Global Communities is implementing the Youth Inclusive Entrepreneurial Development Initiative for Employment (YIEDIE) project in partnership with The MasterCard Foundation and five consortium partners: Youth Empowerment Synergy (YES-Ghana), HFC-Boafo, Artisans Association of Ghana (AAG), Africa Aurora Business Network (AABN) and Opportunities Industrialization Centre Ghana (OICG). YIEDIE is designed to create economic opportunities in Ghana’s construction sector for economically disadvantaged youth. YIEDIE will directly reach at least 23,700 of these youth with training in technical, life and/or entrepreneurship skills leading to employment. The project will apply an integrated, youth-led market-systems model to improve the capacity of youth and service providers across the construction value chain. YIEDIE targets 17-24 year old youth who live on less than $2/day, in five cities in Ghana: Accra, Kumasi, Sekondi-Takoradi, Ashaiman and Tema.

Background

Construction is the back-bone of Ghana’s economy and shapes the outlook of cities, towns, and villages. It is estimated that the construction industry in Ghana contributes approximately USD 500 – 600 million annually to GDP (COTVET, 2010a). In 2012, the sector attained a growth of 11%, and its contribution to GDP was 8.9% (ISSER, 2013). Construction activity is relatively labor-intensive and can generate employment and has the potential to alleviate poverty.

Although the construction industry is one of the fastest growing sectors of the economy, growth in the sector has not been able to keep up with the number of unemployed youth. The sector employs about 2.8% (or 294,487) of the working population with the vast majority (288,597) in the informal construction sector. It is, therefore, essential to examine stakeholders’ actions that may have triggered the sector’s inability to engage youth. It is especially critical when engaging young women, as female youth currently make up only 2.8% of the construction sector’s workforce (ages 15 and up).

Global Communities commissioned the “Knowledge, Attitudes and Practices (KAP) Baseline Survey,” which informed this learning brief. The report was completed by The Urban Associates, Ltd. in September 2015. The full report is available upon request at yiedie@globalcommunities.org.
Methodology
Global Communities commissioned the Knowledge, Attitudes and Practices (KAP) Baseline Survey to provide information to YIEDIE about construction sector stakeholders. It assessed stakeholders in YIEDIE target cities to discover their KAPs related to engaging youth (including females) and the extent to which construction sector actors collaborate within the operational and policy environment. To accomplish this, data was collected from construction associations’ members (101 contractors total; 94 males, 7 females) and other interviews (41 total). The consultants interviewed 73 unemployed youth (48 males, 23 females).

Key Findings
The national government has youth employment and TVET policies, but not all stakeholders are aware of them
The survey found that actors within the construction sector – government, construction firms – have abundant knowledge about government interventions for youth employment. However, it was evident that TVET service providers were not conversant in the TVET Policy, and youth and master craftspeople did not seem to be aware of any direct government intervention in youth employment.

The government is implementing several initiatives for youth employment, but they are not having a noticeable impact in the construction sector. Likewise, government actors are not aware of a specific initiative for private sector agencies to employ youth in the construction sector, though their attitude is that the private sector should take a lead role in the process.

There is no specific government initiative to promote the necessary enabling environment or offer incentives for companies to employ young men and women in the construction sector. It seems that the government’s implicit policy is that the private sector should create on its own the necessary jobs for youth interested in the sector. Private sector actors are willing to contribute to training efforts, but view themselves as participants whose assistance should be requested rather than leaders of new curriculum development.

The private sector has negative attitudes towards youth but firms are still willing to employ them
Nine out of ten (90%) private contractors perceive youth to be lazy and disinterested in working in the sector due to the physical nature of the jobs and skills requirements. All contractors stated that they are prepared to employ youth and 95% will hire women when they are available. The consultants also found that women’s disinterest in the sector stems from the belief that the construction field is a “man’s world” and not friendly towards women.

There is a lack of collaboration between private sector and training institutions to match training with job demands
The study demonstrated that there is no space for construction sector actors to discuss the skills that they require with TVET service providers or other institutions. This has led to construction firms identifying their own workers in the absence of a coherent skill matching system. Close to 8 out of 10 (78%) firms suggested subjecting job candidates to a test, while 22% think that certification and licenses suffice during recruitment. Additionally, subcontractors, mainly micro-level entrepreneurs, stated

All contractors stated that they are prepared to employ youth and 95% will hire women when they are available.
that they recruit laborers based on their physique, which was confirmed by youth who had experienced the practice.

Construction sector stakeholders noted that they have a place in curriculum design for workforce development, but they did not believe themselves to be critical to the process. They see themselves as passive participants who will only make contributions when explicitly asked or invited to help re-tool TVET institutions.

**Improvements to procurement opportunities for local construction firms are needed**

The survey also found that master craftspeople subscribe to the idea that "small government jobs" should be limited to micro- and small-size construction firms. They anticipate that this would create opportunities for them to achieve significant levels of growth. Sixty-one percent (61%) of contractors think the government bidding processes do not engender fair competition. In their estimation, it is tainted by politics and nepotism and not subject to a transparent process.

**TVET learners are not aware of career options and there are limited career pathways available to them**

There was a consensus among some stakeholders that only those learners who are unable to make the grades to enter into higher academic pathways will opt for TVET. From the perspective of TVET oversight agents, learners in the TVET sub-sector lack clear learning pathways into higher levels of education and training. Similarly, TVET service providers did not seem to measure their institute’s success by their graduates' type of job placement or the career progression, but rather by their securing any job at all. Unemployed youth expressed doubt and apprehension about life after training with a TVET institute; they were uneasy with not knowing what to expect after their training.

**There are limited opportunities for youth in the labor market**

An overview of TVET service providers suggests that they do not cooperate or exchange knowledge relevant for enhancing their trainings. TVET learners lack clear progression pathways into higher levels of education and training. This is evidenced by FGD youth respondents showing little regard for TVET certification; most participants stated that they prefer informal apprenticeship.

Additionally, the formalized procurement processes that principal contractors follow, which are typically competitive and could include affirmative action on youth employment, do not apply to sub-contractors. This is significant since sub-contracting is an opportunity where most youth would be able to enter the market, and is therefore yet another barrier to youth employment in construction. Overall, the existing system limits the opportunities of new entrants into the labor market.
Recommendations

Provide career pathways for TVET learners

The career pathway at all levels (lower, middle and professional) within the construction sector should be clearly defined. The entry points for careers should be known, branded with the product name and publicized to attract prospective youth. Stakeholders must make it easier for young people to find an appropriate route into the industry.

There must also be career advice services available with the quality and standards that will attract a wide breadth of youth who are interested in construction. It may be worthwhile for the YIEDIE consortium – especially the more permanent institutions - to be constituted into a “board” to provide a comprehensive career service as a gateway for youth participation in the construction sector.

Policymakers must review government policies that are constraining business growth

Key issues that require concerted advocacy for policy review include:

- Delayed payment of contract fees;
- Contracts being awarded to larger firms with foreign interest;
- Lack of direction to grow local firms and develop artisans’ competency levels; and
- Limited financial mechanisms for contract financing and equipment mobilization.

Association members also lamented at the lack of institutional structures to advocate on their behalf with the government. These and other issues have resulted in a poor enabling environment for contractors to operate efficiently.

Policymakers and government should be engaged to reform policies that currently impede growth and employment potential of the construction sector. The advocacy process should focus on building advocacy skills and the capacity of the leadership of contractors associations. The associations would also benefit from training in negotiating on behalf of their members and to promote reform. This advocacy intervention should establish a road map with all stakeholders that actualizes the aspirations and desires of contractors and unemployed youth with interest in construction.

Promote public-private partnerships to improve funding for TVET providers and contractors and ensure training is demand-driven

Funding was identified as a major handicap for the development and growth of the construction sector. The main challenges include the limited funding for government TVET centers and the policy of pre-financing for contractors. A public-private partnership (PPP) arrangement between public TVET centers and the private sector could be the way forward to addressing some of their key funding issues. This collaboration would create an environment for the private sector to contribute towards more demand-driven training that meets their needs.

Additionally, there is the need to establish a contractor’s fund that will serve as a buffer between government funding and the construction sector. The seed money for the fund can be raised from stakeholders – government, contractors associations, development partners, financial institutions, the private sector and metropolitan, municipal and district assemblies – and be controlled by a board established under the proposed construction council.
Baseline Indicators

Knowledge

1) 46% of contractors know the theme of the National Employment Policy
   a. Other construction sector actors have little knowledge on government initiatives on youth employment

2) 11% of contractors anticipate the existence of government incentives that encourage private construction to employ youth
   a. There is indication that the construction sector is committed to employing youth

3) 41% of contractors are knowledgeable on the contract bidding process
   a. Contractor association leaders are knowledgeable in the aware process
   b. Small- and micro-scale contractors and own-account workers have general knowledge of the classification of contractors but did not know the content of contract bidding processes

4) Sub-contracting contributes to between 50% and 90% of the total project value within the construction process
   a. Stakeholders in the construction sector subscribe to the concept of sub-contracting arrangements for the government and all other contracts
   b. Master craftspeople subscribe to the idea that “small government jobs” should be limited to micro- and small-level construction firms

5) 71% of contractors were aware that workers and laborers could be recruited from various sources
   a. 35% of contractors know you could recruit workers from TVET service providers
   b. 35% of contractors know you could recruit from recruitment agencies
**Attitudes**
1) 98% of contractors perceived youth to be qualified for laborer work
2) 97% of contractors perceived youth to be qualified for fetching water
   a. Youth have less interest in construction activities
3) 37% of contractors perceive women to be qualified for laborer work
4) 88% of contractors perceive women to be qualified for fetching water
5) 78% contractors perceive women to be suitable for interior décor in the construction sector
6) 90% of contractors perceive youth to be lazy and believe their laziness means that youth are not interested in rigorous work such as construction
7) 1% of contractors perceive that the private sector is not ready for youth
8) 44% of respondents are not sure they will engage the services of youth
9) 61% believe that the government bidding process does not engender fair competition
10) 75% of contractors value TVET certification
   a. TVET service providers do not seem to effectively align the success of their institutes to the career progression of their graduates, but rather students’ absorption into the industry
   b. TVET service providers do not conduct workforce needs assessments for curriculum development
   c. Youth and women see technical training as inferior to the traditional education system
11) 91% of contractors have the opinion that non-state actors and relevant stakeholders should contribute or play a role in workforce development in the construction sector
   a. Other stakeholders mentioned that non-state actors have a place in curriculum development for workforce development

**Practices**
1) Firms employ about 5 youth each
2) Government has no specific initiative for private sector agencies to employ youth and women in the construction sector
3) Employment of women is 0.5% per firm
4) 84% of construction firms have no relationship with formal training institutions
5) 5% of youth have had some engagement in the construction sector
6) 5.5% of construction firms are promoting youth and women within their firms
7) 22% of contractors have jointly bid for contracts
8) 98% of contractors sub-contract to master craftspeople and other micro- and small-scale firms
   a. Master craftspeople secure sub-contracts from referrals and networking with contractors
9) 14% of contractors advertise for sub-contractors
10) 68% of contractors provide technical skills training to their workmen