

*YES Perspectives: A Series on Youth Employment and Skills Policies*

# Decent Work for Ghanaian Youth: Enhancing Labor Market Policies to Tackle Underemployment and Skills Mismatch

**POLICY BRIEF – GHANA**

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## Introduction

Ghana has a youthful demographic profile, with a significant proportion of the population under 35 years old. This demographic represents both an economic opportunity and an urgent need to tackle youth unemployment. Projections indicate a continuing rise in the youth population, emphasizing the importance of *decent work*. This is defined as productive employment that offers a fair income, job security, social protection, and opportunities for personal development. The socio-economic consequences of failing to provide decent work for the youth include economic instability, increased social unrest, and susceptibility to social vices. Additionally, the underutilization of young Ghanaians' skills represents a significant waste of human capital, impeding national progress. This policy brief aims to give policymakers a comprehensive understanding of these challenges, assess the National Employment Policy, and propose recommendations to enhance decent work opportunities for Ghanaian youth in the context of the Fourth Industrial Revolution (4IR).

## Youth unemployment and underemployment: trends, drivers, and characteristics

Ghana's youth, by definition, are individuals between the ages of 15 and 35; they make up over 35 percent of the total population. Despite high levels of literacy and increased enrollment in tertiary institutions, many youths struggle to transition into meaningful employment. This mismatch between education and employment continues to widen, deepening economic inequality and social discontent. As of 2023, the youth unemployment rate stands at 21.2 percent (GSS, 2023), significantly higher than the national average of 13.4 percent. Young graduates struggle to find formal jobs and many end up working in low-paying, informal, or part-time jobs that do not match their skills, while others, particularly in rural areas, are stuck in seasonal or subsistence work.

Consider the experiences of Constance, 28, a sociology graduate since 2021 who, after countless unsuccessful job applications, now earns a living selling wigs online. "It's not what I dreamed of, but I have to survive." Or Lariba, 22, who left her home in Tamale for Accra after completing senior high school because tertiary education was unaffordable, and now works as a mobile money vendor, stating, "I make GH₵30 on a good day; there are no jobs at home." Then there's Kwamina, 31, trained as an electrical engineer, who now drives a ride-hailing vehicle simply to make ends meet. These individual stories vividly illustrate the broader systemic challenges that many young Ghanaians face in securing suitable employment. A growing education-employment mismatch, limited industrialization, and the dominance of the informal sector are key drivers of youth unemployment (Eric, 2020).

## **Ghana's National Employment Policy and its focus on youth**

Ghana's National Employment Policy (NEP) of 2015 represents a landmark framework aimed at creating gainful and decent employment, improving living conditions, and fostering equitable economic growth (Iddrisu, 2014; Baah-Boateng, 2004). The NEP made commendable strides in recognizing youth as a national priority, embedding targeted apprenticeship programs, prioritizing technical and vocational education and training (TVET), and integrating career guidance in schools. Key initiatives included expanding the National Apprenticeship Programme to equip young people with industry-relevant skills, strengthening TVET delivery, and embedding career counselling in the formal curriculum. The policy also introduced seed-capital schemes for youth entrepreneurship and fiscal incentives for private-sector youth hiring, alongside support for social enterprises led by young Ghanaians.

However, these well-intentioned measures have struggled to fully match the rapid evolution of the labor market, particularly as the informal economy and digital work platforms outpace formal structures in creating opportunities for the youth. Many young Ghanaians continue to face a pronounced skills-job mismatch, revealing shortcomings in NEP implementation and the relevance of its training programs. Whereas the NEP envisages a shift in the economy towards expansion of the formal sector, over 80 percent of youth employment—including digital freelancing, creative industries, and small-scale agribusinesses—remains within an informal sector that the policy scarcely addresses despite its overwhelming size (Boateng, 2021; Mensah, 2022).

Moreover, the policy's largely top-down design has minimized youth participation in both the design and evaluation of its initiatives, diluting young people's sense of ownership and the relevance of its programs (Acheampong, 2022). Building on the otherwise solid foundations the NEP established, a dynamic revision should deepen engagement with youth voices, more effectively integrate informal sector realities and digital labor platforms and ensure entrepreneurship and skills development schemes align with emerging industry needs. Only by adapting the NEP in response to new technologies and the lived experiences of young workers can Ghana accelerate equitable job creation and dignified work for its burgeoning youth population.

## **Identifying NEP gaps and limitations in the context of 4IR**

The world of work is changing fast. Automation, artificial intelligence (AI), and digital platforms are reshaping jobs. But Ghana's employment policy has not kept up. The NEP barely mentions the Fourth Industrial Revolution. This is a serious omission. Young Ghanaians are stepping into a future the policy does not prepare them for. Our education and training systems still focus on traditional careers, while new sectors of technology, data, and digital finance are exploding. The NEP must shift from theory to practical readiness. It should support digital skills, innovation hubs, remote work models, and green jobs. These are the spaces where future jobs will be found.

There is also a disconnect between public institutions and private innovation. Young entrepreneurs build solutions every day, yet policies lag. The government must learn from this creativity, not regulate it out of existence. A responsive NEP must build stronger links between innovation, policy, and practice. The NEP requires updating to adequately address the challenges posed by 4IR, particularly in the areas of promoting digital skills and supporting youth entrepreneurship in technology (Boateng, 2021; Mensah, 2022). To succeed in the 4IR era, Ghana must place the youth at the center of digital transformation, not just as beneficiaries, but as leaders and co-creators.

## Navigating 4IR: implications and opportunities for Ghana's youth

- **Global and African trends in technological advancements and automation.** The Fourth Industrial Revolution—characterized by the integration of digital, physical, and biological technologies—presents both opportunities and challenges for economies worldwide. Key technologies driving 4IR include AI, robotics, and big data analytics, which are reshaping job landscapes globally. In Ghana, digitalization is increasingly recognized as vital for sustainable economic growth. Mobile money and related digital services are contributing significantly to ICT sector growth (Afutu-Kotey, Gough and Owusu, 2017). However, Ghana still faces limitations in digital infrastructure and lower internet access than more advanced economies.
- **Potential impact on job creation and displacement.** 4IR presents both opportunities and risks. Automation may displace some jobs, but new roles will emerge in fields like AI and digital marketing. To leverage these, Ghanaian youth need relevant skills. Crucially, 4IR must not worsen gender inequalities. Without proactive measures, young women could face barriers in accessing digital skills, careers in science, technology, engineering, and mathematics (STEM), and tech entrepreneurship, which would widen disparities (World Economic Forum, 2020). Therefore, addressing gender gaps is vital in preparing *all* of Ghana's youth for the future workforce.
- **Emerging skills requirements and the future of work.** The skills required in the 4IR era differ significantly from those traditionally emphasized in educational institutions. Digital literacy, along with advanced STEM skills, will be essential across a variety of sectors. Additionally, soft skills such as critical thinking, teamwork, creativity, and problem solving will be increasingly important. To adapt to these evolving demands, Ghana's education and training systems require critical reforms, including the integration of digital skills and STEM education in early schooling and strengthening TVET programs to align with industry needs. Promoting lifelong learning and providing access to reskilling initiatives will also be essential in ensuring young people can adapt to the fast-changing labor market.

## Challenge of skills mismatch: bridging the gap between education and employment

- **Evidence and prevalence of skills gaps among Ghanaian youth.** A considerable gap exists between the competencies of Ghanaian youth, particularly graduates, and the requirements of available jobs. Employers often express concern over graduates lacking job-relevant skills. Many young individuals feel better prepared for further education than for actual employment, rating themselves as low in essential skills such as communication, IT, decision making, and critical thinking. Surveys indicate a significant disparity between the skills expected by employers and those possessed by graduates.

- **Sector-specific analysis of skills mismatches.** Skills mismatches are evident across various sectors in Ghana. High-demand sectors like agro-processing and tourism report a lack of industry specific skills, which are crucial for enhancing productivity. The technology sector—with its growing need for expertise in software development, cybersecurity, and data science—also faces a shortage of digitally skilled workers. Traditional sectors such as agriculture increasingly require modernized practices and ICT skills, highlighting the pervasive nature of this challenge.
- **Role of the education system and vocational training.** Ghana's education system has been criticized for inadequately preparing youth for the labor market. There is an overemphasis on academic qualifications, with insufficient focus on practical and vocational skills. The curriculum often does not align with evolving industry needs, resulting in a disconnect between educational output and job market requirements. Technical and vocational education and training is vital for addressing skills mismatches. The government has started implementing free TVET, but challenges remain regarding public perception, early career guidance and counseling, and the quality of training. Many view TVET as a fallback option, which hampers enrollment rates. In view of the importance of equipping youth with the necessary skills, efforts to improve TVET's appeal and relevance to industry needs are essential.

## Policy innovations and best practices: lessons from Africa and the world

Across Africa, countries are testing bold policies to solve youth employment challenges. Rwanda, for example, launched the Hanga PitchFest, a platform where young innovators compete for funding, mentorship, and global exposure. It is government-backed but youth-driven, which proves that when policies invest in youth creativity, economies respond with jobs and ideas. In Kenya, the Ajira Digital Program gives youth digital skills training and connects them to online freelance jobs. It meets young people where they are—online—and builds practical pathways into decent work. South Africa's YES Initiative links young people to private sector internships, providing an example of how well public-private partnerships work when the private sector tangibly has skin in the game.

Globally, Finland's "Youth Guarantee" commits to giving every young person under 25 a job, training, or an educational opportunity within four months of becoming unemployed. It is a strong example of accountability in policy—not just goals but guarantees.

The key lesson is that youth-focused employment policies must be co-created with young people, flexible to their realities, and rooted in local contexts. Innovation alone is not enough—policies must be tested, scaled, and owned by the communities they serve.

## Policy recommendations: creating decent jobs for Ghanaian youth in the 4IR era

- 1. Make skills training market-relevant.** Youth do not just need training; they need the right training. Policies should invest in bootcamps, short courses, and certification that align with the digital economy—for example, coding, data analysis, digital marketing, and AI. Prioritize continuous skills development and strengthening practical linkages between industry and educational institutions.
- 2. Fund youth-led startups.** Government financing schemes must be designed for real accessibility. That means low-interest loans, mobile-friendly applications, and mentorship for first-time founders. Funding needs to shift from well-established businesses to youth-led ventures that have ideas but no collateral.
- 3. Embed entrepreneurship in education.** Every Ghanaian senior high and tertiary student should graduate having created and tested a business idea. The Ministry of Employment must make entrepreneurship a compulsory program in the curriculum, rather than merely an extracurricular option. With real incubation hubs on campus and access to seed grants, schools can become launchpads.
- 4. Use data to track what works.** The Ministry of Employment needs to invest in real-time labor market data. What sectors are hiring? What skills are in demand? Policy must be driven by up-to-date insights and intelligent forecasts, not outdated plans.
- 5. Make the digital economy inclusive.** Tech jobs should not be for the privileged few. Policies should expand rural internet access, remove taxes on student laptops, and partner with telecoms companies to zero-rate learning platforms. The youth in every region should have equal access to digital opportunities.

## Conclusion

### Charting a path towards decent work for Ghana's youth

Addressing youth unemployment, underemployment, and skills mismatches is critical for Ghana's future. By revising the NEP and implementing actionable strategies, Ghana can better equip its youth to thrive in the evolving labor market shaped by the Fourth Industrial Revolution. A collaborative effort between the government, educational institutions, and the private sector is essential for creating a future-ready workforce.

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