CONDITIONAL CASH TRANSFERS (CCTs), EDUCATION AND LABOR MARKETS:

An inquiry into poverty reduction in Ghana through the Livelihood Empowerment Against Poverty (LEAP) program

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Bachelor Thesis: UTKV03
15hp Spring semester 2016
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This study has been carried out within the framework of the Minor Field Study (MFS) Scholarship Program and the Travel Scholarship funded by the Swedish International Development Cooperation Agency (Sida).

The MFS Scholarship Program gives Swedish university students the opportunity to carry out fieldwork in low- and middle income countries, or more specifically in the countries included on the DAC List of ODA Recipients, in relation to their Bachelor’s or Master’s thesis.

Sida’s main purpose with the Scholarships is to stimulate the students’ interest in, as well as increasing their knowledge and understanding of development issues. The Minor Field Studies provide the students with practical experience of fieldwork in developing settings. A further aim of Sida is to strengthen the cooperation between Swedish university departments and institutes and organizations in these countries.

The Department of Sociology at Lund University is one of the Departments that administer MFS Program funds.
ABSTRACT

Conditional Cash Transfer (CCT) programs aim to alleviate short term poverty and reduce intergenerational poverty by supplying targeted poor households with cash transfers contingent upon certain program parameters, such as school attendance for children. Evaluation on CCTs have found that such programs generally increase school enrolment and school attendance but its subsequent effect on labor market participation is only assumed without sufficient evidence. CCTs have since its inauguration in Latin America in late 1990s gained worldwide diffusion. In the case of Ghana, that is the Livelihood Empowerment Against Poverty (LEAP) program. This study aims to inquire into structural barriers and constraints in the educational system and prevailing labor market structures, as identified through a case-driven case study with 20 interviewed benefitting Orphans and Vulnerable Children (OVCs) and supported with macro-statistics and existing research, that influence the success of LEAP in breaking chronic poverty in Ghana. The concept of chronic poverty and informal economy underpins the analysis that finds that (1) LEAP can only have limited effect on educational attainment as income and geographical disparities within the educational system disadvantage rural poor in terms of the level and quality of education they reach and receive, and (2) within the prevailing labor market structure in Ghana, education can only have significant impact on type of occupation, sector of employment and income for a few highly educated urban residents. This study maintains that without reforms in education and labor markets, LEAP will have little effect on breaking chronic poverty in Ghana.

Key words: Conditional Cash Transfer (CCT), Ghana, Livelihood Empowerment Against Poverty (LEAP), education, labor market, poverty
ACKNOWLEDGMENTS

There is an African proverb that goes ‘it takes a village to raise a child’. I believe this work can be summarized into this simple yet descriptive proverb. If this final result takes the form of a now grown-up child, then the following people I wish to acknowledge constitute the villagers, who without their guidance, support and involvement this work would not have been made possible.

First and foremost, I am indebted to all those who have been a part of my fieldwork in Ghana. This especially applies to all participants who have contributed with their time and knowledge. I admire you immensely. This is your work as much as it is mine, and I can only hope I have done you justice by giving breath to your voices. Thanks is also due for all potential participants who sacrificed their time in a hope for a better tomorrow, but who we unfortunately did not have the opportunity to interview. Akpe. Special thanks is due for all those government workers who facilitated my work, including Mawutor Ablo, William Niyuni, Khing Tackie, Faustina Borkoe, Gabriel Acolatsey, and involved LEAP community coordinators. Thanks is also due for my research assistant Herman Agboh, and Dieu-Donne Gameli and Selikem Gotah for translating interview transcripts in time of despair. My sincere gratitude goes out to Maud Martei at IMANI Center for Policy and Education, for taking your time to provide insightful and valuable comments that enriched my work.

I am sincerely grateful to my supervisor Johan Sandberg who introduced me to LEAP and the field within development I have found my passion. For the guidance, support and feedback that goes well beyond your responsibilities you have been a true mentor.

I am incredibly grateful to two of the smartest people I know and have the privilege to call my best friends, for your continuous support and your indispensable help in finalizing this work: to William Nyarko, you are the best, and to Claire O’Manique, for I now understand the meaning of the song “God only knows” by the Beach Boys. I owe gratitude to Matthew Claeyys, because you have done much more for me than just helped me in finalizing this work.

I am incredibly grateful for all the love, support and encouragement I have received from my best friends Anna Berggren, Mona Abbaspour and Matilda Loodin. Lastly, to all those, family, friends and others, who have been an important part of my path these last two years. Thank you for enriching my life with wisdom and happiness.
This work can be taken back to my first encounter with Ghana in 2014. I have since come to learn so much about and from this special place. Y3b3hyia bio.
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<tr>
<td>$</td>
<td>United States Dollar</td>
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<tr>
<td>ALMP</td>
<td>Active Labor Market Policy</td>
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<td>CCT</td>
<td>Conditional Cash Transfer</td>
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<tr>
<td>DFID</td>
<td>Department for International Development (UK)</td>
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<td>DSW</td>
<td>Department of Social Welfare</td>
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<tr>
<td>EFA</td>
<td>Education for All</td>
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<tr>
<td>GH¢</td>
<td>Ghana cedi (third cedi)</td>
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<tr>
<td>GLSS</td>
<td>Ghana Living Standard Survey</td>
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<td>GoG</td>
<td>Government of Ghana</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>JHS</td>
<td>Junior High School</td>
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<tr>
<td>LEAP</td>
<td>Livelihood Empowerment Against Poverty</td>
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<tr>
<td>NHIS</td>
<td>National Health Insurance Scheme (NHIS)</td>
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<td>NSPS</td>
<td>National Social Protection Strategy</td>
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<tr>
<td>OVC</td>
<td>Orphans and Vulnerable Child</td>
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<tr>
<td>SHS</td>
<td>Senior High School</td>
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<td>SS</td>
<td>Secondary School</td>
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1.0 INTRODUCTION

Hailed as the new social policy for developing countries, Conditional Cash Transfer (CCT) programs aim to alleviate short term poverty and reduce intergenerational poverty at a low cost by supplying targeted poor households with cash transfers contingent upon certain program parameters. The rationale of CCTs is as follows: a CCT intervention will break chronic poverty by strengthening human capital through the increase in school enrolment and attendance the cash grant incentivize, and ideally increase future earnings (see figure 1) (Barrientos and DeJong, 2006).

Figure 1. Assumed Causality Chain of CCTs

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Initial Effect</th>
<th>Assumed Effect</th>
<th>Expected Outcome</th>
</tr>
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<tbody>
<tr>
<td>CCT Transfer</td>
<td>School Enrollment and Attendance</td>
<td>Human Capital Accumulation</td>
<td>Break Chronic Poverty</td>
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The foundational premise of the CCT model presupposes that expanded educational opportunities open the way into, and ensure mobility within labor markets. However, by doing this, CCTs ignore the diverse intricacies of the labor market’s structure and its peculiar characteristics (Sandberg, 2014). It is believed that investments in human capital accumulation will not alone break the transmissions of intergenerational poverty. This study departs from here in the belief that for poverty to be reduced through a cash transfer program which enrolment is contingent upon school attendance, investments into human capital accumulation must also serve as a means for the beneficiary to gain employment that consists of sufficient income and benefits. Santiago Levy, the main designer of the pioneering CCT program PROGRESA/Oportunidades in Mexico, asserts, among others, that without a well-functioning link between CCTs and formal labor markets, these programs will have little impact on intergenerational poverty and exclusion (Levy, 2008). First introduced in Latin America in late
1990s, CCTs have gained worldwide diffusion. This study does not intend to examine the diffusion of CCTs across regions, but rather to inquire into existing structural barriers in the Ghanaian economy that influence the success of the country’s CCT program Livelihood Empowerment Against Poverty (LEAP). Despite recent economic growth as measured in GDP per capita, Ghana is yet to combat its prevailing extreme poverty (measured in 2012/2013 at 24.5% and 8.9% respectively) (GSS, 2014a).

In its analysis of structural barriers that influence the success of LEAP’s impact on chronic poverty in Ghana, this paper will first have to provide a review of existing research, background on LEAP, and then present the purpose and aims of this study. A more detailed account of Keta Municipality in Volta region, where the case study was conducted, can be obtained in chapter two along with a delineation that includes methods of sampling, data collection and data analysis. The third chapter is devoted to the concepts of chronic poverty and informal economy that underpin the final analysis. The fourth chapter presents the results and analysis of findings and provides a discussion of the two research questions found in section 1.4. The fifth and final chapter will summarize the study through to conclusion.

This study claims that formal employment is instrumental for any poverty reduction policy aimed to break chronic poverty through increased human capital accumulation because formal labor markets are expected to provide workers with benefits usually not obtained within the informal sector. This paper does not, however, neglect that informal employment can be equally beneficial to a person, nor does it ignore that the informal sector functions as a means of survival for those who otherwise would be deprived of economic subsistence.

1.1 An Overview of LEAP
An abundance of social welfare policies have been passed by the Government of Ghana (GoG) after its inauguration in 1992 in an attempt to reduce poverty and exclusion in Ghana. One of the latest interventions is the LEAP program. LEAP was enacted as a means to complement existing social protection policies under Ghana’s National Social Protection Strategy (NSPS) (GoG, 2007).

Aimed at breaking chronic poverty, LEAP intends to provide extreme poor households with cash transfers every second month contingent upon, among other conditions, birth registration of new borns; school attendance for children up to 18 years of age; and
registration of everyone under the National Health Insurance Scheme (NHIS). The amount of the cash grant is reserved to the number of eligible household members: ranging from GH¢48 ($13) for one beneficiary to GH¢90 ($25) for four or more¹. This amount is supposed to cover nutritional needs, costs relating to school and health expenses, and investments in livelihood activities. Households are eligible to enroll on LEAP if at least one member classifies as a person with severe disability; an aged above 65 years without any productive capacity; or as an orphan or vulnerable child (OVC). The GoG denominate in turn the term OVC as someone under the age of 18 who is a single or parentless orphan; a disabled child; a chronically ill child (child with prolonged chronic disease); a child in a family with a head who is a child (under 18 years old); a child in a family with a head who is chronically ill; or a child in a family with a parent’s whose whereabouts are unknown (DSW, n.d). While there is no exist rule for the first two LEAP beneficiary categories, OVCs graduate from the program when no longer classified as an extreme poor OVC or, at the latest, when reaching the age roof of 18 (GoG, 2007).

Introduced as a pilot program in March 2008, LEAP is as of April 2016 covering some 146,000 people in 185 districts throughout all ten regions (GoG, 2016): an increase of as many as 56,000 beneficiaries and 15 districts since the end of 2014 (GoG, 2014). 50 percent of the program is financed by the GoG and the remaining half by donations from the World Bank and United Kingdom’s Department for International Development (DFID). Aside from financial assistance, LEAP is entirely coordinated and managed by the Ministry of Social Protection and executed by regional and district Departments of Social Welfare (DSWs). A villager chosen as LEAP community coordinator serves as a link between that district’s DSW and the beneficiaries in that community. Communities with only a few LEAP beneficiaries have no coordinator.

1.2 Review of Existing Research
This section compartmentalizes the study in two broad sections: ‘Educational Attainment’ and ‘Labor Market Participation’. The objective is to call attention to how these two categories have fared in the CCT’s ultimate aim of breaking chronic poverty through employment maximization after schooling. The secondary aim is to provide a brief account of the overall main findings on

¹ While the amount of the cash grant is set in Ghana cedis and not United State Dollars, the amount given in Ghana cedis above has not only rose from when the field study was conducted in the beginning of 2015 to GH¢64-GH¢106 in April 2016, the amount given in United State Dollars above is also calculated with the currency exchange rate at that point.
impacts of CCTs on schooling and employment in Latin America and Africa more generally. Additionally, the section narrows its focus on Mexico as a Latin American case study and Ghana as an African case study.

It should be acknowledged that the findings of other studies are positively commensurate with the findings of this study as are presented in Chapter 4.

1.2.1 Impacts of CCT programs in Latin America
CCT as a policy program has grown substantially across Latin America and the Caribbean from the first CCT program in Brazil in 1997 (de Lettenhove, 2012). There are currently 18 programs across Latin America\(^2\), that vary in scale, target groups, and objectives based on localized needs. (Cecchini and Madariaga, 2011). All seeking to target poor children with various social services including education, health, and nutrition (Bouillon and Tejenna, 2006), these programs take different forms with varying contingencies, as well as transfers (Cecchini and Madariaga, 2011).

*Educational Attainment*

Evaluations on CCTs have pointed to short term direct benefits of these programs from increased school attendance, and higher vaccination rates (Bouillon and Tejenna, 2006; de Lettenhove, 2012; Fiszbein & Schady, 2009; Cecchini and Madariaga, 2011).

In Colombia, de Lettenhove (2012) finds that the education and transportation grants provided by Familias en Acción, has seen a 13% increase in school enrolment for students between the age of 14-17 in urban areas, and a 5.5% increase in rural areas.

In their comprehensive account of impact assessment in CCTs in Latin America, Cecchini and Madariaga (2011) find CCTs to have significant effect on school attendance and positive impact on school enrollment. For instance, Oportunidades in Mexico has decreased school dropout rates for some and significantly diminished gender gaps in secondary school enrollment.

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\(^2\) These are: Plan Familias (Argentina), Bolsa Familia (Brazil), Chile Solidario (Chile), Familias en Acción (Colombia), Supereremos (Costa Rica), Solidaridad (the Dominican Republic), Bono de Desarrollo Humano (Ecuador), PRAF (Honduras), PATH (Jamaica), PROGRESA/Oportunidades (Mexico), Red de Protección Social (Nicaragua), Juntos (Peru), Red Solidaria (El Salvador) and PANES (Uruguay).
Of the seven Latin American CCT programs (in Jamaica, Mexico, Honduras, Nicaragua Colombia, Ecuador and Chile) Fiszbein and Schady (2009) have reviewed, they find that all programs have a positive influence on educational attainment in terms of school enrollment and school attendance. They report on a reduction of school desertion between primary and secondary educational levels for rural children on PROGRESA/Oportunidades in Mexico, and exposure to PATH in Jamaica has resulted in a 0.5 days per month increase of school attendance for those between 14 and 17 years of age.

Parker, Rubalcava and Teruel (2012), quoted in Molina-Millan (2016), also find that PROGRESA/Oportunidades has positive impact on the probability to attend college (30-40% for those exposed to the program for 7 years). Similar results have been found by Behrman, Parker and Todd (2005): PROGRESA/ Oportunidades has significant effect on level of schooling among beneficiaries and the effect increases with increased exposure to the program.

Labor Market Outcomes
While evaluation on CCTs have pointed to short term direct benefits by positively spiking school enrollment and attendance indices among children, the overall impact on human capital accumulation in terms of expanding employment opportunities seems to have been remotely affected (Bouillon and Tejenna, 2006; de Lettenhove, 2012; Fiszbein & Schady, 2009). de Lettenhove (2012) notes in the case of Latin America that when looking at the impacts of CCT programs at addressing long term systemic poverty “Scholars have not been able to assess convincingly any positive impacts on CCTs” (de Lettenhove, 2012). As de Lettenhove (2012) points out from analyzing and evaluating four programs: Bolsa Familia (Brazil), Oportunidades (Mexico), Red de Protección Social (Nicaragua), and Familias en Acción (Colombia), the increase in school attendance brought about by these programs have not substantially translated into higher educational attainment, nor a higher income. de Lettenhove (2012) highlights that there exist important constraints that fail to be addressed, a major constraint being the quality of services offered to the poor, which remain low. Evaluations of learning outcomes of Bolsa Familia found that while there was a positive impact on attendance for those enrolled in the program, there were not substantial positive impacts on learning outcomes when compared to a control group (de Lettenhove, 2012).
As noted, there has been minimal evaluation into the long term impacts of CCT programs in Latin America. While all programs seek to reduce chronic poverty in the long term by enhancing the human capital of their beneficiaries to improve their opportunities in the labor market, there has been very little evaluation as to whether this has actually occurred, and whether or not this increase in school attendance has translated to meaningful employment. In terms of addressing the labor market outcomes of these schemes, literature is quite limited, with evaluations focusing on Mexico’s PROGRESA/Oportunidades (for other individual cases see Cecchini and Madariaga 2011; Soares and Leichsenring, 2010).

Behrman, Parker and Todd (2005) find that gender as well as the time of exposure to PROGRESA/Oportunidades has implications on the effect that the program has on labor market participation of beneficiaries. It is only older girls who have been exposed longer to the program who have experienced positive effects on the probability of working. This increase is, however, not associated with any impact the program could have on school attendance as older girls experienced little or no increase in grade alterations. In terms of labor market participation shifting from agricultural work to non-agricultural, the only cohorts which show potential relocations is that of beneficiaries, girls and boys, who have been enrolled on PROGRESA/Oportunidades for 5.5 years. Younger cohorts are likely to remain engaged in the agricultural sector despite enrolment on PROGRESA/Oportunidades and potential positive effects of the program on schooling.

Supporting above finding, Rodríguez-Oreggia and Freije (2012) identify no significant change in the probability of being employed following enrolment on PROGRESA/Oportunidades. They remark that the “results indicate that the program affects the probability of being employed only to the extent that increases the probability of being with more education” (ibid: 12). The program has also had limited effect on earning: wages are only positively impacted by PROGRESA/Oportunidades for males with 6 years or more enrolment to the program who have attained primary and secondary education.

Research by Parker, Rubalcava and Teruel (2012), quoted in Molina-Millan (2016), find that the rate of labor market participation of beneficiaries has increased. PROGRESA/Oportunidades’ is, however, assumed to have little or no effect on earnings or hours worked. In short, PROGRESA/Oportunidades’ positive impacts on schooling for its youth beneficiaries have not translated into any overall significant labor market outcomes. Two
arguments are given to this absence of transformation from positive outcomes in schooling to labor market outcomes: (1) the accumulation of human capital through education has postponed labor market entrance and (2) return to education has not been high enough to bring to pass any significant changes in earnings.

1.2.2 CCTs in Africa and Ghana
The adoption of CCT schemes has moved onto the African continent in effort to address the Millennium Development Goals (Lund et al., 2009). Lund et al. (2009), note that CCTs have been successful in increasing school attendance in Botswana, Lesotho, Swaziland and Zambia. There are, however, substantial gaps in analysis and evaluation of these schemes, with the majority of the academic literature evaluating the effectiveness of CCTs is concentrated on the Latin American experience. Schubert and Slater (2006) and Barrientos (2009) bring to light several contextual differences between Latin America and Africa which have implications for the introduction of cash transfers in Africa. One contrast of importance to this study is that successful cash transfers in African countries are limited by inadequate educational institutions, such as the number of schools and quality of education, compared to those in Latin America.

While CCTs in Latin America and particularly in Mexico, through PROGRESA/Oportunidades, are characterized by strong monitoring and evaluation systems, the same cannot be said about Ghana’s LEAP program: Official documents and annual reports are rare or altogether absent. Impact assessments of LEAP are particularly meager considering the extent and duration of the program. All impact evaluations examining LEAP have essentially done so through a short-term spectrum. Handa e. al. (2012) found that most LEAP beneficiary households spend a considerable share of the transfers on education, although they are primarily used on food and health. While LEAP has had significant positive impacts on actual secondary school enrolment and grade progression, the impacts have been rather limited to males. The program has at most increased attendance among females who are already enrolled in secondary school (Handa et al., 2014).

From the above review in both the Latin American and African cases, the exclusive conclusion could be drawn: CCTs generally increase rates of school enrollment and school attendance but there exists insufficient evidence to support the claim that CCTs positively impart labor market
penetration by its beneficiaries. Even if they do, there exists no long term research to support such a claim. While most cohorts are yet to graduate from the LEAP program and long term effects could therefore not be established, it is important to analyze key factors necessary in such trajectories. Figure 2 illustrates the two black boxes of knowledge (that of the educational system and that of labor market structures) in the LEAP trajectory.

Figure 2. Black Boxes of Knowledge in the LEAP Trajectory

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<th>Expected Outcome</th>
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<td>Break Chronic Poverty</td>
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1.3 Purpose and Aims

In light of the above, this study aims to further explore the plausibility of poverty reduction as assumed by LEAP and other CCT programs. By inquiring into the latter’s impact on educational attainment and labor market outcomes for OVC beneficiaries this research aims to unearth specific problematic factors. To this end, an examination of barriers during and after school as identified by interviewed OVC beneficiaries will shed light on potential factors. The study was carried out as a case-driven case study (George and Bennett, 2005) in Keta Municipal District in Volta region. While barriers found could be generalized for Ghana as a whole, the views of this study’s sample as presented here are specific to only those people interviewed.
1.4 Research Questions
In consideration of the established purpose and aims, this study intends to answer the following two questions:

- What are some of the educational and labor market barriers enrolled Orphans and Vulnerable Children (OVCs) on LEAP face in Ghana?

- In what ways does enrollment of rural Orphans and Vulnerable Children (OVCs) on LEAP impact their educational attainment and access to the formal labor market?

2.0 METHODOLOGY

This study’s point of departure is the understanding that for any poverty reduction strategy in Ghana to break chronic poverty on the premise of increased educational attainment, education has to be linked to the labor market. The researcher interviewed a sample in LEAP with the objective to let the interviewed OVC beneficiaries enlighten the researcher on what barriers and constraints they foresee in their trajectories.

2.1 Area of Study: Keta Municipal District in the Volta Region

Because of the limited nature of this field study compared to the breadth of the LEAP program, the region where the study would be concentrated had to be selected at a first instance and subsequently a district in the chosen region. Keta Municipality in the Volta region was ultimately designated as the area under study. What follows is a short introduction of figures relating to poverty, education and employment in the Volta region and Keta Municipal District respectively.

2.1.1 Volta Region

The Volta region is located in the south-east of Ghana, between Lake Volta and the neighboring country Togo. In the latest round of the Ghana Living Standard Survey (GLSS 6) in 2010, Volta region was inhabited by some 2,118,000 people divided in 25 districts. One in every ninth person is living in extreme poverty, a considerable high figure in itself and a figure slightly higher than the national average (8.4%). Volta region was also among the few regions that have been

In Volta, skilled agriculture, forestry and fishing occupy half (50.1 %) of the region’s working population; craft and related trades, another 17.6 percent. 90.6 percent of all workers come under labor in the informal sector and only 6.1 percent are employed in the public sector (GSS, 2013). Of the former, a majority has at most attained basic education (made up of 81.8% who have never attended school and 7% who have had only basic education). A majority of workers in the public sector hold tertiary diplomas (post-middle/secondary and above)(ibid).

The conditions of prevailing poverty and welfare challenges in Volta region and the region’s labor market structure which is similar to the national structure made this region a favorable choice for the purpose of this study. This study was also facilitated by the fact that a majority of the population is Ewe, unlike other poorer regions which comprises of multiple ethnic groups and several languages consequently.

2.1.2 Keta Municipal District
The district of Keta Municipality was in turn conveniently selected as the specific area of study because of the general lack of information concerning LEAP in other districts in Volta region. The population in Keta Municipality is also mainly Ewe (98.7%) (GSS, 2014b), unlike northern districts in the region, alleviating any potential language barriers.

The total number of inhabitants in Keta Municipality was in 2010 some 148,000 people (GSS, 2014b), there exist however no figure illustrating the number or percentage of people living below the poverty line. According to a compiled list by the district’s DSW of all beneficiaries enrolled since LEAP’s inception in 2008 until the latest enrollment taking place two years before conducting this study, a total number of 2540 people in 54 communities were in 2014 benefitting from the cash grant. OVCs comprise a third of all LEAP beneficiaries in Keta Municipality. A number of LEAP communities (see section 1.2 for description of a LEAP community) are highly densified in the northern plains of the district on account of the incidence of poverty being more prominent in this area (see appendix 1).

Among people who are attending school, only every ninth person is attending secondary school (SS) or Senior High School (SHS), and less than one percent (0.9%) is
attending vocational, technical or commercial schools. Basic school care for a majority of students (88.7%), and as little as 0.8 percent of all students are enrolled in tertiary institutions (GSS, 2014b). The composition of student conforms to the number of schools at every level. There are 103 primary schools (13 private and 90 public) and 77 Junior High School (JHS) (4 private and 73 public). Only 12 schools (2 private and 10 public) are SHS or technical and merely 4 schools (3 private and 1 public) are technical/vocational (ibid). There is no university in the district.

Similar to many other municipal districts in Ghana, the Keta Municipal District’s labor market activities are dominated by skilled agriculture, forestry and fishing, yet the local figure is about 10 percentage points lower than the national average (35.4% and 44.3% respectively)(GSS, 2014b; GSS, 2014c). Moreover, a majority of this share is involved in fishing, most likely because Keta’s geography is 30 percent water. One in every four (25.4%) worker is in crafts and related trades, followed by 21.85 percent in the service and sales industry. Technicians and clerical professionals make up only about one percent of all the economically active respectively (1% and 1.2%). This remarkably shift from the agriculture to other sectors is also evident in terms of residential composition: a substantial share of the population in Keta Municipality is located in urban localities (population <5000), with an urbanized population of 53.5 percent and remaining 46.7 percent living in rural areas. The high urbanization has not done much to impact figures of sector of employment that correspond to the rest of Ghana in general and Volta region especially: nine out of ten (91%) workers are active in the informal sector and a 8.5 percent are formally employed (with 5.6% in the public sector and 2.9% in the private formal sector)(GSS, 2014b).

2.2 Sampling Procedure

2.2.1 Target Population

The population of interest involved in this study OVCs enrolled in LEAP who, upon the time of the interview, had completed JHS, irrespective of current occupation.
2.2.2 Study Population
OVC participants were drawn from six villages in Keta Municipality. Because of the high incidence of poverty in the north/north-west area of the district (see appendix 1), a majority of interviewed OVCs came from there.

2.2.3 Sample Size
This study comprises of a total number of 20 OVC participants. The OVCs include 13 respondents with JHS as the highest level of education, while of the remaining seven respondents, four were at the time of the interview completing their SHS education, two who had dropped out of SHS and one was through a post-secondary vocational program.

2.2.4 Sample Scheme
OVCs were selected according to purposive sampling and convenient sampling (Patton, 1990). First, the researcher had to purposively select communities where participants were to be found from a list last updated in 2013 with LEAP beneficiaries compiled by the DSW in Keta Municipality. By choosing communities rather than discerning potential participants directly, it increased the probability to locate OVCs complying with the set criteria. Secondly, communities had to be conveniently sampled as some communities either were short of a LEAP community coordinator indispensable to allocate potential respondents or did not accommodate targeted OVCs altogether. In communities presenting an unexpected high number of OVCs who complied with the criteria of this study, time constraints allowed the researcher to interview only a few. In such communities, participants were purposively selected from the previous convenient sample.

2.3 Ethical Considerations
When enquiring into socio-economic exclusion of extreme poor in rural Ghana, it is indubitably important to sensitize the work throughout. The researcher sought to act and speak cautiously, asking questions and following up with the kind of language which would be deemed appropriate in the given context. To counteract power-relations, the researcher used a research assistant, and

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3 To attain a more comprehensive understanding of how LEAP impact the lives of OVC beneficiaries, three guardians to enrolled OVCs and four officials LEAP officials, involved on a national, regional and district level, were also interviewed but not included in the study.
both the researcher and the research assistant made clothing choices in a fashion that was in
tandem with local ethical decorum. To shield the OVC’s privacy from exposure, all participants
were assured strict confidentiality and right to anonymity for all time. For that reason, the
number of the interview is by choice the denomination substituting names of quoted OVCs.

Participants were also informed about the purpose of the field study as well as the
possibility to decline to answer or retract from the study altogether at any given time. Informed
consent forms (see appendix 2 for consent form provided to interviewed OVCs) were signed by
and obtained from all participants. While the form was written and provided in English, an oral
explanation of the same was given in the language spoken by the participant.

2.4 Method of Data Collection: Semi-structured Interviews

By virtue of the limited data published on LEAP in general and the altogether absent studies
confirming or disconfirming an existing link between education and labor markets in particular,
the researcher had to accumulate rich data within the given time constraint of February to March
2015. Semi-structured interviews were, for that reason, deemed to be the most beneficial means
to collect qualitative data (Bryman, 2012). This method of data collection encourages the
respondent to fully develop her or his replies to interview questions adjusted to the specific
situation as posed by the researcher (ibid). The interview guides (see appendix 3 for the
interview guide for OVC beneficiaries) acted as frame of references rather than set scheme of
questions. Derived in conformity with existing research and theoretical concepts as applied in
this study, the interview guides were frequently reviewed to find expedient questions.

A majority of the interviews were conducted in the local language Ewe, to which
language assistance was required. Importance was given to context sensitivity: a Ghanaian Ewe
male, born and raised in the Volta region, pursuing a master’s degree in social work at the
University of Ghana, was hired to function as a research assistant. The research assistant
facilitated in turn time as a translator for the researcher to take notes, observe and discern
fragments of data from bigger segments of information.

All interviews were audio recorded and lasted between 30 minutes to 55 minutes each.

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4 With the exception of two interviews with officials because the interviews had to be conducting over phone.
2.5 Limitations of Data Collection

It is essential to any research, and especially so to qualitative research, to acknowledge limitations faced in gathering and presenting authentic data.

The context where some of the interviews with OVCs were conducted was not entirely conducive; limited access to isolated locations forced some interviews to be conducted in the vicinity of public spaces. Limited access to private interview space created at times disruptions of the interview process by curious children, worried LEAP community coordinators and awaiting OVC participants. Responses by interviewed OVCs were particularly influenced in the presence of a person possessing authority with LEAP. The researcher faced such constraints to collect accurate data by creating privacy to the extent possible, e.g. assuring external coordinators that the study will not impinge on their particular position, creating a feeling of trust.

Conducting interviews with OVC beneficiaries in Ewe was necessary given the fact that a majority of participants’ proficiency in English was limited. With the researcher’s equally scarce knowledge of Ewe, the researcher was highly dependent on translation provided by the research assistant during a majority of the interviews. Working with a translator created limitations where deficient or mistranslations occur throughout the interview process. Another challenge is the inability of the researcher to recognize the research assistant’s use of words and potential tone and probing. That is not to disregard the confidence created for the research assistant by interviewed OVCs to where many fruitful discussions engendered the depth of this study. It encompasses the research assistant’s ability to acclimatize words and sentences used by the researcher.

A limitation existed in communicating clearly what the role of research assistant/translator entailed to the hired assistant. Due to cross-cultural differences that the researcher was unaware of at the beginning, there were delays and limited access to receiving the translations within the researcher’s timeline. This created setbacks in the analysis process, and calls into question some of the credibility of the translations.

The researcher did not aim for perfect objectivity but rather heighten awareness of her own subjectivity to eliminate denunciations that could impact the study. While time constraints did not allow personal biases to be materialized through frequent transcribing and analysis, biases and other unconscious actions could be discovered and thwarted by working closely with
a research assistant. Sultan (2007) also emphasizes the importance to continuously “reflect[...] on self, process, and representation” (p.376). Importance was given to recognize the researcher’s role as an outsider in these communities and the skewed power relations it generates. It was important to communicate the researcher’s role as observer of LEAP and not there to bring active change to it. Any impact the researcher’s appearance might have had on collecting data cannot, however, be disregarded as it is the first instance of any follow-up of the program in the district. Potential fear of losing the cash grant can have, on one hand, hindered interviewed OVCs to criticize the program fully while the opportunity to positively impact the same can have, on the other hand, generated magnified responses.

2.6 Method of Data Processing and Analysis: Thematic Analysis Approach
Collected data was analyzed by applying a thematic analysis approach. Even though thematic analysis is commonly criticized for not being a method of analysis per se (Bryman, 2012), the approach does offer explicit as well as implicit patterns to be identified. The researcher utilized the software program NVivo to facilitate the following steps in the data process. In the first cycle of coding, the data was mainly categorized and organized according to descriptive coding, at times also referred to as topic coding, and to some extent attribute coding. The former coding method allots a segment of text, a word or short phrase that describes the content of that passage of data (Saldaña, 2009). The latter method serves simply to distinguish basic descriptive information about the interviewee and the context in where the interview was conducted (ibid). In the second cycle of coding, the descriptive codes that were identified as sharing similarities were grouped into pattern codes, in accordance with the pattern coding method, which serves to discover major themes within the data to be analyzed while other first cycle codes could be dropped entirely. Opted themes can then be organized to derive higher-end concepts (ibid).

While interviewed beneficiaries identified barriers and constraints to the implicit assumption that CCTs will break chronic poverty, such data was later scrutinized with macro statistics of Ghana and existing studies to analyze how widespread of a problem the identified barriers are. A triangulation approach similar to that of Sandberg’s (2014) in the case of Uruguay and its CCT program AFAM, serves to position the actuality as experienced by interviewed beneficiaries against the backdrop of Ghana to provide a comprehensive understanding of the problem. Although this study cannot verify what will materialize in a long term perspective
because it is yet to happen, the researcher can look at the possibility to predict the probability that it will.

3.0 THEORETICAL GROUNDING

Several theoretical concepts are of relevance to this study. To scrutinize the nexus of education, labor market and chronic poverty, the analysis is based on the following two concepts of chronic poverty and informal economy.

3.1 The Concept of Chronic Poverty

Of prime importance to this study is a conceptual framework of chronic poverty. Chronic poverty dismantles the conventional understanding of poverty as measured merely in economic terms- poverty perceived as a lack of income- by insisting that it constitutes multiple dimensions of deprivation within socio-economic-political spheres. While high dependency ratios, lack of access to sources of income, and minimal assets generally describe poor households and individuals that suffer social disadvantage, it must be understood that certain factors are both causes and consequences of poverty. Therefore, malnutrition, illness, illiteracy and the inability to access basic goods and services should be seen in both dimensions as cause and consequence of chronic poverty (Green and Hulme, 2005).

Recognizing poverty as a political rather than an economic question was first formulated by Amartya Sen through the entitlement approach, which was later extended to include capabilities through the capability approach. The capability approach defines poverty as the deprivation of capabilities (being and doing) that enable people to function (ibid).

This study utilizes the expanded concept of chronic poverty as found in the works of Maia Green and David Hulme. Poverty is categorized into four different stages: the occasionally poor, the churning poor, the usually poor and the always poor (ibid). Chronic poverty describes primarily the latter two levels. One is identified as chronically poor if one has been poor for a minimum of five years and thus, is much more likely to remain poor for the rest of their life (Hulme and Shepard, 2003). Green and Hulme also identify poverty as deprivation in multiple dimensions, not fixed in time, space or between people (Green and Hulme, 2005). Poverty is caused and reproduced by prevailing social power relations, frequently entrenched in
economic structures and legal or political institutions (Green and Hulme, 2005; Hulme and Shepard, 2003; Sandberg, 2014). Socio-economic exclusion is altered through different societal structures (Green and Hulme, 2005).

Importantly, poverty is not merely the deprivation of capabilities, but also the change of assets and the process by which they are limited by social power structures. Assets can be both material, such as housing or land, as well as human, for example education or health (ibid). Poverty is more than a state of stagnated impoverishment; the change and limitation of assets leave the poor continuously vulnerable to fluctuations in their livelihood. The intergenerational transmission of both material and human assets perpetuates poverty to the next generation; this is largely what keeps poor people poor (ibid).

A nuanced understanding of the sources of chronic poverty remains crucial for the success of any poverty reduction strategy. Economic policies aimed to lift people out of poverty by remedying specific outcomes will, on the contrary, not cure its causes. Rather than such band-aid approaches, the conceptualization of chronic poverty must consider the constraints that limit opportunities for the poor to climb the social and economic ladder. It is paramount that analysis focus on the politically entrenched social relations, be it household, community, national, or international, that perpetuate chronic poverty. These measures provide the best means for guiding action (ibid).

3.2 Informal Economy

While previous attitudes surrounding the concept of the informal economy when associated with poverty tended towards negativity, contemporary definitions are less ambivalent in the sense that there is no longer a denunciation of the activities that it commonly encompasses (Portes, 2010). No universal definition is yet agreed upon, though contemporary scholars seem to share the recognition that economic activities of informal nature bypass state regulations altogether. However, the informal economy is significantly different from criminal activities (ibid). The following figure presents a more nuanced understanding of various economic activities and their interrelationships.
Figure 3. Types of Economic Activities and Their Interrelationships

I. Definitions:
+ = Licit
- = Illicit

<table>
<thead>
<tr>
<th>Process of Production and Distribution</th>
<th>Final Product</th>
<th>Economic Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>+</td>
<td>+</td>
<td>Formal</td>
</tr>
<tr>
<td>-</td>
<td>+</td>
<td>Informal</td>
</tr>
<tr>
<td>-</td>
<td>-</td>
<td>Criminal</td>
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</tbody>
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II. Relationships:

A. State interference, competition from large firms, sources of capital and technology
B. Cheaper consumer goods and industrial inputs, flexible reserves of labor
C. State interference and disruption, supplies of certain controlled goods
D. Corruption, “gatekeeper’s rents” for selected state officials.
E. Capital, demand for goods, new income-earning opportunities
F. Cheaper goods, flexible reserves of labor

In order to understand the characteristics of labor market structures in Ghana, and the impact of its limitations on its workers, this study will utilize Alejandro Portes’ (2010) delineation of *informal economies* in developing countries. Portes holds that it is the fluctuating relationship between the role of the state and that of civil society which determines the nature of the informal economy (ibid). The greater the scope and reach of state regulation on informal activities does not necessarily produce success in terms of stabilization (ibid). According to Portes, the informal economy conforms to ‘a functional typology’ which seeks to categorize informal economic activities according to their *purpose of action* (ibid). The relationship between the state and civil society can take three forms: an informal economy of *growth*, an informal economy of *dependent exploitation*, and an informal economy of *survival* (ibid). Portes notes that these three types are not mutually exclusive; they may coexist in urban settings and in the formulation of participant intentions. In an informal economy of *growth*, activities are “organized for capital accumulation by small firms through mobilization of their bonds of solidarity, greater flexibility, and lower costs” (ibid:134). Activities in an informal economy of *dependent exploitation* are “oriented toward increasing managerial flexibility and decreasing labor costs of formal sector firms through off-the-books hiring and subcontracting of informal entrepreneurs” (ibid:134). The informal economy of Ghana can largely be classified as one of *survival*; individuals participate in the direct subsistence production or simple sale of goods for basic survival (ibid:134).

**4.0 RESULTS AND ANALYSIS**

Against the backdrop of this analysis is the thematic understanding that for any chronic poverty reduction scheme, certain structural barriers need to be completely dismantled. The structural barriers come in a twofold manner: barriers within the educational system and those within the labor market structure. The findings of this study do not only seek to highlight the excesses that riddle the gap which saps the educational system-labor market link, but also aim to generally influence the direction of any discussion about LEAP and what it can achieve. This study and its findings will be able to do so because the study possesses a strong affinity with macro-statistical and existing research in Ghana and is in tandem with various other studies conducted on LEAP and other CCTs.
4.1 Educational System

“I didn’t have anyone to support me through [SHS]. We don’t have enough money ourselves to pay for it” (Beneficiary 1, 6 March 2015)

Few of the OVCs have been capable of furthering their education after completing JHS. All interviewed OVCs who had dropped out, either between JHS and SHS or during SHS, addressed that the cost of attending SHS was too high to be affordable despite receiving the cash transfers. The cash transfers of GH¢48 to GH¢90 is also more often than not shared among several members of the household when it is received. The interviewed beneficiaries highlighted a perceived flaw in the program that there is no increase in the amount of the cash transfers once the OVC reaches SHS, where tuition is required, where it was not for JHS. While some could not even afford to apply, others have been able to pay for the cost of application but lacked the financial means to actually enroll: “I had the chance to continue my education in one of the schools and so I bought a form but because of our financial problems, my aunty told me to help her in the farm so that when she gets some money then I’ll go to school” (Beneficiary 19, 11 March 2015). OVCs who are able to both apply and enroll are also more commonly unable to complete SHS. Financial means, via income or social support, was once again emphasized to be the main and only obstacle. All interviewed OVCs claimed that there had been no other arrangement made with the DSW relating to LEAP to support him or her through education or with skills training.

Another problem identified during the interviews with OVC beneficiaries is the low quality of education the OVCs receive when attending school. Interviewed OVCs made an allusion to absenteeism or shortage of teachers when speaking about school. 18 of the 20 interviews with OVC beneficiaries had to be conducted exclusively in Ewe because the respondents are not sufficiently proficient in English, the primary language of instruction from fourth grade and official language of Ghana. Interviewed OVCs also argue that vocational skills trainings is rarely, if ever, a component of the curriculums neither in JHS nor in SHS.

4.1.1. Income and Geographical Disparities in Educational Attainment in Ghana

While the cost of attending SHS varies, one can expect to pay an average cost of no less than $330 for fees and materials during the three years of attendance necessary to graduate (Duflo,
Dupas and Kremer, ongoing. Other costs, such as accommodation or daily commute to school for enrolled rural, have to be covered in addition to the enrollment fees. This is problematic as the cost of actually attending SHS becomes exceptionally high for someone living in poverty, and out of reach for those identified as extreme poor. It suggests that SHS attendance among rural (extreme) poor is both monetary and physically inaccessible without external financial support. Low figures of JHS graduates transitioning to SHS confirms this barrier faced by many rural poor: only 47 percent of rural JHS graduates enroll in SHS and among the poor and poorest segments of the population in Ghana, the rate is as low as 44 percent and 43 percent respectively (UNESCO, 2016a). Drop-out rates are not limited to rural poor students, but are significantly higher compared to their non-poor and urban peers. The transition rate for the poor and the poorest is almost half the rate of the richest (79%), and 70 percent of urban SHS graduates continues into SHS (ibid). On average, only six of ten JHS graduates enroll in SHS in Ghana. The actual rate of completion of SHS differs from that of enrolment. Here too, the poorest segments are at remarkably disadvantaged from the richest, with a 12 percent completing compared to 69 percent of the latter (UNESCO, 2016b). The significantly high drop-out rates throughout the educational ladder is evident as GLSS record that only 14.7 percent of youths in Ghana complete SHS or higher level of education (GSS, 2014d), with tertiary level of education being highly disadvantage towards the poorest 10 percent of the population as 45 percent of this segment has no access to tertiary institutions (Palmer, 2007). Essentially, geography and income are crucial determinants of one's level of education in Ghana. Rural students attain on average about 3 years less of schooling (6.98 years) than their urban counterparts (9.92 years)(UNESCO, 2016c). The richest segments of the population have on average more mean years of education than any other income group in the age cohort 20-24 years; the richest attend school on average 11.82 years compared to 7.07 years for the poor and 4.44 years of schooling among the poorest segment (ibid).

Ongoing research by Duflo, Dupas and Kremer in Ghana has to date found that when removing the barrier of cost by offering scholarships to children in SHS-going age who otherwise would not afford to enroll, it has significant effect on enrolment as well as completion: “Seventy-five percent of scholarship winners enrolled in secondary school immediately upon

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5 Based on the cost of $450 dollar for mandatory previous four (currently three) years of SHS.
6 Universally classified as one who lives below $1.90 a day.
7 Universally classified as one who lives below $1.25 a day.
receiving the scholarship, almost four times the enrolment rate in the comparison group. By 2015, 71 percent of the scholarship winners had completed senior high school compared to 42 percent of the non-winners” (Duflo, Dupas and Kremer, ongoing: 3).

One very important consideration is the quality of education LEAP beneficiaries are gaining if they are able to regularly attend school. In Ghana, the quality of education is also highly unequal based on geography and income. Research conducted by Senadza (2012) has observed that education inequality is quite prevalent, with urban dwellers and the non-poor not only receiving more education, but of higher quality than their rural and poor counterparts. Research into inequality in Ghanaian education has found that education inequality in Ghana is a pervasive problem with rural schools receiving inequitable government expenditure, face larger student-pupil-class sizes, and lack resources- such as books, electricity, computers, internet, that students in urban centers have access to (Higgins, 2009; Ansong et al., 2015; Dupas and Johnston, 2015). Research has also found that public schools, particularly those in rural districts have fewer trained teachers than schools in urban areas, and to private schools (Ampiah, 2011). Even if students are able to attend school on a daily basis, there are spatial inequalities in the Ghanaian education system meaning that LEAP beneficiaries do not receive the same quality of education as their counterparts in urban areas, or the non-poor, and as such are still at a disadvantage. Research into supply of teachers have identified that there is a general shortage of teachers in Ghanaian schools alongside absenteeism of those teachers that do exist (Abukari, 2007; Dupas and Johnston, 2015). The Forum for Education Reform (FFER) in Ghana, under the auspices of IMANI Ghana, writes in their ‘State of Education in Ghana’ report that “at the 22nd World Economic Forum (WEF 2012) on Africa, the [Ghanaian] Education minister stated that Ghana’s teacher absenteeism stood at 45%” (FFER, 2013). It has been recognized that it is pedagogy rather than management that gives education in Ghana its generally low quality (Dupas and Johnston, 2015), the current pedagogy is one that does not support but rather inhibit individual problem solving (Abukari, 2007). Lack of any particular skill among SHS graduates, not to mention those with only basic education, is of concern (ibid). The quality of education received is considered to be of even more importance when JHS and SHS are the springboards for many Ghanaians, especially those already poor.
4.1.2 LEAP and Educational Segmentation

LEAP could have an important effect on increasing educational attendance among its OVC beneficiaries by supplying them with sufficient cash transfers to take them through the educational cycle. Despite the cash transfers being contingent on school attendance, there is, however a shortcoming in the program, as there is no increment in the amount once the OVC reaches this level. Cash transfers earlier spent to care for nutritional needs and school materials will have to cover high SHS fees as well. Ability to save from the cash transfer or financial assistance by third party seems to be vital for the OVC to have any possibility to attend SHS. The expressed inability to save from the small, and commonly irregular, transfers appear to be consistent with the very design of CCTs: the amount is assumed to be big enough to cover instant and basic needs, but small enough to not foster dependency on the program as larger amounts are anticipated to do. When the cash transfers are the only means to cater for OVCs’ school needs, the inability to save from it diminishes the probability of the OVCs to attend school beyond JHS. The exit rule of OVCs on LEAP at the age of 18 requires that the OVCs are regularly attending school in order to graduate from SHS at the time of graduating from LEAP. When regularly attendance among OVC beneficiaries is wrongly assumed, the OVCs face losing the cash grant before graduating from SHS. The graduation aspect of OVCs traverses the very intention of breaking chronic poverty in Ghana. Without any ability to further their education, most OVCs stop schooling right after JHS and have consequently not gained the schooling necessary to position them competitively in the labor market.

An implicit assumption of this program is that through simple increase in school attendance, chronic poor will be able to gain the skills and human capital that will allow them to escape poverty. It fails to recognize geographical disparities prevailing in the educational system that could have implications on the quality of the education one attains. Low quality of education in rural schools in particular, fails to equip rural poor students with necessary skills. An increase of school-going children also put higher strains on rural schools that are already inadequately

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8 However, all but one of the interviewed OVCs were above 18 years yet all were still benefiting from the program at the time the interviews were conducted. Only reason given by officials at the district’s DSW for this deviation from the set exit rule was because the DSW did not have the resources required to monitor LEAP beneficiaries and evaluate the program’s progression.
equipped. Due to the narrow focus of LEAP- viewing poverty solely from an economic standpoint- it fails to address the multitude barriers OVCs face in the education system.

While LEAP could have an important impact on increasing mean years of education, any significant impact on actual strengthening human capital rest to a greater extent on educational reforms than the program itself.

4.2 Labor Market Structures

‘And now that I have completed the JHS too I can’t find any work to do. And we are unable to proceed with our education too. Just left with our parents’ (Beneficiary 13, 10 March 2015).

During interviews with beneficiaries, OVCs repeatedly stressed the importance of education as a means to come out of their, and their families, poverty situation. There is a widely shared belief among the OVCs that lack thereof is a significant, if not the solely, impediment to attain preferred employment. Formal, usually high-ranking, professions, such as lawyer, doctor and nurse, were referred to being most appealing due to the expected income these positions provide, which would allow OVCs to cater for him or herself as well as his or her significant others. While there is the belief that education is a requirement for a better life, few OVCs are able to directly connect how an increase in education will lead to secure employment.

Among the OVCs who were working at the time of the interview, farming, fishing and trading were the most common occupations regardless of the OVCs level of education (see appendix 4). The conditions under which working OVCs worked were illustrated as informal and precarious. None of the working OVCs enjoyed any benefits or rights, regardless of type and nature of occupation. Several of the interviewed OVCs also stated that deficient social security meant that the OVC, at best, had a relative who could be called upon in the need of aid. Most commonly however, the interviewed OVC had no one who could account for the OVCs needs other than the guardian they stayed with, or, as for some, the OVC was left to cater fully for him- or herself. Earnings were at the same time low and irregular, not sufficient to make ends meet in spite of the cash transfers. Non-domestic working OVCs spoke at length of earnings highly dependent on the yield of the land they cultivate or the catch from the water they fish in. Of those who worked on family land, many assisted a relative and as such, had no independent income.
The economic activity of the working OVC is a clear reflection of that of the (deceased) parent’s and/or guardian’s. Only two of the 20 OVCs have a parent or guardian with skilled job. Although the interviewed OVCs estimated that the guardians do earn slightly more than the OVC in question, with an approximated income ranging from GH¢80 to GH¢600, it was of no considerable difference to that of the OVC nor was it sufficient to cater for the household in which the OVC lives.

When the occupation of the beneficiary and that of the guardian’s consequently, was positioned in relation to village of residence, it was identified that there is few other employment opportunities prevailing. Farming and/or fishing were claimed to be the only occupations which villagers could engage in to support oneself. “But the village is saddled with a lot of problems and poverty. Even with our education, we don’t progress to any reasonable extent. We have to engage in menial work and farming to survive” (Beneficiary 13, 10 March 2015). Interviewed OVCs spoke of infrastructure, or lack thereof, that does neither support employment elsewhere.

4.2.1 Segmentation of Labor Market Participants in Ghana

Interviewed OVC beneficiaries concerns noted above are rooted in structural educational inequalities that lead to segmentation of workers in the labor market.

Research conducted on education finds that level of education influences type of occupation in Ghana. Higher educated individuals generally land higher recognized jobs, working as professionals, clerical support workers, technicians and associated professionals, and legislators or managers. A majority of these workers have attained at least secondary education, ranging from 59.5 percent of legislators and managers to 87.5 percent of professionals (GSS, 2014c). As an increase in educational attainment increases the probability of holding such an employment, there is a significant shift away from agriculture and fisheries. A majority of the workers in agriculture and fishery, craft and related trade, sales and service, plant and machine operation, and elementary occupations, have at best attained JHS education. Occupying half of the workforce, about 30 percent (29.7%) of workers in the agriculture sector have no education whatsoever (ibid).

The education-employment issue in Ghana is two-tiered: one, most Ghanaians do not possess any particular skills required for most employments, and two, the labor market is
unable to absorb most graduates with general qualifications regardless of level of education (Abukari, 2007). There is currently a structural mismatch between supply (job openings) and demand (job seekers)(ibid). With few formal jobs at hand, educational requirements for holding a formal employment has been pushed. The almost universal enrolment of children at the basic level with ‘Education for All’ (EFA) policies, has pushed the otherwise high return to basic education to currently post-basic education. With the increasing number of basic level graduates in conjunction with few formal employment opportunities, it is the tertiary graduates who have the highest private return to education in terms of (formal) employability. Formal employment is largely limited to graduates from higher educational levels. That is, level of education also influences sector of employment (Asafu-Adjaye, 2012). Less educated are consequently less likely to be formally employed and more likely forced to find work in the informal sector (Sackey and Osei, 2006; GSS, 2014c). Some 89 percent of the Ghanaian workforce is active in the informal sector due to limitations of the formal labor market to generate sufficient number of jobs. The few formal jobs that do exist in Ghana are also more commonly locate in urban localities rather than in rural ones (GSS, 2014c). Such findings indicate that not only are beneficiaries disadvantaged by their lower level of education, they are also deprived of such opportunities as rural residents. There are real structural barriers in the labor market in Ghana, which means that even if beneficiaries against all odds do accumulate sufficient human capital for a formal employment by navigating barriers faced within the educational system, there is not many formal jobs awaiting the newly graduates.

When level of education influences sector of employment by being a determinant of type of occupation, it impacts income earned. Findings by Sackey and Osei (2006) show that formal employment includes higher wage premiums than informal jobs. When considering hourly wage, the latest round of the GLSS in 2012/2013 witnessed a significant income gap between formal and informal work. Professionals and legislators or managers have the highest hourly income at GH¢5.44, compared to the GH¢0.81 hourly earned by agriculture and fishery workers (GSS; 2014c). Furthermore, Sackey and Osei (2006) find that workers within the agricultural sector experience higher incidence of underemployment, while the contrary is observed for formal sector jobs. Figures on incidence of underemployment together with average hourly income shed light on the income gap prevailing in Ghana. Both the Human Development Index (HDI) and the Gini coefficient, have measured increases in income inequality in Ghana,
demonstrating that the wealth from Ghana’s recent experience with economic growth has not been inclusive (UNDP, 2014; World Bank, 2014).

In addition to low and irregular earnings, Osei-Boateng and Ampratwum (2011) list that workers in the informal sector commonly also face absence of official protection and recognition; predominance of self-employment; non coverage by minimum wage legislation and social security; absence of trade union organization; and little or no job security (Osei-Boateng and Ampratwum, 2011). Irregular pay is yet another disadvantage characterizing informal work (GSS, 2014c). When faced by such working conditions, there are no outside mechanisms to avert economic risks and shocks apart from individual earned income. This is highly problematic, as low qualified workers are marginalized to informal jobs with only their small income as the means to come out of their poverty situation. This traps these individuals and those they care for in a vicious cycle of poverty (Osei-Boateng and Ampratwum, 2011; GSS, 2014a). Rural residents are especially vulnerable being isolated from educational and employment opportunities mostly allocated to urban localities, having repercussion on their earnings. Rural localities have de facto the highest incidence of poverty in Ghana, accounting for approximately 82 percent of all extreme poor (GSS, 2014a).

As can be observed above, education can be a significant factor in poverty reduction as it influences type of occupation, sector of employment and, consequently, income. While a few will be able to gain from higher education, the capacity of the formal labor market in Ghana to absorb workers is limited. An overabundance of graduates from post-basic education would maintain the state of affairs if this increase occurs in isolation. A further increase of graduates produces a rise in demand for formal employment. If this demand is still not matched with an equal supply of such employment opportunities, educational requirements one needs to hold for a formal employment will be pushed further. Return to education of a particular level will fall with more people graduating from this level, as has already been observed for basic education. Access to formal employment is in fact already restrained even for the most educated ones, leaving many tertiary graduates unemployed despite high levels of education. Research by Sackey and Osei (2006) finds that tertiary graduates who do not get formally employed are, due to expectations of holding such a job, more likely to stay unemployed for a longer time than graduates from preceding levels. A general increase in educational attainment could give rise to a much higher unemployment rate, not to mention that these over-qualified workers would
eventually have to seek employment in the informal sector. The World Bank, one of two donors to LEAP, has also identified this:

“Educating one person alters their life chances given the current state of affairs, so that they will likely enjoy a higher income. But educating many people changes the state of affairs. If the income gains of education come from accessing a limited number of employment opportunities, then the returns to education will fall as the number of educated people rises. On the other hand, if income gains are from genuine productivity increases — either for the self-employed or the employed if the wage reflects the marginal product — then educational expansion will indeed lead directly to growth” (World Bank, 2004:197).

This suggests that education per se should not be seen as a panacea to poverty. The increase in human capital gained from an increase in education must also be paired with an increase of opportunities in the labor market that allow for its use.

4.2.2 LEAP and Labor Market Limitations
There is general recognition that productive employment functions as an important means for poor individuals to exit poverty. By implicitly assuming that beneficiaries will break chronic poverty through simple human capital accumulation, LEAP fails to recognize two things. First, there are disparities in the educational system that disadvantages some students compared to their peers even when attaining the same mean years of schooling. With the exit rule on 18 years many of the OVC beneficiaries nonetheless also face to attain less schooling. The skills one attain from education is shown to be significantly important to positioning oneself in the Ghanaian labor market, placing already disadvantaged OVC beneficiaries on the very fringes of the formal labor market. Second, there is no formal labor market growth that could possibly absorb these OVC beneficiaries even if they completed the educational cycle. It is a vicious cycle as the current expansion of LEAP does not only cumber already inadequate schools but also runs the risk to restrain formal labor market participation further. It is ostensibly impossible to enforce Active Labor Market Policies (ALMPs) in the informal sector as workers active in this sector and the work they perform in unknown because of the very nature of the work. With 89 percent of the Ghanaian workforce in the informal labor market, the policy choices are limited.
With formal labor market participation limited for socio-economic poor, LEAP cannot do much more than to function as a social assistance program to the poor.

5.0 ENDING DISCUSSION
This study has examined structural barriers and constraints found within Ghana’s educational system and labor market structure, and has found that simply incentivizing school attendance, just like what LEAP and other CCT programs do, only remotely influences viable efforts to break the cycle of chronic poverty. By uncovering the black boxes of Ghana’s educational system and labor market structure, this study sought to unpack the complex intricacies found within the system. Thus, the direction of the study was primarily driven by purposively interviewing 20 OVC beneficiaries in Keta Municipal District in Volta region, and the results of these interviews have shown a positive correlation with macro-statistical data as well as the findings of other studies conducted in Ghana, all of which support the fact that the barriers and constraints that confront the 20 interviewees are not limited to just them, but cut across board.

Nonetheless, unlike the compendium of existing researches on other CCT programs that confer extensive significant positive impact on school enrollment and school attendance, this study stands by its findings to disclose a much more limited positive impact by LEAP. High drop-out rates primarily during the transition between JHS and SHS remain a reality for most of the interviewed OVCs. Findings illuminate income and geographical disparities within the Ghanaian educational system which have implications on how many years and of what quality one attain education. The positive effect LEAP can have on such structural barriers to educational attainment is simply by granting beneficiaries with sufficient money to take OVCs through the educational ladder. There is, however, an inherent flaw to the program as the cash transfers are insufficient to cater the high cost of attending post-basic education.

This study also finds that, like most other studies on CCTs’ impact on labor market penetration, LEAP has yet to confer any meaningful repercussion on type of education, sector of employment or income. All working interviewed OVCs are yet holding informal jobs with no benefits and poor earning to cater for her- or himself and her or his significant others. While findings show that level and quality of education have significant impact on the type of occupation, sector of employment and income, any positive impact of the former, be that of LEAP or by other means, will eventually have negative effect on the latter if occurring in
prevailing labor market structures. That is, improvements in educational attainment should not be considered a cure as an overabundance of post-basic graduates will continue to push educational requirements for already few formal jobs.

For CCTs to be successful in its contribution to breaking the intergenerational transmission of poverty, it is essential that poverty is assessed with a multidimensional purview, and this kind of approach call for reforms in other areas, such as education and labor market. On a stand-alone basis, LEAP will not break chronic poverty in Ghana.

This study contributes to ongoing research that has the intention to explore the black boxes of the assumed casualty chain of LEAP and other CCTs as presented on page 1 and again on page 8. In the interest of this study to let participants to identify barriers and constraints they foresee in their trajectories, this study includes OVCs who have graduated from JHS but who consequently only been enrolled on the program since grade 6 or later. Future research should, like that of Behrman, Parker and Todd (2005), Rodríguez-Orregia and Freije (2012), and Parker, Rubalcava and Teruel (as quoted in Molina-Millan et al., 2016), inquire into if any differences in time exposed to LEAP have implications on the OVC’s educational attainment and labor market participation. Future research should likewise include barriers before school (early childhood development) as well as add to and examine thoroughly those barriers under and after school identified in this study. An extensive account of barriers before, under and after school would provide for a more in depth understanding of the context in which LEAP attempts to break chronic poverty. As this study above all highlights the structural barriers to LEAP’s impact on poverty reduction in Ghana, future research is consequently urged to scrutinize the alleged link between LEAP and other social protection programs which under NSPS’s umbrella approach aim to remedy poverty.
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APPENDICES

Appendix 1. Keta District – Composite Poverty Map
CONSENT TO PARTICIPATE IN FIELD STUDY

*Conditional Cash Transfers, Labour Markets and Active Labour Market Policies: An inquiry about Ghana’s Livelihood Against Poverty (LEAP) programme*

You are asked to participate in a field study conducted by Maria Bruce (researcher), from the Department of Sociology at Lund University in Sweden, and Herman Agboh (research assistant), from the Department of Social Work at the University of Ghana. Before you decide, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask the researcher if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part.

If you have any questions or concerns about the field study at any time, please feel free to contact:

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0505785538
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Lund University  
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Purpose of Study
The purpose of this study is to investigate the nexus between labour markets, social policy and inequality by focusing on the impacts Ghana’s Conditional Cash Transfer programme the Livelihood Empowerment Against Poverty (LEAP) have on reducing long-term poverty. The findings of the study will bridge existing knowledge gaps and prompt further inquiry as well as guide future social policy making.

Why You?
You have been chosen to participate in this research because of your role as an Orphan or Vulnerable Child and because of whom your household is benefitting from LEAP. A number of other individuals in similar positions have also been invited to participate.

Participation and Withdrawal
You are entirely free to decide whether or not to take part. If you volunteer to participate, you are still free to withdraw at any time without any ramification. You may also refuse to answer any questions you do not want to answer and still remain in the study.

Procedure
If you volunteer to participate in this study, you will be interviewed by the researcher and/or the research assistant. You may be audio-taped during the interview. If you prefer to not be audio-taped, the researcher will take notes only. The information will be transcribed shortly after the
interview. Should you wish to see or edit the interview transcript we can make this available to you. No material will be used from it without your agreement.

Confidentiality and Anonymity
All information that is obtained during the course of this study will be kept and remain strictly confidential. Your anonymity will be protected at all times. All data will be stored securely, and only be disclosed with your permission.

Results of the Study
The results of this study will contribute to the award of a Bachelor Degree in Development Studies, and will be published in 2015 consequently. You will be sent a copy of any publications if requested and you will not, unless you choose to be, be identified in any report or publication.

Signature of Researcher and Research Assistant
These are the terms under which we will conduct field study.

……………………
Date

…………………………………………………………………………………………………………………………………………………………………………………………………………
Signature of Researcher  Signature of Research Assistant

Signature of Participant
I confirm that I have read and understand the information provided for the study as described herein. Any questions have been answered to my satisfaction, whereby I agree to take part of the above study. I have also been given a copy of this form.

…………………………………………………………………………………………………………………………………………………………………………………………………………
Name of Participant  Date  Signature of Participant
Appendix 3. Interview Guide for OVC Beneficiaries

Background information:
- What is your name?
- What age are you?
- What is your civil status?
- Which languages do you speak?

Living conditions:
- What are the dynamics of the household you live in?
- Can you tell me something about the village? (road, electricity, employment, water, school etc.)
- How often, where and why do you seek medical care?
- How often do you eat?

LEAP:
- How long have you been enrolled on LEAP?
- Why were you selected to benefit from LEAP?
- How much do you receive? Are you able to save?
  - If yes, how have you used your savings?
  - If no, why not?
- How do you spend the cash transfers?
- How, if, have you benefitted from LEAP?
  - If yes, could you have achieved this without the grant?

Education:
- What is your level of education?
  - If post-basic, how do you pay for it?
  - If post-basic, what is the type of your education? Why the chosen program?
- What school did you attend?
- What is your perception about education?
- What are you hoping to become? What are the obstacles that stand in your way to achieve this?
  - How, if in any way, has LEAP impacted your prospect?

Type and Nature of Occupation:
- What is your current occupation?
- When was the first time you encountered work?
- What are/were your parents’ or guardian’s occupation?
- What is the nature of the occupation? (self-employed/employed; income regular/irregular; benefits)
- Is the income sufficient?
- Who do you turn to for help in times of need?
- What are the challenges faced to improve the earnings from the economic activity you engage in?
- If self-employed, who is the owner of your material asset?

Active Labor Market Policies:
- Do you know of any active labor market policies?
  - If yes, are you benefitting from any of them? What is your experience in accessing these programs?
  - If no, why not?

Final comments:
- Do you have any suggestions for other interventions?
- Do you have any recommendations for LEAP?
- Do you have any comments or questions relating to this interview that has just been conducted?
Appendix 4. List of Interviewed OVCs

<table>
<thead>
<tr>
<th>Interviewed OVC</th>
<th>Sex</th>
<th>Age</th>
<th>Time Exposed to LEAP(^9)</th>
<th>Level of Education (year of completion)</th>
<th>Current Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary 1</td>
<td>M</td>
<td>21</td>
<td>Since 15 years of age</td>
<td>JHS (2012)</td>
<td>Skilled agriculture, forestry and fishery</td>
</tr>
<tr>
<td>Beneficiary 2</td>
<td>M</td>
<td>22</td>
<td>Since class 5</td>
<td>JHS (2014)</td>
<td>Skilled agriculture, forestry and fishery</td>
</tr>
<tr>
<td>Beneficiary 3</td>
<td>F</td>
<td>19</td>
<td>Non-applicable</td>
<td>JHS (2010) SHS (ongoing)</td>
<td>Student</td>
</tr>
<tr>
<td>Beneficiary 4</td>
<td>M</td>
<td>19</td>
<td>Non-applicable</td>
<td>JHS (non-applicable) SHS (ongoing)</td>
<td>Student; Skilled agriculture, forestry and fishery</td>
</tr>
<tr>
<td>Beneficiary 5</td>
<td>M</td>
<td>21</td>
<td>Since 15 years of age</td>
<td>JHS (2014)</td>
<td>Skilled agriculture, forestry and fishery</td>
</tr>
<tr>
<td>Beneficiary 6</td>
<td>M</td>
<td>18</td>
<td>Since JHS, first (1) year</td>
<td>JHS (2013) SHS (drop-out)</td>
<td>Non-applicable</td>
</tr>
<tr>
<td>Beneficiary 7</td>
<td>F</td>
<td>17</td>
<td>Non-applicable</td>
<td>JHS (2015)</td>
<td>Non-active</td>
</tr>
<tr>
<td>Beneficiary 8</td>
<td>F</td>
<td>19</td>
<td>Since JHS, first (1) year</td>
<td>JHS (2013)</td>
<td>Craft and related trades</td>
</tr>
<tr>
<td>Beneficiary 9</td>
<td>F</td>
<td>26</td>
<td>Since SHS, second (2) year, for 4 or 5 years</td>
<td>SHS (2012) Tertiary (ongoing)</td>
<td>Student</td>
</tr>
<tr>
<td>Beneficiary 10</td>
<td>F</td>
<td>20</td>
<td>Non-applicable</td>
<td>JHS (2012)</td>
<td>Craft and related trades</td>
</tr>
<tr>
<td>Beneficiary 11</td>
<td>F</td>
<td>23</td>
<td>Since 2010, in SHS</td>
<td>SHS (2011)</td>
<td>Skilled agriculture, forestry and fishery</td>
</tr>
<tr>
<td>Beneficiary 12</td>
<td>M</td>
<td>18</td>
<td>Since 2010, in SHS, first (1) year</td>
<td>JHS (non-applicable) SHS (ongoing)</td>
<td>Student</td>
</tr>
<tr>
<td>Beneficiary 13</td>
<td>M</td>
<td>20</td>
<td>Since 2013</td>
<td>JHS (2011) SHS (drop-out)</td>
<td>Skilled agriculture, forestry and fishery</td>
</tr>
</tbody>
</table>

\(^9\) According to the OVC’s own estimation.
| Beneficiary 14 | F | 18 | Since 15 years of age | JHS (2015) | Skilled agriculture, forestry and fishery; Domestic work |
| Beneficiary 15 | M | 21 | Since 2012, in JHS, second (2) year | JHS (2013) SHS (ongoing) | Student |
| Beneficiary 16 | M | 21 | Since 17 years old, in JHS, first (1) year | JHS (2013) | Skilled agriculture, forestry and fishery |
| Beneficiary 17 | F | 20 | Since 17 years of age, in class 6 | JHS (2014) | Services and sales |
| Beneficiary 18 | M | 20 | Since class 6, 14 or 15 years of age | JHS (2013) | Skilled agriculture, forestry and fishery. |
| Beneficiary 19 | F | 22 | Since 19 years of age, in JHS, first (1) year | JHS (2014) | Skilled agriculture, forestry and fishery; Services and sales |
| Beneficiary 20 | F | 24 | Since class 5, 18 years of age | JHS (2011) | Services and sales; Skilled agriculture, forestry and fishery |