# An Employment Approach to Poverty Reduction in Ghana

The Informal Economy in Ghana: a Comparative Perspective.

24 October 2005, Accra.

#### **Employment for Poverty Reduction**

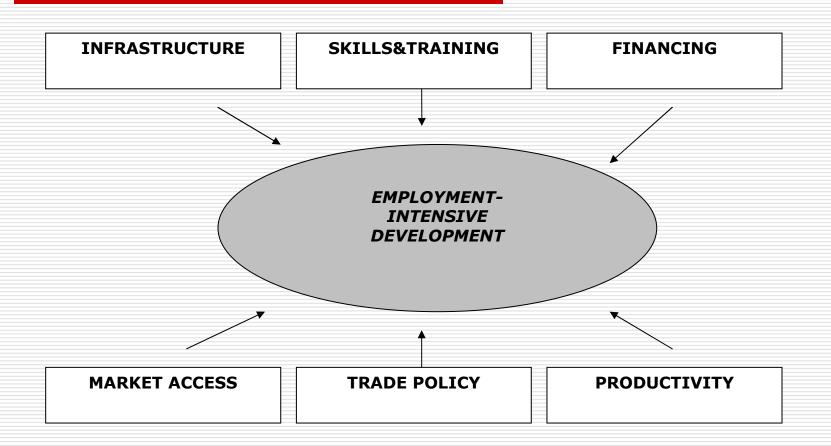
- Growth Component
  - Growth is necessary but not sufficient
  - "Jobless growth" and informalization.
- Employment Component
  - Ensure that growth generates new employment opportunities
  - "Working poor" the type of employment matters
- Poverty Focus

#### Making Growth "Pro-Employment"

# Some challenges to employment creation in Ghana:

- Infrastructure and public investment
- Access to markets
- Financial sector
- Macroeconomic management
- Labour force information
- Policy coordination

# **Policy Coordination**



## Making Employment "Pro-Poor"

- Priority Areas in Ghana
  - Agricultural employment
  - Informal employment
  - Labor-intensive formal employment
- Particular Focus
  - Youth employment
  - Women's employment

# Making Employment "Pro-Poor"

- Better understanding of the segmented labour force in Ghana
  - Education & skills
  - Financial markets
  - Social norms and networks
- Raising returns to labour
  - Labour is the productive resource the poor command in abundance
  - Improving poor workers' "terms of trade" will reduce poverty (infrastructure, markets, cooperatives)

## Making Employment "Pro-Poor"

- Designing appropriate social protections
  - Are informal workers covered? Are the policies appropriate?
- Improved understanding of the links among household dynamics, gender, and the risk of poverty for working people.