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Rural employment in Ghana: does education improve
opportunities of people from Mpraeso Kwahu area?

Master Thesis

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Assignment



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Thesis title: **Rural employment in Ghana: does education improve opportunities of people from Mpraeso Kwahu area?**

Objectives of thesis: Main aims of this thesis is monitoring and finding possible solutions to the problem of unemployment in Kwahuarea, Ghana, Africa. Thesis will indicate local situation of opportunities in labor market, the living standarts, education and type of profession in this location. Shows the positive and negative impact of labor market in Kwahu area. In conclusion it analyses current situation and suggest possible solutions for the future.

Methodology: Lituratare will focus on articles, documents and statistics about education, employment and the labor market in Ghana and especially in Kwahu region. The knowledge form literature and theoretical framework is then applied in the practical part which would include:

- Description of socio economic situation in Kwahu area
- Description and analysis of education standard in Kwahu area
- Description and analysis of job opportunities in labor market in Kwahu area

The practical part will include a questionnaire, which will take data form interviews. The questionnaire will include questions concerning the current, if it is a permanent or temporary job, the salary, the type of occupation, place of the job, the characteristics if the respondent (age, gender, literacy, the level of education, being trained for a specific job/profession, family status (single independent, living with parents, single with children , married, married with children),

importance of income (principal income for the family), professional experience (previous jobs), social status (wealth, social layer), social relationships and networking (a member of any formal or informal local organisation/group), participating in any governmental or aid programme for employment, commuting (distance, transport mean, frequency, relative cost in respect to salary). The questionnaire will have also an opinion section: if a respondent is satisfied with his/her job, the ambitions and the opportunity/barrires to get a better job, what do they expect from government (central/local).

The statistical analysis will be aimed at finding relationships between the employment status (employed/unemployed, or in a finer scale) and characteristics of the respondents and their social links.

Data will be stored and processed using MS-excel, statistical analysis will be done in the statistical software package(SPSS). Microsoft excel will also be used for data output management and graphs.

The proposed extent of the thesis: 50p.

Recommended information sources:

1. COUDOUEL, Aline, Anis A. DANI a Stefano PATERNOSTRO. Poverty and Social Impact Analysis of Reforms: Lessons and Examples from Implementation. Washington DC: The World Bank, 2006. ISBN 0-8213-6486-3
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4. WODON, Quentin. Growth and Poverty Reduction: Case studies from West Africa. Washington DC: The World Bank, 2007. ISBN 0-8213-6629-7
5. WODON, Quentin. Improving the Targeting of Social Programs in Ghana. Washington DC: TheWorld Bank, 2012. ISBN 978-0-8213-9593-6

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Declaration

I hereby declare that this thesis entitled Analysis of the rural situation in Ghana, I spend time during my research in Kwahu West municipal district and all of this thesis is my own work and all sources have been quoted and acknowledged by means of complete references.

In Prague 23th April 2015

.....
Šárka Zápotocká

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Abstract

Ghana was the first place in sub-Saharan Africa where Europeans arrived to trade - first in gold, later in slaves. It was also the first black African nation in the region to achieve independence in 1957 from a colonial power, in this instance Britain. Currently are the African countries closely associated with high value of poverty rate, chronic hunger and lack of water resources. Even Ghana, country oriented in West Africa, struggles in certain places with high poverty. On the other hand, the World Bank has classified Ghana as a country with a lower middle income country and in this time is Ghana not poor as some other African countries.

This thesis deals with rural employment and education in Kwahu West Municipal District, oriented in the Eastern region, northeasterly of the capital Accra.

Education and the strength of the labour market are very important in finding a job. Poor performance of both the labour market and the education system have impact on the possibility to earn income and thus on living standards of the population. The main objectives of this study is to analyze the current situation and identify the main barriers in the local labour market. The next objectives is to describe the current situation in the education system, structure of employment and through the individual interview collect the opinions of local people on the possibility to improve their employment and income.

Key words: Ghana, rural, education, employment, labour market, informal sector

Abstrakt

Ghana byla první zemí v subsaharské Africe která začala obchodovat s evropany, zejména se zlatem a později s otroky. Byla také první Africkou zemí, která v roce 1957 získala nezávislost z koloniální mocnosti, od Británie. V současné době Africké země jsou neustále spojovány s vysokým procentem chudoby, hladomoru a nedostatkem vodních zdrojů. I Ghana, která je orientována v západní Africe, se na jistých místech potýká s vysokou chudobou. Na druhou stranu Světová Banka Ghanu klasifikovala jako zemi s nižším středním příjmem a zdaleka není již tak chudá jako jiné Africké země.

Tato diplomová práce se zabývá vesnickou zaměstnaností a vzděláním v Kwahu West Municipal District orientovaném v Eastern regionu, severovýchodně od hlavního města Accra.

Vzdělání a síla trhu práce jsou velmi důležité složky při hledání zaměstnání. Slabá spolupráce trhu práce a vzdělávacího systému mají negativní dopad na příjem a s tím spojenou životní úroveň obyvatel. Hlavním cílem této studie je analyzovat současnou situaci a identifikovat hlavní překážky na lokálním trhu práce. Dále si dává za cíl popsat současnou situaci ve vzdělávacím systému, strukturu zaměstnanosti a zejména formou intervia získa názory místních obyvatel jak na trh práce, tak na možnosti zlepšení jejich pracovních míst a příjmů.

Klíčová slova: Ghana, venkov, vzdělání, zaměstnanost, trh práce, neformální sektor

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List of Abbreviations

FAO	Food and Agricultural Organization
GDP	Gross Domestic Product
GhC	Ghanian Cedi
GLSS	Ghana Living Standard Survey
IFAD	International Fund for Agriculture Development
ILO	International Labour Organization
JHS	Junior High School
MDG	Milenium Development Goal
NGO	Non-Governmental Organization
OECD	The Organisation for Economic Co-operation and Development
PPP	Purchasing power parity
SEWA	Self-Employed Women's Association
SHS	Senio High School
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
WB	World Bank

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1. Introduction

Ghana was the first place in sub-Saharan Africa where Europeans arrived to trade - first in gold, later in slaves. It was also the first black African nation in the region to achieve independence from a colonial power, in this instance Britain. Despite being rich in mineral resources, and endowed with a good education system and efficient civil service, Ghana fell victim to corruption and mismanagement soon after independence in 1957. (UNDP, 2015)

Ghana's economy has maintained commendable growth trajectory with an average annual growth of about 6.0% over the past six years. In 2013 growth decelerated to 4.4%, considerably lower than the growth of 7.9% achieved in 2012. Growth has, however, been broad-based, driven largely by service-oriented sectors and industry, which on average have been growing at a rate of 9.0% over the five years up to 2013. Over the medium term to 2015, the economy is expected to register robust growth of around 8%, bolstered by improved oil and gas production, increased private-sector investment, improved public infrastructure development and sustained political stability. (AfDB, OECD, UNDP, 2014)

GDP estimated for 2014 showed a growth of 4.6 percent over the 2013 revised estimates. The largest sector remain Services, sharing (53.5 %) of GDP. Two of the subsectors recorded growth rates above 10 percent and these sectors are Financial and Insurance and Public Administration & Defence, Social security activities. Though the estimates show an improvement in the growth of the Agriculture sector, its share of the structure of the economy continues to decline. Crops, however remain the largest activity in the economy with a share of 15.9 percent of GDP. Industry sector is the least growing sector with a share of 25.0 percent. Of all the industrial activities the Construction subsector recorded the highest growth of 7.4% in 2014 (Ghana Statistical Service, 2015).

The sustained increase in per capita GDP allowed Ghana to make significant progress

towards achieving MDG 1, to halve poverty by 2015. According to the 2006 Ghana Living Standard Survey (GLSS6, 2006), the poverty headcount at PPP\$1 per day declined

from 51.1 percent in 1992 to 30 percent in 2006. This achievement is also attributed to the political, economic and social reforms that were ongoing in the country for more than two decades. Ghana has made significant strides in successful democracy, with recognition of political rights and civil liberties, and freedom of press rankings among the best in Africa. The introduction of economic reforms and structural adjustment in 1983 helped to stabilize the macroeconomic environment for sustainable economic growth and poverty reduction (United Nations Economic Commission for Africa, 2010)

Big problem in the country is still with the education system. Adult literacy rates show that almost 20 percent of the adult population 15 years and older have never attended school. In the rural areas is currently enrolled in public schools almost about ninety percent of the population. Problem is that only the first 9 years from the basic education are free and compulsory. High number of Ghana students finished their education after Junior High school because their parents do not have enough money for their school fees. According GLSS 2010 the average annual school fee for a rural child amounts 520 GhC, what is too expensive for a rural family with more children. Works scholarship system in the country, but for the rural people is almost impossible to get this scholarship, because in the country is too high levels of corruption (GLSS6, 2014).

2. Literature review

2.1 Education system in Ghana

In the current world is the education a fundamental human rights. According the UNICEF every girl and every boy in every country is entitled to it. Quality education is critical to development both of societies and of individuals, and it helps pave the way to a successful and productive future. When all children have access to a quality education rooted in human rights and gender equality, it creates a ripple effect of opportunity that influences generations to come (UNICEF, 2015). If we are talking about this fundamental human rights, it is does not mean that it is working in the all world. Almost 775 milion of adulst people still lacking minimum literacy skills and almost 122 milion of youth are illiterate.

Accordint World Bank is education one of the most powerful instruments for reducing poverty and inequality and lays a foundation for sustained economic growth.

The big reform of ghanina education begann after the 1957 when Ghana gained its independence. One of the main reform in the 1980s' was gearet to the education system away from purely academic to more in tune with the nations manpower needs. Actual structuru of ghanian education is quit simmilar like in all europe. School attendance starts at the age of 6 yeart, consists of 6 years of primary education, 3 years of Junior Secondary School, 3 years of Senior Secondary School and 4 years University or courses at other tertiary institutions. The first 9 years form the basic education and are free and compulsory. According to Ministry of Education Republic Ghana we can classify each level of education into the several group – levels of education.

1. Pre-school education

Is not compulsory but recommended. Age group is 3-6. Is divide into two sub group, Nurseries for children aged 3-4 and kingergarden for children aged 4-6 years. Since 2007 is two years of kindergarten considered as a part of basic education. According Ghanastat Basic National Profile was enroled to the pre-school education programme 1,254,576 children for the school year 2012/2013.

2. Primary education

Compulsory education. Is not obligatory to pay school fees. Children start attending at aged 6-11. Is divided into two three-years cycle, lower and upper primary education. According to Ghanastat Basic Nation Profile was enroled to the primapry education programme 3,156,572 students for the school year 2012/2013.

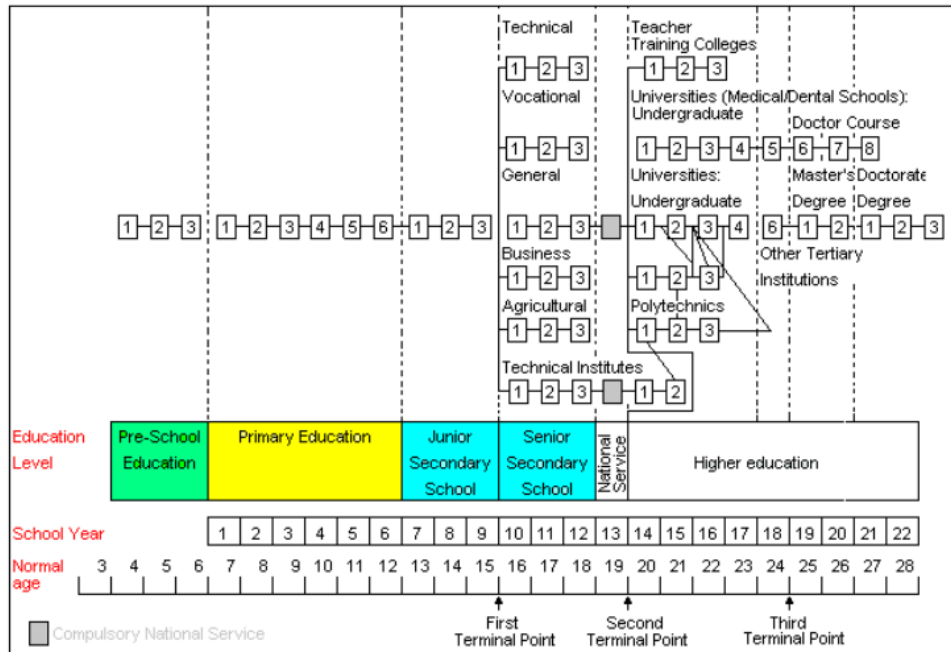
3. Secondary education

After reforms in 2007 general secondary education consists of Junior High School (JHS) and Senior High School (SHS). JHS is three years education, is still compulsory and there are not school fees. Students are aged 12-15 years. SHS is four years education and school fees depends on the school statute. Age of student is 16-19 years. Is possible to study technical and vocational education for three years. Because government support only JHS, statistics are only for this part of secondary education. According the Ghanastat Basic National Profile there was enroled to the Junior High School programme 1,157,827 students in the school yeas 2012/2013. Data for SHS were not published.

4. Higher education

Tertially and higher education is provided by polytechnics, teacher training colleges, non-university postsecondary and tertiary-level institutions and universities. Minimal age of students is 20 years. Bachelor degree programme is usually for four years, master degree programme is usually for two or three years and doctoral degree programme require at least two years of study. Studying fees in university depend about study programme, level and nationality of the student.

Schema 1: Structure of the education system in Ghana.



High number of Ghanaian students terminates their education after the Junior High school, because their parents do not have enough money for their school fees. For example according GLSS 2010 is the value of school fees for one rural children 520 GhC per 12 months, what is for a rural family with more children too expensive.

2.2 Rural Area

In general has rural a lots of definition. Geographically rural areas are located outside of the big cities and towns. The OECD has given a definition of rural areas based on the percentage of the population of a region living in rural communes (OECD, 1994). A commune is classified as rural if the population density is below 150 inhabitants per km² (Gallego, 2003).

On this basis the rural/urban classification the OECD definition distinguishes three main categories of regions:

- 1) mainly rural regions: more than 50% of the region's population live in rural communes;
- 2) relatively rural regions: between 15% and 50% of the population lives in rural communes;
- 3) mainly urban regions: less than 15% of the region's population lives in rural communes.

Typically there are a low population density and small settlements in rural areas. Land use in rural areas is dominated by agriculture (arable land and grasslands) though there are other uses such as forests. Rural area is including housing, population, and territory not included within an urban area. Rural is considered as whatever what is not urban.

The world urban population has rapidly grown since 1950, from 746 million to actual 3.9 billion. Since 1950 when was 30 percent of the world's population urban, 66 percent of the world's population will be living in the urban area till next 40 years. Globally, in rural areas live less people than in urban areas, with 54 percent of the world's population residing in urban areas in 2014. The actual global rural population is close to 3.4 billion and is expected to decrease to 3.2 billion by 2050.

Africa and Asia is mostly rural, more than three-quarters of the poor live in rural areas, and the proportion is barely declining, because of urbanization (IFAD, 2012) with 40 and 48 percent of their inhabitant living in urban areas. All regions expect big flow of urbanization over the coming decades. Africa and Asia are urbanizing faster than the other continents and are projected to become 56 and 64 percent urban, respectively, by 2050. In the Africa and Asia living almost 90 percent of the world's rural population.

Over the next years sustainable development challenges will be increasingly concentrated in cities, particularly in the lower-middle-income countries where is the movement of urbanization fastest. For improving the lives of both urban and rural inhabitants we need special integrated policies (United Nations, 2014)

2.2.1 Rural area in Ghana

In the case of Ghana is classification of urban or rural area based on the population size. According to the data from GLSS6 we know, that the volume of rural population

rapidely decreased. In 1960 was the urban population 23.1 % of total population and in 2010 this population increased to the 50.9 %. According to the World Bank slightly less than 50% of total population lives in the rural area (WB 2013). Number of people living in rural area is still decreasing. The only one urban region, where the number of population decreased is the Upper West region, where inhabitants rate declined from 17.5 percent to 16.3 percent (GLSS, 2014). Rural-urban migration has been an important phenomen in Ghana since the 1960s, country is still mainly rural, mostly in the north parth of the country where is 80 - 90 % of population rural. Region with higher value of rural population is Ashanti with 94 percent in the Upper West. On the other hand, the region with the lower value of rural population is Greater Acra, where is only 13 percent of population classified as a rural population. Ghana is currently in the process of dynamization, the infrastructure and accessibility of rural areas is improving and the differences between rural and non-rural areas are more difficult to define.

2.3 Rural employment

Stable employment is one of the most important way through which is possible to improve living standards of poor women and men. Many rural people stay poor because they have too low income and live and work in uncertain conditions. They have weak acces to health service, social assistance or insurance. They only have usually access only to "indecental" work. According to the ILO database (2009) the working poverty rate was 58 percent in sub-Saharan Africa in 2007. In the rural areas, the rates can be even higher but unfortunately this data are not available and is not easy to confirm them.

It is necessary to pay attention to the policies of rural employment and development. Relation among employment, poverty and gender inequality are complex and require an understanding of how it can affect labour market.

Women are one of the most endangered group in the labour market. Women are more vulnerable workers than men because they have to fight with many prejudices. They have worse access to better-quality employment than men. Poverty can push women to the awkward situation and often to the informal and poorly paid jobs or push them into informal jobs. The main reason why women accept bad jobs, even awkward job, is because

they are in difficult life situation such as separation and widowhood. Available employment option for poor rural women is many times work in agricultural. This job is often offering to the women than to poor rural men. Vulnerability many times influence poor women enter the bargaining process with their employers in a weak position and employers force them to sell their labour well below market rates (FAO, 2010).

Rural labour market is divided into of farm and rural nonfarm labour market. This markets are narrowly linked with urban labour markets through interregional migration (David and Otsuka, 1994). The relative importance among farm and nonfarm labour markets makes big difference among developing countries and even across regions within a country (Haggblade et al., 2007; Reardon et a.l, 2007; Lanjouw and Lanjouw, 2001). In rural areas is typical that lots of farmers cultivate some crops and after that they travels for many hours to the big cities to sell their crops. Later on they determined that is for them more suitable to move into cities and found some job there. In sub-Saharan Africa, the decrease of farm size due to rapid population growth and slow economic transformation tend as a strong push for working members of land-poor households to venture into non-farm activities in urban metropolises and rural towns (Estudillo PJ *et al.*, 2014) .

According to ILO we know, that in sub-Saharan Africa is involved in agriculture almost 65% of the labour force and 32% of them generates of the Gross Domestic Product. But also in this case, when is agricultural so significance for the country, agriculture is not possible to provide a decent living requisite such as jobs that pay a wage, insurance and fair conditions for the majority of the workforce. For the rural markets is typical high levels of informality, big value of casual employment and high rates of self employment. In general in rural area is typical poor working conditions and access to social protection limited. Labour legislation is rarely enforced and rural workers are poorly organised. Working population in sub-Saharan Africa are according to ILO connected in "vulnerable employment" and 56% of these live in extreme poverty. These people has only US\$1.25 or less per day. Lots of hired farm workers working in really wrong work environment or only seasonal (CTA, 2012).

2.4 Informal Sector

Firstly we have to defined what the informal sector is. We can find lots of articles about this topics and each autor has own definition. We have chosen OECD definition “*The informal sector broadly characterised as comprising production units that operate on a small scale and at a low level of organisation, with little or no division between labour and capital as factors of production, and with the primary objective of generating income and employment for the persons concerned*” (OECD, 2002).

The author of the term “Informal sector“ is a British anthropologist Keith Hart who studied economic activities of low-income communities in Accra. The term of informal economy was defined in Ghana in 1971 and includes self-employment in small unregistered enterprises and wage employment in unregulated and unprotected jobs. Keith Hart (1973) said in his publication *Informal income opportunities and urban employment in Ghana* “*the distinction between formal and informal income opportunities is based essentially on that between wage-earning and self-employment. The key variable is the degree of rationalisation of work - that is to say, whether or not labour is recruited on a permanent and regular basis for fixed rewards.*“

The reason why we have to be consider to this problem is that in developing countries involve informal sector almost one half to three quarters of non-agricultural employment. Concretely in Sub-Saharan Africa, except South Africa, there is almost 80 percent of working population employed in informal sector. In the case of Ghana, informal employment represents over 90 percent of total employment (WIEGO, 2015).

According to OECD (2009) the informal sector refers to “all economic activities that are, in law or practice, not covered or insufficiently covered by formal arrangements.” Informal employment is a wider concept that also involves employment of an informal form but in formal environment as well as wage and self-employment in informal households and enterprises. (OECD, 2009)

Major consequence of the informal employment are poor employment conditions and lead to increasing poverty. Some of the typical properties of informal employment are lack of protection in the even of non-payment of wages, enforced overwork or extra work shifts, dangerous working condition, lay-off without previous notice or compensation, absance of social benefits such as pensions, sick pay and health insurance.

Keith Hart also suggest that one solution to the inadequacy of regular payment , consist in duplication of payment employment within the organized labour force (Hart K, 1973).

International Labour Organization establish the resolution concerning decent work and the informal economy adopted by the International Labour Conference in June 2002 called for the needs of workers and economic units in the informal economy to be addressed, with emphasis on an integrated approach from a decent work perspective. ILO also establish four main mechanism across the objectives and different regions for collecting and sharing knowledges, good practice and policy with a view to improving "know how" and "show how" (ILO, 2015).

2.5 Informal employment

Workers in the informal economy share one thing in common: the lack of formal labour and social protection. Informal employment is a large and heterogeneous category. Many different types of employment belong under the broad umbrella “informal”. This includes employment in informal enterprises as well as outside informal enterprises in households or in formal enterprises. It also includes the self-employed and the wage employed and within these broad categories, the sub-categories according to status in employment. It also includes a range of different occupations: for example, domestic workers, home-based workers, street vendors and waste pickers. These are all age-old occupations in which large numbers of workers around the world are still employed most informally employed (WIEGO, 2015).

In many regions informality rapidly increase or at least is persistent. Informal employment rising often to faster than formal employment even in environments that have profited from sustained growth. The main goal have to be improve the productivity and profit and reduce the risks of those working informally. Also is big challenge to support strategy of creating more decent jobs and consecutively formalising informal employment.

The mainstream economics in informal employment is typical for involuntarily work in low-productivity informal jobs, because in formal labour markets is good formal employment really shortage. However, given the size and heterogeneity of informal employment, we need to look in more detail at the dynamics and segmentation within

informal employment.

Generally, we can classified informal employment according to major characteristics such as wage employment, self-employment, rural or urban employment and work in formal or informal enterprises. We can registrate some major regional differences among developing countries. In sub-Saharan Africa is dominant form of informal employment various kinds of self-employment what represent almost four-fifths of informal employment in Kenya, Ghana, Mali and Madagascar (Heintz and Valodia, 2008). We can identified the main set of employment categories of informal workers. It can be identified to take into account differences in employment relationships. These categories can provide the basis for development of adequate broad policy interventions. This categories are established by OECD to the several points:

- Employer-owners of informal firms;
- Own-account workers;
- Informal employees (of formal and informal firms);
- Sub-contracted workers and wage workers for households (domestic workers);
- Wage workers with no fixed employer (casual day workers); and
- Unpaid contributing family members.

We could divide this employment categories according to the current situation in country and also according to the relevant importance of different occupational categories. For example in the case of India, the Self-Employed Women's Association (SEWA) , divides its members into four major occupational categories as a: vendors and hawkers; home-based workers; labourers and service providers; and rural producers (Chen, 2006). The most widespread and largest sub-groups of the informal workforce are home-based workers and street sellers. Home-based workers are maybe more numerous but street sellers are the more visible. This two type of occupation represent an estimated 10-25% of the non-agricultural workforce in developing countries (OECD, 2009).

Hart also push ahead to the distribution of the informal economy into several sectors.

He divided informal economy in his book *Informal income opportunities and urban employment in Ghana* as:

1. Formal income opportunities

- (a) Public sector wages.
- (b) Private sector wages.
- (c) Transfer payments - pensions, unemployment benefits.

2. Informal income opportunities: legitimate

- (a) Primary and secondary activities -farming, market gardening, building contractors and associated activities, self-employed artisans, shoemakers, tailors, manufacturers of beers and spirits.
- (b) Tertiary enterprises with relatively large capital inputs - housing, transport, utilities, commodity speculation, rentier activities.
- (c) Small-scale distribution - market operatives, petty traders, street hawkers, caterers in food and drink, bar attendants, carriers (kayakaya), commission agents, and dealers.
- (d) Other services - musicians, launderers, shoeshiners, barbers, night-soil removers, photographers, vehicle repair and other maintenance workers; brokerage and middlemanship (the maigida system in markets, law courts, etc.) ;1 ritual services, magic, and medicine.
- (e) Private transfer payments - gifts and similar flows of money and goods between persons; borrowing; begging.

3. Informal income opportunities: illegitimate

- (a) Services - hustlers and spivs in general; receivers of stolen goods; usury, and pawnbroking (at illegal interest rates); drug-pushing, prostitution, poncing ('pilot boy'), smuggling, bribery, political corruption Tammany Hall-style, protection rackets.
- (b) Transfers - petty theft (e.g. pickpockets), larceny (e.g. burglary and armed robbery), peculation and embezzlement, confidence tricksters (e.g. money doublers), gambling (Hart K, 1973).

2.6 Urbanization

Urbanization is one of the main causes of weak labour markets and wrong living conditions in the rural area. Many rural people hope that the best solution for their wrong living situation is migration into the city. But unfortunately it is not always the best solution.

Almost all African countries were in the past colonialists countries, mainly British or France. Most of these countries gained political independence in the 1960s. Ghana was the first African independent country, since 1957 (Bryceson DF, 1996). The newly constituted African governments began design the economic strategies based on rural household self-sufficiency and the production of a few export crops or mineral extraction (UNFPA, 2007).

In an article *Urbanization in Developing Countries* (2002) the author points that we know two different factors among the urbanization process in current less developed countries and developed countries during their industrialization period. Firstly, Henderson (2002, p. 89) mentions that generally more developed countries had an easier urbanizing period than the less developed countries in current. Secondly, the urbanization process of more developed countries was working for a long time, which helps these countries to simultaneously develop necessary institutions and market instruments (ibid, p. 89-90) and it means that in comparison with developed countries, less developed countries are disadvantaged, because they do not have time to develop or improve the institutions and instruments needed to ensure decent living standards (Nordhag, 2012).

Currently we can talk about the largest world population structure change, because the wave of urbanization is rapidly growing. Today's urban population is around 3 billion people and this number of population, according to UN prognoses, will increase by 1.8 billion by 2030 (United Nations Population Division, 2006).

The town's increment is mainly due to more births than deaths, that means from the natural increase. The poor population has higher fertility rates than other urban inhabitants, which is caused mainly because they do not have general knowledge. Women are less educated, they have less knowledge about sexual and reproductive systems.

A big flow of rural-urban migration contributes to urban growth. The biggest part of the urban population, almost half of this population, are young people under 25 years

from the poor families and rural villages. This people have the future of cities in their own hand. The future depends about how cities will do now to help them. Young people need access to the education, health and employment because young people are the main keys for the fight with the poverty. In particular they are the key how to achieve up the Millennium Development Goals and halving poverty by 2015. (Hakkert, Ralph, 2007. Three Notes on Central Issues in Poverty and Urbanization in Cities, Poverty and Environment: Attacking the Future Now, forthcoming)

3. Aim of the Thesis

Education and the strength of the labour market are very important in finding a job. Poor performance of both the labour market and the education system have impact on the possibility to earn income and thus on living standards of the population. The main objectives of this study is to analyze the current situation and identify the main barriers in the labour market in Kwahu West Municipal District, Eastern region, Ghana. Our objectives is to describe the current situation in the education system, structure of employment and collect the opinions of local people on the possibility to improve their employment and income. Collected data as well as the research carried on them will serve as a basis for support activities of non-government organization working in this field.

3.1. Tested Hypotheses

In spite of being formulated as hypotheses the are rather research questions for which we try to get evidence in qualitative terms. In the end they might be rephrased but will always stay as hypotheses. In few cases, however, we can provide statistical evidence too.

H1 – The informal sector is large, hiding the true extent of unemployment.

H2 – People with higher education pay or save money for the education of their children, because according to them “ the future is in education”.

H3 – More than 50% of respondents think that they can improve their opportunities in labour market through higher education.

4. Methodology

The first step in methodology was to utilize existing secondary data sources and based on them the literature review. The second step was a survey in the study area when were collected the primary data for analysis. The primary data were executed in MS Office Excel® and analyzed in software STATISTICA 12.

4.1 Study of secondary data

Data were studied before and during the primary data collection. Scientific databases were used to receive and improve the knowledge in an appropriate scope. Data used for summarizing of the literature review were exploited from scientific articles searched in databases such as Science Direct or individual journal archive databases. Very profitable were data available on web pages such as International Labour Organization, the World Bank, the UNESCO, the International Fund for Agricultural Development or Ghana Statistical Service. This data were used to get statistical background mainly of labour market, education level and rural population in Ghana and all Sub-Saharan Africa. The principal key words used for searching in databases were: Ghana, rural, employment, informal employment, education.

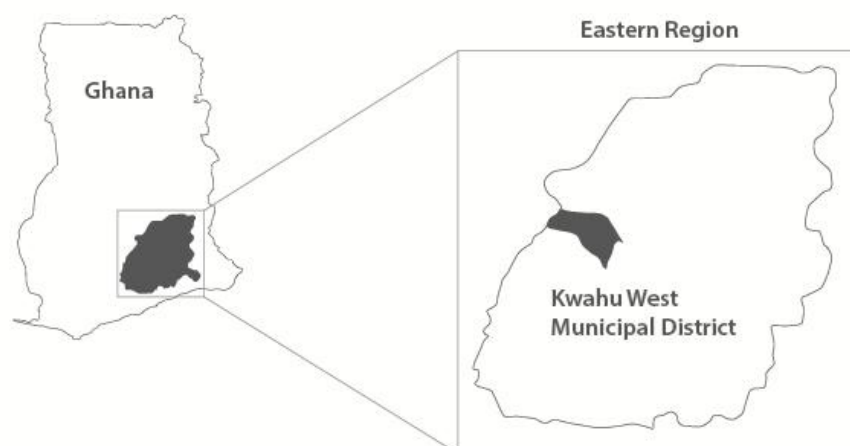
4.2 Study of primary data – area description

Primary data was collected in the Kwahu West Municipal district in the Eastern region in Ghana during the June – September 2014.

Total area of the Eastern region is 19,323 square kilometres. This region occupying 8.1 percent of the total land area of Ghana, is the sixth largest region of the country. Eastern region with 2,106,696 population representing 11.1 percent of Ghana's population. After the Ashanti region and Greater Accra region is the third most populous region in Ghana (Modern Ghana, 2015).

Kwahu West Municipal forms part of the twenty six (26) Municipalities and Districts in the Eastern Region of Ghana. Total population of district is 93,584 (Ghana Statistical Services, 2012). The Administrative Municipal capital named Nkawkaw, is located about 241 kilometers North-West of Accra. The Municipality has a total land size of 414 sq km and representing 2.2 percent of the total land area in the Eastern Region.

Figure 1- administrative districts of studied area



49 percent of the population live in the rural areas (Ghana Statistical Service, 2014). Even of the fact, taht Nkawkaw remains a great commercial centre, Agriculture still remains the dominant economic aktivity, agriculture employing about 55 percent of the work force. This is followed by Service 25 percent, Commerce 12 percent, manufacturing 7.5 percent (Republic of Ghana, 2012). 66.6 percent of the 15 years and older population are self-employed without employees, 3.7 percent are contributing family workers, 2.1 percent are casual workers and 0.4 percent are domestic employees. The private informal sector is the largest employer in the municipality, employing 88.6 percent of the population followed by the public sector with 6.0 percent (Ghana Statistical Service, 2014).

In the rural localities, 68.6 percent of households are engaged in agriculture while in the urban localities, 22.4 percent of households are into agriculture. Most households in the municipality (96.0%) are engaged in crop farming. Poultry (chicken) is the most dominant livestock farming activity in the municipality. Most of the labour force in the agriculture sector is engaged in the cultivation of food and cash crops such as maize, cassava, plantain, cocoyam, yam, cocoa, cola nut and oil palm (Republic of Ghana, 2012).

4.3 Field Survey

The field survey was conducted from July to September 2014 in Kwahu West Municipal district, Eastern region, Ghana. Data were collected in the capital city of district (Nkawkaw), selected small towns (Mpraeso, Obomeng) and selected villages (Obo, Twendurasee, Asaka). Places were selected according to recommendation of local friend who were also helpful when was translating need. The reasearch principle used in the research were semi-structured questionnaire participatory interview. Questionnaire survey covered 85 respondents. Respondents were selected by using the semi-random exponential non-discriminative snowball sampling method. Questionnaire consisted of 27 questions which are mix of closed and opened questions. The fulfilling of one questionnaire took

roughly 20-30 minutes. Basic questions were focused on socio-demographic background such as age, gender, marital status, education skills, household members and its budget. Second part of the questions were orientated to the job experiences and working conditions. The third part of the questionnaire were focused mainly to the respondents opinions about local labour market. We used this questions for better understanding of situation in the field. Each interview with the respondents was carried out directly in the field or in their household. Data was operationalized to simplify the reality for further statistically investigation.

4.4 Data Analysis

The collected data were summarized and statistically processed in software STATISTICA 12 as well as in MS Office Excel.

Software Statistica were used for calculate of the frequency of parameters. MS Office Excel as well as Statistica were used for deskriptive statistic analysis.

4.5 Limitations of survey

One of the main factor limiting this survey should be cultural differences. The second main difficulties could be languages barriers, it could bring some misinterpreting in the result. One of the limitation of this field survey was situation with Ebola in West Africa. Ebola was not in Ghana but we were advised to pretermit some of the villages for some security reason.

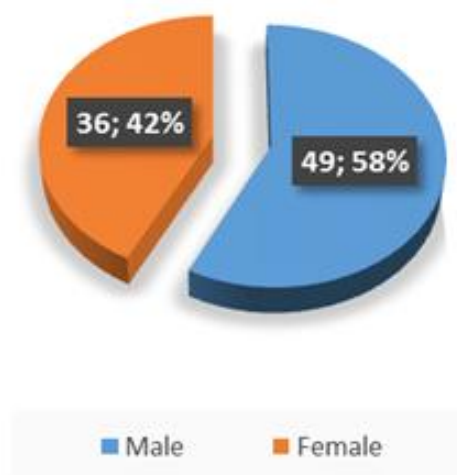
5. Results

This chapter contains the results and evaluation of research topics in the thesis research according to the objectives of the study and tested hypothesis.

5.1 Socio – economic profile of respondents

The survey include 85 respondents. All of them are Kwahu West Municipal district residents. The figure 2 express gender balance of respondents. For better processing of age rank were data categorised into 4 group. First age group were 18-28 years old people, this categories involved 54% of total respondents. Second group were 29-39 years old people, this group contain 22.4% of total respondents. Third group, 40-50 years old people involved almost 19% of total respondents and the last fourth group, 51 and above years old represent 4.8% of total respondents. Figure 3. show us male ratio and figure 4. woman ratio.

Figure 2 - gender balance of respondents



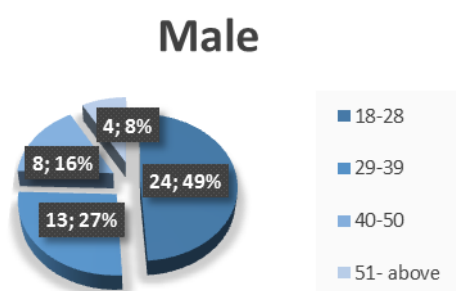


Figure 4 - age of males

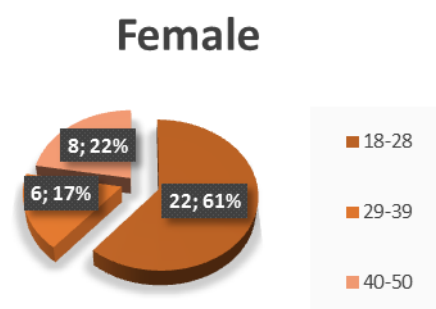


Figure 3 - age of females

In the case of marital status, 46.2% of respondents is married and 53.8% of respondents are single. The number of single people include 4 widows.

5.2 Household

Second part of the interview was about number of children, household members and average cost for each household. 63.4% of respondents have a children, 36.6% of respondent do not have a children. According to table 1 is visible that 31 respondents (36.47%) have not a children and the most families (22.35 %) have a 3 children. All respondents who have a children in a school age, enrolled their child to the school, pre-school or nursery.

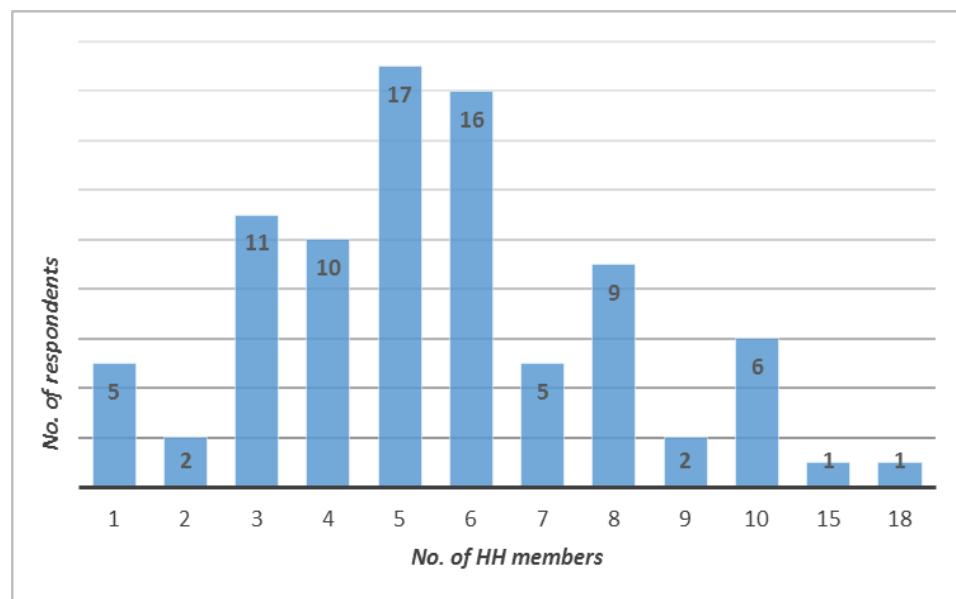
Table 1- number of children

<i>Number of children</i>	<i>Number of respondent</i>	<i>Percent</i>
0	31	36.47
1	13	15.29
2	13	15.29
3	19	22.35
4	4	4.71
5	3	3.54
6	2	2.35

Living area of respondents was divided into three categories: city, where live 25.9 % of respondents, small town, where live 24.7% of respondents and village, where live 49.4%. This classification is established according to the district council classification.

The major number of respondents living in household consisting of 5-6 people, average value of people living in one household is 5.78 person. Size of the household is important, it influence living standards and conditions of all household members. In the figure 5 is express that the most of respondents (20%) said that in their household is living 5 person, 18.9% of respondents said that in their household is living 6 person. Only 2 respondents (2.35%) said that in their household is living 2 or 9 person. 5 respondents, (5.88%), live alone.

Figure 5 - size of household



The average costs of household are really different. Depends on the number of household members and mainly on the number of working people in the household. The table 2 express total number of persons in household, total number of persons according respondents, how many of this persons are employed and how many of them are unemployed. Average cost tell us average value of Ghana Cedi needed by each family for one week according to answers. In each family is higher number of employed people than

unemployed. In the case of household with 6 persons is average number of employed people 71.89% and the average cost for this family makes 179 GhC per week.

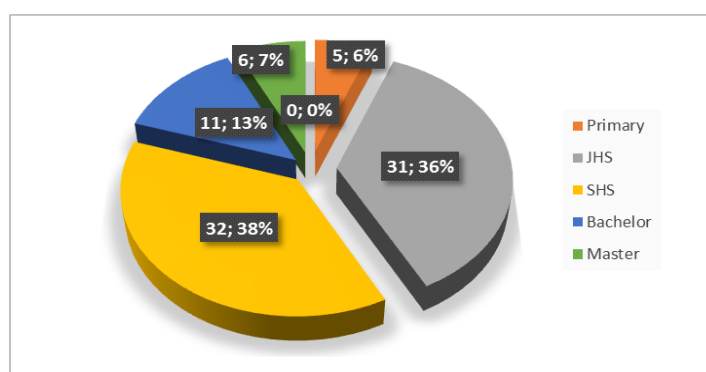
Table 2 - structure of household

No. of HH members	Total No. of HH members	Employed	Unemployed	Average Cost (GhC/ week)
1	5	4	1	69
2	4	3	1	150
3	32	24	8	112
4	40	21	19	169
5	85	66	19	126
6	96	69	27	179
7	35	24	11	136
8	72	41	31	88
9	18	11	7	65
10	60	40	20	72
15	15	5	10	150
18	18	8	10	50

5.3 Education

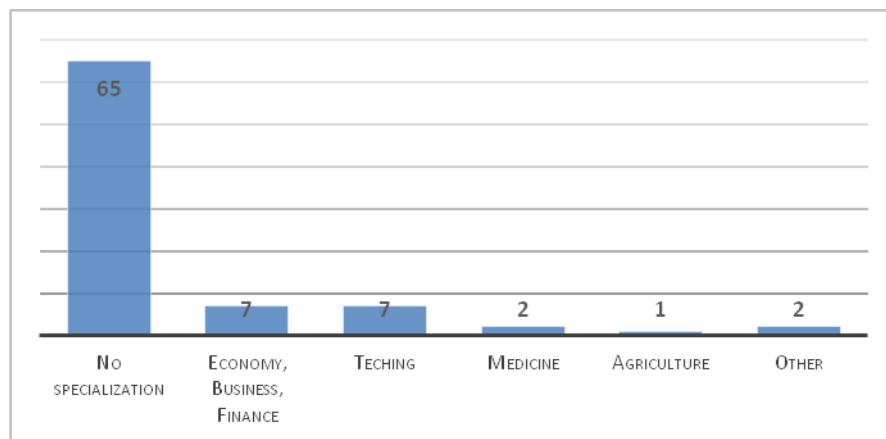
Figure 6 express education level of all respondents. Figure shows that 7% of respondents completed only primary school. Secondary school finished 63 respondents, concretely Junior high school 36.5% and Senior high school finished 37.65 %. In the case of University level is number of students lower. Bachelor degree accomplished almost 13% of respondents and Master degree accomplished 7% of respondents.

Figure 6 - level of education



Very important part of the education is study specialization. Almost 42% of respondents completed primary school and JHS, this level of education is without concrete specialization. In the case of SHS is situation with specialization better, but students do not have sufficient specialization. Figure 7 express that 76% of respondents have no specialization. 8.34% of respondents has specialization in Teaching and Economy, 2.35% in Medicine, 1.18% in Agriculture and 2.35% in some other field.

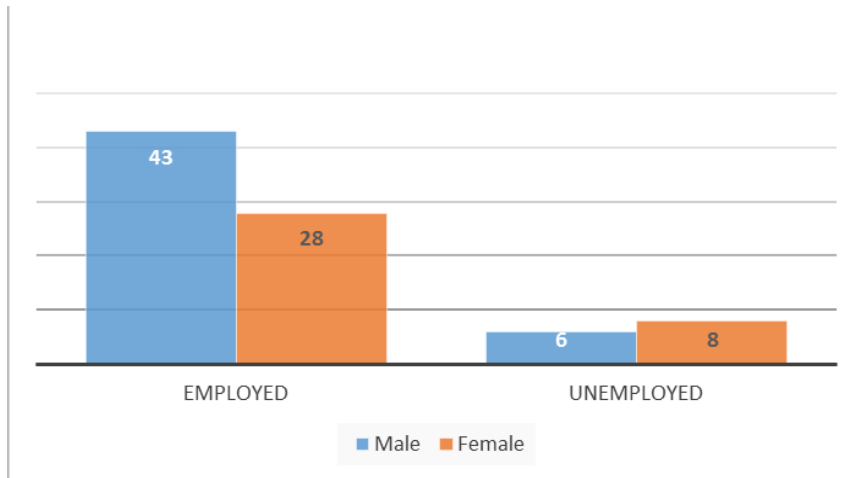
Figure 7 – specialization of study



5.4 Employment

The very first question about employment was if the respondents have a job. Figure 8 express that 83.5% of respondents get a job and 16.5% of respondents not. Figure is also divide into gender categories. We can see that male respondents are more employed than female. And logically males are less unemployed than female respondents. In the comparison of total value of males and females respondents are the males on the better position. 87% of total males respondents are employed. In the case of females is employed 77.8% of total females respondents.

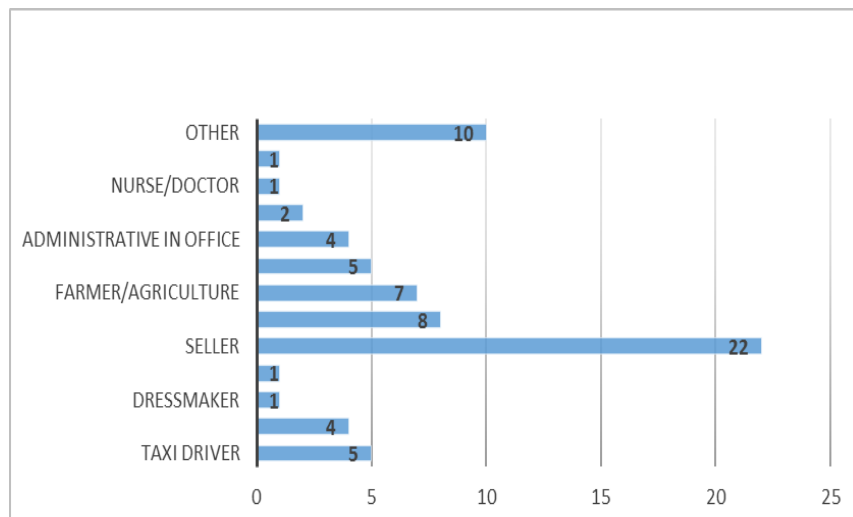
Figure 8 - employmen vs. unemployment



14 respondents (16.5%) is unemployed. Nine of them (64.3%) is unemployed less than 1 year and they are looking for job actively.

Figure 9 deals with the occupation of respondents. According this figure we can see that the most popular occupation is seller with 25.9% answers of respondents. In the second place is category named Other with 11.8% answers of respondents. Other means that their occupation is mainly occasional and they do not have one regular job. On the next positions are cook/barman with 9.4%, farmer with 8.2%, taxi driver or teacher with 5.9%, carpenter or administrative worker with 4.7%, bank officer with 2.4% and on the last position is category of soldier, nurse/doctor, hairdresser and dressmaker with 1.2%.

Figure 9 - occupation of respondents

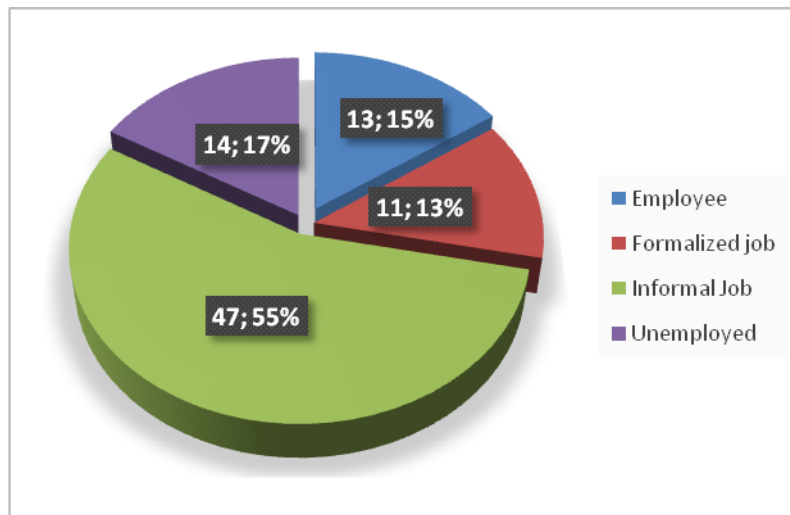


Related to the previous figure is important figure number 10. In Ghana is very common work in the informal sector. For the better processing were all of this job categories classified to the following groups :

1. Employee (Teacher, Administrative in office, Banker, Nurse/doctor, Soldier)
 - Workers with the labour contract, fixed wage
2. Formalized job (Taxi driver, Carpenter, Dressmaker, Hairdresser)
 - Mainly self employed, but they have to pay tax to government for registration
3. Informal job (Seller, Cook/Barman, Small Farmer, Other = occasional job)
 - Workers without labour contract, self employed, random income
4. Unemployed

According to the future 10 we can see that 55 % of respondent working in the informal sector, 17 % of respondents is unemployed, 15 % is employed and 13 % of respondents get a formalized job.

Figure 10 - classification of working sector



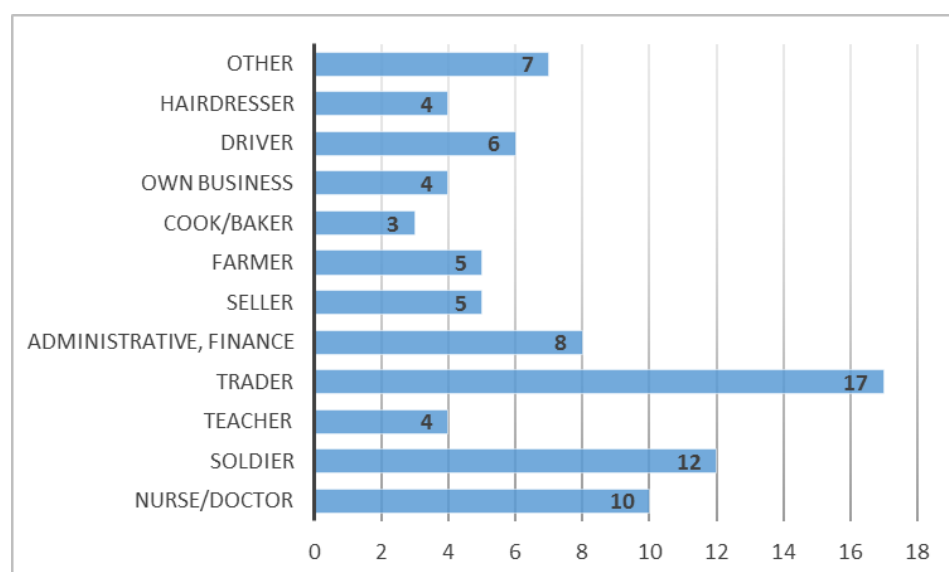
70% of respondents have been walking to the work, 14.1% using car and in the case of 15.9% of respondents, type of transportation depends. For example in the case of sellers is depends if is market day in some neighbour village and he need to use taxi or not etc.

5.5 Own opinion of respondents

This category of questions gave us the best feedback. Questions were strictly based only on the respondents opinion. The first question in this part of interview was what job they would like to do, but they can not because they have some barriers. Figure 11 express that the majority of respondents (20%) would like to be trader, on the second place is category soldier with 14% answers and on the third place is nurse/doctor with 11.8% of respondents. 9.4% of respondents said that they would like to work in finance sector or in administrative. Desired occupation is also driver with 7% of respondents, farmer or street seller with 5.9% of answers. Teacher, hairdresser or some other own business replied 4.7% interviewed person.

The main reason why they can not do this job is because lack of capital or insufficiency education.

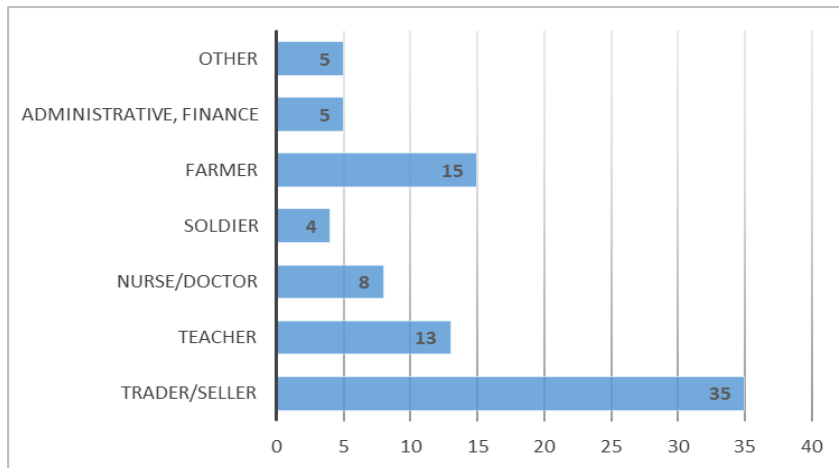
Figure 11 – job preferences



what respondents would like to do as a job

Figure 12 illustrate answers for the questions what job is the best in Kwahu West Municipal District. Majority (41.2%) of respondents answered trader or seller. Farmer is on the second place with 17.7% and teacher on the third place with 15.3% of answers.

Figure 12 - the best occupation according respondents



Question which is represent by figure 13 describe what people think about local labour market. Majority of respondents (58%) think that market is to weak. 19% of respondents think that people do not have sufficient education. 15% of respondents have opinion that people are lazy to find some job and 8% of respondents have some other idea.

Figure 13 - main problem of labour market according respondents

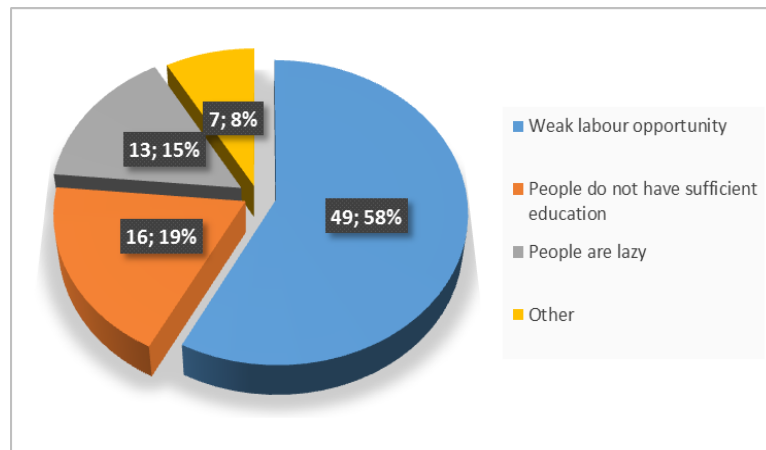


Figure 14 express respondents opinion about improving of their opportunities in local labour market. The most common answer (55%) was that they have to improve their education. 18% would like to get money for own business, 15% of respondents has some own idea and 13% of respondents do not know how they can improve their opportunity.

Figure 14 - improving of own opportunities in the local labour market

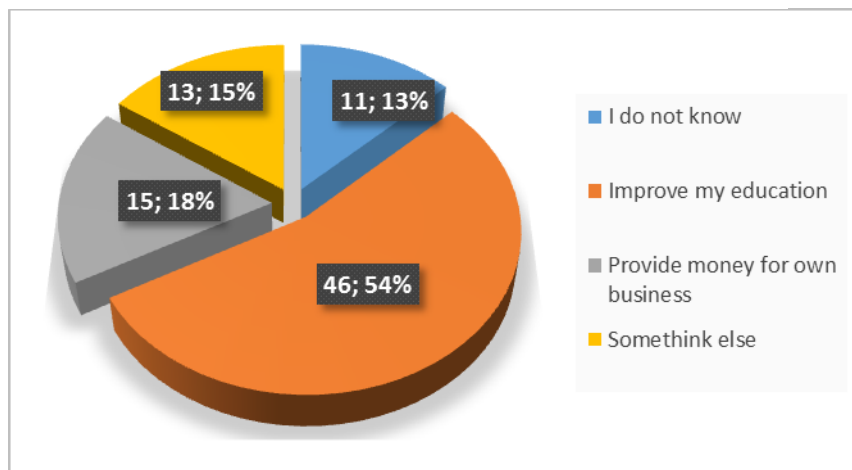


Figure 15 is reaction to the previous question. To respondents were given a question whether they would like to improve their education. 81% of respondents said yes and 19% of respondents said no. Main reason why respondents said no, was their high age, they did not feel well for higher education or they were resolved that they do not need it.

Figure 15 - interest in enhancing of education

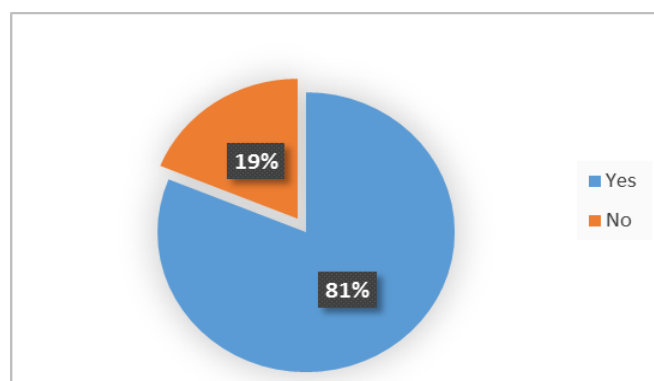
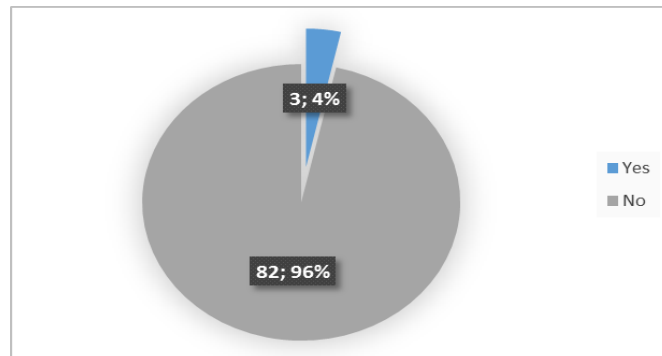


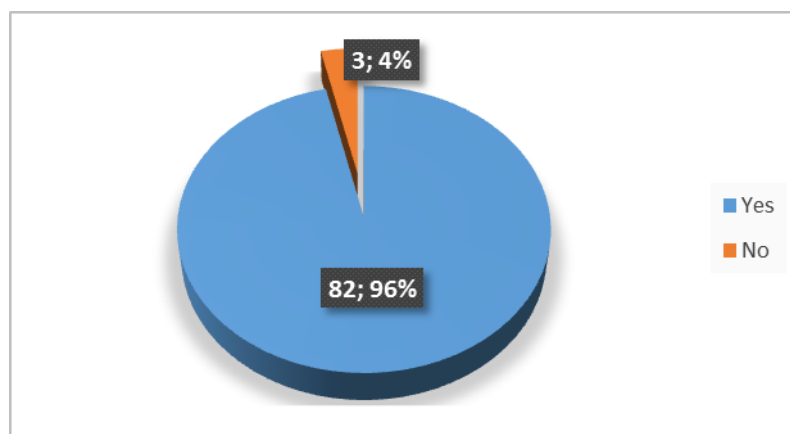
Figure 16 express answer for the question if respondents know some government programme or NGO who support people without job and live in wrong living condition. Majority of respondents (96%) answered no. Only 4% of respondents said yes. They knew NGO which support only farmers.

Figure 16 – awareness of government support



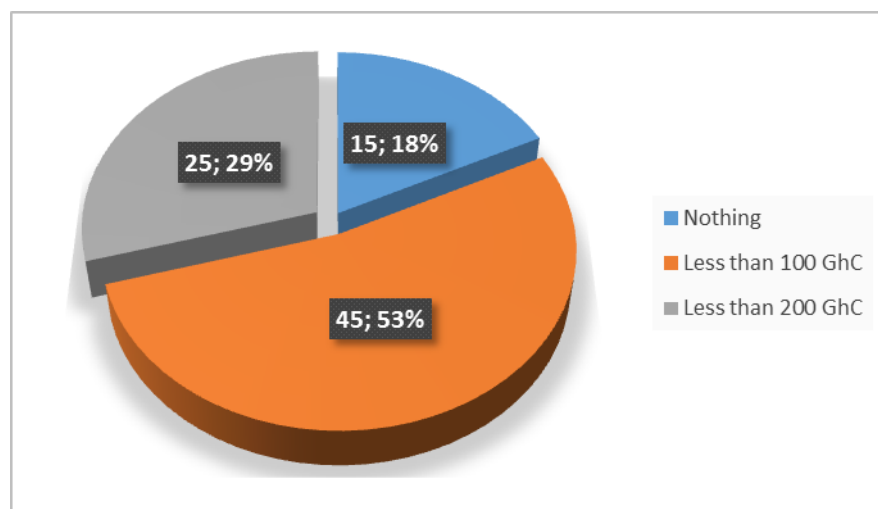
The last part of my questions dealing with the topic of retraining course. First of all was necessary introduced all respondents into retraining course concept. Only 9% of respondents had an idea what about I am talking. After short discussion they were able to tell me own opinion. I was asked them if this type of education could help them to find a better job. Figure 17 express that the Majority (96%) of respondents agree with this concept and only 4% disagree.

Figure 17 - opinion about retraining courses



Because some of the people told me that they know some courses with similar structure and concept but it was not for free I was asked them how much they are able to pay for the intensive (6 week long) course with the certification after the finalization of the course. Answers are visible in the figure 18. 53% of respondents is able to pay less than 100 GhC, 29% of respondents is wiling pay less than 200 Ghc and 18% of respondents would like this courses for free.

Figure 18 – possible price of retraining courses



6. Discussion

Aim of this thesis is to inform on the situation on the rural labour market in the Eastern Region, Kwahu West Municipal District, Ghana. It is important to keep in mind that the results refer to a concrete district with 92,000 inhabitants and thus that the results must be generalised with caution. If goes to another region in the country, result might differ in some respects like the extent and the nature of the informal sector/economy, the opportunities for education, the actual level of attendance of the compulsory schooling etc.. The study is focused on the labour market, its opportunities and also education level of local people. These two factors were chosen because they can be considered as an important ways to improve living standards of local residents. If the level of education is not adequate new businesses cannot emerge; if employments are not formalised, people will not achieve the essential level of security and will tend to emigrate to areas with higher job opportunities and better income. If neither of these condition is satisfied, the social situation of rural people will hardly ever improve.

The major problem of the Ghanaian labour market is lack of formal employment. It is said unofficially that almost 80 % of the Ghanaian population works in the informal sector without regular wage, basic social security prerequisites and even with personal risks. We can find lots of articles published by UNDP, OECD, WB, ILO and other international organisations which are focused on the urban informal sector. This topic is really proximal to the British professor Keith Hart, coiner of Informal Sector term. Hart touched this issue first time in 1970s and his first study on this topic focused on the capital city of Ghana, Accra. We can find lot of definitions of the informal sector. Hart's definition is: "The distinction between formal and informal income opportunities is based essentially on that between wage-earning and self-employment. The key variable is the degree of rationalisation of work - that is to say, whether or not labour is recruited on a permanent and regular basis for fixed rewards". Briefly we can say that the informal sector can be described as the part of the economy which is not organized, registered and regulated. There is lot of studies about urban area, but on the other hand it is really hard to find any relevant sources about rural informality.

Ghana statistical service regularly publish lots of reports and surveys and part of them is dedicated to the labour market and labour force. One of the most important for this

study is Labour Force Report, which is part of the Ghana Living Standard Survey Round 6. This report presents that 61.5 % of economically active people living in the city is working in the informal sector. On the other hand, in the rural area it is suggested that only 23,3% of working population older than 15 years works in the informal sector. In this study is also written that 72 % of the rural people work in agriculture. To my opinion not including most of agriculture in the informal sector is hiding the problem of the informal sector in rural areas. The main problem of the above mentioned report is in the division of employees to the Public and Private sector. Private sector is divided into formal, informal, NGOs, Cooperatives, Diplomatic Mission, Agri-business and other. But as it is known, the informal economy covers a whole spectrum of economic activities in agriculture, commerce, manufacturing, construction and so on.

Agri-business could be part of formal but also informal sector. In comparison with my results we can see (figure 9) that farmers occupation is placed on the fourth place with 8.2 % answers. These respondents were either owners of commercial farms or they worked on farms as employees with more or less fixed wage and some type of contract. Respondents who are owners of small piece of land and they cultivate crops for subsistence while selling only small rests in the local market. These respondents are not involved in the category farmer but in other, because in this case is farming only external income, not regular wage.

Although 83.5 % of respondents (figure 9) answered that they have a job, in the reality it meant, that these respondents have rather occasional jobs earning some income, in no respect they were formal employees. According to this division of the respondents to the categories such as employee, formalized workers, informal workers and unemployed (figure 10), we can say that only 15 % of respondents are employed and 13 % are self-employers who are registered in the districts offices and who have to pay for regular fees for their business. The remaining 72 % are unemployed people or people with irregular income.. With this result we are close to the unofficial estimation of 80% economically active population in informal sector. What also verify our Hypothesis 1 - the informal sector is large, hiding the true extent of unemployment. Our estimate of 72% of rural labour force being in the informal economy is fairly above the level of urban informal employment published in the Labour Force Report.

As a very interesting part of the answers I consider the question, where respondents were asked, what kind of job would they eventually like to do. The largest part of

respondents said they would like to be traders (figure 11). Trader is popular occupation in Ghana, it evokes a kind of freedom and a certain and high earnings. In second and third place in the table is placed nurse/doctor, soldier and also a lots of people answered teacher. The reason why they prefer this type of job is simple. All of these professions are covered by government and this guarantee a fixed wage, basic insurance and a very good status in society what is still highly respected in Ghana. According to this part of answers is evident that people would like to work in formal sector, but with current possibilities it is not easy.

I would include in the above paragraph also these points:

For trader people do not think a formal and higher education is needed. Trader can be everyone who have a certain communication skill.

In contrast to be nurse, doctor, teacher, soldier the education is needed. And on the top, if one can get governmental job, one need good connections or even bribe someone.

This financial instability has a high impact on the education level of the rural population. Many families can not afford to pay for uniforms, school equipment for their children or tuition fees that are associated with SHS and tertiary education.

Since independence in 1957 is the financing of public education institution the responsibility of the central Government. Although teaching and learning materials are provided by the Ministry, equipment of school classes is still inadequate. Because I taught in Ghana in pre-school and primary school nearly three months, based on my experience I can say that the problem of the education system is not only equipment in schools, but also the wrong teacher motivation, poor supervising, unattractive modes of teaching such as rote learning and copying from blackboard and the language of instruction. And also because of these problems is the education level so poor. 42 % of respondents completed only primary school or JHS which is not often sufficient. Many graduates have deficiencies in writing, reading, counting or because of this they have a big problem to find adequate job. According to answers is evident, that 54 % of respondents think, if they will have higher education, their chance or opportunity in labour market will be much higher. Education level would like to improve 81 % of respondents (figure 15). This part of questins verify our Hypothesis – More than 50% of respondents think that they can improve their opportunities in labour market through higher education.

As a one of possible solution to this situation I see rural retraining courses focused on basic economic issues and to crafts issues that are very important for rural population. Non-formal Adult Education system works in many developing countries and has helped thousands of people. In Ghana are generally organized adults courses in big towns, however this courses are unavailable for the rural people. The results show that these courses will appreciate 96 % of respondents (figure 17) and the average amount they are willing to pay is 100 GhC (figure 18).

7. Conclusion and recommendations

Despite the fact that Ghana is considered as one of the fastest economically developing country in Africa, there is still lots of barriers which have to be overcome. Education is a basic building stone of development. As long as the Ghanaian government does not start to build a better and effective education system, it is not possible to raise up living standards in the country. Many people condemn African population, that they do not sufficiently appreciate help from foreign NGOs and foreign governments. However my personal experience is different, local people appreciate international assistance if this addresses their actual problems. Also, the result of our study confirms that people in the rural region Kwahu appreciate assistance in the form of informal education. Even they express willingness to pay some reasonably small sum of money for participating in this form of education.

Regarding to the labour market, important step is in the hands of government. If the government will keep its focus entirely on the development of the capital city and the coastal area, the situation will not improve outside these regions, particularly in rural areas where agriculture is rather extensive. . In my opinion, a relevant action can be promoting the set-up and the development of small enterprisers which will gradually employ rural people and replace the informal sector.

This study aimed to identify the current situation and the main obstacles in the labour market in the Kwahu West. A part of the objective was to investigate how the education system foster opportunities to get better and regular job for rural people. From the interviews we learned that there are two main problems associated with it: a) professional (vocational and higher secondary and tertiary) is costly and ordinary people cannot afford it, and b) the actual job opportunities in the formal sector are very limited, thus rural people lack motivation to invest in their or their children education. I believe these findings fulfilled the objective of the thesis. However, the research also showed that rural employment in Ghana ought much more investigation. Further research is essential if the government is to design an efficient policy as well as a base for better targeting of international assistance..

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9. Annexes

Annex 1 - Structure of questions for the respondents:

Rural employment in Ghana

Dear Sir/ Madam

My name is Šárka Záptocká and I am a student of Czech University of Life Sciences Prague, major International Development and Agriculture Economics. I am writing my diploma thesis on the topic of Rural employment in Ghana: does education improve opportunities of people from Mpraeso Kwahu area? I would like to indicate the local situation of opportunities in the labor market, the living standards, education and type of profession in this location.

Interview will take around 25 minutes.

Thank you in advance for your cooperation.

1. Sex Male / Female
2. Age rank a)18-28yrs. B)29-39yrs. C)40-50yrs d)51- above
3. Marital status Married/ Single
4. Do you have any children? If yes, how much?
5. Where do you live? (city, small town, village)
6. How many people live in your household?
7. How many of them have a job?
8. How high is your household budget per a week?
9. The highest level of your education
10. Number of years of schooling
11. What did you study?
12. Do you have a job?

If yes, what is your job?
13. Do you have any job experience from the past?
14. Which type of job do you want to do?
15. What type of job is about you the best in Kwahu West District?
16. Do you think that your education is sufficient labour market in Kwahu West District?
17. What is your opinion on local labour market?
18. Do you know some governmental support programme for unemployment people?
19. How do you think you can improve your opportunities in labour market in Kwahu West?
20. Would you like to improve your education?
21. Do you think that retraining course is one of the solution for unemployment people?
22. How much are you able to pay for it?

Annex 2 - Photographic documentation of the Survey



Picture 1- interview with respondent (taxi driver)



Picture 2 - interview with respondent (flour seller)



Picture 3 - interview with respondent (small shop owner)

