The Challenge of Globalization, Labor Market Restructuring and Union Democracy in Ghana

AKUA O. BRITWUM AND PIM MARTENS

Abstract: The resulting labor market transformations imposed by adjustment of national economies prompt changes in the organizational strategies of labor movements. Such strategies impact union governance and undermine union democracy. Strategies adopted by the Ghana Trades Union Congress (GTUC) and its national affiliates to cope with the fall-out of economic adjustment since the late 1980s included the expansion of union coverage and modifications in internal union structures to improve avenues for female and rank and file interest representation. This paper raises the major features of the challenges posed by globalization and discusses the implications of union extension into the informal economy as a response to these challenges.

Introduction

Studies on trade unions, especially those of the political economy approach, reiterate the importance of trade unions in arresting the excesses of globalization, such as the threat to the environment and increasing global poverty. They also underscore trade unions’ pivotal role in the search for alternative development strategies. The ILO asserts unions role as an important tripartite workplace social partner in its efforts to ensure that globalization is fair to all. Unions role in the solution for world development concerns come at a point in time when the positive benefits of globalization are being questioned in several sectors. The growing amount of literature on the social dimensions of future prospects of globalization shows that many are wary of the so-called benefits of globalization.

Development theories, be they “… conservative, modernisation… or dependency theory …, conceived development as national development” and the nation state constituted the prime focus of national decisions and actions. Nation states set out their priorities for resource use on the basis of some set assumptions about how development should proceed. These priorities set the framework for resource use for production and consumption and citizens’ mode for accessing needs. Present notions underlying neo-liberal economic development, as are being pushed through globalization, re-conceives development as national competitiveness within the global market place. The object of production under globalization is primarily for international markets not for national consumption. This shifts the focus of development from the national to the global, while the State’s space in production gets contracted to private enterprises. Neo-liberal policies absolve the state of its traditional responsibility towards welfare provisioning.

Akua O. Britwum is a Senior Research Fellow at the Institute for Development Studies (IDS) at the University of Cape Coast, Ghana and currently a Ph.D candidate attached to the ICIS at Maastricht University, The Netherlands. Pim Martens is Professor of Sustainable Development and Director of the International Centre for Integrated Assessment and Sustainable Development (ICIS), Maastricht University, The Netherlands. He is also Research Professor of Globalization, KOF Swiss Economic Institute, ETH Zurich, Switzerland.

http://www.africa.ufl.edu/asq/v10/v10i2-3a1.pdf

© University of Florida Board of Trustees, a public corporation of the State of Florida; permission is hereby granted for individuals to download articles for their own personal use. Published by the Center for African Studies, University of Florida. ISSN: 2152-2448
Re-conceptualization of development and the state’s welfare and economic roles impact production and distribution decisions within countries in ways that challenge the existence of unions’ ability to represent working people.

Improved technologies especially information and communication technologies that have been part of globalization, have caused considerable changes in production modes and relations. A characteristic feature of globalization is the ability of trans-national corporations (TNCs) to split production over several locations across the globe, giving rise to global production systems which allow companies to take advantage of variations in national economic incentives. The improvements in global production systems have been impressive; however they impact work and work relations, compromising the observance of core labor standards. As nations compete amongst themselves to capture foreign direct investments of the TNCs, the content of their labor laws are watered down to the detriment of their workers and the movements that protect their rights.

The ILO’s Director-General on the World Commission on the Social Dimension of Globalization, whilst acknowledging the benefits of globalization, expressed concern for its negative social impact on work and working people, deploiring the existence of global economic imbalances as “ethically unacceptable and politically unsustainable.” It is the significance of work in the lives of women and men that direct the ILO’s decent work agenda: a set of “policies which not only mitigate the adverse human consequences of economic change, but which also strengthen its positive outcomes for peoples’ lives and their work.” Accordingly the ILO’s 2004 report states that the quality of work is “the ‘litmus test’ for the success or failure of globalization [and] the source of dignity, stability, peace and credibility of governments and the economic system.” It is in this connection that the impact of globalization in undermining the standards of work and job security has implications for its sustainability.

Alterations in the direction and position of production within national development practice and discourse has impacted labor markets in ways that undermined fundamentally trade unionism in several parts of the world. Trade unions have faced a consistent onslaught from globalization policies that usurped labor’s role in production. Employment welfare became antagonistic to the efficient functioning of corporations generating what Streeck and Hassel call a trilemma, where full employment, price stability and free collective bargaining become untenable, any two can be achieved at the cost of the third. Governments and corporations chose to sacrifice collective bargaining under the guise that its benefits are available to a very small section of the working population.

After recovering from the initial shock, unions set to devising strategies to counter the impact of globalization. Union strategies have been influenced by several factors, both internal and external to their national contexts. Internal factors have been historical (unions political role in nation building) or contemporary (the prevailing industrial relations frameworks within which unions operate). The Ghanaian state, since 1983, has been keenly integrating her economy into the global economy. National policy making therefore is geared towards liberalization, privatization, and deregulation justified as making production entities competitive on the global market.

In response to the systematic onslaught on workers’ and trade union rights characteristic under the liberalizing economies, the Ghana Trades Union Congress (GTUC) devised several
strategies to respond to the challenges. This paper discusses the implications of some of the major strategies devised by GTUC to respond to challenges posed by labor market reforms. The paper raises some of the critical questions of union governance and internal democracy that have to be resolved if such strategies should achieve their aim of strengthening unions existence and relevance to their members as it seeks to expand its space and operations within the informal economy. The paper begins by examining the position of labor within the globalized production system, the state relationship with labor generally, and specific forms it has taken in Ghana. Later sections of the paper, which outline the nature of challenges organized labor in Ghana has faced, sets the stage for examining some GTUC strategies and points to issues of union internal democracy. Union strategies hold important lessons for providing meaningful representation and engagement with globalized policies that confront workers in their daily striving for meaningful and sustainable livelihoods. The paper utilizes information from group and individual interviews of trade union leaders and members as well as existing documents such as research reports, historical accounts, and union documents.

Globalizing National Economies

Globalization is used to refer to the unrestrained movement of capital world-wide that has integrated national economies into a unified system of production and distribution. Attitudes towards globalization and its impact are dependent on the claims to its utility, resistibility, inevitability, and novelty. Underscoring the various positions are the convictions of how present liberal global production and production relations can improve the living conditions of the world’s citizens, irrespective of their location, through sustainable use and equal distribution of the earth’s resources. Globalists or ‘globaphiles’ believe that the outcome of globalization is equally beneficial to all who take advantage of the prospects it offers. Global skeptics or ‘globaphobes’ however, point to the existence of poverty, insecurity, environmental degradation, global resource depletion, and climate change as proof of the inherently exploitative nature of globalization and its threat to sustainable development.

Other areas of contention are the presentation of globalization as a dominant, naturally evolving economic form which draws into its ambit all world production processes. Önder, Sutcliffe and Glyn, Gore, Rupert and Smith, Munck, and Buckman all contest this view, arguing that globalization is an imposed phenomenon fuelled by the ideological predisposition of the so-called Washington Consensus. Globalization combines several strands, such as the consensus amongst global economic policy makers who favor market-based development strategies over state-managed ones, the control of G7 states over global market rules, and the concentration of market and financial power in the hands of transnational corporations (TNCs) and banks to facilitate its implementation. Others are “…public international financial institutions created to oversee management of economic globalization…IMF, World Bank and WTO …technology …transport and communications.” The successful implementation of globalization was buttressed by the collapse of state sponsored socialism in the Soviet Union and Eastern Europe.

For developing countries located in the economic South, the imposition of globalization was fuelled by the 1980 debt crisis. World Bank/IMF Structural Adjustment Programs (SAPs)
and WTO negotiations served as vehicles for integrating such ailing, inward looking economies into the global economy. Munck explains that in the early 1980s, the World Bank pointed those nations who dealt with it for solutions to their economic problems to policies which entailed integration with the capitalist market. Their weakened economies forced them to accept SAP conditionalities as the basis for accessing badly needed IMF/World Bank loans. These conditions included state withdrawal from direct production, the privatization of existing state-owned enterprises, and the devaluation of national currencies. Public sector workers were laid off under the misleading name of labor rationalization in a bid to cut government expenditure. Other policy conditions included the withdrawal of state subsidies on social welfare like health, education, and support for agriculture. At present, the IMF/World Bank maintain a strong grip on economic decision making in African countries south of the Sahara. SAPs have been abandoned since 1999 but the numerous programs of the World Bank and the IMF that have replaced it still bear all the hallmarks of SAP in terms of structure, form and processes.

**Labor Within Globalization**

At the fall of the Berlin Wall not only did neo-liberals celebrate the end of history, they also commemorated the death of work. Improvements in production and information technology had shortened spaces between countries almost rendering borders irrelevant. The drivers of globalization, computers and information technology, demanded minimal labor requirements in the form of highly trained computer experts. With time this assertion has proven to be untrue and globalization’s latest labor force, highly trained computer experts are yet to dominate production processes in developing countries like Ghana. Labor remains central to globalization because the spread of capital is dictated by production and distribution of goods and services, artificial intelligence is yet to supply all the answers for human needs. Globalization however has challenged the justification for labor to secure fair entitlements for its contribution to production.

Neo-liberal economic policy dictates that nation states relinquish their role in production to the more efficient private capital, calling for a re-definition of labor’s position within the production process. Consumer satisfaction directs the goals of national production for global consumption. Under what is generally termed Import Substitution Industrialization (ISI), which characterized national development policies in the 1960s and 1970s, the focus of development was national. Countries such as Ghana and Kenya pursued development through industrialization to feed domestic consumption. Önder explains that under ISI national consumption was important to economic growth and workers income crucial in sustaining that consumption. Globalization replaced ISI with Export Oriented Growth and suppressed the interests of labor in favor of capital. Manda and Sen note how economic reforms in Kenya during the 1990s called for adjustments in labor laws that increased the vulnerability of the Kenyan labor force. The immediate post-independence phase in Ghana is characterized as a labor friendly period. The Ghanaian state was engaged in direct production and industries enjoyed protection from external competition. Neo-liberal reforms soured the friendly state-labor movement relations.
When interrogating the position of the nation state within globalization, writers have been concerned about the tendency of neo-liberal principles to undermine national sovereignty and citizenship entitlements. Critics of the various economic packages that accompany financial support to ailing economies of developing countries like Ghana have expressed concern about national ownership of IMF/World Bank economic programs and the tendency to submerge citizens’ voices and welfare benefits in a bid to get market prices right. Citizens who vote governments into power no longer constitute the centre of national policy-making. Neither are their inputs into economic planning guaranteed if they in any way contradict the dictates of World Bank and IMF conditionalities.

The implementation of neo-liberal economic policies depends on state power to curb citizens’ rights in so far as they are incompatible with the profit making interests of transnational capital. Boafo-Arthur, Munck, Abugre, and Harcourt show how the neo-liberal policy prescriptions of the World Bank and IMF were facilitated mainly by the suspension, marginalization, and erosion of the efficiency of democratic institutions as well as the suppression of human rights. Citing Pickel and Austin, Harcourt shows that authoritarian regimes rather than democratic ones are better able to carry out neo-liberal reforms. Boafo-Arthur’s discussions on the introduction of SAP in Ghana conclude that Ghana’s position as an adjustment success was only possible under a military regime that utilized violence to suppress all forms of resistance, including that of workers. He cites several examples of labor repressive undemocratic practices to show how the government of Ghana, keen to ensure that labor demands did not derail the demands of IMF/World Bank conditionalities, utilized force to weaken representative groups like organized labor.

Labor’s fortunes within globalization are undermined by an ideological discourse that upholds profits as a sign of efficiency that will generate the required levels of productivity to sustain economic growth for national development. To succumb to labor demands or interests would render an economy inefficient and directed towards failure. Thus, from a favored position under a production system that produces to satisfy national needs, labor now stands in the way of national progress if it insists that its interests should be considered.

GTUC and the Ghanaian Labor Market

The GTUC, a confederation of seventeen national unions, serves as a major labor organization in Ghana. It emerged as a labor centre in 1946 under Ordinance as a response of the British colonial government to persistent labor unrest. Prior to 1946, most trade unions were short-lived and enterprise based, organized to lead demands for better and fair working conditions. Prominent among the factors militating against the survival and effective operation of unions were the structure of the colonial labor market, characterized by a small waged and skilled workforce, as well as the hostility of private expatriate employers and the colonial government. Its growth as a labor centre was greatly facilitated by labor friendly legislation under the CPP and NRC governments in the early 1960s and 1970s.

Three main sectors within the Ghanaian economy are the agricultural and rural, the urban informal, and the formal sectors. These sectors have varying characteristics which underlie their labor force demands. The rural labor market, which is dominated by the use of family labor,
influenced by local customs and traditions in employment. Wage determination and dispute settlement processes in the sector follow such customs and traditions. The urban informal labor market is made up of several self-employed and small enterprises and here again family labor dominates. The formal labor market stands out in terms of the fact that employment contracts tend to be subjected to some measure of legislative control. The informal sector accounts for at least 81% of the labor force. The predominant type of employment is self-employment involving almost 59% of the population. The agricultural and rural informal sectors dominate the Ghanaian labor market, employing more than 50% of the total Ghanaian labor force. Much of the rural labor force is employed on small family farm holdings. The private formal sector employs 8% of the Ghanaian labor force and the public sector 6%.48

At the beginning of the twentieth century, the Gold Coast (pre-independence Ghana) was an agricultural colony and paid employment was relatively unknown. Agriculture was generally pursued by families and under one person management, usually the male head of household. Most Ghanaians therefore worked on farms that they owned. Private sector wage employment occurred in few sites, such as palm, rubber and cocoa plantations, in the forest regions. Mining also gave paid employment to mainly migrant workers and some from the Northern Territories of the Gold Coast.50

The government service provided the main source of wage employment. The majority of such employees were civil servants located in urban centers. In 1952, for example, the Gold Coast had a population of 4,500,000 with a male labor force of 1,500,000. The total number of actual wage earners was about 250,000, with 93,000 working for the Central Government and about 40,000 employed in mining minerals like gold, diamonds, manganese and bauxite. The United African Company, the major retailing centre, employed nearly 6,000. There were about 200,000 mostly unskilled workers from Liberia, Nigeria, and neighboring French territories. Expansion in the formal sector labor market occurred with investments in rail and road construction from 1920 to 1930. It created direct employment for artisans, technicians and engineers in Ghana, providing formal urban employment as an alternative to agricultural employment. Railway and road expansion impacted the mining sector, enhancing the geographical mobility of the labor force. The second and most important spate of labor market expansion was experienced immediately after independence from 1957 to 1965 under the CPP regime of Dr. Nkrumah, with massive investments in infrastructure, industrialization, and social programs such as education and health care.54

Labor market expansion in the immediate period after independence (1957-1965) was fueled by the industrialization program and the policy of Africanisation, a conscious effort to replace all expatriates workers with Ghanaians. The purpose was to effect a complete transformation of the colonial economic system. Formal education received a big push from increases in access and the quality of teaching and learning facilities. The CPP regime injected huge investments into education and health and in direct productive activity and infrastructure. The expansion in state activity as well as the restructuring of the national economy contributed to the shift of labor from the subsistence agriculture and unskilled jobs in rural and urban periphery to technical, industrial jobs in the urban centers. By 1985 public sector employment had increased from about 184,000 in 1960 to 397,000.56
The capacity of the urban formal labor market to absorb labor began to decline in the 1970s due to factors such as changes in government and a corresponding change in political orientation. Declining foreign exchange earnings, as a result of world economic recession and oil price hikes, reduced revenue available to government for pursuing economic expansion. From 1967 to 1972, formal employment declined as both the military regime which overthrew the Nkrumah government and the civilian form that succeeded it undertook to reverse his social and industrialization policies. The expulsion of large numbers of migrant workers, through the infamous Aliens Compliance Order of the PP regime led by Dr. Busia, contributed greatly to reduce the component of African nationals of non-Ghanaian origin in the Ghanaian labor force. Though the policies of the second military regime of the National Redemption Council (NRC) brought some increases in formal sector labor force, its subsequent economic mismanagement undermined all these gains. By the late 1970s, economic mismanagement had caused a reduction in the capacity of the formal public sector to provide jobs and to improve on the quality of the labor force. The private sector was equally affected. Ghanaians moved in droves to work in Nigeria and other African countries. It was under these conditions that the PNDC took over power and set out to implement SAP with the expectation to revive the Ghanaian economy.

Union/State Relations

All ruling Governments of Ghana (GOG) have maintained keen interest in the activities of the GTUC for two considerations: first, the reputation of the GTUC as the most organized social force and its primary role of defending workers’ rights; and second, the proportion of formal sector labor force the GOG employs. Since independence the GOG has remained the major employer of formal sector labor in the country. In 2000, after 16 years of SAP induced privatization, and consequent public sector labor retrenchment, the proportion of Ghanaian workforce employed in the private sector stood at nearly 8%, whilst the state employed 6% in public sector enterprises. The GTUC’s form and functions are underscored by an ideological orientation which insists that the creation and distribution of national wealth is the primary responsibility of government and should not be abandoned to market forces. In the past this belief made it critical of GOG policies, often to the point of mobilizing workers to resist the implementation of any worker hostile policies.57

The direction of the Ghanaian economy has therefore dictated state and organized labor relations, producing a checkered record of GTUC/state relations varying from close collaboration to outright hostility and open confrontation.58 GOG’s interest in the affairs of trade unions has produced policies and practices which according to Panford “often include interfering in internal union affairs, such as union organizing, structure of workers’ associations and the selection of union leaders” or their appointment to key public positions.59 Co-optation ploys or recourse to physical violence have often been utilized to ensure that favorites or persons personally connected to ruling governments became union leaders.60 The most notorious were acts by the National Liberation Council (NLC) and Progress Party (PP) which resulted in disbanding the GTUC and the shooting down of three gold mine workers.61 Panford explains how “the military cum police administration of the …NLC, which toppled the
Nkrumah regime, ... use[d] the police to shoot striking mine workers in 1969.”62 Under the Provisional National Defense Council (PNDC), vocal workers’ leaders were arrested and detained; some suffered police brutalities.63

The 1970s marked a period when the Ghanaian economy was subjected to unprecedented levels of mismanagement. When the PNDC took over power in a military coup on the 31 December 1981, the country was almost bankrupt.64 By 1983, a culmination of natural and political events in the form of drought, bush fires, repatriation of one million Ghanaians from Nigeria, and withdrawal of Western Aid worsened the already dire economic situation. Shillington notes that: “disposable foreign exchange at the end of 1981 [was] barely sufficient to cover two weeks of imports. ... and there was hardly any commercial bank abroad which would confirm letters of credit for any of Ghana’s local banks.” 65 Ghana’s food stores were depleted and drugs needed to support health care in short supply. The grim economic situation was further worsened by world oil price hikes in 1980-81 which “meant that in the first six months of 1982 Ghana was forced to spend US$100 million, three-quarters of all foreign exchange, on crude oil imports.”66 Aryeetey (1996), corroborating Shillington’s observation, concluded that the economy of Ghana in the early 1980s was ready for any form of reform and the IMF and World Bank provided one which, in the circumstances, appeared as some kind of life line. The recourse to IMF/World Bank SAP however, received stiff opposition from the left-leaning members of the PNDC who had conceived of the military takeover that brought them into power as laying the grounds for a socialist revolution. Their hostility to the turn of events resulted in political tensions and several attempts at counter coups d’état that were foiled. In the end some protesters either fled the country or were detained.67

The broadly populist orientation of the early years of the PNDC prompted the emergence of the community based People’s Defense Committees and its workplace counterpart, the Workers Defense Committees (WDCs). These designations were derived from the central organ of power, the Provisional National Defense Council. The WDCs waged relentless struggles to deracinate corruption at the enterprise level. The struggles directed against management at the enterprise level took three forms.68 The WDCs exposed management in private enterprises who abused labor rights or they subjected management, whose practices they perceived as inimical to the interest of the nation, to ‘revolutionary’ justice. The third form of workplace struggles saw workers attempting to take over or actually taking over joint state and privately owned enterprises.69 Enterprise-based trade unions did not escape the ‘revolutionary zeal’ of the WDCs. The WDCs either subjected the activities of the local union executives to close scrutiny or took over completely the workplace representation of workers.

The central labor confederation, the GTUC, also got its share of the ‘revolutionary’ intrusions that characterized the early years of the PNDC rule. In 1983, the Association of Local Unions (ALU), a coalition of militant local unions based in Tema, the industrial hub of Ghana, with open support from the PNDC, took over the leadership of GTUC. This action severely undermined the legitimacy of the operating structures of the GTUC, especially its governing system. Members of ALU sacked the national leadership, dissolved the Executive Board and set up an Interim Management Committee (IMC) to oversee the affairs of the GTUC. Pockets of resistance from sections of the rank and file were too weak to arrest this move. Relations between the GTUC and the state were tense in 1983. In addition government support for the
take-over of the GTUC leadership had resulted in a reconfiguration of its governing system and undermined internal democracy. It was against this backdrop that the Ghanaian labor movement faced the labor market restructuring which characterized the late 1980s and early 1990s.70

**Economic Adjustment and Labor Market Restructuring in Ghana**

One role of the state in mediating capital/wage labor relations under globalization is to dampen the cost of labor through the removal of traditional labor protection rights. International competitiveness hinges on the ability of a nation to lower production costs of its labor force through a restructuring of work and the labor market. The main strategies have been privatization of public enterprises and labor flexibility. Labor flexibility is usually justified in the name of economic efficiency, the promotion of economic growth and job creation. Its core measures however are downsizing (reducing the number of workforce required to perform company tasks) and sub-contracting or externalization (where firms only concentrate on their core functions and sublet peripheral tasks to small scale informal operators). Other labor flexibility methods include the modification of jobs, adjustments in working hours, and wage flexibility (where wages are tied to labor productivity).71 Such restructuring is not restricted to the private sector alone; market principles also run in public sector enterprises subjecting the once secure forms of employment to high levels of insecurity.

The notion of fulltime secure wage employment disappears under globalization, leading to varying forms informal work.72 Labor market informalisation is a feature of both developing and the highly formalized western industrialized countries.73 Informalisation has caused an expansion in the forms of work that were hitherto outside the organizational ambit of the trade unions, narrowing union coverage and reducing union density.74 Trade unions find themselves confronted with new types of workers who are not interested in organizing while their traditional core dwindled in the face of labor market restructuring under an ideological orientation that positioned trade unions as protectionist and interfering with market principles. Labor market flexibility provided the answer for curbing trade union liberties detrimental to economic growth.

Ghana’s recourse to World Bank/IMF SAP was the outcome of years of economic mismanagement of a neo-colonial economy weakened by falling commodity prices and oil price hikes.75 IMF/World Bank-induced SAP was introduced in two phased Economic Recovery Programmes (ERP I and ERP II) spanning 1983 to 1986 and 1987 to 1989. SAP policy goals included the stabilization of the economy with special emphasis on arresting the decline in industrial production and exports. Specific labor market-impacting policy demands under ERP I were the devaluation of the national currency (cedi), a reduction of government expenditure, and withdrawal of subsidies on food, agricultural inputs, fuel, and utilities.76 Others were upward adjustment of capital cost and sustenance of positive real interest rates. State owned enterprises were privatized and some labor force within the public sector declared redundant. ERP I also included other labor market restructuring methods like real wage flexibility and long term public sector wage freezes.77
ERP II, the second phase economic reforms in Ghana, was designed to lay the foundation for sustained output growth of about 6% per annum and attain a viable external payments position with a significant development in social services. Macro-level policies included a continuation of ERP I policies, curtailing public expenditure by withdrawing more subsidies, imposing further public sector wage freezes, and transferring state-owned enterprises to private foreign concerns. Trade was liberalized and legislation amended to attract foreign investment. These policies were supposed to increase private foreign investment, expand industrialization and product markets, and promote job creation. Ghana’s foreign exchange earnings, it was expected, would rise to enhance her capacity to service her foreign debts and wean the economy off dependence on foreign aid.78

The Ghanaian economy made dramatic improvements and by 1986, Ghana was hailed as an economic miracle.79 Import liberalization provided domestic firms access to otherwise scarce inputs and equipment while price liberalization allowed firms to pass on their higher costs of production to consumers. The manufacturing sector for example, bounced from decline to growth with real annual growth rate rising sharply from 13% in 1984 to 24% in 1985. The capacity utilization in the sector increased from a low level of 18% in 1984 to 40% in 1988.80

The short spell economic ‘success’ came at a cost, and already in 1986, when the Ghanaian miracle hype was reaching a crescendo in international circles, the social toll of adjustment was too glaring to be ignored. A Programme of Action to Mitigate the Social Costs of Adjustment (PAMSCAD) was instituted to offer relief to some social groups identified as vulnerable to adjustment shocks.81 The immediate victims of ERP I and II included workers in traditionally secure public sector employment where GTUC recruited most of its members. Accounts of the GTUC have therefore focused on how SAP-induced policies of the 1980s to date impacted the labor movement and affected its membership and structures. Others have documented the decreasing membership size and shrinking union funds for pursuing union activities.82 These were the direct result of job losses and work restructuring. Job losses were caused by privatizing state-owned enterprises, whose new owners sought to maximize profits by reducing their work force, and by public sector labor rationalization. Mining sector reforms transferred state-owned mining concerns to private hands. Large scale surface mining, the predominant form adopted by the new owners, displaced rural subsistence farming communities from their farm lands. The privatized mines failed to provide the promised employment for the displaced farm households.

Public sector rationalization became the euphemism for massive labor layoffs from the civil service, local government, and public educational and health institutions across the country.83 From 1985 to 1991, retrenchment and the divestiture of State Owned Enterprises (SOEs) caused public sector employment to fall from 397 000 to 156 000. By 1994, the GTUC had lost 40% of its membership to various sector reforms.84 The categories of affected workers were unskilled laborers, artisans, apprentices, farm hands and revenue collectors, the bulk of whom were members of the GTUC.85

Graham, Ninsin, and Panford explain that the introduction of ERP policies into the Ghanaian economy contributed to making the mid 1980s and early 1990s the longest period of acrimonious state/labor relations in Ghana.86 It was during this era that the GTUC faced the stiffest challenge to its existence. Discussions on the trade union situation and working
conditions in the mid-1980s to the end of the 1990s give several accounts of how labor rights were flouted with impunity and established labor relations practices manipulated to the disadvantage of Ghanaian workers. Such excesses included the misuse of legal facilities to freeze wages and avoid paying due compensation to retrenched workers. Legislation like the COCOBOD Retrenchment and Indemnity Law, PNDC Law 125 (1985) and the State Fishing Corporation, Re-Organisation and Indemnity Law, (1986), were passed to obstruct the efforts of the National Unions to utilize legal facilities to access the right of retrenched workers to compensation. Where union leaders persisted in their demands they were issued direct threats from ministers of state. Wage levels were determined by government without consulting the established tripartite structures. The Prices and Incomes Board set up under the NRC/SMC was used by GOG to reduce salary and wage levels reached through collective bargaining. Workers’ protests to adjustment conditionalities that sought to reduce social wages were countered with violence.

Domestic private sector enterprises suffered greatly from the effect of liberalized trade, currency devaluations, and high interest rates which undermined their capacity to survive and continue to provide jobs for Ghanaian workers. Practices adopted by private foreign and domestic employers to cope with the impact of trade liberalization on their enterprises informalised formal work relations. Such practices included recourse to hiring casual or contract labor and outsourcing through sub-contracting to informal economy operators. Enterprises used such arrangements to relieve themselves of worker overheads like pensions, annual bonuses, meals, housing and transport subsidies and weekend rest from work. Contract and casual workers have no security of employment; neither do they have social protection.

For Ghana, as for other sub-Saharan African countries, the economic and political principle underlying economic globalization was an injection of SAP to energize ailing economies. It has since taken various forms as country after country struggled to overcome policy failure and increasing poverty. By 2004, some 43 countries, 33 of whom were from sub-Saharan Africa, had moved on from SAPs to the World Bank/IMF HIPC initiative which provided countries considered to have unsustainable levels of debt access to the Growth and Poverty Reduction Facilities (GPRF) on condition that they met some conditionalities. These included the production of a poverty reduction strategy paper (PRSP) and evidence of having submitted the national economy to macro-economic policies of free market-oriented reforms (privatization, deregulation as well as production and trade liberalization) that were characteristic of SAP. In 2001, the newly elected government of the New Patriotic Party (NPP) announced a decision to access debt relief under the HIPC initiative; an admission that SAP policies had failed the nation. Ghana prepared its first PRSP, the Ghana Poverty Reduction Strategy Paper I (GPRS I), covering the periods 2003-2005. In 2004, Ghana reached completion point within HIPC under an enhanced initiative. Again in October 2005, the second PRSP, Ghana Growth and Poverty Reduction Strategy II (GPRS II) covering the periods 2006-2009, was submitted to the boards of the IDA and the IMF.

The fall-out of Ghana’s ERPs I and II was reforms, in the labor market that called into question the benefit of worker welfare to economic growth. Submission to the dictates of World Bank/IMF conditionalities set the stage for Ghana’s integration into the globalized system of production and distribution as a liberalized economy. The underlying policy requirements
introduced during the adjustment periods of the 1980s and 1990s continue to shape the Ghanaian labor market in ways that undermine rights of labor and their movements. Twenty-two years of adjustment in various forms has benefited very few Ghanaians. The first GPRS I, a policy requirement for accessing relief under HIPC, lamented how economic policies of the 1990s had resulted in an uneven economic growth across regions, among socio-economic groups, and along gender lines. The document therefore raised doubts about how a continuation of policies pursued in the 1990’s could improve the socio-economic conditions of the poor in Ghana. A World Bank sponsored evaluation of ERP in Ghana also concluded that adjustment had a negative impact on trade, education, and mining communities.

The policies of ERPs I and II generated an industrial relations environment that was hostile to the existence of unions at the national and enterprise level. These policies were implemented at a time when the GTUC and its affiliated National Unions were engaged in leadership struggles brought on through the ALU takeover. The legitimacy and existence of organized labor were called into question. It required innovative strategies to remain a credible and effective labor organization to continue protecting labor rights in a hostile environment.

SAP in Ghana shook the very foundations of trade unionism, generating what Hyman has described as the crises of workers and interest representation. The three types of crises challenging trade unionism were: the crisis of interest representation, as the labor force becomes increasingly heterogeneous; the crisis of workers, introduced by the decentralization of employment regulation to the company and workplace; and the crisis of union representation, as unions fail to organize key occupations in the dynamic sectors of the economy. The GTUC’s claim to represent the Ghanaian worker was called to question with its overwhelming presence in the formal sector. As informalisation of the formal sector labor market, increased workplace management practices abandoned traditional adversarial approach, raising doubts about union role in workplace dispute resolution. The declining size of the formal public sector labor market shifted the dynamism of the Ghanaian labor market to the informal economy, pushing the GTUC to assume a more prominent role in order to remain credible as the main labor centre in Ghana.

After the shock and disorientation wrought by labor market restructuring to its membership base and presence in national politics, the GTUC and its affiliates set out to re-strategize to deal with the challenges posed by globalization. The three main strategies utilized by the GTUC and its affiliates to deal with globalization challenges fall in line with those identified by Hyman for unions elsewhere. These strategies have tried to deal with the problems of representation by creating structures to improve representation and participation of hitherto neglected categories of workers (e.g. women) and by extending union coverage into the informal economy. The implementation of these strategies was not accompanied by changes to tradeunion organizing principles and notions of trade unionism. They have affected internal governance systems of the GTUC and the National Unions and therefore impacted union democracy. The next section presents some of these strategies and raises the challenges they pose to internal union governance.
Union Organizational Changes

Within the GTUC’s operating system are three structures, the governing, consultative and administrative wings. The governing structure is the site for union decision and policymaking, whilst the consultative wing, provides union officers contact with membership in whose trust they hold office. It is the administrative wing that services the governing and consultative wings. These two structures of the GTUC, provides its distinct character as a political organization. The consultative structures of the GTUC include the Regional and District Councils of Labor (RCL and DCL). Also located within the RCLs and the DCLs are the Women’s Regional and District Committees which provide avenues for women’s self-organization. The DCLs are the last operating units within the GTUC’s consultative structure and ideally designed to provide channels for the union members outside the governing structures to make inputs into GTUC decision-making. The DCLs also serve as membership mobilizing centers to back union political decisions and actions. In short effectively functioning DCLs are the powerhouse of the GTUC.

The appearance of DCLs in union history dates to 1947, but until 1985 when attempts were made to revive them, they remained dormant in the few districts where they were present. A former Secretary-General of the GTUC explained that the ALU takeover of GTUC leadership in 1982 sounded a warning about the need to improve internal union democracy by strengthening the locals of the national unions and the DCLs.96 The late 1980s and early 1990s saw the DCLs very active in union decision-making and their meetings provided the membership at the district level direct contact with the governing and administrative structures of the GTUC. Discussions at DCL meetings enabled workers to make a direct connection between their living conditions and socio-economic policies of government. Such observations encouraged the Executive Board to intensify the role of GTUC in the general struggles for improved conditions of life beyond the workplace.97

Through the activities of the DCL’s, the GTUC was able to fashion out a consistent opposition to the anti-worker impact of ERP, with regular protest memoranda to GOG. A significant outcome was the establishment of a Standing Joint Consultative Committee (SJCC) that served as a direct avenue for union representatives to engage within state policy making apparatus. The SJCC, composed of representatives of the PNDC and the GTUC, dealt with socio-economic and political issues that fell outside the jurisdiction of the Tripartite Committee. This included issues such as the salary freeze imposed in the Budget of 1994. The SJCC created space for direct consultation between government and the GTUC during the turbulent period of adjustment in the late 1980s and early 1990s.98 This enabled members to keep contact with the leadership of GTUC and allowed them active roles in the call for a return to civilian rule. The GTUC used the DCLs as a platform at the district level to collate membership views for the development of a new national constitution and derive inputs into the formulation of the Labor Act (Act 651) of 2003. At present, however, the revitalization of the DCLs have been constrained by the financial standing of the GTUC and the re-conception of the Political Department, making it difficult to mobilize members at the district level as was done in the 1980s and 1990s. The consultative structures serve more as conduits for communicating union decisions from the
top layers of the GTUC governing system with limited avenues for making inputs into union
decision-making.

The Female Factor in Union Organization

Two peculiar features of trade union membership in Ghana are the heavy formal sector
representation and male dominance. These features are in sharp contrast to labor market
conditions in Ghana. The proportion of the Ghanaian labor force located in the formal sector is
12% female and 23% male.99 Adjustment-induced changes caused the formal sector to shrink
while the informal economy expanded. At present the informal economy holds about 81% of
the Ghanaian labor force.100 In the formal sector, informalized labor practices created several
forms of atypical work blurring the sharp formal/informal economy distinctions. We have
referred to the recourse of formal sector enterprises to casual and temporary labor and use of
informal economy agents through outsourcing, and sub-contracting. The dramatic decline in
union membership in the face of a shrinking formal sector and a fast growing informal economy
called for alterations to trade union operating structures to allow for the extension of union
coverage to the informal economy and provide its female members better access to union
decision-making.

Women constitute an estimated 25% of GTUC membership and hold 12% of union
decision-making positions.101 Representation of women on decision-making structures within
the national unions varies from zero in male-dominated unions like the Railway Enginemen’s
Union and the Ghana Private Road Transport Union (GPRTU) to a high of 31% for the Teachers’
and Educational Workers’ Union. The proportion of female labor force located in the informal
economy is 85% as against 12% in the formal sector. This does not suggest that females have no
need for union representation. On the contrary, they have a greater need, for their working
conditions and experiences in the Ghanaian workplace differ in significant ways from that of
males.102 They congregate in fewer occupational categories where labor protection is lowest,
they have unequal access to work benefits, and they earn lower wages.103 Their unequal
workplace conditions are compounded by gendered social relations creating additional labor
concerns for working women.

The main tenets of strategies outlined by the GTUC to address union gender disparities
consist of a threefold affirmative action provisions. The first involved the creation of a special
administrative organ, the Women’s Desk, to coordinate women’s activities located within the
GTUC and the national unions. The activities of the Women’s Desk are spelt out in a gender
policy which is reviewed every four years. Secondly, women’s self-organizing units, the
Women’s Wings and Committees, expand avenues for women to access union leadership
positions. GTUC and its affiliates, in further pursuit of affirmative action, operate a quota policy
which calls for at least 30% of female participation in all their educational and training
programs and a reserved seat within union governing structures for women alone to contest.

The women’s self organs operate in tandem with the consultative structures at the regional
and district levels, the RCLs and DCLs. The women’s wings and committees have a
constitutional mandate to pass on their concerns and decisions to the DCLs and RCLs for action.
Decisions of the National Women’s Committee are supposed to feed into Executive Board
deliberations. The potential of women’s self organizing structures is constrained however by financial allocation to the Women’s Desk and a policy orientation that focuses on women and not union gender relations. There has been some improvement in terms of an increase in the number of females ready to hold union office. Female presence in union decision-making has enlarged considerably and there is every indication that the numbers might rise even more. But the women-only focus avoids tackling gendered relations within the structures of the GTUC.

Failure of the DCLs to function effectively also constrains women’s self-organization within the districts. Again, the women’s wings and committees have no relations with the woman occupant of the special seat within union decision-making.

Unionizing the Informal Economy

The national unions intensified their efforts at extending union coverage into the informal economy, an area where the labor force operates outside the confines of the protection offered by the legal provisions governing labor rights in Ghana. GTUC’s origins have been located in the informal economy despite the large formal sector membership. One of its affiliates, the Ghana Private Road Transport Union (GPRTU), which has been affiliated to the GTUC since May 1967, draws its entire membership from the informal economy. These members are a combination of transport owners and drivers. The GPRTU has no collective bargaining functions and operates as a welfare association working to enhance the working conditions of its members and regulate their trade. It acts as their mouthpiece in seeking to influence national policies that will enhance the opportunities under which members operate their transport businesses. The GPRTU also acts as a conduit for accessing state and private bank loans for its members. The remaining sixteen national unions draw their members largely from the formal economy.

In the face of fast dwindling membership in the 1980s, national unions of the GTUC engaged in a systematic and determined approach to organize informal economy workers. The GTUC sets the standard for its national unions to operate in the informal economy through its informal economy desk and policies. The informal economy desk provides technical support in the form of capacity-building workshops, manuals, and networking platforms for unions engaged in the informal economy to share experiences. It has been the expectation that national unions will undertake to do the direct organizational work and identify informal economy groups located within their operational jurisdiction for organizing. In cases of jurisdictional ambiguity, the informal economy groups are given direct affiliation to the GTUC. Two such unions affiliated to the GTUC in 2007 were the Makola Traders’ Union and the Madina Traders’ Association.

The GTUC and its national unions utilize two models for organizing informal economy workers. GPRTU and the General Agricultural Workers’ Union (GAWU) have used the direct recruitment of individual members whilst the remaining unions organize through existing associations. None so far are organizing informal economy workers as cooperatives. The unions find organizing existing groups cost effective. The approach involves identification of a contact person who convinces an existing informal economy group to accept union affiliation. The
contact person sometimes serves as the main link between the union and the informal economy group.

Since GTUC set out in 1996 to intensify organizational work in the informal economy, twelve national unions so far have engaged in some levels of organizational work in the informal economy. A GTUC—LO/FTF review report on GTUC’s activities in the informal economy revealed that varying levels of commitment and activity in the informal economy produced five categories of national unions within the GTUC.106 GPRTU, GAWU, Timber and Woodworkers’ Union (TWU), and the Local Government Workers’ Union are actively engaged in organizing informal economy groups and seeking to deal with the challenges that organizational work in this sector brings. Others had informal economy members who were not active in union activities or had abandoned efforts at organizing. Some national unions had organized informal economy groups and failed. The last two had never organized in the informal economy. Whilst one category had just identified prospective groups which it might organize, the last had no interest in organizing in the informal economy. Demands from the formal sector-based members leave such national unions no space for engaging with informal economy workers.

National union enthusiasm about organizing in the informal economy is largely dependent on both internal and external factors. The dynamics within the economic sector that national unions organize serve to provide motivation for informal economy organization. GAWU, for example, moved into the informal economy in the early 1970s when plantation agriculture began to use out-grower and small-grower schemes to support its expansion. Internal factors somehow outweigh the external so union capacity (both human and financial) and the perception of union leadership about the utility of informal economy organization to union resources and profile sometimes outweigh the external changes within union jurisdiction of operation. Success in organizing informal economy workers have varied across and within unions. Some obstacles to success have been traced to the inadequate human and material capacity, the expectations of informal economy groups, and labor relations within the informal economy.107

Organizational barriers, once surmounted, bring to the fore problems of representation and union membership rights for informal economy workers. Such rights derive from union internal democracy and the institutional positioning of informal groups within union structures. National unions organizing in the informal economy have faced the problem of negotiating with the formal sector workers for acceptance of equal representation and union rights. Membership location within formal sector-based national unions for informal economy workers is usually confused by dues payment and attachment to unions. Formal economy workers have direct membership through their national unions. Informal economy workers are connected to unions through their associations. Moreover, regularity of dues payment determines voting rights and access to union office. Informal economy members pay yearly associational and not individual dues.

Also problematic is determining the nature of representation to offer informal economy members. Traditional trade union structures are based on a particular notion of work and work relations, a workplace where a large number of workers congregate and have distinct relationship with employers or their representatives. These features do not exist in the informal economy.
economy which is usually composed of isolated self-employed individuals and micro- to small-scale enterprises employing various forms of non-wage labor, for example family members and apprentices. In some instances, enterprises are dependent on casual wage labor. Cases of permanent wage labor with distinct employee/employer relations are few. The lack of uniform labor types within the Ghanaian informal economy challenges the traditional trade union mode of organizing labor. As operators struggle to make ends meet, their employment statuses tend to be diffused, straddling employee and employer concurrently. The heterogeneity of labor types and fluid employment status of workers located in scattered and small enterprises produce forms of labor relations that vary across sectors and localities.

Informal economy labor relations depend on the social norms within which the enterprises are located. These social norms uphold some basic standards of social justice and provide some framework for seeking redress. They allow for employee employer mediation and arbitration through traditional social networks. However they have the tendency to be paternalistic, pandering to norms that privilege males and persons who hold high social positions. These social norms have turned increasingly commercial as state social provisioning in the form of subsidies has been withdrawn.

National unions, unable to tackle social norms underpinning informal economy labor relations and address the policy environment that impact their livelihoods, resort to service provisioning. Micro-credit schemes, skills training, provision of production equipment, and marketing avenues are some of the services that have been engaged by national unions as a measure of maintaining their informal economy members. Union capacity to satisfy such needs has been insignificant in the face of the enormity of the informal sector and declining union finances.

GAWU’s experience in the informal economy offers some lessons for formal sector-based national unions extending union coverage to informal economy workers. GAWU’s membership profile changed from predominantly formal to informal from 1980, and by 2005 over 50% of its members were the rural self-employed. It was one of the national unions worst hit by adjustment-induced rationalization, restructuring, divestiture, and privatization. Its membership reduced by more than two-thirds from 130,000 in 1982 to 40,000 in 1997. Extension of union coverage to the rural self-employed was in response to informalization in rural plantation agriculture. The necessary constitutional amendments have now been effected to facilitate institutional representation for informal economy workers within union structures. GAWU’s strategy has altered from performing purely collective bargaining for formal sector-based members to include representation, campaigning, and advocacy to pursue national policies and programs that will enhance the livelihoods of agricultural workers. GAWU, together with the GTUC, engaged in a legal battle to have government repeal a law that facilitated the dumping of cheap poultry and rice imports on the Ghanaian market to the detriment of local rice and poultry farmers, the majority of whom are informal economy workers. GAWU, however, remains caught in service provisioning like training and skills development, as well as savings and credit schemes. It is also involved in the promotion of group and pre-co-operative activities, provision of access to appropriate rural and agricultural technology, and community re-afforestation programs. These services are putting a strain on union finances and dampening group moral as GAWU’s capacity to deliver becomes strained.
Organizing informal economy groups in the past has seemed an insurmountable task for the GTUC and its affiliates. However, as informal economy membership within unions grows, representation and membership entitlements within unions pose issues that have to be confronted. These are issues for discussion that call for a re-thinking of union identity and the basis for determining membership entitlements within unions. This review of union membership presents a dilemma for national unions that had hoped that their extension into the informal economy would provide not just an occasion to expand membership but shore up their financial base and intensify their presence on the national political scene.

Conclusion

While globalization is about removing state restrictions on capital, it seeks also to control labor by making believe that social protection and job security are uneconomic and inimical to economic growth. Labor within production is composed of human lives that should not be subjected to the rigid rules of market demands of neo-liberalism. Workers and their movements have been at the negative receiving end as the free movement of capital sought the fastest returns for investments by reducing production costs. The recognition of labor rights within production provides an important avenue for ensuring that globalization benefits are shared by large numbers of the world’s population. Trade unions are well placed to secure a fair distribution of benefits through its worker members. Their ability to do so however derives from their strength, presence, and relevance to their members; all of which are dependent on internal union dynamics.

Union strategies to counter the globalization threat to their existence can be effective to the extent that they lead to stronger unions. It is strong unions that can secure a strong political presence within national policy-making. So far the GTUC’s strategies at reviving the DCLs and improving female representation and participation within union structures have managed to show what potential exists and what tools such strategies offer to improve membership morale for mobilization for union activities. Thus, union entry into the informal economy has also offered occasion for workers to gather lessons about engaging with state policy. The success of these strategies, however, remains constrained by internal union democracy. Questions still remain about real representation of DCLs, the Women’s Wing, and informal economy workers within union structures. Effective representation should provide these sections of the GTUC and the national affiliates equal status within union structures and voice in union decision-making.

NOTES

8. ILO’s Director-General on the World Commission on the Social Dimension of
10. ILO 2004:5.
12. Ibid.
13. Jelle Visser, 2003; Streeck Wolfgang and Anke Hassel, 2003; RoyChowdhury 2003 and
Fairbrother, 1990.
15. See the works of Boafo Arthur, Panford and Graham on the recourse to violence as an
essential tool for the implementation of harsh adjustment policies during the late 1980s
and 1990s in Ghana.
21. Önder, 1998; Sutcliffe and Glyn, 1999; Gore, 2000; Rupert and Smith, 2002; Munck, 2002;
and Buckman, 2004.
23. Buckman, 2004: 34.
28. Ibid.
29. Ibid.
35. Cowan 1964; Panford, 1994; Britwum 2007b.
and Britwum, 2007b.
37. Önder, 1998; Boafo-Arthur, 1999; Munck, 2002; Abugre 2002; Harcourt, 2004;
42. Boafo-Arthur’s 1999.
43. National unions affiliated to the GTUC as at February 2008 were the Construction and Building Workers’ Union, Communication Workers’ Union, Ghana Mines Workers’ Union, Ghana Private Road Transport Union, General Agricultural workers’ Union, General Transport, Petroleum and Chemical Workers’ Union, Health Services Workers’ Union, Local Government Workers’ Union, Maritime and Dock Workers’ Union National Union of Seamen, Public Services Workers’ Union, Public Utilities Workers’ Union, Railway Enginemen’s Union, Railway Workers’ Union, Teachers and Educational Workers Union, Timber and Woodworkers’ Union and the Union of Industry, Commerce and Finance Workers.

44. Cowan, 1960; Panford, 1994; Arthiabah and Mbeah, 1996; Britwum 2007b.


50. ibid.

51. Employment policies under colonial administration was sex discriminatory, kept women out of some career tracks and obliging formal sector female employees to give up employment upon marriage or pregnancy ISSER/DPPC 1996 and Britwum 2007a.


53. ibid.

54. Cowan 1960; ISSER/DPPC, 1996

55. ibid.

56. ibid.


60. Panford, 1996; Britwum 2007b.


64. Shillington 1992; Aryeetey 1996.


70. Britwum, 2007b.


73. Munck, 2002.

74. ibid.

75. Shillington, 1992; Aryeetey, 1996; Panford, 1996.
85. Baah, n.d.
97. ibid.
100. ibid.
109. ibid.

References


