Programme for Sustainable Economic Development (PSED) in Ghana

Migration and Employment Promotion (MEP)

The challenge

Migration is a global phenomenon: worldwide, more than 250 million people are currently living outside their countries of origin. Many are forced to leave their homes due to war or violence, while others move to new countries in search of jobs or training opportunities. In Ghana’s case, the latter pertains. The country is considered one of the most stable nations in West Africa, and its economic growth over the past few decades has been comparatively strong. But growth in the informal micro, small and medium-size enterprises (MSME) sector lagged behind. This development is particularly alarming, because 85% of the economically active population are working in the informal sector with lack of entrepreneurial and vocational skills and limited access to financial services.

Ghana’s demographic structure is also exacerbating the situation: Like many African countries, Ghana faces a ‘youth bulge’, with almost 60% of the population under the age of 25. The majority of the youth is either unemployed or underemployed. Many, especially young male Ghanaians, tend to migrate out of the country to escape out of their actual or perceived dire economic situation. Currently, about 800,000 Ghanaians live abroad.

Hence, migration often presents major challenges for the countries of origin, as well as the receiving countries. However, it also holds considerable potentials, particularly as regarding the economic development of the countries of origin, including the transfer of know-how and the investment of migrants in particular.

Objective

To prevent irregular migration becoming a threat to Ghana’s growth, GIZ has been commissioned by BMZ to implement the Programme Migration for Development (PMD) with its Migration Advisory Centre (MIAC) in Accra, and expand the already existing Programme for Sustainable Economic Development (PSED) by the component Migration and Employment Promotion (MEP).

PMD and MEP focus on the areas of migration and development; economic development and job creation; and reintegration and employment perspectives in Ghana and are complementing each other.

PSED has a total of three components that focus in detail on a) improving access to innovative, demand-driven microfinance and microinsurance services through Financial Systems Development (FSD), b) enhancing access to formalized training for informal apprentices (TVET/Ghana Skills Development Initiative (GSDI)) and c) promoting (self)-employment for disadvantaged population groups, including returning and potential migrants (MEP).

<table>
<thead>
<tr>
<th>Programme name</th>
<th>Programme for Sustainable Economic Development (PSED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioned by</td>
<td>German Federal Ministry for Economic Cooperation and Development (BMZ)</td>
</tr>
<tr>
<td>MEP Regions</td>
<td>Greater Accra, Ashanti, Brong Ahafo</td>
</tr>
<tr>
<td>Lead executing agency</td>
<td>Ministry of Finance (MoF) Ghana</td>
</tr>
<tr>
<td>Implementing partner</td>
<td>Ministry of Employment and Labour Relations (MELR) Ghana</td>
</tr>
<tr>
<td>PSED Duration</td>
<td>01.04.2016 – 30.09.2019</td>
</tr>
<tr>
<td>MEP Duration</td>
<td>01.10.2017 – 30.09.2019</td>
</tr>
</tbody>
</table>

L. During MEP’s trainings, participants receive a lesson in saving and budgeting.

R. A training beneficiary, Oscar Baidoo, has decided against migration and for a career in the fashion industry after attending a similar training.
Our approach

MEP has been implemented since October 2017 with the aim of improving the employment and income situation in three selected Regions: Greater Accra, Brong Ahafo and Ashanti.

It offers capacity building measures for disadvantaged community members, including for Ghanaians intending to migrate and Ghanaians returning from the diaspora.

Setting up businesses, which include basic entrepreneurship and financial literacy trainings the MEP component supports the target groups in becoming self-employed or finding paid employment.

MEP offers technical assistance and individual capacity development to these population groups through entrepreneurship and financial literacy trainings, adequate technical short courses, and linkages to opportune financial service providers. With that it will contribute to improving livelihoods of less privileged Ghanaians, show alternatives to often illegal and dangerous migration options, and smoothen reintegration of returning migrants.

In August 2018 the Ministry of Employment and Labour Relations (MELR) and GIZ signed a Memorandum of Understanding (MoU), in which both parties agreed to cooperate in the field of labour migration, reintegration and employment. Through this MoU, GIZ – through PSED-MEP and the related Programme Migration for Development (PMD) – and MELR intend to leverage existing synergies to strengthen the MELR and the labour department to better fulfil their function on a policy and operational level and to this end, build their capacities in the areas of prevention of irregular migration; fostering of regular migration; protection of migrants abroad, return and reintegration of (labour) migrants; creation of economic opportunities through employment or self-employment for Ghana’s potential migrants.

Achievements

Between December 2017 and November 2018 more than 50 pilot trainings in entrepreneurship and financial literacy have taken place in the Ashanti, Brong Ahafo and Greater Accra Regions.

Thereby more than 1800 individuals or MSME owners have been trained, including approximately 15 Ghanaians returning from Germany. In total MEP has trained more than 150 returnees from various countries.

In the field of job creation, over 60 beneficiaries have become self-employed and 20 have found a paid job. So far, 10 particularly innovative former and potential migrants are equipped to strengthen their new businesses by the component. Among the beneficiaries, there are farmers, mechanics, barbers, hairdresser, food processors, tailors and other trades (30% women).

In the selection of training participants MEP is assisted by local business associations (ASSI) and by the Ghanaian-German Centre for Jobs, Migration and Reintegration for example. Furthermore, the project’s advisors visit MSMEs directly in the target regions.

The pilot trainings have been very well received, word of the trainings has spread, the current demand exceeds expectations. Therefore, further trainings are in the planning and already in the implementation.

Outlook

MEP aspires in total to train 8000 participants in basic entrepreneurship and financial literacy trainings. By September 2019, a total of 800 beneficiaries will take part in short-term technical trainings and will be supported through the entire path of the foundation by start-up incubators. And another 240 people/MSMEs should receive in-kind start-up support or access to start-up finance.

Partners

- Ministry of Employment and Labour Relations (MELR)
- National Vocational Training Institute (NVTI)
- National Board of Small Scale Industries (NBSSI)
- British Council
- Ghanaian-German Centre for Jobs, Migration and Reintegration