



Skills development, employment and sustained growth in Ghana: Sustainability challenges

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ABSTRACT

Against a backdrop of some two decades of sustained economic growth in Ghana, this paper argues that there are a series of sustainability challenges related to technical and vocational skills development (TVSD) that need to be addressed. This paper analyses several sustainability dimensions of TVSD related to: promoting the sustainability of education-for-all achievements through expanding post-basic education and TVSD; identifying sustainable financing mechanisms for an expansion of TVSD; promoting and sustaining equitable access; ensuring that expansion in quantity does not lead to a compromise on the achievement and sustainability of quality and relevance issues; promoting the sustainability of TVSD expansion by widening opportunities for lifelong learning; creating an enabling environment for skills utilization through sustainable employment growth.

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We cannot solve the problem of unemployment among young people and school-leavers by concentrating on 'employable skills' and 'skill development' in the education system alone... The creation of more jobs and productive work opportunities will depend more on the level of investment and the overall growth of the economy. We need to address key issues such as the climate for private sector development; where new job opportunities are going to arise; and what skills will be required to fill them. Only then can we shape the services that are needed to provide the skilled, healthy workforce which the economy requires, while ensuring that the benefits of Ghana's impressive growth are equitably shared by all. [*Statement By Gordon Wetherell, British High Commissioner to Ghana, on behalf of all members of the Donor Group. 2007 Consultative group/Annual partnership meeting (18–19 June 2007), Accra.*]

1. Introduction

Since the mid-1980s Ghana has experienced sustained gross domestic product (GDP) growth in the 4–5% range.² GDP growth reached 6.2% in 2006, 6.3% in 2007 and is forecast to be 7% in 2008 (Acquah, 2007; ILO-GoG-DFID, 2007; GoG, 2007a). Since the 1990s this strong growth rate has led to dramatic overall reductions in poverty; the percentage of the population in poverty reduced from 52% in 1991/1992 to 29% in 2005/2006 (World Bank, 2007a). Ghana is likely to be one of the first African countries to achieve Millennium Development Goal One – to halve the number of people living on less than a dollar a day – and it is on its way to middle income status (DFID, 2007a). However, this positive macro-economic performance and overall reduction in poverty levels have not brought about balanced economic development; occupational and regional inequalities have increased and employment is still predominantly informal in nature.

The World Bank's most recent Country Economic Memorandum for Ghana, entitled *Meeting the Challenge of Accelerated and Shared Growth* (World Bank, 2007a,b), suggests that to sustain high growth, the following policy areas need to be addressed: (i) closing the infrastructure gap and focusing infrastructure policies on reducing regional disparities; (ii) raising productivity in the agriculture sector; (iii) strengthening the investment climate; (iv) promoting export diversification, particularly for non-traditional products; and (v) ensuring that the education and training systems prepare and support workers to respond to the skills

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² This period of sustained GDP growth came about due to the improved macro-economic environment following the launch of the Economic Recovery Programme in the early 1980s (Aryeetey and McKay, 2004). From the early 1990s, growth was largely the result of an expansion of physical capital (including increased aid flows) and increases in total factor productivity (Aryeetey and McKay, 2004).

needs of the economy. This paper focuses on the last of these policy areas, specifically on technical and vocational skills development (TVSD), but also links TVSD to the importance of strengthening the enabling environment for private sector development.³

Trade, rapid advances in science and technology, and intensified economic competition have shaped the demand for skills in countries worldwide (World Bank, 2007b) and Ghana is no exception. TVSD, delivered through public and private schools, vocational training institutes and informal apprenticeships, continues to be seen by the Government of Ghana (GoG) as an important link to employment, and as a means to promote economic growth and reduce poverty in the country. Nonetheless, concerns exist as to whether skill deficits have or may become a constraint to Ghana's sustained growth and capacity for reducing poverty (World Bank, 2008a, p. vii).

Ghana is planning large infrastructure investments in energy, water and sanitation, rural roads, and ICT as part of its broader strategy for promoting growth and private investment (World Bank, 2008a, p. 78). These investment plans, and the discovery of oil in 2007, mean that Ghana needs to develop a skilled workforce capable of constructing, managing and maintaining the required infrastructure.

The New Education Reform, which was launched in September 2007, includes TVSD components which, together, have the goal of making Ghana's TVSD system more accessible, of better quality and more relevant to the needs to industry and sustained socio-economic development.⁴

Against a backdrop of some two decades of sustained economic growth in Ghana, this paper argues that there are a series of sustainability challenges related to TVSD that need to be addressed. It analyses several sustainability dimensions of TVSD related to:

- promoting the sustainability of Education For All (EFA) achievements through expanding post-basic education and TVSD;
- identifying sustainable financing mechanisms for an expansion of TVSD;
- promoting and sustaining equitable access;
- ensuring that expansion in quantity does not lead to a compromise on the achievement and sustainability of quality and relevance issues;
- promoting the sustainability of TVSD expansion by widening opportunities for lifelong learning;
- creating an enabling environment for skills utilisation through sustainable employment growth.

In their current form, are services offered by Ghana's TVSD system capable of training a skilled work force that is endowed with the business spirit that Ghana needs to create sustainable development and reduce poverty? Will the new education reform revitalize TVSD in Ghana? Has Ghana's impressive economic growth over the last two decades changed the economic and labour market environment which young TVSD graduates will confront? How has sustained growth been translated in terms of employment creation?

2. Responding to the demand for post-basic education and skills development while sustaining the gains made in basic education

2.1. Expanding the skills development system, while achieving and sustaining equitable access to quality skills development and lifelong learning

There are five policy challenges here: (i) promoting the sustainability of EFA achievements through expanding post-basic education and TVSD; (ii) identifying sustainable financing mechanisms for an expansion of TVSD; (iii) promoting and sustaining equitable access (especially regarding the poor and women); (iv) ensuring that expansion in quantity does not lead to a compromise on the achievement and sustainability of quality and relevance issues; (v) promoting the sustainability of TVSD expansion by widening opportunities for lifelong learning, especially for those in the informal economy.

2.1.1. Promoting the sustainability of EFA achievements through expanding post-basic education and TVSD

Ghana is experiencing increasingly large numbers of youth completing basic education⁵; for example, between 2001/2002 and 2006/2007 enrolment in junior secondary schools (public and private) increased by 35% (from 865,636 to 1,170,801) (GoG, 2003a, 2007b). This has been, in part, due to the government's free compulsory universal basic education (FCUBE) policy since the mid-1990s and, since 2005 to the capitation grant policy which has cancelled all other school user fees making schooling free to communities, parents and students.⁶

The growing number of those completing basic education is resulting in increasing demands on post-basic education and TVSD. As King notes (this issue) in many developing countries – and Ghana is no exception – 'there is a connection between the emphasis on EFA over the last 15 years, and the re-emergence of TVSD'.

Moreover, the higher actual and perceived private returns to post-basic education and TVSD (World Bank, 2008a,b) are creating further pressures on the government to expand opportunities for TVSD.

One of the challenges noted by the World Bank is how to respond to the growing demand for post-basic education and TVSD while sustaining the gains made in basic education (World Bank, 2008a, p. 79). There is indeed a challenge here with regard to financing (basic education might lose out as post-basic education and TVSD get increased budget allocations and the total resource envelope if not increased). However, it can equally be argued that post-basic education and TVSD are needed both to help sustain the gains made in basic education and improve the quality at the basic education level (King et al., 2005; Palmer et al., 2007). For example, the increased provision of TVSD may well help to sustain the progress made at the basic education level as youth, and their parents, see further opportunities to progress beyond this level. In other words, expansion of TVSD may help to encourage 'attitudinal sustainability' (King, this issue); the sustained commitment of the people to send all their children to school and hence sustain EFA achievements.

³ This paper uses the term 'technical and vocational skills development' (TVSD) which is intended to marry the well-known older terms, technical and vocational, with the newer term, skills development (see DFID, 2007b). However, most Government of Ghana documents still use the term technical and vocational education and training (TVET). Except where TVET is used in an official document title, like for the 2004 TVET policy framework, TVSD will be used instead of TVET.

⁴ The TVSD components of the 2007 New Education Reform can be traced back ten years earlier to 1997 (Palmer, 2007a).

⁵ Under the new education reforms, 'basic education' is 11 years in length and includes kindergarten (2 years), primary (6 years) and lower secondary school (known as junior high school) (3 years).

⁶ The schooling experience is still not totally free however; where poorer families need their children to earn money which keeps the latter out of school, when children go to school the families lose the money the children would have earned (the opportunity cost of schooling). There are also costs associated with uniforms, feeding, exercise books, etc.

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