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GHANA YOUTH EMPLOYMENT AND SKILLS – PAN-AFRICAN COALITION FOR TRANSFORMATION CHAPTER

NEWSLETTER

GHANA YES-PACT | MAY 2024 | ISSUE 01

Strengthening Ghana's response to the digital and ecological transition of work for youth employment

Introduction

Globally, the nature of work is undergoing transformation that is driven by the "twin transitions" – the fast-paced adoption of digital technologies and the shift towards green business practices to address climate change and its impact on society.

This paradigm shift is reshaping how companies are increasing their focus on technologies like artificial intelligence, machine learning, mobile technology, virtual reality and big data analytics that enhance and maximize productivity across areas such as data-driven decision making, automation, and cybersecurity. Studies have shown that adopting digitized business models yields significant productivity gains in the long run, with Gartner estimating that the digital workplace market is expected to grow at a compound annual rate of 14.6 percent, reaching US$45.7 billion by 2027.[1] Additionally, Deloitte reports that adopting digital workplace platforms can save businesses up to US$11,000 per employee annually,[2] thereby allowing them to make gains in productivity and efficiency.

Simultaneously, the need to urgently transition to a more sustainable and environmentally friendly model of economic and social development is increasingly being recognized by the world and thus affecting business practices. For instance, the increasing acceptance of renewable energy sources and green production processes is leading to a surge in investment in green business models across sectors such as automotive, agriculture, construction, and energy. In the energy sector, for example, the BloombergNEF reports that global investment in the low-carbon energy transition in 2023 recorded a 17 percent increase over the previous year, reaching US$1.77 trillion.[3]

Even though these transitions are also disrupting traditional industries, with substantial repercussions on employment, there has also been a surge in new jobs created as labor market demands change. The 2020 World Economic Forum report estimates that around 85 million jobs may be displaced by 2025 as a result of the digital transition, while at the same time about 97 million jobs will be created.[4] The International Labor Organization (ILO) estimates that, reaching

universal (90 percent) internet broadband coverage, as envisaged in Sustainable Development Goal 9 (c) could add 6.4 million net jobs in the digital space. Similarly for the green transition, the shift towards energy sustainability is expected to result in nearly 7 million job losses globally by 2030, while almost 25 million jobs will be created.[5] In the circular economy scenario, nearly 78 million jobs will be created and almost 71 million destroyed, while about 2 percent of jobs in the green transition and circular economy will be reallocated and reskilled.[6] Despite these disruptions, the transition holds promise for creating a net increase in job opportunities in the long run.

How can Ghana strengthen its response to the transition?

Given the job opportunities presented by the digital and ecological transitions, it is imperative for Ghana to strengthen its response to provide sustainable youth employment. This will require two approaches: 1) investing in digital and green job creation (demand-side approach); and 2) investing to develop skills of its youth and institutions to meet the evolving demands of the emerging labor market (supply-side approach).

1 Investing in digital and green job creation

The ILO observes that while some countries have increased employment in the green transition, others have made little or no progress since 2011,[7] including progress in digital transition. Despite positive forecasts, expected growth is not automatic and requires countries to make significant efforts. Ghana must therefore be deliberate in strategically investing in digital infrastructure expansion and green job creation in order to stimulate sustainable youth employment opportunities and economic growth.

According to the United Nations' Global e-Government ranking, Ghana has made considerable progress in its digital transformation in recent years, gaining recognition among the digital leaders in sub-Saharan Africa. Ghana's ICT sector grew by 19 percent per year between 2014 and 2020.[8] However, despite this progress, there is room for acceleration, as its digital infrastructure remains insufficient to meet the growing demand. For instance, there is still high demand for high-speed and reliable internet connectivity across various sectors. While Ghana's internet penetration rate stands at 69.8 percent, the median mobile internet connection speed is 13.17 Mbps with the median fixed internet connection speed at 33.60 Mbps[9] compared with the global rates of 30.78 Mbps and 67.25 Mbps[10] respectively. Moreover, the rising cost of data disproportionately affects low-income earners, exacerbating the digital divide.

Ghana's Green Job Strategy (2021-2025) aims to support green enterprises for decent job creation by mobilizing and facilitating access to sustainable funding for green enterprises through inter-sectoral approaches and cooperation." This strategy aims to achieve the following: design green enterprise financing schemes; and increase government budget allocations for the promotion and development of green enterprises. Metropolitan, Municipal, and District Assemblies (MMDAs) are to mobilize internally generated funds (IGF) to support the implementation of green enterprise promotion activities at the subnational level, establish green job support loans and grants, and organize green enterprise financing fora at national and subnational levels.

With fewer than two years remaining in the Strategy timeline, minimal progress has been made. The establishment of the green enterprise financing scheme is pending. Opportunities for green job support loans and grants for Ghanaian enterprises across several sectors are also facing challenges such as lack of long-term credit and lack of awareness and clarity on what constitutes green investment as there is no government policy on green finance.[11] Green business development is either absent or ranks low on the agenda of MMDAs and thus, does not benefit from their IGF allocations.

Private sector financing of green initiatives to create more sustainable jobs is crucial, yet mobilization efforts for green investment have been inadequate. There are indications that macroeconomic conditions, particularly inflation and the cost of doing business, deter enterprises from green investment.

Bridging the digital divide and reducing internet data costs must be a priority for the government to prevent the exclusion of marginalized populations. Additionally, the government must explore the feasibility of providing zero-rate or low-cost internet access in public spaces such as schools and community centers,

and implement policies and regulations to subsidize or control the cost of data. Public-private partnerships can facilitate some of these efforts and further accelerate progress. There is a need to ensure that the digital and ecological transitions are also just, by expanding social safety nets and labor regulations that adequately protect the youth in the informal sector. The government should also explore innovative financing mechanisms to increase budgetary allocations for digital and green investments. Conducting a review of Ghana's employment policy to promote green jobs for youths would be supporting measure and an avenue to optimize employment gains from the transitions.

There is also an opportunity for private participation and therefore, the government must explore opportunities to attract the private sector to promote digital and green businesses by ensuring that regulations facilitate the ease of doing business, promote access to startup capital at reasonable interest rates, and create awareness of existing financial opportunities for digital and green startups. Additionally, prioritizing the creation of an enabling environment for digital and green entrepreneurship through innovation hubs, accelerators and incubators is crucial for nurturing creativity and collaboration in digital and green businesses. It also encourages businesses to embrace digital and green transformation by investing in appropriate tools and technologies.

2 Youth and institutional skills development for the emerging labor market

The digital and ecological transitions hinge on the availability of skills demanded by new jobs in the labor market. This makes it important to strengthen the capacity of individuals and institutions to respond to the skills challenges that can be barriers to the transitions. Of particular relevance are the mid-skills occupations for which technical and vocational education and training (TVET) plays a central role. Key issue to address include the following:

- **Skills mismatch:** when workers do not have the specific skills demanded
- **Skills gap:** when workers lack the level of skills needed to do their jobs effectively
- **Skills shortages:** when employers cannot get enough professionals with the right qualifications and skills
- **Skills obsolescence:** when workers lose their skills over time due to lack of use or when skills become irrelevant due to changes in the world of work
- **Under-skilling:** when workers have skills that are below the acceptable standard required for a job

Ghana's TVET system has undergone significant reform in recent years, with the previous Green TVET Strategic Plan (2018-2022) highlighting Green TVET as a priority. Institutional Greening Plans (IGPs) have been developed for some technical and vocational institutions (TVIs) to attain the green objectives, and the Ghana TVET Service has a Green Unit to promote Green TVET delivery in the various TVIs.

However, with the 2018-2022 Strategic Plan ending over a year ago, and the drafting of a new five-year strategic plan underway, a recent study by Africa Education Watch indicates limited progress in greening TVET in Ghana. The curricula for the TVIs inadequately enhance the capacity of the learners for the green transition, with the teaching staff exhibiting low capacity in green skills and pedagogy.[12] Similarly, the staff capacity of the Commission for TVET is low with regard to the processes and standards for green institutional accreditation and green curricula development. There has been low fidelity in the implementation of the IGPs by the TVIs. However, the Commission for TVET has initiated steps to train the heads of the institutions on integrating the IGPs into their programs and activities.[13]

On the demand side, the study revealed that some sector skills bodies lacked knowledge in sustainable business management, while others did not have green polices in place. It recommended enhancement of the capacity of companies, through their sector skills bodies, to adopt effective green practices.

To respond to the digital revolution, the Strategic Plan aimed to improve ICT facilities in all TVET institutions and ensure that information technology is an integral part of the competency-based training curriculum.

However, a rapid review of the curriculum showed that the digital competencies provided were not sufficient to adequately prepare learners for the Fourth Industrial Revolution. Furthermore, the adoption and integration of digital technologies in the teaching and learning process were still in the fledgling stage due to low investment in digital technologies and the low capacity of teachers to deliver digital instruction.

Forward-looking strategies are necessary to ensure Ghana's TVET system is responsive to the digital and ecological skills needed by the youth to be fully employable in the Fourth Industrial Revolution and the green transition. The curriculum must be reviewed to sufficiently incorporate digital and green skills acquisition while simultaneously providing digital and green entrepreneurship training for the learners. Core employability skills such as teamwork, communication, management, coordination, lifelong learning, and innovation must also be emphasized in the curriculum. Additionally, efforts must be made to ensure all TVIs have IGPs with training provided for the heads of the institutions, instructors, and learners alike.

Strengthening the regulatory and policy environment must be a top priority on the government's agenda. The ongoing development of the TVET Policy offers Ghana the opportunity to prioritize a comprehensive digital and green TVET program. This includes addressing emerging issues on digital and green job creation and skills training. It should also ensure gender equality in skills development, as the transitions risk creating gender disparity if policies and programs do not deliberately seek to avoid it. These objectives can be achieved through sufficient consultation on policy development with key actors in the space such as business owners, civil society organizations, academia, TVET and technology experts, and environmental specialists. The existing TVET regulatory framework should also be reviewed to respond to the evolving digital and ecological landscapes with a view to promoting innovation and investment in the sectors.

Building the institutional and human capacity of the Commission for TVET and the Ghana TVET Service should be a policy priority to enhance quality assurance and service delivery. Improved budgetary allocations are necessary to ensure they invest in training and professional development, recruit experts, enhance research, develop robust TVET management information systems, and promote stakeholder engagement.

Conclusion

In today's rapidly evolving world, the digital and ecological transitions are reshaping economies and industries globally, presenting opportunities for Ghana to address its youth unemployment challenges. Strengthening Ghana's digital and ecological ecosystem is crucial for ensuring that the youth acquire the skills needed to fully participate in these transitions. Sustained political commitment and investment, especially in implementing the National Green Job Strategy 2021-2025 and National Digital Transformation Roadmap, along with coordinated and collaborative efforts between the government, private sector, and civil society, are essential for addressing policy and institutional gaps, and ensuring an equitable and sustainable transformation of the youth workforce and the broader economy. Ghana's youthful population presents a unique advantage for driving digital and ecological innovations. Failing to invest in youth skills development for the twin transitions of work will therefore not only be a missed opportunity for Ghana to address its teeming youth unemployment, but also to drive sustainable economic growth and contribute to Africa's development.

Endnotes

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The Pan-African Coalition for Transformation (PACT) is a platform that seeks to bridge and close gaps between policy design and implementation. The Youth Employment and Skills (YES) PACT has six Chapters in Ghana, Cote d'Ivoire, Uganda, Niger, Ethiopia, and Rwanda. Read more about the YES-PACT at acetforafrica.org/yes-pact

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