



## **Youth Employment and Unemployment Challenges in Ghana:**

How does the media understand  
the issues?

## Background

**T**he challenge of unemployment and low quality of employment among young people constitute major socioeconomic and political concerns globally. It always dominates the political discourse during election campaigning in Ghana at least over the last three decades. A high rate and long periods of joblessness and poor quality of employment for young people do not only constitute loss of potential output and tax revenue to the state, but also amounts to waste of the country's human capital investment in terms of high public and private cost of educating these young people.

Ghana is not only a youthful country but it is also becoming more educated and enlightened society. Unfortunately, however the educated ones are bearing the brunt of high rate of unemployment raising concerns about the quality and relevance of education and training relative to the needs of the economy.

The youth does not only constitute major asset of a country but also represents the future and continue existence of society. They represent a particular opportunity and at the same time a challenge for development and security. On the positive side, young people constitute a potential resource for growth and development if they are gainfully and productively employed. On the other hand, they could also be a source of civil conflict and social tension if this untapped resource is poorly managed.

Essentially, disaffected youth without education, employment or prospect of a meaningful future may fuel instability, migration, radicalization and violent conflict. With proper training, coupled with well-focused and inclusive economic policy and institutional environment, the youth bulge could be a powerful engine for development. Clearly, if such a large share of the population were to be productively employed, then a major part of the poverty reduction target would have been met. On the other hand, socio-political and economic instability and deterioration become a credible threat for the country if the youth employment challenge is not effectively addressed.

Ghana's economic growth performance over the last four decades has been quite impressive averaging above 5% annually. However, this has not translated into productive employment opportunities for the rising youth population in the country.

A number of policy interventions have been carried out by government to address the youth employment and unemployment challenges but the problems persist. Why does the problem remain unresolved in spite of policy effort to tackle the phenomenon? Do policy makers really understand and appreciate the issues including the concepts and the statistics? This short piece attempts to provide a snapshot of the issues of youth unemployment and employment challenges in Ghana to generate conversation particularly among people in the media to understand the issues and report better to inform policy makers and stakeholders in addressing the phenomenon.



## Who are the “Youth”?

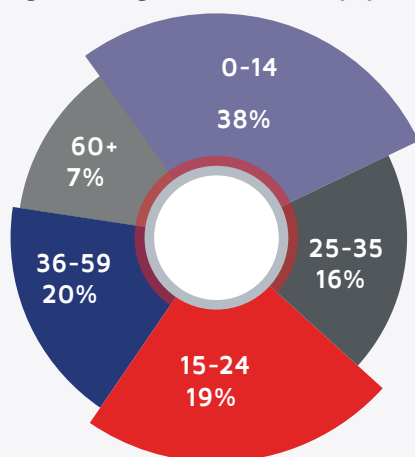
**T**he youth are mostly new entrants into the market from different levels of education, with limited or no work experience and that tends to impede their chances of securing productive and/or formal sector jobs. The problem that young people face in securing adequate remunerated and productive jobs after school tends to increase their vulnerability in society and makes them susceptible to social vices and source of conflicts and civil disorders.

“Youth” generally refers to the period between childhood and adulthood and during this period, a person prepares himself/herself to be an active and fully responsible member of society <sup>1</sup>. It is also a period of transformation from family dependant childhood to independent adulthood and integration into the society as a responsible citizen. There are variations in the youth definition when it comes to statistical analysis of population globally. The United Nations (UN) refers to individuals within the age group of 15-24 as youth while the Commonwealth defines youth to cover those between the ages of 15 and 29 years. The African Union (AU) identifies people within the age bracket of 15-35 years as youth by extending the upper limit of UN classification to 35 and this is what Ghana has adopted in the design of policies related to young people. The African Youth Charter defines youth as persons aged between 18 and 35 years.

Ghana is a youthful country with 57% of the population aged less than 25 years and 35% aged between 15 and 35 years (Figure 1). Young people these days are becoming more educated, enlightened and exposed due to globalization and technological advancement. The challenge however is that the youth bears the brunt of high unemployment and joblessness and endure poor quality of employment. The educated ones are becoming highly vulnerable to unemployment and thus raising questions about the quality of education and skills training in the country.

<sup>1</sup> See Ministry of Youth and Sports, (2010).

**Figure 1: Age Distribution of population 2017 (%)**

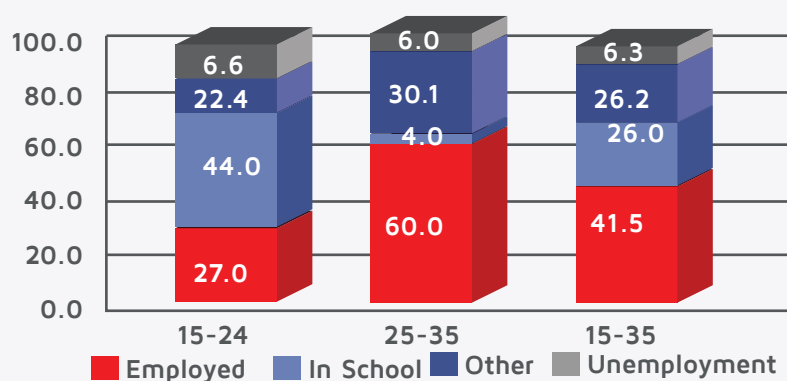


**Source: GLSS VII of 2016/17**

With proper training, coupled with well-focused and inclusive economic policy and institutional environment, the youth bulge could be a powerful engine for development. Clearly, if such a large share of the population were to be productively employed, then a major part of the poverty reduction target would have been met. On the other hand, socio-political and economic instability and deterioration become a credible threat for the country if the youth employment challenge is not effectively addressed.

In Ghana, two out of every five young people are in employment whilst about a quarter each is either in school or either engaged in non-market work or inactive outside the school system and the remaining 6.3% as unemployed (Figure 2). In effect, about a third of all young people are in NEET (i.e. Not in Employment, Education or Training). The incidence of NEET is higher (36.1%) with older youth (i.e. 25-35) than their younger counterparts aged 15-24 (29.0%). The older youth group is mostly (60%) in employment whilst their younger counterparts are dominated by schooling. Essentially, the differences in economic status of different youth groups points to the heterogeneity of the youth and the need to target policies based on the group's peculiarities.

**Figure 2: Economic Status of Youth (%) 2017**



*Other comprises non-market work and non-working outside the school system*

**Source: GLSS VII, 2016/17**





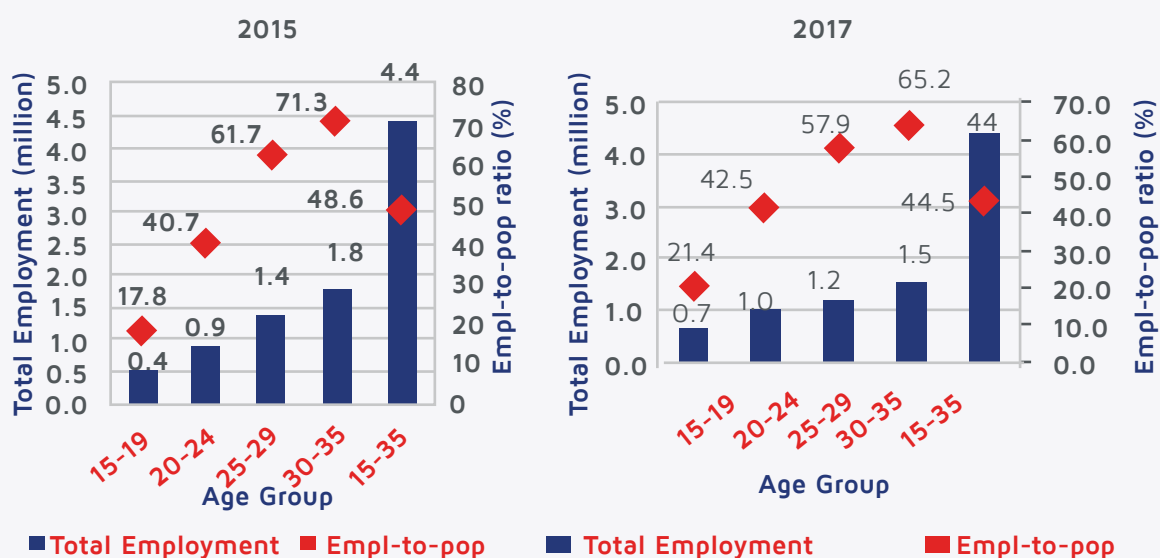
## Youth and Employment

**E**mployment is a key vehicle through which economic growth translates into decent livelihood. The concept of employment has evolved and from the ILO perspective now, employment is different from work. Many people in the working age population are working and producing solely or mainly for own use but are not considered to be in employment.

From Figure 2, about 4.4 million young people were employed in 2015 and 2017 representing 47.5% and 49.6% of total employment respectively. Essentially, youth employment increases with age such that the older youth (30-35 year) accounts for the largest share (1.5 million or 34%) of youth in employment as against 1.2 million and 1.0 million for those in 25-29 and 20-24 brackets respectively with less than a million of those aged 15-19 employed in 2017 (Figure 3).

Similar pattern emerges in terms of employment-to-population ratio with 21.4% of the youngest youth group (15-19 years) employed compared to 42.5% for 20-24 years, 57.9% for the 25-29 age group and 65.2% for the adult youth in their 30s (see Figure 3). Using employment-to-population ratio as a crude measure of employment generation suggests that employment opportunities benefit older youth than their adult counterparts partly as a result of schooling (see Figure 3).

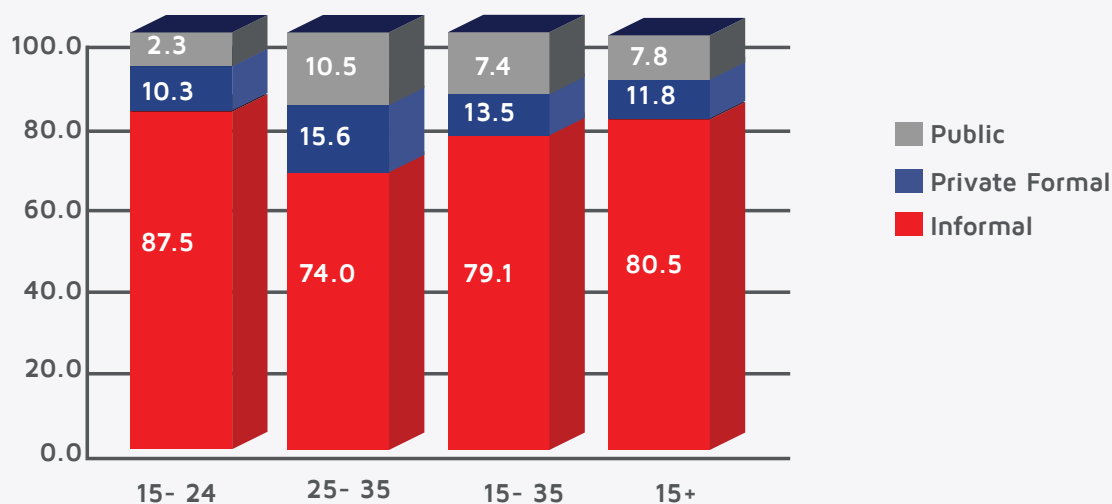
**Figure 3: Total employment and Employment-to-population ratio 2015 and 2017**



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

Essentially, the private sector offers employment for 92% total workforce, with the chunk (80.5%) coming from the informal sector (Figure 3). The private sector constitutes the main source of employment for young people with the private sector performing better in terms of employment generation for the youth (13.5%) relative to all workers (11.8%). The older youth (25-35 years) benefited more from private formal sector employment than their counterparts in their teens and early 20s while the reverse is the case with employment in the informal sector. Thus 15.6% of older youth compared to 10.3% of younger youth are engaged in private formal sector, which is the source of productive and decent employment in the private sector (Figure 4). On the other hand, about 88% of youth in their teens and early 20s compared to 74% of older youth are engaged in the informal sector, which is noted for high rate of vulnerable employment, irregular earnings and lower job security.

Figure 4: Distribution of Youth employment by Institutional sector 2017 (%)



Source: 7th Rounds of Ghana Living Standards Survey (GLSS VII, 2016/2017)



## Youth and Unemployment

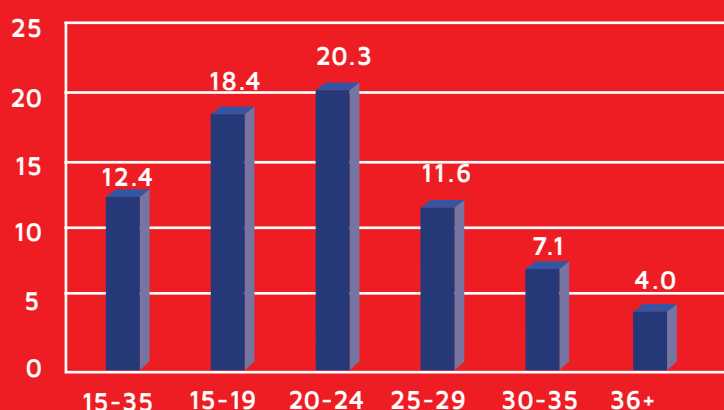
**C**onceptually, unemployment is a phenomenon of job seeking out of joblessness. Thus an unemployed person refers to an individual who have attained the minimum age of employment (e.g. 15 years) and within a reference period are jobless, but available and actively looking for work. By implication, a jobless individual who is available for work but fails to make the effort to seek work for various reasons cannot be classified as unemployed and can only be referred to as discouraged worker.

Clearly, an employed person who decides to seek (additional) work can only be termed to be seeking opportunity to moonlight rather than being unemployed. The extent of unemployment is commonly measured as unemployment rate, which is the total number of unemployed expressed as a percentage of the labour force. Unemployment is highly prevalent among the youth with about 625,000 out of at least 810,000 total unemployed people (i.e. 77.2%) in Ghana in 2017, were young people. This translates into 12.4% youth unemployment rate as against 4.0% unemployment rate of adults (36+ years).

The rate is highest at 20.3% among those in their early 20s followed by the teens most of whom are new labour market entrants with limited or no labour market experience (Figure 5). The rate is lowest among the older youth within their 30s. The rate is higher in the urban than rural areas partly as a result of high informality in agriculture that masks the extent of the phenomenon.

Essentially, migration of youth from rural to urban areas in search for hardly existing urban jobs, coupled with high incidence of informal rural agricultural activities as better option to unemployment largely explain urban-rural disparities of unemployment rates.

**Figure 5: Unemployment rates by age (%) 2017**

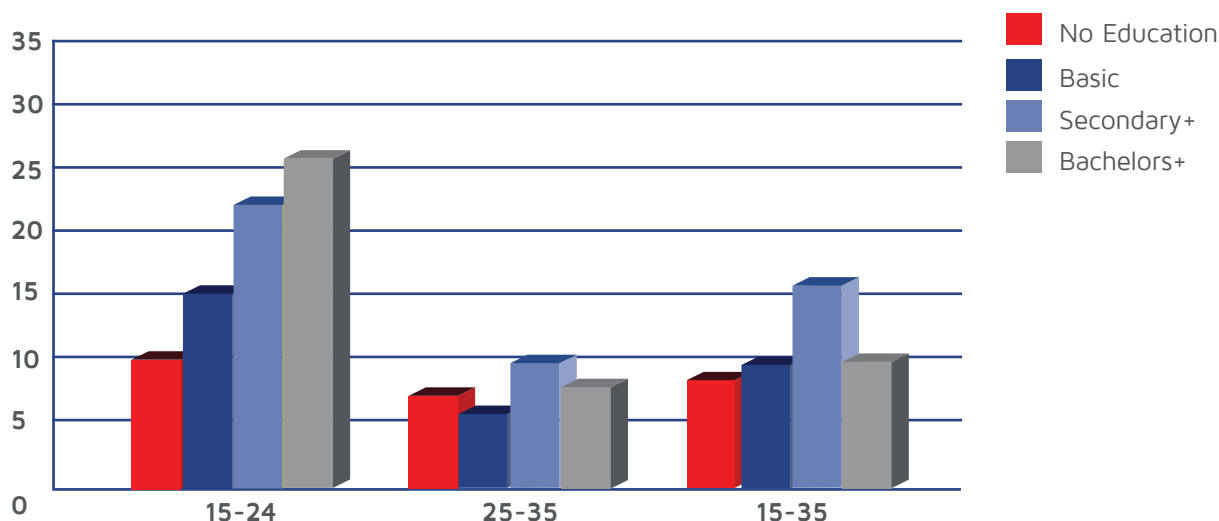


Source: GLSS VII, 2016/17

The youth particularly those in their teens and early 20s face specific challenges in accessing labour market opportunities, which have the effect of lowering their chances of finding decent jobs. Indeed, lack of experience of the youth in the labour market poses specific barriers to securing productive and better paying jobs and this even aggravates their chances of getting jobs in subsequent years. Additionally, they also stand the highest chance of losing their jobs in times of economic downturn. Underutilization of skills of the youth does not only expose them to social exclusion but also has triggering effect on intergenerational poverty. The challenge facing these young people in securing quality jobs after school increases their vulnerability in society and makes them susceptible to social vices and source of conflicts and civil disorders. They are more likely to accept recruitment into fighting forces when they face high incidence of joblessness. Essentially, lack of employment opportunities may result in social conflicts such as violence and juvenile delinquency, which in turn incur high social cost. A comprehensive analysis of labor market challenges confronting the youth in Africa is required to find long-term antidote to it.

The educational dimension of the incidence of youth unemployment points to higher youth unemployment rate among the educated than the less educated. This observation is linked to the fact that with limited access to formal sector employment, the less educated tends to take refuge in the informal sector where education is not a barrier to entry. Thus, young people with basic or no formal education have low unemployment rates because they have limited or no access to formal employment and clearly have no choice than to settle with informal agriculture and non-technical jobs which do not require any formal education. In contrast, the better-educated youth would always focus on the formal sector as the source of employment, as informal sector becomes unattractive employment destination to them. Given the limited employment openings in the formal sector relative to the number of people coming out of secondary and tertiary institutions, a larger army of educated youth is left unemployed. The higher youth unemployment rate among the educated youth underscores the need to focus on addressing the phenomenon of unemployment among this demographic group.

**Figure 6: Youth unemployment rates by education (%)**

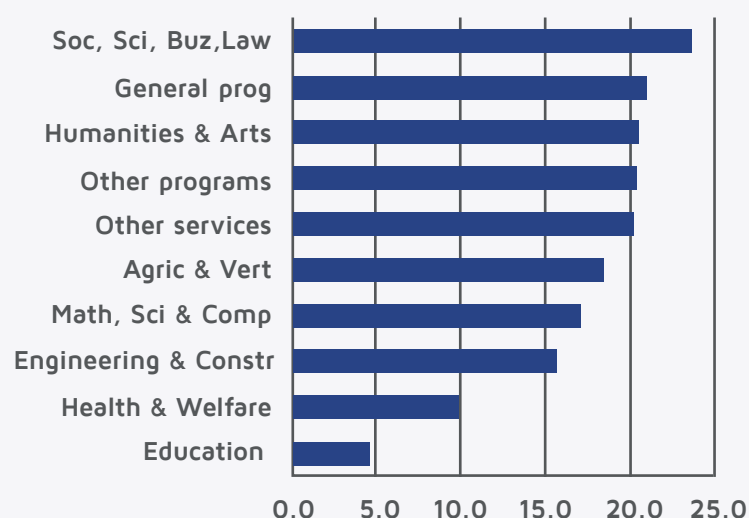


Source: GLSS VII of 2016/17



The problem of high youth unemployment rate among the educated has been linked to the programme of study in school relative to demand for expertise from those programmes. The rate is higher among the non-natural science (except education) than natural science graduates. Specifically, over 20% of young graduates in social science, business and law, general programme, humanities and arts, and other service programme is unemployed compared with 10-19.5% for the sciences (Figure 7). This emanates from the overproduction of skills in these areas relative to the absorption capacity of such skills in the economy. On the other hand, lower rate of unemployment among those with skills in engineering relative to humanities and general program also relates to the fewer number of engineering graduates relative to the needs of the economy. Indeed, teacher trainees from educational institutions and medical doctors and other health trainees are readily absorbed by government right from school and this largely explains the lower unemployment rate among those with skills in education, health and welfare.

**Figure 7: Youth unemployment rate by programme of study (%)**



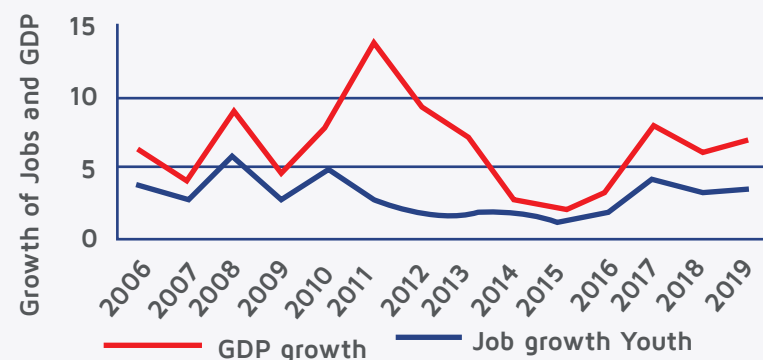
Source: 2015 Labour Force Survey

### Why Strong economic growth but employment generation challenges

The problem of youth unemployment has been blamed on actions and inactions of economic actors including government, private sector, academic and training institutions among others. The sources of employment generation challenges are summarized as follows:

(i) **Slow employment response to economic growth** on account of poor growth performance of high labour absorption sectors of agriculture, manufacturing and tourism against high growth performing sectors of extractives and other low labour intensive activities

**Figure 4: Economic growth and job creation for the youth (%) 2006-2019**



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

(ii) **Increasing number of youth labour amidst limited employment opportunities;** due to high population growth averaging 2.3% translating into rising working age population and labour force.

(iii) **Poor quality of youth labour and skills mismatch;** as a result of but not limited to

- Few STEM graduates against over production of Humanities graduates
- Training approach and content not in line with job market requirements
- TVET Training not helping the youth employment challenge either

(iv) **Absence of efficient labour market information system** to bring jobseekers and prospective employers together and provide regular, timely, accurate and reliable labour market statistics and information for effective monitoring of employment generation effect of policy.

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

Anecdotally, some young people after schools expect to get wage job or enter businesses that would make them rich over a short period to acquire their own means of transport and a home. They are not ready to start at a lower level and build themselves up gradually to the top. The attitude of getting rich quick compels many young people to resort to cyber crime and spiritual means to get rich when they find the labour market unsuitable to get them to their desired level of income within a short period of time.

### **Point for deliberation and action**

- From the media perspective, what is the definition of youth and does the youth definition by African Union and adopted by Ghana too wide or narrow?
- Can the extent of youth unemployment phenomenon be explained by the high number of young people trooping to job centres seeking for employment opportunities?
- What explains the seemingly high expectations of young people in the job market and what are the key strategies necessary to manage these expectations?
- What accounts for low interest of young people in volunteerism to build labour market experience and how do we inculcate this attitude in them to embrace this volunteerism culture.
- Are government interventions (YEA, NEIP, NABCo etc.) in addressing youth unemployment challenges working?
- What are the key constraints facing the private sector in employment generation?
- Do young people have the requisite skills and talent to meet the expectations of private employers?
- What complementary role is required by the private sector in getting young people ready for the employment market?
- What is the relevance of internship in getting young people well prepared for the employment market and does Ghana have adequate internship space for numerous young people?
- What is the role of the media in the war against unemployment and poor quality of employment among young people?

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