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World Development Studies 7

Changing Patterns of Employment and Unemployment in Africa

Derseh Endale



November 1995

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Development Economics Research
(UNU/WIDER)

World Development Studies 7

Changing Patterns of Employment and Unemployment in Africa

A Comparative Perspective on Four Sub-Saharan Countries

Derseh Endale

UNU World Institute for Development Economics Research (UNU/WIDER)

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FOREWORD

Employment is a key factor in the human dimension of development. In its broader understanding, it means access to livelihood; in its narrower understanding, it implies activities which result in a job and regular income for those wishing to work. The demographic changes, the rate, patterns and quality of economic growth, its consequences, the policies of the countries, the deficiencies and inefficiencies of the labour market, unemployment, exclusion, the character of income distribution and degree of poverty, are synthesised in the utilization of human resources of a country. It is one of the most important indicators of human security

The research project of UNU/WIDER, in the framework of which this study has been written, focuses on the Sub-Saharan African countries and looks at the different aspects of the employment problem. This part of the world is facing very difficult problems. The annual rate of population growth is the highest, somewhat below 3 per cent annually. The growth of the working-age population is over 3.3 per cent. Agriculture is the source of livelihood for about 80 per cent of the population, and the rate of growth of urban people is above 5 per cent annually. For some time, job opportunities in the modern sector of the countries in the region have been on the decline, and the main source of livelihood for the increasing urban population will be the low income informal sector: urban farming; petty trading; food vending; load carrying; repair work. It has been emphasized by the literature on the Sub-Saharan countries, that in spite of many similarities in their general problems, practically each one of them is a specific case due to the geographical, ethnic and political-institutional patterns, structural characteristics and degree of integration with the global economy. The research project has been looking for answers to a few important issues: first of all, on the opportunities of the countries, to improve the degree of utilization of their growing labour force. To what extent can the life sustaining, income and employment generating capabilities of agriculture be improved? This will remain a crucially important task for the countries, because of the large number of people relying on a living from agriculture and because a large part of rural households will remain fused with urban ones. Another key question is the direction of the structural changes in output, and their implications for employment. How sectoral and occupational mobility is changing? Did the structural changes increase urban informal activities or the modern sector? How large is unemployment and what is the real meaning of it in rural and urban areas of the countries? What is the relevance and efficiency of policies related to the labour markets and human resource development in general? How those policies are related to the structural adjustment programmes or other national or international initiatives? How the livelihoods of people are changing, as the marketization and urbanization phases out traditional forms and norms? The four countries which have been selected for more profound analysis in this study – Ghana, Kenya, Nigeria and Tanzania – are interesting examples of the similarities and diversities of trends, structures and problems.

I should like to express the appreciation and thanks of UNU/WIDER to Mr Derseh Endale, who is the author of this study and director of the research project, and also to Professor F. C. Okafor and Professor E. J. Etuk, and the project participants, for their comments and advice.

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Director, UNU/WIDER

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The author also acknowledges that this study has benefited from comments made by colleagues during the workshop on 'Changing Employment Patterns and the Structure of Employment in Africa', held in Accra, Ghana (28-29 July 1995). The author extends his gratitude to the discussants of the paper, Professor F. C. Okafor (University of Benin, Nigeria) and Professor Efiong J. Etuk (University of Calabar, Nigeria). The same gratitude is also extended to all the participants of the workshop whose comments were valuable in reviewing the paper.

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I INTRODUCTION

Changing employment patterns are the reflection of the structural relationships involved in the development process. They have to do as much with the emergence of new forms of livelihoods in communities as they have with the phasing out of pre-existing modes of production, occupations, or livelihoods. A variety of factors can induce changes in patterns of employment including economic, demographic, cultural, institutional and technological processes occurring at different levels within national, regional, as well as global dimensions. Identifying changes in patterns would therefore need to address changes, *inter alia*, in the structure of production, in the patterns of consumption, in the patterns of trade and in the globalization process. The research theme, therefore, embodies various issues that have bearing on the employment and unemployment problem in the region. This study will attempt to provide some comparative perspectives on changing employment patterns and the structure of unemployment in four Sub-Saharan African countries, namely Ghana, Kenya, Nigeria, and Tanzania.

More specifically, the purpose of this study is two-fold. The first is to raise searching questions pertaining to changing patterns of employment in the indicated Sub-Saharan African countries in order to draw attention to highly relevant, policy-oriented issues at a time when problems of employment and unemployment are attaining new proportions in the region.¹ The study aims to stimulate research interest on the impact of the rapidly changing global environment on the patterns of employment and livelihood in the region.

The second purpose is to focus, in a like manner, on issues pertaining to the structure of unemployment in the region with the aim to better understand the types of labour under-utilization prevalent and how they evolve over time. By focusing attention on the structure of unemployment, the study also attempts to contribute to the emerging awareness regarding the linkages between unemployment and poverty in Africa, and to assist in the search for appropriate policy alternatives for the expansion of productive employment.

It would be useful, for the purpose of clarity in this paper, to organize the discussion on changing employment patterns around four dimensions of the concept, namely the demographic, economic, social, and spatial dimensions. Within the demographic dimension we include observed changes in the age and gender structure of the labour force. In the economic dimension we cover aspects of change in the patterns of employment as they relate to change in the structure of production of goods and

¹ A recent conference held at UNU/WIDER in Helsinki (Finland) on the topic of *The Politics and Economics of Global Employment* has highlighted the problem of unemployment as a global phenomenon afflicting not only the industrialised countries but also increasingly urban areas of developing countries including those in Africa. See M. Simai (1995).

services, change in the technology of production, change in the composition of output and, in general, change in the organization of economic activity. By the social dimension we refer to those aspects of changing patterns of employment that have to do with increasing informalization of work, and changing conditions of work in general. The spatial dimension refers to changing patterns of employment as regards the allocation of work over space, and in particular, as they relate to urbanization and rural/urban migration.

The data problems need to be mentioned at the outset. Two types of data were initially sought after for conducting the study: the first type was data on all four countries, that would enable descriptive analysis in a comparative perspective, and the second type was data that would allow the construction of explanatory models using primarily regression techniques. While both types of data require the availability of multiple data points over time, a more complete and reliable time-series data was implied by the second data type. However, availability of both types of data was disappointing. The methodology followed has, therefore, been dictated by this fact and the comparative study remains essentially descriptive.

Data drawn from a variety of both international and domestic sources were used and this poses a number of problems to the comparative analysis. In the first place, comparable statistical information on a broad range of economic and social indicators was not consistently available for all four countries. Secondly, even when data was readily available, the time periods for which data are available differed somewhat between countries. Change over time could only be compared with reference to different periods, thereby constraining the depth of the analysis. Thirdly, while concepts and definitions² of employment and unemployment, as used in all four countries, closely followed ILO conventions, there remain a number of minor methodological differences in generating data on some labour market variables. Needless to say, the validity of comparison is enhanced if similar premises had been adopted in generating the indicators for the socio-economic situations being compared. If social science research in Africa was to be postponed pending the availability of ideal data, not much research could ever be started in the region. It was therefore found necessary to utilize, in the comparative study, data obtained from both national and international sources on the convenient and simplifying assumption that such statistics were, for the most part, comparable in spite of possible methodological and conceptual differences in establishing the statistics.

The paper is organized as follows. The following section provides brief profiles of the countries included in the study. This is followed by the section on descriptive analyses of changing employment patterns. Specifically, the section addresses the changing size and composition of the labour force, changing sector allocation of employment, changing occupational status as well as some aspects within the agriculture

² The definition of employment used in the study is that adopted by the Thirteenth International Conference of Labour Statisticians (Geneva, 1982). The 'employed' are all persons above a specific age and who during a specified brief period, either on week or one day, were in 'paid employment' or 'self-employment'. See, for example, ILO (1992: 349-50).

and export sector. These issues are analysed as proxy indicators of the changing pattern of employment in the regions. The section also addresses the social dimension, specifically the increasing informalization of employment and the spatial dimension dealing with the changing compositions of the rural/urban migration flows. The section on the changing structure of unemployment raises the conceptual difficulty of identifying who the unemployed are, addresses issues of underemployment, and identifies vulnerable social groups from the point of view of employment. There is a section on questions of policy followed by a section on change and livelihoods in the region, which raises issues for research. The last section gives the concluding remarks.

II COUNTRY PROFILES

All four countries in the study – Ghana, Kenya, Nigeria and Tanzania – are Anglophone countries in the Sub-Sahara region of Africa (SSA) with Nigeria and Ghana from the west cost and Kenya and Tanzania from eastern Africa. Ghana has been an independent state since 1957, Nigeria and Kenya since 1960 and 1963 respectively, while the United Republic of Tanzania was formed in 1964 from the union of Tanganyika and Zanzibar, both of which had been independent states since 1961 and 1963 respectively. Together the four countries account for 35 per cent of the population in the SSA with Nigeria being the most populous country in the region. With the exception of Ghana, which appears to be improving its growth performance, all the countries in the group have experienced economic decline over the 1980s in contrast to the positive growth experienced over the preceding post colonial decades. With the exception of Tanzania where the index had declined, food production per capita has improved for the other three countries over the level attained a decade earlier. All four countries still remain dependent on limited lines of primary products for their export earnings. Petroleum provides over 90 per cent of Nigeria's export revenue, while cocoa in Ghana, coffee in Tanzania and coffee and tea in Kenya account for close to half of export revenues.

TABLE 1
COUNTRY PROFILES

Country	Population		GNP per capita (US\$)	GNP per capita annual growth rate (%)		HDI (1979-81=100)	Food production per capita	Dependence on primary exports	
	Number ('000)	% share		1965-80	1980-91		1991	Type	% of export
	1	2	3	4	5	6	7	8	9
Ghana	15,959	3.0	420	-0.8	-0.3	.382	116	Cocoa	49.2
Kenya	25,700	4.8	340	3.1	0.3	.434	103	Coffee/Tea	53.9
Nigeria	115,664	21.7	350	4.2	-2.3	.348	123	Petroleum	94.2
Tanzania	27,829	5.2	120	0.8	-0.8	.306	78	Coffee	44.1
Total	185,152	34.7							
SSA	534,000	100.0							

Source: Column 1 from United Nations (1994: 103, 127-8).
Columns 8 and 9 as documented in IMF (1995: 14).
Columns 3, 4, 5, 6, and 7 from UNDP (1994).

The comparative status of socio-economic development, as measured by the human development index (HDI) of the United Nations Development Programme (*Human Development Report*), is indicated in Table 1. On a scale that approaches 0 for the lowest human development and 1 for the highest human development, all four

countries rank among the group of countries with low human development (0-0.5). We can also note that among the four, the country with the lowest HDI, Tanzania, also has the lowest per capita income level, the lowest annual growth rate over the past decade, and the lowest index for food production per capita. Kenya, which has the highest HDI among the group has also maintained a positive average growth rate over the last decade. A comparative view of these indicators is summarized in Table 1.

III CHANGING EMPLOYMENT PATTERNS: A COMPARISON

While the group of four countries being analysed share many similarities – the low HDI, the low per capita income, as well as many of the economic, social and political predicaments – there are also wide differences in resource endowments including population size as well as in the level of economic development attained, particularly over the period preceding the difficult years of the 1980s. Differences in resource endowments can explain differences in the pace and the pattern of development which in turn influence the pattern of employment and labour use. In the absence of adequate data on the region, use will be made of a variety of information from different sources in order to obtain some impression of the size and direction of change in the patterns of employment. To this effect, we will analyse such information as the changing size and composition of the labour force (active population), changing sectoral allocation of output and employment, changing status in occupations, increasing informality and changing conditions of work, as well as the changing composition of the rural/urban migration flows.

3.1 Changing size and composition of the labour force

Employment patterns are determined as much by aspects of labour supply such as the growth rate of the population and the changing size and composition of the labour force as they are by changing demand patterns. Although participation rate and the variety of factors influencing it, including the pace of economic development, labour market information on employment opportunities, remuneration, etc., are clearly important, it may be the rate of population growth that, in the countries being compared, is the most important determinant of the size of the labour force. Growth of the population has been invariably high in all four countries. Data from the National Population Commission indicated that in 1963, Nigeria's population was about 56.5 million. By 1990 it had reached the level of 121.6 million, a population growth rate of about 2.9 per cent.³ In 1970 Ghana's population stood at 8.6 million, and by 1984 (the last census year) it was up at 12.3 million, an increase of 43.7 per cent, giving a population growth rate of about 2.6 per cent over the period.⁴ Tanzanian population between 1978 and 1988 (latest census) shows an increase of 31.67 per cent from 17.5 million to 23.1 million. This reflects a population growth rate of around 3 per cent.⁵ Kenya's population almost doubled from 11 million in 1969 to 21 million in 1989 at a growth rate of 3.8 per cent. By 1993, after a committed effort at family planning, the population was estimated to be about 24 million and the growth rate still at the high level of 3.34 per cent.⁶ Projection of the labour force is indicated in Table 2:

³ Federal Republic of Nigeria (2).

⁴ Republic of Ghana (1992: 123-6).

⁵ The United Republic of Tanzania (1).

⁶ Republic of Kenya (2: 26).

TABLE 2
LABOUR FORCE PROJECTIONS ('000)

Country	1995	2000	Change
Ghana	6,039	6,851	812
Kenya	10,676	12,289	1,613
Nigeria	45,233	51,009	5,776
Tanzania	13,823	15,631	1,808
Total	75,771	85,780	10,009

Source: ILO Database WDEAP

The growth of the labour force, as indicated in Table 2, is attributable mostly to the rate of growth of population as the participation rates used in the projections were relatively low. The labour force is projected to grow among all four countries by a total of over ten million over the next five years. These projections assume not only very low but also declining activity rates for the female population over the projection period. The activity rate for the female population in Ghana was assumed to decline from 26.98 to 26.22 over the five year period. Likewise, the activity rates for Kenya, Nigeria and Tanzania were not only relatively low but also declined over the five year period from 29.68 to 28.26, 24.05 to 22.78, and 41.71 to 39.46 respectively. While such declines may be hard to rationalize, they nevertheless underline the point that population growth was the primary driving force for the growth of the labour force in all four countries.

Table 3 tabulates the change over time in the economically active population for all four countries. The census years for each country differ but, with the exception of one of the countries, there are at least two data points spanning over a decade which allow us to track change over time. There are also differences in the concepts and definition of economically active population between countries as well as between different censuses within the same countries. It is assumed that, given the absence of more suitable data, these differences will not prevent cautious comparability of the data.⁷ It can be noted from Table 3 that fast population growth is reflected in the observed large increase in the active population for all four countries. For example, between the census of 1960 and 1984 the active male population in Ghana has increased by over 60 per cent to 2.7 million while Nigeria has witnessed an increase in its active male population from 13.9 million to 20.5 million over a two decade period. Beside population growth, the changing characteristics of the economically active population can both describe as well as influence changing patterns of employment. Although some of the data does not appear to be consistent (for example the high activity rate for the earlier census in Ghana), changes in the activity rates in either directions are evident for the population of those countries for which data is available. For Ghana the activity rate of the total population (including both genders) has shifted by 5 percentage points between the 1960-1984 censuses whereas some decline is apparent over the 1960-70 decade. A decline in activity rates is also evident in Nigeria between 1963-86 period, and also in Tanzania between the 1967-78 censuses. For the latter the activity rate has

⁷ It is also assumed that the economically active population is a proxy for the labour force in these case.

reversed and registered an increase between 1978-88 censuses, leading to the situation where over the two decade period of 1967-88, the activity rate of the total population has on average remained unchanged.

TABLE 3
CHANGE OVER TIME IN THE ECONOMICALLY ACTIVE POPULATION ('000)

Country	Period	Total population	Active male population	Activity rate	Active female population	Activity rate	Total active population	Activity rate
Ghana	1960 Census	6,726	1,677	49.3	1,046	31.4	2,733	40.5
	1970 Census	8,559	1,859	43.8	1,472	34.1	3,332	38.9
	1984 Census	12,296	2,724	44.9	2,856	45.8	5,580	45.4
	Change 1960-70	1,833	182	-6.0	426	3.0	609	-2.0
	Change 1970-84	3,737	865	1.0	1,384	12.0	2,248	7.0
	Change 1960-84	5,570	1,047	-4.0	1,810	14.0	2,857	5.0
Kenya	1989 Census *	16,863	4,376	n.a.	4,372	n.a.	8,947	n.a.
Nigeria	1963 Census	55,670	13,886	49.4	4,419	16.0	18,306	32.9
	1986 LFSS	98,937	20,514	41.1	10,252	20.9	30,766	31.1
	Change 1963-86	43,267	6,628	-8.0	5,833	5.0	12,460	-2.0
Tanzania	1967 Census	12,314	3,001	50.0	2,746	43.5	5,747	46.7
	1978 Census	17,513	3,809	44.4	4,036	45.2	7,845	44.8
	1988 Census	23,058	5,282	47.2	5,441	45.8	10,724	46.5
	Change 1967-78	5,199	808	-6.0	1,290	2.0	2,098	-2.0
	Change 1978-88	5,545	1,473	3.0	1,405	1.0	2,879	2.0
	Change 1967-88	10,744	2,281	-3.0	2,695	2.0	4,977	0.0

Note: * For consistency, crude estimate of the active male, female and total population was obtained by applying the weighted average of the rural and urban labour force participation rates to the working age population.

Source: ILO (1990); Republic of Kenya (1994); and the United Republic of Tanzania (1988). (Computations of change and some rates calculated by author.)

Table 3 also provides an indication on the changing gender structure of the economically active population in these countries. As can be observed in the table, the activity rates had been considerably higher for males than that for females. This pattern has been changing over the years. By the time of the latest censuses or labour force surveys, the activity rate for females although still much lower than that for males, has shown a marked change. The higher activity rate of females is one clear indication of changing pattern of employment, from one of more male oriented to one where women had increased participation. The active female population has more than doubled over the last two decades in both Ghana and Nigeria.⁸ The activity rate of the female

⁸ World Bank projections for 1970 to 1992 indicate a decline in female share of labour force in all four countries (see UNDP 1994). While this is not inconsistent with the indications for the inter-census period which relates to a shorter span of time series data, it does indicate some change may have occurred in

population had increased from 31.4 to 45.8 per cent in the former and from 16.0 per cent to 20.9 per cent in the latter. There appears to be quite a wide difference between the activity rate of females in Nigeria and that in Ghana in spite of the significant increases in both countries. On the other hand, the male activity rates appear to have declined in both countries. In Tanzania which had a higher female activity rate than the other two countries, the modest increase over the years appears to have been compounded by some decrease in the activity rates for males.

Although Table 3 depicts the activity rates which measure economic activity over a long reference period, more or less similar indications on the female labour force are obtained from the labour force participation rate, which measures the proportion of the working age population that is economically active during a short reference period (a week or a day). Canvassing other sources on such statistics verifies that the participation of women in the labour force has indeed increased as also attested by an ILO study that in Sub-Saharan Africa '... it appears that women have made some gains in their participation in the labour market during the past two decades'.⁹ In Tanzania, the latest labour force survey (LFS) shows that the overall participation rate was 72.4 per cent and about equally distributed between male and female, although the urban female population had a much lower participation rate (at 59 per cent).¹⁰ In Kenya the overall participation rate was about 70 per cent although when disaggregated by sex, the female participation rate was much lower at 55.8 per cent as compared to 82.2 per cent for males.¹¹ Female participation in the urban labour force was at the low level of 36 per cent in 1978.¹² In Nigeria participation rate among the male population is also far higher than that of females in both the urban and rural areas. The rate for males in the urban area based on 1983 figures was 75.2 per cent compared to 49.9 per cent for females and in the rural areas the male rates were 74.4 per cent compared to 34.7 per cent for females.¹³ Although the lower participation rate of females suggests that an increasing number of the female population would join the labour force if better circumstances prevailed, isolating the determinants of female participation in economic activity was still a subject for further research in the countries analysed and could be expected to be grounded in social, cultural and economic factors as well as events at the national and international levels.

circumstances leading to lower female participation between the last censuses and 1992. It is also not uncommon for wide differences to appear between domestic statistical sources and derived data provided by international agencies. Decline in female participation during the latter part of the 1980s and early 1990s could be consistent with the deteriorating economic performance and increasing unemployment in all four countries.

⁹ See ILO/JASPA (1: viii).

¹⁰ The United Republic of Tanzania (1993).

¹¹ Republic of Kenya (1988).

¹² See UNDP (1993: 41).

¹³ Different sources give different indications on this statistic for example see Federal Republic of Nigeria (2), and Federal Republic of Nigeria (1); See also ILO/JASPA (1987: 2). This later source was used in the paper. Another source indicates more or less the same proportion of females in the labour force by 1990, see, the World Bank (1992: 456-9).

TABLE 4
CHANGING PATTERN IN THE AGE STRUCTURE OF THE LABOUR FORCE

Gender	Age groups	Change in activity rates between period 1 and period 2		
		Ghana	Nigeria	Tanzania
Male	15-19	-18.7	-24.6	23.7
	20-24	-8.3	-23.7	4.9
	25-29	-1.0	-4.2	-0.1
	30-49	0.3	1.3	-0.9
	50-54	0.8	-0.4	-1.4
	55-59	1.0	1.3	-2.4
	60-64	2.2	-17.2	-2.9
	65+	4.1	-40.2	-5.4
Female	15-19	-14.1	-5.4	6.4
	20-24	8.7	1.5	-2.6
	25-29	13.4	4.1	-3.4
	30-49	13.4	15.9	-3.9
	50-54	8.9	29.1	-3.9
	55-59	5.0	24.2	-4.1
	60-64	6.8	7.8	-4.6
	65+	4.9	0.5	-4.2
Total population	15-19	-16.4	-13.8	14.9
	20-24	0.9	-12.5	0.7
	25-29	6.0	-2.4	-1.9
	30-49	5.9	5.8	-2.4
	50-54	4.0	13.0	-3.0
	55-59	2.6	11.4	-3.4
	60-64	3.8	-5.3	-4.1
	65+	3.8	-23.3	-5.5

Note: The changes indicated are between the activity rates of an earlier census or labour force survey (period 1) and a relatively recent one (period 2). Hence 1960 and 1970 for Ghana; 1963 and 1986 for Nigeria; and 1967 and 1978 for Tanzania.

Source: Computed on the basis of ILO (1990).

Table 4 depicts the changes in activity rates by age structure of the economically active population in three of the four countries for which data was available. It is evident that changing patterns in the age structure are perceptible in all three countries. In particular, the activity rate of the age group 15-19 appears to have undergone the most change between the two census years. For Nigeria and Ghana the activity rate for this age group had declined, indicating perhaps an increasing level of school attendance among this school age population. In contrast to this it can be observed that in Tanzania the change in the activity rate of this group is positive, indicating that more of this age group has been joining the economically active population. When disaggregated by gender, however, the changes for this age group are more pronounced for the male population than for the female in all three countries. For example, for Tanzania the increase in the activity rate observed for the 15-19 age group was 23.7 per cent for the male population as compared with 6.4 per cent for the female. The 25-49 age groups of the female population in Ghana and the 30-59 age groups of the female population in Nigeria have shown significant increases over the periods being compared. In contrast, the 15-24 age groups of the male populations in both countries appear to have declined.

The activity rate of the age group 65+ has also shown large declines in Nigeria for the male population. Needless to say, isolating the social and economic determinants explaining these interesting observations is undoubtedly a matter for further research. However, it seems safe to assume that rapid population growth together with the youthful character of the workforce will affect the structure of unemployment with the proportion of unemployed youth expected to increase. The youthful characteristic of the population is common to all four countries in the study with the 0-14 age group ranging between 45 per cent to 52 per cent.¹⁴ The youthful character of the population also holds for SSA in general where this fact is reflected in the high dependency ratio (persons aged under 15 and over 65 divided by persons aged 15 to 64). This statistic for Africa was 92.5 per cent for 1990 as compared to 61 per cent for Asia, 68.5 per cent for Latin America, and 50.1 per cent for the developed countries.¹⁵

3.2 Changing sectoral allocation of employment

The changes in the structure of production in terms of the share of the different sectors in GDP are broadly indicative of the trend in the changing pattern of employment in the economies under study given the stage of development and the level of technology. Even so, such shifts in the share of the different sectors, as percentage of GDP, may not portray the shifts in the sector allocation of the workforce. Analysing shifts in the shares of production originating in the major sectors of the economy over a longer-term period, even if not directly indicative of the percentage distribution of the workforce among the major economic sectors would nevertheless enhance, if used in conjunction with other data, our understanding of the changing employment patterns in the countries being studied. Tables 5 and Table 6 show such data acquired from various available sources.

Table 5 shows the share of production originating in the major sectors of the economy expressed as percentages of GDP and the changes since 1969. It appears from the table that all four countries have shown significant changes over the two decades covered by the data. The countries differ in both the magnitude and direction of change in the share of agriculture in GDP. The same is true for both industry in general and manufacturing in particular as well as the services sector.

On the basis of this World Bank data, the share of agriculture in GDP appears to be shrinking in Nigeria and Kenya. The share of agriculture as per cent of GDP was 37 per cent and 27 per cent by 1992 for Nigeria and Kenya, down from 54 per cent and 35 per cent respectively in 1969. Over the same period, some increase was observed in Ghana and Tanzania with the share of agriculture in GDP being 49 and 61 per cent respectively in 1992, up from 44 per cent and 46 per cent respectively in 1969.

¹⁴ The figures are 46.7 per cent for Ghana (1985); 52.5 per cent for Kenya (1985); 48.3 per cent for Nigeria and 45.6 per cent for Tanzania (1988). For the first three, see United Nations (1989: 18-21; 102-5; 218-21). For Tanzania, see the United Republic of Tanzania (1).

¹⁵ See United Nations (1993b: 10).

TABLE 5
SECTOR SHARE OF PRODUCTION AND CHANGE OVER THE LONG-TERM PERIOD

Countries	Structure of production (% of GDP)							
	Agriculture		Industry		Manufacturing		Services	
	Change since		Change since		Change since		Change since	
	1992	1969	1992	1969	1992	1969	1992	1969
Ghana	49	5	16	-3	9	-1	35	-3
Kenya	27	-8	19	1	12	1	54	7
Nigeria	37	-17	38	25	10	4	25	-8
Tanzania	61	15	12	-2	5	-3	26	-14

Note: The 1989 figure for manufacturing in Nigeria has been used as the 1992 figure was not available.

Source: Various issues of the *World Development Report*, World Bank. See Table 3 in Annex.

Industrial output in the changing structure of production is also showing varying patterns in the four countries. In Nigeria, industry accounts for about as much share of output as agriculture although given the wide differences in average annual growth rates registered for the two sectors in recent years,¹⁶ industry may yet fall behind agriculture in the longer term. In Kenya although the share of agriculture in production appears to have waned, it does not appear to have showed up in significant increases in the share of industry in general or the manufacturing sector in particular. The sectoral average annual growth rates for Kenya also indicate that industrial and manufacturing growth have been slowing down over the years. Both industry in general and manufacturing in particular also appear to be shrinking in Ghana and Tanzania. Although both countries show diminished share of industry and manufacturing in GDP, they differ significantly in their prospects as revealed by the growth rates attained at the sectoral levels. For Ghana, World Bank data indicate that both these sectors are showing signs of increased growth while for Tanzania, the declining shares of industry and manufacturing sectors in GDP are compounded by slowing growth rates for these sectors.

Over half of the GDP for Kenya originates in the services sector (54 per cent of GDP by 1992 as compared to 47 per cent by 1969). This is also the highest share of GDP going to services as compared with the other countries in the group. In contrast to this, Nigeria has the lowest share of output originating in the services sector (at 25 per cent) followed by Tanzania and Ghana (at 26 per cent and 36 per cent respectively) in 1992. The share of services in GDP had declined in all three countries with the share in 1969 being 33 per cent for Nigeria, 40 per cent for Tanzania and 38 per cent in Ghana.

Table 6 indicates structural changes over a narrower time period than the World Bank data depicted in Table 5. Although more disaggregated and compiled from various sources, the table depicts structures of production broadly consistent with that given in Table 5. The data give the change in the structure of production over the medium-term period leading up to the 1990s and as such can be assumed to incorporate the early

¹⁶ See Table 3 in the Annex.

effects of the economic reform programmes undertaken by all four countries during the period.

It can be observed from Table 6 that over the period of time covered by the data, changes in the share of agriculture in the structure of production were not so evident in the case of Nigeria and only to a small extent in the case of Tanzania where the share appears to have increased. Declines are clearly evident in the share of agriculture in GDP in the case of Ghana and Kenya. As per cent of GDP, manufacturing also appears to have been shrinking in Nigeria and Tanzania, but increasing in Ghana. Other sectors showing significant change over the period include the trade, hotels, etc., sector, which registered declines in both Ghana and Nigeria; the transport and communications sector, which showed an increase in Tanzania and the financial services sector, which showed an increase in Nigeria. It should be noted that while these changes in the structure of production may have implications to changing patterns of employment, they do not by themselves imply corresponding shifts in the allocation of the labour force among the different economic sectors.

TABLE 6
STRUCTURAL CHANGE OVER THE MEDIUM TERM

	Ghana			Kenya			Nigeria			Tanzania		
	% of GDP			% of GDP			% of GDP			% of GDP		
	1983	1990	Change	1986	1991	Change	1986	1991	Change	1986	1991	Change
Agriculture, forestry and fishing	59.7	47.9	-11.8	33.0	26.6	-6.4	40.1	39.3	-0.8	59.7	62.5	2.8
Mining and quarrying	1.1	1.8	0.7	0.2	0.3	0.1	15.2	12.7	-2.5	0.3	1.2	0.9
Manufacturing	3.9	9.2	5.3	11.9	11.9	0.0	9.4	8.3	-1.1	6.1	3.6	-2.5
Electricity and water	0.2	1.8	1.6	1.6	1.5	-0.1	0.5	0.5	0.0	1.1	1.5	0.4
Construction	1.5	3.1	1.6	4.8	8.6	3.8	1.7	1.9	0.2	2.2	2.5	0.3
Trade, hotels, etc.	23.4	19	-4.4	11.0	11.6	0.6	16.4	13.2	-3.2	13.8	14.5	0.7
Transport and communications	4.2	4.4	0.2	6.7	7.0	0.3	3.7	3.4	-0.3	5.5	8.2	2.7
Financial and other services	1.8	3.9	2.1	18.9	20.6	1.7	5.9	11.2	5.3	5.8	5.0	-0.8
Public administration	4.7	7.5	2.8	14.8	14.9	0.1	6.4	8.9	2.5	7.3	6.0	-1.3
Others												
GDP	100	100		100	100		100	100		100	100	

Source: Change calculated on the basis of Table 4 in Annex.

Table 7 shows the distribution of the labour force among the major economic sectors. While the changing structure of production, in terms of the share of the different sectors in GDP, may be broadly indicative of the changing direction in the pattern of employment, such shifts may not portray in terms of size the sector allocation of the workforce. This difference is apparent from Table 7. Seen in terms of the allocation of the workforce in the economy, the picture of the economic structure of the countries

seems quite different, with the agricultural sector still playing the prominent role of providing livelihoods to the largest segment of the workforce.

TABLE 7
PERCENTAGE DISTRIBUTION OF THE WORKFORCE
AMONG THE MAJOR ECONOMIC SECTORS

Countries	Percentage of labour force in:						Share of sector in GDP (%)		
	Agriculture		Industry		Services				
	1990-92	Change since 1965	1990-92	Change since 1965	1990-92	Change since 1965	Agri-cultural production	Industrial production	Services
Ghana	59	-2	11	-4	30	6	53	17	30
Kenya	81	-5	7	2	12	3	27	22	51
Nigeria	48	-24	7	-3	45	27	37	37	26
Tanzania	85	-6	5	2	10	4	61	5	34

Note: Change calculated from Table 3 in Annex.

Source: UNDP (1994: 168-9).

As can be seen in the table the proportion of the workforce engaged in agriculture is largest in all four countries. Also for all four countries, the proportion of the workforce engaged in industry is lowest. There are also patterns to the observed changes. For example, a change away from agriculture is evident for all the countries in spite of the fact that the sector is still the most important provider of employment in all the countries. Also evident is the shift of the labour force towards the services sector.

In Ghana, the percentage of the labour force in the agricultural sector had declined by two percentage points to 59 per cent by 1990-92 as compared to 1965. The share of employment in agriculture was also higher by the later period than the share of agriculture in GDP. The share of the labour force in industry has also shown a decline over the period. The decline in both the agricultural and industrial employment is reflected in the growth of the services sector which had shown a corresponding increase over the period. By 1990-92 about 30 per cent of the labour force appears to be engaged in the services sector. This is about three times the labour force in the industrial sector. For Ghana the percentage distribution of the labour force between the major economic sectors roughly portrays the share of the sectors in GDP. Generally therefore, regarding changes in the employment patterns over the period 1965-1990/92, the data indicate a small percentage shift of the labour force away from agriculture, a relatively larger percentage shift out of industrial employment and compensating shifts towards the services sector.

In Kenya, the share of agricultural employment had declined from 86 per cent in 1965 to 81 per cent in 1990-92. The share of the industry sector however increased from 5 per cent to 7 per cent over the same period. The importance of the services sector in total employment had also increased with its share rising from about 9 per cent in 1965

to 12 per cent in 1990-92. In contrast to the case of Ghana, where sector shares in GDP roughly corresponded with sector shares in total employment, the situation in Kenya is a case where sector shares of GDP and employment are widely divergent. While agricultural employment accounts for 81 per cent of total employment, the sector's share in GDP was only 27 per cent at about the same period. Likewise, industrial employment which accounts for only 7 per cent of total employment is the source for about 22 per cent of GDP. The services sector from which 51 per cent of total output originates accounts only for about 12 per cent of the total employment. In general terms, changing employment patterns evident from the data include a moderate shift away from agricultural employment, compensated by smaller shifts towards the industry sector and the services sector.

In Nigeria, where agriculture also remains the principal source of employment, the shift of the labour force out of agriculture had been the largest with the share of employment declining from 72 per cent in 1965 to 48 per cent by 1990-92. This is by far the largest drop in agricultural employment among the four countries. There has also been a decline in industrial employment over the same period with the sector's share of total employment being only about 7 per cent by 1990-92. The declines in the two sectors are reflected in a corresponding increase in the services sector which accounts for the largest percentage share of the labour force. The share of sectors in GDP, however, differs significantly from their share in total employment. The share of agriculture and the services sector is much higher than their share in GDP whereas the industry sector which provides only 7 per cent of total employment accounts for about 37 per cent of GDP. At an aggregate level, the data indicate that over the period 1965-1990/92, the changes in the patterns of employment had shown a large shift away from agricultural employment, a small shift away from industrial employment, and a compensating shift of the labour force towards the services sector.

In Tanzania, agriculture accounts for the largest percentage of the labour force (85 per cent) by 1990-92 as compared with the other countries in the group. Also in contrast to the other three countries where the share of industrial employment is by far lower than the share of industrial production in GDP, the share of industrial employment in Tanzania corresponds closely with the low share of industrial production in GDP. Furthermore, the shares of the industry sector in both employment and GDP are the lowest among that group of countries. Tanzania is similar to Kenya in that a low percentage of the labour force in the services sector corresponds with a relatively high share of the sector in GDP. The change in the pattern of employment, at this aggregate level and over the 1965-1990/92 period, indicates a moderate shift away from agriculture compensated for by a small shift towards services and a smaller shift towards industrial employment.

Although Table 7 provided a useful indication on changing patterns of employment at the aggregate level, it does not enable detailed comparative analysis with regard to some observations. For example, why is the sector share of employment as compare to sector share of output not so divergent in Ghana as in Kenya? Why is the agricultural sector share in output so much lower in Kenya as compared to Tanzania when, in fact, the section was by far the most important source of employment in both

countries? An assessment of such questions would require not only a much more disaggregated data but also an inquiry into the measurement convention followed in the countries compared. Further in-depth research is clearly implied while the lack of data limits the present exercise to broad observations.

Changing employment patterns can be more clearly discerned from shifts in the occupational structure of the workforce. Table 8 was constructed on available census (or labour force survey) information on the changing patterns in occupations for Ghana and Nigeria. For Ghana there does not appear to be any significant shift in occupations of the total economically active population between the two census years covered by the data except for the occupational group of agricultural, animal husbandry, etc. This group has made some gain (to 59 per cent) over the indicated period. When disaggregated by sex it can be observed that most of the shift to this occupational group was made by males rather than female members of the active population. Also the observed decline in the occupational group of production-related workers, etc. was reflected in the occupational structure of the male population for the most part. Very little change was observed in the occupational structure of the female population over the indicated period.

TABLE 8
CHANGING PATTERNS IN OCCUPATIONS

Occupational groups	Ghana						Nigeria					
	Per cent share (1984)						Per cent share (1986)					
	Total	Change	Male	Change	Female	Change	Total	Change	Male	Change	Female	Change
Group 1	4.0	0.3	5.2	0.2	2.8	0.8	6.8	4.4	7.5	4.8	5.3	3.8
Group 2	0.3	0.0	0.5	0.0	0.1	0.0	0.2	0.0	0.3	0.0	0.0	0.0
Group 3	2.3	-0.4	3.3	-0.7	1.3	0.4	3.8	2.5	4.6	3.1	2.1	1.6
Group 4	13.4	0.9	3.0	0.3	23.4	-1.4	24.2	8.9	13.1	5.1	46.4	8.1
Group 5	2.3	-0.4	3.1	-0.6	1.6	0.1	3.3	-1.4	4.4	-0.3	1.1	-4.1
Group 6	59.0	4.3	63.6	7.1	54.5	1.9	42.8	-12.9	47.3	-19.1	33.7	11.6
Group 7	15.9	-2.8	18.0	-3.8	13.9	-0.9	12.9	-.7	16.4	2.3	5.8	-6.0
Group 8	2.8	-1.9	3.2	-2.4	2.5	-1.0	6.1	-.7	6.4	4.1	5.5	-15.0
	100.0		100.0		100.0		100.0		100.0		100.0	

Note: The 'change' columns indicate change since the last census Ghana (1970) and Nigeria (1963) as compared to the latest census data for Ghana (1984) or Labour Force Survey for Nigeria (1986).
Group 1 Professional, technical and related workers.
Group 2 Administrative and managerial workers.
Group 3 Clerical and related workers.
Group 4 Sales workers.
Group 5 Service workers.
Group 6 Agricultural, animal husbandry and forestry workers, fishermen and hunters.
Group 7 Production related workers, transport equipment operators and labourers.
Group 8 Others (unemployed persons not previously employed and workers not classified).

Source: Calculated on the basis of Table 2 in the Annex.

The changes in the occupational groups over the indicated period seem to be more pronounced in the case of Nigeria. Among the total active population, significant

increases can be noted in occupational groups such as 'professional, technical, etc.', 'sales workers' and 'clerical and related workers'. A big decline (13 per cent) is also noted in the occupational group encompassing agricultural, animal husbandry and forestry workers, fishermen and hunters. This decline however masks a significant shift of the female population towards this occupational group. This becomes evident when the data is disaggregated along gender lines. It can be noted that the other observed shifts in the occupational groupings were more or less pronounced in both gender groups. The shift towards sales occupation shows a bigger proportion among the female population. Also among the female population, the group classified as 'others' (unemployed persons not previously employed and workers not classified) has decreased significantly (by 15 per cent) implying that more of the female population is actively employed in some of the other occupational groups.

Table 9 shows the sector distribution of the workforce in the wage employment sector. The wage employment sector (or the formal sector) comprises of only a small proportion of total employment (less than 20 per cent) in all the countries in the group. Nevertheless shifts in the sector distribution of the wage paid labour force can provide, albeit partial, indications on changing employment patterns in these economies.

TABLE 9
SECTORAL DISTRIBUTION OF THE WORKFORCE IN THE WAGE-EMPLOYMENT SECTOR

	Tanzania			Kenya			Ghana		
	1984 % of total	1989 % of total	Change	1986 % of total	1991 % of total	Change	1981 % of total	1989 % of total	Change
Agriculture	17.1	16.5	-0.6	20.3	18.9	-1.4	15.3	8.5	-6.8
Mining and quarrying	0.8	0.8	0.0	0.3	0.3	0.0	8.2	6.7	-1.5
Manufacturing	18.3	18.1	-0.2	13.5	13.1	-0.5	12.5	13.0	0.5
Electricity and water supply	4.3	4.1	-0.2	1.5	1.6	0.1	1.6	2.8	1.3
Construction	5.4	3.8	-1.6	4.5	5.0	0.5	5.7	4.7	-0.9
Trade, hotels, etc.	7.4	7.1	-0.3	-0.3	8.1	0.3	5.5	5.2	-0.4
Transport and communications	9.7	10.7	1.0	5.1	5.3	0.2	6.1	3.0	-3.1
Financial services	2.6	3.1	0.5	4.6	4.6	0.0	2.5	5.4	2.8
Public administration	34.4	35.9	1.5	42.2	43.2	0.7	42.6	50.7	8.2
Total	100.0	100.0		100.0	100.0		100.0	100.0	

Source: Calculated from Table 5 in Annex.

It can be observed from the table that the biggest concentration of wage employment is in public services accounting from a third to a half of total wage employment. Manufacturing accounts for the next highest concentration of wage employment in Tanzania while it is agriculture in Kenya. Agriculture's importance as the second largest sector for wage employment in Ghana had declined over the last decade so that by 1989 it appears that manufacturing employment was second only to public administration. It can also be observed that over the medium-term period covered by the

data, significant changes have not occurred in the sector distribution of the workforce in Tanzania and Kenya while the picture for Ghana appears rather different. Comparability is, of course, marred by the fact that the data relate not only to different periods but also have different span, with the data on Ghana covering the greater part of the last decade. Nevertheless we observe in the latter a sharp drop in paid employment in the agricultural sector from 15.3 per cent of total employment in 1981 to 8.5 per cent in 1989. The corresponding changes in Tanzania and Kenya, although in the same direction, are rather negligible at 0.6 per cent and 1.4 per cent respectively. There also appears to be a shift away from the mining sector in Ghana and some shift towards the manufacturing sector. The proportion of the workforce engaged in public administration by 1989 was highest in Ghana (at 50.7 per cent) as compared to the other two countries.

Table 10 gives some indications on agriculture and the food situation in all four countries. Some insight into the question of whether there are indications of changing employment patterns within the agricultural sector could be obtained through assessing a variety of indicators such as: changes in the irrigated land area, changes in the size and pattern of land use, changes in the number of tractors in use, changes in fish catches, and the structure of agricultural exports. It is highly probable that these factors may have implications to, as well as be indicative of, the pattern of labour use and employment over time.

TABLE 10
AGRICULTURE AND FOOD

	Year	Ghana	Kenya	Nigeria	Tanzania
Cereal imports ('000 tons)	1980	247	387	1,828	399
Cereal imports ('000 tons)	1992	319	669	1,126	252
Food aid in cereals ('000 tons)	1979/80	110	86	- -	89
Food aid in cereals ('000 tons)	1991/92	184	162	0	15
Fertilizer consumption (100 gm. per ha. of arable land)	1979/80	65	169	36	90
Fertilizer consumption (100 gm. per ha. of arable land)	1991/92	29	391	133	153
Food production per capita (avg. annual growth rate, %)	1972-1992	0.3	0.1	2.0	-1.2
Fish products (% of total daily protein supply)	1980	17.4	1.4	7.5	6.3
Fish products (% of total daily protein supply)	1990	18.7	2.9	3.5	7.8
Irrigated land area ('000 hectares)	1970	7	29	802	38
Irrigated land area ('000 hectares)	1980	7	40	825	120
Irrigated land area ('000 hectares)	1990	8	54	870	150
Change	1970-80	-	11	23	82
Change	1980-90	1	14	45	30
Change	1970-90	1	25	68	112

Source: Change in irrigated land area calculated on the basis of data in World Bank (1994:143-5).

The surface area of all four countries comprises of land area ranging from 93.8 per cent in Tanzania to 98.6 per cent in Nigeria.¹⁷ In Ghana, land use for agricultural purposes has increased from 32.2 per cent in 1985 to 32.4 per cent in 1990, while forest land decreased from 35.3 per cent to 33.8 per cent over the same period. These changes appear to be very negligible when computed on a yearly basis and could probably be explained by the rapid increase of the labour force. Taking into consideration that irrigated land area (Table 10) has increased by only a thousand hectares over the last decade, it may be safe to speculate that most of the expansion in land area could be accounted for by an increase in smallholder agriculture rather than the expanded commercialization of agriculture. Nor is the constant but modest increase in the number of tractors in Ghana any indication to the contrary (Table 7 in Annex). Agricultural production in Ghana has typically been dominated by subsistence farming and it should be safe to conjecture that the evidences on land use, irrigated land area and tractor use as well as use of fertilizers are not indicative of changing patterns of employment that correspond to significant technological transformation in agricultural production. Although the pattern of employment within the agricultural sector in terms of shifts away from traditional subsistence agriculture may well be gradual, observed sustained increases in fish catches (in thousands of metric tons per year) could well reflect an aspect of changing employment patterns within the sector. Besides being indicative of possible shift in the pattern of livelihood towards fishing and thereby in the output mix of the agricultural sector, possibly as a consequence of escalating population pressure, the increasing fish catches could also reflect improvements in the method of exploiting fishery resources; and hence a rise in productivity.

More or less the same conjectures can be extended to the case of Tanzania where the land area under agriculture has remained unchanged between 1985 and 1990, fertilizer use has declined over the last decade and where, despite significant increase in the area under irrigation, the number of tractors in use has dwindled sharply over the decade. The pattern of sectoral development in Tanzania was distinctly different than the other three countries in being strongly based on the socialist principles of the Arusha Declaration of 1967.¹⁸ The dominating role assumed by the state in the economy had implications not only to the pattern of employment as indicated by broad macro indicators, but also to the micro-level patterns in the allocation of the workforce between different activities as well as the pattern of labour use within activities. This socialist orientation had profound effect on the development of both the industrial sector and the agriculture sector. Industrial sector development through state ownership of large production facilities and state parastatals became a prominent feature of economic activity. Nationalization of the banking and the insurance sector as well as major trading companies brought the services sector under centralized control as well. In the rural areas, the active socialist programmes of rural development were designed to expand *ujamma* villages which were expected to consolidate the scattered, small-holder subsistence agriculture and ultimately transform rural activity towards a pattern of production and employment that is more consistent with communal farming. However, implementation difficulties had meant that the anticipated shifts did not happen to a

¹⁷ United Nations (1993). See Table 6 in the Annex.

¹⁸ On the Arusha Declaration, see for example Havnevik (1993).

significant extent and that, despite such policies, most rural production remained under small-holder subsistence farming.

In the case of Kenya and Nigeria, the increase in agricultural land area during the second part of the last decade appears significant in absolute terms although rather low as a percentage change. In Kenya the statistics registered a change of 0.1 per cent in agricultural land area between 1985 and 1990 while the corresponding proportion for Nigeria over the same period was about 1.3 per cent. These proportions of the total land area represent about 60 thousand and 1170 thousand hectares of agricultural land respectively over the five year period. Nigeria's expansion in agricultural area appears to be quite significant even at the annual level, being close to a quarter of a million hectares. Do these indicators represent an expansion of agricultural livelihood in spite of the declining aggregate share of the sector as a proportion of GDP? For both countries expanding commercialization is indicated by the large increase in the number of tractors in use over the 1981-90 period.

TABLE 11
THE CHANGING STRUCTURE OF EXPORTS

Commodities	Kenya			Tanzania			Ghana			Nigeria		
	1981	1988	Change	1981	1987	Change	1981	1987	Change	1982	1987	Change
Coffee	21.5	26.6	5.1	26.9	62.4	35.5						
Sisal	1.7	1.3	-0.4	5.9	2.0	-3.9						
Tea	12.0	20.2	8.2	4.4	5.1	0.7						
Pyrethrum	1.2	1.3	0.1									
Meat/meat products	0.5											
Hides and skins	1.8	2.8	1.0									
Soda ash	3.1	2.2	-0.9									
Wattle extracts	0.5											
Petroleum products	29.9	12.0	-17.9									
Cement	2.8	1.1	-1.7									
Other manufactures	8.1											
Pineapples		2.7	2.7									
Beans, peas, etc.		1.3	1.3									
Raw cotton				8.6	11.7	-3.1						
Cloves				5.5	4.9	0.6						
Cashew nuts				3.0	4.1	-1.1						
Tobacco				2.4	5.2	-2.8						
Cocoa							37.3	46.1	8.8	0.6		-0.6
Logs							1.4		-1.4			
Sawn timber							2.0		-2.0			
Bauxite							0.2	0.6	0.3			
Manganese ore							0.8	0.8				
Diamonds				2.7	4.6	1.9	0.8	0.5	-0.3			
Gold							14.9	16.4	1.5			
Other agricultural goods										0.3		-0.3
Food and live animals											2.9	2.9
Petroleum										98.9	95.4	-3.5
Manufactures										0.2		-0.2
Other	16.8			40.7		0.0	42.6				1.7	
Total	100.0	100.0		100.0	100.0		100.0	100.0		100.0	100.0	

Source: Computed based on data from Hodd (1986) and *The Europa World Yearbook* (1990).

Table 11 depicts the changing structure of exports for the four countries for the period of time covering most of the 1980s. The changing composition of products within the export sector would be indicative *inter alia* of changing pattern of employment within the sector. Has the share of primary commodities in export decreased or increased over the years? Has the composition or product diversification of exports changed over the years?

Such questions clearly reflect on the underlying organization of production. We can observe from Table 11 that none of the four countries have substantially expanded the product mix of their exports. The striking feature is that all four are still heavily dependent on a few primary products for most of their export earnings. Hence we notice that by the latter part of the 1980s, Ghana's export earning was still dominated by cocoa, Kenya still relied on coffee and tea for a large part of its export earning, Nigeria was dependent on petroleum exports for over 90 per cent of its export earning and Tanzania was still dependent on coffee export. The composition of exports in all four countries does not appear to suggest significant reorganization of the production in the export sector and *inter alia* is not indicative of significant change in the pattern of employment in the sector, at least at the general level.

3.2.1 *Are changing patterns in the sectoral allocation of employment evident?*

In the preceding section, a diverse source of data bearing on various aspects of employment patterns in an economy has been canvassed. Beyond the broad indicators of change in the pattern of production and employment, other factors canvassed also include proxy indicators such as land use patterns, changes in the patterns of technology use, changes in agricultural practices and output mix, and changes in the composition of exports. The question is what can we conjecture about the pattern of employment in the four economies on the basis of the widely scattered data? Although one cannot avoid being somewhat speculative because the data are subject to multiple interpretations, a number of broad generalizations can be indicated.

Firstly, the distribution of employment among agriculture, industry and services seems to have shifted in a direction away from agriculture although all four countries appear to be agrarian when assessed in terms of employment by sector. The share of agriculture in GDP has in fact increased for Ghana and Tanzania. It is also interesting to note that the shift in employment is more pronounced the higher the level of economic growth among the group. This corresponds somewhat to what theory would predict regarding the level of economic growth of a country and the pattern of employment – that is, less and less of the labour force is retained in agriculture as economic growth proceeds and income levels rise. Nigeria, having the highest per capita income level among the group, also demonstrates the largest shift away from agriculture. Tanzania, being the country with the lowest per capita income in the group, also has the lowest shift away from agriculture – demonstrating a low level of structural change in employment patterns over the same period. The high dependence on a limited range of export commodities in all the countries indicates that not much diversification and *inter alia* no significant change in the pattern of employment at the sectoral level could have occurred.

Secondly, it is evident from the data on the distribution of the labour force among sectors that a dynamic industrial sector has failed to materialize. This was also evident from the World Bank data on the share of industry in GDP. It can be observed that while employment in the agricultural sector has declined by varying but significant proportions in all four countries, employment in the industry sector has shown only a negligible increase. For example, in the case of Nigeria which experienced a very large decline in agricultural employment over the period since 1965, the shift of employment away from agriculture did not contribute to a significant rise in the share of employment in the industry sector. Instead, the changed pattern of employment reflected mainly a rise in the share of the services sector. According to a *Financial Times* survey article, manufacturing value added over the 1980s has grown at a mere 1.5 per cent annually which means that industrial production had been declining on a per capita basis.¹⁹ By 1992 the manufacturing sector was operating at a capacity level of 34.5 as a whole with capacity utilization being lowest in vehicle assembly, steel, engineering and electronics as compared to textile manufacturing, furniture, plastics and rubbers, food and cement. The survey underscores the point that Nigeria provided a classic example in Africa of the failure of import substitution that relied heavily on imported inputs.

Thirdly the services sector in all four countries has increased. The shift was mainly away from agriculture but also included shifts away from industry. For example, in Nigeria a shift away from manufacturing and towards services activities was encouraged by the high inflation, high devaluation economy where pre-tax return on investment in trading was highest, followed by construction and the finance sector in that order.²⁰ However, the share of services in GDP has been shrinking (with the exception of Kenya) partly a reflection of the fact that growth of employment in the services sector could have been concentrated in the non-productive informal sector.

3.3 Increasing informality and changing conditions of work

Among the social dimensions of changing patterns of employment are those aspects that impinge on the day-to-day circumstances of the workforce particularly as they affect the condition of work. Also included are trends towards more casualization and less regularity of work, trends towards decreasing labour productivity particularly as reflected in increasing informal sector and survival activities. Also important within this context are issues such as changing circumstances in labour protection and the role played by trade unions in the context of formal sector employment. Among the self-employed in the rural areas, the social aspects of changing patterns of employment would be reflected in the worsening conditions of production which, due to increased population pressure on land, may have exacerbated the conditions of poverty. The worsening level of poverty, in turn, affects the productivity of workers through increasing health problems, reducing the ability to engage in demanding and physically

¹⁹ *Financial Times* (1993) reproduced in UNIDO (1993: 57).

²⁰ Ibid.

strenuous tasks, and generally leading to patterns of work and leisure inconsistent with the full utilization of available labour resources.

Probably an important pattern observed in these aspects of the employment scene in the four countries, as elsewhere in SSA, is the relative stagnation and even decline in formal sector employment as compared to the accelerated growth in 'informal sector' activity. In the following we will, therefore, first address the declining role of the formal sector in providing employment opportunities and also in relation to some aspects of conditions of work. This is followed by discussion of the informal sector which is fast becoming a dominating feature in the pattern of employment in the region.

3.3.1 Declining formal sector jobs

On the basis of scattered evidences the indications are that for all four countries the rate of job creation in the modern wage sector, both public and private, has not kept up with the growth of the labour force. The public sector in particular has been increasingly unable to create new jobs partly due to the reduced capacity for job creation in the public sector and partly due to the rethinking of the role of government in the light of structural adjustment programmes (SAPs). Implementing SAP packages has meant the adoption of retrenchment programmes in the civil services as well as divestiture of state owned businesses with the consequent reduction of total public sector employment.

According to one source, the capacity of the formal sector in Ghana to provide employment in the future does not exceed about 30 thousand jobs while approximately 250 thousand to 300 thousand youth are expected to join the labour force from junior and secondary schools.²¹ This is without counting the backlog of unemployed and under-employed. For Kenya the capacity of the modern sector to generate jobs was estimated at about 600 thousand jobs over the 10 year period to the year 2000 and would satisfy only about 14 per cent of the additional jobs required over the period.²² For Tanzania, the pace of job creation over the last decade had been, on average, about 20 thousand jobs per year in the public sector and the informal sector is estimated to provide about 56 thousand jobs per year. Against this, the number of new entrants in the labour market is about 700 thousand persons per year of which over 90 per cent comprise of the youth.²³ In the case of Nigeria the magnitude of the problem is conveyed by an ILO mission observation that '... with an annual inflow of about 1.5 million educated youths all searching for formal sector wage employment, which has been declining or stagnating at best, the pool of the unemployed and under-employed has been expanding rapidly'.²⁴

²¹ UNDP (1: 5).

²² See Ndegwa (1991: 24-6).

²³ Discussion held at the Ministry of Labour and Youth Development on the Report *National Employment Policy* Dar es Salaam, 1993.

²⁴ See ILO/JASPA (1987: 14).

3.3.2 Growth of the informal sector

A typical feature of African countries that has been gaining increasing importance over the last decade is the so called 'informal sector'. Growth of the informal sector is taken to be an indication, among others, of economic downturns in so far as it harbours the unemployed youth and persons who have lost their jobs in the formal sector, and who prefer to eke out a livelihood through often low productivity employment and other survival activities. What are the characteristics of the informal sector? How important is it in the African context? What are its prospects and possibilities?

The distinct dualistic patterns of employment that evolved with the spread of the informal sector side by side with the formal sector are well documented by the ILO mission to Kenya. According to the mission, the informal sector was characterized with ease of entry, reliance on indigenous resources, family ownership of enterprises, and small scale of operation while the formal sector, in direct contrast, was characterized by difficult entry, frequent reliance on overseas resources, corporate ownership, and large scale of operation. Likewise, the former uses labour-intensive and adapted technology, skill acquired outside the formal school system and has unregulated and competitive markets, while the latter has capital intensive and often imported technology, formally acquired skills and protected markets (through tariffs quotas and trade licenses).²⁵

There does not appear to be a common definition as to what constitutes the informal sector since observed features of the sector, as they relate to individual countries, are used in such definitions. In Kenya the Central Bureau of Statistics (CBS) defines the informal sector as consisting of '... Semi-organized and unregulated activities largely undertaken by self-employed persons in the open markets, in market stalls, on undeveloped plots or on street pavements within urban centres. They may or may not have licences from local authorities...'.²⁶ The CBS is referring to activities such as tailoring, carpentry, sale of wearing apparel and shoes, open air restaurants, repair of footwear, car repair, shoe shining, hair cutting, etc. The Tanzanian National Informal Sector Survey (NISS) 1991 defines the sector as consisting of private sector enterprises, excluding agricultural activities unless in urban areas, excludes professional type enterprises like doctors/lawyers, excludes enterprises having over five paid employees or 'formal' characteristics in terms of the technology used, and located at a market place, in a temporary structure, on a foot path, in the street or in an open place.²⁷ The definition has a degree of arbitrariness in term of the what constitutes 'formal' characteristics.

An ILO/JASPA mission to Ghana, while maintaining that several features of the formal and informal activities overlap and blur the distinction, classifies informal

²⁵ See section in Meier (1984: 183-4). The section is a condensed version from ILO Mission, *Employment, Incomes, and Equality: A Strategy for Increasing Productive Employment in Kenya*, Geneva, 1972, pp. 5-8, 503-8. ILO, Geneva.

²⁶ As quoted in Mukui (1993: 11).

²⁷ The Planning Commission and The Ministry of Labour and Youth Development (1991:1-1).

activities as privately owned and small-scale activities that tend to be concentrated at the lower end of what is classified as small-scale enterprises.²⁸ Further features of the sector were indicated to be: prevalence of self-employment; apprenticeship as the major means of acquiring skills; poor working conditions; operate outside wage and employment policies; poor management practices; and that entry in the sector is motivated by survival rather than profit. The mission also excludes illegal activities from the above description of the informal sector. A similar mission to Nigeria, while acknowledging information on the informal sector as scanty and limited, defines the sector as covering a whole spectrum of non-agricultural economic activities in the urban and rural areas.²⁹ These include, among others, such activities as repair and maintenance of vehicles and electrical items, wood working blacksmithing, tailoring, metal fabricating and retail trade, etc. The informal sector is estimated to account for more than half of the small-scale enterprises. Other features of the sector include size of one to five employees; prevalence of self-employment although wage employment is increasing; apprenticeship still a dominant feature; non-observance of minimum wage legislation; and low productivity.

While the main characteristics are embodied in the above definitions of the informal sector, the common constraints facing the sector in these countries appear to include the relative neglect of the sector by government; the lack of proper premises and production inputs; the lack of institutional credit; and the low levels of management and technical know-how.

The informal sector in urban areas is crowded not only by rural migrants but also by unemployed youth and those unable to maintain formal sector jobs. For those migrants from the rural sector who have flocked to the urban centres, productive employment essentially entails finding a well-paying job or engaging in productive self-employment. Because the former possibility is severely constrained by the small size of the formal sector, where regular jobs with formal contracts may be the norm, the informal sector provides a refuge for both extended job-search and often low productivity self-employment. Some nevertheless over-emphasize the role of the informal sector as a source of employment without due regard to the character of employment in the sector. This can be misleading. To regard the informal sector as a vibrant source for employment growth without due consideration to the nature of informal activities, and particularly their productivity, runs the risk of equating all forms of survival activities, both legal and illegal, as productive employment – thereby greatly underestimating the magnitude of labour under-utilization in the region. Consider the case of an individual migrant who is likely to be unskilled, young and with little or no savings. His/her means of sustenance will be the income earned through paid employment. His/her capacity to invest in some business venture for gainful self-employment depends on own savings or capacity to borrow. For such a person with no assets for collateral, the possibility of obtaining credit from the formal or informal sources to invest in productive assets is impossible or difficult. So the question is, does paid employment in the unregulated informal sector provide sufficient remuneration

²⁸ See ILO/JASPA (1989: 73-6).

²⁹ ILO/JASPA (1987: 57-60).

commensurate with sustainable living. Does self-employment in the informal sector have sufficient capitalization to support marketable product at a level compatible with some conception of productive employment? These questions clearly raise issues for further research.

TABLE 12
INFORMAL SECTOR EMPLOYMENT

Country	Informal sector employment	Total labour force	Urban labour force	Column 1 as % of column 2	Column 1 as % of column 3
	1	2	3	4	5
Ghana	1,292,000	5,577,000	2,439,000	23.2	53.0
Nigeria	11,819,000	38,489,000	17,149,000	30.1	69.0
Kenya *	1,334,000	9,386,000	2,318,000	14.2	57.6
Tanzania	2,200,000	11,000,000	4,300,000	20.0	51.2

Note: * Urban informal plus rural non-farm 1990 figures; urban labour force is computed on basis of Table 10.1
Source: For data on Kenya, Republic of Kenya (2: 204) Table 10.1; for data on the rest see ILO/JASPA (1: 112) (data correspond to 1990/91).

The importance of the sector in African economies is clearly conveyed in Table 12 above. The informal sector accounts for more than half of the employment in the urban sector and for about a quarter of total employment in the economy. This, in view of declining employment opportunities in the formal sector, makes the informal sector a potential source for generating productive employment .

A closely related issue to the informalization of employment is that pertaining to changing conditions of work. Changing employment patterns can be discerned from changing conditions of work. Have working hours shown a tendency to be longer or shorter over the years? Are workers getting remunerated less for similar or increasing amount of effort? What has been the trend in the general level of wages? Wages in the manufacturing sector? In the agricultural sector? Wages of construction workers? The minimum wage? Are fringe benefits and social security arrangements increasingly becoming regular features of employment in African economies? Are the level of pay and benefits features of increasing unionization of the workforce? While such aspects of the conditions of work may reflect cultural and ideological differences across countries, it is clear that they are mainly explained by differences in the level of development. The patterns of development of the industrialized countries would indicate that (barring union activity or cultural imperatives) conditions of work would change for the better once economic progress is attained and the level of wealth of a country increases. Research on labour legislation and the bargaining process in African economies could shed some light on such aspects.

Following our categorization of the different dimensions of changing patterns of employment, our understanding of the social dimension could also be further enhanced by extending our inquiry into other issues such as transnational corporations (TNCs) and the African labour markets; intra-household aspects of patterns of employment; and

changing consumption patterns. Inquiry into TNCs and the African labour markets could lead to a better understanding of the changing conditions of work. What is the extent of foreign private investment and what is the pattern of investment encouraged by such source? Have they tended to introduce technology that is capital intensive and therefore unsuitable for expanding the employment of the labour force or alternatively exacerbate the unemployment condition in the region? In what ways are TNCs influencing the patterns of employment? Such queries warrant further research.

3.4 Changing composition of rural/urban migration flows

The fourth dimension of the changing patterns of employment – that of the spatial dimension – is reflected mainly in the urbanization process. As is evident from the analysis so far, patterns of employment can be defined along a variety of dimensions. Questions may be raised as to the pattern of employment being urban versus rural employment. It is a noted fact that with economic progress, the pattern of employment in terms of its rural/urban perspective will tend to be urban oriented with the majority of the workforce residing in or near urban centres. The evidences are that urban centres have been growing at a fast rate in both the developed and developing world. This is clearly evident from Table 13 where it can be seen that all four countries have shown substantial increase in the urban population.

The growth of the urban population represents a shift of the labour force away from rural areas and is accompanied by shifts along industrial and occupational categories of those engaged in the movement. In all four countries, current rates of urban population growth appear to be high. Table 13 provides data on these aspects. The average annual growth rates of urban population range from about 4.3 per cent in Ghana to about 7.7 in Kenya over the 1980-92 period. The corresponding rates for Nigeria and Tanzania were 5.7 per cent and 6.6 per cent respectively. It can also be seen that, with the exception of Ghana, which has seen its average annual growth rate increase significantly during the 1980-92 period as compared to the 1970-80 period, the other three have in fact seen a reduction in the average annual rate of growth of the urban population with the largest fall being for Tanzania.

TABLE 13
URBANIZATION

Country	Urban population as % of total population			Average annual growth rate		
	1970	1992	Change	1970-80	1980-92	Change
Tanzania	7	22	15	11.4	6.6	-4.8
Kenya	10	25	15	8.5	7.7	-0.8
Nigeria	20	37	17	6.1	5.7	-0.4
Ghana	29	35	6	2.9	4.3	1.4

Source: World Bank (1994: 222-3). Change computed for study.

The changing composition of migration flows has important implications to employment patterns particularly in the manner in which new occupations and livelihoods proliferate in urban areas. The rapid shift towards urban areas has led to an over-supply of the workforce in such centres. Besides the increasing migration flows per se, which has a direct impact on employment patterns through modifying the spatial distribution of the economically active population, the changing composition of the migrants can also be expected to influence changes in the employment patterns of communities.

The rapid increase in the urban population over the past decades indicates the increase of new forms of occupations and livelihoods particularly in the urban informal sectors. It also implies changing patterns in the conditions of work with urban employment shifting towards more informalization as well as towards declining productivity and lower earnings due to the oversupply of urban labour. The overcrowding in the urban centres, the increasing pressures on public utilities and the inability of public authorities to meet these demands also lead to further deterioration in the supply of basic necessities like clean water supply, proper shelter, adequate medical facilities all of which exacerbate the conditions of poverty resulting in malnourished and unproductive workforce.

In his exposition on the conventional knowledge in development economics regarding the effect of migration flows on the economic and demographic aspects in developing countries, Todaro stresses demographic, educational and economic characteristics of the migrants.³⁰ Regarding demographic characteristics, according to the author, urban migrants in third world countries tend to be the young of both sexes between the ages of 15 and 24, and that studies in some countries, including Kenya, Tanzania, Ghana, Nigeria have provided quantitative evidence of this phenomenon. Moreover, it is indicated that in recent years, the proportion of migrating women has increased as their educational opportunities have expanded. Regarding educational characteristics, it is indicated that one of the most consistent findings of rural/urban migration studies is the positive correlation between educational attainment and migration. The higher the level of completed education the greater the propensity to migrate. The author cites a comprehensive study of migration in Tanzania by Barnum and Sabot where it was documented that an increasing proportion of the migrants comprised of high school dropouts. Limited urban employment opportunities appear to have led to job rationing by educational levels so that only workers with at least some secondary education attempt to migrate with some expectation of finding a job. With regards to economic characteristics, the author notes that the composition of urban migrants which, for many years, had largely consisted of the poor, landless, and unskilled workers with little opportunities in rural areas, had been changing. Migrants increasingly comprise of individuals, both male and female, from all socio-economic strata.

³⁰ Todaro (1995: 247-80).

A good example of changing migratory patterns as they influence changing employment patterns is obtained from a study of a number of engineering companies in Kenya.³¹ According to the study the concentration of industry in Nairobi, Mombassa, and a few smaller regional towns, while the majority of the workforce originated in the rural areas, had imposed a pattern of male work-migration in situations where daily commuting or the transfer of the family to the urban areas was not possible. This pattern had in turn led to instability of the workforce which adversely affected productivity. The study observed that this pattern of a single male worker in town and his wife and children in the rural areas has been changing due to extensive housing schemes that allow the worker to keep his wife and children nearer to the workplace. Another interesting pattern is also observed in the same sample. The study argues that the high rate of male migration may also explain the high rate of polygamous family structures both among the young and older members of the workforce (25 per cent of interviewed workers). It is observed that in almost all instances, the polygamous worker keeps one family in town while a second wife remains in the countryside. These examples illustrate that changing migratory flows, and the patterns of employment they define, can have socio-economic ramifications both at the industry level through resulting in unstable workforce and lowered productivity as well as to the structure and welfare of family units.

Is international migration evident in the changing employment patterns in the four countries? According to a report of the United Nations Development Programme, there seems to have been significant international migration over the preceding decades and that by 1987, nearly a third of the skilled people in Africa had moved to Europe. The report indicates that 60 per cent of Ghanaian doctors trained in the early 1980s now practice abroad.³² Likewise, it is also argued by some that the development of certain industries in some parts of Africa have been made possible by the immigration of experts from Asian and European countries. While the inflow of migrant labour, as in such cases, can help ease bottlenecks and enhance productive activity, the emigration of particular skill categories of the labour force, particularly through the loss of potential entrepreneurs, could exacerbate unemployment. But the question of whether such exchange of labour, at the international level, can be considered to define a sustained pattern of employment for both the immigrating and emigrating labour force remains to be seen. While the increasing globalization may imply more liberalized flow of labour across international borders, the persistent unemployment problem in the North may intensify existing tendencies towards restricting such flows.

³¹ Mikkelsen (1987: 113-24).

³² See UNDP (1992: 57).

IV THE STRUCTURE OF UNEMPLOYMENT

It is generally acknowledged that the poor economic performance of the Sub-Saharan African region over the last two decades has resulted in the conditions that are being increasingly manifested as open unemployment and under-employment and the spread of poverty. According to one report prepared for Food and Agriculture Organization of the United Nations (FAO), '...Rising indebtedness, rapid population growth, recurring droughts, together with creeping desertification, environmental degradation, political instability coupled with ruinous internal conflicts and, last but not least, over dependence on a few commodities for export earnings and the steep decline in their prices – all contributed to economic stagnation and regression.'³³ It is not surprising therefore that these adverse circumstances should be reflected in the rising tide of unemployment and underemployment for most of these economies.

All four countries in the sample had been faced with adverse economic environments to varying degrees over the last two decades, which limited economic growth and thereby the capacity to generate sufficient job opportunities. For Ghana and Tanzania events in the 1970s (such as the oil crisis) and early 1980s, declining world market price for primary exports, civil unrest/political instability, natural calamities like drought as well as mismanagement of the economy figured strongly in the falls in GDP and the deterioration of the balance of payments. Ghana's decade and half of decline in economic performance showed a reversal around 1983 when a trend towards a healthy recovery was achieved presumably through the economic recovery programme (ERP).³⁴ A similar programme was also instituted by the Tanzanian Government in the mid-1980s. In Nigeria during the same period, the rapid expansion of the economy based on expanded oil production had resulted in low levels of open unemployment. However the situation changed for the worse in the 1980s, and the number of persons unemployed almost doubled between 1980 and 1985.

The poor economic performance of the late 1970s and early 1980s did not appear to manifest itself as open unemployment in all the countries. There appeared to be little need for serious concern over open unemployment per se in Kenya, Tanzania and Ghana while, as cited earlier, the problem was relatively more serious in Nigeria even by the early 1980s. By the later part of the 1980s, however, open unemployment, in particular in urban centres and among the youth, was becoming a problem with an increasing magnitude.

Estimates of the magnitude of the labour under-utilization – open unemployment and underemployment – are generally regarded as unreliable for reasons such as conceptual ambiguities, measurement difficulties, as well as paucity of data-bases. The conceptual ambiguities underlying the definition of employment and unemployment, as

³³ UN (1993: 7) .

³⁴ See ILO/JASPA (1989).

used in the context of developing countries in general, are sources of contentions that have been widely addressed in the literature.³⁵ As detailed in the introductory section of this study, the ILO conventions of the terms as well as the standard labour force framework seem to have been adopted by all four countries. We will, therefore, address in the following sub-section some of the arguments for and against the use of the standard concepts of employment and unemployment as treated in the literature. This is done in order to show that analysing the structure of unemployment in these economies on the basis of statistics derived from the standard concepts, will show only a part of the story. Following this will be the sub-section on the growth of unemployment in the four countries; on under-employment; and lastly on the social groups that form the structure of unemployment in the region.

4.1 Unemployment, underemployment

It was taken for granted until very recently that unemployment was not a threatening social and economic problem in the region. Instead underemployment and low income were regarded as typical features of underdevelopment and that the situations would change for the better once the process of growth accelerated and employment opportunities improved. A conceptual position adopted by some used to argue the insignificance of the unemployment problem in poor developing countries on the ground that workers in these countries were too poor to afford unemployment. Such hypotheses portray unemployment in poor countries as a voluntary phenomenon. The approach eschews the necessity for defining a minimum earnings level below which it would be pointless to define an activity as employment. Worse still, even the possibility that income earning activity, no matter how demeaning and non-remunerative, may be scarce is flatly denied. Extending such argument to its logical conclusion leads to an absurdity – that even at the lowest levels of poverty and destitution there is always a choice between employment and starvation. Recent evidences however tend to suggest that nothing could be further from the truth and that unemployment in SSA, particularly in urban areas, has reached new and menacing proportions.³⁶

Policies aimed at expanding productive employment in the region will require knowledge not only on the level of unemployment and underemployment at a particular point in time but also the trend and changing structure of these aspects. Furthermore, in so far as the object of such policies is the avoidance of excessive wastage of human resources while creating the means for alleviating poverty, it will be necessary to reasonably gauge the labour supply and thereby the magnitude of labour under-utilization. There are, however, problems to generating such indicators.

To address these issues we look at what is commonly considered as the labour supply according to the standard labour force approach. Under this approach, which emphasizes the activity status of individuals, the labour force is equivalent to the currently active population, that is the economically active population above a certain

³⁵ See, for example, Myrdal (1972: 213-326). See also review of the issues in Standing (1978: 25-50).

³⁶ Figueiredo and Rogers (1995: 74).

age measured in relation to a short reference period, such as one week or one day.³⁷ The labour force obtained in this manner comprises of the employed (including the under-employed) and the unemployed, and is taken to provide a measure of aggregate labour supply. It is quite clear that such a framework is most suitable for situations where the economically active population neatly falls within the three labour force categories of 'employed', 'unemployed' or 'not in the labour force'. However such identification of the activity status of individuals within the African region or elsewhere in the developing world is not as evident as it is in the industrialized economies.

It is generally accepted that this difficulty of clearly identifying the activity status of individuals renders the applicability of the labour force approach in developing countries rather problematic. This is partly because of the dominance of self-employment in these economies, mainly in the subsistence agriculture or the informal sector, with the formal (wage-employment) sector comprising only a small share of total economic activity. Under such circumstances, which are typical of African economies, it is difficult to identify who is within or outside of the labour force, without being necessarily arbitrary, as economic activity is organized around the household unit with traditional patterns of time allocation (between work and leisure). Not only is it difficult to delineate what is economic and noneconomic activity but there is also the problem of who is active and who is inactive. In particular, there is the difficulty of determining which of the unemployed are within the labour force and which are excluded. To qualify as unemployed, and therefore part of the labour force, an individual must meet the criteria of not only being without work, but must also be currently available for work and seeking work. Needless to say, with no well-developed formal channels for job search, and no institutional arrangements for the routine registration of the unemployed, reconciling with such criteria could parcel out significant degree of arbitrariness to the measurement conventions adopted in the countries being compared.

This leads us from the conceptual and practical limitations of the measurement convention routinely followed, to the actual availability and comparability of the data on labour under-utilization (unemployment and under-employment) in the four countries. It will be observed that although the concept of unemployment is similar in all four countries and refers to those of working age that satisfy the three criteria of being 'without work', 'currently available for work' and 'seeking work' where 'work' is broadly conceived as gainful activity in either paid employment or self-employment, there are other reasons why the comparative study must be taken with caution. These include differences in the method by which statistics on unemployment were generated and in the wide disparities in data availability among the countries. For example, the sampled countries differ in the assumed age limits for the economically active population. The age limit for Kenya's urban labour force ranges from 15 to 64 years, while that for the rural labour force starts at an age of 8. For Nigeria the Labour Force Survey which is a continuous activity of the Federal Bureau of Statistics includes data on only the 15 to 59 age group. Tanzania's labour force survey includes 10 years and above. Ghana

³⁷ See discussions on definitions and concepts in various issues of the *ILO Yearbook of Labour Statistics*. Geneva.

recognizes a working age population of 15 to 64. There are also differences in reference periods for the labour force surveys (reference week or day) not only between countries but also between different surveys. Countries also differ in the sources of information in compiling unemployment data, e.g., household surveys, employment office statistics, census statistics, official estimates, labour force surveys, etc.

4.2 Growth in unemployment

With the exception of Nigeria, the sampled countries do not conduct labour force surveys at frequent intervals so that the current positions regarding unemployment are difficult to address. Nevertheless available sources have been canvassed in order to obtain indications of unemployment rates generally accepted as relevant for planning and other purposes in the respective countries. For Ghana there appear to be different estimates of unemployment: census data showed a 6 per cent unemployment in 1970, 2.8 per cent in 1984 while the Ghana Living Standards Survey (1987/88) indicated a still lower rate of 2.0 per cent.³⁸ The census data for 1984 was contested as unrealistically low. Estimates regarded as more realistic were later issued, according to the same source, and place the unemployment rate in 1984 at 15.6 and project unemployment rates between 12.5 per cent to 15 per cent through the 1990s. An EC/ILO Mission Report apparently disagrees with the low projections indicating that there were reasons why unemployment must have increased between 1983 and 1993.³⁹

For Kenya, the Urban Labour Force Survey 1986 estimates the urban unemployment rate at about 15.9 per cent.⁴⁰ However, from the results of the National Household Welfare Monitoring and Evaluation Survey conducted in November and December 1992, unemployment in the provinces of Nairobi, Coast, North Eastern and Central appears to be 6.1, 6.6, 17.7 and 3.6 per cent respectively. The corresponding rates for the remaining provinces were less than 3.0 per cent.⁴¹ The results of the last Rural Labour Force Survey 1988/89 (published in 1991) indicate that unemployment in the rural areas is negligible, averaging less than one per cent for all age groups and ranging between 5 per cent (males) and 1.2 per cent (females) for the 20-24 age group.⁴²

In Nigeria, unemployment became a serious problem in the 1980s when the number of persons unemployed almost doubled from 1.4 million in 1980 to 3 million by 1985. Statistics on the unemployment rates, which are issued on a quarterly basis by the Federal Office of Statistics, indicate that the rate by March 1993 (latest) was only about 4 per cent although there were regional disparities with unemployment in some regions being as high as 14 per cent.⁴³ In Tanzania the recent LFS (1990/91) estimates the unemployment rate for the population 10 years and above at 3.6 per cent. Disaggregated

³⁸ See ILO/JASPA (1989: 11-4).

³⁹ See EC/ILO (1993: 16).

⁴⁰ See Republic of Kenya (1991 and 1988). See also Mukui (1993: 41-2); Ndegwa (1991: 20-2).

⁴¹ Republic of Kenya (1993).

⁴² See Republic of Kenya (1991: 33-40).

⁴³ Federal Office of Statistics (1993).

by gender the unemployment rate was 2.9 per cent for males and 4.3 per cent for females. However these overall figures disguise the real magnitude of the unemployment in the urban areas which is about 10.2 per cent as compared to 2.2 per cent in the rural areas.

4.3 Underemployment and poverty

As indicated earlier, the two-way division of the labour force between employed and unemployed leads to practical difficulties when a large section of the labour force is self-employed as in most developing countries. Some of the employed category work full-time, others not. These difficulties seem to have led to the need for defining a third group – the 'under-employed' – in order to take stock of the various forms of labour under-utilization in such economies. Work amounting to less than some threshold level of hours a week is taken as less than full-time and if such persons are available for additional work they are counted under 'visible underemployment'. In this context, it is easy to note why the seasonality in agricultural production makes the application of the labour force framework rather difficult. The demand for rural labour is at its peak at various points in the production cycle – planting, pruning, hoeing and weeding periods and the harvesting and storage periods. The seasonal labour force remains more or less without work and available for work outside of these peak activity periods and the manner in which such groups are treated in the labour force surveys differs between countries. Some surveys include them in the unemployed labour force while others exclude them.

The measurement of underemployment can be complex and the sampled countries reflected some differences in approach. While measures based on the hours worked gave indications of the visible underemployment, other measures took into account incomes and productivity issues (invisible underemployment). If, in fact, the 'under-employed' form a large proportion of the labour force and if their part-time activity is also unproductive in terms of not generating income above some acceptable minimum, then it could be construed that poverty in such a society arises from wastage of human resources. It is highly probable that most of the non-remunerative self-employment in rural and urban areas that are classified as 'under-employed' could show up as 'unemployed' under a convention that took into account the level of earnings of such activities – i.e. under a concept of employment implying some acceptable minimum level of income.

In Tanzania, the LFS 1990/91 estimated current underemployment rates at 6.2 per cent for urban and 3.9 per cent for rural areas.⁴⁴ Desegregated by gender, the rates were 3.8 per cent for males as compared with 9.5 per cent for females in the urban areas and 4.6 per cent for males as compared to 3.3 per cent for females in the rural areas. It appears that under-employment rates are highest among urban females and rural males. Kenya's ULFS 1986 followed a different procedure in attempting to included both types of underemployment. Only three per cent of the labour force was regarded as under-

⁴⁴ The United Republic of Tanzania (1993: 1.61-1.62).

employed and the criteria applied were rather stringent. Males constitute 80 per cent of the under-employed. The age groups between 20 to 34 account for most of the under-employed with female underemployment was not observed beyond the age of 29. The under-employed also tend to be primary and secondary school leavers, who account for about 70 per cent.

In Nigeria, data on the extent of current underemployment is hard to obtain if at all available. The 1991 edition of the *Annual Abstract of Statistics* still reports the 1984 data. According to this source, the extent of underemployment was about 25.3 per cent among males and 18.4 per cent among females in the rural areas.⁴⁵ For urban areas the corresponding figures were 7.1 per cent for males and 8.1 per cent for females. Data on the extent of underemployment is also difficult to obtain for Ghana although, according to one source, underemployment together with low productivity continue to be major problems in the small holder agriculture.⁴⁶

4.4 Composition of the unemployed: different social groups

Despite the difficulties associated with obtaining conceptually as well as statistically reliable estimate of the extent of labour under-utilization, there are nevertheless indications that some groups are more susceptible to unemployment and underemployment than others. Who are the 'unemployed'? How has the structure of unemployment been changing over the course of the recent past? With the exception of Nigeria where unemployment statistics are processed on a continuous basis and released quarterly, the main sources of information on the characteristics of the unemployed for the other countries are the infrequent labour force surveys or other socio-economic studies as available.

In Nigeria the latest figures (March 1993) on unemployment did not show much difference between urban and rural unemployment (4.2 and 4.0 per cent respectively) with a rise in the trend of the rural rate as compared to 1992 figures.⁴⁷ The same source desegregates the unemployed by educational level, age group and by gender. It appears that most of the unemployed were secondary school leavers accounting for about 68 per cent of the unemployed in the urban areas and about 45 per cent of the unemployed in the rural areas. Persons with higher than secondary school education accounted for about 8 per cent of the unemployed in the urban areas. This is about twice that in the rural areas. Persons with no schooling or primary schooling only made up the balance. Most of the unemployed were of the age group 15-24 accounting for about 65 per cent of the unemployed in both the urban and rural areas. The gender composition of the unemployed was about equal in the urban areas while unemployment among males appears to be more prevalent in the rural areas where females account for about 40 per

⁴⁵ Federal Republic of Nigeria (2: 180).

⁴⁶ ILO/JASPA (1989: 58).

⁴⁷ Federal Office of Statistics (1993).

cent of the unemployed. Similar educational and age characteristics of the unemployed also hold for the period since 1986 for which data was available.⁴⁸

As indicated earlier very little open unemployment is acknowledged for the rural areas in Kenya so that unemployment is primarily an urban phenomenon. According to the ULFS 1986 and RLFS 1988/89, about 66 per cent of the unemployed were between 20 and 29 years of age in the urban areas and in spite of the negligible rates in the rural areas, unemployment was concentrated among young males with high-school education.⁴⁹ It is also indicated that of the urban unemployed, this age group accounted for about the same proportion a decade earlier and that the proportion of cohorts older than 30 has slightly increased. The gender composition of the unemployed is about 52 per cent female and 48 per cent male for the urban areas with the difference attributed to the increasing proportion of females who are economically active but cannot find jobs. Of the unemployed males about 25.3 per cent had completed primary school and 46.4 per cent had completed secondary school. The corresponding figure for the female unemployed was 26.8 per cent and 31.5 per cent indicating that the male unemployed had slightly more years of schooling.

In Tanzania unemployment is also generally considered an urban problem (at 10 per cent) with the rural unemployment (at 2.2 per cent) being considered negligible. According to the LFS 1990/91 unemployment is the highest among the 15-19 age group at 31.9 per cent and 20-24 age group at 19.7 per cent.⁵⁰ Among the first cohort female unemployment is higher at 33.8 per cent as compared to 30 per cent for males. The second cohort also has a higher female unemployment rate at 25.7 as compared with 13.5 among males. In the urban areas 69.4 per cent of the unemployed had no previous employment hence suggesting that they could be school leavers. Those seeking wage employment among the urban unemployed were also of about the same proportion. On the other hand, most of the unemployed in the rural areas had previous agricultural experience and the proportion looking for wage employment among the rural unemployed was also very low (19 per cent), seeking instead agricultural work. The data on educational status also suggest that about 67 per cent of the unemployed in the urban areas were primary school leavers. Literacy among the urban unemployed was about 95.4 per cent of the male unemployed and 87.7 per cent of the female unemployed. The corresponding figure for the rural unemployed among males and females was about 69 per cent and 63 per cent respectively.

Similar statistics on the unemployed were hard to come by for Ghana because no labour force survey had been conducted so far (with one planned for 1994). However, on the basis of different socio-economic surveys, some indication about the characteristics of the unemployed can be discerned. One such source indicates that 66 per cent of the unemployed are urban and 33 per cent rural.⁵¹ There are also indications

⁴⁸ See Federal Republic of Nigeria (2: 173-5).

⁴⁹ See Republic of Kenya (1991 and 1988: 61-3).

⁵⁰ See The United Republic of Tanzania (1993: 1-47-1.53). Unemployment rate of 27 per cent is also indicated for the 10-14 cohort although this is below the standard working age.

⁵¹ ILO/JASPA (1989: 10).

that youths (mainly school leavers and dropouts), retrenched workers, and rural/urban migrants compose the urban unemployed.

In general, the following highlights are evident regarding the structure of unemployment in the regions canvassed by the study:

- Open unemployment is primarily an urban problem.
- In urban areas the young are becoming the largest group of unemployed. The problem affects mainly the youth with schooling at primary, secondary or higher levels.⁵² This is in part the legacy of rigid manpower planning paradigms, faulty projections and training strategies.
- The gender characteristic of unemployment is not all that clear with some regions having a higher level of female unemployment than others. However, in general there are indications that partly because of the increasing participation of women in the labour force, they are likely to be more frequently unemployed than males. There are also indications that women comprise an increasing proportion of the informal sector and likely to be under-employed in low productivity activities.
- The inadequacy of social protection makes the aged a particularly vulnerable group in the society. Breakdown of traditional value systems that ensured that the aged could rely on the young means that more would prefer to work longer into old age. This enhances and aggravates the unemployment problem.
- The retrenched worker is a recent addition to the structure of unemployment in African countries. This is, in part, the outcome of economic reform programmes that emphasize cutbacks in public sector commitments in the provision of social goods and services and massive public sector retrenchment programmes.
- A related problem is that of the uninformed job seekers. Discouraged job seekers arising from this particular form of market imperfection represent wastage of human resources that could be avoided through enhancing labour market information capability.

⁵² ILO/JASPA (1).

V QUESTIONS OF POLICY

A number of policy relevant observations can be made on the basis of the forgoing discussions. However due to the unreliability of the data, these broad observations mainly serve in highlighting areas for further research. Furthermore, what is highlighted here relates to those sectors where changing employment patterns have some implications to policies aimed at promoting or expanding opportunities for productive employment in the region.

- One aspect of the changing patterns of employment that is evident at the aggregate level is that agriculture is still the main source of employment in all the countries canvassed. The policy implication of this observation can be very disturbing and brings into question the capacity of the sector to sustain the increasing labour force. From the perspective of generating productive employment, agricultural development can be paradoxical. While technological improvement, which is implied by the development process, enhances agricultural productivity, it has historically decreased the demand for farm labour. The prospect for expanding employment opportunities within the agricultural sector, therefore, appears contingent on maintaining, during the process of economic growth, a level of technological improvement that does not lead to a declining demand for the agricultural labour force. In an era of globalization where competitive advantage is a prime consideration and where choice of technology is critical to such competitive advantages, it would be a difficult task for government to influence technology choice through standard policy tools.

In the short and medium-term period the physical expansion of farm land may provide possibilities for expanding employment in the agricultural sector. However, the sector's potential for growth through such means may be approaching a limit as new land is increasingly marginal with either low yield potential or requiring irrigation systems and other infrastructure investments. Despite these and other difficulties, the dominance of agriculture in the employment pattern of the region points to the fact that the agricultural sector is the most important policy target from the point of view of future employment growth. Self-employment in agriculture should provide not just employment per se but employment with incomes above subsistence level. This could be a big policy challenge in the medium and long term, given the ever increasing labour force, if agriculture remains a dominant feature in the pattern of employment in the region.

- The other dominant feature of the pattern of employment in the region is that modern sector employment in general and the manufacturing sector in particular, have shown declining trends in all four countries. The modern sector is generally rated with the lowest prospect for job creation in African countries. The data indicate that for all four countries the rate of job creation in the modern wage sector, both public and private, has not kept up with the growth of the labour force. This is

particularly true of the public sector which has been increasingly unable to create new jobs partly due to the reduced capacity for job creation in the sector and partly due to the rethinking of the role of government in the light of SAPs. Implementing SAP packages has meant the adoption of retrenchment programmes in the civil services as well as divestiture of state owned businesses with the consequent reduction of total public sector employment. However well meant, such policies tend to fly in the face of the reality in the region where the gaping difference between desired and actual infrastructure development, the shortage of entrepreneurial capacity and private savings as well as the abundance of under-utilized labour resources should have underscored the need for more, rather than less, public sector initiatives.

- Probably the most striking change in employment patterns over the preceding decade and evident in all the countries canvassed is the rapid growth of the informal sector. The informal sector in African countries has been growing at a fast rate, increasing by 6.7 per cent a year between 1980 and 1989 in Sub-Saharan Africa, a rate which is substantially faster than that for the modern sector. The same source estimates that the sector accounted for about 60 per cent of the urban workforce by 1990, with about six million jobs added to the urban labour market between 1980-85 compared with the half million jobs created by the formal sector during the same period.⁵³ The informal sector, therefore, has attracted a good deal of attention by policy planners in Africa as a potential source of employment particularly in view of the poor prospects for employment generation in the formal sector of these economies.

The pattern of employment characteristic of the informal sector has attained features that differ distinctly from those of the formal sector particularly as regards conditions of work and labour legislation with most of the sector found outside the legal sanctions applicable to the formal sector. There are also difficulties in clearly delineating the sector. The policy relevance of better understanding the informal sector, given its importance in the region, is quite evident. For example, the proportion of the self-employed workers within the informal sector could provide an indication of the level of entrepreneurial potential. Policy directed at enhancing the role of this group would be one way of stimulating economic development.

- Rural-to-urban movement of the population is an important feature of the development process observed in these economies as elsewhere in the developing world. Urbanization has a direct impact on the patterns of employment through its effect on both the regional distribution of the workforce as well as on the industrial and occupational structure of employment. The rapid increase in the rural to urban migration has led to a higher rate of population increase in the urban centres and has resulted in a shift in the pattern of employment from traditional formal sector employment to the proliferation of informal activities. Depending on circumstances, the out migration of young males, who has been observed to comprise the majority of migrants from rural areas, can alter the pattern of employment in the agricultural

⁵³ UNDP (1993: 41). See also ILO/JASPA (1993: ix).

sector by leaving productive activities in the sector to the aged, to women and children. There is a need for policy to reverse these trends.

High growth rates of the labour force, coupled with the declining economic performance in the region as well as spreading conditions of poverty would indicate a higher rate of labour under-utilization. There is therefore need to generate information on the extent and structure of labour under-utilization or unemployment and underemployment in order to counter the trend through policies aimed at generating productive employment. From the point of view of generating productive employment, in order to counter rising levels of poverty, a concept and measure of labour under-utilization that incorporates the unemployed and those of the under-employed earning below an acceptable minimum incomes level, would be needed. The large proportion of self-employment, as compared to wage employment, in these countries makes the use of standard approaches to the measurement and conceptualization of the labour force and the unemployment rate very difficult.

VI CHANGE AND LIVELIHOODS IN AFRICA: ISSUES FOR RESEARCH

The preceding sections provided some indication about the patterns of employment and structure of unemployment imposed by decades of development effort – decades that have witnessed both periods of rapid growth (generally the post colonial decades) and periods of extended stagnation (mainly over the 1980s and early 1990s). Enhancing our understanding of changing employment patterns is important because such analysis could be indicative of the prospects and possibilities for future employment growth. Feedback on the existing as well as newly emerging aspects in the structure of unemployment is also indispensable for the identification of vulnerable groups in society and facilitates the design and implementation of policy reforms and targeted interventions. However, merely broadening our stock of information on the patterns and structures of livelihood – i.e. both paid employment and self-employment – in the region would be incomplete if such observations do not contribute to policy articulation. It is for this reason that the preceding section has also raised, mainly in the context of generating productive employment, policy questions that were prompted by the observed changing patterns in employment and unemployment.

This section attempts to highlight some of the probable economic, social, and political influences, both on the domestic front and at the international level, that could be shaping directly or indirectly the patterns of employment and the structure of unemployment. This is done by raising searching question bearing on the future of livelihoods in the region based on the general observations on the four countries canvassed. To the extent that patterns of employment and structure of unemployment closely reflect patterns of development, the economic, social, and political factors that explain the latter would also provide the proximate sources of change in the former. We will, therefore, look at some issues relating to patterns of development which constitute an under-researched area of knowledge in the context of SSA. We will also raise other areas of inquiry that could provide further insight into past developments and future prospects in the region including the globalization process and structural adjustment programmes; factor supply and growth of the labour force; and national politics and the democratization process. Because of the complex interrelationships between such processes in Africa as elsewhere, the exposition may appear strongly conjectural and speculative. This is intentional in so far as the primary purpose of this section is to prompt and explore potential research ideas in the context of the livelihood issues in the region. The research issues and queries explored have also been narrowly envisaged in terms of the livelihood issue and should help identify sources of growth for productive employment generation. The research issues or the order in which they were raised do not imply any order of priority.

6.1 Patterns of development

Why does the economic growth performance of countries in SSA still reflect the dominance of agriculture as the most important source of livelihood and employment? Is structural transformation in these economies in terms of shifts of employment patterns from agriculture to industry and services, likely to conform to the patterns characteristic of the advanced countries particularly given current trends in globalization? Can a pattern of employment heavily inclined towards primary activities such as agriculture and mining be indefinitely maintained to accommodate the employment needs of an increasing population without adverse implications to the environment and to people's standard of life? If not, what would be the future of livelihoods in the region? These are clearly daunting questions in a subject area where not much research has been done in the context of Sub Sahara Africa. Research in this area had concentrated on advanced countries and those developing countries where the level of data availability and circumstances were more amenable for such inquiries.

The study of patterns of structural change that accompany the economic growth of nations has been at the centre of development thinking over the past 40 years. In his review of structural research programmes since the 1950s, that shed light on the pattern of development, Chenery identifies two main areas of emphasis.⁵⁴ The first included research where the purpose was the identification and measurement of the essential features of the modern economic growth for different countries and over different time periods. The second included the category of research that makes use of prototype models for analysing the stylized facts of economic growth such as surplus labour, industrialization, demand patterns, etc. Both lines of research were aimed at the better understanding of the transition to modern economic growth and involved, among other lines of inquiry, the explicit consideration of employment and the reallocation of factors of production. The researches conducted by Kuznets provide an example of the first type.

According to Kuznets, economic activity prior to the epoch of 'modern economic growth' was mainly in the primary and extractive sectors of the economy particularly in agriculture, hunting, gathering and fishing; and it is argued that with the diffusion of modern economic growth, comes the proliferation of industries and occupations with less and less of the labour force engaged in primary sector.⁵⁵ In analysing the industrial and occupational distribution of the labour force between sector A (agriculture, fisheries, forestry, and hunting), sector I (mining, manufacturing, constructions, electric power, transportation, storage and the like), and sector S (trade, finance, insurance, real estate and the like), Kuznets identified that the share: '...of the A sector in the labour force declined sharply in the course of growth of the developed countries, from an initial level ranging between 50 and 60 per cent to levels from below 10 to about 20 per cent in

⁵⁴ See Chenery (1988: 49-68).

⁵⁵ See Kuznets (1976: 309-14). This study, although mainly based on empirical foundations of the developed countries, is regarded as relevant to the growth patterns of the developing countries also.

the early 1960's... The rise in the share of the I sector in the labour force of most developed countries was either smaller than or about the same as that of the S sector.'⁵⁶

Studies of this type provided the stylized facts regarding features of structural transformation observed in the process of modern economic growth of nations. In their study on patterns of development which extended the broad relations identified by Kuznets and others to the analysis of structural and growth patterns of developing countries through the application of prototype models, Chenery and Syrquin did not come up with a single pattern to fit all types of nations.⁵⁷ In order to identify some consistent patterns in sector shares in the course of economic growth they had to define countries into a number of broad typologies sharing similar characteristics. The development pattern of the advanced countries has been consistent in the stylized fact that as per capita income increased so has the share of industry in GNP and this has been accompanied by a shift of the population out of agriculture and towards industries and services.

Patterns of development observed for advanced or other developing countries that had experienced sustained economic growth may be a poor guide for understanding changing employment patterns in the countries included in this study for a number of reasons. First, growth performance had not been sufficiently sustained in the countries canvassed in this study, as is also true for most countries of SSA. Rapid growth in the early post-colonial period was followed by long periods of slow or regressive growth over the 1980 and 1990s. Such erratic economic growth performance could be expected to undermine the utility of the experiences of other countries that had a more sustained economic growth performance. Second, according to World Bank studies the analysis of patterns of development has its own limitations. While the approach is useful in relating changes in structure to the level of development, the patterns of themselves '... do not reveal the impact of structure on performance. Structural change is not sufficient for explaining growth...'⁵⁸ The same World Bank study also indicates that while inter-country comparisons are helpful in establishing stylized facts about the transformation that give the expected changes in structure as a country develops, they are of little help in analysing stagnation in countries with very low income.⁵⁹ Third, the phenomenon of jobless growth that has been observed both in developed and developing countries implies low elasticity of employment with respect to output (GNP).⁶⁰ The pattern approach by relating structure to the level of economic growth may fail to account for such emerging possibilities. Fourth, the unsustainability of growth in the countries canvassed as well as the emerging globalization process may warrant the re-examination

⁵⁶ Kuznets (1976: 311).

⁵⁷ See Chenery (1988: 56-7). The article identifies prototype models as those models that apply to a country type rather than to particular countries and where the structural relations are specified in general terms and can be modified to specific country circumstances. Lewis's dual economy model and the Harris-Todaro models were cited as examples. On a World Bank study, see Chenery and Syrquin (1975).

⁵⁸ See Syrquin and Chenery (1989: 5).

⁵⁹ See Syrquin and Chenery (1989: 5).

⁶⁰ According to the *Human Development Report 1993* less than a third of the increase in output in the developing countries between 1960 and 1987 came from increased labour, more than two third from increases in capital investment. See UNDP (1993: 35).

of the validity of some underlying theoretical assumptions used to explain the transition between agriculture and industry in the course of economic development. Examples of such assumptions relate to changes in demand patterns and the productivity of agriculture. The last point warrants further discussion.

Changes in demand patterns over time are generally assumed to occur as economic growth proceeds and income per capita increases. The basket of goods and services which people wish to consume tends to change with staple food taking a declining share and luxuries a rising share of demand as income increases. This is a well-known and well-established observation that has been validated at the level of individual households among cross-section of countries and for the behaviour of individual countries over time.⁶¹ The implication of this assumption to changing employment patterns is that as per capita income increases with economic growth, there should be a shift in demand against those engaged in the livelihood of food production. The other assumption generally raised to explain the transition from agriculture to industry and which reinforces Engel's Law is that of increasing productivity of the agricultural sector. It is argued that growth in agricultural productivity in the course of economic growth releases farm labour for work in the industrial and non-agricultural sectors. The question is how relevant are such hypothesis for explaining the observed realities in the countries canvassed in this study? A number of research questions can be raised at this point. Is it feasible to argue that the moderately rising per capita incomes experienced over the past decades could have shifted demand towards manufactured goods thereby raising the relative price of such goods *vis-à-vis* the prices of staple food? Could such a situation, in turn, have discouraged agricultural productivity thereby draining the rural farm community of any motivation for producing food crops beyond the subsistence requirement of the household? This is an under-researched area. Hence, declines in producer prices of agricultural products have often been explained away as inappropriate government policies that depress producer prices in favour of keeping food cost low in urban centres; while factors like changing climate patterns, population pressure and land degradation have been cited to account for the decreasing rather than increasing productivity of agriculture in the region.

Quite apart from changing demand patterns, dual economy models could also have been used to shed some light on the processes underlying changing patterns of employment – specifically the reallocation of labour from the agricultural to the industrial sector – had it not been for the fact that such models have, for the most part, failed to explain the development of actual events. The pattern of employment or more accurately the structural formation of all four countries in this study appeared to correspond with the broad assumptions implicit in dual economy models propounded in the 1950 and 1960s. The Lewis model is prominent among the dual economy models that have attempted to explain the development process of less developed countries.⁶²

⁶¹ The underlying explanation for this pattern of demand change is the well-known Engel's Law which states that when prices and demographic variables such as family size and composition are held constant, a rise in income will lower the share of consumer expenditure spent on food. The demand for food will rise but at a lower rate than income.

⁶² Lewis (1954). For criticisms of the Lewis model, see, for example, Todaro (1994: 77-8).

The theory postulates that labour surplus economies are characterized by the coexistence of a relatively large subsistence agricultural (non capitalist) sector and a relatively small but growing industrial (capitalist) sector. Wage rates in the former are determined by institutional forces while competitive conditions are assumed to shape the labour market in the latter. Furthermore, in such dualistic economies, labour was assumed to be abundant while capital was scarce. According to the theory, development proceeds with the continuous reallocation of labour from the agricultural to the industrial sector. The fact that all four countries retained a pattern of employment that was still primarily agrarian in terms of the sectoral allocation of the labour force, as at the beginning of the 1990 upholds the criticism that such models were far removed from the realities that characterize LDCs. Since such models of labour transfer have had significant policy implications for labour absorption and for the employment problem, it may still be a viable direction to try to identify why urban unemployment keeps increasing, and why the capitalist sector has failed to draw labour, as postulated, from the non-capitalist sector which still remains so large.

A lot, therefore, remains to be answered on why structural transformation in terms of shifts of employment patterns from agriculture to industry and services, in the economies canvassed, still reflect the dominance of agriculture as the most important source of livelihood. The question of whether the future of livelihoods in the region will be dependent disproportionately on the primary sector and what will be the ramifications of such employment pattern on living standards and the environment, also highlights a number of under-researched areas. This calls for research aimed at further understanding of the patterns of employment and livelihoods as they evolve over time. Such efforts should provide policy directions on how to promote productive employment in the future.

One under-researched area that reflects on employment patterns is the level and character of technological change in the region. To what extent were the observed patterns of livelihoods conditioned by technological considerations? What will the future of livelihoods in the region be vis a vis technological progress? It is clear that within each sector of the economy, the rate of adoption of new technology will impact on the growth of employment opportunities, and likewise, on both the pattern of employment and the structure of unemployment. For example, within the rural sectors of the countries canvassed, the move towards the free market system of economic management that is being actively promoted could well lead to increasingly bigger farm sizes and more labour saving technologies that limit the sector's employment generating potentials thereby exacerbating the unemployment problem. The question of whether or not modern technology should be sacrificed in order to generate or maintain employment opportunities becomes increasingly critical given the high rate of growth of the labour force in these countries. The concern about the probable adverse impact of technological progress on the future of livelihoods in Africa, as elsewhere, is underscored by a recent article in the *Economist*. The article draws a grim picture about the impacts of technology on unemployment and highlights the issue by the caption: 'Technology, especially information technology, is destroying millions of jobs. The hope

is that it will create more jobs than it destroys...'.⁶³ It is interesting to note that although the article was in the context of the industrialized countries, the waves of technological advance also bear ominous implications to the developing world and to the economies of SSA as such nations succumb to the globalization process, particularly the increasing pressure for trade liberalization and integration in the global market-place. Evolving consistent and sustainable policy alternatives to provide an enabling investment climate while meeting the growing demands for employment opportunities is therefore a challenging research programme promising high dividends.

Besides aggregative studies there is also a need for policy oriented research on disaggregated or micro level processes that shed light on the future of livelihoods in the region. These include the analysis of shifts in the allocation of the workforce between public sector and private sector employment; shift in the occupational patterns within sectors, for example, between employment in plantation and commercial farming as compared to small-holder farming; shifts in the pattern of labour use within enterprises, for example, trends towards more or less cash cropping within individual farm units, trends in skilled versus manual labour allocation in non-farm enterprises, trends towards more or less capital intensity in production processes, and trends towards more or less casualization and informalization of the labour force, etc. Further research is also called for in analysing changing patterns in the gender and age structure as well as the skill composition of the employed labour force, the supply of labour, in the emergence of new forms of arrangements for job-sharing, labour contracts, duration of working time, and shifts in relative wages, among others. Such studies should focus on the promotion of productive employment in the regions. Sectors that have potential for meeting the increasing demand for employment opportunities such as, for example, the small-scale agricultural sector, the mining sector, the informal sector, etc., should be explored more vigorously.

Research focusing on changing patterns of employment at the level of the household unit, through examining intra-household allocation of labour resources, can have highly relevant implications to policy. Household allocative behaviour, particularly as pertains to labour resources, has been a matter of enduring research and academic interest for many decades.⁶⁴ Has the pattern of employment within the family changed over time in the context of the societies being addressed? This raises issues as to the intra-household allocative patterns of labour use particularly as regards the changing roles of various members of the household; on whether more or fewer of the household members work to support the family unit; whether the status in employment of the members has been shifting over time from one category (own account workers, employees, employers, unpaid family workers), to another; whether there are common denominators for such changes and whether such changes have any policy relevance. Is the role of women and children increasing in some activities and decreasing in others such as for example, more participation on the family farm and less in non-farm activities like trading? Are women increasingly more involved in the informal sector? Are families increasingly dependent on the economic role of under-aged children to

⁶³ See *The Economist* (1995: 21-4).

⁶⁴ See, for example, Rogers and Schlossman (1990) and Mook (1986).

secure survival incomes? Changing pattern of labour use and employment at the household level has significant policy relevance for the promotion of productive employment.

Research is also called for addressing the impact or influence of changing consumption patterns on production and employment patterns in both in the agricultural as well as the industrial sectors. With regards to consumption patterns in urban centres, it is now an accepted fact that acquired eating habits, particularly the shift towards non-traditional food crops like wheat and rice, not only explains the increasing import dependence of many African countries but also has prompted a reallocation of the labour and material resources of farmers towards the domestic production of these crops. Inquiry into the various ramifications of such shift provides a relevant direction of research. Also important are inquiries on the impact of changing consumption patterns at the global level, particularly as they affect the demand for primary commodities on patterns of employment. More issues on global influences will be raised in the following sub-section.

6.2 The globalization process and economic reforms

Both the globalization process as well as domestic economic reform cum structural adjustment programmes are prime research areas in the context of the livelihood question in Africa. It has been evident that the globalization process exerts pressure for change at the domestic front in a variety of ways which impact on patterns of production, patterns of consumption and patterns of trade and *inter alia* on patterns of employment. Besides the globalization process, domestic economic policies also tend to accelerate and accentuate the process of change in employment patterns. Economic policies have in the past attempted to alter the structure of production and employment in order to achieve economic development. Import substitution industrialization, adopted by many African countries, is a case in point whereby the object of economic policy had been to shift the structure of production away from agriculture and towards industrial production. The wave of structural adjustment programmes sweeping over the African region, and more importantly, the conditionalities imposed by international financial intermediaries under such programmes, are more recent examples of market mediated reallocation of labour and productive resources.

There is a need to increase our understanding of the problems raised by these new trends and assess their impact on the livelihood question in the region. For example, at the global level, the question could be raised whether or not the ending of the 'cold war' may have latent setbacks in terms of the economic and social development of the African region. These changes could impact on the expansion of employment opportunities through their effects, among others, on the flow of resources at the international level (flow of aid and foreign private investment). Some would argue that on balance this change in the global front could denude the region of its strategic importance – a geo-political asset which during the cold-war era could be solicited for more economic aid from both the East and the West. A related development in the global front is the emergence of the transforming economies of Eastern Europe and the

former Soviet Union as well as China, as potential users of economic aid and foreign private capital.⁶⁵ It can be presumed that the increased competition for such resources would compromise rather than improve the prospects of the African countries for acquiring both aid and foreign investment. All these factors influence the rate of economic growth, the structure of production and *inter alia*, the pattern of employment and the structure of unemployment.

The question of how African countries would fare in the global market place is also a contentious one. Some would argue that African countries, lacking the resources and technological know-how that appear to give the industrial and more progressive developing countries a competitive edge, may find a hostile environment in the global market place, particularly if there are to be winners and losers. Others may choose to be more optimistic. Whatever the view, a level playing field is implied if trading in the global market place is to be of mutual benefit. Research inquiry should therefore be directed towards evolving organizational and policy initiatives that can secure for African countries the preconditions needed for mutually advantageous trade in the shortest possible time prior to expanded integration into the global market place.

The widespread adoption of economic reform and structural adjustment programmes (SAPs) in SSA over the 1980s to date was the region's main policy response towards attaining such a capacity for mutually beneficial integration into the global trading system. Depending on the extent to which such policies have been successful in opening up a country to global market conditions, global influence (e.g. changing consumption patterns, changing demand patterns) exert varying pressures on different sectors of the economy thereby affecting both the pattern and volume of employment generation in the country because sectors differ in their employment potential. The level of economic activity would also be subjected to fluctuations. Recessions at the global level would entail a slackening in demand for specific categories of output and create declines in specific categories of employment thereby affecting both the level and structure of unemployment. On the other hand, increased world demand for specific outputs would dictate its own pattern of employment, encouraging more labour absorption and employment in that sector of the economy from which the output originates.

At a general level, however it has become an accepted fact that there are serious shortcomings with SAPs as the policy approach appears to have resulted in more frustrations than success. In developing countries these adjustment programmes, at least in the short and medium term, have been associated with adverse impact on employment. This fact is also observed in the context of Africa where it is safe to assume that both the pattern of employment and the structure of unemployment are being significantly modified in the process. The logic of these economic reform programmes, according to the conventional theory, would be to accelerate change in the

⁶⁵ See speech (final text) by Speth (1995: 2). It is indicted that 75 per cent '...of the direct foreign investment in the developing world goes to only a dozen countries – twenty per cent to China alone. Just six percent goes to Africa; and two per cent to the least developed countries. There is no correlation between need and direct foreign investment.'

patterns of resource use in a direction more consistent with factor endowments and therefore the comparative advantages of the country undertaking the reform. This would ensure the better allocation of productive resources among alternative uses and induce changes in domestic production potentials in a manner that could make the system more responsive to world market conditions. In this way profound changes to the existing patterns of employment can be expected to transpire over the short and medium and longer term period. One could envisage productive activity being diverted away from production for the domestic economy towards production for exports with all the associated changes in labour inputs, capital inputs and work habits.

In the specific context of the countries canvassed, experience to date indicates adverse impact of such economic reform programmes on the employment situation and particularly on the structure of unemployment. An often cited impact on the structure of unemployment arising from such economic reform programmes is the large scale retrenchment of public sector employees. This category of the unemployed is a relative newcomer to the pool of unemployed in all four countries where the public sector has been the single most important employer in the formal sector. Public sector employees have had a degree of protection from job losses imposed either by formal legislation or custom. Reduced public sector employment, increased privatization, reduced state sponsored activities, and public sector social spending can all be expected to impact on existing patterns of employment and the structure of unemployment in various ways such as large-scale job losses, increased casualization of labour, and a tendency towards more informal and survival activities. The debate on the impacts of SAPs on the social and economic circumstances in the African context is quite controversial. Opponents of these reform programmes and concerned groups have attempted to highlight the social costs of adjustment and to pressure for a significant reform of the modalities of such policies through calls for, among others, 'adjustment with a human face'.⁶⁶

Liberalization of international trade, exchange rate markets, financial markets, domestic prices and the labour market has been standard features of SAPs in the region. However the question as to the efficacy of these measures in the region still remains uncertain and provides a fertile ground for policy-oriented research. Trade liberalization for example, has been identified with de-industrialization process. A recent evaluation report on the Netherlands aid to Tanzania indicated that:

... unrestricted import liberalization may lead to dramatic de-industrialization. To maintain a minimum of Tanzania's industrial capacity requires a mild and temporary protection, to be phased out as efficiency increases, for example through manpower training and investment through economic infrastructure, leading to successful competition with imports.⁶⁷

Trade liberalization can also impact on the patterns of livelihoods (employment) and the structure of unemployment in a variety of ways including the suppression and

⁶⁶ See Cornia *et al.* (1988) See also Cornia *et al.* (1992).

⁶⁷ Netherlands' Development Cooperation (1994: 33).

curtailment of traditional modes of production. For example, imports of cheap (including salvage/secondhand) products have threatened the very existence of the domestic small-scale sector engaged in tailoring, shoe making, weaving, and associated activities. This situation has been facilitated by the deregulation of the foreign exchange markets and the consequent ready availability of foreign exchange. This, together with the reduction of import controls and the absence of institutional capacity to identify and enforce anti-dumping measures, has enabled the increased importation of basic need products, which are of lower cost (but generally better quality) than similar products produced through local craft and know-how. By some account the number of jobs and livelihoods lost due to this type of competition is estimated to be quite high.

Such losses in competitiveness also extend to primary products in which the domestic factor endowments should have enabled a comparative advantage over competing imports. A clear example is provided by the rice producing regions in Ghana where the local rice variety is giving way to the lower cost higher quality imported rice. It appears that if the abundant labour resources in African economies fail to enable the retention of comparative advantage in the production of at least the most basic range of products, then one adverse effect of SAP liberalization policies would be the continuous shrinkage of the production possibility frontier available to the working population. If left alone without appropriate corrective action, such a process of liberalization would not only allow the market place to wipe out indigenous trades, crafts and livelihoods, but would also make survival in the ensuing competitive environment of free markets contingent on the importation of the state-of-the-art in production know-how – something increasingly beyond the means of the average entrepreneur.

Liberalization of the foreign exchange market is also another policy area that has repercussions to all aspects of the economy and raises possibilities for policy-oriented research. The ready availability of foreign exchange due to the removal of exchange controls and the pressure for increased competitiveness imposed by trade liberalization and the globalization process on the private manufacturing sector may have encouraged the increased importation of production processes embodying advanced technology, thereby enhancing changes in the pattern of employment. Such a preference for more efficient production processes often turns out to be more capital intensive than justified by the domestic factor endowment. Such efforts towards enhancing competitiveness could mean that the private sector may fail to generate as much productive jobs as could have been expected. While the causal factors are yet to be established, such a trend is clearly evident from the lagging growth of employment in the private sector in Ghana. The statistics clearly indicate a gradual decline, over the second half of the 1980s, in the employment growth of the private sector.⁶⁸ Such adverse employment effects, for a country that has gone through the complete dose of SAP policy prescriptions, have disturbing implications as to the efficacy and indeed as to the ultimate consequences of the SAPs in the context of the livelihood issue.

⁶⁸ Discussion at the Ghana Statistical Services on the Establishment Surveys carried out by the Labour Information Unit. See also Republic of Ghana (1992: 58-60).

Devaluation of the domestic currency that generally accompanies SAP packages exerts an adverse effect on employment through raising the price of imported raw materials, intermediate goods, spare parts as well as consumable items thereby creating idle capacities in the production as well as services sectors. The resultant bankruptcies and layoffs exacerbate the unemployment situation. The heavy losses in purchasing power resulting from the devaluation of local currencies have eroded the standard of life in these economies by making imported necessities unaffordable. The high cost of imported fertilizers leads to declining agricultural productivity. Declines in real wages also encourage brain drain and the flight of entrepreneurial capacity thereby reducing the economy's potentials for employment generation

In general, it appears that in-depth analysis is required on why various policy initiatives that appear to give some countries a competitive edge may fail to yield the desired results to others. This is particularly true of some policy components within the standard structural adjustment and economic reform programmes such as liberalization, devaluation, deregulation, privatization, etc. In this context a number of question could be considered: How does the experience of the more successful countries undertaking structural adjustment compare with those where livelihoods are being rendered more precarious, productive employment opportunities more scarce? What are the policy interventions that make the difference between success and failure among countries pursuing similar strategies for sustained economic development? What are the policy interventions needed to sustain a healthy growth in productive employment (both paid employment and self-employment)?

6.3 Factor supply: growth of the labour force

Just as demand factors exert an influence on the pattern of employment through inducing relative shifts in the demand for good and services of differing categories, supply factors also exert influence on production and income possibilities in a variety of ways. Population growth is the principal supply side factor in the countries canvassed. Available data on the population growth in the four countries indicate that growth rates of the population have been invariably high. Data from the National Population Commission indicated that in 1963, Nigeria's population was about 56.5 million. By 1990 it had reached the level of 121.6 million, a population growth rate of about 2.9 per cent.⁶⁹ In 1970, Ghana's population stood at 8.6 million and by 1984 (the last census year) it was up at 12.3 million, an increase of 43.7 per cent, giving a population growth rate, over the period, of about 2.6.⁷⁰ Tanzanian population between 1978 and 1988 (latest census) shows an increase of 31.67 per cent from 17.5 million to 23.1 million. This reflects a population growth rate of around 3 per cent.⁷¹ Kenya's population almost doubled from 11 million in 1969 to 21 million in 1989 at a growth rate of 3.8 per cent.

⁶⁹ Federal Republic of Nigeria (2).

⁷⁰ Republic of Ghana (1992: 123-6).

⁷¹ The United Republic of Tanzania (1).

By 1993, after a committed effort at family planning, the population was estimated to be about 24 million and the growth rate still at the high level of 3.34 per cent.⁷²

Population growth (and therefore labour force growth) can dampen growth in per capita income if its rate of growth is greater than that of national income; it can reduce productivity on farms through over-crowding by reducing the land per worker ratio; it can encourage migratory patterns, both rural/urban and cross boarder (international) migration; it can in general reduce employment opportunities, exacerbate poverty, and lead to the proliferation of survival low-productivity activities and livelihoods. Through these and other influences, population growth affects the production possibilities available to society thereby defining in a specific manner both the pattern of employment and the structure of unemployment.

The implications of the rapid population growth observed in the four countries are that policy research on the livelihood question should be closely linked to population issues. Population policies are currently among the central concerns of governments in all four countries. Despite this, however, measures to curb high population growth rates may not be necessarily relevant to short and medium-term policies aimed at promoting productive employment. This is because the main pressure on the supply side of the labour market comes from the cohorts already born during the period of high birth rates in the recent past and who would be attaining working age within the near future.

While rapid population growth may indeed be the most important labour supply factor, there are also other factors that contribute to the rapid growth of the labour force in the four countries. These include the increasing number of new entrants to the labour markets from academic and training establishments; the increasing participation rates noted among sections of the working age population particularly females; and the increasing rural-urban migration in the context of the urban labour force. Other factors that may affect the level of labour supply include the level of wages as well as labour market information. The determinants of labour supply in general and female labour supply in particular have not been adequately researched in the context of the SSA or the countries analysed. The effects of these factors on the supply of labour can have implications to the design of policies aimed at generating productive employment and so constitute research areas where useful insights could be generated.

The category of labour supply that has dominated the structure of unemployment in all the countries analysed as discussed in an earlier section was that comprising mainly of school drop-outs or graduates from the various levels of the educational system. This very high rate of youth unemployment is also prevalent in many African countries. While the situation partly reflects the remarkable expansion that the educational systems have achieved over the years, it also raises the disturbing question of why so many of the youth that have gone through various levels of the educational system are poorly equipped for self-employment and why the problem of mismatches in the demand and supply of skill is so prevalent. There is clearly a need for further understanding on the entire institutional arrangements and rationale for human capital

⁷² Republic of Kenya (2: 26).

formation. Research should be directed towards analysing the approaches to manpower development in order to render the output of the educational and training establishments more compatible to the demand side of the labour market; towards critically appraising and upgrading the curricular content of educational and training programmes in order to meet the demand for specialized skills.

6.4 National politics and the democratization process

In terms of political transition, all four countries, although gaining their independence in the early 1960s, have yet to evolve credible multi-party democratic institutions. This process has been daunted by political turmoil as in Nigeria or lack of inertia in the democratization process as in the other three countries. These have clear ramifications to the economic environment, the structure of production and *inter alia* the pattern of employment in these countries.

National politics and democratization process in Africa, often laced with ethnic rivalry, can have profound impact on the pattern of employment in the region. This could be either through the influence of the process on the dominating mode of ownership and production, or as it influences the advantages and opportunities open to some ethnic groups as opposed to others within societies, or as it exacerbates social tensions and ethnic conflict through distabilizing ethnic-based power relationships, thereby stifling economic growth, dislocating communities, and adding mass employment to existing structures of labour under-utilization. Tanzania could be a case in point for illustrating the influence of ideology and national politics on the patterns of production and ownership and thereby employment. Back in 1967 the Arusha Declaration in Tanzania had the profound effect on patterns of employment through directing a post-colonial nation state towards a production and ownership relations that was socialist oriented. The state asserted its dominant role in pursuing national development objectives through nationalization, a monopoly on import and export trade and the gradual state control of rural cooperatives. Industrial sector employment became a scene dominated by state parastatals. The socialist state model imposed by the Arush Declaration also had an impact on the living conditions and work patterns in the rural areas. Dispersed rural populations were brought together through villagization (at times forced) and engagement in collective forms of production thereby changing existing patterns of self-employment.⁷³

The democratization process that is currently in vogue in Africa, although well intentioned, may yet prove to be major source of discord, misunderstanding and conflict in the future. Coming as it does in the wake of efforts towards establishing free market economic management, the democratization process may be confronted with hurdles particularly in the form of increased tension between ethnic groups already entrenched in power and those wishing to ascend to political power through the suffrage guaranteed by the democratic process. The potentials of national politics and ethnicity at disrupting

⁷³ For a summary of recent history of Tanzania, see, for example, the *Regional Survey of the World Africa, South of the Sahara*. See also Tanzania Economist Intelligence Unit (1993).

established patterns of employment and contributing to aggravating the structure of unemployment are well illustrated by recent development in Kenya where (albeit short term) ethnic animosity, clearly fuelled by the drive for full-fledged democracy in the country, is leading to population movements out of the rift valleys. According to one recent source, ethnic clashes have displaced more than 250,000 since 1991.⁷⁴ With foreign aid donors, human right groups and Kenyan political activists keeping up the pressure on the government, and with the government already being accused of fomenting strife among ethnic groups and forcibly reallocating victims of those clashes, the stability for which Kenya had always been acknowledged may be eroding. These disruptive developments clearly have their ramifications to the pattern of employment and in particular to the structure of unemployment in the regions affected.

The future of livelihoods in Africa therefore needs to be viewed against the background of the increasing pressure for democratization in the region, and in particular against the potential which the process has for exacerbating ethnic animosities. As has been dramatically witnessed in parts of Africa (Rwanda and Burundi) such power relationships can go back far in time to the pre-colonial period. The complexity of these relationships is also compounded by colonialism as reflected in the diversity of ethnic groups constituting single nation states and the fact that national boundaries do not clearly define ethnic boundaries in the region. One of the questions which research in this theme area should address is how to undertake the democratization process in such a way as not to undermine the ethnic balances that have developed over centuries of relationships between various groups. Given the strong ethnic affiliation in the political process in the region, the question also arises whether the democratization process can guarantee the rights of ethnic minorities and effectively minimize the potential dangers posed by armed resistance which such ethnic minorities may foment at the prospects of unlimited domination by a democratically elected, ethnic majority. This could be a very difficult task and a potential source of conflict in situations where tribal groups proliferate and political parties incline towards one ethnic base or another. Further understanding is also required on the origins of loyalty to ethnic affiliation and on what can be done to enhance loyalty to a national constitution. Needless to say, in the absence of further understanding and reform on such matters, the ensuing political instability and strife induced by the well-meaning but poorly understood democratization process, has ramifications to the state of the economy, the level and pattern of production and employment as well as the structure of unemployment.

⁷⁴ See the *Herald Tribune* (1995).

VII CONCLUDING REMARKS

Sectoral distribution of employment, that is, the allocation of the labour force between primary production (agriculture), industry and services has been shifting. The shift however has neither been in the direction nor magnitude anticipated by development theory which, based on the development pattern of the industrial countries, would have anticipated the shift of the labour force to be towards industry sector and services. Such shifts in the employment pattern of the labour force were to be at the cost of the agricultural sector, where the remaining labour force would ultimately be required to support many-fold its own size presumably through productivity increases. What actually appears to have transpired at a general level is quite different.

Agriculture remains the main source of livelihood and employment for the majority of residents in all four countries. The pattern of employment varies among the four countries with Tanzania being the most agrarian of the group. The various data canvassed also indicate that a vigorous industrial sector has failed to materialize. The case of Nigeria provided a classic example of the failure of import substitution industrialization that relied heavily on imported inputs. These observations on the changing pattern of employment in the region, reinforce the view that the agricultural sector should be the focus for policy aimed at promoting growth in employment.

With the exception of Kenya where public sector employment had expanded over the 1980s, the other countries have experienced rapid declines in employment in the sector. Since the public sector has been the single most important employer in these economies over the last few decades, this trend signifies an important shift in the pattern of employment in the region. Growth of employment opportunities in the private wage employment sector has not been as vigorous as expected, even in countries that have undertaken economic reform programmes over a longer-term period.

The informal sector in all four countries has increased rapidly over the past decades and currently accounts for the largest share of employment in urban areas. While there seems to be no shortage of opinion about what the informal sector represents, there seems to be a clear awareness that the phenomenon represents a significant shift in the pattern of employment accounting for the livelihood of an increasing proportion of the labour force in all four countries. The rapid growth of the informal sector also figures importantly in the structure of under-employment, unemployment and labour under-utilization in these economies. The sector has also become an important focus for policy aimed at future employment growth.

With the increase in the size of urban areas, which is a common feature among all four countries, there appears to have occurred a shift in the spatial distribution of the economically active population away from rural areas and towards urban centres. Rural-urban migration, the main demographic variable that explains this shift, impacts on the size and composition of the labour force over space and induces changes in the patterns

of employment and the structure of unemployment. It has been accompanied by problems of urban unemployment and poverty, the spread of slums, strains on social services as well as the proliferation of new forms of employment and livelihood primarily in the informal sector of urban areas.

There are indications that urban unemployment and underemployment are on the rise. Changes in the structure of unemployment are also evident with educated youth comprising most of the unemployed. High urban growth rates, which are observed features in all four countries, and the rapid growth of the labour force are obvious explanatory factors for the problem of unemployment and under-employment in the region. Structural adjustment programmes and retrenchment of public sector employees are contributing factors. All these are clear indication that over the coming years, there would be an increasing demand for employment opportunities and governments could come under increasing pressure to evolve policies and institutions to promote and generate means of livelihoods to an increasing labour force.

The study also makes a modest attempt to highlight some of the knowledge gaps pertaining to the employment, unemployment and underemployment – or broadly, the livelihood issue in the region. It emphasizes the need for more research on the observed changes in the patterns of employment and structure of unemployment with the view of enhancing policies aimed at generating opportunities for productive employment. This calls for identifying and analysing at both the domestic and global levels the social, economic, cultural and political factors and processes that induce changes in the livelihood prospects in the region.

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ANNEX

Annex Tables 1 to 7

ANNEX TABLE 1
ACTIVITY RATES BY AGE STRUCTURE
(per cent)

Age group	GHANA					
	All		Male		Female	
	1960 Census	1970 Census	1960 Census	1970 Census	1960 Census	1970 Census
below 14						
15-19	57.2	40.8	61.0	42.3	53.3	39.2
20-24	70.0	70.9	90.9	82.6	52.7	61.4
25-29	73.0	79.0	96.5	95.5	51.6	65.0
30-49*	80.1	86.0	97.4	97.7	61.1	74.5
50-54	84.1	88.1	95.8	96.6	70.1	79.0
55-59	83.5	86.1	94.2	95.2	70.5	75.5
60-64	77.8	81.6	89.4	91.6	64.3	71.1
65+	57.8	61.6	71.3	75.4	42.6	47.5

* data on 30-44 45-49 age groups (1970) were aggregated to correspond to the 1960 categorization.

Age group	NIGERIA					
	All		Male		Female	
	1963 Census	1986 Survey	1963 Census	1986 Survey	1963 Census	1986 Survey
below 14		3.0		4.0		1.8
15-19	36.8	23.0	56.1	31.5	19.2	13.8
20-24	53.0	40.5	85.7	62.0	25.5	27.0
25-29	60.5	58.1	96.2	92.0	29.2	33.3
30-44	65.2	69.2	97.2	98.4	31.1	44.3
45-49	71.7	82.5	97.9	99.2	35.0	62.2
50-54	70.3	83.3	97.9	97.5	35.0	64.1
55-59	71.5	82.9	96.6	97.9	34.2	58.4
60-64	69.7	64.4	96.6	79.4	34.2	42.0
65+	65.3	42.0	90.2	50.0	30.1	30.6

Age group	TANZANIA					
	All		Male		Female	
	1978 Census	1988 Census	1978 Census	1988 Census	1978 Census	1988 Census
below 14						
15-19	43.3	58.2	32.8	56.5	53.4	59.8
20-24	85.4	86.1	84.6	89.5	86.0	83.4
25-29	92.9	91.0	95.9	95.8	90.3	86.9
30-49	96.1	93.7	98.4	97.5	94.1	90.2
50-54	95.6	92.6	98.2	96.8	93.0	89.1
55-59	94.7	91.3	98.1	95.7	90.8	86.7
60-64	89.9	85.8	95.9	93.0	84.0	79.4
65+	73.1	67.6	83.5	78.1	60.7	56.5

Source: Compiled from ILO (1992, 1993)

ANNEX TABLE 2
ACTIVE POPULATION BY OCCUPATION

Workers according to major occupational groups	Active population (1970)						Active population (1984)					
	Total population		Male population		Female population		Total population		Male population		Female population	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
GHANA												
Professional, technical and related	122,465	3.7	93,814	5.0	28,651	1.9	221,704	4.0	142,598	5.2	79,106	2.8
Administrative and managerial	11,530	0.3	10,934	0.6	596	0.0	16,246	0.3	14,809	0.5	1,437	0.1
Clerical and related occupations	88,319	2.7	74,630	4.0	13,689	0.9	127,575	2.3	89,551	3.3	38,024	1.3
Sales	416,533	12.5	51,495	2.8	365,038	24.8	750,179	13.4	82,721	3.0	667,458	23.4
Services	91,320	2.7	70,014	3.8	21,306	1.4	130,736	2.3	85,317	3.1	45,419	1.6
Agricultural, animal husbandry and forestry, fishermen and hunters	1,823,517	54.7	1,049,748	56.5	773,769	52.6	3,288,808	59.0	1,732,610	63.6	1,556,198	54.5
Production/transport related occupations	622,964	18.7	404,434	21.8	218,530	14.8	887,232	15.9	489,423	18.0	397,809	13.9
Others (unemployed, not previously employed and non-classified)	154,970	4.7	104,326	5.6	50,644	3.4	157,624	2.8	87,452	3.2	70,172	2.5
Total	3,331,618	100.0	1,859,395	100.0	1,472,223	100.0	5,580,104	100.0	2,724,481	100.0	2,855,623	100.0
NIGERIA												
	Active population (1963)						Active population (1986)					
	Total population		Male population		Female population		Total population		Male population		Female population	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
Professional, technical and related	440,610	2.4	375,064	2.7	65,546	1.5	2,078,800	6.8	1,536,100	7.5	542,700	5.3
Administrative and managerial	39,402	0.2	36,736	0.3	2,666	0.1	61,700	0.2	58,300	0.3	3,400	0.0
Clerical and related occupations	228,016	1.3	206,151	1.5	21,865	0.5	1,163,800	3.8	947,100	4.6	216,700	2.1
Sales	2,806,066	15.3	1,113,890	8.0	1,692,176	38.3	7,441,400	24.2	2,686,900	13.1	4,754,500	46.4
Services	870,878	4.7	641,665	4.6	229,213	5.2	1,009,000	3.3	895,600	4.4	113,400	1.1
Agricultural, animal husbandry and forestry, fishermen and hunters	10,201,255	55.7	9,222,376	66.4	978,879	22.2	13,163,000	42.8	9,704,500	47.3	3,458,500	33.7
Production/transport related occupations	2,483,247	13.6	1,963,403	14.1	519,844	11.8	3,957,900	12.9	3,363,000	16.4	594,900	5.8
Others (unemployed, not previously employed and non-classified)	1,236,336	6.8	327,471	2.4	908,865	20.6	1,889,900	6.1	1,322,400	6.4	567,500	5.5
Total	18,305,810	100.0	13,886,756	100.0	4,419,054	100.0	30,765,500	100.0	20,513,900	100.0	10,251,600	100.0

Source: Compiled from ILO Yearbook of Labour Statistics (1945-89, 1992, 1993).

ANNEX TABLE 3
STRUCTURE OF PRODUCTION
(per cent of GDP)

Description		Nigeria	Ghana	Kenya	Tanzania
Agriculture					
	1969	54	44	35	46
	1989	31	49	31	66
	1992	37	49	27	61
Industry					
	1969	13	19	18	14
	1989	44	17	20	7
	1992	38	16	19	12
Manufacturing					
	1969	6	10	11	8
	1989	10	10	12	4
	1992	n.a.	9	12	5
Services					
	1969	33	38	47	40
	1989	25	34	49	27
	1992	25	35	54	26
Average annual growth rates					
Agriculture					
	1970-80	-0.1	-0.3	4.8	0.7
	1980-89	3.6	1.2	2.9	3.8
Industry					
	1970-80	7.3	-1.0	8.6	2.6
	1980-92	0.2	4.0	3.9	2.2
Manufacturing					
	1970-80	5.2	-0.5	9.9	3.7
	1980-92	0.8 (1980-89)	4.1	4.8	0.6
Services					
	1970-80	9.6	1.1	6.8	9.2
	1980-92	3.4	6.7	4.8	2.2

Source: World Bank (1991) and World Bank (1994).

ANNEX TABLE 4
STRUCTURE OF GDP

GHANA	1983	1990	NIGERIA	1986	1991 *
Agriculture	C mn 109,927	C mn 972,323	Agriculture, livestock, forestry and fishing	31.2	37.0
Agriculture and livestock	92,047	675,815	Crude petroleum	11.4	11.7
Cocoa production and marketing	10,227	184,218	Other mining and quarrying	0.4	0.3
Forestry and logging	5,609	85,716	Manufacturing	7.3	7.8
Fishing	2,044	26,573	Utilities	0.4	0.5
Industry	12,199	322,171	Construction	1.3	1.8
Mining and quarrying	1,944	35,824	Transport	2.7	2.9
Manufacturing	7,101	187,528	Communications	0.2	0.3
Electricity and water	358	36,612	Wholesale and retail trade	12.1	11.9
Construction	2,796	62,210	Hotels and restaurants	0.7	0.5
Services	62,764	705,347	Finance and insurance	2.4	8.2
Transport and communications	7,663	89,417	Real estate and business services	0.3	0.3
Wholesale and retail trade	43,120	385,808	Housing	1.9	2.1
Finance and insurance	3,311	78,421	Government services	5.0	8.4
Government and other	8,670	151,701	Other	0.6	0.7
Imputed service charges	-2,259	-26,640	GDP (Factor cost)	77.9	94.4
Import duties	1,407	36,013			
GDP at market prices	184,038	2,031,686			

Source: Statistical Service, Quarterly Digest of Statistics.

* Some figures do not add exactly due to rounding.

Source: Federal Office of Statistics.

* Provisional.

KENYA	1986	1991 *	TANZANIA	1986	1991
Agriculture, forestry and fishing	K£ mn 1,690.1	K£ mn 2,606.1	Agriculture, forestry and fishing	TSh m 84,153	TSh m 358,693
Mining and quarrying	11.5	28.0	Mining and quarrying	474	6,975
Manufacturing	608.2	1,167.4	Manufacturing	8,551	20,680
Electricity and water	83.7	149.2	Electricity and water	1,488	8,395
Building and construction	246.9	848.3	Construction	3,131	14,416
Trade, restaurants and hotels	561.0	1,133.4	Trade, hotels etc.	19,476	83,325
Transport, storage and communications	341.1	681.9	Transport and communications	7,797	47,017
Finance, insurance, real estate and business services			Financial services	8,127	28,757
and business services	365.2	806.9	Public administration	10,214	34,478
Ownership of dwellings	384.4	791.4	Imputed bank service charge	-2,544	-29,200
Domestic services	63.0	132.4	GDP (Factor cost)	140,866	573,536
Government services	756.5	1,458.8			
Other services	153.7	292.2			
Less: imputed bank service charges	-150.3	-296.1			
GDP at factor cost	5,115.0	9,799.9			

Source: Ministry of Planning and National Development, Economic Survey, 1992.

* Provisional

Source: Economic Research Bureau, Tanzanian Economic Trends.

ANNEX TABLE 5
WAGE EMPLOYMENT BY SECTOR ('000)

Sector	Tanzania		Kenya				Ghana	
	1984	1989	Private sector		Public sector		1981	1989
			1986	1991	1986	1991		
Agriculture	108.1	117.7	192.9	200.9	55.5	71.2	31.8	18.2
Mining and quarrying	5.4	5.7	2.3	3.6	1.5	0.8	17.1	14.5
Manufacturing	115.9	128.8	130.1	149.5	36.1	39.3	26.0	27.9
Electricity and water supply	27.1	29.0	- -	0.5	18.2	21.9	3.3	6.1
Construction	34.4	26.9	24.8	40.7	30.9	31.7	11.8	10.2
Trade, hotels etc.	46.7	50.2	89.1	108.8	6.3	7.9	11.5	11.1
Transport and communications	61.3	76.1	19.6	27.6	42.4	48.6	12.6	6.4
Financial services	16.6	22.0	40.7	47.3	15.6	19.0	5.3	11.5
Public administration	217.9	255.3	121.4	147.7	399.3	474.6	88.5	109.0
Total	633.4	711.8	620.9	726.6	605.8	715.0	207.9	214.9

Source: Tanzania - Budget speech 1992, as reported in the Economic Intelligence Unit, a Country Profile 1993/94, pp. 13-14
Kenya - Ministry of Planning and National Development, Economic Survey, 1992.
Ghana - Quarterly Digest of Statistics, September 1992, Statistical Services, Accra, Ghana.

ANNEX TABLE 6
SURFACE AND LAND AREA AND LAND USE
(Thousand hectares)

		Surface	Land	%	Agriculture	%	Forest	%	Other
Ghana	1985	23,854	23,002	96.4	7,690	32.2	8,420	35.3	6,892
	1990	23,854	23,002	96.4	7,720	32.4	8,070	33.8	7,212
Kenya	1985	58,037	56,969	98.2	40,470	69.7	2,440	04.2	14,059
	1990	58,037	56,969	98.2	40,530	69.8	2,340	04.0	14,099
Nigeria	1985	92,377	91,077	98.6	71,130	77.0	13,400	14.5	6,547
	1990	92,377	91,077	98.6	72,300	78.3	11,900	12.9	6,877
Tanzania	1985	94,509	88,604	93.8	38,345	40.6	41,540	44.0	8,719
	1990	94,509	88,604	93.8	38,367	40.6	40,940	43.3	9,297

Source: United Nations, Statistical Yearbook, Thirty-eighth Issue, 1993.

ANNEX TABLE 7
TRACTORS IN USE
(Number)

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Ghana	3,550	3,600	3,650	3,700	3,750	3,800	3,850	3,900	3,950	4,000
Kenya	6,399	6,650	8,568	8,394	8,668	9,224	9,414	9,500	9,700	9,900
Nigeria	8,800	9,000	9,500	10,000	10,300	10,500	10,800	11,000	11,300	11,500
Tanzania	9,500	9,300	8,700	8,500	8,000	7,500	7,262	7050	6,900	6,800

Source: United Nations, Statistical Yearbook, Thirty-eighth Issue, 1993.