



GHANA

**Contribution to the
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(ECOSOC)
Integration Segment**

NATIONAL DEVELOPMENT PLANNING COMMISSION



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ECOSOC Questionnaire on Achieving Sustainable Development Goals through Employment Creation and Decent Work for All

Government of Ghana Responses

1. **Question:** How has your government used labour market policies, including wage policies, to help reduce economic and social inequality?

Answer: Ghana is one of a number of countries that practice tripartism as a means of fostering both industrial peace and promoting social and economic justice. The three members of the country's tripartite committee are: the government, the Trades Union Congress, and the Ghana Employers Association. All labour issues within and outside the tripartite are supported by a labour law, Act 651, that covers a range of topics, including the rights and obligations of employers and employees alike. A national minimum wage is set yearly as part of government's overall social development policy.

2. **Question:** How has your government used monetary, fiscal and trade policies to create employment and promote decent work for all, while ensuring social inclusion and environmental protection? In particular, is the pursuing of full employment considered as a primary monetary policy objective by the central bank? Has your country experienced a fiscal consolidation process in recent years? If so, what has been the impact on employment and social protection in your country?

Answer: The stated and implicit objectives of fiscal, monetary and trade policies have together been to foster economic growth and by extension create employment and decent work, with a focus on social inclusion and environmental protection. Like many developing countries, however, Ghana faces a number of institutional challenges that sometimes militate against the effective implementation of policies geared towards achieving these objectives. As a result, there are emergent concerns that high rates of economic growth (averaging about 10.0% per year) have not translated into high levels of employment and may in fact have aggravated decent work deficits as the informal sector has correspondingly expanded. At the same time, efforts to rein high government spending are expected to lead to a sharp deceleration in economic growth in the short term (as government scales back spending/borrowing). In the medium term, the effects of the fiscal consolidation (lower government borrowing and presumably more credit to businesses) is expected to help stimulate economic growth. At the

same time, various institutional reforms are being pursued. The National Development Planning Commission has adopted the following 4 principles to guide both development planning and economic management in the future: (1) Efficiency (economic growth); (2) Equity (distribution and social justice); (3) Sustainability (built and natural environment); and (4) Transparency (governance).

3. **Question:** What kind of trade-offs has your government encountered in the promotion of full employment and decent work for all? What can be done to enhance synergies between respect for international labour standards and for environmental safeguards, productivity, competitiveness and economic growth?

Answer: In recent years, as the country's currency came under pressure internationally and started losing value, government effectively had to trade off high economic growth for macroeconomic stability as the central bank raised interest rates and tightened monetary conditions generally. The result was that the currency did stabilise but the cost of credit rose steeply, affecting small- and medium-scale enterprises (the biggest creators of employment) particularly hard. Aware of the social fallout from this twin strategy of taming an unstable macroeconomy while in effect aggravating decent work deficits (through an expansion of informal sector activities), government expanded various social safety nets. For example, the number of children on the school feeding programme was increased, as was the number of beneficiaries of the government's Livelihood Empowerment Against Poverty (LEAP) programme. Matters of environmental sustainability, productivity enhancement, and international competitiveness within a broader strategy of national development are addressed in the country's medium-term development policy framework, the second Ghana Shared Growth and Development Agenda (GSGDA II), 2014-2017.

4. **Question:** Is youth employment a major issue in your country? What is the proportion of the youth labour force [aged between 15-24] that is unemployed in your country? Does your government have a specific programme targeted at youth employment?

Answer: The Ghanaian Government defines "youth" as those aged 15-35, constituting 34.1% of a total population of 26.4 million as of 2013. The population aged 15-24 makes up 55.5% of the 34.1% (or 18.9% of the total population), while those aged 25-35 make up the remaining 44.5% (or 15.2 of the total population). Given that the majority of youth in the 15-24 category are likely to be in school or otherwise unprepared for the labour market, the primary focus of policy must be on the latter (25-35 age group). Overall government policies, such as the National Youth Policy and the National Employment Policy, make appropriate adjustments for the entire spectrum of "youth" and their economic (employment) and non-economic (social) needs. In terms of combating youth unemployment, the Ghana Youth Employment and Entrepreneurial Development Agency remains the primary government programme and strategy.

5. **Question:** How is your Government addressing the challenges of education/skills and job mismatch in your country, especially in the context of the transition to a sustainable

development? Does your country have successful initiatives that link education and training to the world of work?

Answer: Government's efforts at promoting technical and vocational education got a boost in 2008 with the establishment of the Council for Technical and Vocational Training (COTVET) to coordinate several training programmes then scattered across various government ministries, departments and agencies. In addition to training programmes spanning the traditional educational system (both pre-tertiary and tertiary), the government runs a number of programmes aimed at preparing the youth for the world of work, with a focus on entrepreneurship development. They include the following: Skills Development Fund; the Ghana Youth Employment and Entrepreneurial Development Agency; the Youth Enterprise Scheme; and the Graduate Enterprise Development Initiative. Coherence, however, remains a challenge due in part to weak institutional arrangements and the tendency of some donors to bypass the central coordinating agency and deal directly with individual agencies instead. The National Development Planning Commission is leading efforts to address these issues.

6. **Question:** How has your government mitigated the trade-offs between the environmental, economic and social dimensions? What kinds of investments have generated the greatest job potential while maintaining environmental sustainability?

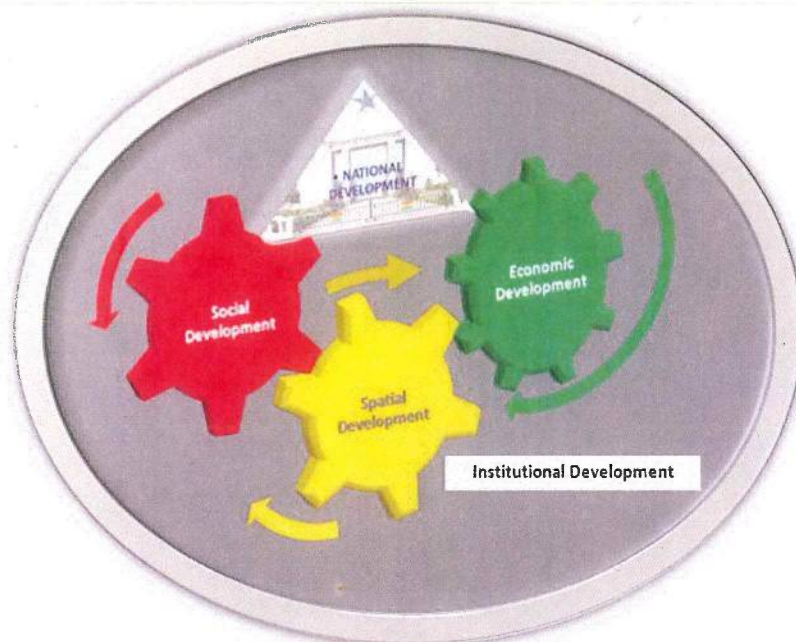
Answer: In recent years, government has embarked on specific initiatives, such as teams of youth to clean the nation's beaches or plant trees, in an effort to promote environmental sustainability. There has not been a need to make any trade-offs as the initiatives fulfil both economic (income) and social (employment) needs. However, there is a need to institutionalise the efforts. The National Development Planning Commission in 2014 took the lead and created a Unit to spearhead the mainstreaming of "green economy" into national development planning. Plans are far advanced to train officers in that regard.

7. **Question:** What kind of policy initiatives and approaches does your Government have to facilitate the transition from informal to formal employment and to formalise and increase the sustainability of small- and medium-scale enterprises, taking into account the economic, social and environmental dimensions of sustainable development?

Answer: Among other things, Government in the past established the National Committee on the Informal Economy (NCIE) to create awareness among policy makers over the differential impact of traditional development policy on the formal and informal sectors of the economy. At the structural level, it is generally expected that industrial development, especially growth in manufacturing, would help absorb labour from the informal sector into the formal sector. Growth in the formal sector, however, will depend on a number of factors, including adequate and reliable supply of electricity as well as an increase in exports (which can come about through diversified products and markets). The concern over environmental sustainability would be embedded in the current move to mainstream the green economy in development planning.

8. **Question:** What kind of institutional framework arrangements are in place in your country for the successful integration of the economic, social and environmental dimensions of sustainable development?

Answer: NDPC has been leading the effort to conceptualise and promote the inter-relationships that drive “national development” by looking at how the social, economic, spatial (i.e., environmental) and institutional (i.e., governance) work and reinforce each other to produce material prosperity without risking environmental sustainability. The diagram below illustrates this approach. In addition to this “organic” approach to development, Government is promoting the following 4 principles as guides for development planning: Efficiency (economic growth), equity (distribution and social justice), sustainability (the built and natural environment) and transparency (governance).



9. **Question:** How do civil society, trade unions and private sector engage in promoting an integrated approach to employment creation and decent work for all?

Answer: Ghana was one of the countries selected by the ILO in 2002 for its pilot Decent Work Country Programme (DWCP), which required the full tripartite participation of organised labour, employers and government. When the country graduated from a pilot to a full-fledged status of the Programme (with the aim of building institutional capacity for formulating decent work policies while promoting local economic development), it maintained the tripartite systems it used for the pilot. Those systems remain a core part of the country’s decent work programme and labour matters in general.

10. **Question:** What can the ECOSOC system do to help countries boost economic growth in a sustainable way that creates employment and decent work for all?

Answer: Raise awareness among policy makers, national and international, about the fact that employment alone is not enough of a policy objective and that “decent work” for those already working (especially in the informal sector) and those seeking work (in terms of legal and social protection, etc.) is no less important. In Ghana, this awareness is rising, with commitment at the highest level of leadership – the Presidency. Indeed, the president indigenised the term “decent work” into “*ejumapa*” – which literally means “good work” in a local Ghanaian language. It is elaborated in a Transformation Agenda currently before Parliament. A presidential priority programme on *ejumapa* is currently under development, with the National Development Planning Commission providing policy and technical inputs. ECOSOC may also do well to view employment and decent work as the *ultimate* objective of development policy by promoting the notion of “Macroeconomics and employment”. Such a perspective would force policy makers to pay more attention to the consequences of macroeconomic policies and thus take appropriate ameliorating measures, if need be.