

Does skills acquisition result in poverty reduction and growth? Lessons from northern Ghana

David Korboe

Email: korboe@africaonline.com.gh

Introduction

According to the fifth round of the Ghana Living Standards Survey series (GLSS5), poverty has almost been halved from 51.7% in 1991 to 28.5% in 2005. Indeed, the World Bank forecasts that, by the end of 2007, Ghana will have met the MDG target of halving income poverty. Aid has risen even more sharply, doubling from about US\$700m in 2002 to over US\$1.3bn in the last five years. However, inequality is still high and while opportunities exist for those who can marshal the finances to invest in the import trade, prospects remain limited for the poor. Further, sections of the country remain where the overwhelming majority of the population are poor. Across the northern savannah, rain-fed food crop agriculture is by far the majority source of livelihood, accounting for no less than 90% of the economically active population.

The current government has repeatedly asserted its determination to use skills development as the main vehicle for assisting poor youths to break out of the poverty trap. In the current version of Ghana's Growth and Poverty Reduction Strategy (GPRS-II), the government seeks to "nurture a workforce ... equipped ... to support ... [the achievement of] rapid progress in the income status of its citizens" (GoG, 2006: vi). Beyond this broad statement, however, the document is weak on the actual strategy for skills development. Available financial data also indicate weak budgetary support for the Technical and Vocational Education and Training (TVET) sector. For 2006, the sector received a paltry 0.9% of the total resource envelope for education (MESS, 2007: 103). While the ministry responsible for labour (Ministry of Manpower, Youth and Employment (MMYE)) traditionally allocates a larger share of its budget to TVET, it is still very inadequate, considering that, unlike the education ministry, MMYE gets a very small share of the kitty. That said, a National Youth Employment Programme (NYEP) has recently been introduced and impending reforms to secondary education include distinct streams for (i) vocational, (ii) technical and (iii) agricultural education in addition to the existing general secondary schooling option. The underlying assumption continues to be that the acquisition of skills, supported by public funding, is the answer to the problems of youth employment. But is it?

This paper is based on a recent study of institutional skills training in two towns of northern Ghana. Tamale, the larger of the two, is *de facto* capital of the northern third of the country, with an estimated population of 374,000.¹ Savelugu is a more average district capital just north of Tamale.² The core sample is small -- just nine training providers, which incidentally included virtually all of the formal training institutions in the study area. Interviews with training providers sought to investigate the social composition of trainees, resource conditions, training modalities and relationships with past graduates. The public training providers were all formal and aimed for preparing their trainees for the nationally-accredited NVTI³ Grade 1 Trade Test certificate. NGO providers on the other hand were mostly non-formal, with an emphasis on preparing their students for proficiency, though they were also prepared to register their trainees for the formal examinations. Formal programmes are, thus, inclined to have a stronger theoretical content than those offered by the NGOs.

¹ Based on the 2000 population census of 293,881 and an annual growth rate of 3.5%.

² The Savelugu Nanton District is one of 138 administrative districts with an estimated population of 110,000 and less than one per cent of its households involved in formal sector employment.

³ National Vocational Training Institute.

A further 19 graduates of the sampled institutions were identified and interviewed about their training and post-graduation experiences, particularly the outcomes of their training and the state of the surrounding economic, social and political environment. The paper benefits from additional data from an ongoing street youth training intervention⁴ funded by Comic Relief and ActionAid in several other towns of the northern savannah. The analysis also exploits observations and data from visits in the last year to over 30 public basic schools across the country.

Barriers to skills acquisition

The poorest youths are excluded from formal training programmes. *Formal* training institutions -- accounting for about 53,000 training places nationwide -- will only admit candidates who have completed the basic education cycle.⁵ That immediately rules out everyone who was too poor to complete that level of schooling. According to a recent performance report for the education sector, there are districts in both northern and southern Ghana where net enrolment ratios are below 20% at the junior secondary level (MESS, 2007: 23).⁶ For the country as a whole, about one-half of children admitted to Primary One do not complete the basic education programme. The picture is worse for northern Ghana, where significant numbers of youth from the poorest homes either never participated in or were unable to complete the basic schooling cycle.

Such youths would have been unable to participate effectively and continuously in schooling because they had to work alongside their parents in the family fields and pastures. Adolescent girls are often required to assist with childminding/ home-keeping roles while their mothers are in the fields or markets. Children may also drop out if their parents/ carers are unable to afford basic inputs such as uniforms and exercise books or provide a regular morning meal. Others are compelled to skip classes for such long periods during the rainy season (due to flooding of seasonal streams) that it becomes difficult to follow lessons when they return to school, and they eventually drop out altogether. There are also those who withdraw because the schooling experience can be quite threatening, especially in rural schools where children are often intimidated by poorly trained teachers. Until three years ago, children from poor households were routinely sent back home if they could not afford the range of school-based levies.⁷ The sum of these unfavourable conditions is that, for northern Ghana, only one-half of those completing basic education pass the exit examination which entitles them to enrol in a formal skills training programme or other formal curriculum.

Once enrolled in the formal training institutions, many poor trainees are unable to keep up with fee payments. Regardless of their indebtedness, however, defaulting students are generally not prevented from completing their training or from writing their external examinations. Institutions are often willing to accept payments by instalments, and will bend the rules to accommodate trainees who are in fee arrears, even when they owe more than a full year's fees. Many youths therefore manage to train at very low cost. However, certificates are only accessible to those who have settled their indebtedness

⁴ By Youth Alive.

⁵ Formal institutions will generally relax their official entry requirements in order to facilitate entry for applicants. However, candidates should have completed the nine-year basic education cycle, even if their grades are weak.

⁶ A depressing 14% has been cited for some districts.

⁷ Since 2004/05, the government has paid a capitation grant of Gh ₵3 (equivalent to about US \$3.20) per student to prevent children from being turned away from school. However, many schools still charge levies and, in the northern savannah especially, school authorities still send children home if the levies have not been paid. In some schools, levies can be as much as three to four times the capitation grant.

and dusty piles of uncollected certificates remain in the offices of centre managers as the outstanding fees are never paid. In that sense, fees *per se* do not constitute a real barrier to formal training, except for the poorest candidates who cannot pay the initial deposit.

In comparison with the public institutions, NGO programmes (typically non-formal) are more willing to accept candidates who have not completed basic schooling. Instructors in these organisations often go to great lengths to attract and retain deprived rural youths and those with a history of living on the urban streets. School dropouts and non-literates even constitute the majority in some NGO programmes. Trainees and graduates interviewed were more satisfied with animation and counselling practices of NGO providers than with equivalent practices of public institutions. NGO counselling was reported to be particularly helpful for addressing esteem problems caused by poverty, low levels of literacy and years of intimidation by basic school teachers. Such counselling has helped to retain some of the poorest youths in training where they might have withdrawn from the courses.

Formal training programmes are not providing graduates with the relevant competencies for the world of work. The level of literacy among skills trainees was observed to be consistently low. This is, in large part, a reflection of systemic failures and inequities in the wider basic education system across Ghana, particularly the savannah. While there are of course exceptions, much learning time is lost in the basic schools from which trainees would have graduated. In provincial areas, teachers prefer to commute daily from the district and regional capitals, where services such as piped water and electricity are more readily available. This significantly increases the tendency for them to be late to school. In many schools, morning assemblies and recreational/lunch breaks extend beyond the prescribed times. Where schools lack washrooms (and this is the norm rather than the exception in the northern savannah), pupils leave school to use the communal latrines, with resulting losses in learning time.

Classrooms are poorly staffed. In both of the towns studied, the author found classes with more than 100 children and unacceptably high pupil/teacher ratios. While several hundred senior teachers occupy purely administrative positions in the national capital, Accra, the modal public school in the savannah has no more than one or two trained teachers. Even more worrying, disparities in teacher allocation have been increasing consistently over the last five years (MESS, 2007: 41). As a result, teaching methodologies in schools of the rural savannah are altogether uninspiring. Rote memorisation is the norm and children spend disproportionate amounts of school time copying text from blackboards rather than participating in interactive learning. This unproductive practice is not helped by the fact that most of the blackboards are of painted cement render and are worn out, affecting the legibility of teachers' writing. Unsurprisingly, children struggle unnecessarily to grasp basic concepts and pass rates in the Basic Education Certificate Examination (BECE) have been falling over the years in the Northern Region -- from 55% in 2003 to 53.6% in 2004 to a worrying 46.1% in the 2005 examination.

Across the country, formal education and training tend to be exam-driven as teachers and instructors devote their energies to preparing students to pass examinations rather than to internalise knowledge. This kind of instruction results in deficiencies in graduates' ability to apply knowledge acquired or to innovate. As noted in the introduction, formal training tends to be relatively heavy on theory in spite of low standards of literacy among students enrolling in formal programmes. Training with a strong theoretical content is, thus, not particularly suitable for the average trainee.

While poor trainees are unlikely to be thrown out of formal training programmes, they do tend to lose training time either to respond to competing calls on their time from their families or to do piecework in order to mobilise the funding required for their fees and/or

upkeep. In effect, many trainees receive less training than is planned for. Again, when trainees fail to pay up on fees which have been budgeted for, the resulting loss of training revenue hampers the ability of training institutions to provide essential inputs. In the long run, the quality of training is bound to suffer, with undesirable outcomes not just for the current cohort of trainees but also for future learners.

In spite of instructors on the non-formal programmes generally being less qualified,⁸ these programmes devote more attention to the acquisition of relevant competencies through, for example, attachments with micro-enterprises. They are also more effective at delivering jobs. In one such programme (GDCP),⁹ which integrates start-up equipment credits, 88% of graduates are in work, regardless of the fact that most did not complete basic schooling and in spite of the fact that fees are comparable to those of other modes of provision. Indeed, unlike in the public institutions, GDCP's trainees actually pay the costs charged. Virtually all graduates who were found to be in relatively gainful employment had passed through a phase of attachment/ apprenticeship. This may be due, in part, to the fact that training with micro-enterprises offers superior access to training materials, paid for by clients of the workshops. Because they work on projects for real clients, apprentices also acquire skills that are more pertinent to the world of work. Findings from a household survey by scholars at Oxford suggest similarly -- that attachments may be significant in preparing people for self-employment. In that survey, 91% of people involved in *mainstream* self-employed manufacturing¹⁰ had done an apprenticeship. The Oxford dataset also confirms that for those who have gone through an apprenticeship, previous access to formal schooling is only a poor predictor of current income. In other words, both the qualitative study and the household survey seem to suggest that it may be more important to have done an apprenticeship than to have completed formal schooling.

The northern savannah study also found retention rates to be highest at institutions where the supply of training materials is most consistent. GDCP and GRATIS¹¹ were relatively well resourced and had retention rates of the order of 90%. By contrast, the lowest retention level of 46% was recorded at the public TVTC¹² where funding for recurrent costs is a huge challenge.

Notwithstanding its strengths, the informal sector does suffer from variable and often deficient standards of service delivery. Deficits in service quality (including product finishing but also in reliability) in the alternative sector undermine prospects for penetrating elite markets, where clients are able to pay the higher prices which artisans need to sustain and expand their businesses and which the local economy needs to fuel its growth. The sector is also characterised by exploitation of apprentices. Interactions with apprentices in several northern towns¹³ revealed overly late closing hours particularly in hairdressing salons and dressmaking workshops, with attendant security risks for girls. In other cases, micro-enterprise owners devote too little time to training, exploiting trainees as free/ cheap labour instead. In such instances, trainees' time may be spent performing excessive amounts of household chores or running personal errands for the entrepreneur

⁸ Even in formal institutions, only about one-half of trainers have requisite qualifications.

⁹ Ghanaian Danish Cooperation Programme/ Dagbon Nineesim Karimzong (a.k.a. Dagbon Learning Centre).

¹⁰ E.g. tailoring/ dressmaking, carpentry, metal fabrication; but excluding food processing (source: Rob Palmer's analysis of the Oxford team's household survey data).

¹¹ Ghana Regional Appropriate Technology Industrial Service, a public limited company, receives only a small proportion of its revenue from the state.

¹² Tamale Vocational Training Centre.

¹³ Specifically, Tamale, Navrongo, Bolgatanga and Wa in a project equipping street youth with basic education and employable skills.

trainer. Trainees may also be assigned repetitive tasks with little or no training value over a protracted period of time.

In the GDCP skills training project -- which relies on informal sector craftsmen to provide training to local youths -- the problem of apprentice exploitation has been addressed creatively. Training time is optimised and abuses minimised by deploying learning milestones, supported with regular monitoring visits. Developed in consultation with participating micro-enterprise owners and trade association leaders, the learning milestones have encouraged trainers to be more purposeful in delivering training. Milestone-based monitoring has also facilitated the screening of master-craftsmen, enabling GDCP to make subsequent placements from a more informed position. Plans by government to implement a contentious National Qualifications Framework (NQF)¹⁴ could build on this lesson.

The National Youth Employment Programme (NYEP), meant to assist the youth to acquire employable skills, is not accessible to many poor youths. Leakage has been common in the NYEP, with some district officials having been sanctioned for extorting money from youth registering to participate in the scheme. Complaints of favouritism and clientelism are routine in the districts, with politicians demanding so-called "protocol allocations" to satisfy demands from their cronies. Some districts (e.g. the Tamale and Bawku Municipal Assemblies) treat the scheme as just another avenue for employment and are diverting resources away from skills development to retain retired staff on the public payroll or to enhance the pay of poorly-paid temps (e.g. volunteer teachers). Interviews with the scheme's managers in the three northern regions also reveal considerable latitude in their interpretations of the scheme's guidelines. In poorer communities, the youth often lack the confidence to access the programme.

The new educational reforms offer to finance the cost of the first year of apprenticeship training. Yet, most apprenticeship training is of three years' duration. It would probably make more sense to provide a declining subsidy over a two to three-year period. This would enhance trainees' ability to share the cost of training as they acquire competence in their chosen fields.

Barriers in the enterprise environment

There are significant barriers to starting up a business. When interviewed, many trainees said they were hoping to access further formal training or to find work in the (relatively secure) formal sector. The reality, however, is that the cost of more advanced training is well beyond the reach of the poor, and graduates are being turned out at a faster rate than the savannah's stagnated formal economy is able to absorb. Thus, only a small fraction of graduates, typically the very best, ever manage to achieve their initial aspiration. The overwhelming majority are simply compelled to settle for exploring the informal sector for alternative options. But even there, paid employment is difficult to find as micro-enterprises prefer to use paying (and thus unpaid) apprentices. That leaves the option of self-employment where there are huge challenges to establishing oneself in business. According to a recent study on skills development, less than one in four skills training graduates manage to establish their own businesses (Syme, 2007).

The most significant encumbrance mentioned by graduates is the lack of access to start-up capital wherewith to procure basic tools, workshop space and consumables. Bank lending rates are prohibitive -- around 20% per annum in real terms. For loans from conventional sources, repayment periods are generally too short (c. 6 months) to suit the

¹⁴ The NQF seeks, *inter alia*, to formalise training in the traditional apprenticeship sub-sector. As yet, however, it is unclear how this will be implemented.

borrowing needs of the micro-enterprise sector and standard requirements for collateral security all but rule out poor young graduates. The switch by donors to the multi-donor budget support (MDBS) arrangement as their preferred approach to financing development has also deepened funding challenges for non-state projects.

Hardly any trainees interviewed were aware of the (admittedly few) microfinance programmes established to cater to the needs of the micro-enterprise sector. Then again, a borrower's eligibility and the amount s/he can access as a loan are closely linked to the borrower's savings behaviour. As poor people (especially if they are simultaneously fresh graduates) are typically challenged in their ability to save regularly, this has repercussions for their eligibility for credit. The lack of capital makes it difficult to acquire physical workshops. Artisans interviewed said prospective clients do not take them seriously if they do not have lockable workshops. Also, trades practised wholly in the open risk being disrupted in the rainy season. On top of this is the related challenge of clients routinely procuring goods and services on credit. This creates an impossible situation for beginners who typically have little spare funds to tide them through the often long wait between making a sale and getting paid.

In the more vibrant urban areas such as Accra, Kumasi and Tema, access to suitable land can be a major hurdle.¹⁵ Property rights are an absolute quagmire in the larger towns and cities of southern Ghana. Current figures for land disputes are unavailable, but they were reported to number over 13,000 at the end of 1991 (McNeil, 1992) and the situation is getting steadily worse. Accessing infrastructural services is another bottleneck for many graduates seeking to establish themselves in self-employment.

As observed in the preceding section, service delivery in the wider micro-enterprise sector is generally characterised by low quality and unreliability. Developing a dependable clientele is, thus, particularly challenging for fledgling enterprises with no track record in service quality, integrity and time-consciousness.

Despite the foregoing, some successful business development strategies were identified during the survey, but these were very much the exception. These include offering free services during the break-in period and an uncompromising commitment to providing quality services, the purpose being to enlarge one's clientele over time through referrals from satisfied customers. Another strategy is to establish a supporting enterprise (e.g. a shop stocking quality materials of the relevant trade) and then offer discounts to clients opting for multiple services. Teaming up with other artisans to overcome the challenges of raising start-up capital has been another helpful strategy.

Disparities persist between the skills which training institutions deliver and the demands of local industry. There is every reason to be concerned that for the majority of graduates being turned out, their training aspirations are never fulfilled. On their part, industrialists have decried the lack of credible information matching training delivery with the demands of industry. Similarly, government's plans to invest public funds in setting up manufacturing industries in all 138 districts as a way of creating jobs are not rooted in evidence, merely in presumption. One result of the weak connection between training and the world of work is that many skill areas (e.g. batik/tie-dye and hairdressing) have become saturated, further undermining income outcomes. Anecdotal evidence suggests that University graduates are now competing for jobs which used to be the preserve of secondary school leavers. Persisting with training people for congested vocations can actually worsen poverty, as trainees/ graduates invest funds in relatively expensive equipment and workshops only to find they cannot attract clients.

¹⁵ However, this is not the case in Tamale, where the economy is not particularly dynamic.

Despite political rhetoric, government has thus far failed to link training provision with the priorities of its growth strategy for the medium to long-term. That strategy emphasises attention to certain privileged sectors, among them non-traditional exports such as handicrafts and export horticulture.¹⁶ The latter is being funded under a US\$500m grant -- the Millennium Challenge Account (MCA) -- a reward from the Bush administration ostensibly for improvements in governance and public accountability. The study area happens to be one of the few pockets identified to benefit from this largesse. A relevant question is whether and how skills development has been factored into this agenda.

Informed by the large and growing deficits in the supply of tropical horticultural produce in European markets, farmers in the study area are being advised to grow exotic mangoes, Indian gourd, finger okra and other vegetables for the export market.¹⁷ Initial profitability projections suggest potentially impressive and sustainable returns. Anecdotal evidence from the south-east horticultural zone suggests, however, that these predicted returns will only be possible with very significant improvements in standards of farm sanitation, agro-chemical management, toxin control, farm safety and other concerns relevant to the export market. In other words, the success of the MCA in the project area will depend on the acquisition of modern farming techniques acceptable to the target markets. Yet, neither the government nor training providers are offering training that would enable local youths to take advantage of these opportunities.

Similarly, the "Bolga basket" -- a colourful hand-woven straw product -- is attracting significant attention from Western buyers. However, potential importers have some very specific demands including greater uniformity in dimensions, improvements in colour consistency and more variety in terms of design, size and product range. These will all require training to deliver. Again, however, government support appears to fall short of proactive investment in focused training.

There are also many Ghanaians who have attempted to export clothing to USA under the African Growth and Opportunities Act (AGOA) initiative, which offers preferential access to US markets for a vast range of African goods. Very few exporters have been able to take advantage of the offer, however, mainly because of problems with product finishing, packaging and targeting. Dedicated and continuous training will be needed to assist artisans to overcome the cycle of failed market access.

More generally, Government has come under additional criticism regarding its commitment to seeing through its stated skills development agenda. A full year after the passage of the COTVET¹⁸ legislation (Act 718), the Council to oversee the implementation and coordination of skills policy has still not been established. Again, salaries in public vocational training institutes (VTIs) are lower than in equivalent institutions under MESS. Inasmuch as budgets reflect *de facto* govt policy, this disparity probably betrays a lack of genuine commitment to skills development.

Public advisory centres instituted to support entrepreneurs with training and information lack proactiveness and are poorly resourced. The regional Business Advisory Centre in Tamale does conduct some so-called capacity-building workshops to upgrade business skills among operators of micro and small enterprises (MSEs). Across the country, however, such workshops tend to be unimaginative and of questionable relevance and effectiveness. The Tamale office, which serves the largest of Ghana's ten

¹⁶ The GPRS-II specifically identifies agriculture as the "basis for economic growth and structural transformation" (GoG, 2006: 23).

¹⁷ The growth in demand may be due, in part at least, to rising immigrant numbers as well as to increasing awareness of the long-term health benefits of regular fruit and vegetable consumption.

¹⁸ Council for Technical and Vocational Education and Training.

administrative regions, has only one old computer which strains to perform the most basic task.

The local economy is not sufficiently dynamic to support itself. As noted in the introduction, the overwhelming majority of residents of the study area are poor, with livelihoods dominated by subsistence agriculture. Owing to climatic challenges and resulting unstable livelihoods, most households endure seasonal hunger in the early months of each year and purchasing power is predictably low. A major consequence is that goods and services are considerably cheaper in the urban savannah than they are in the southern towns and cities. Artisans are compelled to provide services on credit, with a high risk of customers defaulting on their payments. The influx of relatively cheap manufactures from China (especially clothing and plastic furniture) -- facilitated by smuggling -- has worsened the challenge for the Ghanaian textile, clothes-making and joinery industries. Indeed, national statistics for the period since 2000 show a manufacturing sector in a state of relative decline.

In an environment such as this, skills will not yield decent returns unless the economy can be redirected to become more outward looking, targeting for example more vibrant local niche markets as well as the export sector. Through Japanese support, women in the village of Sanlerigu have been assisted to do just this. They now produce perfumed and attractively packaged shea butter cosmetics that appeal to the Japanese market. Previously, the shea butter was sold in the form of malodorous greasy balls crudely wrapped in pieces of newspaper or cement paper. Through training and support to link up with a viable foreign market, poor women have thus been enabled to obtain considerably higher returns than they could possibly have expected on the local market.

As things stand, the savannah is not an attractive destination for investment capital. Theoretically, it is possible to attract inward investment if other conditions are sufficiently attractive, though the local economy itself may not be dynamic. However, the quality of skills in the labour force of the northern savannah is inadequate to attract such investment. With only two to three in every ten children who enter first grade eventually passing the BECE in the northern savannah, most skills graduates have only weak numeracy, literacy and communication skills.¹⁹ Evidence available (e.g. MESS, 2007: 72) shows that students passing the BECE generally do not consider TVET as a credible option. As a result of the above, the overwhelming majority of youth enter the labour market without formal skills training. The Ghana household survey shows that the overwhelming majority of workers in firms with 10 or more employees have never attended vocational/technical school, have not participated in apprenticeships and have not had on-the-job training. This undermines the competitiveness of the industrial workforce, detracts from prospects for integration with the global economy and does little to attract investment and, with it, opportunities for employing the products of skills training.

Ghana is also perceived as a challenging country to do business in. According to the World Bank, there are over 20 discrete steps and related regulations which an investor must comply with just to get a business fully incorporated. Coupled with the frustrations associated with property rights (above), these result in relatively high costs of doing business and further undermines Ghana's oft-repeated claim to be an attractive destination for foreign direct investment (FDI).

Conclusion

¹⁹ A recent study involving some 13 public schools in two average districts in Brong Ahafo Region found that most Primary 6 pupils could not read properly *from their own notebooks*.

Though small in scale, the qualitative study of institutional training provision in northern Ghana identifies some important barriers to poverty reduction and growth. These include deficient access to empowering assets (e.g. quality basic education; proactive information on the range and quality of skills demanded by industry; practical and competency-based training; and start-up finance). Other challenges include programme leakage, the disjuncture between policy and practice, difficulties in accessing markets (with problems of saturation; introversion; and weak advisory services) and an inability to attract investment. In terms of positive lessons, NGO provision appears to be more effective as a result of superior investments in counselling, programme design, monitoring of training processes and post-graduation support.

The widespread assumption among Ghanaian policymakers that skills training is an effective tool for generating employment and growth must make room for the realisation that there are complex links between education, training and the wider enterprise environment. A weakness in any one of these has the potential to undermine the achievement of skills training objectives. A narrow focus on access to skills and productive assets at the personal level is thus inappropriate for transforming skills from a "residual sector for school dropouts" to a truly productive sector. To be meaningful, the challenges of market access and other factors in the (still nebulous) enterprise environment must be identified and brought squarely into the discussion.

The related assumption that formal training constitutes a satisfactory mode of training has to be tempered by the realisation that the unique attributes of individual programmes -- including the softer climate within which training is delivered -- can have a significant impact on what participants actually derive from the training investment. Government would be making a wise decision if it took steps to resolutely exploit the synergies inherent in partnering with NGOs. However, NGO programmes would need to be screened to identify those which actively deploy the desired pro-poor and enterprise-promoting methodologies.

The limited data available suggest that, in terms of the potential for poverty reduction, it is probably more important to have done an apprenticeship than to have completed formal schooling. This probably reflects in part the generally poor standard of basic schooling among skills graduates. A more detailed investigation of the apprenticeship system may be helpful for investigating this further and for strengthening the potential contribution of that sub-sector to poverty reduction and growth.

While the ongoing study contributes to improving our understanding of institutional modes of skills acquisition and the impact on poverty reduction and sustainable growth, the fact remains that the majority of skills are acquired in the informal economy -- specifically within traditional apprenticeships. It is essential, thus, that further research should seek more deliberately to investigate the degree to which the traditional apprenticeship system manages to be pro-poor and pro-growth. Equally important is to examine more resolutely how the wider enterprise environment influences the outcomes of skills acquisition. The next phase of the study aims to address these sub-themes.

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