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Danish Trade Union
Council for International
Development Cooperation

Profile of the Labour Market and Trade Unions in Ghana

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Council for International
Development Cooperation

The LO/FTF Council is the international development organisation established by the two largest Danish confederations, the Danish Federation of Trade Unions (LO) and the Danish Confederation of Salaried Employees and Civil Servants (FTF). The Council works mainly with projects within the fields of education, occupational health and safety and capacity building among trade unions in the developing countries.

The objectives of the international work of the LO/FTF Council are to support democratic development of the trade union movements in Africa, Asia and Latin America and to contribute to democratic development in the societies in which the unions operate.

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Preface

The key to provide more people with better living conditions goes through economic growth and a socially balanced distribution of wealth. The labour market is obviously one of the key factors in any distribution policy.

“Sustainable development” has for a long time been a keyword for the fight against the degradation of the environment and a buzzword for everybody working with industrial and social development. Compared with this “Sustainable labour market” is a relatively new expression. The connection between sustainable development and a sustainable labour market is at the same time straight forward: It is simply impossible to imagine any long-term sustainable development without one of the pillars being a sustainable labour market.

A sustainable labour market builds on employers’ and workers’ right to organise, to bargain and respect collective agreements that can secure decent living conditions for workers and the same time survival and development of business. A sustainable labour market also encompasses the political will to develop a business sector, actively create jobs in both public and private sectors, secure quality education for all, and secure access to social security.

This report is an output of a study initiated and funded by the LO/FTF Council, the Danish Trade Union Council for International Development Cooperation. It was initially an offspring of the co-operation with ICFTU-AFRO (International Confederation of Free Trade Unions – African Regional Organisation) in Nairobi on the development of a model for producing “Trade Union Profiles” for affiliates of ICFTU in Africa.

Based on the experience from the development of the model for trade union profiles during 2000-2001, the LO/FTF Council decided to undertake a more in-dept analysis of the labour market and trade union situation in three selected core-countries for the assistance provided from the LO/FTF Council within the region: Ghana, Tanzania and Zimbabwe.

Firstly, the overall aim of these studies is to contribute to the strengthening of the trade unions’ ability to participate in development of a sustainable labour market and a socially balanced growth in society at large. One of the major constraints is a serious lack of updated information on labour market issues and a lack of tradition and capacity within the trade union movement. Therefore, improved knowledge about labour market mechanisms and the role of trade unions may contribute to unlock some of the barriers to political and economic development.

Secondly, the study will provide valuable inputs for the prioritising of the LO/FTF Council's future activities in the region.

Thirdly, it is our hope that the study will provide the basis for a debate in Denmark on the role of trade unions in developing countries, and the future role of Danish development aid and policies in contributing to a sustainable labour market and socially balanced growth in Africa.

We wish to extend our gratitude to everyone contributing to the study. Special thanks are due to the Trades Union Congress, TUC, to Secretary General Kwasi Adu-Amankwah. Also thanks are due to Anthony Baah and Isaac K. Yanney, Industrial Relations & Research Department, for discussions and help in providing data and various information on the Ghanaian trade unions, the labour market and the business policies.

Finally the LO/FTF Council would like to extend our thanks to the project manager Mr. Arne Skov Andersen, M.Sc., for his dedication and tireless efforts to provide this valuable input to our future cooperation with trade unions in Africa.

Steen Christensen
General Secretary
LO/FTF Council

Summary

Ghana's economy is based mainly on agriculture, which accounts for 35 % of GDP and employs 55 % of the workforce, mostly self-employed smallholders. Gold, cocoa and timber production are the major sources of foreign exchange. Although well endowed with natural resources, Ghana remains heavily dependent on international financial and technical assistance.

Compared to the rest of the Sub-Saharan countries, Ghana has a well-educated population with a low rate of illiteracy, although the standard of education in the rural areas is low. Ghana is also favoured with a relatively low HIV/AIDS rate (3.6 %) in the adult population.

The Kufuor government's strategic goal is for Ghana to become a leading agro-industrial country in Africa by 2010.

In January 2001 a new government, headed by newly-elected president John A. Kufuor (New Patriotic Party), took office in what constituted the first democratic transfer of power in 19 years. Kufuor took over from Rawlings, who had governed Ghana for the most part of two decades. The political transition proceeded peacefully and is regarded as a major achievement for Ghana and the region.

The new government launched an anti-corruption campaign and expressed its commitment to greater transparency and accountability in public institutions, yet it is still to be seen how far the government is willing and able to go to implement a firm anti-corruption strategy.

Economic Policy

The government has launched the Ghana Poverty Reduction Strategy for 2002-2004 (GPRS), based on private sector-led production with promotion of commercial agriculture, agro-based industrial expansion and investments in social services. Accelerated decentralisation is to be the key mechanism for policy implementation. The programme includes initiatives to increase the quality and the enrolment rate at all levels of the education sector, and initiatives to enhance the access to and quality of the health services.

The Trade Union Congress, TUC, has put forward a number of specific, critical comments on the poverty reduction strategy, pointing at the social costs of the stabilisation policies and the need to ensure that the economic policies are actually consistent with the reduction of poverty.

In its first year, the Kufuor government actually delivered remarkable results in stabilising the economy. In December 2001, Ghana reached an agreement with the G8 countries for a 100 % write off of bilateral loans contracted up to June 1999. Also, in

February 2002 the World Bank and the IMF decided to provide support worth a total of US\$ 2.2 billion, or 56 % of Ghana's total outstanding debt.

Ghana has a large and growing labour force and only a relatively low official unemployment rate. Of the total employed, though, formal sector wage employment only accounts for roughly 14 %, while a huge group is employed in the many informal sub-sectors. The manufacturing sector is modest in size and concentrated around Accra, Tema and Kumasi. In terms of employment, it is diversified in a number of industries, with sawmills and textiles as the heavyweights.

The informal sector is by far the major source of employment, accounting for almost nine out of ten of the employed Ghanaians, according to one survey.

The trade union

Ghana today has a vibrant trade union movement with deep roots in the country's historic development from colonialism to independence. The unionisation rate of 74 % of the employed in the formal sector of the Ghanaian economy indicates that the unions have a considerable membership basis. Compared, however, to an estimated workforce of about 10 million, the 300,000 or so members of TUC affiliated unions only constitute a modest 3 %.

Both the low rate of formal sector employment and the large informal sector represent a great challenge to the trade unions' efforts to organise the Ghanaian workers and to improve their wages and working conditions.

The TUC has recognized the need for a special effort to turn around the declining membership in order to gain new strength in negotiations and in influencing the political dialogue. A number of unions have made efforts to unionise senior and professional staff. Both the TUC and the unions have taken measures to organise informal sector workers. Awareness creation programmes aimed at young workers and students have also been launched.

In combination with a general upgrading in the service offered to members, these initiatives will be crucial to the much-wanted growth in union membership, which in the long run will be a prerequisite for the growth of the trade unions' organisational and political strength.

The TUC has decided to improve and increase its internal education and training of trade union leaders, officials and members in order to provide them with the skills to meet the challenges confronting the labour movement.

Conclusion

Compared to most other national centres in the African region, TUC Ghana is a well functioning and well-staffed national centre. Still, the TUC could gain a lot by optimising the utilisation of its resources through more thorough planning, prioritising and implementation. For instance, there has been a lack of coordination of education and

training activities between the TUC and the national unions. Recently, initiatives have been taken to ensure better planning.

Given its limited resources, TUC to some extent falls short in providing analytical and practical support for new initiatives and for the implementation and expansion of current ones. It is our assessment that the TUC has the potential to generate more and better activities given additional resources.

Hence, it is *recommended* to support *capacity building*, especially in the Policy and Research Department and in the Education Department, to boost TUC's capacity in relation to its members and its position and skills as a major social partner.

In addition to expanding the capability internally in the TUC, such support should foster the *cooperation and the sharing of expertise* between the TUC secretariat and the affiliated national unions.

Finally, a further *decentralisation of duties and responsibilities* should be implemented, both in the federation and in the unions, to avoid an excessive centralisation of functions and communication.

1. Socio-economic profile

Population

2000	Ghana	Sub-Saharan Africa
Population (millions)	19.2	659
Labour force (millions), est., 1998	9.3	..
GNI per capita, US\$ (Atlas method)	340	480
<i>Average annual growth, %, 1994-2000</i>		
Population	2.4	2.6
Labour force	2.6	2.6
GDP per capita, 1990-00, (Sub-Sahara: 1990-99)	1.4	-0.4
<i>1999</i>		
Poverty, % of pop. living < 1 US\$ a day (1993 PPP) a)	38.8	..
Poverty, % of pop. living below national poverty line (1990-91)	31.4	..
Urban population (% of total population)	37.9	33.5
Life expectancy at birth (years)	56.6	48.8
Illiteracy (% of population age 15+)	29.7	40.4
Primary enrolment (% of relevant age-group, 1997)	43.4	..
Secondary enrolment (% of relevant age-group, 1997)
People living with HIV/AIDS (% of age 15-49, end 1999)	3.6	8.7
HDI value (Human Development Index) b)	0.542	0.467
HDI rank of 162 countries	119	-
Development aid, (Official Dev. Aid), pr. capita, US\$	32.3	18.3

Notes:

a: Data refer to the most recent year available in the period

b: The Human Development Index (HDI) ranges from 0 to 1, with 1 being the max. value. The HDI by UNDP measures average achievements in basic human development in one composite index. The components are life expectancy at birth, adult literacy rate, a combined enrolment ratio and per capita income in PPP US\$.

Ethnic groups, religions and languages

Ethnic groups: Major tribes: Akan 44 %, Ewe 13 %, Ga-Adangbe 7 %.

Religions: Christian 67 %, Muslim 16 %, traditional beliefs 11 %

Languages: English (official), Twi, Ewe, Fante, Ga, Hausa.

The economy

	2000	2001 EIU- forecast
GDP (US\$ billions)	5.0	
Real GDP growth, %, EIU-estimate	1.1	3.5
Consumer prices, % change	25.2	35.2
<i>Value added as % of GDP</i>		
Agriculture, forestry & fishing	35.3	
Industry	25.4	
Manufacturing	9.0	
Services	39.3	
<i>Average annual growth, %</i>		
1990-00		
GDP	4.1	
Agriculture	3.4	
Industry	2.6	
Manufacturing	-3.3	
Services	5.3	
2000		
Exports of goods and services, % of GDP	49.2	
Imports of goods and services, % of GDP	69.6	
Gross domestic investment, % of GDP	23.7	
Current account balance, % of GDP	-8.8	-4.6
Total external debt, % of GDP	129.4	
Total debt service ratio, % of exports	19.4	
Government budget balance, % of GDP	-17.1	-5.0
Development aid as % of GDP (1999)	7.8	
Net foreign direct investments, % of GDP, (1999)	0.2	
<i>US \$ millions</i>		
Total exports (fob)	1,941	
Minerals	776	
Cocoa	437	
Timber	175	
Total imports (cif)	2,973	
Food	..	
Fuel and energy	533	
Capital goods	..	

Currency: Cedis = 100 pesewas. Exchange rate on July 1st, 2002: 7,950 Ghanaian Cedi (GHC):1US\$

Sources: Economist Intelligence Unit (EIU). Ghana. Country Report. July 2001.

Economist Intelligence Unit. Ghana. Country Profile 2000. June 2000

UNDP: Human Development Report. 2001

World Bank: Ghana at a Glance. 2001. www.worldbank.org/data

Ghana's domestic economy is based mainly on agriculture, which accounts for 35 % of GDP and employs 55 % of the workforce, mainly self-employed smallholders. Gold, cocoa and timber production are the major sources of foreign exchange. Although well-endowed with natural resources, Ghana remains heavily dependent on international financial and technical assistance.

Compared to the rest of the Sub-Saharan countries, Ghana has a well-educated population with a low rate of illiteracy, although the standard of education in the rural areas is low. Ghana is also favoured with a relatively low HIV/AIDS rate (3.6 %) in the adult population.

Since 1983 Ghana's economy has made mixed progress under a structural adjustment programme in collaboration with the IMF and the World Bank. Political uncertainty, increasing inflation, fast-growing public deficits and a depressed cocoa market led to disappointingly low growth in 2000 and a strong depreciation of the Cedi. A rebound in the cocoa market should push growth up to and above 4 % in 2001-02. The Kufuor government's strategic goal is for Ghana to become a leading agro-industrial country in Africa by 2010.

2. Political profile

Republic of Ghana

Form of state	Unitary republic, constitutional democracy	
Independence	6 March 1957 (from UK)	
Legal system	A new constitution, based on the US model, was approved by referendum in April 1992.	
National elections	December 2000, presidential and parliamentary; next elections due December 2004	
Head of state	President, elected by universal suffrage for a maximum of two four-year terms.	
Main political parties	New Patriotic Party (NPP), the ruling party; National Democratic Congress (NDC), the main opposition party; The People's National Convention (PNC), the Convention People's Party (CPP), United Ghana Movement (UGM) and National Reform Party	
President	John Agyekum Kufuor, sworn in January 7 th 2001 for his first term.	
Key ministers	Attourney-General & Justice	Nana Akufo-Addo
	Defence	Kwame Addo-Kufuor
	Finance	YawOsafo-Mafo
	Foreign Affairs	Hackman Owusu-Agyeman
	Econ. Planning & Regional Integr.	Kwesi Nduom
	Private Sector Development	Kwamena Bartels
	Trade & Industries	Kofi Konadu Apraku
	Agriculture	Courage Quashigah
	Education & Rural Development	Christopher Ameyaw Akumfi
	Manpower development	Cecilia Bannerman
Other key figures	Alhaji Aliu Mahama, Vice-President Yao Obed Asamoah, leader of NDC since April 2002 Jerry John Rawlings, former head of state, elected President in 1992 and 1996	

Corruption Perceptions Index

Ghana is ranked number 59 out of 91 countries with a score of 3.4 in the Corruption Perceptions Index 2001 from Transparency International. In 2000 Ghana shared a 52 – 56 position with 3.5 points.

The lower the rank, the more corrupt the country is considered to be. The index ranges from 10 (very clean) to 0 (highly corrupt).

In Ghana, intervention by the media played an important role in ensuring that the presidential election in December 2000 was relatively free and fair. President John Kufuor's inaugural address, which marked an end to 19 years of rule by Jerry Rawlings, announced a policy of 'zero tolerance' of corruption. The new government acted quickly to prevent outgoing ministers and officials from stealing public assets, including official cars. In September 2001, the acting Chief Justice dismissed 43 people from the Finance Department of the Judicial Service for having presented forged certificates for employment in the service. Despite these and other initiatives, it is yet to be seen how far the government is willing and able to go in implementing a firm anti-corruption strategy.

History

Ghana is a country of firsts. In 1957, Ghana became the first country in Sub-Saharan Africa to gain post-colonial independence. It experienced the highest GNP on the continent before an economic crisis in the late 1970s, and it experienced the trauma of military takeovers long before that became a trend in the region. Ghana experienced nine changes of government, including four military coups, between 1957 and 1983, but has escaped the violence that afflicted many other African countries.

Jerry John Rawlings led the coups in 1979 and 1981 and his military technocratic regime introduced an initially radical and socialist regime, focused on domestic security and fighting corruption. After Ghana suffered a severe drought, in 1983 the regime sought a deal with the IMF and began to implement one of Africa's first and longest structural adjustment programmes (SAP). This stabilised the economy and brought several years of growth.

Political background and context

The Rawlings regime introduced a new constitution in 1992. The presidential election was won by Rawlings with 58 % of the vote. The opposition, led by the New Patriotic Party (NPP), claimed fraud and boycotted the following first multi-party parliamentary election, leaving Rawlings' the National Democratic Congress (NDC) with complete control of parliament.

In 1996, election was conducted with the full participation of all political parties. The opposition NPP and PCP formed an alliance to field a single presidential candidate, John Kufuor, and a single candidate in each constituency. The NDC won again, capitalising on its control of the state-owned media and patronage network. Mr. Rawlings won a majority in every region except Ashanti and gained a total of 57.5 % of the vote to Kufuor's 39.5 %. Local assemblies were elected in all 110 Districts. Community

elections were conducted successfully in June 1998, thus bringing representation down to the village and sub-district level.

In Ghana's third multi-party elections, held in December 2000, the New Patriotic Party (NPP) won the presidential vote and a parliamentary majority against the National Democratic Congress (NDC). On January 7, 2001, a new government, headed by newly elected president John A. Kufuor (NPP), took office in what constituted the first democratic transfer of power in 19 years. Kufuor took over from Rawlings, who had governed Ghana for the most part of two decades. The political transition proceeded peacefully and is widely regarded as a major achievement for Ghana and for the region.

The new government launched an anti-corruption campaign and expressed its commitment to greater transparency and accountability in public institutions.

A two-day National Economic Dialogue was held in May 2001 to discuss short, medium and long-term targets for economic development. Participants were drawn from the private sector, trade unions, international and donor organisations, and civil society. The dialogue focused on six broad areas: economic policy, the financial sector, resources for growth, the labour market and human resource development, poverty reduction, and the golden age of business. The government established a national oversight committee to monitor the implementation of the recommendations.

Ghana Poverty Reduction Strategy

Among other initiatives, the new government has launched the programme "Ghana Poverty Reduction Strategy for 2002-2004" (GPRS). The programme is to take over from the Ghana Vision 2020's first phase and an interim GPRS for 2000-02.

The Poverty Reduction Strategy, of which the initial phase has been presented and discussed with major stakeholders, including the TUC, deals with the following core issues: Macro-economics, production and gainful employment, human resource development and basic services, vulnerability and exclusion, governance. The government has set up specific targets for the programme and sub-programmes, including an overall 5.0 % annual real GDP growth for 2002-04, equivalent to 2.4 % per capita.

The goal of the strategy is to achieve equitable economic growth and accelerated poverty reduction within a sustained democracy. The goal is to be achieved through:

- ? Private sector-led production
- ? Promotion of commercial agriculture
- ? Agro-based industrial expansion
- ? Government as facilitator with strategic interventions where markets fail
- ? Investments in social services must complement agricultural and agro-industrial production
- ? Accelerated decentralisation as the key mechanism for policy implementation
- ? Public-sector reforms to leverage private sector productivity

The programme includes initiatives to increase the quality and the enrolment rate at all levels of the education sector, and initiatives to enhance access to health services and the quality and efficiency of the health services.

Regional aspects

Before the 1980s, governments focused capital investment on projects in southern Ghana, where the political elite lives. In addition, most of the precious natural resources - gold, timber and cocoa – and its industry and commerce are in the Western, Central, Ashanti and Accra regions.

Northern Ghana - Upper West, Upper East and Northern regions - is the area which produces the bulk of the staple foods. These regions were heavily neglected until the Provisional National Defence Council came to power in 1981. The governments have since invested heavily in the area, partly out of a genuine desire to compensate for previous governments' neglect and partly because of donors' pursuit of more even regional development. In addition, the National Democratic Congress recognised that investment in the area paid off politically. Investments include extension of the national electricity grid, significant rehabilitation of north-south roads and greater expenditure on education. Several years ago, the Northern region suffered violent ethnic clashes, largely over access to land. Tensions have now eased, at least partly as a result of a concerted government security presence.

TUC's position on the recent political developments

The trade union, which initially had welcomed Rawlings' come to power and supported his fight against the former regimes' corruption, eventually turned against his rule, criticising his regime of bad governance, widespread corruption and hostility to the trade unions.

In recent years the TUC has put much attention on ensuring that the process of policy formulation and implementation is as inclusive as possible, hoping that this will raise the quality of policies and improve the prospects of their being implemented efficiently and fairly. Especially after the return to democratic rule in 1992, the TUC has actively positioned itself on a number of major political issues. The TUC's reaction to the political process around the creation of the Poverty Reduction Strategy is an illustrative example. For the TUC's position on the Structural Adjustment Policy, see chapter 3.

The TUC has put forward a number of specific comments on the Kufuor government's new *Ghana Poverty Reduction Strategy* (GPRS) 2002 – 04. The TUC in the first place emphasises that though the GPRS has been presented as the government's home-grown development policy, the reality is that it is an integral part of the government's arrangements with the OECD creditors (the Paris Club), the IMF and the World Bank. To the TUC, the GPRS is simply a new name for the old Enhanced Structural Adjustment Facility (ESAF). Further, the TUC regrets the lack of information from government on the dialogue with the IMF and the World Bank on the Poverty Reduction Strategy: "We cannot have any real consultation without transparency and access to information."

On the government's general approach to the poverty strategy, the TUC states¹:

“We would (...) like to draw the government's attention to the social costs of these stabilisation policies. If the stabilisation of the economy will be at the expense of health and education of the people of Ghana, as we have witnessed in the last two decades of structural adjustment, then we have to make haste slowly. We should not make a fetish of macroeconomic stability, especially when such stabilisation policies have not yielded any significant social and economic benefit to the masses that suffer most from such policies.(...) We believe that government policy should not be driven simply by IMF and World Bank orthodoxy. Rather, government policy should be driven by the specific character of our development problems and our concrete responses to these problems as a way of moving the economy forward.(...) This may require that government develop a mix of policies that do not conform to the traditional neo-liberal policies that Ghana and other African countries have been pursuing over the last two decades and which have led us into the status of HIPC. This means that economic policies must avoid doctrinaire privatisation (...), unbridled liberalization and indiscriminate removal of subsidies. There ought to be a creative application of liberalization and intervention directed at releasing the entrepreneurial energies of our people. (...)The targets we have set for ourselves to meet the convergence criteria for the West African Monetary Union may not be realistic within the time frame and need to be reviewed taking into account the huge social costs of meeting those stringent criteria. We should ensure that all our economic policies, including the plans to join the WAMU, are actually consistent with the reduction of poverty.”

The TUC also presents comments and recommendations on the following specific issues:

- ? Labour standards - Promoting labour standards must be integrated into the GPRS
- ? Equity – Put the issue of paying living wages for workers on the agenda
- ? Tax policies - Minimum taxable income should not be less than the upper poverty line
- ? Social security –Need for a mandatory scheme for all to contribute
- ? Involving the poor – Consult and engage the poor on all issues concerning their welfare
- ? Food crop growers – Strategic role, should be given special attention, especial the women
- ? Women – Recommendation of a special credit scheme and entrepreneurship training
- ? New investments – Efforts to spread investments, especially to the poverty-stricken north
- ? Implementation – Has state bureaucracy sufficient capacity, motivation and commitment?

Finally, the TUC more generally reaffirms its commitment to support initiatives to actually reduce poverty and promote development. But it warns that earlier initiatives

¹ “Views of the Trades Union Congress (Ghana) on Ghana's Poverty Reduction Strategy”. Note to the government by Secr. Gen. K. Adu-Amankwah. TUC, Sept. 2001.

have failed partly due to lack of political will and inconsistencies in governments economic and social policies.

3. Economic profile

Background and context

Ghana's economy is mainly rural: cocoa, timber and pineapples are the main export crops; and mining (mainly gold) has become one of the biggest sources of foreign exchange. The emerging industrial sector's products include cassava, fruits and cocoa by-products.

Ghana enjoyed the highest per capita income in the region on independence in 1957. It was the world's largest producer of cocoa, it had a healthy mining and timber sector, and also, by regional standards, a relatively well-developed manufacturing sector. Nkrumah's Convention People's Party (PCP) government sought economic expansion through rapid industrialisation, directed and mainly funded by the state using funds derived from the cocoa sector. However, the implementation of the policy failed and a subsequent collapse in the world market price of cocoa drew the Ghanaian economy into a severe decline, which characterised the following two decades.

By the early 1980s, per capita income had fallen by a third, and inflation was running at over 100 percent. In 1983, the government, in collaboration with the IMF and the World Bank, launched an aggressive programme of stabilisation and economic liberalisation, the Economic Recovery Programme (ERP). This sought to reduce budget deficits and create a private sector-led regime and an investor-friendly environment. In the decade that followed, growth averaged 5 percent and physical and social infrastructure was largely rehabilitated.

In the mid-90's the government launched the *Ghana Vision 2020* programme.

Ghana -Vision 2020 aims to make Ghana a middle-income country by the year 2020 through accelerated, sustainable, and equitable growth. Vision 2020 was sequenced into five 5-year medium-term development policy documents. The first part contained a co-ordinated programme of economic and social development policies and strategies for the period 1996-2000. The programme also provided broad policy directions and strategies to guide planning agencies at district assemblies as well as ministries, departments, and agencies to prepare district and sector medium term plans. These plans were harmonised into the *First Medium-term Development Plan* (1997-2000).

As part of the preparations for subsequent policies, government reviewed the performance of the first step. For the Plan period 1997-2000 as a whole, overall GDP growth averaged 4.3 % annually, far below the Plan target of 7.8 % and less than the budgetary forecast of 5.3 %. The lowest growth rate was in 2000, estimated at 3.7 %. The annual inflation rate averaged 24.7 %, in comparison to the planned 17.6 %.

These discrepancies were seen as largely the result of a lack of co-ordination between the National Development Planning Commission (NDPC), which is responsible for plan formulation and monitoring, and the Ministry of Finance, which is in charge of formulating policies to implement Plan objectives

Recent economic trends

Ghana has suffered from major terms of trade shock that began in 1999 and intensified in 2000, with cocoa prices falling and oil prices rising together with a shortfall in donor assistance. As export prices for cocoa plummeted to 30-year lows and the oil import prices nearly tripled, the terms of trade fell by 30 % between 1999 and 2000. Weak macroeconomic policies and poor management of the major public enterprises added to the economic difficulties. The IMF estimated the terms of trade loss for 1999 and 2000 at US\$ 900 million, or 16 % of GDP. The macroeconomic policies were relaxed during the second half of 2000, particularly in the last quarter, in advance of the December presidential and parliamentary elections. As a result, macroeconomic conditions worsened further.

Real GDP growth slowed in 2000 to an estimated 1.1 % from 4.4 % in 1999, reflecting declining growth rates in agriculture and industry. The average inflation rate doubled, and the nominal exchange rate depreciated by 50 % (measured in U.S. dollars per cedi). Import volumes dropped markedly (25 %), and the export sector suffered as international cocoa prices hit a 27-year low during the year.

The state owned Tema Oil Refinery and the electricity company accumulated large losses as a result of delays in adjusting petroleum prices and electricity tariffs to the increase in the dollar price of imported oil and the exchange rate depreciation. Electricity and water tariffs, which are set by the independent Public Utilities Regulatory Commission, were kept unchanged at their 1998 levels.

The Kufuor government, installed in January 2001, made big efforts to break the cycle of increasing budget deficits and rising interest costs. The fiscal strategy for 2001 focused on taking sufficient domestic measures to obtain a domestic primary surplus of 4 % of GDP, and seeking debt relief to lessen the fiscal and balance of payments gaps. The main revenue measures were new taxes on petroleum products, levies on company profits, and a reduction in import tariff exemptions, while the main expenditure savings came from cuts in domestically financed capital expenditure and a freeze on most outlays for goods and services at 2000 levels. In addition to the fiscal measures, petroleum prices and utilities tariffs were doubled in early 2001.

Ghana's outstanding external debt of US\$ 5.9 billion at end-2000 represented an unsustainable burden, measured against the Heavily Indebted Poor Countries (HIPC) initiative thresholds. The net external debt was 557 % of fiscal revenues and 154 % of exports, compared with the considered sustainable thresholds of 250 % and 150 %, respectively.

In its first year, the Kufuor government actually delivered remarkable results on the economic front. Inflation was brought down from 41 % to 25 %, interest rates fell from in excess of 50 % to 33 % and the Cedi, which had depreciated by 300 % against the US dollar in the previous year, had only lost 2.7 % to the US dollar during 2001. In December 2001, Ghana reached an agreement with the G8 countries for a 100 % write-off of bilateral loans contracted up till June 1999. And in February 2002 the World Bank and the IMF decided to support a package worth a total of US\$ 2.2 billion in net present

value, or 56 % of Ghana's total outstanding debt. The assistance, which is under the enhanced HIPC initiative, will be delivered over a 20-year period, provided Ghana completes a number of agreed measures, many of them guided by the draft Ghana Poverty Reduction Strategy, which is to be finalised during the first half of 2002.

Regional integration

In an attempt to vitalise the ECOWAS² (Economic Community of West African States), Ghana and Nigeria initiated the adoption of the so-called Fast Track approach with the blessing of the other members of ECOWAS at the Lome meeting in December 1999. The subsequent signing of the Accra Declaration on April 20, 2000 for the creation of a Second Monetary Zone (2MZ) in West Africa by 2003 indicates that the ECOWAS members regard the integration of the entire sub-region as being of common interest for all. The ultimate goal of the Accra Declaration is the creation of a Single Monetary Zone with a common Central Bank issuing a single currency for the sub-region.

Even though participants at the Lome Summit saw the implementation of the ECOWAS Trade Liberalisation Scheme as crucial to the integration process, there was no agreement as to a definite mode of merging the two monetary zones into one (the ECOWAS and the UEMOA group (Union Économique et Monétaire Ouest-Afrique)).

The assumption behind the initiatives has been that industries in individual member countries had limited potential for growth. They therefore needed the expanded market which an effective economic grouping could bring about. That led to the January 2000 Bamako meeting, at which the formation of a Second Monetary Zone and a Free Trade Area were discussed. Participants at this meeting were: Ghana, Nigeria, Mali, Burkina Faso, Benin, Niger and Togo.

To achieve the goal of a Common Monetary Zone, it was agreed that certain criteria should be met. The most critical, called the *Primary Convergence Criteria*, are:

- ? The achievement of a single-digit inflation rate by 2000 and 5 % by 2003
- ? Gross External Reserve cover of at least 3 months' imports by 2000 and 6 months by 2003
- ? Central Bank financing of Budget Deficit to be limited to 10 % of previous year's tax revenue
- ? Budget Deficit (excluding Grants) to GDP ratio of not more than 5 % by 2000 and 4 % by 2002

The implementation of these criteria and harmonising economic policies implies a ceding of national sovereign power over monetary policy decision-making to a supra-national body of the group. Fiscal policy also will have to conform to a series of external targets.

² On ECOWAS and UEMOA, see appendix 2; and Institute of Statistical, Social and Economic Research (ISSER), University of Ghana, Legon: *The State of the Ghanaian Economy in 2000*; p 140 ff.

Table 1. Fundamentals of countries in the West African Monetary Institute, WAMI, 1999.

	Inflation %	Budget Deficit % of GDP	Financing of Budget Deficit (% of Previous Year's Deficit)	Foreign Reserves (Months of Import)
Gambia	1.7	0.0	0.0	5.7
Ghana	13.8	7.8	11.1	1.4
Guinea	6.2	4.8	17.5	2.6
Nigeria	6.6	8.6	0.0	7.6
Sierra Leone	36.7	14.9	78.8	6.0
Convergence Criteria, 2000	< 10.0	< 5.0	< 10.0	> 3.0
Convergence Criteria, 2003	< 5.0	< 4.0	< 10.0	> 6.0

Source: *The State of Ghanaian Economy in 2000*. Institute of Statistical, Social and Economic Research (ISSER), University of Ghana, Legon. June 2001

Given the present fundamentals of the economies of the countries (see table 1), much work needs to be done to make the monetary union operational. For instance, the fundamentals of the Ghanaian economy worsened from 1999 to 2000 (inflation increased from 13.8 % to 40.5 %, budget deficit increased from 7.8 % to 8.5 % of GDP and foreign reserves fell from 1.4 to 1.0 months' of imports).

In the past few years both Ghana and Nigeria and the other four non-UEMOA ECOWAS member states that are signatories to the Second Monetary Zone (2MZ) have demonstrated a certain commitment to the programme. Some of the crucial institutions such as the Technical Committee, the Task Force and the West African Monetary Institute (WAMI) have been set up and are functioning.

However, achieving the prescribed or agreed targets still remains an enormous task.

Economic structure

Table 2. GDP by sector 1995 – 2000, in %

	1995	1997	1999	2000
Agriculture	36.3	36.6	36.5	36.0
Agriculture and Livestock	25.0	25.0	25.0	24.3
Cocoa Production and Marketing	3.2	3.3	3.4	3.5
Forestry and Logging	2.7	3.1	3.3	3.5
Fishing	5.4	5.2	4.9	4.6
Industry	24.9	25.4	25.2	25.2
Mining and Quarrying	5.6	5.7	5.7	5.6
Manufacturing	9.0	9.2	9.2	9.2
Electricity and Water	2.7	2.9	2.6	2.6
Construction	7.6	7.7	7.8	7.9

Services	28.1	28.7	29.2	29.7
Transp., Storage, Communication	4.4	4.6	4.7	4.8
Wholesale, Retail, Restaur., Hotels	6.1	6.6	6.8	6.8
Finance, Insur., Real Estate, Business Services	4.1	4.2	4.2	4.3
Government Services	10.9	10.8	10.7	11.0
Community, Social and Personal Services	1.8	1.8	1.8	1.9
Producers of Private non-profit Services	0.9	0.9	0.9	0.9
Sub Total	89.4	90.7	90.8	90.8
Indirect Taxes	10.6	9.3	9.2	9.2
Equals: GDP in Purchasers Value	100	100	100	100

Source: The State of the Ghanaian Economy in 2000

The relative distribution between the sectors has been very steady in the five-year period. The key sector of manufacturing has only managed to increase its share marginally, while agriculture has slightly decreased.

Agriculture

Agriculture continues to be the mainstay of the economy, accounting for about 36 % of GDP and employing 55 % of the total employed population. Despite its importance the sector's growth has historically lagged behind other sectors of the economy. In recent years, however, agricultural growth has improved, averaging some 4 %, thanks to strong expansion in the cocoa and forestry sub-sectors. The improvement in performance follows the economic reforms, where food price controls have been removed, cocoa prices paid to producers raised and the extension services boosted.

The yields of food crops have, however, shown disappointing growth, with only cassava and millet yields having improved much in the past decade. The slow growth seem to be a result of low investment and poor technology. The removal of subsidies on fertilisers and other agricultural inputs has also had a negative effect on the production of several crops.

Cocoa

Cocoa is Ghana's most important agricultural export, and normally accounts for 30-40 % of total exports. Around 1.6 million peasant farmers on plots of less than 3 ha. produce most of the cocoa. They are located in the forest areas of the Ashanti, Brong-Ahafo, Central, Eastern, Western and Volta regions. In the early 1960s Ghana was the world's largest producer of cocoa, with an average annual output of 450,000 tonnes. The output then fell to an all-time low of 159,000 tonnes in 1983/84. It has since recovered significantly, reaching over 400,000 tonnes in the 1997/98 and the 1999/2000 seasons.

Much of the recovery in cocoa can be attributed to higher producer prices, which the government has been steadily increasing since the mid-1980s. This has offered strong incentives to increase planting areas, and also discouraged outward smuggling. There has also been significant donor and government involvement in the provision of seedlings to replace trees lost to age and bad weather. As trees typically take ten years to grow before

they produce marketable fruit, many farmers are unwilling or unable to make the investment. Although Ghanaian cocoa is of high quality, the yields remain relatively low, at just 450 kg/ha for the highest-yielding variety. It is about half of the 800-1,000 kg/ha attained in Malaysia.

Private cocoa buyers have been allowed to operate in the domestic market, but the state-owned Cocoa Marketing Board (Cocobod) has a monopoly on external marketing and still dominates domestic purchasing through its Produce Buying Company (PBC). In late 1999 the PBC was partially privatised.

Forestry

More than one-third of the area of Ghana is covered by forest. Commercial forestry is concentrated in Western region in southern Ghana. Forestry has been the third largest foreign-exchange earner in recent years, with revenue of US\$ 172 million in 1998. Since 1983 the industry has undergone substantial changes, supported by aid and commercial credits, which have focused on forestry management, research and equipment for logging, saw-milling and manufacture. The sector is regulated through the Timber Export Development Board, which is responsible for marketing and pricing; and the Forest Products Inspection Bureau, which monitors contracts and maintains quality standards.

The expansion of the forestry industry has increased export earnings, but at the same time it has contributed to the depletion of Ghana's forest reserves. In 1989 government banned exports of 18 species of timber and the list has since been extended. Government has been using a strategy of both incentives and penalties to encourage exporters to increase value added. Despite signs that this has happened, lack of funds, managerial skills, technical expertise and marketing facilities remain major constraints.

Fishing

Marine fisheries account for about 87 % of the total annual fish catch. The sector is not well developed, and canoe fishing from fishing villages is estimated to produce about 80 % of the total marine catch. The main species exploited are anchovy, sardinella, mackerel and burrito. The sector employs about 85,000 fishermen and traders. About 80 % of the fish landed are processed while the remainder is consumed fresh. 60 % of the processed fish is smoked, 20 % sun-dried and the rest salted. Industrial processing activities mostly involve processing tuna and preparation of fishmeal from tuna.

Industry

The industrial sector recorded an unimpressive growth rate of 3.8 % in 2000 as compared with 3.2 % in 1998, when Ghana experienced energy shortage, and 4.9 % in 1999. The sector contributed 27.8 % to real GDP in 2000, almost in line with its contribution over the last five years.

The performance of the industrial sector, especially the manufacturing sub-sector, has been all but impressive. The Vision 2020 envisages an 8 % annual growth rate for the manufacturing sub-sector to enable the objectives of the vision to be achieved. The annual average growth rate of the manufacturing sub-sector over the period 1990-1999 was a disappointing 3.1 %. There are 65 companies operating under the Free Zones

Scheme with a total of about 8,700 employees. (March 2002). This number is expected to increase in the coming years.

Manufacturing

Ghana has a broad and diverse industrial base, covering timber and agricultural processing plants, sawmills, aluminium smelting, brewing, cement manufacture, textiles, electrical equipment, pharmaceuticals, oil refinery and many others.

From independence, government sought to create a self-sufficient diversified industrial base, often through subsidies and protective measures. The economic recovery programme (ERP) introduced in 1983 brought harsh realities to many companies. Falling subsidies and exposure to competition forced businesses to rationalise, and many to close down. Manufacturing growth was still sluggish in the first half of the 1990s. But in the last part of the 1990s, the manufacturing sector has seen growth rates at, or slightly above, the average of the economy. Manufacturing growth was, however, well below the growth rates achieved in the service sector.

Mining

Gold dominates the mining sector and rivals cocoa as Ghana's most important source of foreign exchange. Ghana's gold reserves lie in the Ashanti region, which has vast resources, and in Western and Central regions, where much alluvial mining takes place. Ashanti Goldfields Company (AGC) is the country's largest producer. In 1972, the government took a 55 % controlling share, with the UK-based Lonrho holding the remaining 45 %. In 1996, the government reduced its stake to 20 %, but the company and the government maintained extremely close relations. AGC has more than quadrupled output from its Ghanaian operations from 300,000 oz in 1985 to nearly 1.3m oz in 1999. AGC used to account for 90 % of Ghanaian production, but its dominance has been eroded to about 50 % by even higher growth in other mines. Other major producers include the Teberebie Mine, Ghanaian Australian Goldfields and Billiton Bogosu.

The government-appointed Mining Commission has recommended the relaxation of government controls on the mining industry, including scrapping the mandatory state participations in mining firms (the state holds a minimum of 10 % in every local mining company). Like other African states, which recently have revised their mining codes to attract foreign investment, the Ghanaian government is considering similar reforms.

The government is facing pressure to drop its "golden share" in AGC. The golden share is a special veto, which was written into the constitution of the company prior its flotation on the London Stock Exchange in 1994. The golden share allows the government to override management decisions and to block mergers. AGC claims that the removal of the golden share would allow it to join in with the current global trend of industry consolidation, which has been accelerated by weak gold prices. However, it is widely expected that the present New Patriotic Party administration is likely to give in and drop the golden share. The minister of finance, Yaw Osafo-Maafa, has indicated the possibility that the government may sell part of its separate 20 % stake in AGC to pay down the

domestic debt, when market conditions improve. AGC's shares tumbled from an initial US\$ 20 in 1994 to US\$ 2.8 in June 2001.

Lonmin, the platinum mining group of Lonrho, in 1999 showed interest in taking over the majority of shares in AGC. Lonmin, which still holds 32 % of the AGC shares, has since stated that it wants to sell its shares when the time is right.

Despite the problems at AGC, gold production in the central region of Ghana has increased, following the discovery of new mining areas along the Pra river and of alluvial gold on the beaches of Saltpond and neighbouring towns. The new discoveries have given a boost to the small-scale mining industry and will generate employment in the region. They, however, also raise the pressing need to prevent environmental degradation, and to reduce the major health and safety risks that are associated with gold mining.

Services

The services sector performed fairly well in 2000 as compared with agriculture and industry. Provisional estimates give a growth rate of 5.4 % for the services sector for 2000 as compared with 5.0 % for 1999. The sector, which is dominated by government services, contributed 29.7 % to GDP in purchaser's value in 2000.

Developments in telecommunications and informatics are most remarkable in the services sector. There has been a steady increase in both mobile and fixed telephones in Ghana. As of 2000 there were 191,380 fixed telephone subscribers as compared with 158,398 in 1999, 133,396 in 1998, and 100,932 in 1997. The regional distribution of telephones is quite skewed. The Greater Accra region has 66 % of fixed phones, followed by the Ashanti region with 12 % and the Western region with 6 %. The three cellular phone operators have a subscriber base of about 45,000, the Internet and public data service providers have a subscriber base of about 100,000 and the five paging companies have a subscriber base of about 5,000.

The tourism sub-sector continues to grow. In 2000 an estimated 399,000 tourists arrived in Ghana compared to 372,653 in 1999, an increase of 7 %.

Policy, programmes and institutional framework

Agriculture

The development of the agricultural sector is beset with many problems, which collectively result in low productivity. Since 1997 the Ministry of Food and Agriculture has been implementing an agricultural growth and development strategy, with the objective of sector growth of 5-6 % per annum. The strategy is focused on some selected commodities including cocoa. The production of cocoa, which increased substantially in the 1990's, is still below the output of about 580,000 tonnes achieved in the mid 1960's. The policy is to provide assistance to farmers to rehabilitate and replant abandoned farms with high yielding varieties, to adopt productivity enhancing technologies and to improve access to credit facilities.

Among a number of on-going activities, projects and programmes is the Village Infrastructure Project (VIP) with support from the World Bank. The project began in 1998 and will run for a period of five years ending in 2002. The objective is to enhance the quality of life of the rural poor through increased transfer of technology and financial resources to develop and sustain basic village infrastructure. The project focuses on development in rural water, transport, post-harvest activities and strengthening rural institutions.

Another major programme is the Roots and Tuber Improvement Programme (RTIP) with support from the International Fund for Agricultural Development (IFAD). The programme was launched in 1999 and is planned to run for 6 years. The objectives of the nationwide programme, are to enhance food security and improve the incomes of resource-poor farmers on a sustainable basis by facilitating access to improved and locally adapted technologies of root and tuber crops.

A similar programme is being supported by the African Development Bank (AmB) with the objective of improving household food security, nutrition and farmer incomes and thus help alleviate the poverty of smallholder farmers through increased production and village level processing of cereals and legumes.

A major factor which hampers the implementation of the agricultural strategy is the shortage of funds for development activities. The government relies heavily on donor funding to implement its agricultural strategy. For the year 2001, the government had allocated C 454 billion to the Ministry of Food and Agriculture to finance its activities aimed at accelerating agricultural growth and development. Of this allocation, the government would provide 14 % with the remaining 86 % expected to come from external donor sources.³ The Ghanaian contribution to the budget goes mainly on salaries for the staff, while the funds to implement project, activities etc. are mainly sourced from external donors. These figures give a clear illustration of the fragility of the national policy priorities and the government's ability to implement them.

Industry

The Economic Recovery Programme in 1983 introduced a shift from a public-sector control strategy to a private-sector and demand-driven strategy. More than 200 state-owned companies have been privatised since the inception of the privatisation programme in the late 1980s. However, many of the big state owned and joint-venture companies have not been sold yet. The government has recently announced the privatisation of 12 major companies including Ghana Telecom, National Investment Bank, Cocoa Processing Company, Electricity Company of Ghana, Coco-Cola Ghana Ltd. and portions of Ghana Commercial Bank.

The Vision 2020 programme was sequenced into 5-year medium-term objectives. The first part, for 1996 – 2000, sought to improve the general industrial performance and

³ Source: Institute of Statistical, Social and Economic Research (ISSER), University of Ghana, Legon: *The State of the Ghanaian Economy in 2000*. June 2001

overcome the problems of heavy dependence on imported inputs and under-utilisation of the production capacity. The period, however, saw the industrial sector struggle with problems including lack of finance, weak links with other sectors, high domestic tax rates and liberalisation of trade, including reduced tariffs on imported goods to be used for export production. Hence, the five years of implementation have not resulted in major structural improvements with stronger links between manufacturing, agriculture and other relevant sectors.

To help potentially viable firms to overcome their financial shortcomings, a number of financial support schemes have been set up. Other initiatives are especially aimed at attracting foreign investors. The programmes include

- ? The Export Development and Investment Fund
- ? Ghana Investment Promotion Centre
- ? National Board for Small Scale Industries
- ? Ghana Free Zones Board
- ? Export Promotion Council
- ? Ghana Standards Board

The objective of the Ghana Investment Promotion Centre is to attract foreign investments – either as joint-ventures with Ghanaian partners or wholly owned by foreign investors. After its first six years up to 2000, the GIPC has registered about 1100 projects in operation, comprising of more than 700 joint ventures and almost 400 wholly foreign-owned projects. The projects have an estimated total investment of US\$ 1.56 billion and are estimated to generate employment for some 60,000 Ghanaians.

The Ghana Free Zones Board has licensed 98 companies in the free zones, out of which 65 are operational and employing about 8,700 people. (March 2002)

Kufuor initiatives

The government has declared it its objective to make Ghana an agri-business country by the year 2010, with agriculture and industry linked together. It is obvious, however, that its initiatives in the first year have mostly been focused on finding solutions to the country's acute macro-economic mess – and quite successfully so.

In his State of the Nation Address in January 2002, president John Kufuor presented five medium term development priorities:

- ? Vigorous Infrastructural Development,
- ? Modernised Agriculture centred on Rural Development,
- ? Enhanced Social Services with special emphasis on Education and Health,
- ? Good Governance,
- ? Private Sector Development

The initiatives reflect the government's ideology with an emphasis on creating a good framework, including infrastructure and education, but little direct engagement in the

production sector. On agriculture and industry only few new and detailed initiatives were presented, although the president gave assurances that many were in the pipeline, and currently being worked on.

Kufuor announced a step-up of land acquisitions and a pragmatic reform of the land tenure system. A proposal is to be put forward later in 2002.

On industry, the president pointed at the government's Special Initiatives on Textiles and Cassava starch, designed to take advantage of the African Growth and Opportunity Act of the United States. The president further pointed at the importance of a strategic partnership between government, labour and entrepreneurs, as it is the strength of this partnership that will be the most critical for the Ghanaian venture into the global market. "Even as we increase the efficiency of government machinery and the venturist, it is imperative that the competence of labour is also enhanced. Education, training and retraining of labour is therefore indispensable." However, at the State of the Nation Address, the president did not mention any new initiatives in this respect.

The TUC's position on economic policy, regional integration and sector policies

In recent years the TUC has put a lot of effort into ensuring that the national policy formulation and implementation is as inclusive as possible, hoping that this will raise the quality of the policy process and the efficiency of the implementation. The TUC was one of the institutions that pressed for the National Economic Forum, which took place in September 1997 with the theme "Achieving a National Consensus on Policy Measures for Accelerated Growth within the Framework of Ghana-Vision 2020."

The TUC has, on different occasions, put forward quite critical comments on the fundamentals behind the economic reform policies.

For instance, the TUC has assessed the social dimension of the World Bank/IMF-sponsored *structural adjustment policy*, which Ghana first adopted in 1983 to reverse many years of economic decline. In a thorough research report⁴ the TUC notes that the adjustment policy - including trade liberalisation, privatisation/divestiture, reduction of subsidies from sector such as agriculture, health and education, tax reform and exchange rate policies - actually succeeded in reversing the economic decline. GDP has since been growing at an average rate of more than 4 % per annum, while inflation has been reduced significantly.

The TUC claims, however, that despite these achievements, the standard of living in Ghana at the beginning of the 21st century has remained lower than the level in the early 1960s. The TUC states⁵:

"The rate of unemployment has remained high, the incidence of poverty has increased, and access to education and health services has reduced because of the reduction in

⁴ A.Y. Baah, edit.: The Social Dimension of Structural Adjustment in Ghana. TUC, Ghana 2001

⁵ Anthony Yaw Baah: The Economy of Ghana. In, A.Y. Baah, ed.: The Social Dimension of Structural Adjustment in Ghana. TUC, 2001

subsidies to these sectors. (...) in 1998, the illiteracy rate of adults in Ghana was about 40 percent. About 26 percent of children under 5 years were underweight (...) while an average household size was 4, the average number of rooms per household was 2. About 58 percent of all households lived in mud or mud-brick houses. About 23 percent of Ghanaians had no toilet facilities..."

The TUC concludes:

"Structural adjustment policies in Ghana have shown that they can lead to a significant improvement in the growth of GDP and reduction of inflation, but only at the expense of the well being of a large portion of the society. This is because structural adjustment policies, with their underlying monetarist principles, do not attach importance to human development. Instead, the emphasis is placed on GDP growth as if that is an end in itself but not a means to social and economic development. The fact that majority of Ghanaians are still grappling with poverty, illiteracy, deprivation and social exclusion and low life expectancy is an indication that structural adjustment policies, driven by neo-liberal ideologies of free market and unbridled competition, can not provide the solution to the numerous social and economic problems in Ghana and Africa as a whole. African countries need policies that create opportunities that increase individual and collective capabilities to enable Africans to contribute meaningfully to their own development and the development of the society they live in."

The TUC comments on the initiatives for further *regional economic integration* are in line with the above. The TUC has raised concern that the efforts to meet the formal convergence criteria may turn out to be at the expense of the social welfare of the people in the short run⁶:

"The targets we have set for ourselves to meet the convergence criteria for the West African Monetary Union may not be realistic within the time frame and need to be reviewed taking into account the huge social costs of meeting those stringent criteria. We should ensure that all our economic policies, including the plans to join the WAMU, are actually consistent with the reduction of poverty."

In spite of its critique of some of the fundamentals in economic policy, the TUC has taken a positive stance on dialogue with government, for instance on *sector policies*.

The TUC also has put effort into achieving the right to be represented in the policy implementation bodies. For instance, the TUC succeeded in achieving a seat on the Export Processing Zones Board. It has been a major achievement for the TUC to have the legislation of the EPZs changed so that the EPZ Act recognises labour rights, including the right of workers to organise. This fact has annoyed some of the companies, which in turn are employing a large portion of casuals in a move to avoid the pressure for improving the often quite poor working conditions.

Despite the government's rhetoric on the importance of a strategic alliance, it has not always responded in a fair way when dealing with the trade union. For instance, after the

⁶ "Views of the Trades Union Congress (Ghana) on Ghana's Poverty Reduction Strategy". Note to the government by secr. gen. K. Adu-Amankwah. TUC, Sept. 2001.

TUC had managed to win the right to a seat on the EPZ-Board, the government - without consultation - appointed a former TUC-official with no current relation to the TUC to the seat on the Board.

4. Labour market, structure and policy

Ghana has a lack of updated, comprehensive employment statistics and further, there are some inconsistencies between and even within the different surveys.

The Statistical Service's "Ghana Living Standards Survey " (GLSS), October 2000, provides some detailed data from 1998/99, although based on a limited sample size. Unfortunately the survey's core-information on employment (table 4.1 in the survey) offers conflicting estimates on the size of the economically active population – *defined* as the population that is employed or available for employment. The data suggest that out of a population of about 14.7 million (7 years and above) between 9.3 and 11.6 million people are economically active, giving an activity rate of 64 – 79 %. The labour force grew at a rate of 2.7 % from 1990 to 1997.

According to other information in the GLSS study (table 4.3), 82.1 % of the population aged 15+ were employed and 6.7 % *unemployed*. These figures, however, differ strikingly from the "2000 Ghana National Labour Market Survey" (GLMS), preliminary report, published June 2001 by the Ministry of Manpower Development and Employment (MMDE). This survey comes up with an *unemployment rate of 34.6 %* of the labour force aged 15+. However, it is indicated that 72 % of the unemployed were students, which implies that they were not available for employment.

The then Ministry of Employment and Social Welfare (MESW) estimated the total labour force to 8.2 million in 1997. The *unemployment rate was 3.9 %*, with 4.7 % male and 3.2 % female. Finally, 3.2 % were considered under-employed according to the survey.

Based on surveys from Statistical Services, the MESW offers the following employment figures, table 3.

Table 3. Employment by sector, 1997, %

	Female	Male	Total
Public and semi-public	3.3	10.6	6.9
Private, of which:			93.1
private formal	1.4	7.5	4.2
private informal	90.8	75.8	89.0
unpaid family worker	11.7	4.9	8.7

Source: Statistical Services: Core Welfare Indicator Questionnaire, (CWIQ), 1998

The *informal* sector is by far the major source of employment, with almost nine out of ten of the employed Ghanaians according to the survey.

For the employed in the population aged 15-64, the GLSS survey provides more details.

Table 4. Type of work engaged in by the population aged 15-64 years.

	Urban			Rural			Ghana		
	Female	Male	All	Female	Male	All	Female	Male	All
Wage employment	13	42	26	3	14	8	6	23	14
Self-employment (non-agriculture)	64	33	50	28	13	21	40	19	30
Unpaid family worker (non-agriculture)	5	2	4	1	1	1	3	1	2
Self-employment (agriculture)	12	19	15	41	60	49	31	47	39
Unpaid family worker (agriculture)	6	3	5	27	12	20	20	10	15
All	100	100	100	100	100	100	100	100	100

Source: Statistical Services: Ghana Living Standards Survey (GLSS), October 2000

According to the survey, more than half of the total are either self-employed or unpaid family workers within agriculture. The self-employed outside agriculture amount to almost one third of the total employment. This distribution is confirmed in table 5, which also shows that of the almost 14 % formal employed, 7.5 % are employed in the private sector and 6.2 % in state-owned companies.

Table 5. Type of employer for population aged 15-64 years, by locality and sex , %

	Urban			Rural			Ghana		
	Female	Male	All	Female	Male	All	Female	Male	All
Self-employment (agriculture)	16	22	19	64	71	67	49	56	52
State-owned company	7	18	11	2	6	4	3	10	6
Private formal Private informal & self-employed (non-agriculture)	6	25	15	1	8	4	3	13	8
All	71	36	55	33	15	25	45	21	34
	100	100	100	100	100	100	100	100	100

Source: Statistical Services: Ghana Living Standards Survey (GLSS), October 2000

On the gender issue, both tables reveal great imbalances. Almost four times as many men as women are wage employed. In contrast, twice as many women as men are self-employed in non-agriculture and employed as unpaid family workers.

The big difference in structure between rural and urban employment is further illustrated in table 6.

Table 6. Distribution of employed aged 15-64 years, by sector and sex, %

	Rural, all	Urban, all	Female	Ghana		All
				Male		
Agriculture	70.7	21.0	51.1	59.8		55.0
Mining/Quarrying	0.5	1.0	0.1	1.4		0.7
Manufacturing	8.9	17.6	13.9	8.9		11.7
Utilities	0.1	0.5	0.1	0.4		0.2
Construction	1.0	2.2	0.2	2.8		1.4
Trading	11.6	32.8	27.4	7.4		18.3
Transport./comm.	0.8	5.1	0.1	4.6		2.2
Financial services	0.2	2.1	0.1	1.7		0.8
Community/social ser.	6.2	17.5	7.1	13.0		9.8
All	100	100	100	100		100

Source: Statistical Services: Ghana Living Standards Survey (GLSS), October 2000

In the urban areas one out of three are employed in “trading”, and no fewer than 49 % of urban women are employed in trading.

Formal sector employment

When it comes to the formal sector, more detailed data are available, although for the most part only up to 1991. It should be noted that the formal sector employment according to the quoted source only amounts to approximately 2 % of the total labour force. This is markedly lower than the later findings referred to above from the GLSS and the CWIQ surveys.

Table 7. Formal sector employment 1980 – 1991, (Thousands)

	Private sector	Public sector	All sectors	Annual change		Private sector in % of total formal sector
				Public %	All sectors %	
1980	46	291	337	-1.7	-5.2	13.6
1985	67	397	464	7.3	7.5	14.4
1990	40	189	229	-10.5	-10.1	17.5
1991*	30	156	186	-17.5	-18.8	16.1

* Provisional

Source: Ghana Statistical Service Quarterly Digest of Statistics. From: *K. Boateng: Impact of structural adjustment on employment and incomes in Ghana*. In, *A. Baah*, edit.: *The Social dimension of structural adjustment in Ghana*. TUC, 2001

According to the source, private sector employment decreased from 67,000 in 1985 to a modest nearly 31,000 in 1991, a reduction of more than 50 %. Private sector employment

at first rose by more than 70 percent between 1980-87 due to an improved raw material and parts supply situation. The following decline in employment is seen as an effect of trade liberalisation combined with high domestic production costs.

Despite the decline in private-sector formal employment the share of the private sector increased from about 13.6 % in 1980 to 16.1 % in 1991. This is a result of the drastic decline in the much larger public-sector employment. However, private-sector formal employment is still at a very modest level, with only one in six of the total employed in the formal sector.

Table 8. Formal sector employment by sector, %

	Agriculture, hunting, forestry, fishing	Mining & quarrying	Manufact., electricity, gas, water	Construction	Services*
1980	16.3	7.1	12.4	6.6	57.6
1985	12.1	5.4	12.9	5.0	64.6
1990	8.3	5.6	14.2	4.6	67.2
1991	7.9	9.2	12.0	4.2	66.8

* Wholesale, retail trade, hotels and rest., transport, storage, communications, finance, insurance, real estate, business services, community, social and personal services

Source: K. Boateng, 2001

The agricultural sector has seen a major decrease in formal employment with its rate halving from 16 % in 1980 to 8 % in 1991. The conglomerate group “Services” saw the biggest gain, from 58 % in 1980 to 67 % in 1991.

A special *survey on medium and large-scale manufacturing*, carried out by the Ministry of Trade and Industry, provides more detailed data on the manufacturing sector. The study is based on a questionnaire sent to the 500 establishments employing at least 20 people. The response rate was 37 %, but the data were later adjusted in an effort to produce a rough estimate for the whole group of 500 establishments.

Table 9. Manufacturing value added and employment by industry, 1993

	No. of establishm.	Value added, Mill. Cedis	Employment		
			Female	Male	Total
Food manufacturing	32	23,812	495	5,188	5,683
Beverage industries	27	36,167	377	3,041	3,418
Tobacco	3	71,475	71	989	1,060
Textiles and leather	43	20,302	246	10,408	10,654
Wood and cork (sawmills)	81	60,351	761	21,226	21,987

Furniture	29	3,225	106	2,749	2,855
Printing and publishing	48	5,302	1,292	3,099	4,391
Chemical products	49	38,403	738	4,229	4,967
Petroleum refineries	2	32,144	56	343	399
Rubber, other plastic prod	37	12,413	1,120	4,584	5,704
Non metallic minerals	30	17,512	291	3,014	3,305
Non-ferrous metal basic ind.	5	32,378	104	2,379	2,483
Metal products, excl machin	41	13,507	126	3,427	3,553
Other	73	28,862	861	7,336	8,197
Total	500	395,853	6,644	72,012	78,656

Source: Ministry of Trade and Industry: Report on the Survey of Medium and Large Scale Manufacturing. July 1995

This survey comes up with a total of 78,656 employed in the manufacturing sector, which includes both private and state owned companies. The total employment is slightly lower than in 1987, according to the survey. Sawmills and textile production are the two largest sectors by employment, while tobacco, with only 1,060 employed, has the highest value added, accounting for 18 % of the value added for the whole manufacturing sector.

The 104 large companies with more than 200 employed account for more than 50 % of the total employment. The distribution by region shows that Greater Accra (with Accra and Tema) accounts for 54 % of the total employment, followed by the Ashanti region (17 %) with its capital Kumasi as the industrial centre. Two regions – Northern and Upper East – are each represented with only one establishment and less than 100 employed. Hence, the formal production sector is still concentrated in a few urban areas due to better infrastructure and better access to skilled labour.

Conclusion

Ghana has a big and growing labour force with only a relative low official rate of unemployment. Formal sector employment only accounts for roughly 14 % of the total employed, while a huge group is employed in the many informal sub-sectors. The manufacturing sector is modest in size and concentrated around Accra, Tema and Kumasi. In terms of employment, it is diversified into a number of industries, although sawmills and textiles are the heavyweights.

Both the low rate of formal-sector employment and the large informal-sector employment constitutes a great challenge to the trade unions' efforts to organise the Ghanaian workers and to improve their wages and working conditions.

Earnings

There are clear indications that the real value of wages has declined since the early 1990s. Trends in the minimum wage can serve as a benchmark for incomes, especially in the low ranks. Measured against the US\$, the real value of the daily minimum wage today is only about 56 % of its value in 1991. (The minimum wage at C5,500 up to May 2002 was equivalent to \$ 0.70 (April 2002), while the minimum wage in July 1991 was equivalent to \$ 1.25.)

The National Tripartite Committee on Wages and Salaries Guidelines in mid 2001 agreed upon a daily minimum wage of 5,500 Cedi as of January 2001. In April 2002 the Committee agreed on 7,150 Cedi as the new daily wage with effect from May 1. This represents a 30 % increase.

As illustrated below, the Ghana National Labour Market Survey has collected information on earnings in various sectors.

Table 10. Average annual earnings of working pop. (15+) by industry and sector (Cedi, thousands)

	Formal	Informal	All
Agriculture	1,994	3,575	3,556
Fishing	-	2,152	2,151
Mining/quarrying	3,568	2,173	2,797
Manufacturing	2,714	3,012	2,972
Utilities	3,520	3,485	3,495
Construction	24,634	4,031	7,694
Trading	2,819	6,807	6,756
Hotel & restaurants	4,424	5,928	5,760
Transport/communication	2,635	10,790	10,157
Financial services	4,646	709	3,140
Real estate/renting/buss.	3,468	6,636	4,326
Services	28,739	5,090	17,102
All	17,684	4,516	5,681

Source: 2000 Ghana National Labour Market Survey. Preliminary Report. Ministry of Manpower Development and Employment. June 2001

The overall average income of employed persons in the sample amounts to C5.7 million per year, equivalent to C473,426 a month. Disaggregated by gender, male workers on average earn C6.8 million against the females' C4.5 million per year. Across industry wage levels vary considerably – from services with C17.1 million per annum at the top to fishing, mining & quarrying and manufacturing at C2.1m, C2.8m and C3.0 m respectively as the lowest paid.

There are also substantial differences between the formal and the informal sector. The worker in the formal sector on average earns almost four times the wage of the worker in the informal sector. On average the formal-sector worker earns C17.7 million compared to C4.5 million by his colleague in the informal sector.

Even within the formal and the informal sectors, the survey reveals huge differences. In the formal sector, the male service-sector worker is in the lead with C37.9 million a year, while the female agricultural worker is left with a modest C0.8 million a year. In the

informal sector, the transport & communication worker is paid the most, C10.8 million, while the worker in the financial sector is paid the least, C0.7 million.

It is worth noting that the incomes in the agricultural, mining & quarrying and manufacturing sectors are especially low. These three sectors employ about 65 % of the total employed and are major contributors to export earnings. A rise in workers' earnings in these sectors would give an important improvement for a large section of Ghanaian workers.

Tripartite bodies

TUC is member of a number of tripartite bodies, including:

- ? National Advisory Committee on Labour – advises Minister of Labour and government
- ? National Tripartite Committee on Wages and Salaries Guidelines
- ? National Institutional Renewal Programme
- ? National Vocational Training Institute
- ? National Media Commission
- ? Export Processing Zones Board ⁷
- ? Environment & Factory Inspection Committee of Export Processing Zones Board
- ? National Committee on Safety and Health
- ? Social Security and National Insurance Trust Board
- ? Public Utilities Regulatory Commission (on tariffs charged by public utilities)
- ? National Population Council
- ? Ghana Industrial and Commercial Estates Ltd (GICEL) Board
- ? Productivity Movement in Ghana

Employers' organisations

- ? Ghana Employers' Association, GEA, (www.ghanaemployers.org)
- ? Commercial Employers' Association
- ? Association of Building and Civil Contractors of Ghana, ABCCG
- ? Palm Oil Producers (Employers') Group (for joint negotiation only)
- ? Ghana Timbers Association Employers' Group (for joint negotiation only)
- ? Association of Ghana Industries, (www.agi.org.gh)
- ? Ghana Chamber of Mines
- ? Ghana Chamber of Commerce & Industry

Ghana Employers' Association, GEA, has just above 300 members and a staff of about 20 professionals. According to the GEA, the dialogue with the TUC has improved dramatically in recent years. The two organisations have recently taken part in bipartite

⁷ Currently, a former TUC-official with no current relation to the TUC holds the seat on the Board. He was appointed by the government without consultation of the TUC.

meetings 3 – 4 times a year. Both parties see the dialogue and the meetings as a positive move forward.

Association of Ghana Industries, AGI, has about 350 members and a staff of 15 – 20 professionals. From 1998 to 2001 the AGI has run a twinning-project with the Confederation of Danish Industries, DI, financed by DANIDA. The aim of the project has been to develop and implement a strategy to make AGI play a more active role towards its members and the business and political environment.

5. Education, structure and policy

Since the 1987 Education Reform Programme, Ghana now operates a 6-3-3-4 system of education.

The education system consists of 6 years of primary schooling, 3 years of Junior Secondary and 3 years of Senior Secondary. The university education has a standard duration of 4 years. Primary school and Junior Secondary constitute the basic education for a minimum period of nine years, to which Ghanaian children are entitled by law. Pre-vocational education is integrated with the general academic curriculum at the basic level. At the Secondary level, specialisation is available in a number of technical/vocational education and training (TVET) subjects. Technical institutes, farm institutions and vocational training institutes provide an alternative to the more academic curriculum at the Senior Secondary Schools (SSS).

At the tertiary level there are eight polytechnics and five universities, the most important of which are the University of Ghana at Legon, the university of Science and Technology, the University of Cape Coast and the University of the North. There are also seven diploma-awarding colleges and 38 teacher training colleges.

Education is a key factor to human development as well as development of society as a whole. Despite the fact that government introduced a Free Compulsory Universal Basic Education programme in 1996, (spanning from Primary 1 to Junior Secondary School 3), education is not accessible to all in Ghana, and not all children have been to school. Available statistics further indicate that as much as one half of the adult population is illiterate.

In the “2000 Ghana National Labour Market Survey” it is observed that one-third of the population 6+ has never been to school. Secondly, the drop-out rate is quite substantial, 11 % of the population stopped schooling for one reason or another.

Table 11. Percent population aged 6+ years by educational status

Educational status	Female	Male	All
Currently attending school	26	33	30
Completed school	22	29	26
Dropped out of school	12	9	11
Never attended school	39	28	34
All	100	100	100

Source: 2000 Ghana National Labour Market Survey (GLMS). Preliminary Report. Ministry of Manpower Development and Employment (MMDE), June 2001

Finally, only one out of every four of the target population completed school. In general the females had the lowest school attendance and the highest drop-out rate.

The current school attendance is presented in Table 12. 56 % of the population between 6 and 25 years are currently in school with those aged 12 to 15 at the top with 78 %.

The age groupings 6-11, 12-15, 16-18 and 19-25 refer roughly to the various levels in the Ghanaian educational system, namely Primary, Junior Secondary School (JSS), Senior Secondary School (SSS) and Tertiary levels.

At all levels of the educational system there are more males in school than females. The gap widens as one goes up the educational ladder, witnessing a higher drop-out rate among females.

Table 12. School attendance rate by educational level and sex

Age group	Educational level	Female	Male	All
6-11	Primary	75	77	76
12-15	JSS	77	78	78
16-18	SSS	45	52	48
19-25	Tertiary	9	20	14
6-25	All	52	59	56

Source: 2000 Ghana National Labour Market Survey (GLMS). Preliminary Report. Ministry of Manpower Development and Employment (MMDE), June 2001

Overall, 59 % of males aged 6-25 are currently in school compared to 52 % of females. Enrolment rates at Primary and JSS levels are highest, with almost 8 out of every 10 children of the relevant age attending school. The divergence of the rates for male and female widens at the Senior Secondary and the Tertiary levels, with the male rate attending the Tertiary level (20 %) being more than double the rate for females (9 %).

There are remarkable disparities in school attendance at the regional level. At the primary school level, attendance is highest in Ashanti (91 %) and Greater Accra (89 %), and lowest in the Upper West Region (45 %), Northern (48 %) and Upper East (57 %). The low rates in the north are particularly worrying viewed against the policy of free compulsory basic education. Reasons cited for poor school attendance amongst children include the inability to afford the cost of education, lack of schools or long distances to school, lack of interest or the need for children to help with household duties.

There is a clear need for a formulation of policies to enhance attendance rates, especially in the three northern regions.

Table 13. Educational attainment of population aged 15+ years by sex

Highest educational level attained	Female	Male	All
None	45	31	38
Less than MSLC/BECE	13	11	12
MSLC/BECE	34	40	37
Tech/Voc/Commercial	2	3	2
Secondary or higher	7	14	10
All	100	100	100

Source: 2000 Ghana National Labour Market Survey (GLMS). Preliminary Report. Ministry of Manpower Development and Employment (MMDE), June 2001

Of the adult population as a whole, more than one third (38 %) have never attended school – 31 % of the males and 45 % of the females. (Table 13). That is, the educational attainment of males is markedly higher than that of females. A little over one third have a MSLC/BECE certificate, while only 2 % have a Technical/Vocational and Commercial education. 14 % of the males and 7 % of the females have had a secondary or higher level education, which illustrates the gender imbalance at all levels of the educational system.

Skills training

Skills acquisition enhances productivity and leads to increased output. The educational system in Ghana - like in most other countries - is dual in nature, providing formal and vocational/technical education. The vocational training provides an alternative to the formal system and an opportunity for the large number of people who drop out of the formal system. It is also intended to satisfy the technical needs of the manufacturing and service sectors of the economy.

From the supply side, individuals undertake specialised training programmes to obtain skills that make them more employable. Additionally, vocational training reduces unemployment by delaying entry of new entrants to the labour market. Apart from those who divert from the formal educational system, others go for vocational/technical training after some years of work. Others also go ahead to specialise in a vocation without prior work experience.

The TVET system⁸

Technical/vocational education and training (TVET) plays a vital role in the production of skilled middle-level labour required by the economy in almost all fields. Technical-vocational institutions train skilled technical and craft workers who support the professional personnel and constitute a vital link responsible for actual execution in the workshop or factory.

⁸ Mainly based on “TVET Policy Framework for Ghana. Draft.” Developed for the Min. of Education, NACVET and the Min. of Manpower Development and Employment, under the Vocational Skills and Informal Sector Support Project. June 2001.

Technical and vocational education and training activities take place in two distinct environments: *formal education* environments and *non-formal training* environments. The formal TVET sub-system consists of institutions that provide classroom or workshop-based instruction. They follow written curricula and students take formal examinations for which certificates are awarded. Most formal TVET activities take place in institutions managed by various government ministries or agencies, religious organisations, NGOs and private individuals. Non-formal TVET covers the traditional apprenticeship system, on-the-job training and all those skill-training activities that do not lead to formal certification.

Characteristics of the non-formal TVET include the following:

It has no clear organisational structure;

It caters for the majority of TVET recipients, including illiterate and semi-illiterates;

There is a close link between training and real production;

There is no formal curriculum; what is taught depends on what is actually produced;

Standards vary; there are no common competency assessment procedures;

Until recently there were no links with the formal educational system;

There is virtually no government support, control or supervision; the burden of training falls on parents and apprentices.

Ghana has a long tradition of informal apprenticeship in such trades as carpentry, masonry, auto-mechanics welding, foundering, photography, tailoring, dressmaking and cosmetology. Operators in the sector exhibit creativity but lack the necessary technological knowledge related to their skills and the capital to expand their enterprises.

The TVET Policy Framework report points to the need of an appropriate policy intervention to address these constraints in order to release the tremendous potential of the sector. The report also points to the a number of weaknesses and strengths of the TVET system, including:

Weaknesses of the TVET System

- ? There is no comprehensive national policy for the TVET sector. Activities and programmes are organised in isolation.
- ? The low social status of TVET affects student recruitment, staffing, and funding for the sector.
- ? The legal mandate for TVET's organisation and delivery is limited, weak, and ineffective.
- ? There is a lack of co-ordination and identification of roles and responsibilities among government ministries.
- ? There is an acute shortage of the high-level personnel needed to conceptualise and manage the TVET system.

Strengths of the TVET System

- ? The existence of a thriving apprenticeship system both in the informal and formal sectors.
- ? The availability of indigenous trained personnel, able craftsmen and artisans.
- ? The considerable number of TVET institutions and infrastructure in place all over the country.
- ? Active private sector participation in TVET provision evidenced by the large number of private vocational training institutes.

In order to deal with the shortcomings, the report outlines a new set-up for the TVET system, including guiding principles and goals, a reorganised management of the system, improved training quality and relevance, more sustainable sources of funding for TVET, etc.

Proposal to improve the TVET system

To overcome the present lack of a legal framework for the coordination of the activities in the TVET framework, the draft report proposes an organisational structure for the system, without moving delivery institutions from their parent ministries. At the time of writing, however, no proposal has been made public by the government.

Under the draft proposal an apex body called the Council for Technical and Vocational Education and Training (COTVET) is to be established to coordinate and oversee all aspects of technical and vocational education and training in Ghana. The Council will be headed by a Minister of State of cabinet status in the Office of the President.

The members of the Council will include all relevant ministries (9), four renowned industrialists nominated by government, and one representative of a number of organisations, including the TUC. The objective of the Council is to:

- ? Formulate national policies for skills development across the broad spectrum of pre-tertiary and tertiary education, formal as well as non-formal.
- ? Coordinate, harmonise and supervise the activities of private and public providers of TVET, including the informal sector.
- ? Rationalise the assessment and certification system in TVET.
- ? Take measures to assure quality and ensure equity of access to TVET.

In addition, the functions of the Council are to be discharged through three semi-autonomous organs:

1. The Ghana National Qualifications Authority (GNQA)
2. The Industrial Training Advisory Board (ITAB)
3. The Training Quality Assurance Board (TQAB)

The proposed organisational set-up is illustrated in the figure.

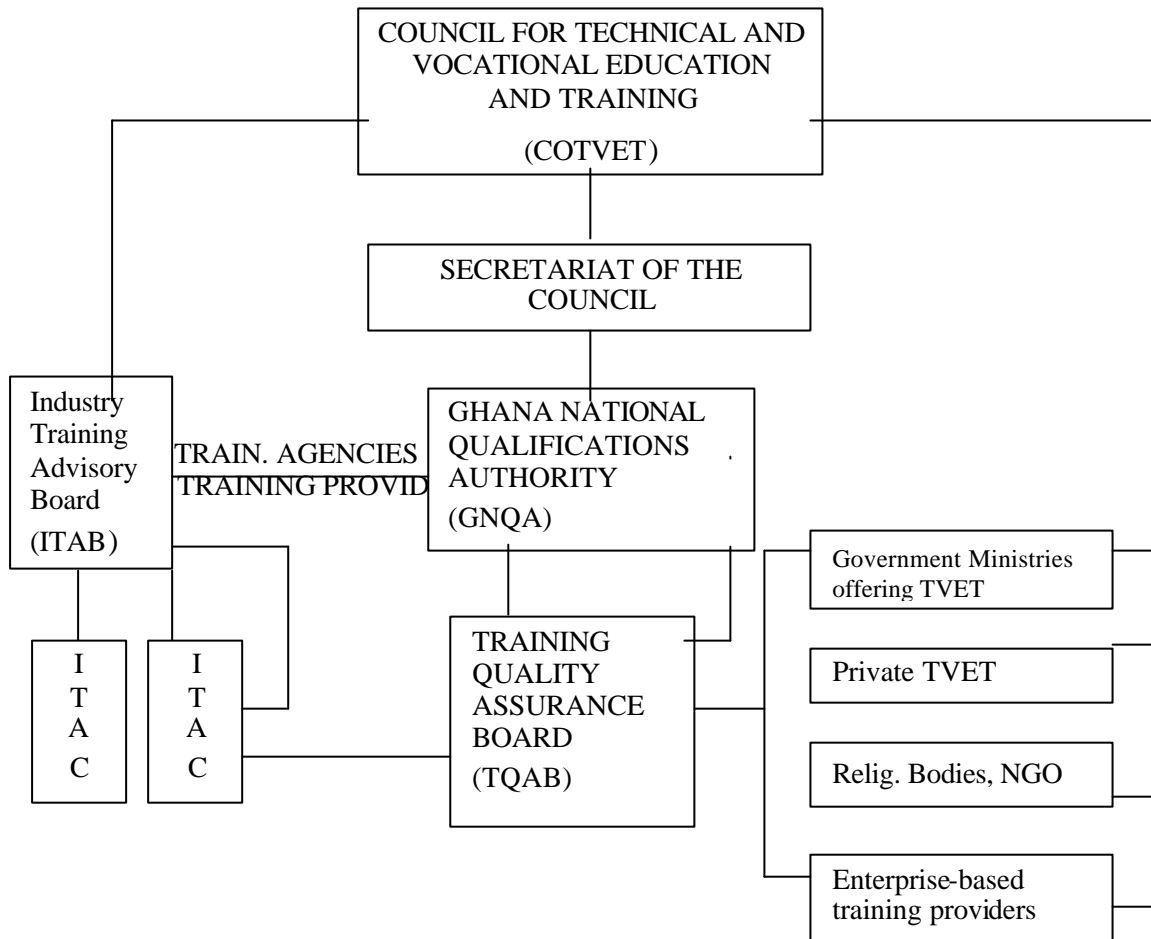


Figure 1. New organisation for the TVET System

The private sector will be expected to play an increasing role in the delivery of TVET. Individuals, organisations, NGOs, and religious bodies will be encouraged to establish and expand training institutions.

Enterprises will be expected to assume greater responsibility for skill-specific training, retraining, and upgrading. Enterprise-based training will be integrated into the National Qualifications framework, and such training providers will be encouraged to serve students and non-employers.

Improve the trainability of the workforce

As technology is rapidly changing, the acquisition of hands-on skills alone will not ensure competitiveness in the global market. Hence, TVET is to strengthen the emphasis both on basic academic skills - reading, writing, and computational skills.

It is also the intention that science, mathematics and technology education will be strengthened at the basic and senior secondary school levels.

To improve the quality and relevance of the training and reduce the mismatch between training and employment demands, TVET should become more demand-driven. Institutions will be allowed and encouraged to use more rigorous admission criteria and selection procedures. Institutions should then use bridging and remedial courses to prepare weak candidates for admission.

The following principles will be the foundation of the *demand-driven* TVET system:

- ? Skill competencies and standards are to be determined by industry groups rather than training providers.
- ? Enterprise-based training is to be recognized, promoted and treated as an important part of the testing and certification system.
- ? Training providers will be expected to conduct periodic tracer studies and interact closely with the industries they serve.
- ? Public TVET institutions will implement an open-access policy, introduce flexible delivery modes, and shift to modular training to meet particular needs.

A Ghana National Qualification Framework (GNQF) will be created to bring all post-basic occupation-oriented training into a unified qualification framework. The GNQF will ensure uniform skill standards.

An Industry Training Advisory Board (ITAB) is to be established to coordinate the determination of competencies and standards for the various training programmes. ITAB will be a division of GNQA and operate through Industrial Training Advisory Committees formed for different trades and occupations.

Improved productivity in agriculture

Agricultural productivity is low, constrained by several factors such as the absence of clear legal provisions for the acquisition of land for commercial farming, the reliance on subsistence farming practices, limited use of technology, lack of grading, standardisation and quality assurance, post-harvest losses and resource constraints. But it is also due to ineffective agricultural education, training and service. According to the report, vocational agriculture will emphasize the acquisition of skills and techniques in the production of a limited range of agricultural products. Training programmes will be short, intensive and highly focused on specific products or product groups. The goal is to transform subsistence farming into commercial farming with an emphasis on product quality, standardisation, and production efficiency.

Promote productivity in the informal sector

The informal sector interventions will have three main objectives:

- ? Reform and strengthen the traditional apprenticeship system by introducing a competency-based training and assessment system.

- ? Promote technological proficiency by training for skills to produce competitive items for the domestic and international markets.
- ? Develop training systems and mechanisms to facilitate the articulation of the informal level and standards of skill acquisition with those of the formal TVET system.

A number of initiatives have been taken to modernise the informal sector and improve its productivity. Two models of intervention, the GRATIS (Ghana Regional Appropriate Technology Industrial Service) model and the VSP (the Vocational Skills and Informal Sector Support Project) model are recommended for replication. The GRATIS model focuses on developing new technologies appropriate to the users and already operates in all regions of the country as Intermediate Technology Transfer Units (ITTUs). The VSP model imparts enhanced skills to master-craftsmen and apprentices by linking the apprenticeship system to formal training institutions.

Registered informal sector trade associations, including traditional female trades, will be supported and nurtured to mature as professional groups that can serve as Industrial Training Advisory Committees of COTVET.

The informal apprenticeship system will be integrated into the National Qualifications Framework. COTVET should ensure the inclusion of traditional female-dominated trades and promote the diversification of occupational training across gender lines.

TVET and Poverty Alleviation programmes will be integrated in order to facilitate access to training and provide post-training support to needy trainees. Reputable and accredited master-craftsmen will be contracted to train boys and girls under poverty alleviation programmes.

COTVET is to develop and publish guidelines for NGO activities in the informal sector to complement the national skills acquisition effort.

Sustainable sources of funding

It is suggested that the need for funding of TVET is met through an increase in direct government budgetary allocations to the TVET sector, allocation of a minimum share of 10 % of the Ghana Education Trust Fund available for disbursement annually, and the District Assemblies allocating a minimum of 5 % of their total income to support skills training, particularly in agriculture and the informal sector.

A Skills Development Fund (SDF) is to be established to support life-long learning in TVET. The fund will support the upgrading of skills of employees and support industrial attachment for students in training.

Memberships of the Skills Development Fund will be open to business firms, labour unions, and trade associations.

Member business firms will contribute 1 % of their total payroll to the Fund. Labour unions and trade associations will contribute 0.5 % of their total membership contributions to the Fund. Government should provide tax concessions on the amount contributed by business firms and provide 50 % matching funds to the contributions made by trade unions and trade associations.

Concluding remarks

As the proposal is at present still on the drawing board and has not been made public, the organisations, including the TUC, do not have any official position on the plan. According to TUC’s Education department, the TUC has not been involved in the process.

Informal/apprenticeship training

Apprenticeship training is common in the informal sector in Ghana. It serves both as a training outlet for young people, and as a source of cheap labour for entrepreneurs and owners of small and medium-size enterprises.

It is based on a contractual agreement between the entrepreneur (or the Master) and the parents of the young trainee. Some money is paid to the Master and the trainee admitted into the workplace, with the agreement that he will pass out after three to five years of service. Often, trainees are required to report with their own tools (depending on the sector).

Thereafter the trainee depends on the Master for his/her daily subsistence money (“chop money”). He/she renders various services to the master in addition to the trade he is learning. When he/she passes out after the agreed period the parents or guardians of the trainee pay a bulk-training fee to the master. In some cases where trainee parents or guardians cannot afford the fee, the trainee could be asked to serve more time with the "Master" as a senior worker to settle the cost.

A National Vocational Training Institute (NVTI) has been set up by the Ministry of Manpower Development & Employment to standardise the apprentice training in the informal sector, and to test them. There seems to be an underlying conflict between the NVTI and the NACVET under the Ministry of Education, as the latter finds the standards set by the NVTI too low. According to the GLMS study, only about 12 % of the relevant population has or is undergoing apprenticeship training (Table 14).

Table 14. Pop. aged 6+ years by status of informal/apprenticeship training received

	%
Currently in training	3
Past completed	8
Past not completed	2
No apprenticeship training	77
Not applicable	10
All	100

Source: 2000 Ghana National Labour Market Survey (GLMS). Preliminary Report. Ministry of Manpower Development and Employment (MMDE), June 2001

The main fields of apprenticeship training are shown in table 15.

Table 15. Population aged 6+ years by apprenticeship trade learnt, by sex

	Female	Male	All
Food/beverage service	4.4	0.1	1.9
Health and related services	0.4	0.2	0.3
Mechanics/electronics	1.0	15.0	9.0
Construction	0.6	33.4	19.3
Agriculture/fishing	3.4	3.5	3.4
Financial/administration	2.1	1.7	1.9
Textiles/apparel/furnishing	61.0	14.7	34.6
Transportation	0.4	21.4	12.3
Metal work	0.4	4.6	2.8
Personal/building/ground serv.	22.0	0.7	9.9
Visual/perform./artists/music.	1.4	3.2	2.4
Other	3.0	1.7	2.2
All	100.0	100.0	100.0

Source: 2000 Ghana National Labour Market Survey (GLMS). Preliminary Report. Ministry of Manpower Development and Employment (MMDE), June 2001

Of the 13 % of the total sample who have gone through apprenticeship training, the majority (34.6 %) learnt trades related to textiles/apparel and furnishing. Almost one - fifth took lessons in construction while 12.3 % learnt to drive a vehicle and related activities.

There are huge variations in respect of gender. The preferences of the males are, in descending order, construction, transportation/mechanics/electronics and textiles/apparel/furnishing. In contrast the females show preferences for textiles/apparel/furnishing (61 %), personal/building/ground service and food/beverage/-service trade. The least preferred apprenticeship trades are those in the health and related services

Hence, the pattern for the formal educational system is underlined in the informal training. As in the formal educational system a higher rate of males than females attend training in the apprenticeship.

The TUC's position on education policy

On education and training policy, the TUC in its official statements has mainly focused on the need to improve and increase the *internal* education and training activities of trade union leaders, officials and members in order to provide them with skills to meet the challenges that confront the labour movement. The activities include basic, intermediate and advanced trade union courses as well as specially tailored programmes covering health and safety, environment, informal sector, training of trainers, etc. This policy is

presented in the policy program, adapted at the TUC's congress in 2000.⁹ See also chapter 7 on the Ghana Labour College.

As the proposal detailed above for a new TVET-system has not been presented to the TUC – and the TUC has not been involved in the preparatory process – it accordingly has no official position on the plan.

⁹ See. TUC, Ghana: Policies of the Trades Union Congress (Ghana).

6. Social security

The majority of workers in the formal sector are entitled to pension schemes and company medical assistance. Employers and workers are required by law to contribute to the universal pension scheme under the Social Security Law. The Social Security and National Insurance Trust (SSNIT) is mandated by government to undertake this activity for all public officers. The employees contribute 5 % to the scheme, while their employers pay 12.5 % of the employee's basic pay. Workers, who contribute for a period of 20 years are entitled to a full pension when they retire at the age of 60, or to a reduced pension, if they retire voluntarily at the age of 55 to 59. The scheme also covers contingencies for death, survival and invalidity.

In the GLMS study only 7 % of those interviewed were contributing to some form of social security scheme; 2 % did not know, while 91 % did not contribute. Of those who did contribute to a scheme, 91 % were with SSNIT. These figures underline that social schemes are almost exclusively a feature for public sector employed. Thus, it remains a big challenge to develop initiatives and regulations to include the large number of those employed in the private and the informal sector under social security schemes.

Many workers in the formal sector enjoy some form of health insurance from their employers. Such provisions are covered by collective bargaining agreements between the employers and the trade union. Some workers also enjoy other social benefits such as scholarships or educational grants for their children, annual bonus, clothing allowance, study leave with pay etc. Workers in the past also enjoyed an end-of-service benefit. This, however, was frozen by the government in 1990, as the government stated that the benefit "threatens most state organisations with financial collapse."

Since then, a dispute has been going on between TUC and the government. A subcommittee report on the issue was presented at a workshop for stakeholders in May 2002.

7. Trade union profile

Data

<i>Name of Centre:</i> Trades Union Congress (Ghana), (TUC)	<i>International/Regional affiliation:</i> OATUU, ICFTU, ICFTU-AFRO
<i>Address:</i> Hall of Trade Unions P.O. Box 701, Accra, Ghana	<i>Number of affiliated unions:</i> 17
<i>Telephone:</i> +233-21-669675	<i>Total declared membership:</i> 300,000 (est.)
<i>Fax:</i> +233-21-667161	<i>Of which female:</i> 20 %
<i>E-mail:</i> tuc@ighmail.com	<i>Number of women in leadership:</i>
<i>President:</i> Alex Bonney (Chairman)	
<i>Secretary General:</i> Kwasi Adu-Amankwah	

<i>Name of Centre:</i> Ghana Federation of Labour, (GFoL)	<i>International/Regional affiliation:</i> Inaugurated April 1999
<i>Address:</i> (at Tema)	<i>Number of affiliated unions:</i> 4
<i>Telephone:</i> +233-22-304429	<i>Total declared membership:</i> 15-20,000 (est.)
<i>Fax:</i> +233-	<i>Of which female:</i>
<i>E-mail:</i>	<i>Number of women in leadership:</i>
<i>President</i>	
<i>Secretary General:</i> Abraham Koomson	

National unions affiliated to TUC

Union	Members, approx.
1 General Agricultural Workers' Union, GAWU	14,710
2 Industrial and Commercial Workers' Union, ICU	42,070
3 Ghana Mine Workers' Union, GMWU	8,379
4 Public Services Workers' Union, PSWU	27,084
5 Maritime and Dock-workers' Union, MDU	5,780
6 Construction and Building Materials Workers' Union, CBWU	11,676
7 Timber and Wood-workers' Union, TWU	22,758
8 Railway Workers' union, RWU	8,842
9 Public Utility Workers' Union, PUWU	17,111
10 Gen. Transp., Petro. and Chem. Workers' Union, GTPCWU	3,247
11 Teachers and Educational Workers' Union, TEWU	30,246

12 Railway Engine-men's Union, REU	160
13 Communications Workers' Union, CWU	7,124
14 Local Government Workers' Union, LGWU	7,521
15 National Union of Seamen, NUS	256
16 Health Services Workers' Union, HSWU	16,647
17 Ghana Private Road Transport Union, GPRTU	26,901
Total	250,512

Note: Membership based on TUC Membership Survey, Preliminary Report. June 2001
For a full list of general secretaries and chairpersons – all men, see appendix 2.

National unions affiliated to GFoL

Union	Members
Textiles, Garment and Leather Employees' Union, TGLEU	3-4,000 (est.)
Judicial Services Staff Association of Ghana, JUSAG	..
Lotto Receivers' Association of Ghana Lotteries	..
Ghana Registered Nurses' Association, GRNA	7,500-10,000
Total, estimation	15-20,000

Note: GRNA has stated that they have 10,000 members, 7,500 of which are paid-up.

Other registered workers' associations, not affiliated to TUC or GFTU

Union	Members
Ghana National Association of Teachers, GNAT	130,000
Civil Servants' Association of Ghana, CSA	..
National Association of Graduate Teachers, NAGRAT – not certain whether NAGRAT is registered with Registrar of T. U ?	..
Senior Staff Associations – in various industries	..

Trade union history up to 2002¹⁰

Today's vibrant trade union movement in Ghana has deep roots in the country's historic development from colonialism to independence. The Gold Coast (Ghana) early on represented an important economic and commercial interest to the British as a source of cheap primary commodities and raw materials. British capital was invested in various sectors of the colonial economy and employed the natives in the mines, plantations, timber firms, wholesale trade, transport, shipping and other allied activities. This development soon saw a growing number of confrontations between capital and labour.

The trade unions were allowed by law, and the poor working conditions and discrimination against the indigenous labour force triggered a series of labour strikes against the colonial administration. The workers' first organised campaign took place in

¹⁰ Mainly based on Kwasi Anyemedu: Trade union responses to globalisation: Case study on Ghana. 2000. And Agbesinyale, P & A. Gumah: Towards a democratic worker's participation for economic and social development in Ghana.

the Gold Coast in 1919, when mineworkers embarked on a strike. This successful strike action paved the way for a series of subsequent industrial actions. The colonial rule sought to curb these protest by passing an ordinance which made strikes a penal offence. In 1941 a Trade Unions Ordinance was passed, paving the way for the formation of the Trades Union Congress (TUC) in 1945 with fourteen small craft unions with a total membership of 6,000 workers.

The labour struggle for improved working conditions intensified and later developed into a demand for complete political independence in alliance with the (CPP), led by Dr. Kwame Nkrumah. In 1957 the CPP, backed strongly by organised labour and other nationalist groups, won political independence for the country.

In 1958, the CPP-led government introduced the Industrial Relations Act of 1958 designed to strengthen trade unions in Ghana. The act gave legal backing to trade unions for the first time. It gave legal recognition to the Trades Union Congress and made collective bargaining compulsory. It gave legal backing to the check-off system under which trade union dues were deducted at source. The government also provided the TUC with the building which houses the TUC's and the affiliated unions' headquarters as a tribute to the labour's contribution in the struggle for liberation

The Industrial Relations Act of 1958 was replaced by the *Industrial Relations Act of 1965*, which remains the principal instrument governing industrial relations in Ghana. The 1965 Act, like the 1958 Act, made the TUC the sole representative of the trade union movement in Ghana. Any union wishing to apply for a collective bargaining certificate from the Registrar of Trade Unions has to apply through the TUC. This monopoly status has been criticized as contravening ILO Convention No. 87, and the country's constitution, which allows freedom of association.

A new Labour Code has been prepared by a technical tripartite committee, including the TUC, but has not yet been enacted by Parliament. The new Code will, among other things, repeal the TUC's monopoly status.

The close relations to the CPP government did not only benefit the labour movement, it also had its costs in terms of a loss of independence. The CPP regarded the TUC as a wing of the party and felt free to interfere in union matters in several ways, including making appointments to leadership positions in the TUC. This raised opposition among some unionists, and with the difficult economic situation in the mid-1960s many rank-and-file workers turned against the government. When the CPP government was overthrown by the military in 1966, many workers welcomed the change, and the alliance with CCP collapsed. The arrival of Ghana's first military regime, however, represented a setback to the TUC in other respects. Some of its leaders were arrested and held in custody for a while, and the new government repealed section 24 of the Civil Service Act, which had made trade union membership compulsory for civil servants. This naturally led to a loss of membership.

The TUC did not take the necessary steps to establish independent strategies and structures that responded adequately to the needs of its members. This situation continued until the emergence of the Provisional National Defence Council (PNDC) government in 1981 through a military coup.

The PNDC regime sought to exploit the organisational power and militancy of the labour movement. However, unlike the CPP, the PNDC failed to receive the full and sustained support of the leadership of the TUC. Being very much a populist regime, the PNDC issued a decree for the formation of People's/Workers Defence Committees (P/WDCs) in all communities and workplaces throughout the country by 1982. The defence committees were to defend the democratic rights of the people and expose corruption and all tendencies that sought to undermine the "revolution". The WDCs ran parallel to the existing trade union and worker participation structures. Being organs of state power, the WDCs became powerful owing to the political support they received from the ruling PNDC government. They were used to counter the leadership of the trade union and to curb the trade unions in order to make way for the implementation of the government's new economic recovery programme (ERP). The ERP, introduced by PNDC in 1983 in collaboration with the IMF and the World Bank, was characterised by disregard for collective bargaining.

In 1982, the WDCs were used to wage a persistent vendetta against the top leadership of the national unions and the TUC. The same year, a group of militant workers calling itself the Association of Labour Unions (ALU) invaded the TUC headquarters and forcibly threw the entire leadership of the TUC and other national union leaders out of office. This militant group (ALU) backed, at least tacitly, by the government, set up Interim Management Committees (IMCs) for both the Congress and the affiliating national unions, and pledged itself to reforming and democratising the labour unions, including the TUC.

From 1986 onwards, the political alliance between organised labour and the PNDC government had turned from that of co-operation to confrontation. The government's clampdown on workers' agitation was justified on the grounds that 'unreasonable' workers demands would obstruct the implementation of the economic reform. On Ghana's return to constitutional rule in 1992 the relation between organised labour and the PNDC was at rock-bottom.

Since the return to democratic rule in 1992 the democratisation process has made significant progress. One example is that it has created a favourable constitutional paradigm and framework for the trade union movement to contribute to the development of society and decision making at all levels.

The Industrial Relations Act of 1965 recognizes the TUC as the sole representative of the trade union movement in Ghana. Section 3 of the Act requires that any union wishing to apply for a collective bargaining certificate from the Registrar of Trade Unions has to apply through the TUC. In addition to the 17 members of TUC there are a number of workers' associations representing public sector employees, which are not certified to

operate under the Industrial Relations Act. These are the Civil Servants' Association of Ghana, the Ghana National Association of Teachers, the Ghana Registered Nurses' Association, and the Judicial Service Staff Association of Ghana.

Since December 1992 these associations have had a form of negotiating power with their employer (the government) under the Public Services (Negotiating Committee) Law. Strictly, however, only unions which hold a collective bargaining certificate can call a legal strike, as only they fulfil the legal conditions. These associations and the TUC in August 1985 established a National Consultative Forum of Ghana Labour (NCFGL). The Forum does not negotiate on behalf of its members, but creates a forum for consultations. The public sector workers' associations have constituted a Joint Consultative Forum. These associations are represented on the National Advisory Committee on Labour, which advises the Ministry of Labour. At the Tripartite Committee on Salaries and Wage Guidelines, they participate under the umbrella of the TUC.

In 1998 the Ghana Federation of Labour (GFoL) was established as a new national centre. The founding organisations were the Ghana National Association of Teachers, the Ghana Registered Nurses' Association, the Textiles, Garment and Leather Employees' Union and the Lotto Receivers' Association. Subsequently, the Ghana National Association of Teachers withdrew from the new labour centre. The initiator of GFoL was Abraham Koomson, who was Deputy General Secretary of ICU, but broke from ICU and formed the Textiles, Garment and Leather Employees' Union, TGLEU. Today GFoL does not seem to have any significant strength. GFoL, though, reports that more associations are expected to join the centre soon.

The TUC is not - either formally or informally - linked to any political party. Up to the parliamentary and presidential elections in December 2000, the TUC invited the presidential candidates to present themselves at the TUC Congress. The TUC also ran a programme concerning voters' education throughout the country.

Organisational structures

The TUC is currently made up of 17 national unions, which are constituted mainly by industrial sectors. In addition, TUC has its own organs, which administer, cooperate and develop initiatives and policies.

The TUC structure consists of the following bodies:

- ? The Congress
- ? The Executive Board
- ? The Steering Committee
- ? The Executive Committee
- ? The Finance Board
- ? The Secretariat
- ? The Regional Councils of Labour
- ? The District Councils of Labour

Additionally, there are the following TUC committees:

- ? Social & Economics, International Affairs, Education, Health & Safety, Editorial Advisory Board, Political and Organisation, and Standing Joint Negotiating.
- ? Staff: There is a professional staff of about 20.
- ? Beside traditional activities on wage bargaining, job security, health and safety etc., the TUC is involved in the following:
 - ? Organising worker education programmes.
 - ? Running a secretarial school at Cape Coast and a vocational institute in Takoradi.
 - ? Organising primary health care projects in the North.
 - ? Running a base clinic in Accra and mobile clinics around the country.
 - ? Developing housing projects to alleviate the problem of housing for workers.
 - ? Organising general educational activities and management education programmes.

Membership

Compared to an estimated workforce of about 10 million people, the 300,000 or so members of the TUC only constitute a 3 % unionisation rate. However, in terms of the formal sector of the Ghanaian economy, which is mainly covered by the survey, the unionisation rate of 74 % indicates that the unions in Ghana in this respect have a considerable membership basis. Nonetheless, the membership in past years has been declining, following the decrease in formal-sector employment in Ghana.

The TUC has conducted a comprehensive survey¹¹ on union membership and employment distribution, in principle covering all unionised workplaces in all 10 regions and 110 districts in Ghana.

A total of 4,973 workplaces and 351,487 workers were covered nationwide. Out of this number, a total of 259,523 workers were unionised, representing a unionisation rate of 73.8 %. The proportion of female unionised members was 20.4 %

Public sector employment accounts for about 70 % of all employment in the survey. The Ashanti Region is the only region where the proportion of private-sector employees (57 %) exceeds that of public-sector employees (43 %).

¹¹ TUC, Ghana: Membership Survey. Preliminary Report. June 2001.

Table 16. Regional distribution of employment, in total and %

Region	Total employees	%
Ashanti	60,999	17.4
Northern	13,941	4.0
Central	25,678	7.3
Upper east	4,725	1.3
Western	47,148	13.4
Upper west	6,225	1.8
Volta	19,659	5.6
Eastern	24,797	7.1
Greater Accra	125,878	35.8
Brong Ahafo	22,437	6.4
Total	351,487	100.0

Source: Membership Survey. Preliminary Report. TUC, Ghana. June 2001.

As can be seen from Table 16, more than a third (36 %) of the total employees in organised workplaces are in the Greater Accra Region. The Greater Accra, Ashanti and Western Regions together account for 67 % of the total employment in Ghana, according to the survey. The three northern regions, namely Upper West, Upper East and Northern Regions, constitute only 7.1 % of the total employees.

The variations in unionisation rates are presented in Table 17.

Table 17. Union members and union density by region

Region	Total employees	Unionised members	Union density (%)
Ashanti	60,999	48,276	79
Northern	13,941	8,246	59
Central	25,678	19,218	75
Upper east	4,725	2,781	59
Western	47,148	35,298	75
Upper west	6,225	4,494	72
Volta	19,659	12,855	65
Eastern	24,797	19,023	77
Greater Accra	125,878	94,632	75
Brong Ahafo	22,437	14,700	66
Total	351,487	259,523	74

Source: Membership Survey. Preliminary Report. TUC, Ghana. June 2001

The highest unionisation rate is recorded in Ashanti Region, with 79 % of all employees covered. Eastern, Greater Accra, Western and Central regions follow with union density

around 75 %. Upper East and Northern regions have the lowest union density with rates of 59 %, which is 15 percentage points below the national average.

Table 18. Unions rated by numerical strength

Position in terms of numerical strength	National union	Membership covered by survey	Membership as % of total unionised employees
1	ICU	42,070	16.8
2	TEWU	30,246	12.1
3	PSWU	27,084	10.8
4	GPRTU	26,901	10.7
5	TWU	22,758	9.1
6	PUWU	17,111	6.8
7	HSWU	16,647	6.7
8	GAWU	14,710	5.9
9	CBMWU	11,676	4.7
10	RWU	8,842	3.5
11	GMWU	8,379	3.3
12	LGWU	7,521	3.0
13	CWU	7,124	2.8
14	MDU	5,780	2.3
15	GTPCWU	3,247	1.3
16	NUS	256	0.1
17	REU	160	0.1
	Total	250,512	100

Source: Membership Survey. Preliminary Report. TUC, Ghana. June 2001

The Industrial and Commercial Workers Union constitutes 17 % of all unionised workers. The four largest, ICU, TEWU, PSWU and GPRTU together constitute 50 % of the total union membership. At the other end of the spectrum, the REU, NUS and GTPCWU, the three smallest unions, constitute only 1.5 % of the total union membership. NUS and REU come out with only 256 and 160 members respectively.

Funding

Trade union membership subscription is currently 1 % of the basic salary of each union member. Organised as a check-off system, the members' dues are deducted at source and paid directly to the national unions to which the workers belong. By constitutional arrangement 20 % of the dues are paid back to the local unions. Another 30 % are paid to the TUC as its main income to run its activities. The national unions retain the 50 % of their members' dues.

Additionally, the TUC, and to a lesser extent some unions, receive funds from supporting and cooperating international trade unions and other friendly organisations

Ghana Labour College and Diploma in Labour Studies, Cape Coast

The Ghana TUC has realised the importance of improving the skills of trade union officers and activists in the areas of organisation and negotiation. In line with this, the TUC has given the education of its members a high priority. The activities include basic, intermediate and advanced trade union courses as well as specially tailored programmes covering health and safety, environment, informal sector and training of trainers.

TUC established the Ghana Labour College in 1967 to train leaders and rank-and-file membership. The Education Committee, consisting of seven members of the Executive Board, is responsible for implementing all aspects of the TUC's educational policy. The Labour College is regarded as the focal point for developing and managing the educational programmes. The college has the function of developing study material and providing support for the education and training programmes, training trainers and developing a pool of educators to handle trade union education. Finally, it implements a comprehensive education and training programme for the trade union movement.

The Labour College programme covers three broad areas; trade union education (collective bargaining, grievance handling, organisational skills, health and safety, conduct of meetings and labour laws); trade union history (in Ghana and generally, but with special reference to European trade union history); and special programmes covering topical issues of interest both at home and worldwide.

The Labour College is very active, but will need additional resources, material and human, to fulfil the demand. Training programmes are being organised for various categories of members and officers such as shop stewards, local and branch officers, union staff and field officers, national officers and members of the Executive Board, and women and youth activists. Basic accounting is offered for some levels of officers, and there is said to be a general request for more emphasis on management training.

The Labour College in collaboration with the Centre for Development Studies, University of Cape Coast, has launched a Certificate in Labour Studies programme. The programme is designed to enhance and facilitate the understanding of theory and practice of labour relations, in Ghana and generally. The programme is "designed to prepare trade unionists to enable them to effectively influence the socio-economic and political conditions at the workplace, community and international levels."

The programme runs parallel with a Diploma in Labour Studies programme at Centre for Development Studies, University of Cape Coast. Both programmes run in two semesters of ten weeks duration each.

There are some acknowledged *problems* in the field of labour education. The first is that there is not enough of it. The trade unions financial limitations mean that not as many people as desired are currently being catered for. Another problem is, that there is no clear division of labour between the unions and the Labour College, leading in some cases to undesirable duplication of effort.

The educational programmes of the TUC depend quite substantially on external funding. The Labour College has received funding from the Netherlands Trade Union Federation, the Commonwealth Trade Union Council and the Finnish SASK among others.

Labour Enterprise Trust (LET)

In the face of decreasing formal-sector employment opportunities, the TUC has raised resources from its members with the objective of investing in profitable ventures that have the potential to create jobs, as well as strengthening the financial base of the unions. For that purpose the TUC has established a Labour Enterprise Trust (LET), which holds members' contributions and invests the money in enterprises, either by itself or in collaboration with others.

The decision to establish LET was taken at the quadrennial congress in 1996. The objectives of the enterprise ownership policy were stated as:

- ? to create and secure employment
- ? to promote the national development of Ghana through appropriate investments
- ? to secure a fair return for workers as shareholders
- ? to strengthen the economic base of trade unions in Ghana
- ? to create the conditions for promoting workers' participation as an integral aspect of labour relations in Ghana

It was expected that all the estimated 500,000 members would purchase a minimum of 100 shares at 50,000 Cedis each, raising a total of 25 billion Cedis (equivalent to about US\$10 million at that time). Actual contributions fell far short of the projected sum, however, and only a little over 90,000 contributed, yielding about 20 % of the expected initial capital.

So far the LET has made three major investments. It has purchased a 20 per cent share in a \$5 million car park project, including shops and offices, located in the commercial centre of the capital city of Accra. It has also, as the majority shareholder, established an insurance company, and it has invested in four tankers to provide water at competitive rates to residents in Accra. The LET Board has had to ensure a balance between safe investments and the number of jobs created. Only the insurance company, designed to employ 27 full-time staff and 200 full-time agents, can be said to provide a large number of jobs. Potential projects include the establishment of a commercial bank, a security service, service stations, radio taxi services and estate management.

Challenges

How to increase the membership

The TUC has recognized the need for a special effort to turn around the declining membership and thereby gain new strength in negotiations and in influencing the political dialogue. A number of unions have made efforts aimed at the unionisation of senior and professional staff. Both the TUC and the unions have taken measures to organise informal sector workers. Awareness creation programmes aimed at young workers and students have also been launched.

In combination with the general upgrading in the service to members, these initiatives will be crucial to the much-wanted growth in union membership, which in the long run will be a prerequisite for the growth of the trade unions' organisational and political strength.

Although most members have traditionally been recruited from the formal sector's large establishments – both private and public – there have also been trade unions operating in *the informal sector*.¹² One of the big affiliated unions, the Ghana Private Road Transport Union (GPRTU), has a high rate of self-employed transport operators. It appears that organising the informal sector is easiest where the operators already belong to or have formed some sort of association. The Ghana Hairdressers' and Beauticians' Association is an example of an existing organisation which has now been affiliated to the big Industrial and Commercial Workers' Union (ICU). Other examples of informal sector affiliates to ICU are the Batik, Tie & Dye Manufacturers' Association (BATMAG), the Domestic Workers' Union, the Barbers' Ghana Association of Barbering Saloon Owners (GABSO), the United Hairdressers and the Progressive Hairdresser. Outside the ICU other self-employed operators such as butchers, carpenters, charcoal burners, small-scale miners and some self-employed rural workers have been organised.

The trade unions provide a variety of services for selected, homogeneous groups of their informal-sector members. Many provide educational and skill development services, support for collective bargaining with the public authorities and in some cases legal support for members.

The TUC and almost all the affiliated unions are devoting lots of time and energy to making contact with micro and small-scale operators with the purpose of organising them in one of the unions. However, even if this succeeds in organising the informal sector operators, it may raise new constraints for the union. K. Adu-Amankwah (1999) has summarised the main obstacles which have faced union organisation in the informal sector. These are the low financial returns from the sector in relation to the cost of organisation, the absence of a ready package of benefits to attract informal sector operators, and lack of previous experience in union organisation. The financial constraint in the sector is likely to be the most serious. If the increased membership only worsens the financial plight of the unions, organising the informal sector will eventually reduce the capacity to offer proper services to the sector operators.

The unionisation of senior staff and professional personnel will be important for the continued vitality of the TUC and its unions. Technological development is increasing the demand for skilled and professional personnel. In addition, professional and senior staff generally earn higher salaries and so also have a capacity to generate bigger contributions to the unions.

The drive by unions to attract senior staff has met resistance from the employers. The Ghana Employers' Association (GEA) has on several occasions publicly opposed the

¹² See Kwasi Anyemedu: Trade union responses to globalisation: Case study on Ghana. 2000.

unionisation of senior staff. The GEA has stated many and varied reasons for its opposition. Among them is a claimed possible divided loyalty and misuse of confidential information by unionised senior staff or management personnel. The employers also argue that belonging to the same trade union as their subordinates would tend to undermine or erode the authority of the senior officers. The employers are particularly concerned about the negative effect of senior staff unionisation on foreign investment. The government has declined an invitation from the employers to intervene, as the country's constitution guarantees freedom of association.

The unions have been reasonably successful in unionising senior staff. The two largest, the ICU and the PSWU, have strong senior staff representation. The ICU has about 4,000 senior and management staff members from around 30 companies, including most of the major private-sector establishments in the country. However, the three biggest unions have all seen instances in which management resisted the unionisation of senior officers, and cases of unionised senior officers renouncing their union membership.

Merger of unions

Other organisational initiatives should also be considered. There is a need for the merger of unions. A number of unions are so small that there is an obvious need for them to merger with bigger ones in order to create the capacity to provide a comprehensive service for their members.

Strengthening the regional level

There is a need to strengthening the regional level – the District Councils of Labour as the base unit of the TUC – to intensify the interaction, confidence and dialogue between the rank-and-file and the elected leadership.

The TUC as an actor on national policies

The trade union movement plays an active, independent role in the Ghanaian political structures. It often has a leading role in debates and in the collaboration with other civil organisations. With its open, democratic structure the TUC has gained recognition and influence.

The TUC has positioned itself with clear statements on major political and economic issues on the national political agenda. The trade unions both participate in the public debate in general, advocate more specific issues, and address the government on actual policy initiatives. Furthermore, the TUC plays an active role in the tripartite forums - not only in the National Tripartite Committee on Wages and Salaries Guidelines, but on a much broader basis.

At its 6th quadrennial congress held 12 – 16 September 2000, the congress adopted a comprehensive *political programme*¹³, covering both general political goals and medium-term policies for the period 2000 – 04. The medium-term policies put forward specific objectives and strategies on a number of issues. The main subjects are:

¹³ Policies of the Trades Union Congress (Ghana). TUC, Ghana 2000.

- ? Occupational health and safety environment and HIV/AIDS
- ? Organisation
- ? Gender
- ? International relations
- ? Internal democracy
- ? Education and training
- ? Social security and pension
- ? Industrial relations

The congress also adopted guidelines for the implementation, monitoring and evaluation of the policies. The Executive Board will each year adopt an annual programme of action in pursuit of the policies. Still, it could be said that there is no working programme with a more explicit *priority of the many tasks*, given that the trade union does not have the resources to deal with them all fully.

As explained in chapters 2 and 3, the TUC has been able to position itself with clear, analytical based inputs on core national issues such as the Ghana Poverty Reduction Strategy and the Structural Adjustment Policy. Based on its informed inputs the TUC has been able to engage the government and other parties and organisations in dialogue on these and other crucial policies.

Conclusion

The TUC's historic and current political initiatives illustrate that it not only has a strong commitment but also to a considerable extent the capacity to found its initiatives on a solid, analytical basis. Thus, the TUC has the essential prerequisites for acting as a driving political force on behalf of the labour movement in the dialogue with government and other social partners in the economic and social development in Ghana.

Hence, despite nearly two decades marked by shrinking formal-sector employment and decreasing union membership, the TUC in Ghana is among the few African national centres that can be labelled "self-sustainable". With the adoption of a comprehensive political programme and the renewal of the leadership at the Congress in 2000, the TUC has grown in capacity and capability. Some have even labelled it the "New TUC."

By improving the structures and procedures for dialogue, both with the unions and with the employers and other parties, the dialogue has improved dramatically.

Still, given the scope of the demands and challenges - both in terms of the affiliated unions, the regional level and society in general - the TUC could achieve some improvements in capacity and effectiveness by better planning and coordination of activities.

Legal framework for the unions' activities, recognition of labour rights¹⁴

Historically, industrial relations in Ghana have been marked by tension, conflicts and coercion as evidenced by the frequent strikes before and after independence. Since independence, Ghana has ratified 45 ILO conventions, including 7 of the 8 core conventions, but not the Minimum Age Convention, no. 138.

Ratifications of the fundamental ILO conventions

	Forced Labour		Freedom of Association		Discrimination		Child Labour	
Convention	C.29	C.105	C.87	C.98	C.100	C.111	C.138	C.182
Ratified	1957	1958	1965	1959	1968	1961	-	2000

Among the laws, that have been passed to validate the conventions, are:

- ? The Trade Union Ordinance, 1941
- ? Industrial Relations Act, Act 299, 1965
- ? Labour Decree, 1967
- ? Labour Regulations, 1969
- ? Factories, Offices and Shops ct, 1970
- ? Workmen's Compensations Act, 1987
- ? Social Security Act

The Constitution grants freedom of association, but several pieces of labour legislation limit this freedom. The Industrial Relations Act (IRA) of 1965 and the Trades Union Ordinance (TUO) of 1941 both impose restrictions on the activities of trade unions. The IRA stipulates that the Registrar of trade unions shall not recognise a trade union for any class of worker if any trade union already represents any part of that class. The 1941 Trade Union Ordinance grants the Registrar extensive scope to oppose the registration of a trade union.

Both pieces of legislation have repeatedly been the object of enquiries by the Ghanaian trade union movement and the ILO. In response to the criticisms the National Advisory Committee on Labour (NACL) has recommended amendments to numerous sections of both the IRA and the TUO, although these amendments have not been effected to date. In the case of the IRA specification against plurality of trade unions for a particular class of worker, the ILO has deemed the amendments outlined by the NACL insufficient.

The Emergency Powers Act of 1994 restricts freedom of association in areas presently and formerly under a state of emergency. The ILO has commented that this Act provides for very extensive powers, and has said that the government should repeal or limit the

¹⁴ Mainly based on: "Internationally Recognised Core Labour Standards in Ghana. Report for the WTO General Council Review of Trade Policies of Ghana." International Confederation of Free Trade Unions (ICFTU). 2001.

scope of this legislation, to ensure that it is only applicable in situations of national emergency and that it cannot be employed to restrict legitimate trade union rights.

Acts of anti-union discrimination are in theory prohibited by law, and employers found guilty of such acts can be required to reinstate workers that have been fired as a result. However, in practice many companies continue to commit anti-union discrimination, which the authorities fail to stop. Many employers are particularly resistant to the unionisation of senior staff. In a current case of anti-union discrimination, the sub-contractor to a Belgian company, Dredging International, has been acting to prevent the unionisation of hundreds of construction workers on a major public project in Accra. The anti-union activities have included arbitrary dismissals and refusal to allow the union access to its members.

The Industrial and Commercial Workers Union (ICU) has been the target of numerous instances of harassment by both private sector employers and by the government. Among these were the unwarranted closure of the ICU Annual Conference in 1999, and the refusal to allow former ICU members to re-affiliate. In February 2000, the ICU General Secretary was himself arrested and held for several hours.

The right to bargain collectively is covered by the IRA, but there are serious restrictions of the free exercise of the right to collective bargaining. One flagrant example arose when the government withdrew the right to collective bargaining from those workers employed by the Ghana Cocoa Board whom the Board decided were to be made redundant. The decision has since been repealed.

The IRA also provides for compulsory arbitration by the Minister to resolve a dispute if one party to the dispute advocates compulsory arbitration. This procedure would allow employers to renege on their commitment to bargain in good faith and instead call for arbitration, violating the right to collective bargaining. The ILO has informed the government that compulsory arbitration is acceptable only when called for by both parties, or in order to guarantee the provision of essential services, as defined by the ILO.

The IRA also grants the Registrar of Trade Unions wide powers to refuse to recognise a trade union as representative for the purposes of collective bargaining. The National Advisory Committee on Labour (NACL) has recommended that the relevant provisions be amended to ensure that unions can be granted collective bargaining certificates with the support of two-thirds membership of the class of employees represented. The ILO, however, has informed the government that this would still not provide for adequate protection of unions' rights to bargain collectively, and has recommended that the IRA provisions be amended to permit the award of a collective bargaining certificate with the support of a simple majority of the relevant bargaining unit.

The IRA provides for the right to strike, but sets out a strike procedure which is arduous and complicated to the point that there has never been a legal strike in Ghana, because all strike actions taken have failed to meet the specifications set out in the IRA. But while

the law protects strikers from retribution, it also provides for severe penalties for illegal strikes.

Freedom of association and the right to collective bargaining are to a certain extent protected by law, but there are numerous legal mechanisms through which the enjoyment of these rights is restricted. Registration of a trade union can easily be refused.

In conclusion, there has been a mounting tension on the industrial relations scene in recent times. These tensions are likely to worsen given the trend in national economic philosophy towards a free market and initiatives to reform labour laws with the aim of achieving a more flexible labour market with easy access to hire and fire workers, mass retrenchment, etc. The tensions are especially manifest in the EPZs, where the employers expect to be exempted from much traditional regulation, and where working conditions are often very poor compared to Ghana standards in general.

Discrimination, equal remuneration and child labour

The Constitution prohibits discrimination on the grounds of gender, race, ethnic origin, creed, colour, religion, or social or economic status, and also provides that the government take measures to ensure reasonable regional and gender balance in public employment.

Women in Ghana suffer broad societal discrimination, and this is evident in the workplace, especially for uneducated and rural women. A study of the impact on Ghanaian women of trade policy reports that the emphasis placed on export crops, notably cocoa production, in the last decade, has made the situation of women noticeably more precarious. This has occurred primarily as the women who grow crops for domestic, often family, consumption, are pushed into more marginal and lower-yield land with the expansion of cocoa production, which is a predominantly male industry.

Labour legislation from 1969 outlines the way in which jobs held by a male and a female are to be compared for the purposes of ensuring equal remuneration. The ILO has repeatedly notified the government that the definition of 'substantively identical duties' is inadequate to the principle of equal pay for work of equal value, and that alternative methods should be applied to aid in determining the comparative value of primarily male and primarily female employment.

Ghana ratified ILO Convention no. 182, The Worst Forms of *Child Labour* Convention in 2000, but has not ratified ILO Convention No. 138, The Minimum Age Convention.

The law sets the minimum age for employment at 15, but this is often disregarded. Though education is free and compulsory until the age of 14, children, especially girls frequently drop out of school due to economic pressures. Child labour is widespread in practice; with the ILO estimating that 12 % of children aged 10 – 14 are economically active. In urban areas this involves working in markets or collecting fares on buses, as well as working as domestic servants. UNICEF reports that 80 % of girls working as domestic servants are between the ages of 10 and 14. Elsewhere, especially in the rural

sector, child labour frequently takes place within the family. The ILO found in 1996 that 75 % of child labour in Ghana took place in such family situations.¹⁵

Child prostitution also exists, although prohibited by law. Young Ghanaian girls are lured into prostitution by promises of work as domestic servants. Ghanaian children are among those trafficked between the West African countries of Benin, Togo, Nigeria, Gabon, Equatorial Guinea and the Congo as domestic labour.

While forced labour is not widespread, a slavery practice traditional to several ethnic groups, known as *Trokosi*, is still common along the coast of Ghana. There are at least 2,500 such slaves reliably reported in Ghana, and the true numbers must be much higher, the report concludes

Trade union assistance programmes

Over the years TUC has received substantial support to develop a number of activities:

1. The Dutch FNV and Finnish SASK are supporting a regional project with AFRO in which five trade unions are working together to formulate alternatives to the traditional structural adjustment programmes in Africa. The overall objective is to enhance the trade union capacity in Africa to understand and develop long-term social and economic policies. The end goal is to bring together a critical mass of public opinion (trade unions at national and sectoral level, academia, non-governmental organisations, women's organisations, etc.) in order to influence a sustainable change in government policies.
2. Finnish SASK is supporting the Labour College in a new project from 2001.
3. The LO/FTF Council is undertaking the following projects with federations in Ghana:
 - ? Support to the ICU in implementing strategies to organise workers in the informal sector; since 1999.
 - ? Support to ICU to organise and educate workers in the tourist sector.
 - ? Support to the organising of early childhood educators within GNAT. From 2002–05.
 - ? Minor projects to support management in the graphical sector.
4. TUC is active in an ICFTU-AFRO/LO-TCO/OATUU education project. It has participated in the project to develop various educational materials. 150 study circle leaders have been trained.
5. Other trade union assistance activities in Ghana include a workers' participation programme funded by FNV, and a women into leadership project sponsored by the British TUC.

¹⁵ Source: ICFTU Report on the Follow-up to the ILO Declaration on Fundamental Principles and Rights at Work. ICFTU, Brussels, 31st of October 2001

The donor-funded projects are in general considered well-run and achieving good results.

Concluding remarks

It is a precondition for a strategy of strengthening the trade unions that the union leadership has faced the fundamental threat linked to the falling employment and membership in traditional sectors, and that it is determined to produce a response to this threat. The Ghanaian trade union has long realised that concern and is launching a response, for instance by approaching new groups.

Compared to most other national centres in the African region, TUC Ghana is a well functioning and well-staffed national centre. Having said that, the TUC could still gain a lot in optimising the utilisation of its resources through more thorough planning, prioritising and implementation. For instance, there has been a lack of coordination of education and training activities between TUC and the national unions. Recently, however, initiatives have been taken to ensure better planning.

Given its limited resources, the TUC to some extent falls short in providing analytical and practical support for new initiatives and for the implementation and expansion of current ones.

It is our assessment that the TUC has the potential to generate more, better activities given additional resources.

Hence, it is *recommended* to support the *capacity building*, especially in the Policy and Research department and in the Education department, to boost the TUC's capacity in relation to its members and its position and skills as a major social partner.

Besides expanding the capability internal in the TUC, the support should foster the *cooperation and the sharing of expertise* between the TUC secretariat and the affiliated national unions.

Finally, a further *decentralisation of duties and responsibilities* should be implemented, both in the federation and in the unions, to avoid an excessive centralisation of functions and communication.

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Abbreviations

AGI	Association of Ghana Industries
CPP	Convention People's Party
ECOWAS	Economic Community of West African States
EIU	Economist Intelligence Unit
GDP	Gross Domestic Product
GNI	Gross National Income
GEA	Ghana Employers' Association
GPRS	Ghana Poverty Reduction Strategy
ICFTU	International Confederation of Free Trade Unions
ILO	International Labour Organisation
IMF	International Monetary Fund
NDC	National Democratic Congress
NPP	New Patriotic Party
OATUU	Organisation of African Trade Union Unity
TVET	Technical/vocational education and training
TUC	Trades Union Congress (Ghana)
UEMOA	Union Économique et Monétaire Ouest-Afrique
UNDP	United Nations Development Programme
WAMI	West African Monetary Institute

Appendices

1. People met in Ghana

Interviews during visits in Ghana, September 2001 and April 2002.

TUC: Kwasi Adu-Amankwah, Secretary General
Veronica Ayikwei Kofie, Head, International Dep., Deputy Sec. General
Anthony Baah, Head, Industrial Relations & Research Department
Isaac K. Yanney, acting Deputy Head, Industrial Relations & Research
Josephine Abakah, Deputy Head, Education Department

ICU: Gilbert Awinongya, Deputy General Secretary
Marianne Holst, Senior Advisor

GNAT: Paul Osei-Mensah, General Secretary

Danish Embassy:
Ambassador Ole Blicher-Olsen

Ghana Employers' Association:
Mr. Frimpong,

Ministry of Trade & Industries:
Dir. Rob B. Tandor,

Min. of Manpower Development & Employment:
Dir. J. Y. Amankrah, Research, Information & Statistics

NACVET, Min. of Education:
Dir. Glover

Ghana Free Zones Board:
Ass. officer S. Antwi-Agyei

Labour Enterprises Trust, LET

Labour Research Network, TUC-led workshop with researchers from national centres in several countries

2. TUC affiliated members: General secretary, chairperson

Union	General Secretary	Chairperson
1 General Agricultural Workers' Union, GAWU	Samuel Kangah	Frank Adongo
2 Industrial and Commercial Workers' Union, ICU	Napoleon Kpoh	K. Amoah-Bosompem
3 Ghana Mine Workers' Union, GMWU	Robert Cole	John Brempong
4 Public Services Workers' Union, PSWU	A.T.D. Okine	Samuel M. Nyarko
5 Maritime and Dock-workers' Union, MDU	K.O. Afriyie	R.R. Amponsah
6 Construction and Building Materials Workers' Union, CBWU	P.M.K. Quainoo	J.W.K. Otum
7 Timber and Wood-workers' Union, TWU	Joshua Ansah	Alex. K. Bonney
8 Railway Workers' union, RWU	Samuel Kokovena	H.E. Essuah
9 Public Utility Workers' Union, PUWU	W. Jerry Addo	E.O. Nkansah
10 Gen. Transp., Petro. and Chem. Workers' Union, GTPCWU	E.A. Mensah	Roland Mosoree
11 Teachers' and Educational Workers' Union, TEWU	Dan Ayim-Antwi	Michael Nyame
12 Railway Engine-men's Union, REU	Isaac A. Oboh	Eric Opoku
13 Communications Workers' Union, CWU	Ekow Dadzie	D.K. Clotey
14 Local Government Workers' Union, LGWU	S.Y. Bonnah	Stephen Abagarey
15 National Union of Seamen, NUS	L.V. Mensah	Isaac Imprim
16 Health Services Workers' Union, HSWU	John G. Akoto	William Agyei
17 Ghana Private Road Transport Union, GPRTU	Charles Ankomah	E.K. Gbedemah

3. ECOWAS¹⁶

ECOWAS was established in 1975 by 15 West African countries: Benin, Burkina Faso, Cote d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo. Cape Verde joined in 1977. The principal objective of the community, to be achieved in stages, is the establishment of a customs union and a common market for promoting the free movement of goods and people within West Africa. The initial treaty further provided for the harmonisation of regional policies in several sectors, including agriculture, industry, energy, transport and communications. ECOWAS has a small executive secretariat based in the Nigerian capital, Abuja, and seven specialised commissions. Decision-making powers are vested in a Council of Ministers, though supreme authority rests with the annual conference of heads of state and government, who elect a chairman.

Progress towards improved regional economic co-operation and integration has been limited, however, and ECOWAS focused increasingly on political and security issues in the 1990s. Although a number of tariffs have been abolished or reduced under its aegis, in 1994 francophone members set up their own Union Economique et Monetaire Ouest-Africaine (UEMOA) to work towards a customs union and other aspects of economic convergence. UEMOA members - Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo - already share the same currency, the CFA franc, and similar legal codes. Prospects for real integration of the economies of the francophone bloc with those of Nigeria and other anglophone countries in the region are remote, despite a formal commitment to monetary union by 2004.

On regional security issues, ECOWAS has been far more active. Attempting to enforce an agreement for ending the civil war in Liberia in 1990, the organisation established the multinational ECOWAS Ceasefire Monitoring Group (Ecomog). However, Ecomog was quickly dominated by Nigerian army units and became an instrument for the implementation of Nigerian regional foreign policy. Anxious to present itself as a regional policeman to the Western powers, Nigeria raised Ecomog's profile, deploying again in Sierra Leone, where in 1997 a Nigerian force operating under the Ecomog banner intervened decisively to topple a military-led junta and restore the elected government.

¹⁶ Source: Economist Intelligence Unit: *Country Profile 2000, Ghana*. UK 2000

4. Statistical and technical notes

The figures in the report should be used with caution and must in general be taken more as estimates than facts, due to variation in definitions and weaknesses in methods of collecting and compiling data.

Technical notes

The data in the socio-economic profile are mainly based on the World Bank's www.worldbank.org/data, and the UNDP's Human Development Report 2001.

The *definitions* of some of the main indicators are:

Labour force comprises people who meet the ILO definition of the economically active population: all people who supply labour for the production of goods and services during a specified period. It includes both the employed and the unemployed. While national practices vary in the treatment of such groups as the armed forces and seasonal or part-time workers, in general the labour force includes the armed forces, the unemployed, and first-time job-seekers, but excludes homemakers and other unpaid caregivers and workers in the informal sector.

GDP, the gross domestic product, measures the total output of goods and services for final use produced by an economy by both residents and non-residents, regardless of the allocation to domestic and foreign claims. It is calculated without making deductions for depreciation of physical capital or depletion and degradation of natural resources. The GDP figures are shown at market prices and have been converted to U.S. dollars. Total GDP is shown at purchaser value, while value added components are conventionally reported at producer prices. The GDP growth rates are presented in real terms.

GNI per capita is the gross national income in current U.S. dollars as divided by the mid-year population. GNI measures the total domestic and foreign income claimed by the residents of the economy. It comprises GDP plus net factor income from abroad, which is the income residents receive from abroad for factor services (labour and capital) less similar payments made to non-residents who contributed to the domestic production. GNI in U.S. dollars is calculated according to the World Bank Atlas method of conversion from national currency to U.S. dollar terms.

The *Atlas conversion* factor for any year is the average of the country's exchange rate for that year and those for the two preceding years, adjusted for differences in relative inflation between the country and the G-5 countries (France, Germany, Japan, the United Kingdom and the United States). This three-year average smoothes fluctuations in prices and exchange rates for each country.

Poverty, percent of population living of less than 1 US dollar a day (1993 PPP). The indicator uses purchasing power parities (PPP) rather than official exchange rates to calculate GDP per capita: a measure of the overall mean level of poverty at the national level.

At the PPP rate, one dollar has the same purchasing power over domestic GDP in the respective country as the US dollar has over US GDP. The PPP rates allow a standard comparison of real price levels between countries; normal exchange rates may over- or undervalue purchasing power. The base year for the compilation of the internationally comparable PPP data is 1993.

National poverty line is defined as the level below which adequate standards of nutrition, shelter, and personal amenities cannot be assured. The authorities of each country set the appropriate level for the country. Since these levels are country specific, cross-country comparisons cannot be made.

Human Development Index, HDI, is a composite index that contains three indicators: life expectancy at birth; educational attainment, as measured by a combination of adult literacy (two-thirds weight) and the combined gross primary, secondary and tertiary enrolment ration (one-third weight); and GDP per capita (PPP US\$) as a proxy for a decent standard of living.

The HDI values ranges from 0 to 1. Measured at regions the OECD is in front with 0,900, while the Sub-Saharan African countries hold 0,467, and all the developing Countries holds 0,647. All values are for 1999.