' (United Nations, 2013: pp. 8). In all, the MDG has five indicators related to employment, namely; Growth rate of GDP per person employed; Employment-to-population ratio; Proportion of employed people living below \$1 (PPP) per day; Proportion of own-account and contributing family workers in total employment and share of women in the wage employment in the non-agriculture sector.

The forgoing highlights the commitment of the global economy in addressing the poverty and inequality menace based on employment generation as well as transforming the structure of employment by sectors in an economy to suit the needs of the vulnerable, notably, children and women. The realization to tackle poverty and inequality via employment creation is manifested by the introduction of a variety of programmes to address different shades of unemployment in an economy. Notable is the public works programme which predates the

1960-decade and recently, the evolution of youth employment programmes in a number of developing countries including Ghana. Harnessing the full potentials of employment policies geared towards reduction in poverty and inequality and achieving overall economic development is however, precedent on the availability of quality data to understand the patterns and trends of labour market performance in an economy.

1.1.1 Labour market statistics in developing economies and performance patterns and trends for selected countries

Premised on the expected relationship between employment, poverty and growth, both developed and developing nations have realized that the pursuit of employment creation activities and restructuring of the labour market based on available skills and natural resources is correlated with economic growth and poverty reduction as well as mitigating risks and vulnerability (World Development Report, 2013). As a result, efforts to understand the patterns and trends of the labour market to develop appropriate strategies to address sub-optimal performance in the labour market is being vigorously pursued by most governments. Among such effort is the design of labour force surveys in most economies and the inclusion of a module on economic activities in censuses and most living standard surveys or consumption and expenditure surveys. Such censuses and surveys are the basis on which governments and development partners, including the World Bank and the United Nations, provide a wide range of information on economic activities. Among the statistics generated from such surveys to track economic activities in an economy are: employment rates, patterns of employment (gender, education, children engagement in labour, youth employment), trends in employment and unemployment rates, duration and spells of unemployment, characteristics of first time job seekers, and nature and conditions of work (security, earnings and hours worked).

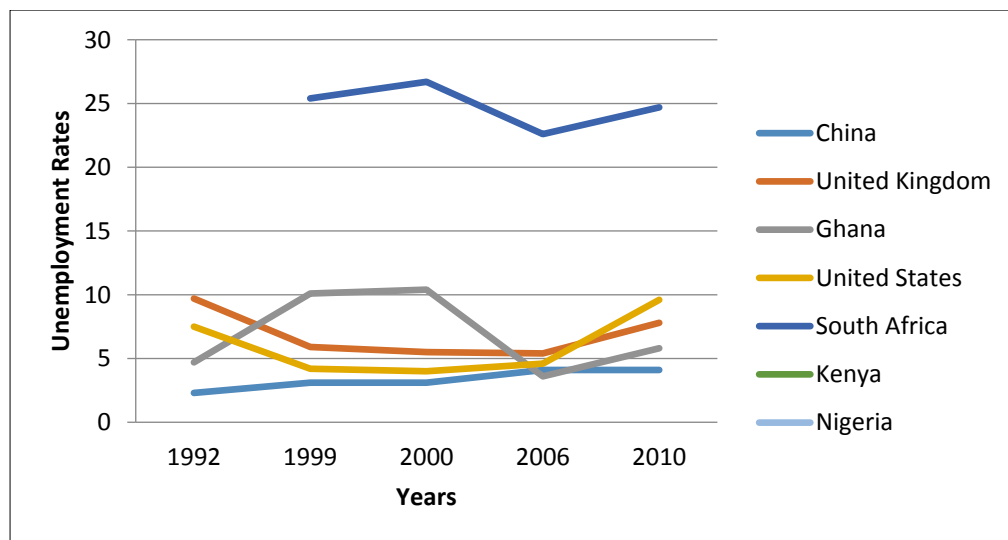
While the importance of labour market censuses and/or surveys remain incontestable, data on labour statistics remain a challenge and therefore warrants circumspection in handling statistics on economic activities in developing countries, in this case, Ghana. The challenge is partly due to the cost involved in consistently collecting labour market data. Also, since most developing economies are characterized by a huge informal sector, it inhibits an accurate calculation of the proportion of the population participating in an economic activity and in furtherance, an understanding of the nature and conditions of the activities that they are engaged in. In this respect, data on economic activities in most developing economies is either inconsistent or incomparable overtime due to changes in the nature and scope of questions asked. Another important challenge in using labour statistics in developing economies is based on the inability to follow the same sample or cohort of respondents overtime time. In Ghana, national level statistics on economic activities is drawn from the Ghana Living Standard Surveys (GLSS) and the sentinel censuses. This adds to circumspect in making inferences based on trends and patterns derived from surveys.

Figure 1.0 is generated to highlight two issues namely: labour statistics challenges for developing economies as indicated above and trends of unemployment for respective countries using Ghana as the reference country. Five years (1992; 1999; 2000; 2006 and 2010) are used to plot trends of unemployment for Ghana, United States, United Kingdom, South Africa, Kenya, Nigeria and China. These countries are chosen based on their geographical or national income comparability with Ghana and the years corresponds to the period when either a census or a survey was conducted in Ghana since the 1990-decade.

The paucity of data on labour market statistics is collaborated by the non-availability of unemployment rates for Nigeria and Kenya for the selected years with the exception of 1998

for Kenya. Indeed, for the period 1960 to 2013 the World Development Indicators provide only one data point each on unemployment rate for Nigeria and Kenya. The trend in unemployment rates suggests that with the exception of South Africa, Ghana compared favourably with the other countries prior to 1999 and after 2006. A distinctive observation for Ghana is the steep increase from 1992 to 1999 and a sharp decline between 2000 and 2006. While the source of such distinctive movement in the unemployment rate is yet to be fully examined some plausible reasons have been offered. The increase in unemployment rate over the period 1992 and 1999 can be possibly attributed to an extended rippling effect of the Structural Adjustment Programme (SAP) on retrenchment and privatization of State Owned Enterprises (SOEs). And the decrease over the period 2000 and 2006 can partly be attributed to some employment creation activities at the national level. However, worth noting is the surge of certain kinds of economic activities for survival such as head portage, petty trading and selling along the roadsides.

Figure 1.1: Unemployment rates for selected countries overtime



Source: World Development Indicators and Ghana Statistical Service, 2010 Population and Housing Census Survey

The period between 2006 and 2010 is characterized by increasing unemployment rate for all countries with the exception of China. One of the main attributes for this is the global economic and financial crisis in 2008. In Ghana, unemployment rate between 2006 and 2010 increased by 2.2 percentage points compared to 5.0 percentage points and 2.4 percentages points respectively for the United States and the United Kingdom.

1.1.2 Earnings, recent labour market policies and unionism in Ghana

According to the International Labour Organizations (ILO), wages/earnings are undoubtedly among the most important conditions of work and employment at the enterprise level. Earnings distribution is of particular interest to policy makers for both economic and social reasons. Policy makers need to be abreast with the structure and determinants of earnings as well as differentials in earnings for different segments of the population and across different occupational types. This has direct implications for the trends and patterns of other macroeconomic variables in the economy notably investment decisions and tax revenue. This provides the rational for employment policies to control labour market failures to achieve a reasonable growth in employment. The introduction of the National Daily Minimum Wage (Section 113 of the Labour Act, 2003 - Act 651) is to protect workers from excessive wage exploitation. The minimum wage in Ghana has almost doubled (97.74%) in the last five years

with the 2013 value standing at GH¢5.24 (USD2.23). While this is above ILO's threshold of USD2.00 for the working poor category, it should be noted that is an economy where the informal sector is huge (like Ghana) most of its citizenry are not likely to benefit from the enforcement of the minimum wage.

The divide between wages of the rich and the poor is said to be growing in most economies. Income inequality is of fundamental interest not only to economists, but also to other social scientists. Income inequality can hinder long-term economic growth (Deininger and Squire, 1998). The government introduced a new pay policy in 2010 (Single Spine Pay Policy) to ensure equity, fairness and productivity within the public sector. However, both the orientation of the policy and implementation have faced challenges in the past couple of years leading to labour unrest across different categories and employees in Ghana.

In Ghana, the Trade Union Congress (TUC) is the official mouthpiece for labour market concerns notably, wage negotiations between the formal sector employers on one-hand and government and employers' associations on the other. Activities of TUC also include the promotion of due diligence by both employers and employees of the tenets of the Labour Act 2003 (Act 661 of the Republic of Ghana).

This monograph provides detailed description of economic activities in Ghana. The rationale is to generate further insights on the patterns of economic activities by different age groups, gender, household wealth and education and geographical location and characteristics of first time job seekers. The patterns of economic activities by the above-mentioned correlates are further analysed to understand the conditional effects. This monograph has been produced to supplement issues on economic activities as discussed in the 2010 Population and Housing Census (PHC) report. However, in contrast to the use of the full census for the 2010 PHD report, analyses conducted in this monograph is based on 10 percent of the census (2.46 million observations).

CHAPTER TWO

SECTOR OF EMPLOYMENT, OCCUPATION AND HOUSEHOLD WEALTH

2.1 Introduction

In Ghana, the employment statistics is promising as 94 percent of the economically active population are gainfully employed. However, the interpretation of this figure requires caution based on the wide difference in the nature of employment in the formal and informal sectors. A very large proportion of the employed are economically engaged in the informal sector which gives a serious cause for concern. Ever since Ghana started aiming at reducing employment levels in the public sector (from SAP to GPRS I and II), most entrants into the world of employment seek one in the informal sector that is ever open to accept their entry. This has led to the increasing levels of productivity in the informal sector which feeds into the national income figures. Such statistics must be interpreted with the cautiousness it deserves not only because a majority of informal activities go unrecorded but also due to the fact that the unemployment figure will very huge if the portion of the labour force absorbed by the informal sector were to be added to the unemployed. This, really, has implications on the economic growth and development of Ghana in terms of household wealth and employment.

According to Heintz and Vanek (2007), employment is the primary channel through which economic growth reduces poverty. When employment opportunities are directly proportional to expansion in economic activity, the benefits of growth is believed to be broadly shared. However, access to employment is not sufficient in many countries all over the world. In Ghana (as per the 2010 Population and Housing Census), the employed made up 51.5 percent of the population, 2.8 percent were unemployed while 45.8 percent also were economically not-active. Ghana Statistical Service defines the unemployed as all persons aged 15 years and above, who during the reference period were: without work and had no fixed jobs; currently available for work; seeking for work by taking specific steps to look for work (e.g. writing applications, visiting employment agencies and seeking help from friends and relatives in the search for jobs). The economically not-active, also, are those who do not work and are not looking for one. The category includes homemakers, full time students, retired persons, the disabled and persons who are unable to work because of their age or ill-health. If all persons, irrespective of age and sex, consume goods and services and only 51.5 percent are engaged in their production, what does it mean for Ghana's quest to achieve a growth rate of 7.4 percent in 2013?

According to Lawler (1994), the decision to work or not stems from one's disposition to instrumental or extrinsic work outcomes. People work mainly for, are motivated by, and enjoy obtaining the instrumental aspects of their work context. The importance of instrumental rewards tends to vary according to their attractiveness to individuals and their ability to satisfy various needs. A study undertaken in Israel, saw income being selected as the most important work outcome by more than 30 percent of the sample, representing the labor force in the 1980s, and by 43 percent in the 1990s (Harpaz, 1999). To either work or

not, individuals have their own expected/reservation¹ wage and if the market wage is below the individual's reservation wage, that individual does not supply any labour and desired hours of work becomes zero or does not work at all. At low wage levels, higher wages encourage people to work more because they make leisure more costly in terms of the income that must be given up at the margin to obtain it. Workers substitute income for leisure. At a higher wage rate, the income effect of the wage increase begins to dominate the substitution effect and the labour supply schedule becomes backward-bending. In fact, this may be a reasonable approximation for many individuals: at low wage rates they have an abundance of unmet needs, so that higher wages will induce them to work more in order to fulfill these needs; at higher wages many of their needs are fulfilled, so that additional wage increases will be used to purchase leisure (Benjamin, Gunderson & Riddell, 1998).

As people become wealthier they take more leisure and engage in less work. Therefore, an increase in wages beyond some level, which raises wealth further, increases, desired leisure by more than the level at which the increased opportunity cost of leisure can reduce it. Workers consequently work less as wages rise beyond some point. This, according to Benjamin, Gunderson and Riddell (1998) suggests that as people become wealthier, they need not toil as hard, and can afford to take more time off. If the above analyses are anything to go by, what then is the wealth status of the Ghanaian population in relation to their economic activity status (employed, unemployed and economically not-active) and type of economic activity pursued by these individuals?

The type of economic activity pursued is influenced by the nature of the economy and the level of socio-economic development (Hull, 2009). Generally, the larger the employed population, the more the wealth created to the general well-being of the population. This is because the portion of the population that was hitherto not receiving income will be receiving income after being employed. Ghana has, over the years, seen the creation of a number of job opportunities that has contributed to the expansion of the economy and increased the rate of economic growth. But Ghanaian workers are believed to have not benefited from the relatively high and steady economic growth rates experienced in the country since the mid-1980s. Economic growth in Ghana has been based largely on export of low value-added cocoa and gold, which has low employment intensity, whereas high labour absorption sectors, such as manufacturing, tourism and food crop activities, have experienced slow growth (Aryeetey & Baah-Boateng, 2007). Just as employment opportunities are considered as having the ability to enhance the accumulation of wealth, wealth is also believed to influence one's engagement in economic activity. Theoretically, it has been shown that the composition of wealth, its distribution across income classes and age groups, and demographics may have importance in the comparison of wealth effects. The decomposition can be done in terms of housing and financial wealth (Altissimo et al., 2005).

Employment in both formal and informal sectors enhances wealth creation for employees. In designing the GPRS I in 2003, the government aimed at employment creation in order to achieve its twin goals of wealth creation and poverty reduction. According to Heintz (2004), the establishment of an employment-intensive growth path for Ghana requires the realization

¹ Reservation wage is based on the net benefits expected from further job searching. A rational individual will accept a job offer if the expected benefits of the job exceed those of further searching. The conditional probability of accepting a job equals the probability of accepting a job equals the probability of a wage offer exceeding the reservation wage (Mayer & Tuma, 1990).

of three interrelated components: a growth component, an employment component, and a poverty focus. The connections between these three elements are straight-forward. Economic growth alone is necessary, but not sufficient for employment creation. Growth must be employment-intensive. Moreover, the generation of new employment is not enough to guarantee poverty-reduction. Policies must be designed such that the poor can take advantage of the new employment opportunities generated. In addition, the patterns of employment, underemployment, and unemployment in Ghana suggest that an integrated employment framework should target three key areas: (1) agricultural and rural employment, (2) informal urban employment, and (3) labour intensive industrial development. The focus on agricultural and informal employment is obvious: the majority of the working poor are concentrated in these sectors. However, an effective employment-oriented development framework would also provide better quality, formal alternatives to informal and agricultural employment.

Although the Ghanaian economy has recorded sustained and moderate growth over the past two decades it has not created a large number of decent employment opportunities for its working population. The majority of workers are engaged in low-income agricultural and informal activities. Productivity has been low and uncertain earnings have characterized the bulk of remunerative work available in Ghana. Underemployment is endemic, taking the form of either insufficient hours of work or long hours spent in extremely low-productivity activities. Poverty rates remain high in many regions (in spite of an overall downward trend) and have actually increased among the many of the rural self-employed (Heintz, 2005). What then accounts for an individual's employment status? The reason why some people become employed (largely self-employed), while others do not has been shown in a number of studies (for both developed and developing countries). It has been emphasised that current wealth plays a significant role in this regard and that capital market failures have been seen as the most likely reason for positive wealth effects on the probability of self-employment. By implication, the level of aggregate wealth matters to aggregate self-employment or being employed. But does the distribution of aggregate wealth also matter (Banerjee & Newman, 1993)? The ensuing sub-sections of the chapter will answer this question.

The relevance of the chapter is to give an overview on the sectoral distribution of occupational activities, employment across households, the effect of household wealth on why people decide to participate in the labour market and many others as evidenced in the 2010 Population and Housing Census.

The rest of the chapter is organized into ten sections. The first section provides background information on the employment absorption by the different sectors of the economy and occupational categories. This is followed by the macro environment, government policy and sector of employment and then by the occupational categories and employment. The fourth section looks at the computation and validation of wealth scores across the ten administrative regions in Ghana. The fifth section examines the relationship between household wealth, the decision to participate in the labour force and sector of employment. The remaining sections present patterns of households' wealth status across the following: economic activity status, employee status, economic sector of employment and occupational categories. The last section concludes.

2.2 Economic sectors and sector of employment

According to Heintz (2005), not all employment is the same – employment status and relationships matter. Simply having access to employment is not sufficient to lift households out of poverty. Quality of employment varies along a number of dimensions – between

formal and informal economies, between agricultural and non-agricultural activities, and among different forms of informal employment. Whether growth reduces poverty by improving employment opportunities depends, to no small extent, on the connections that exist between employment and poverty. Forty percent of Ghanaians still live in poverty and for these people many of them work in agricultural sector. Many of them are into agriculture-related activities, mostly as food crop farmers. Others are engaged in micro and small enterprises, or finding a survival income as daily casual labour. Today, two-thirds of the working population outside agriculture is active in the informal economy. Many are persistently poor, particularly women. The Government of Ghana realizes that there are no alternatives to gainful employment for a livelihood. What people need to move out of poverty is a decent job. We, first of all, present the employment absorption by different sectors (three main categories) of the economy from 1965 to 2006 and then move on to show the sectoral employment absorption as it stands currently.

The institutional sector of employment is broadly categorized into the service sector, agricultural, forestry and finishing (Agriculture) and the manufacturing sector. Ghana has experienced rapid agriculture labour exit rates in relative terms but the employment in the country at large has been dominated by the agriculture sector. Some writers have questioned the employment data in Sub-Saharan African countries in the sense that agricultural production has often not been a full-time job while small-scale self-employment in non-agricultural activities is likely to be glossed over when compiling employment statistics (Kolavalli et al., 2011). Regardless of the above-expressed concern, the figures in Table 2.1 depicts a plodding decline in the employment statistics in the agricultural sector while the service sector has seen an increase in employment absorption of the Ghanaian populace from 1965 to 2006.

Table 2.1: Employment absorption by different sectors of the economy

| Sector | Years | | | | |
|-------------|-----------|-----------|-----------|-----------|-----------|
| | 1965-1972 | 1973-1983 | 1984-1993 | 1994-2000 | 2001-2006 |
| Agriculture | 64 | 58 | 61.1 | 62 | 55 |
| Industry | 14 | 17 | 12.8 | 10.1 | 14 |
| Services | 22 | 25 | 26.1 | 27.9 | 31.1 |

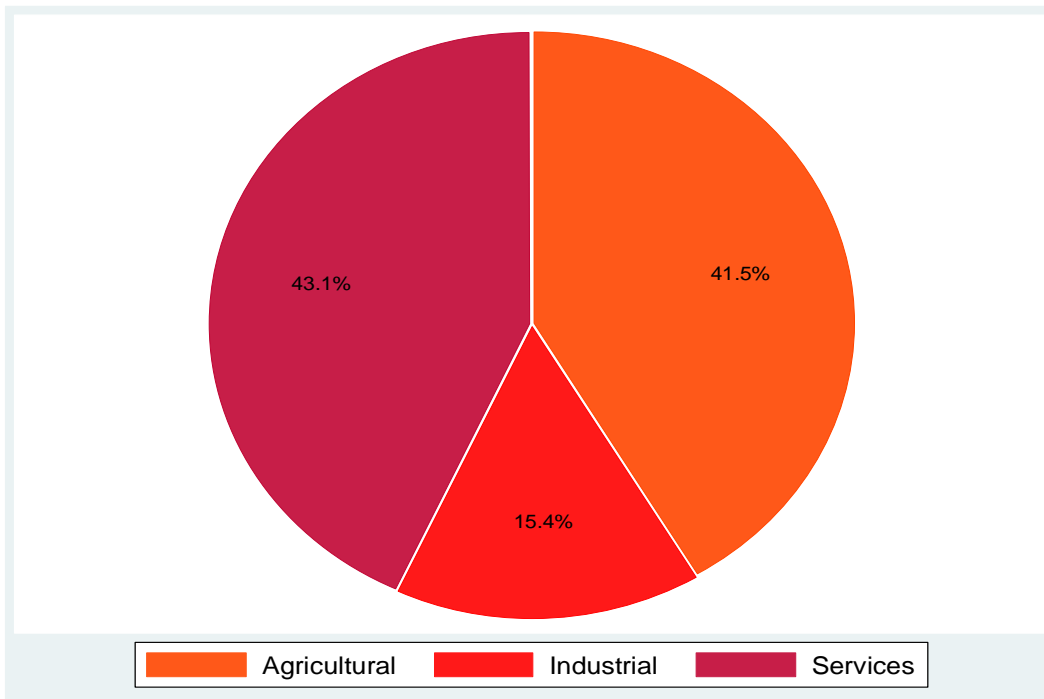
Source: World Development Indicators (2009) in Kolavalli et al. (2012)

Figure 2.1 shows that 43.1 percent of the workforce were in the Service sector, 41.5 percent were in the agricultural sector, with the remaining 15.4 percent in the industrial sector. It can be inferred from the figure that the services sector employed the majority of the Ghanaian populace followed by the agricultural sector and finally came the industrial sector.

According to Breisinger, Diao, Kolavalli et al. (2011), agriculture-related activities dominate manufacturing (industrial activities) in Ghana and this includes food and wood processing and textiles, which contributed more than 60 percent of manufacturing GDP in 2007. Kolavalli et al. (2012) used rebased data to show that the share of Ghana's manufacturing subsector to GDP is small, even compared with many other African countries. On the average, annual growth rate in manufacturing has been only 3.2 percent between 1994 and 2010, the lowest among Ghana's industry subsectors. Many reasons have been cited to have contributed to the poor performance of Ghana's manufacturing subsector, including high

labor costs, high costs of electricity and raw materials, and both imported and domestically produced obsolete machinery (Yusof, 2010).

Figure 2.1: Employment absorption by different sectors of the economy



Source: Ghana Statistical Service, 2010 Population and Housing Census

2.3 Macroeconomic Indicators and the Issue of Poverty

Ghana is currently among the most promising economies in West Africa and in the continent, and has recently been growing faster than the average of these two groupings. After a slowdown of economic activity in 2009, the economy picked up in 2010 and grew in real terms by 7.7 percent and, in 2011, real GDP is estimated to have increased sharply by 13.7 percent (7.5% excluding oil) aided by oil revenues and strong export performance of cocoa and gold in volume and prices (African Development Bank, 2012). Macroeconomic indicators point out the current state of the Ghanaian economy depending on a particular area of the economy (money market, trade, goods market, etc.). These indicators are regularly updated depending on the availability of data. In the ensuing analyses, sectoral distribution to GDP, unemployment rate, poverty and other macroeconomic indicators are presented to provide a country level context for the rest of the issues discussed in this chapter.

Table 2.2: Macroeconomic indicators

| Indicator | Percent and date | Source |
|---------------------------------------|-------------------|-------------------------------------|
| Gross Domestic Product growth rate | 7.9%: 2012 | Ghana Statistical service (2012) |
| Gross National Income per capita | GHC 2,674.9: 2012 | Ghana Statistical service (2012) |
| Sectoral contribution to GDP | | |
| Agriculture | 23.1%: 2012 | Ghana Statistical service (2012) |
| Service | 49.3%: 2012 | Ghana Statistical service (2012) |
| Industry | 27.6%: 2012 | Ghana Statistical service (2012) |
| Poverty rate | 28.5%: 2006 | World Development Indicators (2012) |
| Inflation (Consumer Price Index) | | |
| Annual Average | 9.2%:2012 | Ghana Statistical service (2012) |
| End of Year | 8.8%:2012 | Ghana Statistical service (2012) |
| Unemployment | 5.3%: 2010 | Ghana Statistical service (2012) |
| Inequality (Gini Coefficient) | 0.4: 2005/2006 | Coulombe and Wodon (2007) |
| Official Exchange rate (GHC per US\$) | 1.8: 2012 | World Development Indicators (2012) |

Source: Ghana Statistical Service, 2010 Population and Housing Census

The GDP growth of 7.9 percent in 2012 is very encouraging as this was greater than the provisional figure of 7.1 percent for the same year. This growth also helps to lift a segment of the population out of poverty. This indicates that the country is gaining in terms of national income and that is also a contributor to the GNP per capita of GHC 2,674.9 in 2012. The sectoral contribution to GDP for 2012 also shows that the Agriculture sector contributed 23.1 percent, the service contributed 49.3 percent while the industrial sector contributed the remaining 28.5 percent. This sectoral contribution to GDP is promising but would have been very promising if the industrial sector was the largest contributor considering the nature of the Ghanaian economy. The end of year inflation for 2012 stood at 8.8 percent and followed the government's target of maintaining a single-digit inflation. This in effect reduces the rate at which general prices of goods and services increase in the country. The official exchange rate (GHC per US\$) for 2012 was 1.8 meaning the local currency has depreciated against the US dollar since this figure was 1:1 between the Ghana Cedi and the US dollar respectively. Once the local currency has depreciated against the dollar exports will be cheaper compared to imports. Increase in exports also boosts the economy as net exports will be positive to increase the national income.

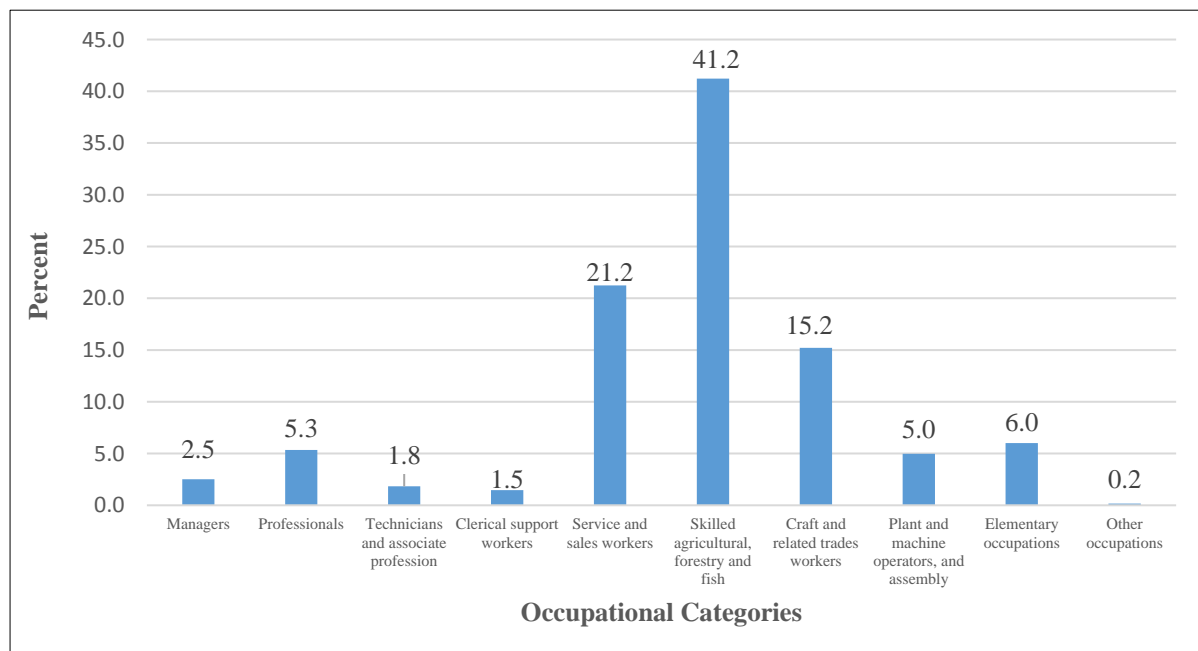
The Ghana Statistical Service quotes the unemployment rate in 2010 as 5.3 percent. According to the African Development Bank (2012) only about 8.5 percent of the working population is in formal employment. Of this amount the youth form only 14 percent of informal sector either in self-employment or as domestic employees, apprentice or unpaid family workers. The official rate may, however, disguise the high level of underemployment and unemployment inherent in the informal sector, as the government's definition of unemployment excludes the large number of jobless people who may be available for work but do not necessarily seek work. Coulombe and Wodon (2007) employed the Gini index as a measure of inequality. Coulombe and Wodon used this index because the index is related in a very simple way to the Lorenz curve and takes a value between zero and one. By comparing it previous years, these writers showed that the Gini index for consumption per equivalent adult increased substantially, from 0.353 in 1991/92 to 0.378 in 1998/99 and finally 0.394 in 2005/06. Thus, this confirms that inequality has increased in Ghana. At the same time, it must be mentioned that in comparison to other West African countries, Ghana's level of inequality is in the middle range, even if within Ghana itself, this increase in inequality is a concern.

Ghana's poverty headcount ratio at national poverty line (% of population) was stated as 28.5 percent in 2006. The African Development Bank (2012) stated that Ghana's dramatic reduction in poverty by almost half between 1991 and 2006 is probably the best record in the whole of sub-Saharan Africa over the last 15 years. The portion of the population that lived in poverty decreased from 51.7 percent in the early 1990s to 39.5 percent in the late 1990s and 28.5 percent in 2006. Every year on average, the share of the population was thus reduced by about 1.5 percentage point. Given Ghana's population, some 5 million persons were lifted out of poverty thanks to growth and that if there had been no reduction in poverty over the last 15 years, the number of the poor would be 5 million persons higher than it is today, at more than 11 million. Instead, not only the share of the population in poverty, but also the absolute number of the poor decreased, from 7.9 million in 1991/92 to 7.2 million in 1998/99 and 6.2 million in 2005/06.

2.4 Occupational Categories and Employment

The Occupational categories of Ghanaians are presented in Figure 2.2. This points out that a majority (41.2%) of Ghanaians were in the field of skilled agriculture, forestry and fish. This group was followed (in terms of ranking) by workers in the category of services and sales workers (21.2%) and then by workers in the category of craft and related trades (15.2%). Apart from other occupations, Ghanaians in the category of clerical support workers were the least (1.5%) followed by those (1.8%) in the category of technicians and associate professionals. Workers in the category of Managers were 2.5 percent, professionals were 5.3 percent, plant and machine operators and assembly were 5.0 percent while workers in the category of elementary occupations were 6.0 percent. It is not surprising to see the majority of workers in the category of skilled agriculture, forestry and fish. This is because this group falls under the sector that has employed the majority of Ghanaians since time immemorial.

Figure 2.2: Employment by occupational categories



Source: Ghana Statistical Service, 2010 Population and Housing Census

2.5 Computation of Wealth Scores

In the computation of the wealth index for households in the country, the total assets and all resources available to the household were taken into consideration. These assets and resources included computers, the kind of shelter and the material that went into their construction, the lighting system and cooking fuel used by the household and the toilet facilities as well as facilities used in bathing. After considering these assets, a list of them were made and summed up to generate a composite wealth index for the household based on their market values. Upon obtaining the value for household wealth, the wealth quintile and other related wealth variables were also generated. This Additive approach to the computation of the wealth index is in line with that suggested by Rutstein & Johnson (2004). The Ghana Demographic and Health Survey also calculated their wealth index using household assets collected from DHS surveys - i.e., type of flooring; source of water; availability of electricity; possession of durable consumer goods. These they combined into a single wealth index. They divided the wealth index into five groups of equal size, or quintiles, based on each household's relative standing on the wealth index (GSS, 2008). In validating our generated wealth index, we tabulated the wealth of households across regions, ranked these wealth scores and compared them with that in the GDHS. These scores gave similar results in terms of inference.

2.6 Household Wealth, Decision to Participate in the Labour Market and Choice of Employment Sector

The decision to participate in the labour market has been identified to be associated with the expected wages to be earned. This in the literature has been argued to have a non-linear relationship which suggests that at the time of entry into the labour market a positive relationship between wages and labour supply is expected however, once wages has been accumulated to a certain point individuals desire to have more leisure which leads to an inverse relationship between wage earning and labour supply (Benjamin, Gunderson & Riddell, 1998).

Table 2.3: Wealth scores across administrative regions

| Region | Rankings | | |
|---------------|----------|------|------|
| | 2005 | 2008 | 2010 |
| Western | 3rd | 4th | 4th |
| Central | 4th | 3rd | 3rd |
| Greater Accra | 1st | 1st | 1st |
| Volta | 7th | 6th | 7th |
| Eastern | 2nd | 5th | 5th |
| Ashanti | 5th | 2nd | 2nd |
| Brong Ahafo | 6th | 7th | 6th |
| Northern | 8th | 9th | 10th |
| Upper East | 9th | 10th | 9th |
| Upper West | 10th | 8th | 8th |

Source: Ghana Statistical Service, 2010 Population and Housing Census
Computed from GLLS-5, GDHS 2008

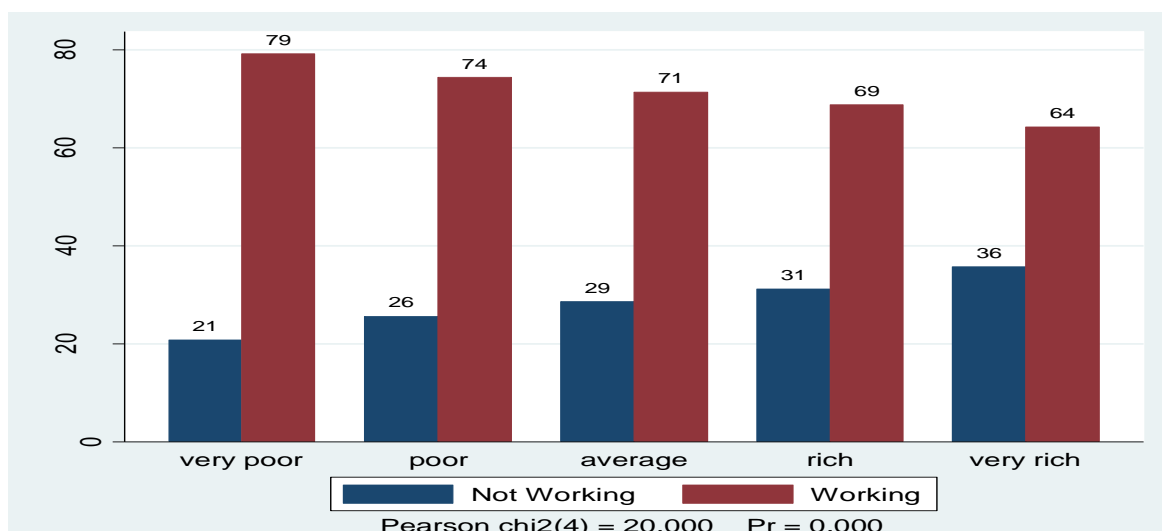
The distribution of wealth across regions has not been consistent over the years. Wealth rankings in the 2005 (according to the GLSS-5) showed that, the Greater Accra region was the richest region followed by the Eastern, then to the Western, Central, Ashanti, Brong Ahafo, Volta, Northern, Upper East and last came the Upper west. In 2008 (according to the Ghana Demographic and Health Survey - GDHS), the Greater Accra region maintained its position as the richest region followed by the Ashanti region, Central, Western, Eastern, Volta, Brong Ahafo, upper East, Northern and finally, the Upper East region. In 2010 (from the PHC, 2010) as well, the Greater Accra region was still the richest region with the Ashanti region regaining its position as the second richest region. After the Ashanti region came the Central, followed by the Western, then to the Eastern, to the Brong Ahafo, Volta, Upper West, Upper East and last came the Northern region.

2.7 Household Wealth and Labour Force Participation

The wealth status of the population is categorized into Poor, averagely rich and rich while the economic activity status of the populace is also classified into the employed, unemployed and not active. The employed consist of all persons aged 15 years and above, who during the reference period, were at work, that is, persons who performed some work for wage or salary either in cash or in kind or worked without pay. In also includes those who had a job to go back to, but did not work within the reference period

Figure 2.3 indicates the Willingness of individuals to participate in the labour force. We have the working (willing to work) and not working (not willing to work) groups. Using the within-group effect, it can be seen that the people in the category of the very poor were more willing (79%) to participate in the labour force followed by those in the category of the poor who were 74 percent willing to participate in the labour force. Among those who were classified as averagely rich, the level of willingness to participate in the labour force was 71 percent while this figure was 69 percent for those in the category the rich. For the very rich category, households in there were only 64 percent willing to participate. It can be gathered from the graph that as people become richer, the less willing they are to participate in the labour force. This finding supports the work-leisure hypothesis that households with greater wealth tend to take more leisure and less of work because at that point the opportunity cost of leisure is very low (Benjamin, Gunderson & Riddell, 1998).

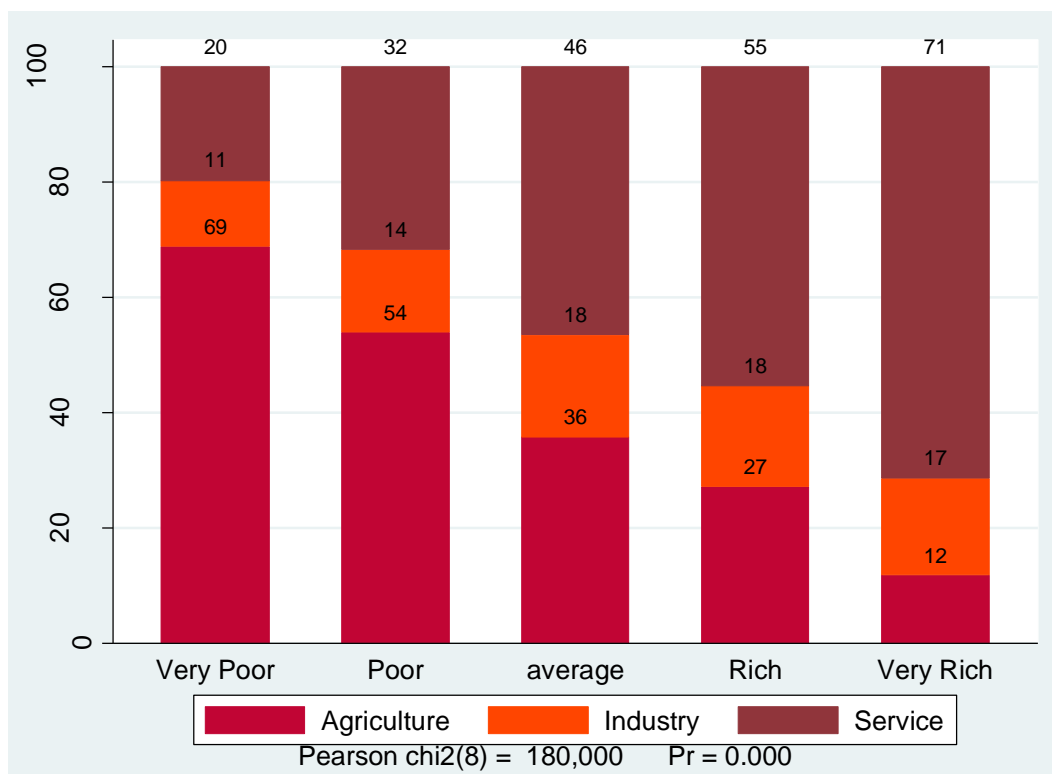
Figure 2.3: Household wealth by labour force participation



Source: Ghana Statistical Service, 2010 Population and Housing Census

Household wealth by sector of employment is indicated by Figure 2.4. For the very poor, 69 percent were in the agricultural sector, 11 percent were in the industrial sector and 20 percent were in the service sector. As regards the poor, 54 percent of them were in the agricultural sector, 14 percent in the industrial sector, and the remaining 32 percent were in the service sector. Moving on further to the averagely rich, 36 percent were found in in the agricultural sector, 18 percent in the industrial sector and the rest (46%) in the service sector. The Rich also had 27 percent of them in the agricultural sector; 18 percent of them in the industrial sector and 55 percent in the service sector. With regard to the very rich, 12 percent were found in the agricultural sector, 17 percent in the industrial sector and 71 percent in the service sector. It can be inferred from the figure that agricultural sector employees dominate the categories of the rich and very rich. Since the agriculture and forestry sector employs 40 percent of Ghanaians (GSS, 2010), there is much to worry about. This finding supports that of Heintz (2005) who found that the risk of poverty is highest among agricultural workers and men account for a larger share of all agricultural employment. According to the Ghana Statistical Service (2007), Households with breadwinners engaged in food crop farming as their main economic activity are considered to be poor and those with other economic activities like public sector employment, private formal employment, export farming, non-farm self-employment and non-working (mostly receiving remittances) are considered to be non-poor. This is because highest poverty incidence with rural and peri-urban inhabitants is associated with food crop farmers (almost always in subsistence farming) and also food crop farmers are the only group with a higher than average poverty rate.

Figure 2.4: Household wealth by sector of employment



Source: Ghana Statistical Service, 2010 Population and Housing Census

2.8 Household Wealth and Economic Activity Status

As regards poverty, World Bank (2000), defined poverty as pronounced deprivation in well-being where well-being can be measured by an individual's possession of income, health, nutrition, education, assets, housing, and certain rights in a society such as freedom of speech. It is also a lack of opportunities, powerlessness, and vulnerability.

Matching the wealth (in quintiles²) of the populace against their economic activity status, Table 2.4 indicates that, of the employed population in Ghana, 23.1 percent of the them were considered as very poor, 21.4 percent as poor, 18.9 percent were averagely rich, 20.3 percent were rich while 16.3 percent were among the very rich population. Also, of the unemployed population, 12.6 percent were among the very poor, 17.0 percent were poor, 20.3 were averagely rich, 25.0 percent were rich and the remaining 25.1 percent were among the very rich. For the not-active population, 14.3 percent formed part of the poorest, 17.8 percent were part of the poor, 18.5 percent were moderately rich, 23.5 percent were rich and 25.9 percent were among the very rich. For the poor population, a majority of them were among the employed which is quite strange because the employed are expected to benefit from incomes generated from the economic activities they are engaged in. This amounts to what has been termed in the literature as the working poor? Individuals are considered to be "working poor" if (1) they were employed and (2) they live in households whose incomes place them below the poverty line Heintz (2005).

Table 2.4: Household wealth by economic activity status

| Wealth Quintiles | Economic Activity Status | | |
|------------------|--------------------------|------------|------------|
| | Employed | Unemployed | Not-Active |
| Very poor | 23.1 | 12.6 | 14.3 |
| Poor | 21.4 | 17.0 | 17.8 |
| Average | 18.9 | 20.3 | 18.5 |
| Rich | 20.3 | 25.0 | 23.5 |
| Very rich | 16.3 | 25.1 | 25.9 |
| Totals | 100.0 | 100.0 | 100.0 |

Pearson $\chi^2(8) = 33,000$ Pr = 0.000

Source: Ghana Statistical Service, 2010 Population and Housing Census

2.9 Household Wealth and Employee Status

Self-employment of various kinds is the dominant form of informal employment in sub-Saharan Africa, accounting for four-fifths of informal employment in Kenya, Ghana, Mali and Madagascar (Heintz & Valodia, 2008). Majority of Ghanaians according to the 2010 population and Housing census are into self-employment (56.6%).

² A quintile is a statistical value of a data set that represents 20% of a given population. The first quartile represents the lowest fifth of the data (1-20%); the second quartile represents the second fifth (21% - 40%) etc. The first quintile represents the poorest, the poor constitute the second quintile, the third quintile is made up of the averagely rich with the fourth quintile representing the rich. The fifth quintile covers the richest.

Table 2.5 shows the employment status of the populace and their wealth quintiles. Of the employees in Ghana, 8.9 percent were among the very poor, 13.0 percent were among the poor, 17.2 percent counted as part of the averagely rich, 25.2 percent were considered among the rich and 35.7 percent were part of the very rich. Among the self-employed without employee (s), we had a majority (24.9%) being very poor, 23.3 percent being poor and had 11.7 percent being considered as part of the very rich. The self-employed with employee (s) had 12.6 percent of them among the very poor, 14.9 percent among the poor, 18.2 percent among the averagely rich, 24.8 percent among the rich while the rest (29.5%) were part of the very rich. Those who were into apprenticeship also had 14.4 percent being very poor, 19.4 percent being poor, 23.9 being among the averagely rich, 25.5 percent being part of the rich while 16.8 percent were very rich. For those who were domestic employees, 22.8 percent of them were very rich and a majority (23.5%) of them were countered as part of the very poor.

Table 2.5: Status in employment and wealth quintiles

| Status in Employment | Wealth Quintiles | | | | | Total |
|------------------------------------|------------------|------------|---------|------|-----------|-------|
| | Very Poor | Poor | Average | Rich | Very Rich | |
| Employee | 8.9 | 13.0 | 17.2 | 25.2 | 35.7 | 100.0 |
| Self Employed without employee (s) | 24.9 | 23.3 | 20.1 | 20.0 | 11.7 | 100.0 |
| Self Employed with employee (s) | 12.6 | 14.9 | 18.2 | 24.8 | 29.5 | 100.0 |
| Casual Worker | 25.6 | 23.3 | 20.6 | 17.9 | 12.6 | 100.0 |
| Contributing family worker | 40.1 | 27.4 | 14.6 | 12.4 | 5.5 | 100.0 |
| Apprentice | 14.4 | 19.4 | 23.9 | 25.5 | 16.8 | 100.0 |
| Domestic employee (Household) | 23.5 | 20.6 | 16.7 | 16.4 | 22.8 | 100.0 |
| Other | 25.3 | 21.1 | 16.3 | 19.1 | 18.2 | 100.0 |
| Pearson Chi2(28) = 120,000 | | Pr = 0.000 | | | | |

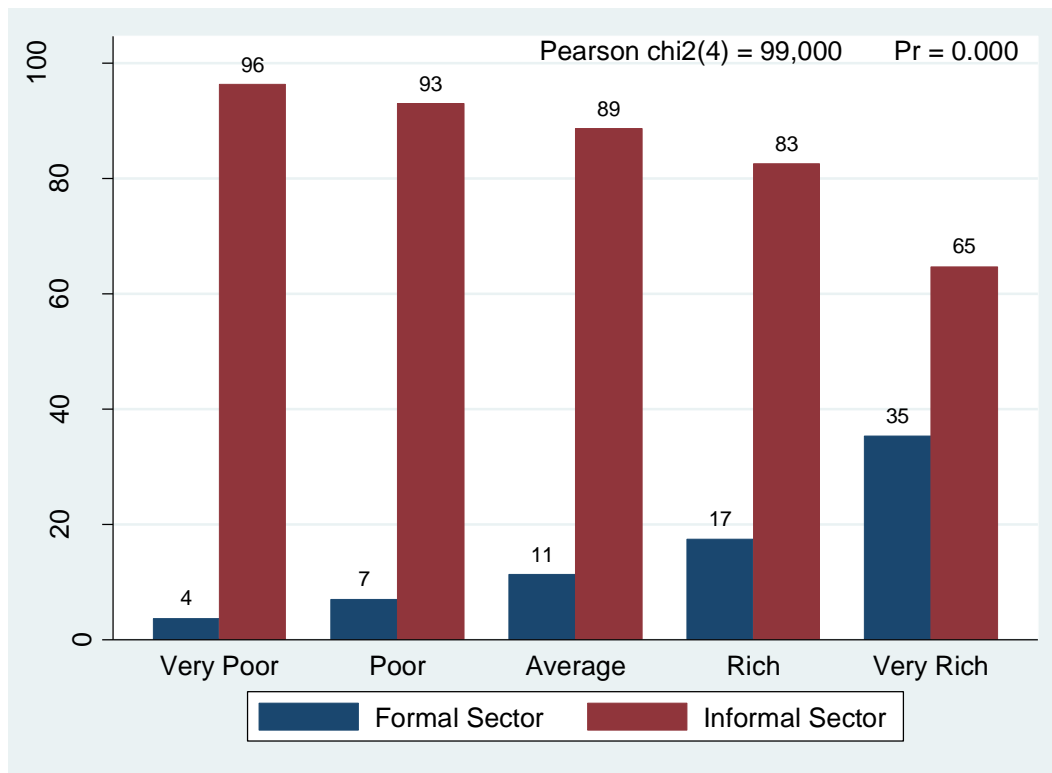
Source: Ghana Statistical Service, 2010 Population and Housing Census

2.8 Household Wealth and Economic Sector of Employment

The institutional sector of employment according to the Ghana Statistical Service are public (government), private formal, private-informal, semi-public/parastatal, NGOs (local and international) and other international organisations. These institutions, for the purpose of this study, have been categorized into formal and informal sectors. According to Osei-Boateng and Ampratwum (2011), the inability of the formal private sector to generate jobs in their required quantities has also pushed many into the informal sector. As government continues to maintain a policy of net hiring freeze into the public sector and private sector firms fold up or switch to importation due to unfair competition from foreign companies, the formal sector continues to lose grounds in terms of its share of total employment. In the absence of appropriate social protection mechanisms (e.g. unemployment benefits) informal activities have become survival strategies for many Ghanaians; old and young. As of 1999, 80.3% of the Ghanaian workforce was employed in the informal sector (GSS, 2000) and this figure increased to 90% by 2000/2001 (Otoo, Osei-Boateng & Asafu-Adjaye, 2009). The sector is characterized by underemployment, bad working conditions, uncertain work relationships and low wages. The majority of people are living with high income insecurity. The trade unions are facing major challenges to organize workers in the informal sector to ensure that the employees are working in an environment which is not harmful to them and secures their basic human needs.

Figure 2.4 shows the wealth quintiles of household and the institutional sector of employment. It indicates that, for the very poor, 96 percent of them were in the informal sector while only 4.0 percent were in the formal sector. For the poor, 93 percent were in the informal sector and the remaining 7.0 percent were employed in the formal sector. The averagely rich had 89 percent of them employed in the informal sector while the remaining 11 percent were in the formal sector. For the rich population, 83 percent were in the informal sector while 17 percent were in the formal sector. Finally, the very rich population also had 65 percent employed in the formal sector with 35 percent in the informal sector. The findings here confirm the assertion of Osei-Boateng and Ampratwum (2011) that a significant number of informal sector workers in Ghana are trapped in poverty as they do not earn enough to lift themselves and their families out of poverty. They move on to say that the high prevalence of poverty among informal economy operators is linked to the lack of access to productive resources, especially capital. It is estimated that between 80-90 percent of the population in developing countries have limited or no access to credit facilities beyond what is provided by family members, friends or informal money lenders

Figure 2.4: Household wealth by economic sector of employment



Source: Ghana Statistical Service, 2010 Population and Housing Census

2.9 Household Wealth and Occupational Categories

Table 2.5 shows that 7.3 percent of managers were among the very poor, 10.9 percent were categorized as poor, 13.9 percent were part of the averagely rich, 22.2 percent were rich and 45.7 percent were very rich. On the side of professionals, a minority (4.8%) of them were counted as part of the very poor while a majority (46.1%) were among the very rich. Workers who found themselves as part of the technicians and in associate professions, clerical support services and other occupations had similar characteristics with a minority being very poor while a majority of them were part of the very rich population in the country. For service and sales workers, 10.8 percent were very poor, 16.8 percent were poor, 21.8 percent were

averagely rich, 26.8 percent were rich and 23.8 percent were very rich. Compared to where other categories of workers were, those who found themselves in skilled agriculture, forestry and fishing had 38.3 percent of them being very poor, 27.9 percent being poor, 16.2 percent being averagely rich, 13.2 percent being rich with 4.4 percent being very rich. Craft and related trades workers and those into elementary occupation also had similar characteristics with a minority of them being very rich while a majority were a part of the rich population. For plant and machine operators and assembly workers, 12.1 percent were very poor, 20.0 percent were poor, 24.1 were averagely rich, 25.9 percent were rich and 15.6 percent were very rich.

Table 2.5: Household wealth by occupational categories

| Occupation (Major Groups) | Wealth Quintile | | | | | Total |
|--|-----------------|------|----------------|------|-----------|-------|
| | Very poor | Poor | Averagely Rich | Rich | Very Rich | |
| Managers | 7.3 | 10.9 | 13.9 | 22.2 | 45.7 | 100.0 |
| Professionals | 4.8 | 9.4 | 13.7 | 26.0 | 46.1 | 100.0 |
| Technicians and associate professions | 5.6 | 10.5 | 15.0 | 25.8 | 43.1 | 100.0 |
| Clerical support services | 3.5 | 7.8 | 12.5 | 26.1 | 50.1 | 100.0 |
| Service and sales workers | 10.8 | 16.8 | 21.8 | 26.8 | 23.8 | 100.0 |
| Skilled agricultural, forestry and fishing | 38.3 | 27.9 | 16.2 | 13.2 | 4.4 | 100.0 |
| Craft and related trades worker | 17.1 | 19.8 | 22.3 | 24.4 | 16.4 | 100.0 |
| Plant and machine operators and assembly | 12.1 | 20.0 | 24.1 | 25.9 | 17.9 | 100.0 |
| Elementary occupation | 16.4 | 20.2 | 23.9 | 23.9 | 15.6 | 100.0 |
| Other occupations | 2.0 | 5.5 | 7.2 | 17.8 | 67.5 | 100.0 |
| Pearson chi ² (36) = 24,000 | Pr = 0.000 | | | | | |

Source: Ghana Statistical Service, 2010 Population and Housing Census

2.10 Conclusion

The chapter looked into the sector of employment, wealth and occupation of households in the Ghanaian economy. Inferences were drawn with the help of the 2010 Ghana Population and Housing Census data. The pursuit was to examine how households of different wealth levels were distributed in various sectors of the economy, their occupation and how their wealth affects their willingness to participate in the labour force.

In terms of the sectoral distribution of Ghanaians, the findings showed that although the agriculture sector continues to experience rapid labour exit rates in relative terms from 1965 to 2010, the sector still absorbs the majority (44%) of the labour force in the country. It should also be noted that the decline in agriculture labour has over the years been absorbed by the service sector because this sector has seen an increase in employment absorption of the Ghanaian labour force from 1965 to 2010.

As regards household wealth and labour force participation it was confirmed that household wealth is positively related to the willingness to participate (supply labour) in the labour force. As people become wealthy, the more willing they are to participate in the labour force but at very high levels of income (wealth), households take more leisure leading to an inverse relationship between wage earning and labour supply.

In relation to occupational categories, most Ghanaians were into skilled agriculture, forestry and fish. The second to follow were those engaged as service and sales workers and then by those employed in craft and related trades.

CHAPTER THREE

ECONOMIC ACTIVITY OF DIFFERENT AGE GROUPS

3.1 Introduction

Ghana as a country has an objective of increasing income levels and reducing poverty levels to its barest minimum. The ability of the country to achieve this objective depends largely on the kind of goods and services produced by the country, which in turn is influenced by the nature and characteristics of the human capital relied upon. Thus the kind of economic activities the working population³ are engaged in, play a major role in increasing economic growth and reducing poverty levels.

This chapter analyses the type of economic activity the working population are engaged in as well as the changes that have occurred since 2000. In doing this, the working population is divided into different age groups (children, youth, adults and the aged). This is done in order to; identify the pattern of employment across the different age groups and also to assess the differences in occupational engagement of the age categories. The aim is to provide a better understanding of the characteristics of the labour force in a specific sector of the economy and also help identify the effect of government policies on specific age group in terms of participation in economic activities. The discourse on children involvement in economic activity is analysed in a bit more detail than the other age categories. This is particularly important because, The Children's Act of 1998 inhibits children below the age 15 years from being employed. More so, there have been a number of campaigns in the country against child labour especially in the production of cocoa. In addition, policies such as the School Feeding Programme, Capitation grant and the provision of free school uniforms are expected to encourage parents to send their children to school rather than engage them in economic activities. Also, this chapter highlights the involvement of the aged in economic activities given the fact that people above 60 years are expected to be on retirement and therefore not actively involved in the production of goods and services. Thus the legality and vulnerability surrounding the economic engagement of children and the aged underscores the merit of the chapter. Observing changes between 2000 and 2010 is expected to provide an indication of the extent to which policies that were instituted to curb child labour have been effective.

The analyses is extended to examine the age group-economic activity association in the context of gender differentials and household characteristics. The extension is motivated by some assumptions such as: children are more likely to engage in economic activity if they belong to households headed by males who do not have any form of education compared to their counterparts living in female headed households and also without any form of education; a linear inverse relationship between the likelihood of the aged working the wealth status of the household; and a non-linear relationship between youth unemployment and level of education.

The rest of the chapter proceeds as follows: Economic activity by age group; Employment status of different age groups; Industry of employment for different age groups; Factors driving children to work; The role of household characteristics Distribution of economically active children, Activities of working children, youth participation in economic activities by

³ Working Population here includes both children and the Aged

region and by industry, Employment status of the youth, Youth unemployment, Participation of adults in economic activity and Participation of the aged in economic activity.

3.2 Economic Activity by Age Groups

Table 3.1 provides changes that have occurred in terms of participation in economic activity between 2000 and 2010. For the purpose of this analysis a child is defined as any person aged between 5-14 years, however since the 2000 population and housing census did not collect data on working children below the age of 7, hence the data on economically active children for 2000 only covers children between the ages of 7-14. Though there are differences in the way children are captured in the 2000 and 2010, the need to analyse the two census data set, despite the deficiency in terms of how they were captured, to identify the real progress the country has made over time, in reducing child labour in the country. The youth as a person aged 15-24 years, adult as any person aged 25-60 years and the aged refer to people who are 61 years and above. This form of age grouping helps in identifying the nature of participation in economic activity and characteristics of those who are actively involved in economic activity.

Table 3.1: Percentage distribution of participation in economic activity by age

| Age group | 2000 | | | |
|-----------|-------|-----------|---------------------|-------------------------|
| | Total | Sample | Economically Active | Economically not Active |
| Children | 100.0 | 388,963 | 19.2 | 80.8 |
| Youth | 100.0 | 349,366 | 53.7 | 46.3 |
| Adults | 100.0 | 645,150 | 88.3 | 11.7 |
| Aged | 100.0 | 116,326 | 61.4 | 38.6 |
| Ghana | 100.0 | 1,499,805 | 60.2 | 39.8 |
| 2010 | | | | |
| Children | 100.0 | 603,865 | 11.6 | 88.4 |
| Youth | 100.0 | 493,691 | 44.6 | 55.4 |
| Adults | 100.0 | 886,679 | 88.5 | 11.5 |
| Aged | 100.0 | 141,868 | 54.5 | 45.6 |
| Ghana | 100.0 | 2,126,103 | 54.2 | 45.8 |

Source: Ghana Statistical Service, 2000 & 2010 Population and Housing Census

From Table 3.1 the economically active population (including children) within seven days preceding the census night in 2010 was 54.2 percent. This figure represents a reduction in the proportion of economically active populations by about six percent when compared to the 2000 population census. The reduction in economically active population was mainly driven by the reduction in the percentage of economically active children between 2000 and 2010. The proportion of economically active children in the country reduced from 19.2 percent in 2000 to 11.6 percent in 2010. This represented a reduction of about 7.6 percent. However, estimates from the Ghana Child Labour Survey (GCLS, 2003)⁴ indicates that, of the estimated population of 5.17 million children aged between 5-14 years, 1.41 million (27.2%) were economically active (GSS, 2003). The differences between the survey figure and the 2000 PHC figure can be attributed to the fact that the 2000 PHC did not collect data on children between the ages of 5 and 6 years. It is however clear that, there is a sharp decline in

⁴ The Data for the survey was collected in February 2001

the proportion of economically active children in the country. This implies that programmes such as the National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLC) and the National Plan of Action (NPA) for the Elimination of Worst Forms of Child Labour in Ghana (2009-2015) as well as other social intervention policies to increase school enrolment among children at the basic level of education is beginning to yield the needed results. Similarly, the proportion of economically active youth and economically active aged population also reduce by 9.1 percent and 6.9 percent respectively. However, the proportion of economically active adult population increased from 88.3 percent in 2000 to 88.5 percent in 2010 representing a marginal increase of 0.2 percent.

3.1.1 Employment status of different age groups

The country witnessed an increase in the proportion of economically active population that was employed. Employment level among the economically active population in the country increased from 88.75 percent in 2000 to 94.92 percent by 2010. This implies that the expansion of the Ghanaian economy from GHC13,749,697,473 in 2000 to GHC24,252,300,000 (World Bank, 2012) in 2010 have resulted in the creation of more jobs for the citizenry. Employment level among economically active children increased from 80.0 percent in 2000 to 99.4 percent in 2010. This development may partly be attributed to the reduction in proportion of economically active Children in the country and the fact most Children who are economically active are so because they have been engaged in an economic activity and not necessarily looking for job. Similarly, the proportion of economically active Aged who were employed increased by 11.4 percent, implying that unemployment among economically active Aged population fell by 11.4 percent.

Table 3.2: Distribution of economically active population by age group and employment status

| Age group | 2000 | | | | 2010 | | | |
|-----------|----------|------------|-------|---------|----------|------------|-------|-----------|
| | Employed | Unemployed | Total | Sample | Employed | Unemployed | Total | Sample |
| Children | 80.0 | 20.0 | 100 | 74,532 | 99.4 | 0.6 | 100 | 70,122 |
| Youth | 83.3 | 16.7 | 100 | 187,525 | 88.7 | 11.3 | 100 | 220,196 |
| Adult | 92.0 | 8.0 | 100 | 569,921 | 96.0 | 4.0 | 100 | 784,740 |
| Aged | 86.3 | 13.7 | 100 | 71,404 | 97.7 | 2.3 | 100 | 77,250 |
| Total | 88.8 | 11.3 | 100 | 903,382 | 94.9 | 5.1 | 100 | 1,152,308 |

Source: Ghana Statistical Service, 2000 and 2010 Population and Housing Census

Contrary to this huge reduction in unemployment rate among the aged and children, the proportion of economically active adults who were unemployed reduced by about 4.0 percent between 2000 and 2010. Also, the proportion of economically active youth who were employed increased from 83.3 percent in 2000 to 88.7 percent in 2010. Unemployment among economically active youth also fell from 16.7 percent in 2000 to 11.3 percent in 2010. This represents a reduction of 5.5 percent. Although there is a general increase in employment and reduction in the unemployment in the country, unemployment among economically active youth is still very high. Whereas unemployment among Children, adults and the aged for 2010 averaged around 2.3 percent, unemployment among economically active Youth in 2010 stood at 11.3 percent. With the implementation of the Ghana Youth Employment and Entrepreneurial Development Agency (GYEEDA) formerly National Youth Employment Programme (NYEP) now called, youth unemployment is expected to be declining.

3.1.2 Industry of employment for different age groups

The next paragraph attempts to identify the industries within which economically active persons are employed. This is presented in Table 3.3. Results from Table 3.3 indicates that there has been a reduction in the proportion of persons engaged in the Agricultural sector of the country. The involvement of individuals in the agricultural sector fell from 53.9 percent in 2000 to about 44 percent in 2010. However activities in industries such as the Utilities, Trade, Transport and Storage Accommodation and food related service activities and other services saw marginal increases in 2010 relative to 2000. The reduction in the involvement of economically active population in Agricultural related activities could be attributed to the recent boom in the Service sector of the economy. This also partly explains why the contribution of the agricultural sector to the growth of GDP has been declining steadily since 2000.

Despite the general reduction in the involvement of the working population in activities related to the agricultural sector, there was an increase in the involvement of children in the sector in 2010. It increased from 70.9 percent in 2000 to 82.5 percent 10 years later. On the other hand, the participation of the youth and adults in Agriculture related activities fell by 6.5 percent and 12.6 percent respectively within the same period. There was also a marginal reduction in the participation of the Aged in agriculture related activities as it reduced from 67.4 percent in 2000 to 64.4 percent in 2010. The negative trend in terms of participation in Agricultural related activity may be as result of the “unattractive” nature of the sector. The high level of children’s participation in the agricultural sector maybe as a result of the low level of skills required for the sector. Participation in the Mining and Quarrying industry reduced for all the working categories with the exception of the Youth. The involvement of the Youth in mining related activities increased marginally by 0.1 percent in 2010.

Also, participation in manufacturing sector activities fell for all the categories except for the adult working group which saw an increase of 0.8 percent over the 2000 figure. The reduction in activities of all age groups, especially the youth has reflected in the contribution of the sector to the growth of the economy. Between 2008 and 2010 the contribution of the sector to GDP fell by 1.1 percent. This implies that the growth in the manufacturing sector is not high enough to attract labour from other sectors of the economy. In fact the sector saw a negative growth in in 2009 (-1.3%) (Ghana Statistical Service, 2012) which tends to support the argument made by Kaldo (1966). Also, whereas the participation of children and the youth in construction related activities declined by 1.0 and 1.3 percent respectively, the participation of adults increased from three in 2000 to 3.4 percent in 2010. Participation by children in Trade, Transport and Storage, Activities of households as employee and all other services reduced. On the other hand, their participation in Accommodation and Food service activities increased by 1.3 percent. On the contrary, the participation of the youth and adults in Trade, Transport and Storage, Accommodation and Food service activities and all other services increased. In all, the involvement of children and Aged was dominated by agriculture related activities (82.5%) and (64.4%) respectively in 2010, whereas that of the Adults was dominated by activities related to the provision of services (47.1% in all).

Table 3.3: Percentage distribution of employed persons by industry and age Categories

| Activity | Children | | Youth | | Adult | | Aged | | Ghana | |
|--------------------------------------|----------|--------|---------|---------|---------|---------|--------|--------|---------|-----------|
| | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 |
| Agric. sector | 70.9 | 82.5 | 50.3 | 43.8 | 51.1 | 38.6 | 67.4 | 64.4 | 53.9 | 44.0 |
| Mining and quarrying | 4.4 | 0.2 | 1.3 | 1.4 | 1.5 | 1.1 | 2.5 | 0.4 | 1.8 | 1.1 |
| Manufacturing | 5.8 | 4.4 | 14.5 | 12.2 | 10.1 | 10.9 | 7.3 | 7.0 | 10.5 | 10.4 |
| Utilities | 0.5 | 0.0 | 0.5 | 0.2 | 0.6 | 0.5 | 0.6 | 0.2 | 0.5 | 0.4 |
| Construction | 1.2 | 0.2 | 3.7 | 2.5 | 3.0 | 3.4 | 1.7 | 1.4 | 2.9 | 2.9 |
| Trade | 10.4 | 7.1 | 14.4 | 15.5 | 16.1 | 20.3 | 9.1 | 14.0 | 14.7 | 18.2 |
| Transport and storage | 0.1 | 0.2 | 2.8 | 2.7 | 3.3 | 4.0 | 1.5 | 1.6 | 2.8 | 3.3 |
| Accommodation and food | 1.1 | 2.4 | 2.4 | 5.6 | 2.3 | 5.6 | 1.6 | 3.3 | 2.2 | 5.3 |
| All other services | 2.0 | 1.2 | 8.5 | 15.0 | 11.2 | 15.0 | 7.7 | 7.2 | 9.6 | 13.6 |
| Activities of households as employee | 3.6 | 1.7 | 1.5 | 1.3 | 0.7 | 0.7 | 0.7 | 0.6 | 1.1 | 0.8 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Sample | 74,532 | 69,919 | 187,525 | 199,005 | 569,921 | 771,811 | 71,404 | 77,250 | 903,382 | 1,117,985 |

Source: Ghana Statistical Service, 2000 & 2010 Population and Housing Census

Results from Table 3.4 depicts that there is a gradual movement from participation in agricultural related activities to activities related to the provision of services by the working population. This has actually reflected in the performance of the agricultural sector over the years. Between 2008 and 2012, the growth rate of the agricultural sector has declined steadily from 7.4 percent to 2.6 percent (Ministry of Food and Agriculture , 2013). This situation raises a lot of concerns; key among them is the issue of food security given the fact that the country’s population continue to grow steadily. For this reason, Table 3.4 examines the possible association between wealth level of individuals and economic activities in which they are engaged.

As indicated in the table, individuals within the category of poor and very poor mostly participated in agriculture related activities. Over 70 percent of the very poor are found in the agriculture sector and a little over 56 percent of the poor are also found in the agriculture sector. Less than 38 percent, 29 percent and 13 percent of those found in the middle, rich and very rich categories respectively participate in agricultural related activities.

Table 3.4: Distribution of industry by wealth level in 2010

| Activity | Very Poor | Poor | Averagely Rich | Rich | Very Rich | Total |
|--------------------------------------|-----------|---------|----------------|---------|-----------|-----------|
| Agric. Sector | 71.1 | 56.4 | 37.5 | 28.4 | 12.4 | 44.0 |
| Mining and quarrying | 0.8 | 1.2 | 1.2 | 1.0 | 1.3 | 1.1 |
| Manufacturing | 8.2 | 9.6 | 12.0 | 12.1 | 11.1 | 10.4 |
| Utilities | 0.2 | 0.3 | 0.4 | 0.4 | 0.8 | 0.4 |
| Construction | 1.6 | 2.5 | 3.6 | 3.7 | 3.6 | 2.9 |
| Trade | 8.8 | 14.0 | 21.4 | 24.3 | 27.3 | 18.2 |
| Transport and storage | 1.4 | 2.8 | 4.3 | 4.6 | 4.3 | 3.3 |
| Accommodation and food | 3.0 | 4.7 | 6.5 | 6.9 | 5.8 | 5.3 |
| All other services | 4.3 | 7.9 | 12.4 | 17.9 | 32.1 | 13.6 |
| Activities of households as employee | 0.7 | 0.7 | 0.7 | 0.8 | 1.4 | 0.8 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| Sample | 271,363 | 243,490 | 207,591 | 220,702 | 174,839 | 1,117,985 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

Majority of individuals that fall within the categories of Middle, Rich and Very Rich categories mostly participate in activities that are related to the provision of services. A simple *Chi Square* test of the association between wealth level and industry of engagement revealed they are related. Given the fact that cost of living in the country continue to rise and the fact that people in the agricultural related activities earn very low income, people find it very prudent to move from low income activity that puts them in the lower wealth categories to activities that will bring them more wealth. This therefore encourages the youth and adults to move into other sectors of the economy rather than engage in agriculture related activities.

3.2 What Drives Children to Work? The Role of Household Characteristics

Though the analyses of participation in economic activity in Table 3.1 indicates that there have been a reduction in the proportion of economically active children in the country, having more than 11 percent of children actively engaged in economic activity is not really good for their welfare. This section attempts to identify the factors that possibly drive children to work, when The Children’s Act of 1998 makes it illegal for children below the age of 15 years. Theoretical and empirical literature suggest that economic vulnerability associated with poverty, risk and shocks plays a key role in driving children to work (International Labour Organization, 2013). Basically, less wealthy or poor households have a

very low probability of postponing children’s involvement in work and invest in their education. They are however more likely to have to resort to the use of children in the household in economic activity to generate additional income in order to meet basic needs and deal with uncertainty.

Over the years, a number of social intervention policies have been implemented by the government in an attempt to reduce poverty which will indirectly result in a reduction in the number of economically active children in the economy. Poverty level in the country has fallen from the 1999 figure of 39.5 percent to about 28 percent. Given the fact that poverty levels are falling, the participation of children in economic activity is expected to fall since it is often argued that participation of children engaged in economic activities depends on the income level of the family (Gazaleh, Bulbul, Hewala, & Najim, 2004).

Table 3.5 indicates that majority of economically active children are from households with low level of wealth. A simple chi square test of the relationship between participation in economic activity and wealth level supports the assertion that poor household will respond to temporary reduction in their income by using their children in economic activity to generate additional income for the household to smoothen consumption in the absence credit facilities and savings. What this implies is that children from poor households in Ghana are more likely to be involved in economic activity than those from wealthier households. Table 3.5 also indicates that there has been a reduction in the proportion of economically active children across all level of wealth. The highest reduction of 6.2 percent was recorded in households within the Very Rich wealth bracket and this was followed closely by households in the very poor wealth bracket with 6.0 percent. This gives some indication that social interventions such as the Capitation grant, School Feeding Programme, Free School Uniforms and other campaigns against child labour is yielding the needed results and should be intensified to further reduce the involvement of children in economic activities. Also , the size of the household itself may have significant influence on the proportion of economically active children in the economy. Figure 1 provides the percentage distribution of economically active children by household size.

Table 3.5: Percentage distribution of children and economic activity status by wealth level

| Wealth Level | 2000 | | | | 2010 | | | |
|------------------|--|---------|---------------------|-------------------------|--|---------|---------------------|-------------------------|
| | Total | Sample | Economically Active | Economically not Active | Total | Sample | Economically Active | Economically not Active |
| Very Poor | 100.0 | 167,341 | 27.77 | 72.23 | 100.0 | 145,348 | 21.84 | 78.16 |
| Poor | 100.0 | 101,873 | 14.94 | 85.06 | 100.0 | 138,353 | 14.03 | 85.97 |
| Averagely rich | 100.0 | 55,372 | 11.33 | 88.67 | 100.0 | 117,577 | 8.03 | 91.97 |
| Rich | 100.0 | 40,120 | 10.6 | 89.4 | 100.0 | 119,887 | 5.64 | 94.36 |
| Very Rich | 100.0 | 24,257 | 9.55 | 90.45 | 100.0 | 82,700 | 3.36 | 96.64 |
| Total | 100.0 | 388,963 | 19.55 | 90.397 | 100.0 | 603,865 | 11.612 | 88.388 |
| Pearson χ^2 | Likelihood-ratio Chi-Square= 15,000 (0.00) | | | | Likelihood-ratio Chi-Square =27,000 (0.00) | | | |

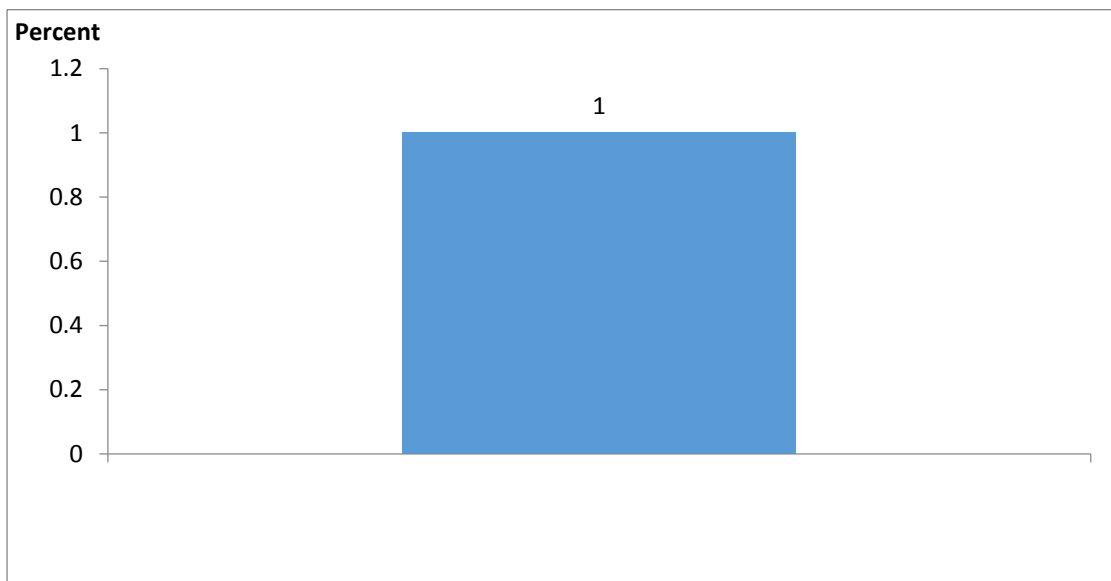
χ^2 -4

Source: Ghana Statistical Service, 2000 and 2010 Population and Housing Census

Figure 3.1 demonstrates that about 15.2 percent of children within a household of more than 6 people are economically active whereas just 7.0 percent of children in households of 3-4 people are economically active. The Figure also reveals that there are more economically

active children in households made up of 1-2 people than in households made up of 3-4 people. This may be the result of single parenting where either only the mother or the father takes care of the child and in some cases only the child. As a result the parent may be compelled to push the child into an economic activity to generate income for the upkeep of the family. Figure 3.1 also indicates that, as household size increases from four to five, the proportion of economically active children in relation to economically not active children also increases. An increase in the size of a household means there are a lot of people in the household whose basic needs would to be met, this will require more hands to work to help generate the necessary income to help meet the needs of the household. This is what results in the increase in the proportion of economically active children in the household.

Figure 3.1: Economically active children by household size in 2010



Source: Ghana Statistical Service, 2000 & 2010 Population and Housing Census

The educational level of the household head and the sex of the household head are also very important drivers of participation of children in economic activity. Reports indicate that participation of children in economic activity is more common among female-headed households (Gazaleh *et al.*, 2004). Studies in other countries have also concluded that the higher the level of education of the household head, the lower the participation of children in economic activity. Results from the 2010 Population and Housing Census however, give some contrary evidence. Table 3 indicates that about 13.7 percent of children in male-headed households are economically active compared to 7.5 percent of children in female-headed households.

Results from the 2010 census also indicate that most of the economically active children are found in households headed by people with no education. About 37.8 percent of children found in such households are economically active. Whereas just 8.7 percent of economically active children are in households headed by people with just basic education, more than 12 percent of children in households headed by people with secondary education are economically active in Ghana. In all characteristics of the household are important drivers of participation of children in economic activity. Reducing the involvement of children in

Table 3.6: Children participation in economic activity by sex and educational level of household head in 2010

| Education Level | Male | | | | Female | | | | Total | | | |
|---------------------|--------------|----------------|---------------------|-------------------------|--------------|----------------|---------------------|-------------------------|--------------|----------------|---------------------|-------------------------|
| | Total | Sample | Economically active | Economically not active | Total | Sample | Economically active | Economically not active | Total | Sample | Economically active | Economically not active |
| Total | 100.0 | 399,616 | 13.7 | 86.3 | 100.0 | 194,523 | 7.5 | 92.5 | 100.0 | 603,865 | 11.6 | 88.4 |
| No Education | 100.0 | 48,720 | 40.9 | 59.1 | 100.0 | 11,715 | 25.1 | 74.9 | 100.0 | 61,253 | 37.8 | 62.2 |
| Basic Education | 100.0 | 349,403 | 9.9 | 90.1 | 100.0 | 182,088 | 6.3 | 93.7 | 100.0 | 540,333 | 8.7 | 91.3 |
| Secondary Education | 100.0 | 1,493 | 13.3 | 86.7 | 100.0 | 720 | 10.3 | 89.7 | 100.0 | 2,279 | 12.3 | 87.7 |
| Tertiary Education | 100.0 | - | 0.0 | 0.0 | 100.0 | - | 0.0 | 0.0 | 100.0 | - | 0.0 | 0.0 |

Pearson

χ^2

-4

Likelihood-ratio Chi-Square= 460,000 (0.00)

Source: Ghana Statistical Service, 2010 Population and Housing Census

economic activity will require education of house hold heads and the provision of family support systems that will not encourage parents to economically engage children. It therefore imperative for the government to expand the Livelihood Empowerment Programme against poverty to include more households.

3.2.1 Distribution of economically active children

The next section consider the distribution of economically active children across regions and locality and the changes that have occurred between 2000 and 2010. Table 3.7 shows that there are more economically active male children than economically active female children. About 12.0 percent of male children were economically active in 2010 compared to 11.1 percent of females. These figures represented a reduction in economically active children for both males and females in relation to the 2000 PHC. Proportion of economically active male and female children fell by 7.6 percent and 7.5 percent respectively. This means that equal level of attention is given to both male and female children in the fight against child labour in the country. The proportion of economically active males are very high in the Northern (32.5%), Upper West (27.9%) and Upper East (24.3%) regions.

This represents a reduction of 15.1 percent, 22.3 percent and 11.3 percent respectively. On the other hand, the Greater Accra (2.9%), Ashanti (4.6%) and Western (6.3%) regions recorded the lowest figures in terms of the proportion of economically active males in 2010. In terms of the proportion of economically active female children the three northern regions (Northern Upper East and Upper West) had the highest in 2010. Similar to the reduction in the proportion of economically active male children, the Upper West region recorded the highest reduction in the proportion of economically active females of about 21.2 percent, followed by the Northern region with 14.3 percent. The Central Region recorded the lowest reduction in the proportion of economically active females of about 1.1 percent. Though the Greater Accra (3.6%) and Ashanti (4.9%) regions the lowest proportion of economically active female children, this figures, unlike other regions were greater than the proportion of economically active male children in the region. The proportion of economically active children in rural areas were higher than those in urban areas for all regions for both 2000 and 2010. While the proportion of economically active children in urban areas reduced by 7.3 percent in 2010, it reduced by only 6.6 percent in rural areas. This implies that efforts to reduce the participation of children in economic activities is relatively concentrated in urban areas.

Table 3.7: Distribution of economically active children by sex, locality and region in 2010

| Region | Male | | Female | | Urban | | Rural | | All | |
|---------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|
| | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 |
| Total | 19.7 | 12.1 | 18.7 | 11.1 | 11.3 | 4.0 | 24.7 | 18.1 | 19.2 | 11.6 |
| Western | 14.1 | 6.3 | 14.0 | 6.3 | 9.9 | 2.6 | 16.3 | 8.6 | 14.0 | 6.3 |
| Central | 9.5 | 8.9 | 10.0 | 8.9 | 7.8 | 4.9 | 10.9 | 12.1 | 9.8 | 8.9 |
| Greater Accra | 11.5 | 2.9 | 12.6 | 3.6 | 11.3 | 2.7 | 16.5 | 7.8 | 12.1 | 3.2 |
| Volta | 17.2 | 12.0 | 16.0 | 10.3 | 9.2 | 5.2 | 19.2 | 14.0 | 16.6 | 11.2 |
| Eastern | 12.2 | 9.7 | 10.5 | 8.4 | 6.5 | 3.3 | 13.8 | 13.0 | 11.4 | 9.0 |
| Ashanti | 15.6 | 4.6 | 15.5 | 4.9 | 14.0 | 2.1 | 17.1 | 8.2 | 15.6 | 4.8 |
| Brong Ahafo | 18.0 | 13.9 | 18.0 | 12.6 | 9.0 | 5.7 | 23.2 | 18.8 | 18.0 | 13.3 |
| Northern | 47.6 | 32.5 | 45.1 | 30.8 | 16.9 | 10.9 | 56.4 | 39.3 | 46.4 | 31.7 |
| Upper East | 35.5 | 24.3 | 33.1 | 22.4 | 17.1 | 10.4 | 37.5 | 26.3 | 34.3 | 23.4 |
| Upper West | 50.2 | 27.9 | 44.5 | 23.3 | 16.0 | 6.4 | 53.6 | 28.5 | 47.5 | 25.7 |

Source: Ghana Statistical Service, 2000 & 2010 Population and Housing Census

In terms of reduction in the proportion of economically active children in rural areas, the Eastern region recorded the lowest reduction of 0.8 percent whereas the Upper West region recorded the highest reduction of 25.0 percent. The Ashanti region recorded the highest reduction in the proportion of economically active children in urban areas with about 11.9 percent followed by the Upper West (9.6%) and Greater (8.7%) regions.

3.2.2 Activities of working children

In this section analyses the regional distribution of economic activities of working children. Also, analyses of Table 3.8 indicates that over 82 percent of economically active children are involved in agricultural related activities, hence the need to examine the specific agricultural activities children are engaged.

As indicated in Table 3.8, activities related to the agricultural sector seemed to be the dominant active among working children across the country. The Upper West, Northern and Upper East regions has the highest proportion of working children engaged in the agricultural related activities with 91.8, 91.1 and 89.9 percent respectively. The Greater Accra region with 36.6 percent had the lowest percentage of working children engaged in the agricultural sector. With respect to activities related to mining and quarrying, the Greater Accra region had about 0.8 percent of working children engaged in mining and quarrying. This was followed by the Western and Ashanti regions with 0.6 and 0.5 percent respectively. This calls for urgent attention to completely eliminate the involvement of children in this activity given the fact that it involves high level of risk and the use chemicals which may not be good for the safety and health of children.

Activities related to manufacturing is high in the Volta region (9.8%), Greater Accra region (8.7%) and Eastern region (7.2%) compared to other regions such as the Upper West and Upper East regions which had less than 4 percent of economically active children engaged in manufacturing. Participation of children in trading activities was also very high among children across the country. Greater Accra region had 27 percent of economically active children engaged in trading activities. This was followed by the Central region with about 15 percent of economically active children involved in trade. Participation in activities related Transport and Storage, Accommodation and Food, Activities of Household as Employee and all other services was high among working children in the Greater Accra region with over 25 percent of children engaged in such activities. The Ashanti and Central Regions also have about 9.2 and 8.4 percent respectively of economically active children in these activities. The rest of the regions have less than 7 percent of working children engaged in activities related to Transport and Storage, Accommodation and Food, Activities of Household as Employee and all other services.

Table 3.8: Percentage distribution of employed children by industry and region in 2010

| Region | Total | Sample | Agric. Sector | Mining and quarrying | Manufacturing | Utilities | Construction | Trade | Transport and storage | Accommodation and food | All other services | Activities of households as employee |
|---------------|-------|--------|---------------|----------------------|---------------|-----------|--------------|-------|-----------------------|------------------------|--------------------|--------------------------------------|
| Western | 100.0 | 3,693 | 76.9 | 0.6 | 4.0 | 0.0 | 0.3 | 10.8 | 0.2 | 5.0 | 1.3 | 1.1 |
| Central | 100.0 | 4,961 | 70.6 | 0.1 | 5.5 | 0.1 | 0.3 | 15.0 | 0.1 | 5.9 | 1.2 | 1.2 |
| Greater Accra | 100.0 | 2,463 | 36.6 | 0.8 | 8.7 | 0.2 | 0.9 | 27.0 | 1.4 | 12.1 | 6.7 | 5.7 |
| Volta | 100.0 | 5,759 | 77.1 | 0.2 | 9.8 | 0.0 | 0.3 | 8.7 | 0.1 | 2.2 | 0.7 | 0.9 |
| Eastern | 100.0 | 5,828 | 74.7 | 0.3 | 7.2 | 0.0 | 0.3 | 10.5 | 0.3 | 3.4 | 1.1 | 2.3 |
| Ashanti | 100.0 | 5,463 | 73.8 | 0.5 | 4.2 | 0.1 | 0.4 | 12.0 | 0.5 | 3.5 | 3.1 | 2.1 |
| Brong Ahafo | 100.0 | 8,043 | 86.5 | 0.1 | 4.1 | 0.0 | 0.2 | 4.7 | 0.2 | 1.8 | 0.9 | 1.6 |
| Northern | 100.0 | 21,904 | 91.1 | 0.1 | 2.6 | 0.0 | 0.1 | 3.1 | 0.1 | 0.7 | 0.8 | 1.4 |
| Upper East | 100.0 | 6,742 | 89.9 | 0.5 | 3.5 | 0.0 | 0.0 | 3.4 | 0.1 | 0.9 | 0.6 | 1.3 |
| Upper West | 100.0 | 5,063 | 91.8 | 0.4 | 2.3 | 0.0 | 0.0 | 1.8 | 0.1 | 0.3 | 0.5 | 2.8 |
| Total | 100.0 | 69,919 | 82.5 | 0.2 | 4.4 | 0.0 | 0.2 | 7.1 | 0.2 | 2.4 | 1.2 | 1.7 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

Since participation in agricultural related activities is the dominant activity among children there is the need to identify the specific activities in the agricultural sector for which children are involved. Table 3.9 presents the regional distribution of the involvement of children in the agricultural sector of the economy during the year 2010. About 37.6 percent of economically active children engaged in the agricultural sector are into Cereal farming, 17.0 percent are involved in mixed farming, 14.2 percent are into vegetable farming and 12.9 percent are into cocoa farming activities. Rice farming also engages about 8.1 percent of employed economically active children. More than 50 percent of children engaged in cereal crop farming, are in the Northern region. The Upper East and Upper West regions follows with 17.0 and 13.7 percent respectively. The Western and Central regions had less than one percent of the total number children engaged in cereal cropping. On the other hand the Greater Accra region had no child involved in cereal farming. Children engaged in rice farming activities were more in the Upper East (23.9%), and Northern (21.7%). About 32.7 percent of children engaged in the farming of cocoa are found in the western region. The rest are in the Ashanti (20.2%), Central (19.8%) Brong Ahafo (12.9%) and the Eastern (11.7%) regions.

Table 3.9: Distribution of economically active children by agricultural activity in 2010

| Region | Cereal farming | Rice farming | Vegetables | Fruits | Cocoa | Animal farming | Mixed farming | Agric. support | Forest activities | Fishing activities |
|---------------|----------------|--------------|-------------|------------|-------------|----------------|---------------|----------------|-------------------|--------------------|
| Total | 37.6 | 8.1 | 14.2 | 3.0 | 12.9 | 2.4 | 17.0 | 1.0 | 0.5 | 3.4 |
| Western | 0.1 | 4.3 | 2.7 | 5.8 | 32.7 | 0.0 | 0.6 | 0.0 | 9.7 | 1.0 |
| Central | 0.3 | 4.1 | 5.5 | 16.7 | 19.8 | 0.0 | 6.6 | 1.8 | 6.5 | 1.6 |
| Greater Accra | 0.0 | 0.0 | 2.0 | 5.2 | 0.0 | 0.7 | 0.9 | 0.0 | 3.2 | 1.0 |
| Volta | 4.5 | 5.2 | 11.7 | 6.3 | 2.6 | 11.0 | 13.6 | 1.8 | 16.1 | 25.9 |
| Eastern | 3.1 | 8.7 | 7.8 | 8.6 | 11.7 | 2.9 | 9.7 | 0.0 | 9.7 | 23.3 |
| Ashanti | 3.5 | 11.9 | 3.9 | 10.9 | 20.2 | 0.7 | 8.0 | 3.6 | 6.5 | 0.0 |
| Brong Ahafo | 6.6 | 7.6 | 20.1 | 18.4 | 12.9 | 5.9 | 14.3 | 5.5 | 25.8 | 15.0 |
| Northern | 51.2 | 21.7 | 41.5 | 25.9 | 0.0 | 44.9 | 31.3 | 61.8 | 16.1 | 29.5 |
| Upper East | 17.0 | 23.9 | 3.1 | 2.3 | 0.1 | 15.4 | 6.4 | 3.6 | 3.2 | 0.0 |
| Upper West | 13.7 | 5.0 | 1.7 | 0.0 | 0.0 | 18.4 | 8.6 | 21.8 | 3.2 | 2.6 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

3.3 Youth Participation in Economic Activities by Region and Industry

From Table 3.10, the participation of the youth in economic activity is largely concentrated in activities related to the agricultural sector for all regions except the Greater Accra region. The Northern region has the highest percentage (79.9%) of working Youth in agriculture related activities. The Greater Accra region on the other hand has just a little over 6.4 percent of working Youth engaged in Agriculture related activities. In general the participation of the youth in agriculture related activities is greater for those in the three northern regions of the country compared to other regions in the country. This may be attributed to the limited availability of land for agricultural purposes and the concentration of manufacturing and service related activities in southern part of the country.

Participation of the youth in the manufacturing, trade and all other services (insurance and finance, ICT, Public Administration, etc.) is also very high across the country. In terms of manufacturing, the Greater Accra region has about 17.3 percent of its Youth involved in manufacturing, this is closely followed by the Volta Region with 16.9 percent. Whereas the

Eastern, Western, Ashanti and the Central regions had between 11 and 14 percent of the Youth engaged in manufacturing activities. The Northern, Upper East, Brong Ahafo, and Upper West had less than 9 percent of Youth engaged in manufacturing activities.

Table 3.10: Percentage distribution of employed Youth by industry and region in 2010

| Region | Agric. Sector | Mining and quarrying | Manu- facturing | Utilities | Con- struc- tion | Trade | Tran- sport and storage | Acco- mmo- dation and food | All other services | Activities of house holds as employee |
|---------------|---------------|----------------------|-----------------|------------|------------------|-------------|-------------------------|----------------------------|--------------------|---------------------------------------|
| Total | 43.8 | 1.4 | 12.2 | 0.2 | 2.5 | 15.5 | 2.7 | 5.6 | 15 | 1.3 |
| Western | 43.8 | 4.7 | 12.0 | 0.3 | 2.6 | 13.6 | 3.0 | 5.9 | 13.6 | 0.6 |
| Central | 37.5 | 1.2 | 13.3 | 0.2 | 3.2 | 17.6 | 3.8 | 7.0 | 15.5 | 1.0 |
| Greater Accra | 6.5 | 0.5 | 17.3 | 0.4 | 4.1 | 27.8 | 4.5 | 10.8 | 25.7 | 2.6 |
| Volta | 51.8 | 0.2 | 16.9 | 0.2 | 2.1 | 12.5 | 2.3 | 3.8 | 9.6 | 0.6 |
| Eastern | 41.3 | 1.7 | 11.8 | 0.2 | 2.7 | 15.6 | 3.6 | 5.8 | 16.0 | 1.3 |
| Ashanti | 26.0 | 2.4 | 13.9 | 0.2 | 3.3 | 20.4 | 3.4 | 6.7 | 22.5 | 1.1 |
| Brong Ahafo | 59.9 | 0.9 | 8.6 | 0.2 | 1.7 | 10 | 1.9 | 3.4 | 12.4 | 1.1 |
| Northern | 79.9 | 0.4 | 6.2 | 0.0 | 0.5 | 6.4 | 0.6 | 1.7 | 3.3 | 0.9 |
| Upper East | 72.9 | 1.0 | 8.1 | 0.1 | 0.8 | 6.5 | 0.6 | 2.2 | 6.5 | 1.3 |
| Upper West | 79.4 | 0.7 | 7.3 | 0.1 | 0.9 | 3.6 | 0.6 | 1.2 | 4.8 | 1.4 |

Source: Ghana Statistical Service 2010 Population and Housing Census

With trading related activities, the Greater Accra (27.8%), Ashanti (20.4%) and Central (17.6%) regions, are the regions with the highest proportion of working Youth participating in trading activities. However as you move north from the Ashanti to the Brong Ahafo region the proportion of the youth engaged in trading related activity dwindles from 10.0 percent in the Brong Ahafo region to 3.6 percent in the Upper West region. Also participation of the youth in other service activities such as insurance and finance, ICT, Public Administration among others is on the increase. The Northern region has the least percentage of youth involved in this sector. Participation in mining and quarrying is high in the Western and Ashanti regions of the country. Almost five percent of the economically active youth in the Western region are involved in mining and quarrying followed by the Ashanti region with about 2.4 percent of the youth engaged in mining. The Eastern Region, Central region, and Upper East Region follow with 1.7, 1.2 and 1.0 percent respectively. The rest have less than one percent involved in mining.

3.3.1 Employment status of the youth

Table 3.11 presents the employment status of working youth in the country. Results from the 2010 PHC indicates that over 48 percent of the youth were self-employed and just about 21 percent involved in activities that contributed to family work. A little over 19 percent were employees and 7.14 percent were apprentice.

When we consider the distribution of the employment status of the youth by sex, 58 percent of the self-employed were females. On the other hand the Youth who are employees were dominated by males (60%). Also, females dominated in apprentice (56.1%), contributing family worker (53.3%) and Domestic employee (59.1%). However male youth dominated in the performing casual work (64.4).

Table 3.11: Distribution of economically active youth by employment status in 2010

| Employment status | Male | Female | Ghana |
|--------------------------------|------|--------|-------|
| Employee | 60.0 | 40.0 | 19.2 |
| Self employed | 41.9 | 58.1 | 48.8 |
| Casual worker | 64.4 | 35.6 | 2.9 |
| Contributing family worker | 46.8 | 53.3 | 20.9 |
| Apprentice | 43.9 | 56.1 | 7.1 |
| Domestic employee (House help) | 40.9 | 59.1 | 0.8 |
| Other | 54.5 | 45.5 | 0.2 |
| Total | 47.2 | 52.8 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

3.3.2 Youth unemployment

Another area of interest for this analyses is the level of unemployment among the youth. The regional distribution of unemployment among the youth in the country is analysed. Table 3.12 provides the regional distribution of unemployment among the Youth in the country. As indicated in Table 3.12, youth unemployment is high in the Greater Accra and Ashanti regions with 23.9 percent and 23.8 percent respectively. This may be the result of migration of the youth into this regions with the hope of getting better jobs. The Eastern and Western regions also have relatively high unemployment among the youth with 11.1 percent and 10.6 percent respectively. The Upper West region had the least percentage in terms of unemployed youth.

Table 3.12: Youth unemployment by region and locality of residence in 2010

| Region | Locality | | |
|---------------|---------------|--------------|---------------|
| | Urban | Rural | Total |
| Total | 100.0 | 100.0 | 100.0 |
| Sample | 16,728 | 8,077 | 24,805 |
| Western | 9.2 | 13.5 | 10.6 |
| Central | 7.6 | 12.0 | 9.0 |
| Greater Accra | 32.9 | 5.8 | 23.9 |
| Volta | 3.7 | 9.5 | 5.6 |
| Eastern | 9.0 | 15.3 | 11.1 |
| Ashanti | 24.2 | 22.9 | 23.8 |
| Brong Ahafo | 7.2 | 9.4 | 7.9 |
| Northern | 4.0 | 6.3 | 4.7 |
| Upper East | 1.5 | 3.1 | 2.0 |
| Upper West | 0.8 | 2.6 | 1.4 |

Source: Ghana Statistical Service 2010 Population and Housing Census

Urban youth unemployment is very high in Greater Accra and Ashanti regions. The Greater Accra and Ashanti regions together accounts for about 57 percent of unemployed Youth who are living in urban areas. This is followed by the Western region with 9.2 percent. In relation to unemployment among the youth in rural areas, the Ashanti region had highest of 22.9 percent, followed by the Eastern region with 15.3 percent. The high level of youth unemployment in urban areas may be attributed to the unattractive nature of the country's agricultural sector which actually discourages the Youth from staying in their localities to engage in agriculture.

Youth unemployment is relatively high among individuals with tertiary education (33.8%) compared to unemployment among individuals with no basic education (6.0%). The level of unemployment among the youth increases as the level of education rises from no education to basic education (10.8%), secondary (18.5%), vocational/technical/commercial (19.2%) post-secondary (19.5) to the tertiary level. This situation may be attributed to the quest for “white-collar” jobs among the youth upon completion of school, the lack of entrepreneurial skills and inadequate skills from schools as well as the low governmental support for informal sector activities and the unattractive nature of agricultural related activities. High unemployment among tertiary graduates can also be attributed to the inability of the economy to generate more employment in the formal sector.

Table 3.13: Youth unemployment by level of education in 2010

| Educational Level | Row percentage | | | |
|---------------------------------|----------------|------------|-------|---------|
| | Employed | Unemployed | Total | Sample |
| No education | 94.0 | 6.0 | 100.0 | 55,674 |
| Basic education | 89.2 | 10.8 | 100.0 | 121,187 |
| Secondary | 81.5 | 18.5 | 100.0 | 32,849 |
| Vocational/technical/commercial | 80.8 | 19.2 | 100.0 | 3,190 |
| Post-Secondary | 80.5 | 19.5 | 100.0 | 5,219 |
| Tertiary | 66.2 | 33.8 | 100.0 | 2,077 |
| Total | 88.7 | 11.3 | 100.0 | 220,196 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

3.4 Participation of Adults in Economic Activity

Just like the involvement of youth in agricultural related activities, Greater Accra region had the lowest percentage in terms of the participation of adults in agricultural activities. The Northern region (70.0%) had the highest proportion of working adults engaged in the agricultural activities followed the Upper West region (67.6%). Trading related activities also seem to be very popular among the adult population of the country. About 32.2 percent of the economically active adult population in the Greater Accra region are involved in trading activities. This is about 4.5 percent higher than the number youth in trade in Greater Accra region. Similar situation exists for all the other regions except for the Central Region where the percentage of the youth engaged in trading related activities is marginally greater than of the adults. The Volta and Greater Accra regions had the highest percentage of Adults (14.4% and 13.9% respectively) in the manufacturing of goods.

Table 3.14: Percentage distribution of employed adults by industry and region in 2010

| Region | Agric. Sector | Mining and quarrying | Manufacturing | Utilities | Construction | Trade | Transport and storage | Accommodation and food services | All other services | Activities of households as employee | Total | Sample |
|---------------|---------------|----------------------|---------------|------------|--------------|-------------|-----------------------|---------------------------------|--------------------|--------------------------------------|--------------|----------------|
| Total | 38.6 | 1.1 | 10.9 | 0.5 | 3.4 | 20.3 | 4.0 | 5.6 | 15.0 | 0.7 | 100.0 | 771,811 |
| Western | 46.1 | 3.7 | 10.7 | 0.6 | 2.5 | 15.3 | 3.8 | 5.4 | 11.7 | 0.3 | 100.0 | 74,262 |
| Central | 40.1 | 0.9 | 11.8 | 0.4 | 3.7 | 18.3 | 3.7 | 6.7 | 13.9 | 0.5 | 100.0 | 65,985 |
| Greater Accra | 4.5 | 0.5 | 14.4 | 0.8 | 6.0 | 32.2 | 6.9 | 8.7 | 24.8 | 1.1 | 100.0 | 147,024 |
| Volta | 47.4 | 0.2 | 13.9 | 0.5 | 3.0 | 14.7 | 3.0 | 4.3 | 12.7 | 0.4 | 100.0 | 64,631 |
| Eastern | 43.2 | 1.4 | 10.4 | 0.5 | 2.9 | 18.0 | 3.5 | 5.7 | 13.9 | 0.6 | 100.0 | 83,485 |
| Ashanti | 28.6 | 1.4 | 10.3 | 0.4 | 4.0 | 27.6 | 4.8 | 6.1 | 16.4 | 0.5 | 100.0 | 150,089 |
| Brong Ahafo | 58.9 | 0.9 | 7.3 | 0.3 | 1.9 | 12.8 | 2.5 | 3.5 | 11.3 | 0.7 | 100.0 | 71,548 |
| Northern | 70.0 | 0.2 | 6.6 | 0.2 | 1.0 | 10.4 | 1.2 | 2.8 | 7.1 | 0.7 | 100.0 | 66,338 |
| Upper East | 65.1 | 0.8 | 8.4 | 0.3 | 1.2 | 9.9 | 1.1 | 3.1 | 8.9 | 1.2 | 100.0 | 29,535 |
| Upper West | 67.6 | 0.5 | 10.3 | 0.3 | 1.3 | 7.1 | 1.0 | 2.1 | 8.8 | 1.1 | 100.0 | 18,914 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

3.4.1 Participation of the aged in economic activity

This section analyses the involvement of the aged in economic activity. First, the distribution of the aged working population by sex is analysed and the regional distribution of the working population as well as some household characteristics that can influence the decision of the aged to work. Table 3.15 presents the distribution of economic active of the aged by sex. Results from the 2010 census as shown in Table 3.15 indicates that more aged males are economically active than their female counterparts. About 62.7 percent of aged male population are economically active compared to about 47.9 percent of the female aged population in the country.

Table 3.15: Distribution of aged population by economic activity and by sex in 2010

| Activity Status | Male | Female | Total |
|-------------------------|---------------|---------------|----------------|
| Total | 100.0 | 100.0 | 100.0 |
| Sample | 62,952 | 78,916 | 141,868 |
| Economically active | 62.7 | 47.9 | 54.5 |
| Economically not active | 37.3 | 52.1 | 45.5 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

Table 3.16 also present the regional distribution of the Aged population who are economically active and economically not active. The results from 2010 PHC indicated that the Brong Ahafo region has the highest proportion of economically active aged population. Out of the total number of aged population in the Brong Ahafo region, 65.4 percent of them are economically active. This is followed by the Upper East region with 60.2 percent of the aged population in that region being economically active. The Greater Accra region was the only region with less than 50 percent of the aged population in engaged in economic activity.

Table 3.16: Distribution of aged population by economic activity and by region in 2010

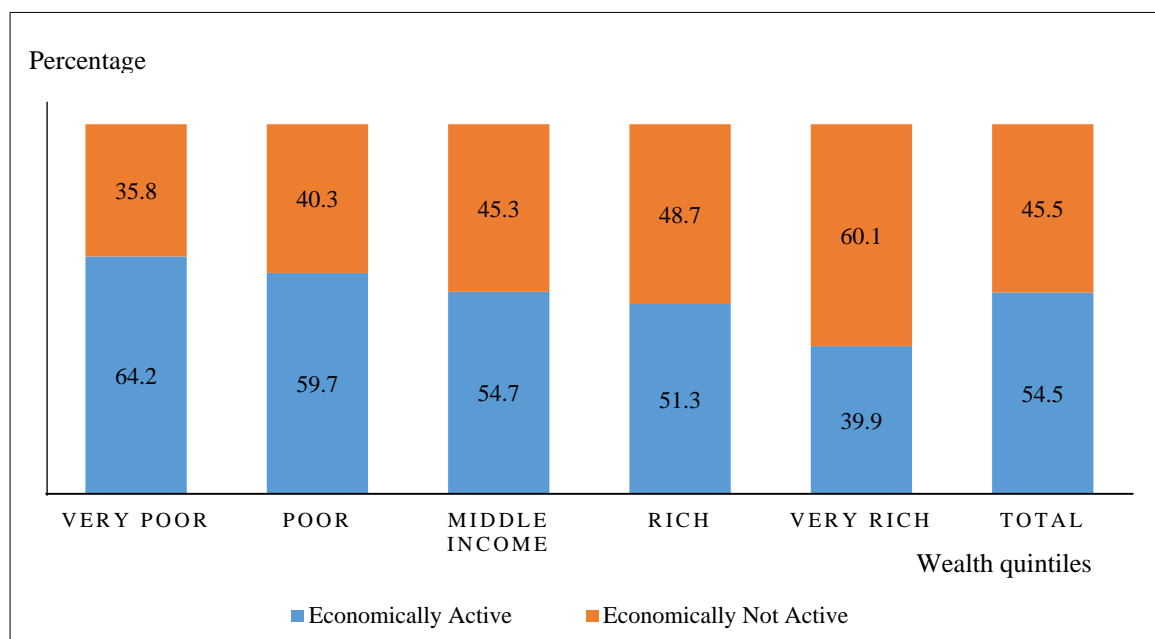
| Region | Economically Active | Economically Not Active | Total | Sample |
|---------------|---------------------|-------------------------|--------------|----------------|
| Total | 54.5 | 45.5 | 100.0 | 141,868 |
| Western | 54.8 | 45.2 | 100.0 | 11,227 |
| Central | 58.2 | 41.8 | 100.0 | 141,30 |
| Greater Accra | 42.5 | 57. | 100.0 | 187,78 |
| Volta | 53.4 | 46.9 | 100.0 | 16,461 |
| Eastern | 56.7 | 43.3 | 100.0 | 18,618 |
| Ashanti | 52.3 | 47.8 | 100.0 | 24,833 |
| Brong Ahafo | 65.4 | 34.6 | 100.0 | 12,488 |
| Northern | 54.6 | 45.4 | 100.0 | 12,277 |
| Upper East | 60.2 | 39.8 | 100.0 | 80,58 |
| Upper West | 56.7 | 43.3 | 100.0 | 4,998 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

The aged population are expected to enjoy their retirement after work, however having more than 50 percent of the Aged population in Ghana engaged in economic activity raises a number of concerns about what causes them to be involved in economic activity.

Figure 3.2 presents economically active and economically not active aged population by wealth quintile of the household. Households with wealth quintile within the categories of very poor and poor had the highest proportion of the aged population engaged in economic activity with 64.2 and 59.8 percent respectively. The proportion of economically active Aged population engaged in economic activity reduces as household wealth level increases from the very poor to rich wealth quintile.

Figure 3.2: Economic activity of the aged by wealth level



Source: Ghana Statistical Service, 2010 Population and Housing Census

Another important household characteristic that can influence the decision of the aged to work is when he/she has someone to take care of. That is if the aged person is a household, he/she may be compelled to work to take care of his/her family especially when the social security funds the individual takes at the end of the month is not adequate to meet the monthly expenses of the family or there is no social security at all. Hence they are compelled to work to meet the needs of the family. Table 3.17 provides the distribution of the aged household heads and economic activity status.

Table 3.17: Distribution of the aged by economic activity and position in the household in 2010

| Position in the household | Sample | Total | Economically active | Economically not active |
|---------------------------------------|----------------|---|---------------------|-------------------------|
| Total | 141,868 | 100.0 | 54.5 | 45.5 |
| Non Household head | 53,316 | 100.0 | 44.3 | 55.7 |
| Household head | 88,552 | 100.0 | 60.6 | 39.4 |
| Pearson $\chi^2(4)$ | | Likelihood-ratio Chi-Square= 36,000 (0.00) | | |

Source: Ghana Statistical Service 2010 Population and Housing Census

Whereas just 44.3 percent of the non-household head aged population are economically active, more than 60 percent of the aged who are household heads were economically active. The Chi square test of independence between the position of the aged in the household and the economic activity status indicates that there is a relationship between position of the aged in the household and the decision to be economically active or not. One possible reason for

this may be as a result of poverty. An aged household head who was unable to amass enough wealth before age 60 is more likely to be economically active than those who amassed enough wealth. Another possible reason will be inadequate social security or the absence of it. The level of education of the aged and economic activity status of the aged was also examined. This is shown in Table 3.18.

About 53.4 percent of the aged population without any form of education were economically active and little over 60 percent of the aged population with at least some level of basic education were also economically active. On the other hand, the aged population with secondary, voc/tech/commercial, post-secondary and tertiary education had less 50 percent of the aged population within their respective categories been economically active. The aged population with Basic Education or no Education might have not gotten very Job to do or earn enough income in their youthful and adult years. For this reason, they could not save enough or amass adequate wealth to for use in their old age.

Table 3.18: Distribution of the aged by economic activity and educational level

| Educational level | Sample | Total | Economically active | Economically not active |
|----------------------|----------------|--------------|---------------------|-------------------------|
| Total | 141,868 | 100.0 | 54.2 | 45.5 |
| No education | 85,309 | 100.0 | 53.4 | 46.6 |
| Basic Education | 41,204 | 100.0 | 60.2 | 39.8 |
| Secondary | 4,969 | 100.0 | 47.6 | 52.4 |
| Voc./tech/commercial | 2,393 | 100.0 | 47.8 | 52.2 |
| Post Sec | 5,855 | 100.0 | 40.9 | 59.1 |
| Tertiary | 1180 | 100.0 | 44.8 | 55.2 |

Source: Ghana Statistical Service 2010 Population and Housing Census

3.4 Conclusion

This chapter examined participation of children, youth, adults and aged in economic activities and the changes that have occurred between 2000 and 2010. From the analyses of the participation of the various age groups in economic activities, the following conclusions are made.

First, efforts by both government and non-governmental organisations to reduce the participation of children in economic activity seem to be yielding some results as there has been a reduction in the proportion of economically active children in the country. Economically active children mostly participate in agricultural related activities. Poverty, low level of education of the head of household and large household sizes are the main contributing factors for the participation of children in economic activities. Participation of children in economic activity is very high in male headed households than female headed households. Also, participation in economic activities among Children is very high in the Northern Region than any part of the country. More male children are economically active than female children. In addition, the use of children in cocoa farming is very high in the Western and Ashanti regions. Also, use of children in fishing activities is very high in the Northern, Volta, Eastern and Brong Ahafo regions.

There has been a reduction in the proportion of economically active youth in the country, this may be the result of the quest for higher educational attainment among the youth between

2000 and 2010. However, unemployment among economically active youth is around 11.3 percent and this about three times the level of unemployment among the economically active adult population and four times higher than unemployment among economically active aged population. The level of unemployment among the youth increases as individuals move higher on the academic ladder. Furthermore, there is a gradual shift in the participation of the youth in agricultural related activities to activities related to the provision of services. This situation has resulted in the urbanisation of youth unemployment as is very high in urban areas than rural areas. Youth unemployment is also very high among the youth with basic education and low among youth with some form of vocational/technical/commercial education.

Just like the participation of the youth in economic activities, there is a gradual shift in the participation of the adult population in activities related to agriculture to activities related to the provision of services. Less than 50 percent of economically active adults in six regions (Western, Central, Greater Accra, Volta, Eastern and Ashanti regions). Unemployment among economically active adults is relatively low at 4.02 percent.

Economic activity among the aged is high among males than females. The participation of the Aged in economic activity is mainly influenced by wealth level of the household, level of education of the aged, and the position of the aged in the household. Individuals who engage in activities related to agriculture are mostly from poor households.

CHAPTER FOUR

LABOUR FORCE PARTICIPATION

4.1 Introduction

Labour force participation decision of the working population is one of the key determinants of the total size of the labour force, the level of employment and aggregate unemployment rate at any given time (Dixon, 1996). Also, decision to participate in labour market has considerable implication for determining and forecasting macroeconomic performance. The labour force refers to all persons of either sex who supply their labour for the production of economic goods and services as defined by the UN systems of national accounts and balances during a specified time-reference (one week for the 2010PHC). Aziz (1995) shows that labour productivity affects the growth in output of an economy. This rationalizes the wide availability of research exercise on determinants of labour force participation and labour productivity. These studies have shown that the number of workers supplied to the labour market varies with wages, population, work preferences, and a combination of individual and household characteristics. In the case of personal and household characteristics, one school of thought suggests that the decision of a household member to engage in an economic activity depends on the labour market participation of the other members in the household. Thus, to maintain family income, attrition from the labour market by some members of the household will engender a replacement (Cullison, 1979). Also, issues related to individual perceptions such as self-exclusion from the labour market as a result of being discouraged contributes to the decision to participate.

Earnings have been identified as the main driver of the decision to participate in the labour market (Mincer, 1974; Becker, 1965). This is because those who do not participate in the labour force do not have direct access to income⁵ from the labour market although they may have indirect access through other family members. In furtherance to participating in the labour market is the amount of wages earned. Economists have argued that workers' productivities depend positively on their wages and this is referred to as the efficiency-wage hypothesis. The discourse on efficiency-wages and has been extended to account for several extensions. Among the factors that have engendered the extensions is the endogeneity arising from a bi-causal relationship between wages and labour productivity. One such extension is the nutrition-wage hypothesis which is premised on the argument that the link between wages and productivity is confounded by the nutritional status of labour. Thus, people who earn higher income are able to consume nutritious food which in turn energizes them to work harder for more income. A flipside of this hypothesis is the poverty-nutrition trap (PNT) which suggests that low income earners will have a vicious cycle of "energy-low output-low" earnings. This cycle reinforces a poverty trap as descendants of the labour in question will equally have poor nutritional status which will adversely affect their work output and hence income.

As alluded to earlier, wage is not the only factor that affects the decision to work. Individual wealth, non-labour income, and other individual and household characteristics also play critical role. The decision to participate or not to participate in the labour force has an impact on household activities, education, and retirement programmes. It has been observed that the

⁵ In this chapter, earnings, wages and income are used interchangeably

policy implications of these changes can be remarkable. Obviously, changes in the size and composition of the labour force affect the growth and unemployment rates of the economy. It also affects occupational and sex composition of the labour force which ultimately affects such factors as demands for unionisation, daycare centres, and equal pay and equal employment opportunity legislation.

The rest of the chapter is organized into six main sections. Section one provides an overview of the effects of the labour market on the performance of the Ghanaian economy. The next section discusses the relationship between participation in the labour market and educational attainment. The role of human capital development and access to employment opportunities would be discussed in this section. Section three analyses status in employment across gender groups and highlights where the various labour units are engaged. This is followed by an empirical analyses of the determinants of labour force participation in the fourth section. The fifth section presents a review of gender-wage differentials in Ghana, and its effects on female labour force participation. A conclusion is provided in the last section to highlight the main issues emerging from the chapter.

4.2 Effects of the Labour Market on the Performance of the Ghanaian Economy

Globally, since the last recession, creating jobs and combating high unemployment have become a key priority for most developed economies. Given the 5.8 unemployment rate reported in the 2010 PHC report, one is likely to believe that Ghana is relatively doing well with the macroeconomic indicator on job creation. However, a study by Baah-Boateng (2011) shows that the relatively low levels of unemployment rates recorded for the country stems from the fact that the Ghanaian economy is full of informality. According to Baah-Boateng (2011), in the face of the absence of any social benefit for job-seekers, many of them cannot afford to be unemployed and therefore, turn to the informal sector for refuge. The potential danger of this phenomenon is that there could be high number of jobless people whose contribution to the growth and development of the economy is negligible. Though dearth of data remains a challenge to empirically verify the relationship between unemployment and economic growth, both theoretical knowledge and experience of other countries suggests that an economy operating under full employment is unable to grow optimally.

4.3 Education and Labour Force Participation

Literacy and education have been some causes of the increase in the number of workers in the private informal sector. Whereas employment in the formal sector is mostly dependent on one's educational attainment, the reverse is true for the informal sector. According to Klasen and Pieters (2012) labour force participation by poorly educated women especially in the wage sector is mainly determined by economic push factors and social effects. Indeed, employment in the wage sector is contingent on one's skills and the requisite experience. It is expected that higher education will bring about higher returns as explained by the human capital theory.

Table 4.1 indicates that with the exception of those with SSS/SHS qualification, more than half of persons with the various levels of education (including those with no schooling) participate in the labour force. A very high proportion (80.0%) of those with no schooling participate in the labour market. About 92 percent of these (no schooling) persons are engaged in non-wage activity are found predominantly in the informal sector of the economy. The 2010 PHC indeed reveals that more than half of persons with the various levels of

qualification except post graduate certificate holders are in unpaid employment. The concentration of the greatest population of the labour force in the informal sector as indicated by Table 4.1 should be a source of concern for policy makers and planners. Government should find a way of regularizing the activities of those in the informal sector to engender payment of requisite taxes needed for the provision of social infrastructure which in turn contributes to economic growth and development.

Table 4.1 further shows that as one climbs higher on the academic ladder, the probability of participating in the wage sector of the economy increases. This observation should serve as incentives for the pursuit of higher education. In recent times, the issue about graduate unemployment has engaged the attention of most Ghanaians and the possible consequences for the growth of the economy have been enumerated. Data from the 2010 PHC (Table 4.1) shows that 42.7 percent of persons with first degree certificate are out of the labour force. The most popular belief for this situation is that these persons (first degree holders who are out of the labour force) have become discouraged workers. They appear to have lost hope in securing decent jobs that match with their qualification. Among those participating in the labour force, 45.5 percent are in the wage sector.

The objective of vocational training among others is to enable the individual acquire skills that will enable them engage in their own economic activity. The census indicates that 71.3 percent of those with Vocational/Technical/Commercial education who are participating in the labour force are not engaged in wage employment.

Table 4.1: Education and labour force participation (15 years and above)

| Highest level of school attended | Labour Force Participation (All sectors) | | | Participation in wage Employment | | |
|----------------------------------|--|------|-------|----------------------------------|------|-------|
| | No | Yes | Total | No | Yes | Total |
| Total | 29.1 | 70.9 | 100.0 | 91.2 | 8.8 | 100.0 |
| No schooling | 20.0 | 80.0 | 100.0 | 97.2 | 2.8 | 100.0 |
| Primary | 29.3 | 70.7 | 100.0 | 97.3 | 2.7 | 100.0 |
| JSS/JHS | 37.9 | 62.1 | 100.0 | 91.5 | 8.5 | 100.0 |
| Middle | 12.8 | 87.2 | 100.0 | 84.0 | 16.0 | 100.0 |
| SSS/SHS | 52.4 | 47.6 | 100.0 | 82.7 | 17.3 | 100.0 |
| Secondary | 18.6 | 81.4 | 100.0 | 69.9 | 30.1 | 100.0 |
| Vocational/technical/commercial | 23.6 | 76.4 | 100.0 | 71.3 | 28.7 | 100.0 |
| Post middle/secondary | 33.3 | 66.7 | 100.0 | 53.6 | 46.4 | 100.0 |
| Post-secondary diploma | 35.1 | 64.9 | 100.0 | 52.9 | 47.1 | 100.0 |
| Bachelor's degree | 42.7 | 57.3 | 100.0 | 54.5 | 45.5 | 100.0 |
| Post graduate certificate | 14.8 | 85.2 | 100.0 | 26.2 | 73.8 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

4.3.1 Education by sector of employment

Table 4.2 provides details of the status of employment for the various levels of education. About 0.1 percent of post graduate degree certificate holders are engaged as apprentices. Junior High Education alone is not enough to prepare somebody for the job market. In view of this Table 4.2 shows that those with Junior High Education form the highest proportion (8.1%) of apprentices. The greatest proportion (71.1%) of people with Middle School Leaving Certificate are own account workers and they constitute the largest proportion of own account workers in Ghana.

Senior High School and Junior High School Graduates form the largest proportion of casual workers in the country with 3.8 percent and 2.7 percent respectively. About 92 percent of those with Nursery and Kindergarten education respectively are contributing family workers. These categories of people reported to be in school at the time of the census and the minimum age reported by this group of people is 5 years.

Table 4.2: Education by sector of employment (15 years and above)

| Educational level | Empl oyee | Self- employed without employee | Self- employed with employees | Casual workers | Contrib uting family worker | Appre ntice | Domestic employee | Other | Total |
|-------------------------------------|--------------|--|--|-------------------|--------------------------------------|----------------|----------------------|-------|-------|
| Total | 23.1 | 51.7 | 5.4 | 1.9 | 13.9 | 3.2 | 0.6 | 0.2 | 100.0 |
| Nursery | 0.5 | 6.0 | 0.3 | 0.3 | 91.8 | 0.2 | 0.3 | 0.5 | 100.0 |
| Kindergarten | 1.4 | 5.7 | 0.3 | 0.1 | 91.9 | 0.2 | 0.1 | 0.4 | 100.0 |
| Primary | 7.6 | 50.7 | 3.1 | 1.8 | 33.3 | 2.7 | 0.6 | 0.2 | 100.0 |
| JSS/JHS | 13.3 | 55.2 | 4.6 | 2.7 | 15.2 | 8.1 | 0.7 | 0.2 | 100.0 |
| Middle | 16.4 | 71.1 | 7.1 | 1.5 | 3.0 | 0.3 | 0.5 | 0.1 | 100.0 |
| SSS/SHS | 37.3 | 39.6 | 5.3 | 2.8 | 11.2 | 2.8 | 0.7 | 0.2 | 100.0 |
| Secondary | 35.4 | 49.4 | 10.4 | 1.4 | 2.3 | 0.5 | 0.5 | 0.2 | 100.0 |
| Vocational/technical/ commercial | 36.8 | 47.2 | 9.1 | 1.9 | 3.1 | 1.4 | 0.5 | 0.2 | 100.0 |
| Post middle/secondary | 70.2 | 21.8 | 4.5 | 0.8 | 2.0 | 0.3 | 0.3 | 0.2 | 100.0 |
| Post-secondary diploma | 76.7 | 14.3 | 6.0 | 1.0 | 1.4 | 0.2 | 0.3 | 0.2 | 100.0 |
| Bachelor degree | 85.1 | 7.0 | 5.4 | 0.8 | 1.1 | 0.1 | 0.2 | 0.3 | 100.0 |
| Post graduate cert. | 86.8 | 5.0 | 6.9 | 0.4 | 0.2 | 0.1 | 0.3 | 0.2 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

4.4 Status in Employment by Sex

Access of mothers to income-generating opportunities impacts positively on the wellbeing of children particularly daughters, indicating that parent's relative bargaining positions affect children's gender equity (Thomas, 1990). Female labour force participation is also said to be linked to lower fertility rates (Sackey, 2005). When women earn their own incomes, they gain an incentive to delay the onset of parenthood, and hence bear fewer children over their lifetimes (Brewster & Rindfuss, 2000). Table 4.3 shows that about two-thirds (67.9%) of all employees are males. This provides them with income and job security that enables men to have political and financial power over their female counterparts. This has continual effect on the income status of women making them the most vulnerable group in the job market. In order to avoid poverty and social exclusion, women undertake some vulnerable employment in cottage industry and other artisanship as coping strategy and this explains the higher proportion of women in self-employment without employees and as contributing family workers, 55.87 percent and 57.38 percent respectively. Majority of informal sector workers earn below the daily minimum wage (Baah & Achakoma, 2007). To prevent poverty from becoming entrenched, and also reduce the trend towards marginalisation and impoverishment, people, especially, women, in vulnerable employment need to be monitored and targeted policy interventions need to be undertaken to help improve their livelihood.

Table 4.3: Status in employment by sex (15 years and above)

| Employment Status | Male | Female | Total |
|---------------------------------|------|--------|-------|
| Employee | 67.9 | 32.1 | 100.0 |
| Self-employed without employees | 44.1 | 55.9 | 100.0 |
| Self-employed with employees | 56.1 | 43.9 | 100.0 |
| Casual worker | 67.0 | 33.0 | 100.0 |
| Contributing family worker | 42.6 | 57.4 | 100.0 |
| Apprentice | 44.7 | 55.3 | 100.0 |
| Domestic employee (House-help) | 43.2 | 56.8 | 100.0 |
| Other | 54.5 | 45.5 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

4.5 Determinants of Labour Force Participation

There is the need for policy makers to know the variables that encourage people to supply their labour services for the production of goods and services which will bring about economic growth and improvements in the livelihood of the citizenry. These variables when identified could be targeted to influence unemployment rates in the country.

The results from a probit regression analyses based on the Beckerian model of labour supply show that age has a positive influence on the participation of both men and women in all jobs. As people age, they acquire experience which then becomes an added advantage in their job search opportunities. The increase in age may raise labour force participation due to larger family size and ultimately income dilution effect, and high wages in a later age. The younger population spend their youthful years in school thereby staying out of employment. The presence of children in the household to take care of household chores could liberate mothers for labour market activities. Most importantly, younger women will have to spend their youthful ages fulfilling their biological responsibility of child bearing. However, the results indicate that beyond a certain age, the aged would want to stay out of the labour market and spend the rest of their life consuming leisure.

Labour force participation decisions have important implications for the distribution of income. Those who stay out of the labour market do not enjoy the benefits (wages/income) that come with labour force participation. The results from the regression show females, as compared to their male counterparts, are less likely to participate in labour force. Giving the fact that females constitute more than half of the Ghanaian population (GSS, 2010) this trend of non-participation by females could have serious implication on the growth of the Ghanaian economy and policies for the reduction of poverty and social exclusion. This phenomenon could impact negatively on fertility and population control measures. When females earn their own incomes, they gain a motivation to delay the onset of parenthood. This makes them bear fewer children over their lifetime (Brewster & Rindfuss, 2000; Sackey, 2005). When women are economically empowered, their children are more likely to be educated and the entire household stands a greater chance of staying out of poverty. If women do not contribute substantially to household income, the allocation of resources is likely to be slanted against them, which obviously reduces their welfare and the spill over effect on their children could be dire. In order to ensure that all resources of the economy are put into effective use for the production of goods and services, opportunities must be created for women to participate more effectively in the labour market.

All the various levels of education have an inverse relationship with labour force participation. The result shows that the educated tend not to participate in the labour market. This could probably be due to the fact that the majority of the labour force are engaged in the non-formal sector where education is really not a qualifying criterion.

The World Bank (2013) observed that “the association of educational capital growth with conventional measures of the total factor production is large, strongly statistically insignificant, and negative.” The development of education according to the World Bank has fallen short of expectations for three reasons. Firstly, they believe that the institutions and/or governance environment could have been sufficiently perverse that the accumulation of educational capital lowered economic growth. Secondly, they also observed that marginal returns to education could have fallen rapidly as the supply of educated labour expanded while demand remained stagnant. Thirdly, they argue that educational quality could have been so low that years of schooling created no human capital. They however admitted that the extent and mix of these phenomena vary from country to country in explaining the actual economic impact of education, or the lack thereof. The negative influence of education on labour force participation in Ghana could largely be explained by the high informality and the high demand for unskilled labour in the production of goods and services.

Table 4.4: Labour force participation (regression analyses) (15 years and above)

| Independent variables | (1) Any job (Both sexes) | (2) Female Participation in any job |
|---|-----------------------------|---|
| Age | 0.151 [295.83]*** | 0.132 [197.46]*** |
| Age square | -0.002 [-294.40]*** | -0.001 [-198.46]*** |
| Female | -0.234 [-92.70]*** | |
| Primary ⁶ | -0.157 [-34.39]*** | -0.071 [-12.39]*** |
| JSS/JHS | -0.196 [-50.40]*** | -0.144 [-28.67]*** |
| Middle | -0.251 [-49.31]*** | -0.126 [-19.17]*** |
| SSS/SHS | -0.593 [-134.00]*** | -0.525 [-86.19]*** |
| Secondary | -0.418 [-44.31]*** | -0.280 [-19.73]*** |
| Vocational/technical/commercial | -0.324 [-38.98]*** | -0.197 [-17.42]*** |
| Post middle/secondary certificate | -0.575 [-62.73]*** | -0.431 [-34.91]*** |
| Post-secondary dip. | -0.575 [-84.87]*** | -0.373 [-35.71]*** |
| Bachelor's degree | -0.758 [-102.71]*** | -0.553 [-46.29]*** |
| Post graduate certificate | -0.342 [-17.12]*** | -0.052 [-1.33] |
| Informal/consensual union/ living together ⁷ | 0.654 [105.50]*** | 0.579 [75.57]*** |
| Married | 0.493 [139.15]*** | 0.489 [102.51]*** |
| Separated | 0.278 [29.09]*** | 0.387 [33.60]*** |
| Divorced | 0.238 [31.23]*** | 0.358 [39.00]*** |
| Widowed | -0.065 [-9.05]*** | 0.045 [5.36]*** |
| Number of children | -0.005 [-6.33]*** | 0.0006 [0.57] |
| Constant | -2.063 [-222.98]*** | -1.858 [-152.98]*** |
| <i>N</i> | 1,522,238 | 798,195 |
| <i>Pseudo R</i> ² | 0.2373 | 0.2042 |

t statistics in brackets: * p<.10, ** p<.05, *** p<.01

⁶ Reference category is primary

⁷Reference category is Informal/Consensual union/Living together

The widowed are less likely to participate in labour market activities (model 1) compared to the non-married population. This category of people, mostly women, may have assets and wealth bequeathed to them by their spouses and they tend to depend on these assets as non-wage/non-labour income. The married, separated and the divorced are more likely to participate in the labour force. These categories of people may have greater responsibilities due to larger families and more children to take care of.

In the words of Khan and Khan (2009) a woman's decision about child bearing and market work has always remained interrelated. Indeed, Table 4.4 shows that the presence of toddlers in the household has a negative effect (model 1) on the probability of the woman to participate in the labour force. Most women perform the roles of home-keeping and taking care of younger children. The phenomenon of engaging the services of domestic employees is more of an urban phenomenon and more with the elitist households. The majority of households in the country undertake the responsibility of house-keeping and care for the children on their own, and this is mostly done by women.

4.6 Gender-Wage Differential

Seven years after the enactment of the Labour Act (2003) with its emphasis on equal work and equal pay, a lot of efforts have been made to bring to the attention of policy makers issues on wage discrimination. It is important to know the bottlenecks that the vulnerable group, especially women, face since their participation in the labour force is very important for the growth of the economy. This section examines the conditions of women's engagement in the labour market, by estimating gender differentials, between men and women which disadvantage women; in unemployment, in employment, labour force participation, in vulnerability, and in sectoral and occupational segregation. Many people believe that the wage gap is a good measure of the extent of gender wage discrimination, which occurs when men and women are not paid equal wages for substantially equal work done. It is generally suggested that the wage gap is due to a variety of causes, such as differences in the types of positions held by men and women, differences in the pay of jobs men typically go into as opposed to women, and differences in amount of work experience, breaks in employment.

Table 4.6 presents the decomposition of monthly earnings differential in Ghana using data from the fifth round of the Ghana Living Standards Survey. The mean of monthly earning is GH¢12.88 for men and GH¢12.41 for women. This yields a wage gap of GH¢0.47. The human and job characteristic factors (differences in endowments) explain about half (49.9%) of the entire gender gap. In other words, the mean increase in women's earnings if they had the same characteristics as men is 0.235. Table 4.6 also shows that the mean monthly earning is almost the same across localities (rural and urban). While about 3 percent of the explained portion of the gender gap is attributed to the log of non-labour income, about -96.2% of the unexplained portion of the gender gap is attributed to the log of non-labour income.

**Table 4.6: Oaxaca-Blinder decomposition of the gender-wage gap
(persons 15 years and older)**

| | (1) | (2) | (3) |
|--------------------------|--------------------|--------------------|--------------------|
| Independent variables | LFP (All sample) | Rural | Urban |
| Overall | | | |
| Male ⁸ | 12.884 [732.05]*** | 12.543 [558.88]*** | 13.364 [538.94]*** |
| Female | 12.410 [652.05]*** | 12.034 [471.51]*** | 12.851 [506.98]*** |
| Difference | 0.473 [18.26]*** | 0.509 [14.97]*** | 0.513 [14.46]*** |
| Explained | 0.235 [17.38]*** | 0.163 [11.30]*** | 0.274 [13.20]*** |
| Unexplained | 0.239 [9.83]*** | 0.346 [10.07]*** | 0.239 [7.21]*** |
| Explained | | | |
| Experience | 0.038 [2.43]** | 0.023 [1.11] | 0.019 [0.70] |
| Experience ² | -0.005 [-1.11] | -0.002 [-0.37] | 0.024 [1.38] |
| Union | 0.042 [10.14]*** | 0.045 [7.71]*** | 0.045 [6.94]*** |
| Years of school | 0.083 [6.48]*** | 0.029 [1.58] | 0.140 [5.88]*** |
| Age | 0.125 [3.96]*** | 0.145 [3.20]*** | 0.046 [1.53] |
| Age ² | -0.074 [-3.49]*** | -0.085 [-2.65]*** | -0.027 [-1.31] |
| Presence of Children | 0.001 [0.62] | 0.001 [0.43] | 0.005 [1.88]* |
| Presence of Adults | 0.003 [0.81] | -0.005 [-1.00] | 0.004 [0.78] |
| Household size | -0.017 [-4.03]*** | -0.010 [-2.07]** | -0.023 [-3.08]*** |
| Age of head | 0.031 [6.20]*** | 0.029 [4.43]*** | 0.033 [4.34]*** |
| Log of non-labour income | 0.007 [3.06]*** | -0.006 [-2.73]*** | 0.007 [1.26] |
| Unexplained | | | |
| Experience | -0.018 [-0.03] | 0.973 [1.08] | -0.235 [-0.36] |
| Experience ² | 0.406 [2.11]** | 0.474 [1.39] | -0.011 [-0.05] |
| Union | 0.233 [1.61] | 0.989 [2.90]*** | 0.251 [1.59] |
| Years of school | 0.039 [0.75] | 0.137 [1.98]** | -0.079 [-0.78] |
| Age | -0.091 [-0.09] | -1.423 [-0.88] | 0.138 [0.09] |
| Age ² | -0.291 [-0.64] | -0.337 [-0.49] | 0.294 [0.48] |
| Presence of Children | 0.085 [3.44]*** | 0.088 [2.21]** | 0.072 [2.78]*** |
| Presence of Adults | -0.028 [-0.77] | -0.050 [-0.88] | -0.014 [-0.34] |
| Household size | 0.178 [2.18]** | 0.224 [1.85]* | 0.139 [1.37] |
| Age of head | -0.245 [-1.96]** | -0.136 [-0.79] | -0.386 [-2.29]** |
| Log of non-labour income | -0.230 [-3.72]*** | -0.379 [-2.47]** | -0.133 [-2.19]** |
| Constant | 0.201 [0.54] | -0.214 [-0.38] | 0.203 [0.38] |
| <i>N</i> | 9763 | 5506 | 4257 |

t statistics in brackets: * $p < .10$, ** $p < .05$, *** $p < .01$

Source: Ghana Statistical Service, 2008 (Ghana Living Standards Survey-5)

While some studies (Sackey, 2008; Acker, Ahiadeke, & Fenny, 2009) show large and statistically significant returns to education, the decomposition indicate that only a small fraction (17.5%) of the growth in GDP per capita can be accounted for by differences in educational attainment. Experience, union, age, and presence of adults contribute 8.0 percent, 8.9 percent, 26.4 percent, and 0.6 percent respectively to the portion of the wage gap attributed to endowments.

The average monthly mean earning of the rural sample (if all our observations were taking from rural communities) of men and women is not too different from the national average. However, the gender wage gap of 0.513 for the urban sample is 8.5 percent higher than the

⁸Reference category is male

national wage gap of 0.473. It is important to note that while years of schooling is not important in explaining the earning gap in the rural areas, it is very much important in explaining the earning gap in the urban areas. This could be attributed to the fact that employment into the wage sector in the urban centres is much contingent on one's educational attainment.

4.7 Conclusion

This section examined, empirically, the influence of the traditional economic and socio-demographic variables on the labour force participation of persons aged 15 years and older and establishes that these variables conform to *a priori* expectations. The close relationship between educational achievement and employment opportunity is widely recognized. The 2010PHC shows that the higher the educational attainment of an individual, the more likely the person would be in the labour force.

Widowhood has a positive influence on female labour force participation as against the negative influence on participation by both sexes. When females lose their bread winners, they take up the responsibility of catering for the household and this leaves them with no option than to participate directly in the labour market.

The presence of children in the household impedes the participation of women in the labour force. Females traditionally are made to take care of children, preparing them for school and providing them with the care and protection that they need at that early stage. The provision of day-care centres could release more and more females to participate in the labour market.

It is important to stress that the persistence of the gender pay gap (though minimal) cannot be explained away by differences in skills, experience or education. There is an unexplained residual which reflects gender discrimination (Kabeer, 2008). In line with the findings from the analyses on gender wage-gap, a gender-friendly policy that addresses the constraints facing women's work and their full participation in labour force, especially, the wage sector, is advocated. The implications of the pay gap on society are several. Gender discrimination hinders economic growth, and increases poverty.

CHAPTER FIVE

CHARACTERISTICS OF FIRST-TIME JOB SEEKERS

5.1 Introduction

Seeking for work remains a core criterion for defining unemployment. That is persons searching for work must engage in active steps within the specified reference period to seek paid employment or self-employment. The specific steps must include one or a combination of the following; writing applications, visiting job sites, engaging employment agencies and seeking help and advice from friends and relatives. The effect of unemployment transcends individual level effect and yields adverse consequences for both a society with high unemployment rate and the economic trajectory of a nation. In view of this, several dimensions of unemployment have been reviewed in the labour economics literature. Some of the issues include duration of unemployment, types of unemployment (seasonal, cyclical, frictional and structural) and characteristics of the unemployed in an economy. This chapter focuses on one of the characteristics of the unemployed people which is first-time job seekers. First-time job seekers is analysed partly because recent governments in Ghana have paid enormous attention to the issue of youth and graduate employment. Thus focusing on first-time job seekers will give insightful information to policy makers to enable them design informed policies and employment packages for first-time job seekers.

Again youth unemployment is becoming an apparent feature of the economies of many developing countries. The youth unemployment situation in Ghana is said to be growing at alarming proportion. In Ghana, unemployment rate is about 6.0 percent and largely dominated by females compared to their male counterparts. (GSS, 2013). The pattern of more females being unemployed has been observed in Ghana since 2000. This pattern is also consistent across all the ten administrative regions and in both urban and rural areas. This clearly illustrates gender differentials or dimension to the issue of unemployment in Ghana.

Ghana currently runs a youth employment programme that is primarily meant to temporally give opportunity to the youth to participate in job market while they prepare to build their knowledge and skills that will be relevant to fetch them permanent employment. However, the structure of the programme can be enhanced if there a clear understanding of the size, nature and characteristics youth job seekers and first-time job seekers. A detailed study of the characteristics of first-time job seekers will help stakeholders to appreciate the nature, trend and dynamics of youth unemployment. Thus this chapter will therefore contribute to the understanding of the unemployment problem from individual and community perspective. Youth unemployment is therefore at the heart this chapter.

For the first time in the history of nationally representative data on economic activities, the issue first-time job seeking has been reported in the 2010 PHC report. First-time job seekers fall under the category of the population that had not engaged in economic activities 7 days prior to the 2010 census night but had made frantic efforts to search for jobs (or were available for paid work or self-employment). The 2010 PHC report provides a brief overview of size and characteristics of first-time job seekers. This chapter expand on this, to analyse the characteristics of the first-time job seekers. This population category are analysed by age, sex, level of education, marital status, nationality, locality of residence (urban or rural area) and region.

5.2 Size of First-Time Job Seekers in Ghana

Unemployment is a serious social and economic problem for developed as well as developing countries. Therefore, over the decades, there has been a large number of theoretical and empirical studies which focus on this issue from different perspectives. According to Baah-Boateng (2004), the implementation of stabilisation and structural adjustment policies in many sub-Saharan African countries over the last two decades was meant to be a vehicle for enhancing economic growth and development. These policies have been purported to have succeeded in providing a marginal solution to the problem of poverty and enhancing economic growth. However, the impact of these programmes on unemployment in the short-run has yielded little dividends or has been weak due to the partial and fragmented nature of the policies during their implementation process. The anticipated dividends from these policies dwindled and the results rippled into further economic problems and entrenched the problems of unemployment and poverty.

The Ghanaian experience with the birth of ERP/SAP in 1983 was necessitated by the deep economic crisis experienced in the late 1970s and early 1980s (Gyimah-Boadi, 2008). Extant literature shows the Ghanaian economy recorded an annual average growth of -2.2% between 1975 and 1982, with average annual inflation of 64.9 percent and balance of payments deficit of \$6.8 million over the same period (Baah-Boateng, 2004). These unimpressive developments were attributed to poor domestic economic management and some other inevitable and the unfavourable external economic environment. Within the same period, the internal economic environment was characterised with large fiscal deficit financed by inflationary and heavy government intervention through administrative control of prices, demand pressures distribution and import controls and massive expansion of the public sector (Youngblood & Franklin, 2008).

Historically, the substantial decline in public sector employment in the late 1980s and early 1990s through public sector retrenchment and privatisation emanated from the stabilisation and adjustment programmes initiated in 1983. The Ghanaian labour market has also witnessed major changes due to globalisation and the withdrawal of the direct involvement of government in productive economic activities. Particularly, one of the biggest treats to the labour in Ghana has been the trade liberalization program coupled with the rapid depreciation of the cedi to country's major trading partners. This has led to the collapse of many inefficient local enterprises particularly import dependent enterprises and subsequent loss of jobs of many people. Employment growth in Ghana appears to lag behind economic growth over the years and this phenomena is termed "jobless growth". While the economy recorded an annual average growth of 4.8 percent between 1984 and 2000, employment growth over the same period averaged 3.1 percent. Ghana's economy in the period preceding 2001 was said to be in a state of general malaise by any conventional economic measure. (see Agyeman-Duah, 2006; Debrah, 2009; Killick, 2001; ISSER, 2001).

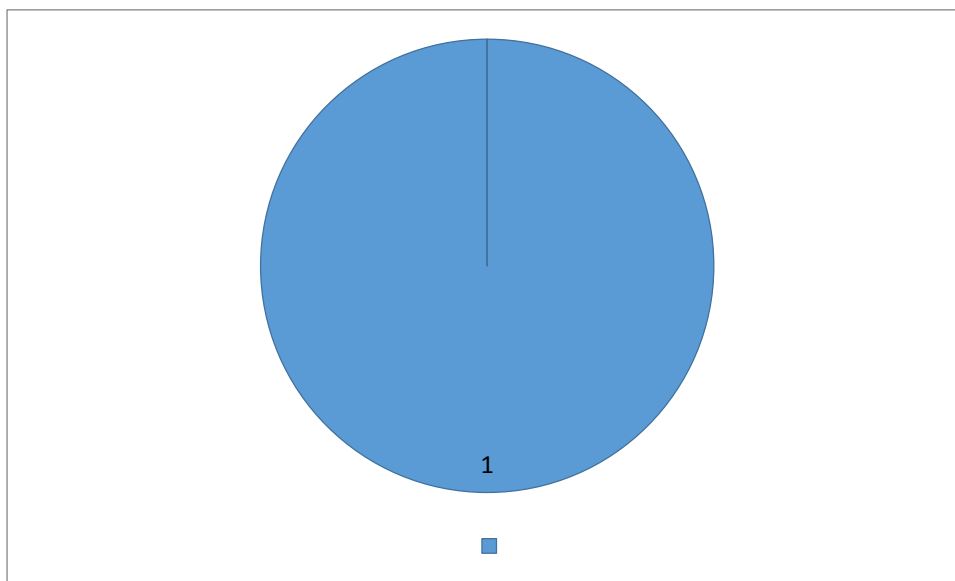
Obviously then, the slow growth and expansion of the economy coupled with the low investment rate meant a relatively slower growth in overall labour demand (Amankrah, 2006). While the labour force of Ghana has an annual growth rate of 5.8%, the absorption capacity of the economy from the 1990s has been very limited and it is therefore not surprising that the economy has been recording an increasing unemployment rates since 1989.

A fundamental feature that has characterized the Ghanaian labour market is the presence of about 230,000 first-time job seekers annually (Nsowaah-Nuamah & Amankrah, 2003). By definition, these first-time job seekers or new job seekers consist of individuals who have just

graduated or dropped out from the school, just completed their national service as well as other individuals with no job-market experience who search for job within the reference period of the census. The other job seekers group covers both the lost-job and quit job individuals. It also estimated that the formal sector is capable of absorbing just about 2.0% of these new job seekers. The low absorption capacity of the economy as a consequence of sluggish growth rate over the years suggests a low absorption rate creating excess labour in the economy. It has also been argued that the youth unemployment poses a major challenge in Ghana and is a consequence of the poor macroeconomic performance over the past 50 years and therefore the need to go beyond a purely supply-side response is imperative (see also O' Higgins, 2001, Amankrah, 2006).

According to the 2010 Ghana PHC report, the proportion of first-time job seekers during the reference period about was about 3.2 percent of the total population that were not engaged any economic activity. However, among the unemployed population, majority (about 59.0 %) of them are first-time job seekers as in Figure 5.1. This is an indication that the number of people who seek job for the first time yearly outstrips those who have worked before but searching for jobs. This however has serious implication for current happenings in the labour market and a potential recipe for worsening the unemployment situation in the country.

Figure 5.1: Unemployed population 15 years and older disaggregated by previous work experience and first-time job seekers



Source: Ghana Statistical Service, 2010 Population and Housing Census

5.2 Age-sex structure of first-time job seekers

An important feature of first-time job seekers that is of critical importance is the age-sex structure of these unemployed group of people. According to Arif and Chaudhry (2008) there is high youth unemployment in many developing countries and this is mostly occasioned by demographic transition and gender differences. The share of the youth in the population of Ghana reflected in a corresponding share of the youth in unemployment (Amankrah, 2008). Table 5.1 shows the distribution of age-sex structure of first-time job seekers. The age structure of the first-time job seekers indicated that the youthful age group of 15 - 24 accounted for about 62.0 percent of all first-time job seekers. This is however expected as it is the period two major transition periods in the educational structure (JSS and SSS) of

Ghana. Many people always fail to continue to higher educational ladder and therefore resort job searching.

This result is consistent with the findings of Amankrah (2008) on the age structure of unemployed population in Ghana. The study found that about 60.0 percent of the unemployed in Ghana can be found in the 15- 24 years age group. This makes Ghana's youth unemployment rate one of the highest in the world. The age distribution of new job seekers in Ghana is akin to the case of Turkey reported in the study of Tasci (2005) and somewhat not different from the case other countries reported in the literature. The female's category of first-time job seekers was 52.8 percent and that of the male's category was 47.2 percent. The data further show that the proportion of the first-time job seekers among the youth was higher for females than for males. However, at higher age groups, the proportion was consistently higher for males than for females. The age structure of first-time job seekers gives more lights the on nature of youth unemployment in Ghana.

Studies have revealed that irrespective of the age distribution and marital status of first-time job seekers, first-time jobseeker females are less likely to find a job compared to males. This has been confirmed by an empirical study by Tansel & Tasci (2004) and Tasci (2005) and thus the females' category of first-time-job-seeker have longer unemployment durations than the males. A major source of longer unemployment duration for women compared to men primarily is occasioned by the traditional role of women in the home production activities and for that reason they have a high reservation wage. An additional source of longer unemployment duration for women is the discrimination against women in the labor market. Admittedly, less empirical evidence suffices for the case of Ghana concerning discrimination against women in the labour market.

Table 5.1 Age-Sex Distribution of First-time Job Seekers 15 years and Older

| Age Groups | Sex | | Total | Total | Sex | | Total |
|--------------|---------|--------|---------|--------|--------|--------|--------|
| | Male | Female | | | Male | Female | |
| | Row (%) | | Percent | Sample | Column | | |
| 15 - 19 | 41.5 | 58.5 | 100.0 | 6,450 | 16.6 | 21.0 | 18.9 |
| 20 - 24 | 46.5 | 53.5 | 100.0 | 14,741 | 42.6 | 43.8 | 43.2 |
| 25 - 29 | 50.7 | 49.3 | 100.0 | 9,226 | 29.0 | 25.3 | 27.0 |
| 30 - 34 | 51.4 | 48.6 | 100.0 | 3,703 | 11.8 | 10.0 | 10.9 |
| Total | 47.2 | 52.8 | 100.0 | 34,120 | 100.0 | 100.0 | 100.0 |
| Total | | | | | 16,116 | 18,004 | 34,120 |

Likelihood-ratio Chi-Square= 159.08 (0.00)

Source: Ghana Statistical Service, 2010 Population and Housing Census

5.3 Educational Level of First-Time Job Seekers

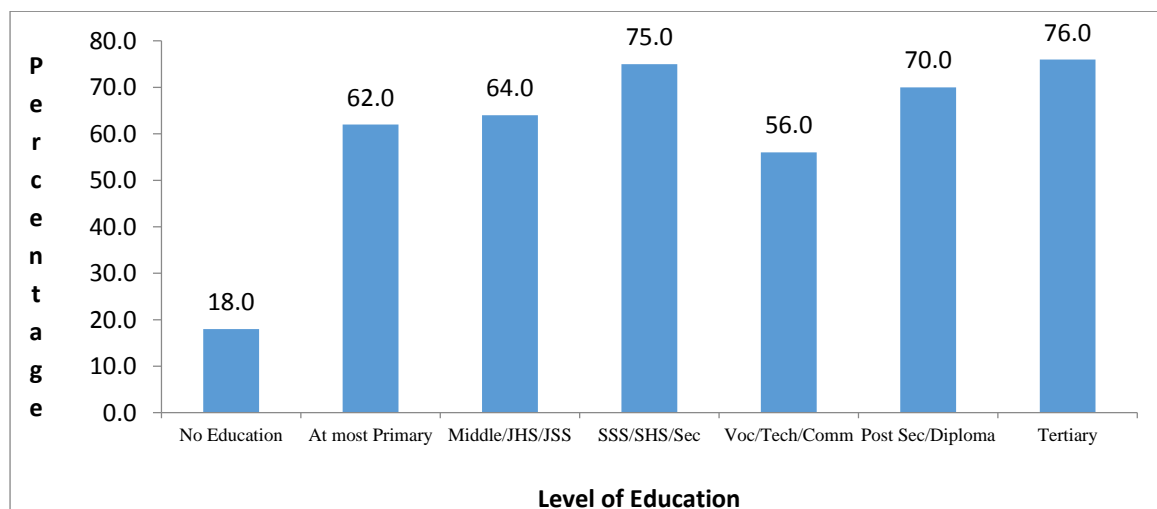
High level of unemployment among well-educated youth is one of the excruciating issues in developing as well as developed countries. In many developing countries unemployment rates are high primarily due to poor educational system, poor training system, preference for public sector job and absence of an effective labour market information system. The international Labour Organisation (ILO, 2012) has observed that there is a severe mismatch between the skills possessed by young workers and those demanded by employers. Ghanaian job seekers have been described as well-educated but suffering from skills mismatch (Dawes and Marom, 2013). According to the Ministry of Manpower, Youth and Employment (2006), the introduction of the Junior Secondary School and Senior Secondary School system without

adequate planning for integration into the trades/vocations and job placement compounded the unemployment situation in Ghana. The report also cited education and training in Ghana to have no link to the needs of the important sectors of the economy. Ghana's educational reforms programme structurally eliminates or prevent many children at two key transitional points (JSS and SSS) from progressing to higher levels creating a pool of unemployed and mostly semi-literate youth with unemployable skills (see GoG, 2007; Hutchful, 2002; Tsikata, 2007; ISSER, 2001).

Graduate unemployment has also emerged as a key challenge in the labour market. Increase in duration of unemployment and difficulty in finding jobs have driven many job seekers (especially university graduates) to pursue higher and professional courses. There is also limited absorptive capacity of the job market for the over 30,000 graduates from the tertiary institutions annually (Most of them described as technically incompetent and unsuited for the world of work due to poor educational infrastructure and linkages). Most of these youth end up being either underemployed or unemployed. Unemployment among these youth mostly results in wastage of human capital and erosion of work habits. The level of education among first-time job seekers is therefore central in labour market analyses. Studies have shown that in many countries, regardless of age and gender difference, first-time job-seekers with higher level education have shorter unemployment durations relative to the less-educated ones (see Tansel & Tasci, 2004; and Tasci, 2005).

From Figure 5.2 it can be observed that 5.3 percent of the first-time job seekers had no formal education and about 15 percent had had primary education. Greater proportion (39%) of first-time job seekers were people who had attained junior high school level of education. First-time job seekers with this level of JHS level education are people who failed to pursue higher education. Many people are unable to continue on to senior high level because the capacity of the senior high and technical school can only absorb about 60 percent of students that graduate from the junior high level. It is also revealed that, 25 percent of first-time job seekers had senior high level education. However, first-time job seekers with university education are more that of those with technical and vocational education. The proportion of first-time job seekers with tertiary level of education was 5 percent.

Figure 5.2: Distribution of first-time job seekers aged 15 years and above by level of education



Source: Ghana Statistical Service, 2010 Population and Housing Census

Table 5.2 shows the distribution of level of education among first-time job seekers disaggregated by sex. The results indicated that there were more females with lower levels of education seeking for jobs for the first-time relative to male except for vocational/technical or commercial education. The distribution of level of education among both sexes is similar and reflected the national pattern. For both males and females, the proportions of first-time job seekers that had had commercial, technical/vocation education was very low. Among females who were first-time job seekers, less than 10 percent had had formal education beyond secondary/technical or vocational school level. The proportion of males who were first-time job seekers with tertiary education was 6.6 percent and that of females was 3.5 percent. This is consistent with the male-female ratio in tertiary institutions in the country. More males progress in the educational ladder relative to females.

Table 5.2: Distribution of first-time job seekers aged 15 years and above by level of education and sex

| Level of Education | Gender | | Percent | Total Sample | Gender | | Total Percent |
|--------------------|--------|--------|---------|--------------|--------|--------|---------------|
| | Male | Female | | | Male | Female | |
| | Row | | | | Column | | |
| No education | 37.9 | 62.1 | 100.0 | 1,816 | 4.3 | 6.3 | 5.3 |
| Primary | 39.8 | 60.2 | 100.0 | 5,010 | 12.4 | 16.8 | 14.7 |
| Middle/JHS/JSS | 43.6 | 56.4 | 100.0 | 13,241 | 35.8 | 41.5 | 38.8 |
| SSS/SHS/Sec | 52.0 | 48.0 | 100.0 | 8,613 | 27.8 | 23.0 | 25.2 |
| Voc./Tech/Com | 49.9 | 50.1 | 100.0 | 1,187 | 3.7 | 3.3 | 3.5 |
| Post-Sec/Diplomat | 59.7 | 40.4 | 100.0 | 2,560 | 9.5 | 5.7 | 7.5 |
| Tertiary | 63.1 | 36.9 | 100.0 | 1,693 | 6.6 | 3.5 | 5.0 |
| Total | 47.2 | 52.8 | 100.0 | 34,120 | 100 | 100 | 100 |
| Total | | | | | 16,116 | 18,004 | 34,120 |

Likelihood-ratio Chi-Square= 656.5 (0.00)

Source: Ghana Statistical Service, 2010 Population and Housing Census

Since level of education is one of the cardinal pre-requisites for finding a job in Ghana, it becomes necessary to analyse the regional disparities of educational level of job seekers. Table 5.3a shows that Greater Accra and Ashanti regions have the highest proportions of first-time job seekers (25.0% and 24.0%) respectively and the two upper regions have the smallest proportions of about 2 percent for Upper East and about 1 percent for Upper West. Higher rates of first-time job seekers with no formal education were in Northern region, followed by Ashanti and Greater Accra (21.4%, 16.2% and 13.0%) respectively.

For those with at most primary education and junior high levels, high proportions are in the Ashanti region followed by the Greater Accra region (20.3% and 26.2%, and 19.6% and 21.2%) respectively. However, as the level of education increases after junior high school level, the proportions are tilted towards the Greater Accra region, followed the Ashanti region. Most significantly is the proportion of first-time job seekers who had had tertiary level of education were in the Greater Accra region. Almost half (46.3%) of all first-time job seekers with tertiary education status were in the Greater Accra. The Western region, Eastern, Central and Brong Ahafo regions follow in similar pattern. The Volta region shows relatively smooth proportions across the various categories of level of education.

Table 5.3a: Distribution of first-time job seekers aged 15 years and above by educational level and region

| Region | Level of Education | | | | | | | Total |
|---------------|--------------------|-----------------|----------------|-------------|---------------|------------------|----------|-------|
| | No Education | At most Primary | Middle/JHS/JSS | SSS/SHS/Sec | Voc./Com/Tech | Post-Sec/Diploma | Tertiary | |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Western | 10.5 | 9.5 | 11.4 | 9.6 | 15.2 | 11.3 | 6.4 | 10.5 |
| Central | 6.0 | 8.4 | 9.8 | 8.3 | 8.1 | 5.2 | 5.5 | 8.4 |
| Greater Accra | 13.1 | 19.5 | 21.2 | 28.9 | 34.4 | 33.1 | 46.3 | 25.0 |
| Volta | 5.0 | 6.9 | 6.3 | 5.5 | 4.4 | 4.5 | 3.1 | 5.8 |
| Eastern | 7.1 | 14.7 | 12.9 | 9.2 | 9.9 | 8.7 | 6.7 | 11.2 |
| Ashanti | 16.2 | 20.5 | 26.2 | 23.9 | 15.8 | 23.4 | 24.0 | 23.6 |
| Brong Ahafo | 10.3 | 8.7 | 8.7 | 7.2 | 6.1 | 6.3 | 3.8 | 7.9 |
| Northern | 21.4 | 6.7 | 1.6 | 4.2 | 2.9 | 4.7 | 2.7 | 4.4 |
| Upper East | 5.9 | 3.0 | 1.2 | 2.1 | 1.8 | 1.5 | 0.6 | 2.0 |
| Upper West | 4.7 | 2.1 | 0.7 | 1.2 | 1.6 | 1.5 | 0.8 | 1.3 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

The proportion of first-time job seekers who had had tertiary education was lower than those who had had no formal education in all regions except for the Greater Accra and Ashanti regions presented in Table 5.3b. The case the three regions of the north of Ghana is particular wide in favour of those with no formal education. About 26.0 percent of first-time job seekers in the Northern region had had no formal education. However, except for Upper west, Upper East and Northern regions, the proportion of first-time job seekers who had had JHS level of education was higher than those with secondary education and all other levels of education.

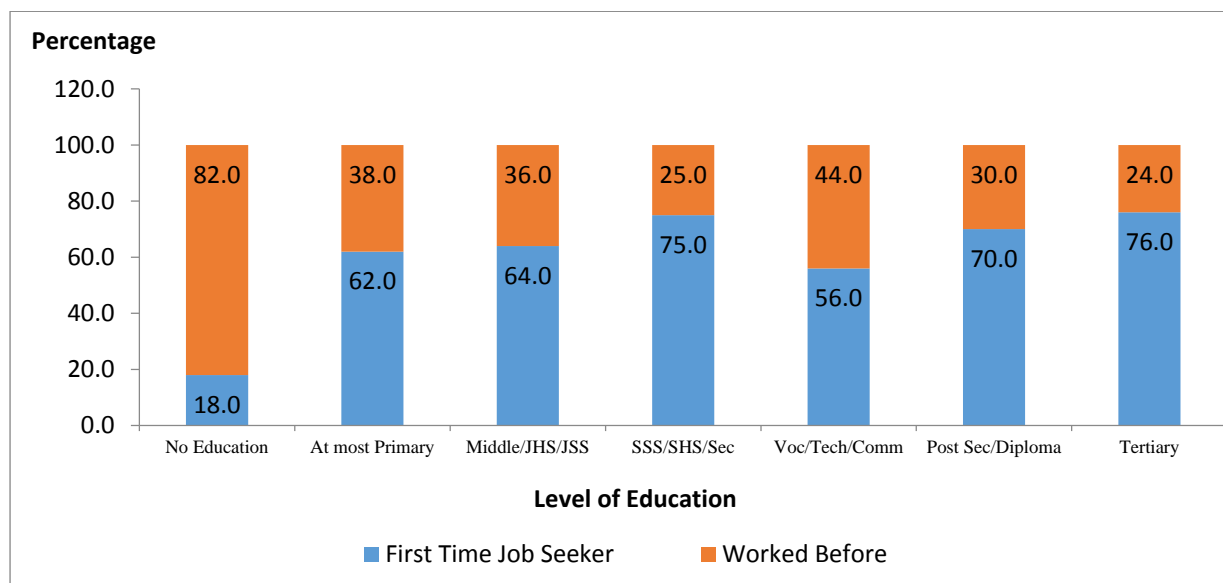
Table 5.3b: Distribution of first-time job seekers aged 15 years and above by educational level and region

| Region | Total | Level of Education | | | | | | |
|---------------|--------------|--------------------|-----------------|----------------|-------------|---------------|-------------------|------------|
| | | No Education | At most Primary | Middle/JHS/JSS | SSS/SHS/Sec | Voc./Com/Tech | Post-Sec/Diplomat | Tertiary |
| Total | 100.0 | 5.3 | 14.7 | 38.8 | 25.2 | 3.5 | 7.5 | 5.0 |
| Western | 100.0 | 5.3 | 13.3 | 42.2 | 23.1 | 5.0 | 8.1 | 3.0 |
| Central | 100.0 | 3.8 | 14.7 | 45.3 | 25.1 | 3.4 | 4.6 | 3.2 |
| Greater Accra | 100.0 | 2.8 | 11.4 | 32.8 | 29.1 | 4.8 | 9.9 | 9.2 |
| Volta | 100.0 | 4.6 | 17.6 | 42.6 | 24.1 | 2.6 | 5.8 | 2.7 |
| Eastern | 100.0 | 3.4 | 19.3 | 44.8 | 20.7 | 3.1 | 5.9 | 3.0 |
| Ashanti | 100.0 | 3.7 | 12.8 | 43.2 | 25.6 | 2.3 | 7.4 | 5.1 |
| Brong Ahafo | 100.0 | 6.9 | 16.3 | 42.7 | 23.0 | 2.7 | 6.0 | 2.4 |
| Northern | 100.0 | 26.0 | 22.5 | 14.3 | 24.0 | 2.3 | 8.0 | 3.0 |
| Upper East | 100.0 | 16.0 | 22.4 | 24.0 | 27.3 | 3.1 | 5.8 | 1.5 |
| Upper West | 100.0 | 18.9 | 22.9 | 19.6 | 23.1 | 4.2 | 8.2 | 3.1 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

Figure 5.3 presents distribution of unemployed population that has worked before but now seeking for jobs and first-time job seekers by their level of education. The figure shows that among first-time job seekers who had had no formal education, 82.0 percent were people who have ever worked before but are now seeking for job and 18.0 percent are first-time job seekers. Again for the first-time job seekers with at most primary education, 38.0 percent have ever worked before and 62.0 percent are first-time job seekers. However, as the level of education goes higher the proportion first-time job seekers was higher than job seekers who have ever worked before. This result seems to reinforce the proposition that unemployment duration is most likely to be reduced by higher level of education. An analyses of the education level of all categories job seekers is imperative for efficient formulation of policies to address the teething problems confronting the labour market.

Figure 5.3: Percentage distribution of the educational level of unemployed population that have worked before and first-time of job seekers 15 years and older



Source: Ghana Statistical Service, 2010 Population and Housing Census

5.4 Marital Status of First-Time Job Seekers

An attention is turned to the marital status of first-time job seekers. Table 5.4 shows that first-time job seekers rates were highest (69.2%) among persons who had never married prior to the census period. The next group which recorded relatively high rates was married persons: 20.3 percent. First-time job seekers rates were lowest among the widowed and this rate was even less than 1.0 percent. This shows that many Ghanaians search for jobs before marriage with few people marrying before actually searching for jobs. There are also few Ghanaians that start to look for job after divorce and even though this proportion is small it illustrates the dependency syndrome in Ghanaian marital homes.

There exist two strands of argument concerning the relation between marital status and unemployment duration. On one hand an individual who is married may suffer shorter unemployment duration as compared to a person who is single because individual who is married have family responsibilities and may accept job offer even at low wage. Being married implies family responsibilities and higher opportunity cost of unemployment and hence job searching intensified. First-time job seekers who are not married is higher than their married counterparts and hence we can conclude that they will have higher reservation wage when they are unmarried, but after getting married they will compromise on their

wages and even accept low paying job to meet domestic liabilities (Qayyum, 2007). Particularly for man being married increase the probability of exiting unemployment. On the other hand, being married increase the unemployment duration since many job vacancies may involve full commitment and as such not suitable for female married job seekers.

Table 5.4: Distribution of first-time job seekers aged 15 years and above by marital status

| Marital status | Sample Distribution | Percentage |
|----------------------------------|---------------------|--------------|
| Never married | 23,614 | 69.2 |
| Living together/consensual union | 2,736 | 8.0 |
| Married | 6,935 | 20.3 |
| Separated | 384 | 1.1 |
| Divorced | 343 | 1.0 |
| Widowed | 108 | 0.3 |
| Total | 34,120 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

5.5 Nationality of First-Time Job Seekers

As presented earlier in the introduction, globalization has played a major role in determining the employment outcomes in Ghana. Migrants into Ghana have helped to shape and define the complexities of unemployment situation in Ghana. The influx of people from other countries like Nigeria, Togo, and Burkina Faso etc has made it increasingly difficult for many indigenes to find jobs. Ghanaians are defined by, Ghanaian by birth, Dual nationality (Ghanaian & other) and Ghanaian by naturalization, and Africans are defined by all Nigerians, Liberians, Sierra Leoneans, Gambians, Togolese, Burkinabes, Ivoirians, people from other ECOWAS states, other Africans other than ECOWAS states, and by Non-Africans are defined by Europeans, Americas (North, South/Caribbean) Oceania and Asian.

Data from the 2010 Ghana population and housing census indicates that majority (about 97.0%) of the first of the first-time job seekers are Ghanaians. The other 3.0 percent are nationals from different parts of the globe also in Ghana searching for jobs. Even though their rates are very low, it still has implication for Ghanaians jobs seekers given the shrinking nature of job opportunities in the country. This may also imply that Ghanaians are sometimes competing with other nationals for some job opportunities in Ghana.

First-time job seekers among other nationals was high for the Nigerian population relative to the neighbouring countries namely Burkina Faso, Togo and the La Cote d'Ivoire. The expectation was to have the closest neighbours or countries that shares geographical boundaries with Ghana to dominate in this category, however the influx of Nigerians, Liberians and the Asians is worth noting and therefore has serious implication for the labour supply. The language barrier may explain why Togolese, Burkinabe's, and Ivoirians first-time are fewer relative to Liberians and Nigerians counterparts in Ghana. Comparing first-time job seekers across Non-African countries, Asia population was high followed by America and Europe (see Table 5.5).

Table 5.5: Distribution of first-time job seekers aged 15 and above among Non-Ghanaians

| Nationality | Sample | |
|-----------------------------------|--------------|--------------|
| | Distribution | Percentage |
| Nigerian | 186 | 20.8 |
| Liberian | 81 | 9.0 |
| Sierra Leonean | 5 | 0.6 |
| Gambian | 6 | 0.7 |
| Togolese | 37 | 4.1 |
| Burkinabe | 36 | 4.0 |
| Ivorian | 14 | 1.6 |
| Other ECOWAS states | 268 | 29.9 |
| African, other than ECOWAS | 152 | 17.0 |
| European | 7 | 0.8 |
| Americas (North, South/Caribbean) | 5 | 0.6 |
| Asian | 97 | 10.8 |
| Oceania | 2 | 0.2 |
| Total | 896 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

5.6 Distribution of First-Time Job-Seekers by Region, Sex and Nationality

An understanding of the regional distribution of first-time job seekers by sex and nationality is of particular importance to tracking and finding appropriate measures of containing labour supply. As in Table 5.6, except for Western, Northern, and Upper West regions, the proportion of the female category of first-time job seekers was higher relative to their male counterparts in all regions. However, for the Non-Ghanaians category, the female proportion was higher than the male proportion only in the Brong-Ahafo and Upper East regions. Table 5.6 also indicates that Greater Accra followed by Ashanti region has the highest proportions of Ghanaian males and females seeking for jobs.

Table 5.6: Percentage distribution of first-time job-seekers aged 15 and above by region, sex and nationality

| Regions | Nationality | | | | Nationality | | | |
|---------------|--------------------|--------|---------------|--------|-----------------------|--------|---------------|--------|
| | Ghanaians | | Non-Ghanaians | | Ghanaians | | Non-Ghanaians | |
| | Male | Female | Male | Female | Male | Female | Male | Female |
| | Row Percentage (%) | | | | Column Percentage (%) | | | |
| Western | 51.5 | 48.5 | 55.3 | 44.7 | 11.6 | 9.7 | 8.9 | 8.0 |
| Central | 47.0 | 53.0 | 58.7 | 41.3 | 8.2 | 8.2 | 18.7 | 14.6 |
| Greater Accra | 48.7 | 51.3 | 57.3 | 42.8 | 25.8 | 24.2 | 31.9 | 26.4 |
| Volta | 47.8 | 52.2 | 57.1 | 42.9 | 5.9 | 5.8 | 3.4 | 2.8 |
| Eastern | 47.8 | 52.2 | 58.2 | 41.8 | 11.5 | 11.2 | 6.8 | 5.4 |
| Ashanti | 43.9 | 56.1 | 46.3 | 53.7 | 22.1 | 25.1 | 15.9 | 20.5 |
| Brong Ahafo | 41.8 | 58.2 | 31.9 | 68.1 | 7.0 | 8.7 | 4.7 | 11.1 |
| Northern | 50.5 | 49.5 | 55.6 | 44.4 | 4.7 | 4.1 | 6.4 | 5.7 |
| Upper East | 46.6 | 53.4 | 43.5 | 56.5 | 1.9 | 2.0 | 2.1 | 3.1 |
| Upper West | 50.6 | 49.4 | 35.3 | 64.7 | 1.4 | 1.2 | 1.3 | 2.6 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

For the Non-Ghanaians category, the Central region follows the Greater Accra region for the proportions of Non-Ghanaians males seeking for jobs for the first time. The distribution both job seekers by nationality across the regions is highly influenced by the overall population distribution of the country. The Upper West, Upper East and Northern regions have the lowest of job seekers for both Ghanaians and Non-Ghanaians.

5.7 Regional distribution of first-time job seekers aged 15 and above by sex and location of residence

Another area of interest for this chapter is the regional distribution of first-time job seekers by sex and location of residence. The regional distribution of first-time job seekers are shown in Table 5.7. Greater Accra has the highest proportion of male first-time job seekers of about 26 percent followed by Ashanti (22.1%). The Greater Accra and Ashanti regions are relatively more attractive in terms of economic opportunities, serving as a magnet for job seekers. In both Western and Eastern regions the proportion of first-time job seekers is about 11.5 percent. The lowest male proportion is in the Upper West region (1.4%). The female category also shows similar results as indicated by the column percentages. All the regions with the exception of Western Upper West and Northern regions showed that the proportion of the female category of first-time job seekers was greater than the male category in all region. Hence, male dominance as first-time job seekers is observed in only a third of the ten administrative regions.

Table 5.7: Percentage distribution of first-time job seekers aged 15 years and above by region, sex and Locality of residence, 2010

| Regions | Total | Sex | | Total | Sex | |
|------------------|--------------|-----------------------|--------------|--------------|--------------------|-------------|
| | | Male | Female | | Male | Female |
| | | Column Percentage (%) | | | Row Percentage (%) | |
| Total (%) | 100.0 | 100.0 | 100.0 | 100.0 | 47.2 | 52.8 |
| Western | 10.5 | 11.5 | 9.6 | 100.0 | 51.6 | 48.4 |
| Central | 8.4 | 8.5 | 8.4 | 100.0 | 47.6 | 52.4 |
| Greater Accra | 25.0 | 26.0 | 24.2 | 100.0 | 49.0 | 51.0 |
| Volta | 5.8 | 5.9 | 5.7 | 100.0 | 47.9 | 52.1 |
| Eastern | 11.2 | 11.4 | 11.1 | 100.0 | 48.0 | 52.0 |
| Ashanti | 23.5 | 21.9 | 25.0 | 100.0 | 43.9 | 56.1 |
| Brong Ahafo | 7.9 | 7.0 | 8.7 | 100.0 | 41.7 | 58.3 |
| Northern | 4.4 | 4.7 | 4.1 | 100.0 | 50.6 | 49.4 |
| Upper East | 2.0 | 1.9 | 2.0 | 100.0 | 46.6 | 53.4 |
| Upper West | 1.3 | 1.4 | 1.3 | 100.0 | 49.8 | 50.2 |

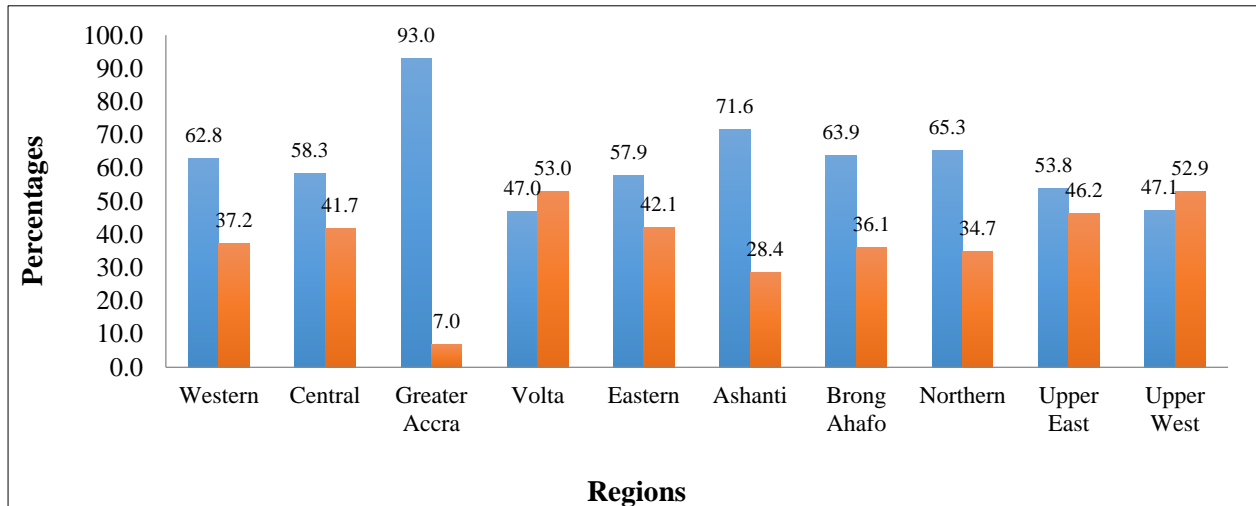
Source: Ghana Statistical Service, 2010 Population and Housing Census

Unemployment in developing countries is mostly an urban problem. Most unemployed people live in the urban areas and just as poverty, the consequences of unemployment is more pervasive for urban residents relative to that of rural residents. High unemployment in urban areas is particularly caused by high preference for public sector or formal sector job (Tasci and Tansel, 2005) and partly because of rural-urban drift. Studies have however shown that urban residents are more likely to find a job relative to rural residents. The explanation is that there are more economic opportunities in the urban areas relative to rural areas.

From Figure 5.4a except for the Volta and Upper West regions, the proportion of first-time job seekers was higher in urban areas compared to rural areas in the other regions. The proportion of first-time job seekers in urban areas in the Volta and Upper West are lower than those in rural areas reflecting the rural character of these two regions. The distribution of

first-time in the rural areas of the Volta and Upper West regions may also suggest that, there are more economic opportunities in the rural areas relative to the urban areas that help attract job seekers to stay in the rural areas.

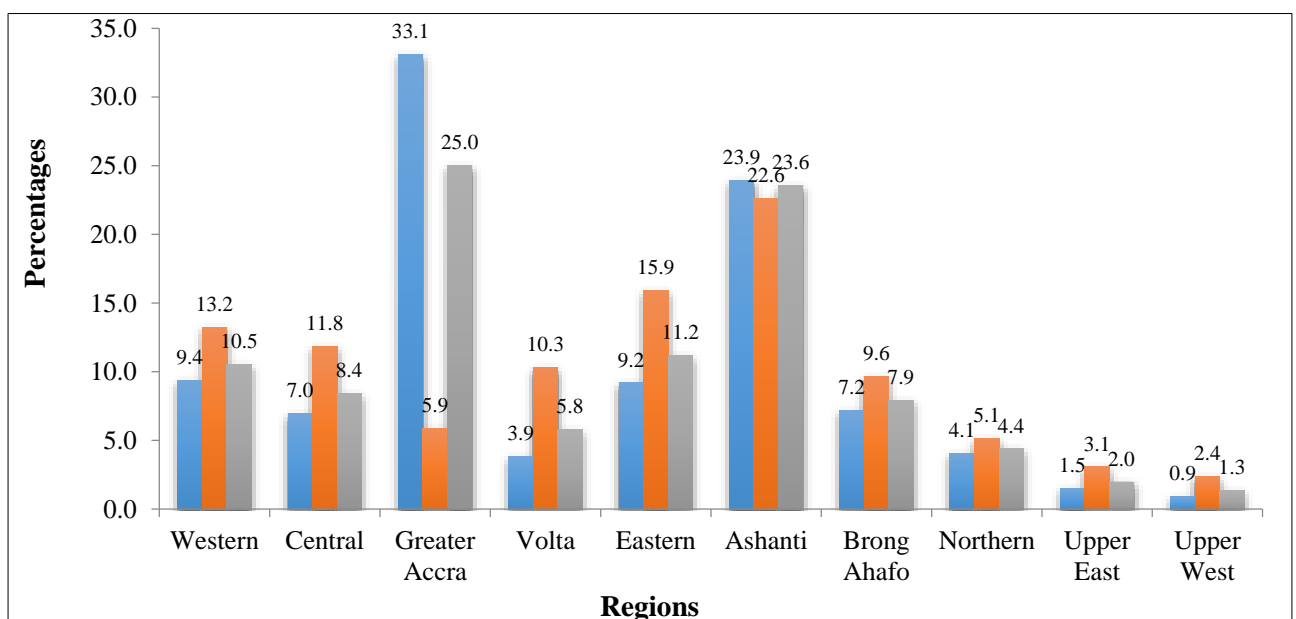
Figure 5.4a: Percentage distribution of the location of residence of first-time job seekers aged 15 years within regions



Source: Ghana Statistical Service, 2010 Population and Housing Census

Also as shown in Figure 5.4b, for the distribution of first-time job seekers in urban areas Greater Accra has the highest proportion (33.0%) followed by the Ashanti region (23.0%). In the rural areas Ashanti regions has the highest proportions of about 23.0 percent followed by the Eastern regions (15.9%) and then the Western region with about 9.4 percent. These first-time jobs seekers may be located at these regions partly due to the mining and cocoa plantation which serves as a source attraction for job seekers.

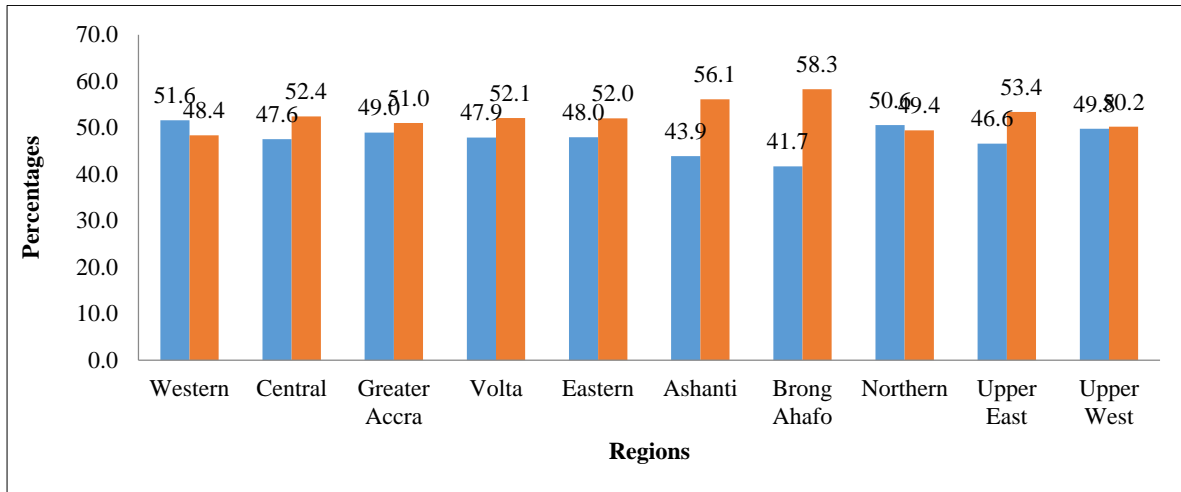
Figure 5.4b: Percentage distribution of the location of residence of first-time job seekers across regions



Source: Ghana Statistical Service, 2010 Population and Housing Census

The distribution of first-time job seekers by region and sex is another area worth exploring. From Figure 5.5a it can be observed that the proportion of female first-time job seekers is higher relative to the males in all regions excluding Western and Northern regions. The Western region has 51.6 percent of the first-time job seekers are males as compared to 48.4 percent being females. The Northern regions has male-female proportions to be 50.6 percent to 49.4 percent respectively.

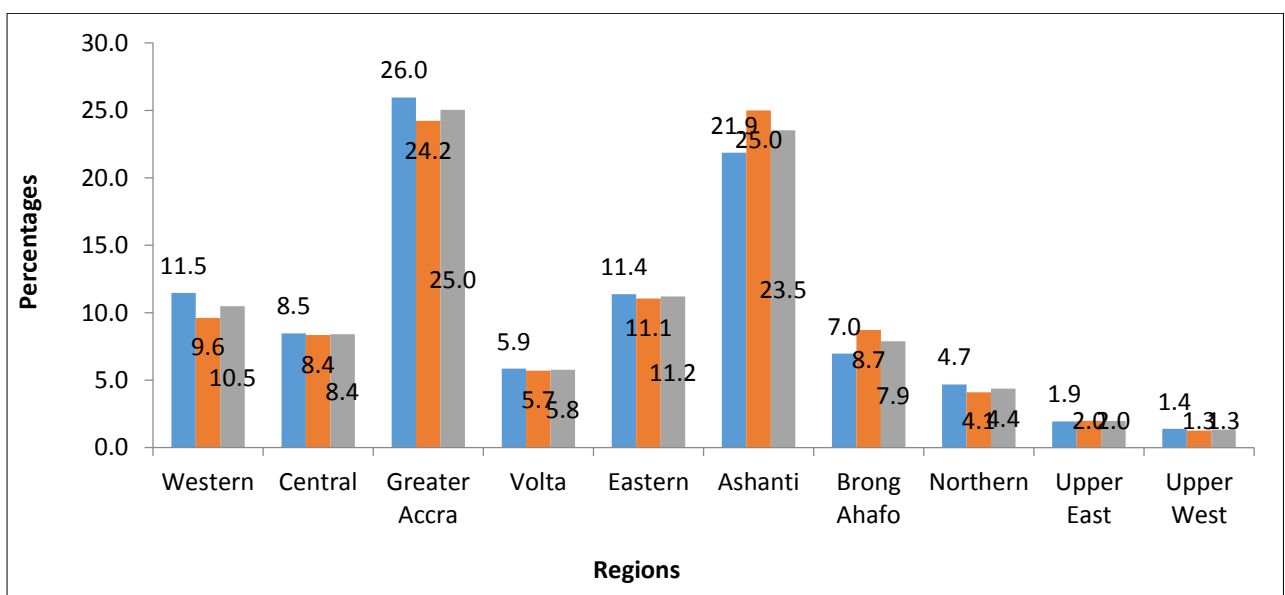
Figure 5.5a: Percentage distribution of first-time job seekers by sex within regions



Source: Ghana Statistical Service, 2010 Population and Housing Census

Again in Figure 5.5b, the distribution first-time job seekers by male population indicates Greater region has the highest percentage (26.0%) and Upper West region has the lowest proportion of about one percent. For the female population the Ashanti region has the highest proportion of twenty-five percent and the Upper West region has the lowest proportion of about 1.0 percent.

Figure 5.5b: Percentage distribution of sex of first-time job seekers aged 15 across regions



Source: Ghana Statistical Service, 2010 Population and Housing Census

From Table 5.8 about 53 percent of first-time job seekers are females. This observation is in line with the higher proportion of females who are unemployed in Ghana compared to their male counterpart. In all the regions but Western and Northern regions, the proportion of first-time job seekers aged 15 and above is higher for females compared to males. The gender pattern of more females being first-time job seekers compared to males is the same for both urban and rural areas in Ghana. However, in rural areas in the Upper West region, there were more males first-time job seekers than females. This pattern is at variance with the observation in the same region for urban areas.

Table 5.8: Distribution of first-time job seekers aged 15 years and above by region, sex and locality of residence, 2010

| Sex/Type of Residence | | Western | Central | Greater Accra | Volta | Eastern | Ashanti | Brong Ahafo | Northern | Upper East | Upper West | Total |
|-----------------------|--------|---------|---------|---------------|-------|---------|---------|-------------|----------|------------|------------|-------|
| All Locations | Male | 51.6 | 47.6 | 49.0 | 47.9 | 48.0 | 43.9 | 41.7 | 50.6 | 46.6 | 49.8 | 47.2 |
| | Female | 48.4 | 52.4 | 51.0 | 52.1 | 52.0 | 56.1 | 58.3 | 49.4 | 53.4 | 50.2 | 52.8 |
| | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Urban | Male | 51.0 | 49.3 | 49.3 | 49.4 | 49.2 | 44.5 | 40.6 | 51.7 | 46.2 | 48.8 | 47.7 |
| | Female | 49.0 | 50.7 | 50.7 | 50.6 | 50.8 | 55.5 | 59.4 | 48.3 | 53.8 | 51.2 | 52.3 |
| | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Rural | Male | 52.6 | 45.1 | 44.7 | 46.6 | 46.3 | 42.4 | 43.6 | 48.4 | 47.1 | 50.6 | 46.0 |
| | Female | 47.4 | 54.9 | 55.3 | 53.4 | 53.7 | 57.6 | 56.4 | 51.6 | 52.9 | 49.4 | 54.0 |
| | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Both sexes | Urban | 62.8 | 58.3 | 93.1 | 46.8 | 57.7 | 71.5 | 63.8 | 65.3 | 53.9 | 47.2 | 70.4 |
| | Rural | 37.2 | 41.7 | 6.9 | 53.2 | 42.3 | 28.5 | 36.2 | 34.7 | 46.1 | 52.8 | 29.6 |
| | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Male | Urban | 62.1 | 60.5 | 93.6 | 48.3 | 59.2 | 72.5 | 62.1 | 66.8 | 53.3 | 46.3 | 71.1 |
| | Rural | 37.9 | 39.5 | 6.4 | 51.7 | 40.8 | 27.5 | 37.9 | 33.2 | 46.7 | 53.7 | 28.9 |
| | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Female | Urban | 63.5 | 56.4 | 92.5 | 45.5 | 56.4 | 70.7 | 65.0 | 63.8 | 54.3 | 48.0 | 69.7 |
| | Rural | 36.5 | 43.6 | 7.5 | 54.5 | 43.6 | 29.3 | 35.0 | 36.2 | 45.7 | 52.0 | 30.3 |
| | Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Ghana Statistical Service, 2010 Population and Housing Census

The lower panel of Table 5.8 presents the distribution of first-time job seekers from the perspective of urban-rural (locality) residence. More than two-thirds of first-time job seekers aged 15 and above are in urban areas. Partly, this observation can be associated with the discourse on rural-urban migration driven by job search. The pattern is similar for both females and males. However, urban-rural difference is more for males (42.2 percentage points) than females (39.4 percentage points). The expectation from males as the major income earner on one-hand and vulnerability of females to migrate in search of work on the other-hand, partly explains the bigger urban-rural difference for males. With the exception of Volta and Upper West regions greater percentage of both sexes are found in the urban areas than rural. In regions that are predominantly urban say Greater Accra region, the proportion of first-time job seekers is quite high in the urban areas compared rural. The Volta region has the least of first-time job seekers in urban areas (46.9%)

5.8 Conclusion

This chapter examined the characteristics of first-time job seekers in Ghana aged 15 and above using the 2010 Ghana population and housing census data. The issue of first-time job seekers was only introduced in this edition of the census in Ghana. Past and similar reports and data collected over the years by Ghana statistical services had never included this very important variable. In the all the five rounds of the Ghana living standard survey reports (GLSS I II III IV & V) the issue of first-time seekers was not interrogated. The gluts in the labour supply in Ghanaian labour market most especially graduates in recent years makes the analyses of first-time job seekers an inevitable endeavor. From the analyses of the first-time job seekers, the following conclusions are therefore reached.

The proportion of first-time job seekers were higher than the other category of the unemployed population. The females' first-time job seekers outnumbered males. First-time job seekers population was also concentrated in the Greater Accra, Ashanti and Central regions. Even though the economically active population in rural areas was more than those in urban areas as indicated the 2010 report, the proportion first-time job seekers was more in urban areas than in rural areas.

The period 2010, first-time job seekers were in their youthful age range of 15-24 years. The proportion of first-time job seekers with no education as compared to those who have ever worked before lower. Most of the job seekers were people who had either JSS or SHS as their highest level of education. Graduate first time job seekers has also high in absolute terms but remained the lowest in the education category. Many first-time job seekers are single with few proportion being divorcees. Over ninety-seven percent of first-time job seekers were Ghanaians. However, among the three percent Non-Ghanaians, Nigerians population was the highest.

The results of the characteristics of first-time job seekers have several implications for policy formulation and implementation. Most precisely for the period the proportion of first-time job seekers is greater than those who have ever worked before but are now unemployed. This means the annual addition to the labour market is huge. The analyses revealed that most first time job seekers are concentrated in the urban areas relative. Again the proportion of females is greater than the males reflecting the distribution of the population of Ghana. There are more first-time job seekers in Greater Accra, Ashanti and Eastern, Central and Western regions.

A number of lessons can be drawn from the findings of analyses. A critical look at the age and education level of first-time job seekers revealed that, there is the need to restructure the education system, incorporating skilled training as a major component in the curriculum. Also in other to relieve the job market with excess labour supply, continual progression of student from JHS to SHS should at least of about 80% to address issues of skills mismatch and moderate the excess labour supply.

Recent government withdrawal of financial assistance to the teacher and Nursing training colleges can be laudable if the resources are reinvested into equipping technical, vocational and commercial education. Students of these institutions should be given allowances so that upon completion they can create their own employment opportunities by setting up their own enterprises. Since many students of technical and vocational can be self-employed, they just training and financial support to be able to set up their own businesses.

Youth unemployment programme will particularly benefit from the analyses. Youth enterprise development is therefore essential as there is the need to trap the size of first-time job seekers.

CHAPTER SIX

SUMMARY OF FINDINGS, CONCLUSION, RECOMMENDATIONS AND POLICY IMPLICATIONS

6.1 Summary of Findings

The main objective of this monograph was to examine economic activities in Ghana using the 2010 PHC. Economic activities in the country as indicated by the 2000 PHC was also analysed to provide a clearer picture on the changes in the trends and patterns of the labour market in Ghana. The analyses mainly covered four broad areas; Sector of employment, occupation and household wealth; Economic activity of different age groups; Labour force participation and Characteristics of first-time job seekers.

Sectoral analyses of the labour market in Ghana indicate a shift from activities related to agricultural sector to activities related to the services sector of the economy. This can be seen from the reduction in the employment absorption by the sectors. Employment in the agricultural sector has reduced from 55.0 percent between 2001 and 2006 to about 41.5. The services sector, now employs majority (43.1%) of Ghanaians who are 15 years and above. However, when the proportion of economically active children is included in the analyses, then the agricultural sector in 2010, employed about 44.0 percent of the working population whereas the services sector just employed about 41.2 percent. This implies that the proportion of economically active children pushes up employment level in the agricultural sector. The sectoral analyses also revealed an increase (reduction) in informal (formal) sector activities in the country between 2000 and 2010. Within the period under review, individuals who are 15 years and above engaged in the informal (formal) sector increased (reduced) from 83.9 percent (14.8%) in 2000 to 86.2 percent (13.0%) by 2010. The analyses further revealed that over 67 percent of people employed in the agricultural sector can be found in poor households. Though the analyses revealed that majority of employed Ghanaians can be found in the informal sector, the proportion of individuals from poor households in the informal sector far exceed that of the individuals from non-poor households.

In terms of economically active persons across all age groups, the results revealed a sharp reduction in the percentage of economically active children from 27.2 percent in 2003 to 11.6 percent by 2010. In addition, there was a reduction in the proportion of economically active youth and aged population within the last 10 years by 9.1 and 6.9 percent respectively. Despite the general reduction in unemployment in the country across all age groups, unemployment among the youth, which is about 11.3 percent (this is almost 3 times the level of unemployment among economically active adults), is still on the high side. Over 80% of economically active children are engaged in agricultural related activities. More than 37% of these children are into cereal farming, mostly in the Northern, Upper East and Upper West regions. Economically active children were mostly found in poor households, male headed households, households made up of more than four (4) members and households headed by individuals with low level of education. On the other hand, the proportion of economically active youth engaged in agricultural related activities reduced by 6.5 percent over between 2000 and 2010. Nearly a half (48.8%) of economically active youth in the country are self-employed with only 19.2 percent of them working as employees. Youth unemployment is very high in the Greater Accra (23.9%) and Ashanti (23.8%) regions. In addition, unemployment among the youth increases as the level of education also increases.

Unemployment among the youth with no education was about 6 percent, and this increases to 10.8, 18.5, 19.2, 19.5 and 33.8 percent as educational level increases from basic, secondary, voc/tech/commercial, post-secondary to tertiary respectively. The analyses also revealed that, poverty was a major factor that influenced the participation of the aged population in economic activity. The proportion of economically active aged reduced from 64.2 percent among very poor households to 39.9 percent among the economically active aged from very rich households. Furthermore, economically active aged males (62.75) are more than economically active aged females (47.9%).

Labour force participation in the country is relatively high as it stands at 70.9 percent. On the contrary, participation in wage employment in the country is relatively low around 8.8 percent. The results also revealed that about 42.7 percent of graduates are not participating in the labour force. On the other hand over 76 percent of individuals with some level of vocational education actively participate in the labour force. The 2010 PHC also shows that the higher the educational attainment of an individual, the more likely the person would be in the labour force. Widowhood has a positive influence on female labour force participation. When females lose their breadwinners, they take up the responsibility of catering for the household and this leaves them with no option than to participate directly in the labour market. The PHC also indicates that there exist gender pay gap, though minimal. This cannot be explained away by differences in skills, experience or education.

The proportion of first time job seekers (59.0%) constituted majority of the unemployed in the country. The Greater Accra and Ashanti regions have the highest proportion of first time job seekers in the country with 25.0 and 23.6 percent respectively. About 76 percent of unemployed graduates are first time job seekers. On the other hand only 18 percent of unemployed individuals with no education are first time job seekers.

6.2 Conclusions

From the analyses of economic activity in Ghana based on the 2000 and 2010 PHC, the following conclusions can be drawn:

The services sector compared to the agricultural sector is the lead absorber of labour of persons 15 years and above in the Ghana. Individuals who are still engaged in the agricultural sector are mainly from poor households in the country. This possibly implies that agricultural production in the country is dominated by subsistence farming activities and this tends to have a number of implications for the food security of the county given the fact that the country's population continue to grow at about 2.5 percent per annum. There is also a high level of informal sector activities in the country. The high level of informal sector activities is as a result of the inability of the growth of the Ghanaian to generate more formal jobs in the economy and also the various freeze in public sector employment which occurred between 2000 and 2010. This situation coupled with the unavailability of any form of unemployment benefits compels individuals to engage in private informal businesses to generate income for themselves.

Efforts by government and state agencies to reduce the involvement of children in economic activities over the past years has helped to reduce the proportion of economically active children in the country. The implementation of such policies as, the National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLC) and the National Plan of Action (NPA) for the Elimination of Worst Forms of Child Labour in Ghana (2009-2015) as well as other social intervention policies to increase school enrolment among children at the basic level of education seem to be yielding the expected results. However,

poverty, large household size and low level of education among household heads are threat to the gains.

There is high unemployment among the youth in the country, especially graduate youth. This situation is the result of the high level of informal sector activities that lacks the ability to use the services of these graduates. The informal nature of the Ghanaian economy has resulted in an increase in the level of unemployment among youth with high level of education. The high level of youth unemployment can also be attributed to the quest for “*white-collar*” jobs among the youth upon completion of school, the lack of entrepreneurial skills and inadequate skills from schools as well as the low governmental support for informal sector activities and the unattractive nature of agricultural related activities.

Participation in the labour is hugely influenced by one’s level of education, however when individuals become tired or lose hope in securing decent jobs that match with their qualification, they become discouraged and stop participating in the labour force. This situation is relatively high among graduates. Gender pay gap (in favour of males) prevails in the country, though relatively small. This is suggestive of the some form of discrimination against women.

6.3 Recommendations and Policy Implications

Given the fact that the informal sector employs more than 80 percent of economically active Ghanaians, there is need for well-fashioned policy directed at formalising or improving activities in the informal sector. Such policies should be directed at increasing the micro-entrepreneur’s potential to expand output; introduction of and capacity-building activities amongst individuals in the informal sector; provision of the required infrastructure for to help improve activities in the sector, job creation and living conditions among individuals in the sector; providing training services for individuals in the sector; reforming the country’s legal system to support informal sector activities; and the need to take the informal sector into account when formulating macroeconomic policies. However for an effective policy covering activities in the sector, there is the need for a comprehensive data on activities in the informal sector to be collected. This is necessary because the size of the sector has the capacity to propel the growth of the economy and help close the revenue gap between government expenditure and tax revenue the country is currently experiencing. More so, majority of the country’s poor household are engaged in informal sector activities, hence any comprehensive policy directed at the informal sector will not only help to improve economic performance, but also help reduce poverty in the country. This will require more budgetary allocations to the informal sector to help create an enabling environment for the sector.

Also, since majority of the country’s poor are in the agricultural sector, to reduce poverty and to ensure food security in the country, there is the need for government to initiate policies that will make farming very attractive to the youth, this will possibility lead to a reduction in youth unemployment in the country. In addition, poor farmers should be provided with the necessary support to increase their production from subsistence level to commercial level. This could be done through the establishment of a special fund that will be used to support the youth who are willing to go into farming and also provide the needed resources for poor farmers in the country. This will not only reduce poverty level but also revert the annual reduction in the contribution of the sector to the growth of the economy.

There is need for government and state agencies to intensify these efforts aimed at reducing the participation of children in economic activity, to completely eliminate the participation of children in economic activities especially in the Northern, Upper East and Upper West

regions of the country as the more children are actively engaged in economic activities in these regions. More so, the livelihood empowerment programme should be expanded to cover more poor households and households that is made up of just a single parent. This is because children in such households are more likely to engage in economic activities. Participation in economic activities was also very high among children in households made up of more than four members.

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