



Statistics on Informal Employment in Ghana

Debbie Budlender¹

This fact sheet summarizes statistics on employment – and, in particular, on urban informal employment – in Ghana. The statistics are based on analysis of the Ghana Living Standard Survey of 2006, conducted by Ghana Statistical Service.

The Size and Shape of Employment

The survey estimates the total population of Ghana at 22.6 million, of whom 13.5 million (60 per cent) are aged 15 years or older, the age group considered to be of working age. Because women tend to live longer than men, the percentage of females who are 15 years and older is higher (62 per cent) than for males (58 per cent). Women account for 53 per cent of the working age population.

A slightly higher percentage of working age men (71 per cent) than women (67 per cent) is employed (doing work that is counted when calculating the gross domestic product (GDP)), and 3 per cent of women and men are unemployed. The remaining women and men are “not economically active”. This category includes, among others, those who were homemakers, people too old to work, and those studying full-time. About 94 per cent of all employed people are of working age. Boys under 15 years are slightly more likely than girls to be employed.

Although similar percentages of women and men are employed, there are differences in the type of work that they do. Over a quarter (28 per cent) of employed men work as paid employees, compared to only 9 per cent of employed women. In contrast, only 12 per cent of men work as unpaid family workers, compared to 29 per cent of women. Women are slightly more likely to be own-account workers than men (58 per cent and 55 per cent respectively). This is by far the biggest category of both women and men workers and consists of people who work for themselves without employing any regular employees. The gender difference in own-account workers is more or less balanced by the fact that only 4 per cent of women are employers, compared to 6 per cent of men.

In reality, the classifications may be biased by gendered perceptions in that women and men doing similar work and with similar levels of authority in a family business – and perhaps especially in agriculture – may be classified as own-account if they are a man and as unpaid family workers if they are a woman. Unfortunately, we cannot tell from the data to what extent the numbers are biased by such perceptions.



A slightly higher percentage of working age men (71 per cent) than women (67 per cent) is employed.

¹ This note is authored by Debbie Budlender of the Community Agency for Social Enquiry, Cape Town, South Africa. It is based on statistics prepared by James Heintz of the Political Economy Research Institute, University of Massachusetts, Amherst.

In urban areas, among those who do not work in agriculture, the gender differences are even bigger. Three-fifths (60 per cent) of the employed men in urban non-agricultural work are paid employees and 24 per cent are own-account workers. For women, the percentages are reversed – 61 per cent work as own-account workers and only 23 per cent as paid employees. Unpaid family work is relatively uncommon in urban areas outside of agriculture. However, it is far more common for women (6 per cent) than for men (2 per cent).

Informal Work

Because we are especially interested in urban informal employment, we divide employed workers into three categories – those who work in agriculture, and those who do formal and informal work outside of agriculture. Own-account workers and employers are classified as informal if the enterprise is not registered. Wage employees are classified as informal if they do not have paid leave, pension, social security or health benefits provided by the employer. And all unpaid family workers are classified as informal.

Overall, 57 per cent of workers are in agriculture, but a greater proportion of men (61 per cent) than women (54 per cent). A further 15 per cent of workers do formal non-agricultural work while 25 per cent do informal non-agriculture work. Among those not in agriculture, men are far more likely than women to be doing formal work. Thus 19 per cent of men are formal workers outside of agriculture and 17 per cent are informal. In contrast, only 12 per cent of women are formal workers outside of agriculture, while nearly three times as many (33 per cent) are informal workers. If we look only at urban non-agricultural workers, 65 per cent of women are informal workers compared to 44 per cent of men.

About three-quarters (76 per cent) of informal non-agricultural urban workers are employees (including domestic workers) and 24 per cent are self-employed i.e. either own-account workers or employees. The profile of the women and men is very different. Nearly nine in every ten (89 per cent) of women doing informal non-agricultural work in urban areas are employees, compared to 54 per cent of the men.

The biggest sectors of informal non-agricultural urban work are trade, which accounts for nearly half (46 per cent) of workers; manufacturing, which accounts for nearly a quarter (23); and non-domestic private services, which accounts for 17 per cent. More than half (58 per cent) of the women but only about a quarter (27 per cent) of the men are working in trade, and 18 per cent of the women and 16 per cent of the men are working in non-domestic services. These two categories thus account for more than three-quarters of the women workers, compared to 43 per cent of the men workers. A further 22 per cent of women and 25 per cent of the men workers are in manufacturing.

In contrast to the female-dominated trade and service sectors, there are two sectors which are important for men but which have virtually no women. The two sectors are transport – which accounts for 15 per cent of men doing informal non-agricultural work in urban areas – and construction – which accounts for 13 per cent of these men.

If we compare Accra, Kumasi and all other urban areas, there are only small differences in the profile of informal non-agricultural workers, although Kumasi has a smaller proportion of workers in transport than the other two areas, and Accra has the smallest proportion in construction.

Domestic Workers, Home-based Workers, Street Traders and Waste Pickers

WIEGO and the organizations with which it works are especially interested in four groups of informal workers, namely domestic workers, home-based workers, street traders, and waste pickers. All these categories of workers are often not captured well in surveys. One reason is that some of these workers are not recorded at all. For example, household respondents may not give information on domestic workers who work for them, and waste pickers may be living on



The biggest sectors of informal non-agricultural work are trade which accounts for nearly half (46 per cent) of workers, manufacturing which accounts for nearly a quarter (23 per cent) and non-domestic private services which accounts for 17 per cent.

the street rather than in dwellings visited during the survey. And the work that home workers do may not be considered as “proper” work by the reporting household member.

We classify informal workers as street traders if they give their occupation as street vending or if they say they are involved in retail activities and work on the street at a fixed or non-fixed location. Nearly 214,500 workers are recorded in the survey as being street traders, of whom 88 per cent are women. Street traders are found in all three broad urban areas – Accra, Kumasi and other urban areas – and account for 14 per cent of all urban informal non-agricultural workers.

Informal workers are classified as home-based if they work from their residences. About 320,000 home workers are recorded in the survey, of whom 78 per cent are women. Home-based workers account for about 13 per cent of all informal workers in Kumasi compared to more than a fifth of all informal workers in Accra and other urban areas. Overall, home-based workers account for 21 per cent of all urban informal non-agricultural workers.

Finally, we classify as waste pickers informal self-employed workers who say that their occupation is garbage collection, or that they work in the sewage and refuse disposal or recycling industries. Using this definition, the survey records almost no waste pickers. As noted above, one reason for this may be that the survey is household-based, and many waste pickers may not live in the type of dwelling that is visited in the survey.

Earnings

The survey asks how much workers earn. Unfortunately, some respondents do not answer this question. More generally, earnings data in surveys must always be treated with caution, as many people under-report their earnings, or do not know their exact earnings. Reported earnings should be seen as reflecting broad patterns rather than exact details.

For those who do report earnings, we find a big difference in average earnings of men and women. Men earn 1.5 times the overall average wage of men and women combined, while women earn only 0.6 of the overall average. Expressed differently, male average earnings are 2.3 times as large as female average earnings. The male-female difference is a bit smaller if we look only at urban informal non-agricultural workers. Among these workers male average earnings are 1.7 times as large as female average earnings.

Urban informal non-agricultural workers record average earnings of a little over 300,000 cedi. This is higher than the average for all workers, including urban and rural, which is about 230,000 cedi. Nevertheless, the average amount earned by urban informal non-agricultural workers is much lower than the overall average for all urban non-agricultural workers, which is more than 400,000 cedi.



...the average amount earned by urban informal workers is much lower than the overall average for all urban non-agricultural workers....

About WIEGO: Women in Informal Employment: Globalizing and Organizing is a global research-policy-action network that seeks to improve the status of the working poor, especially women, in the informal economy. WIEGO draws its membership from membership-based organizations of informal workers, researchers and statisticians working on the informal economy. For more information see www.wiego.org.

About Inclusive Cities: Launched in 2008, the Inclusive Cities project aims to strengthen membership-based organizations (MBOs) of the working poor in the areas of organizing, policy analysis and advocacy, in order to ensure that urban informal workers have the tools necessary to make themselves heard within urban planning processes. Inclusive Cities is a collaboration between MBOs of the working poor, international alliances of MBOs and those supporting the work of MBOs. For more information see www.inclusivecities.org.