

# **Unemployment Duration and Labour Market Outcomes of University Graduates in Ghana**

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# Introduction

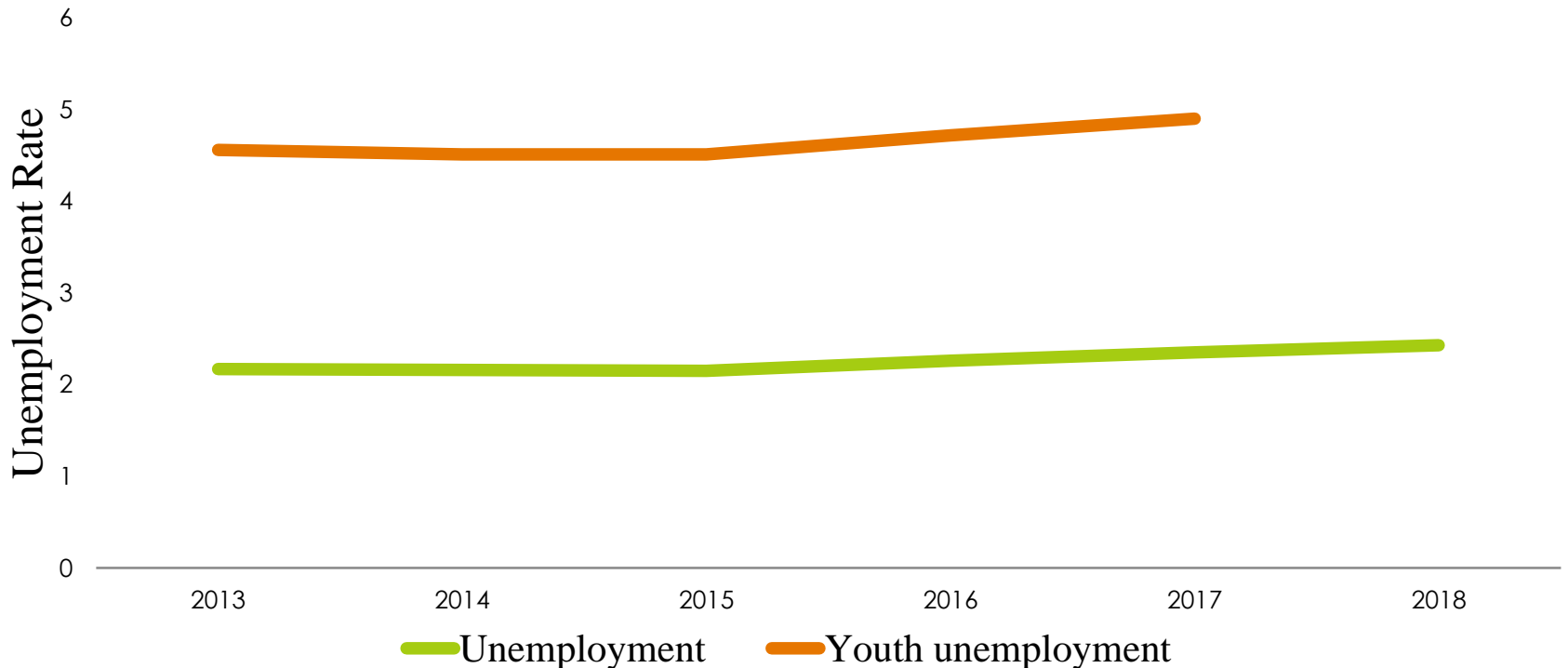
- Youthful population
- Economic development characterised with fundamental and structural problems
- Widening gap between youth unemployment and global adult unemployment (ILO, 2016)
- The youth as a ‘lost generation’ (Vigh, 2006; OECD, 2010)
- “Jobless growth” (Baah-Boateng, 2017; Aryeetey and Baah-Boateng, 2015)
  - Youth still marginalized, unemployed and vulnerable (ILO, 2018)

# Introduction cont'd

- Graduate unemployment in Ghana has been attributed to skills mismatch and lack of experience (Baah-Boateng, 2015; Ewusi, 2013)
- Literature has also highlighted the role of job search, social capital on youth youth unemployment (Carlsson, Eriksson & Rooth, 2018; Huffman & Torres, 2002; Saks & Ashforth, 2000)
  - In Asia, Chen (2017) found that the social network increases employability and improves the chances of exiting unemployment of fresh university graduates in the Zhejiang Province of China
  - Europe have found a social network as a facilitating tool in reducing duration of unemployment and also results in increases in the number of job offer of university graduates (Piróg, 2016; Baay et al., 2014; Macmillan, Tyler & Vignoles, 2015)
- Governments initiatives such as NYEP, GYEEDA, YEA in curbing youth unemployment
- Current initiative is the NABCO

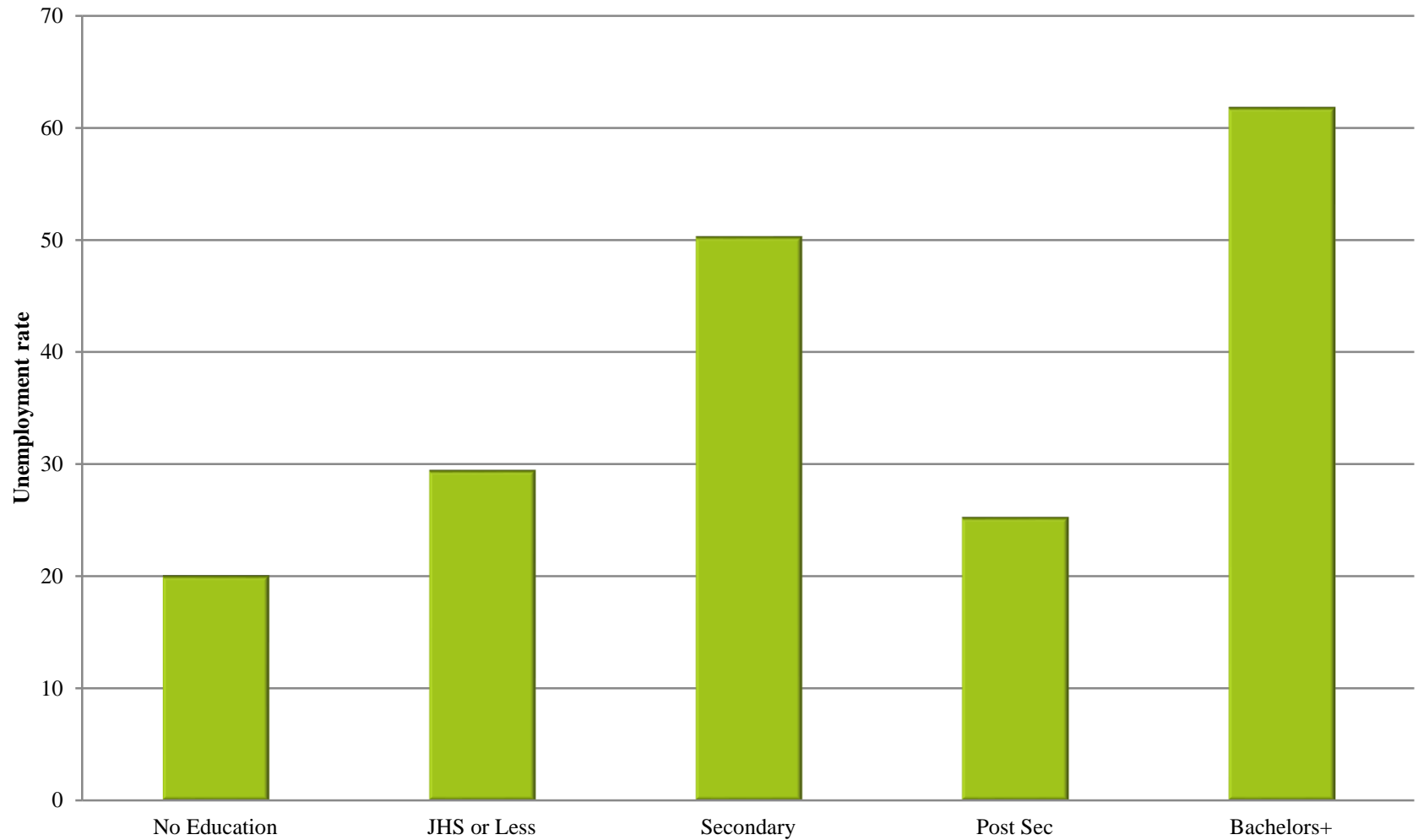
# Motivation

- Youth Unemployment outweighs the general unemployment rate
- Unemployment rate increase with increase in education



# Motivation

## Unemployment Rate by Education in 2015



Source : Computed from 2015 Labour Force Survey

# Methodology

Research Design	Quantitative Approach: Cross-sectional design
Study Population	Bachelor Degree Graduates from 4 Universities- UG, KNUST, UCC, UDS National Service-2012/2013 cohort
Sampling technique	Multi-stage Random Sample
Sample frame (NSS)	<u>14,252 UG(4,143) KNUST(2,881) UCC(3,462) UDS(3,766)</u>
Sample size	<u>1,470 UG(401) KNUST(302) UCC(357) UDS(410)</u>
Instrument	Questionnaire (few open ended)
Data collection method	Computer Assisted Telephone Interview (CATI)
Data Analysis	Survival Analysis

# Methodology

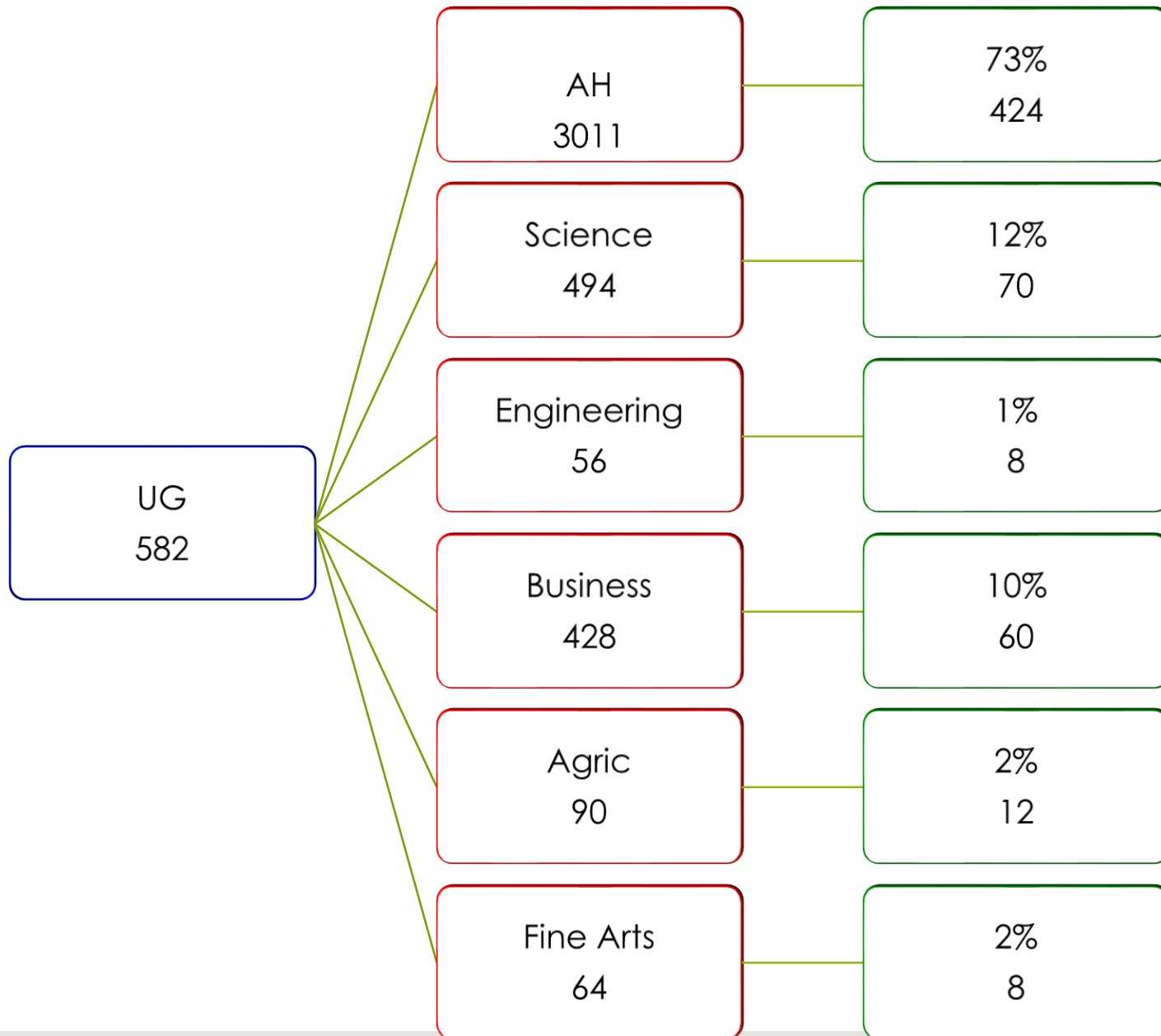
<b>University</b>	<b>Population</b>	<b>Weight</b>	<b>Sample (expected)</b>
UG	4,143	0.2907	582
KNUST	2,881	0.2021	404
UCC	3,462	0.2429	486
UDS	3,766	0.2642	528
<b>Total</b>	<b>14,252</b>	<b>100</b>	<b>2,000</b>

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# Methodology



# Methodology

Actual Sample (total valid surveys)

	<b>UG</b>	<b>KNUST</b>	<b>UCC</b>	<b>UDS</b>	<b>Total</b>
Humanities	237	102	216	280	835
Science	70	60	91	51	301
Engineering	6	79	-	-	85
Business	50	18	27	8	103
Agriculture	9	40	20	71	140
Fine Arts	0	3	3	-	6
<b>Total</b>	<b>401</b>	<b>302</b>	<b>357</b>	<b>410</b>	<b>1,470</b>

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# Descriptive Statistics

Variable	Mean	Min	Max
Age	28.03	26	32
Employed	<b>0.70</b>	0	1
Bonding Social capital	<b>3.01</b>	2	5
Linking Social capital	<b>1.82</b>	0	9
Marital Status	1.34	1	9
Programme	1.24	1	6
Work Experience	0.15	0	1
Intensity of Job Search	<b>5.30</b>	0	25
Perceived Job Availability	0.12	0	1
Service Sector	0.41	0	1
Unemployment Duration	<b>3.04</b>	0	5

# Sector of Employment

<b>Sector</b>	<b>Male</b>	<b>Female</b>	<b>ALL</b>
Education	<b>34.33</b>	<b>19.47</b>	<b>31.28</b>
Legal (Law)	0.27	1.58	0.54
Health	6.92	5.79	6.69
Financial, Banking, Insurance	<b>18.72</b>	<b>27.37</b>	<b>20.5</b>
Manufacturing	3.39	3.68	3.45
Tourism and hospitality	0.95	0.53	0.86
Sales/marketing	3.66	5.26	3.99
Oil industry	1.90	3.16	2.16
Development work	6.11	3.68	5.61
Agricultural related	6.51	3.68	5.93
Military/Armed forces	0.81	0.53	0.76
Other (specify)	16.42	25.26	18.23

# Job Search Strategies and Job Offers

Job search Strategies

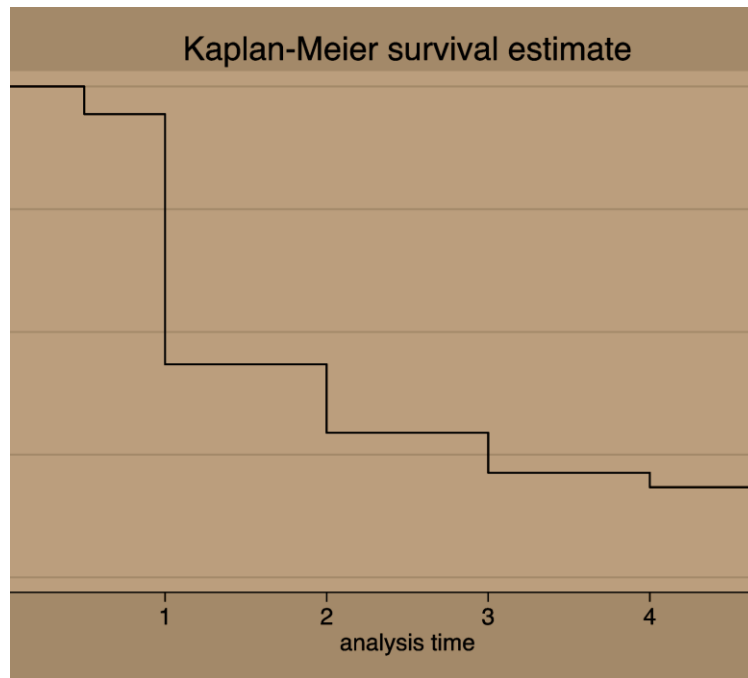
Strategy	Male	Female	All
Ask family and friend	21.23	78.77	42.18
Read newspaper advertisement	74	26	5.39
Approach employers directly	82.23	17.77	21.25
Use employment agency	73.08	26.92	2.8
Go to career fairs	80	20	1.08
Search on the internet	75.16	24.84	17.37
Other (specify)	89.13	10.87	9.92

Search strategies and number of job offers

Strategy	One	Two	Three or more
Ask family and friend	53.92	38.54	16.67
Read newspaper advert	3.92	6.25	11.11
Approach employers directly	17.65	20.83	13.89
Use employment agency	2.94	2.08	0
Go to career fairs	0.98	3.12	0
Search on the internet	9.80	18.75	50
Other (specify)	10.78	10.42	8.33

# Unemployment Duration

Kaplan-Meier Survival Estimate

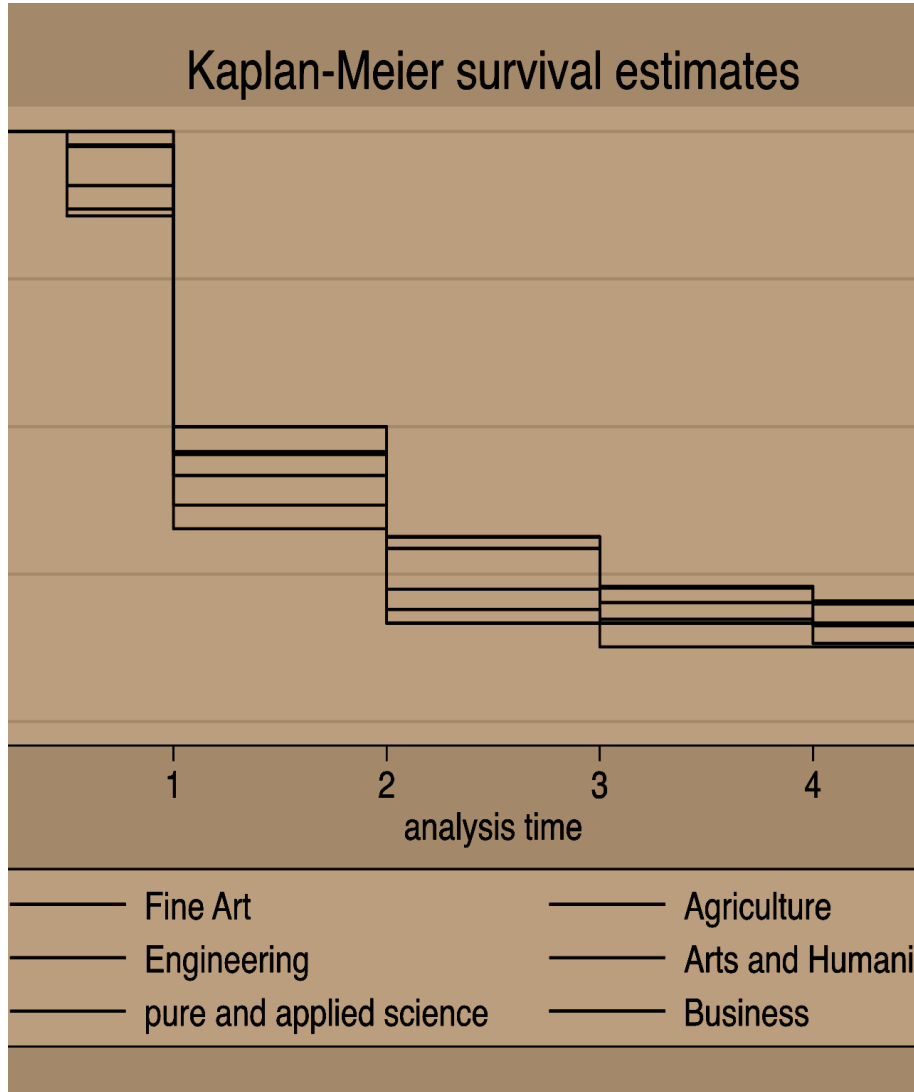


Kaplan-Meier Survival Function

Time	Survival Function
<1	0.9436
1	0.4342
2	0.2948
3	0.2132
4	0.1835

# Unemployment Duration

Kaplan Meier Survival Estimate



Kaplan Meier Survival Function by Programme

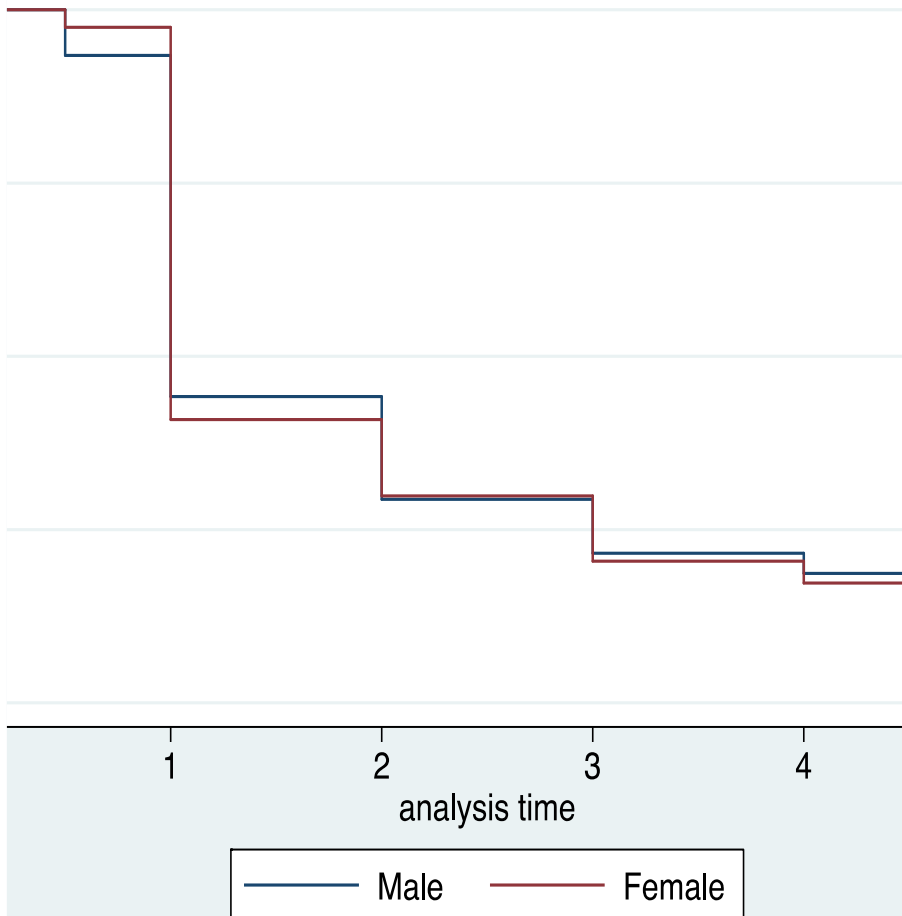
Time	FA	Ag	Eng	AH	Sci	Business
<1	0.98	0.91	0.86	0.87	0.97	0.70
1	0.46	0.42	0.33	0.45	0.37	0.67
2	0.31	0.29	0.22	0.31	0.19	0.43
3	0.23	0.20	0.17	0.23	0.13	0.40
4	0.20	0.16	0.13	0.20	0	0.25



# Unemployment Duration

Kaplan Meier Survival Estimates

Kaplan-Meier survival estimates



Kaplan Meier Survival Function by Sex

Time	Male	Female
<1	0.98	0.97
1	0.44	0.41
2	0.29	0.30
3	0.22	0.20
4	0.19	0.17

# Regression Estimates for Unemployment Duration

Variable	Hazard Rate	Variable	Hazard Rate
Age	1.028***	Private sector	1.364***
Female	1.392***	Family and friends	1.762***
Married	0.985	News papers	0.425
Previous Work Experience	0.988	Approach Employers	0.351
Bonding Social Capital	1.278**	Employment agencies	0.272
Linking Social Capital	1.519***	Career fairs	0.598
Job Search Intensity	0.885	Internet	0.575
Science	1.013	First class	0.933
Business	1.148	Second upper	0.874
Agriculture	1.124	Second class	1.000
Engineering	1.532***		
Fine Arts	1.385	<i>Statistical significance: *** 1%, ** 5% * 10%</i>	

# Conclusion

- Tracer study of graduates from 4 main public universities in Ghana
  - First empirical attempt in Ghana
- Majority of graduates are employed in the education and financial sectors
- Social network facilitates labour market entry in Ghana
- Unemployment duration decreases with time but differs according to programme
- Gender, social capital, programme of study and type of search strategy significantly determine exit from unemployment

# Policy Recommendation

- Implementation of job matching strategies
  - to strengthen the effective foundation of the labour market and ensure the optimal allocation of jobs
  
- There is an over supply of graduates with business related certificates
  - University authorities should therefore run degree programmes in areas where there is a high demand for a particular skill set to enable an easier transition into employment
  
- Job creation programmes should be targeted at graduates with higher unemployment duration

THANK YOU