The agricultural sector is the main source of livelihood for the majority (60%) of Ghanaians. It relies mainly on unpaid family labour, particularly of women who constitute 63% of this workforce. Investment in agriculture has declined over the past decade, accounting for only 6.2% of government investment. Employment in Ghana is predominantly in the informal sectors of the economy, particularly for those with little or no formal education and skills: women, the disabled, and the rural population with no access to productive resources such as land or capital. The most significant changes in employment over the past decade have been the dramatic decline in formal sector employment (public and private sector), the substantial growth of the informal sector, and rising unemployment and underemployment. These trends were a direct result of policies adopted by the government under the Economy Recovery Programme (ERP) or Structural Adjustment Programme (SAP).

«Engagement in productive work is a principal means by which a person seeks to ensure a livelihood... Over and above the income earned, work contributes to how people feel about themselves, how they are valued by others and generally enhances their dignity». Ghana National Human Development Report, 1997

In Ghana the central significance of employment for equitable and sustainable development has been affirmed in a number of legal instruments and in the government’s medium term development strategy. The 1992 Constitution contains a number of key provisions relating to employment. First, it enjoins the state to take necessary action to ensure that the national economy is managed in such a manner as to provide adequate means of livelihood and suitable employment to the needy. Secondly, it supports the right to work under satisfactory safe and healthy conditions and makes provisions for equal access to work. These rights are further reinforced by national labour laws, which guarantee workers in the formal sector various rights.

The Constitution also «protects the rights of disabled persons against all forms of exploitation, all regulations and all treatment of a discriminatory and abusive nature and provides special incentives to disabled persons engaged in business and business organisations that employ disabled persons in significant numbers». Apart from these constitutional provisions Ghana has also ratified all the core ILO Conventions on international labour standards including those relating to women, and the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW).

The government’s policy framework for economic and social development, outlined in Ghana Vision—2020, also acknowledges the key role of employment for reducing poverty and «improving the quality of life of all members of the society». It also commits the government to «pursuing macro-economic policies that promote productive and sustainable employment opportunities for all sections of the population» and places equity at the forefront of the government’s policies and strategies for economic and social development.

However, the reality of employment since the introduction of the Economic Recovery Programme (ERP) in 1983 has not matched
these general commitments and goals. Over the past decade un-
employment and underemployment have increased significantly,
few jobs have been created and income disparities have increased.
At the same time sources of livelihood in the informal sector have
become less secure and sustainable. All this has occurred against
the background of positive economic growth which raises ques-
tions about the extent to which growth per se can create produc-
tive and sustainable employment opportunities for all sections of
the population.

**The Labour Force**

The majority of the labour force in Ghana, estimated at 8.7
million in 1992, are concentrated in the rural areas, which reflects
the largely rural character of the population as a whole. One dis-
tinctive feature about the labour force is a relatively large number
of youth in the age group 15–19 and the increasing numbers of
children under the age of 19, who constitute 3% of the labour
force. Women’s participation in the labour force, which in most
cases is underestimated, increased consistently from 45.2% in
1970 to 51.4% in 1984. According to the 1995, Human Develop-
ment Report, between 1990–92 Ghanaian women accounted for
42% of the agricultural labour force, 20% of the industrial labour
force and 33% of workers in the service sector. Recent estimates
also show that women’s employment rates are overtaking male
employment rates.

Another significant feature of the labour force is the large num-
bers of disabled persons (men, women and children) who earn a
livelihood by begging. Despite constitutional provisions and a 4%
employment quota for the disabled persons by the Ministry of Em-
ployment and Social Welfare, no mechanisms or structures have
been put in place to make these measures meaningful to disabled
persons.

In terms of the characteristics of the labour force, two fea-
tures stand out. First, the low level of education and skills
amongst the majority of the labour force, and secondly the oc-
cupational distribution of the labour force. In 1984, 0.12% of
employed women had University education compared to 0.83%
of men; 1.6% of women had secondary education in contrast to
4.9% of men. The disparities in male and female educational
levels in the labour force highlight the gender disparities in
education in Ghana as a whole.

The labour force is distributed among agriculture, small–
scale trading, industry and services. Agriculture provides em-
ployment for the majority of the labour force, but small–scale
trading, particularly street vending, also provides employment
for many people. Technical, professional and managerial work
accounts for a relatively small proportion of employment. More
men are found in professional, technical and managerial occupa-
tions than women.

The occupational segregation of women in agriculture, cler-
cial, teaching, nursing, sales work and petty trading reveals the
gender disparities in the labour market as a whole. A number of
reasons account for this. These range from the low levels of edu-
cation amongst women referred to earlier, and the gendered na-
ture of educational and training opportunities, to the systematic
discrimination against women in the labour force as a whole.

**Features of Employment**

The labour market in Ghana is characterised by: (a) a predomi-
nance of agricultural self–employment, that is to say small–scale
farming and related agricultural activities; (b) extensive informal
sector employment; (c) declining formal sector employment, par-
ticularly in the public sector, which is the major employer; and (d)
the high incidence of unemployment and underemployment.

**Agricultural Self–Employment**

The agricultural sector dominates the economy and is the main
source of livelihood for the majority (60%) of Ghanaians. It con-
ists mainly of small–scale farmers and related agricultural activi-
ties such as food processing and marketing. The agricultural sec-
tor relies mainly on unpaid family labour, particularly of women
who constitute 63% of this workforce. Most small–scale farmers,
including a sizeable number of women, face problems gaining ac-
cess to capital and other technological inputs to improve the qual-
ity and quantity of their agricultural output. Investment in agricul-
ture has declined over the past decade, accounting for only 6.2%
of government investment in 1993 compared to 22.8% for infra-
structure like transport and communications. This has led to a
decline in agricultural output and decreasing levels of employment,
which has fuelled migration to the urban centres.

**Informal & Formal Sector**

Employment in Ghana is predominantly in the informal sectors
of the economy, particularly for those with little or no formal educa-
tion and skills, especially women, the disabled, and the rural popu-
lation with no access to productive resources such as land or capi-
tal. Employment in this sector ranges from small–scale mining, street
vending, petty trading, food vending and artisanal and craft work-
ers, to small–scale businesses. In 1989, 91% of the female labour
force was self–employed in the informal sector compared with 71%
of men. Most of these women are concentrated in areas of work that
are extensions of their traditional household roles such as food ven-
dors, seamstresses, bakers and petty traders, small–scale produc-
ers and distributors of agricultural produce.

Informal sector employment is characterised by low incomes,
no employment protection (social security, minimum wage, labour
laws, sickness, health and retirement benefits), poor working con-
ditions, job insecurity, limited access to training and capital, and
long hours of work. Although a large percentage of the population
earn their livelihoods in the informal sector, women’s predomi-
nance has implications for their status and role in society as a
whole and shows the gender inequities in the labour market.

Formal sector employment is dominated by the public sector
and is largely concentrated in the urban areas. In 1991–92 «wage
employment accounted for only 13.6% of total employment and a greater portion of men (20.75%) than women (7.5%) are in wage employment». The predominance of public sector employment over private sector employment reflected the active role of the state in the economy.

While mainly men are found in managerial, highly skilled, and well–paid sectors of the formal sector such as industry, telecommunications and banking, women are concentrated in occupations such as nursing, secretarial and clerical work, teaching and administration. Few women are employed in management or policy–making positions even in the nursing and teaching professions and in the civil service, where they are otherwise well–represented. The private sector provides little employment opportunity as a whole, but particularly for women. In short, equal access to employment, particularly formal employment where working conditions and pay are better, is open to only a relatively small section of the population.

The main reasons for the small number of women in formal sector employment are the low level of formal education and skills among women and the systematic discrimination they face in formal sector employment. Also important is the negligible number of disabled people in formal sector employment. Disabled persons have limited access to education and there is widespread discrimination against disabled persons in general.

EMPLOYMENT AND INCOME DISTRIBUTION

Very little official data exists on the level and extent of unemployment and underemployment in Ghana. What exists is outdated or unreliable. One problem with compiling such data is the widely differing definitions for unemployment and underemployment. Official estimates tend to be generally lower than estimates from other sources. For example, the Department of Employment and Social Welfare cited a 13.7% unemployment rate in 1993, whilst the Ghana Living Standards Survey (GLSS) quoted 21% for the same year.

Whatever the disparities in estimates, there is general agreement that many people – nearly 1/5 of all those who are economically active – are without regular employment. Certain groups such as youth (15–24 years), the unskilled, and those with low levels of education e.g. the disabled, are over–represented among the unemployed and underemployed. Urban unemployment rates are also higher than in the rural areas, particularly among male youth. Certain regions of the country also experience higher levels of unemployment and underemployment, such as Northern Ghana where there are very few employment opportunities.

The few statistics on income distribution in Ghana reveal the widespread nature of poverty in the country and the growing inequality between skilled and unskilled workers, men and women, and rural and urban workers. According to Vision 2020, «36% of Ghana’s population receives incomes of less than two–thirds of the national average and 7% less than one–third». The GLSS and Poverty Profile 1987–88 define poverty as «subsisting on an income which is less than two–thirds of the national average». Hence, one–third (36%) of Ghana’s population lives in poverty. Additionally, «the lowest 40% of the population have less than 20% of total national income while the top 20% have 44% of the total income». There are also marked disparities in income between men and women, even in comparable jobs in the same sectors with women on average earning much less than men.

EMPLOYMENT TRENDS

The most significant changes in employment over the past decade have been the dramatic decline in formal sector employment (public and private sector), the substantial growth of the informal sector, and rising unemployment and underemployment. These trends were a direct result of policies adopted by the government under the ERP or SAP.

Between 1985 to 1992, formal sector employment declined from 464,300 to 186,300. Currently less than 10% of the labour force is in formal paid employment in either the private or the public sector. In the public sector, this decline is due to retrenchment of large numbers of workers mainly from the Civil Service and newly privatised state–owned enterprises. The cutbacks in private sector employment from 79,000 in 1987 to 31,000 in 1991 was in response to falling demand for locally–made goods which have been displaced by imported foreign goods as a result of trade liberalisation.

By contrast, the informal sector grew rapidly over the past decade, reabsorbing retrenched workers from the formal sector, particularly women, as well as the underemployed and new entrants to the labour market. The rate of employment creation in the sector was 6.5% compared to 1% in the formal sector. However, the employment generated by this sector has not kept up with the rate of growth of the labour market or the increasing numbers of unemployed and underemployed. Moreover, the expansion of this sector with its attendant problems of low income, no employment protection etc., raises questions about the quality and character of employment.

Data available from both official and other sources clearly show a significant rise in both unemployment and underemployment in Ghana from 18.5% in 1987 to 21.3% in 1993. These figures also reveal «that unemployment is much higher and increasing much faster» among young men (15–24) in urban areas. Another dimension of the unemployment problem is the «growing unemployment among the educated including university graduates». This is due mainly to the decline in formal sector employment.

JOBLESS GROWTH

One of the main features of economy over the past decade, particularly since the ERP, has been positive levels of economic growth at around 4% since 1983. However, these have not created a significant number of jobs. Rather, they have been accompanied by declining employment in the formal sector. Ghana’s first National Human Development Report described this as «jobless
growth». It noted that although economic growth is important for stimulating social and economic development including employment, «it is not the level of growth per se which determines the generation and sustainability of employment but rather the source and pattern of growth».

The sectors of the economy which have been stimulated by economic growth, namely mining and quarrying, and construction (which account for only 2% of total formal sector employment) are mainly capital intensive or require highly skilled labour. Employment created by the service sector and tourism is mainly low paid temporary work with little employment protection.

Furthermore, the private sector, the «engine of development», has created fewer jobs over the last decade and is increasingly utilising flexible labour market practices e.g. contract labour and subcontracting arrangements which makes employment in this sector precarious.

The failure of economic growth to provide more and better jobs is the result of Ghana’s SAP. The SAP has lead to a reduction in the role of the state in creating employment, an increasing emphasis on the private sector in the economy, liberalised investment and trade policies, and export-oriented growth strategies. These policies have led to large-scale retrenchment in both public and private sectors – the former disproportionately affecting women, and informalisation of work that has created a large pool of unorganised workers with no employment rights or protection. It has undermined the livelihoods of large numbers of people in the informal sector as their products were displaced by cheaper imported items. The SAP has resulted in «a high incidence of poverty, directly linked to livelihoods and incomes».

The growth of the informal sector, particularly of small-scale enterprises, is seen as a panacea for employment in Ghana. This has resulted in an increasing focus on the creation of income-generating opportunities and credit. However, these opportunities are accessible to only a small section of the population. Moreover, increasing emphasis on informal sector work is likely to create more unskilled, unprotected work with low levels of pay. More importantly, it is unlikely to reduce inequalities in employment based on gender, class, disability and geographical location.

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Bibliography