

Taking a Systems Approach to Youth Employment in the Ghanaian Construction Sector: A Case Study

Introduction

Ghana's booming construction sector has been a key driver of the country's impressive economic growth rate over the past decades, and is a major employer given its labor-intensive nature. While the sector's growth is a source of new jobs, it faces a significant skills gap with the shortfall of artisans estimated to be in the tens or even hundreds of thousands.¹ The Youth Inclusive Entrepreneurial Development Initiative for Employment (YIEDIE, Twi for "progress") activity was designed to assist disadvantaged young people to capitalize on this need by offering training in the technical, soft and entrepreneurship skills that lead to employment in construction.

While the sector offers real possibilities for Ghana's young people, regulatory, financial and market constraints pose some limitations to the opportunities created by the sector's growth. For example, bureaucracy in tendering processes and payments hinder projects and restrict new players from entering the market. Foreign competition presents a significant challenge to local construction firms, mostly small-

Launched in 2015, YIEDIE aimed to reach 23,700 youth in five of Ghana's largest cities—Accra, Sekondi-Takoradi, Kumasi, Tema and Ashaiman— with skills training leading to employment. YIEDIE is implemented by Global Communities in partnership with Mastercard Foundation and consortium members Opportunities Industrialization Centre Ghana, African Aurora Business Network, Republic-Boafo Microfinance Services and Artisans Association of Ghana.

¹ Darko, Emily and Alexandra Löwe. August 2016. Ghana's construction sector and youth employment. Working Paper. Overseas Development Institute.

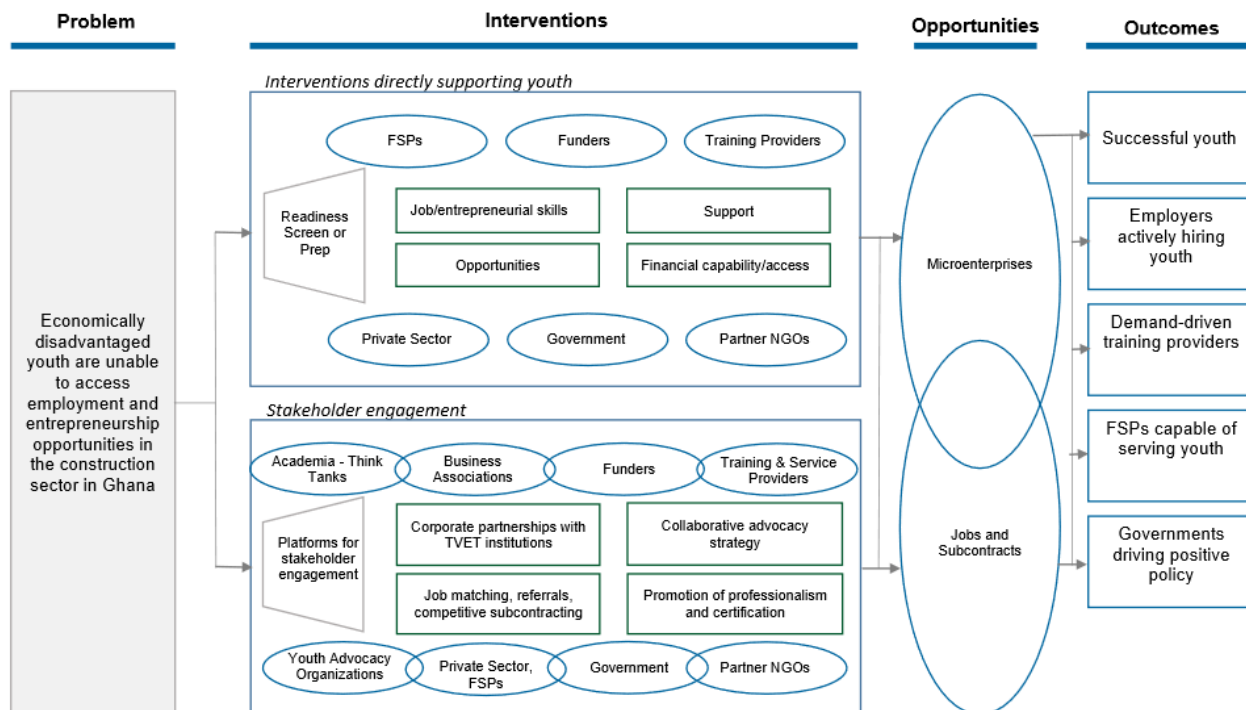
and medium-sized enterprises (SMEs), with limited financial resources and access to credit. Subcontractors, many of which are not formally registered or licensed, provide the large volume of semi-skilled and unskilled workers needed by the sector, but are hampered in their ability to bid on formal contracts due to their lack of registration and limited skills in pricing and project management.

Given these realities, creating opportunities for youth in construction required a systems approach that went well beyond youth skill-building to include expanding networks, increasing institutional capacity and fostering a more enabling environment. In addition, YIEDIE was committed to facilitating sustainable improvements in the employment ecosystem that would create a model for youth entry and success in the sector, benefitting young people beyond the life of the project. This brief describes YIEDIE's approach to implementing sustainable workforce development interventions at scale that targeted the informal construction sector where many of the opportunities available to the target youth are found. It outlines the key elements of the approach, assesses whether there are early signs of sustainability, and presents some lessons learned.

An Integrated, Market Systems Model

The YIEDIE theory of change was that young people will improve their economic futures when provided with appropriate skills, support, opportunities and financial capabilities to gain employment or to start and grow their own businesses. It assumed that their success depended on developing and engaging a broad network of stakeholders in this process, illustrated in the following diagram. Activities focused on improving the capacity of youth and service providers to achieve five objectives:

1. Increasing youth readiness for employment and entrepreneurship;
2. Increasing access to financial service providers capable of serving youth;
3. Increasing access to demand-driven training and service providers;
4. Increasing recruitment by employers of targeted youth; and
5. Increasing collaboration for improved government policies.



Program Model

Program elements were designed to address youth-specific constraints to working in the sector.

Market assessments. At onset, YIEDIE conducted studies to identify skills gaps and areas of employment growth in construction as well as barriers to youth access to opportunities. This led to the identification of sixteen trade areas expected to have high demand over the next ten years. Two of those initially identified—filling station canopy fabrication and road signal installation—were later dropped.

Apprenticeship model. Ghanaian artisans have traditionally acquired their skills through apprenticeship to a master craftsman, and this non-formal vocational training system remains the most expedient, cost-effective way for young people with limited education to learn construction trades. Leveraging this accessible and low-cost training approach, Global Communities engaged Opportunities Industrialization Centre Ghana (OICG)—a vocational training institution that had improved upon the traditional apprenticeship model by shortening the training and enhancing employability, and is “subvented” to the National Vocational Training Institute (NVTI) yet operates as an independent NGO—as a program partner. Under YIEDIE, OICG led further improvements to the apprenticeship model that increased the training’s quality. This included developing curricula with industry stakeholders for three to six month courses; training the masters and ensuring their workshops had practice materials and protective equipment; providing supplemental sessions to apprentices that included soft skills, entrepreneurship training, literacy and numeracy and counseling; and ongoing monitoring and support to both masters and youth. YIEDIE operated under the assumption that an improved and less costly (due to shorter duration) apprenticeship model will allow more youth to access such training, along with increasing the apprentices’ employment rate.

On-the-job training provides young people with work experience while they are acquiring skills but also has the added benefit of linking them to potential employers and professional networks. The YIEDIE team followed up with 708 master trainers (out of the 1,467 engaged under the project) in order to learn whether apprenticeship placements led directly to employment. We found that out of the 4,815 youth

Trade Areas for Technical Skills Building

- Painting
- Carpentry
- Plumbing
- Steel bending
- Draftsmanship
- Survey technical assistant
- Plaster of Paris design
- Tile laying
- Electrical technicians
- Heavy machine operation
- Aluminum fabrication
- Metal fabrication
- Masonry
- Interior decor

who had completed training with these masters, 26% were working with or employed by their master trainers.²

Certification. In an informal labor market, facilitating youth entry to the sector requires not only skill development, but also ensuring there is formal documentation of the skills they have acquired and that employers have confidence in their level of professionalism. Therefore, YIEDIE supported apprentices who graduated with at least 90% attendance rates to obtain Proficiency 1 certification under the National Technical and Vocational Education and Training (TVET) Qualifications Framework; certain trade areas such as electrical technician and heavy machinery operator require other professional licenses in order to work. The national framework was fairly new at project start-up, and inadequate marketing and adoption meant that there was low recognition of them and that few semi-skilled artisans took the exams on their own. Therefore, YIEDIE also promoted the certification system more broadly, particularly through consortium partner Artisans Association of Ghana (AAG), enhancing the professionalism of the sector.

Entrepreneurship training. Taking a holistic view of the construction value chain, the growth of the sector creates many opportunities that do not require technical skills in a trade, such as selling hardware or making cement blocks. Even for those who have technical skills, Ghana’s

² Follow-up studies of a sample of youth one year after they completed apprenticeships found that overall 66% were employed or self-employed, a significant improvement from 18% at baseline.

jobless growth means that self-employment may be a more dependable path to increasing their incomes. YIEDIE developed an entrepreneurship curriculum that integrated financial literacy and soft skills, which was offered as a stand-alone training course delivered over 15 days. Initially offered by a consortium partner, YIEDIE began engaging TVET institutions to offer the course instead midway through the project. Over the longer term, TVET institutions will be responsible for ensuring that those developing technical skills also gain entrepreneurship and employability skills that are key to accessing economic opportunities.

Engaging women and youth with disabilities.

Globally, women's participation in the construction sector is very low. To assist women in accessing opportunities in the sector including pursuing non-traditional jobs, YIEDIE incentivized their enrollment in and completion of training. This included offering childcare support, a health insurance premium, and a transportation stipend, and providing targeted support to their professional development and networks through women-only boot camps that engaged female professionals as judges and advisors. YIEDIE ensured that boot camps received extensive media coverage and highlighted women's success in the sector in radio shows and TV spots, with the intent of reducing the barriers for women's entry into the sector related to gender and social norms.

Persons with disabilities (PWD) face similar assumptions about their employability in general and the appropriateness of working in the construction sector. To determine how best to address the barriers PWD face, YIEDIE consulted with various organizations that represent them such as the Ghana National Association of the Deaf, Ghana Society of the Physically Disabled, Ghana Blind Union and Ghana Association of Persons with Albinism. This led to a partnership with the Centre of Employment of Persons with Disability (CEPD), an organization that facilitates and advocates for the employment of PWD, to train youth with disabilities in entrepreneurship. YIEDIE trained six CEPD staff members as facilitators of the entrepreneurship curriculum and provided CEPD with specialized training materials such as workbooks with large print font.

Access to finance. YIEDIE consortium member Republic-Boafo, a microfinance institution, provided the financial literacy

training embedded in the entrepreneurship curriculum, and used the engagement to promote its products and assist young people in opening accounts. It developed new Youth in Construction-branded savings and credit products with youth-friendly features based on a market assessment conducted by YIEDIE, such as lower initial deposit requirements. When demand for the new products was not as high as expected, an assessment identified the challenges youth faced in accessing physical branches or agents. In response, Republic-Boafo developed a mobile platform for account access. New Know Your Customer regulations enacted during the course of the project introduced the requirement that account holders have a Tax Identification Number (TIN), a significant barrier to youth. YIEDIE consequently engaged the Ghana Revenue Authority to facilitate TIN applications on-site at the youth training sites and job fairs. The project also offered a small



number of competitively-allocated start-up funds given the challenges of accessing finance in the market.

Business development support. YIEDIE consortium member African Aurora Business Network (AABN) offered business development services not only to youth start-ups but also to SMEs in the sector, targeting those run by master craftspeople. Formalization and/or improved management of these enterprises leads to their ability to take on more and larger contracts, creating new jobs in the sector as they grow. SME owners were asked to identify how many jobs they expected to create in their application for AABN assistance. Thus with

support from the Artisans Association of Ghana (AAG), YIEDIE coordinates the referral of trained youth to SMEs with internship and employment opportunities. Youth receiving start-up funds in the last year of the project were linked to membership in the Association of Ghana Industries- Construction Group Youth Wing to ensure ongoing mentoring and support.

Labor market information. In the informal construction sector in Ghana, access to opportunities is frequently dependent on relationships and proximity rather than qualifications. A matching system was needed for workers to learn about opportunities and for employers and contractors to find the skills that they need from a trusted source. Global Communities engaged AAG, an association of artisans in the construction sector, as a consortium partner based on its interest in growing its member services and hosting such a system. Locating this system at the association allows it to be sustained beyond the life of the project and to benefit not just youth but the sector as a whole, filling an important gap in the labor market.

Along with the development of a business model for the sustainability of the association and the launch of its job matching system (initially online only and then expanded to SMS to increase accessibility), YIEDIE supported AAG to become an accredited skills development and certification provider. When YIEDIE staff were no longer able to provide the capacity building assistance that AAG sought, the project engaged the Association of Ghana Industries (AGI)-Construction Group, a strong and well-established industry association, to provide mentoring services.

Private sector engagement. From the beginning, despite the assumption that the majority of youth served would become self-employed or work in the informal sector, YIEDIE engaged the formal private sector through its member-based associations—the Ghana Real Estate Developers Association, AGI Construction Group, Association of Building and Civil Engineering Contractors-Ghana and Association of Road Contractors-Ghana. Association members were key respondents in a survey YIEDIE conducted on knowledge, attitudes and practices towards youth in the construction sector at project launch, and private sector representatives played key roles on YIEDIE's technical advisory committee and in curriculum development, providing insights on ways to

enhance youth skills to meet market standards. Construction companies were engaged in mentoring, job fairs and youth business pitching sessions and were sources of internships, industrial attachments and jobs. Some provided specialized training for youth and/or master craftspeople in trades like plumbing, while provided opportunities such as internships such as Lakeside Estates and permanent contracts such as Blue Rose Estates. Mentors educated youth on work ethics required to succeed in the sector as well as the opportunities available to them in the formal sector.

Enabling environment. YIEDIE formed a Technical Advisory Committee made up of key government and private sector stakeholders at start-up and convened a national Youth in Construction Summit to broaden stakeholder engagement during the second year of implementation. These efforts along with YIEDIE's private sector engagement positioned the project to serve as a channel for youth voice in the development of a local content policy for the construction industry, and the opportunity to lead the development of national competency-based curricula in plumbing for the Council for Technical and Vocational Education and Training (COTVET). YIEDIE also developed memoranda of understanding with three of the cities in which it operated which detailed their commitment to hiring youth for municipal construction projects and enforcing hiring mandates on their contractors, and then supported them in the development or enforcement of policies and bylaws. Municipalities and their contractors were then connected to AAG as a source of qualified youth.

Youth voice and peer support networks. YIEDIE established a Youth Advisory Council (YAC) at start-up with city-based chapters to represent youth views; YAC representatives served on the Technical Advisory Committee as well. Initially, YIEDIE encouraged youth to join AAG, assuming that membership would provide a platform for ongoing support and youth voice in the sector; however, youth and other stakeholders expressed a desire for a distinct youth entity. Therefore, YIEDIE supported youth participants to establish a formally registered alumni association with regional chapters. The alumni use their platform to share experiences, discuss barriers faced in seeking employment and financial stability and gain critical insights from stakeholders in Ghana's construction sector. While the YAC will no longer be convened after close-out, YIEDIE did provide policy advocacy



training to assist group members in continuing to engage with city-level stakeholders.

Signs of Systemic Change

In five years, YIEDIE reached 25,479 youth with training, 16,020 with technical skills via apprenticeship and 9,459 in entrepreneurship. Follow-up surveys found that one year after completion of training 78% of youth had successfully transitioned to employment, self-employment or further education and training, and 71% reported that they were satisfied with their jobs. While youth success was a primary goal, YIEDIE aimed to impact the sector more broadly in ways that would continue to create opportunities for young people over the longer term. Systems change takes time and a five-year project window is not long enough to expect significant progress. Before project close-out, it is also difficult to identify what activities, relationships or models will be sustained without external funding or support. Given those realities, there are some encouraging indications of the potential for sustained changes in the construction and youth employment ecosystems.

The improved apprenticeship model. YIEDIE surveyed master craftspeople in each trade area on their experiences with the improved apprenticeship model and associated training curricula. They expressed satisfaction with the model as it provides a structure for training and improves

the performance of the youth in learning the trade skills. After project support had ended, most of the master trainers have continued using the model to provide a condensed and intensive training, shortening the duration of the apprenticeships they offer. They view the YIEDIE curriculum as an effective guide to plan their lessons for new apprentices with its weekly modules that provide session objectives and learning outcomes for each topic. Some continue to offer it as developed, while others use it as a supporting tool to enhance their pre-established method of training. In its curriculum development process, YIEDIE designed intensive courses that lasted no longer than six months while still developing the skills needed for Proficiency 1 certification. While masters deemed this time period sufficient in some trades like painting, others in trades such as electrical technician and metal fabrication are requiring apprentices to train for longer time periods to ensure they acquire the necessary skills.

Youth financial inclusion. Through its participation in YIEDIE, Republic-Boafo has increased its visibility among youth in project implementing cities and recognizes the potential of creating youth-friendly financial services as a long term investment for future customer commitment. Thus, Boafo continues to market the youth-friendly products and services created. Their sustained promotional efforts in conjunction with the mobile money platform have attracted new youth customers and led to an increase in deposits by young account holders and higher youth savings. Due to the creation of accessible financial products, such as the Boafo Yena Youth in Construction Savings Account and the Boafo Yena Youth in Construction Loan, more youth inquire about business loans and other financial services from Republic-Boafo.

Market-based job matching system. AAG continues to promote their job matching and training services through their website and social media marketing. It has been a source of job interviews for youth, and if needed, AAG will provide letters of recommendation for job seekers when they have demonstrated proficiency in their skill. The association has also become an important source of training for its members. They have developed their own technical training materials including videos, which feature lessons from trade areas such as plumbing, masonry, electrical wiring and machine operation, which are used as tools to assist instructors in preparing youth for the NVTI Proficiency 1 exam. AAG was one of the providers

of YIEDIE's entrepreneurship curriculum and plans to continue their entrepreneurship development services.

The association has about 10,000 members, up from 300 members at project start-up, approximately 7,000 of which are YIEDIE graduates, and 20 staff, double the number at start-up. To expand their membership, the association has signed MOUs with other organizations such as the Youth Employment Agency, Ghana Institute of Engineering, Ghana Chamber of Construction and the Private Enterprise Federation, and they are licensing and assessing artisans countrywide in collaboration with the Institute of Engineering. AAG has also collaborated with others in advocating for the national procurement policy to be amended and simplified to include more opportunities for SMEs to secure government contracts.

Local government policies. YIEDIE worked with its partner municipalities to integrate increased investments in skills development, youth employment and support for youth start-ups into their medium-term development plans. The Business Advisory Units in all the assemblies engaged now provide support to YIEDIE alumni in their localities who have started their own businesses, including mentoring and coaching. Through interviews with assembly members, YIEDIE documented over 120 young people engaged under municipal contracts, either directly or as subcontractors or employees, and the municipalities have asked for a list of YIEDIE graduates within their jurisdiction to engage in future employment opportunities.

While institutionalizing practices in informal systems is challenging, initial evidence is promising.

Recommendations

1. Using an inclusive market systems development approach—addressing underlying causes of market failure to attain long-term impact—is key to achieving sustainability. YIEDIE with market assessments that identified skills and financial services gaps along with knowledge, attitudes and practices towards youth engagement in the construction sector, and used these findings to design its specific activities. It operationalized inclusion through a specific gender strategy and mechanisms for youth leadership in

project implementation. Additionally, YIEDIE worked with permanent actors in the system such as NVTI, AAG and TVET institutions, and played a role in promoting the uptake and recognition of national certification in vocational trades.

2. Engage all the stakeholders in the targeted system, even those that seem indirectly connected to your immediate goals. While YIEDIE's target youth would mostly work in the informal sector, engagement with formal private sector firms and associations from the beginning created direct opportunities for youth, provided a source of mentors, expanded youth networks and provided the project team with key partners in advocating for a more enabling environment. Likewise, YIEDIE's engagement in development of a national content policy didn't have an immediate impact on youth employment, but created a platform for youth voice in policy development which other stakeholders would now like to see continue.

3. Access to finance remains a challenge for youth with the barriers to formal financial services in Ghana only increasing during the YIEDIE project. YIEDIE focused solely on increasing access in the formal financial system, engaging government and financial service providers in addressing specific challenges in opening or using accounts. It seems likely that more systemic approaches, e.g., risk-sharing facilities like loan guarantees, are needed to unlock credit in the formal financial system for young borrowers—outside the mandate or resources of most employment programs. In addition, just as YIEDIE facilitated job matching systems in the informal labor market, developing a model for providing and sustaining informal financial services, such as youth savings and lending groups which could be linked to accounts at financial institutions, are likely also necessary in the meantime.

4. Investing in youth start-ups has a multiplier effect in that those who start businesses become employers as well as providers of technical skills training to other youth. While YIEDIE was not able to capture the number of these indirect beneficiaries, it would be valuable to do so in the future to create more accurate cost per beneficiary models.



The Youth Forward initiative links young people to quality employment or entrepreneurship opportunities in the agricultural and construction sectors in Ghana and Uganda. This five-year partnership led by Mastercard Foundation, Overseas Development Institute, Global Communities, Solidaridad, NCBA CLUSA, and GOAL will reach more than 200,000 economically disadvantaged youth aged 15–24. The initiative uses an approach that combines market-relevant skills training, mentorship, internships, and access to financial services to help young people better their lives, transition to sustainable livelihoods, and contribute to social and economic change.

The Youth Forward Learning Partnership works across the initiative to develop an evidence-informed understanding of the needs of young people in Ghana and Uganda and how the program can best meet those needs.



Global Communities is an international non-profit organization that works closely with communities worldwide to bring about sustainable changes that improve the lives and livelihoods of the vulnerable. Development is not something we do for people; it is something we do with them. We believe that the people who understand their needs best are the people of the community itself.

Please visit our website at www.globalcommunities.org for more information.

