

## **Africa - Ghana**

### ***Trade unions in the informal sector* by Kwasi Adu-Amankwah Deputy Secretary- General Ghana Trades Union Congress (*Labour Education No 116, ILO*)**

Organizing informal sector workers requires nurturing dynamic links with the relevant public authorities and institutions, both national and international, that can provide the necessary support. **Kwasi Adu-Amankwah Deputy Secretary- General Ghana Trades Union Congress**

#### **1. The informal sector in Ghana**

##### **1.1. Origins and recent expansion**

The origin of the informal sector<sup>1</sup> in Ghana's economy can be traced back to the very beginnings of colonial capitalism in the then Gold Coast. Right from the outset, a dualistic economy with two distinct sub-economies emerged alongside each other. The key features of the colonial economy included primary commodity production for export, investments in mining, transportation and related services, infrastructure and public works, and social development. On the one hand, a small formal sector covered essentially capital investment in mining, transportation, infrastructure, commerce, social services and administration with wage employment characterizing the existence and operations of labour therein. On the other hand, the promotion of primary commodities production for export and the import of consumer goods for domestic trade gave rise to large contingents of the labour force in both agriculture and petty trading who were either selfemployed or hired under traditional or informal arrangements. Even at such an early stage an essential feature of labour in the informal sector was its heterogeneous character that provided for varieties of peasant proprietors and agricultural labourers, distribution agents, buyers, transport owners and employees, porters, repairers, etc. (Ninsin, 1991).

The informal sector has received increasing attention in the development discourse of Ghana since the middle of the 1980s and the beginning of the 1990s. It has, in effect, been the target of some policy initiatives and activities by certain governmental and non-governmental institutions and organizations, including the trade unions. The attention to the sector at the intellectual and policy levels has arisen out of the realization that the sector has not only persisted from the making of Ghana as a new nation state, but has also been dramatically expanding.

One of the overriding consequences of structural adjustment in Ghana since the mid-1980s has been the shrinking formal sector and the expansion of the informal sector. This has arisen particularly as a result of public sector reform that had massive retrenchment of labour as an important component.

While labour retrenchment was pervasive in the public sector as a whole, it is interesting to note that there was a decline in formal private sector employment as well.

The table below demonstrates trends in formal sector employment between 1960 and 1991.

According to Table 1, total formal sector employment fell from 464,000 in 1985 to 186,000 in 1991, demonstrating a loss of 278,000 jobs over a six-year period. Apart from the relatively few persons who opted for voluntary retirement or redeployment, the majority of those who were retrenched included young workers, labourers, cleaners, drivers, sweepers, messengers and workers in the lower grades of the public sector. Part of the reason for the composition of those who were retrenched was the application of the principle of "last in first out".

Among them were also many women workers because of their particularly low skills. Although women accounted for only 23.5 percent of the total formal sector employment, 31.7 per cent of those who lost their jobs in 1987 were women (ILO/JASPA (Jobs and Skills Programme for Africa), quoted in Galarraga and Gogue, 1997; Boateng, 1998).

**Table 1. Trends in formal sector employment, 1960 to 1991 (thousands)**

| Year | Public sector formal employment | Private Sector formal employment | Total formal sector employment |
|------|---------------------------------|----------------------------------|--------------------------------|
| 1960 | 184                             | 149                              | 333                            |
| 1965 | 278                             | 118                              | 396                            |
| 1970 | 288                             | 110                              | 398                            |
| 1975 | 318                             | 137                              | 455                            |
| 1980 | 291                             | 46                               | 337                            |
| 1985 | 397                             | 67                               | 464                            |
| 1986 | 347                             | 66                               | 414                            |
| 1987 | 315                             | 79                               | 394                            |
| 1988 | 252                             | 55                               | 307                            |
| 1989 | 177                             | 38                               | 215                            |
| 1990 | 189                             | 40                               | 229                            |
| 1991 | 156                             | 31                               | 186                            |

Source: See Gockel, 1998, p.18.

While formal sector employment was falling fast, the economically active population was estimated to be increasing as well. One hundred thousand persons were estimated to be graduating annually from the educational institutions within the same period and entering the labour market. Of Ghana's labour force, 16.1 per cent is currently estimated to be in waged employment, with the remaining being in self-employment, including the informal sector.

Meanwhile, the size of Ghana's informal sector is placed at 80 per cent of the total labour force (Hormeku, 1998). The large-scale retrenchment of labour, coupled with the inability to provide employment for the emerging labour force has created a large pool of unemployed persons who have naturally gravitated towards the informal sector.

## 1.2. Features and characteristics of informal sector workers

The decline in formal sector employment during the 1980s and 1990s and the expansion of the informal sector during the same period have together constituted one of the most enduring features of the structural adjustment programmes that have been implemented in Ghana.

Most of the studies on the informal sector in the 1990s focus on the urban component which provides a haven for the working poor. They include aged, young and women workers who are essentially low-skilled and are involved mainly in the services sector, and only to a

lesser degree in the construction and manufacturing sectors. But in the last couple of years, interest has also grown in the rural informal sub-sector.

A large part of that interest has been generated by the work of the General Agricultural Workers' Union (GAWU) of the Ghana Trades Union Congress (GTUC) in organizing rural workers, as well as through the intervention of some other non-governmental organizations (NGOs). Interest in the sub-sector is also underlined by the fact that among Ghana's relatively large labour force of self-employed workers, two-thirds are engaged in agriculture which is predominantly rural based (Adu-Amankwah and Tutu, 1997).

### 1.2.1. Rural informal labour

A GTUC leadership group survey in 1995 produced an interesting panorama of informal sector activities in Ghana. For the rural sector, the following were identified:

(i) Agricultural activities. These are predominantly farming units dependent on family labour and are made up of a large number of small farmers in the rural and semiurban areas. The farmers are mostly illiterate or semi-illiterate and have no formal training. Farming skills are acquired through apprenticeship.

(ii) Fishing and fish processing activities. These are found mostly along Ghana's coastline and are mainly composed of married males aged between 18 and 40 years. These predominantly illiterate workers acquired their swimming skills through experience from their early childhood. The value added and processing activities that include smoking and marketing the fish is basically undertaken by women.

(iii) Rural agro-based processing activities. These include processing cassava into gari, cassava dough, of palm kernel, groundnut and copra oils, palm wine tapping, local pito brewery, local gin distillery, and traditional soap-making. These activities are dominated by married female workers, mostly over 30, and predominantly illiterate. Their skills are acquired from within the family. Their experience of seasonal underemployment is pronounced. Mostly married, with children, they lack social security protection.

There are also the forest product workers, mostly male, namely, carpenters, rattan and bamboo craftsmen, wood carvers and woodworking machine operators. In a case study on the informal rural agricultural sector (APADEP, 1998), six distinctive types of rural labour were identified as follows:

(i) Family labour. A distinctive characteristic of rural informal labour. It permeates all the sub-sectors within rural agriculture. It is predominant in both food and cash crop farming, and in fishing and agro-processing. From a labour market and economic standpoint, family labour is considered crucial for the survival and viability of the enterprise. It is also used as a kind of apprenticeship for the transfer of skills from one generation to the next.

(ii) Casual labour. Known in local parlance as "by-day", it is the next major type of labour in the rural informal sector. It is prevalent in the food and cash crop sub-sector where it is needed to carry out work including land clearing, preparation of mounds, planting, weeding, fertilizer and chemical application, and harvesting. Casual labour exists under different kinds of contract, and has a high level of mobility migrating from the northern half of the country and even from beyond the northern borders (from Burkina Faso) to work on cocoa, coconut and oil palm farms in the Asante, Eastern and Western regions of Ghana. In the Brong-

Ahafo region, these workers are engaged on maize and yam farms and perform a variety of assignments, such as land-clearing and preparation, the making of mounds, and planting. They return to their regions of origin to make use of the farming season there also. Where they are not migrant, many casual workers also have their own farms where they grow crops for subsistence. Payment for casual workers is in cash, but can also be in kind.

(iii) Apprenticeship. Systems of apprenticeship exist within the fisheries and the agro-processing sub-sectors - especially in oil palm extraction, coconut oil extraction and shea butter processing. Apprentices are normally not paid, but they may receive cash as pocket money or, as in fishing, be provided for in kind, for example fish.

(iv) Permanent labour. This constitutes a relatively small proportion of the rural agricultural labour force. The size of the farm and the degree of permanence of the crop type determines to a large extent the permanence of labour. Perennial tree crops like cocoa, oil palm, coconut and rubber produce permanent workers.

(v) Communal labour. This is an arrangement by which farmers within an area bound by common agreement pool their labour together to assist each other in turns.

(vi) Child labour. This form of labour is an important component of the informal sector workforce. It is an integral part of family labour, especially in the rural set-up. Different categories of children were identified: those who had never been to school, those who had dropped out of school and those who were still in school but assisted their parents. Some children were engaged by a parent or a close family member and may be paid or not. They ranged between 8 and 10 years and more. There were also children employed by nonrelatives.

Such children, aged between 10 and 15 years, were usually out of school and fully on the labour market. Child workers are engaged in a wide range of economic activities. In the fisheries sub-sector across the coastal belt, these include mending nets, net dragging, scooping water out of a canoe, cleaning canoes and portage. In the farming areas, noticeably in the Northern and Upper East regions, child workers are engaged in land preparation, planting, weeding, harvesting, shea nut picking and processing. In the rice farms, both in the north and at Dawhenya in Greater Accra, children, especially girls, act as bird scarers and operate from sunrise to sunset. The different kinds of employment contract under which the various types of labour are engaged constitute their distinguishing feature.

A separate study on contract labour in the agricultural sector in Ghana demonstrated the persistence and growth of non-standard patterns of employment relations in the agricultural sector.

The study showed differences in the conditions of employment of different groups of agricultural workers. Factors that accounted for the differentiation included: nature of contract (written or verbal); employer responsibility to the work process in terms of provision of work tools; protective clothing and general health and safety; levels of skill of workers; levels of remuneration; and access to social security protection and other benefits. Health and safety as an aspect of working conditions is particularly singled out for poor showing.

The labour market reasons that are adduced for the growth of contract labour include employer concerns for productivity gains and cost effectiveness. As for the workers who

labour under contract agreements, they essentially acknowledge them as rare opportunities for securing wage employment.

### 1.2.2. Urban informal workers

The urban informal sector in Ghana, as elsewhere in Africa (ILO, 1997), is remarkable for its heterogeneity and variety. Studies on the urban informal sector in Ghana reveal a wide range of operations in the urban informal sector that can be grouped under (i) services; (ii) construction; and (iii) manufacturing.

#### i) Services:

- urban food traders and processors include food sellers in the market, itinerant wholesalers and retailers, bakers, caterers and cooked-food sellers. These workers are mostly women, predominantly illiterate or semi-illiterate. They acquire their knowledge and skills largely from family. They are also low-income earners and have no social security protection;
- health and sanitation workers - chemical sellers, drugstore operators, funeral undertakers, night soil carriers, refuse collectors, traditional/herbal healers, attendants in private maternity homes, and traditional birth attendants;
- domestic workers, who are also predominantly women;
- repairers of watches, refrigeration equipment, radios, mechanical or electrical/electronic equipment, mostly young male workers under 45 and have either received some basic education or are drop-outs, but among whom are to be found skilled workers whose skills are largely acquired through years of apprenticeship;
- garages - auto mechanics, sprayers, welders, vulcanizers, auto electricians, many of whom received some basic formal education alongside many drop-outs, and acquired their skills through years of apprenticeship;
- graphic designers, mostly males between 25 and 50, about two to six workers in each unit who acquired their skills through limited vocational training and apprenticeship;
- audio-visual workers - photographers, cinema/video operators, performers, musicians, film-makers - are skilled workers who have received basic formal education but limited formal vocational training and apprenticeship - who are mostly male but among whom the number of females is increasing;
- hairdressers and barbers/private security men who are aged workers with very low educational standards, ill-equipped, lack job security and opportunities for career advancement, and without any social security protection.

(ii) Construction: Construction workers - masons, carpenters, steel benders, small-scale plumbers, house-wiring electricians, and carpenters who are mostly male, aged between 20 and 40 and are mostly school drop-outs. Electricians often have some basic training, while all the other groups go through years of apprenticeship.

(iii) Manufacturing: In this sub-sector of the informal sector, the predominant activities cover food processing, textile and garments, wood processing and metal works. Women

dominate food processing while men constitute a clear majority in metal works and wood processing. Apprenticeship is the most common form of skill acquisition and employment in urban informal manufacturing units.

### **1.2.3. Common needs of rural and urban informal workers.**

In general, it can be said that labour standards in the informal sector are not in conformity with those that apply in the formal sector. Informal sector workers lack social security, economic support and legal protection. There are common needs that are differentiated among various groups of informal sector workers, rural and urban. They include:

(i) social needs - job security, health care facilities and the promotion of occupational health and safety, protective clothing, protection against income losses during sickness, annual leave and maternity rights, minimum wage, general infrastructure and environmental sanitation; and

(ii) economic needs - training and education for skills development, basic tools, business premises, financial credit, marketing opportunities.

While labour legislation and practice widely provide for the interests of all workers, they nonetheless reveal some limitations with regard to informal sector workers. Labour legislation does not adequately cater for casual labour with respect to written contracts, worker's compensation, labour inspection, annual and maternity leave. With regard to regulatory institutions, the ineffective functioning, where they existed at all, of Public Employment Centres, Labour Inspectorate and Minimum Wage-Fixing and Monitoring Machinery have been noted. Similarly, the marked disuse of the wide discretionary powers of the public authorities for labour protection has been cited (Adu-Amankwah, 1997).

### **1.3. Institutions and programmes relating to the informal sector**

Over the last 20 years, as the informal sector has expanded, so have a variety of institutions and programmes that relate to the sector been born. The plethora of established institutions and programmes include the National Board for Small-Scale Industries (NBSSI, see Box 1), the Fund for Small and Medium Enterprises Development (FUSMED), the Programme of Action for the Mitigation of the Social Costs of Adjustment (PAMSCAD), the Ghana Regional Appropriate Technology Industrial Service (GRATIS, see Box 2), TECHNOSERVE (see Box 3) and the Council for Indigenous Business Associations (CIBA). Institutions like the Internal Revenue Service as well as the Metropolitan and District Assemblies provide the regulatory framework for the operations of the sector.

The range of institutions and programmes that are geared to the informal sector provide different forms of credit and technical support to the sector. While the Government has recognized the importance of the informal sector and its potential contribution to employment, incomes and even a domestic industrial base, it has not demonstrated the corresponding financial commitment to it. The Government's budget for supporting the informal sector is at best inadequate. On the other hand, non-governmental organizations also intervene in the informal sector, but again, inadequate finance is their overriding constraint.

#### ***National Board for Small-Scale Industries (NBSSI)***

*The National Board for Small-Scale Industries (NBSSI) is the apex organization set up by the Government to promote and develop the small-scale industrial sector. The NBSSI was established by an Act of Parliament in 1981, Act 434, and is governed by a Board of Directors. The Government makes nominations to the Board, headed by an Executive Director who sees to the day-to-day running of the organization. It is subsidized and funded mainly by the Government of Ghana.*

*Act 434 gave the NBSSI the specific function to promote and develop micro- and small-scale enterprises because of the contribution that they can make to the economic development of Ghana. The NBSSI, however, lacks the funds to achieve its aims. The organization is poorly funded by its overall meagre budget allocations. There is also political interference, sometimes, with the management of the organization. Besides, workers are poorly remunerated, leading to low morale among its staff. It collaborates with and receives support from the Friedrich Ebert Foundation, the German Development Services, GRATIS, the World Bank, the International Labour Office (ILO) and the United Nations Development Programme (UNDP).*

### **Ghana Regional Appropriate Technology Industrial Service (GRATIS)**

*GRATIS was established as a project in 1987 by the Government of Ghana under the Ministry of Environment, Science and Technology to promote small-scale industrialization and provide employment opportunities, improve incomes and enhance the development of Ghana. This is done through the dissemination of appropriate technologies by developing and demonstrating marketable products and processes for micro- and small-scale enterprises.*

*It operates through a network of Intermediate Technology Transfer Units (ITTU) established in the ten regions of Ghana.*

*GRATIS is managed by a Board of Directors which is responsible for formulating major policies and guidelines for implementation. An Executive Director provides general coordination, supervision and guidance to the GRATIS/ITTU network.*

*The project is funded by the Government of Ghana, which provides buildings for GRATIS and the ITTU in the ten regions. Government also employs and pays employees and bears all administrative costs.*

*GRATIS provides training and technical assistance to artisans. Since 1987, 22,221 persons have benefited from GRATIS/ITTU training. Out of this number over 4,000, including women, have benefited from the four-year technical apprentice training programme. During the same period, 452 students from the university and technical and vocational institutions, including 134 women, were attached to the ITTUs to gain practical experience. Training is provided in metal machining, foundry works, welding and fabrication, basket-weaving, and batik tie-and-dye.*

*GRATIS experiences a high rate of labour turnover in the project as a result of low remuneration and motivation for the workers. There is high level of worker dissatisfaction with poor conditions of employment. Many workers think that once GRATIS is a project they should have handsome packages in terms of salary and other emoluments.*

*GRATIS collaborates with the European Union (EU), the Canadian International Development Agency (CIDA) and TECHNOSERVE who provide equipment, computers and other inputs and logistic support.*

## **TECHNOSERVE**

*TECHNOSERVE Ghana is a subsidiary of TECHNOSERVE Incorporated, an international nonprofit, non-governmental organization with headquarters in Connecticut, USA. TECHNOSERVE was established in 1971 by Edward Bullard, who worked in Ghana for two years as a hospital manager at Adidome in the Volta Region. It is governed by a Board of Directors drawn from the private sector in the United States. In Ghana there is a Country Director who manages the country programmes. TECHNOSERVE is funded by individuals, USAID and also monies accruing from contract projects undertaken for the Ghana Government and the World Bank.*

*TECHNOSERVE went into the informal sector because it was convinced that rural Ghanaians needed professional management skills and the technical means to generate more income from their hard labour.*

*TECHNOSERVE collaborates with extension officers of the Ministry of Agriculture and with various cooperatives and self-help foundations. Limited finances is the most basic problem in a situation where many people expect gifts and handouts as against TECHNOSERVE's stated objective to train them to acquire the required managerial skills for their field work.*

Ghana applies to international labour standards a considerable extent, particularly those concerning freedom of association and the protection of the right to organize as well as to bargain collectively.

## **2. Trade unions in the informal sector in Ghana**

### **2.1. Trade union organization in Ghana**

All categories of workers in Ghana have a right to organize in trade unions. The 1992 Constitution of the Republic of Ghana guarantees this right. Article 21 on general fundamental freedoms provides for the freedom of association, which includes freedom for the people to form or join trade unions or other associations, national and international for the protection of their interests.

By March 1999, the Government of Ghana had ratified six of the seven ILO Core Conventions. The Core Conventions adopted refer to freedom of association and collective bargaining rights (Conventions Nos. 87 and 98), forced labour (Conventions Nos. 29 and 105), and equality of opportunity and treatment (Conventions Nos. 100 and 111). The official process of ratification of the Convention on Minimum Age of Employment (Convention No. 138) had already commenced. In spite of the solid democratic and legal framework for the realization of workers' hopes and aspirations, informal sector workers in Ghana, regardless of their numerical strength in relation to the entire workforce, lack representation in the policy process and have no presence in the corridors of decision-making and power. They have neither the facilities nor the possibilities to influence the conditions and decisions that affect them in any systematic manner; nor do they have any access to the services they need to operate effectively and efficiently. Already, the issues at stake in relation to informal sector workers have been identified in terms of the nature of

their relationship with the government, social institutions, trade unions and employers' organizations. There also remains the related question of the recognition of informal sector associations as legal entities, which is necessary to afford them access to government authorities and services (ILO, 1997).

## **2.2. Trade union organization in the informal sector**

It has been noted that workers in the informal sector usually organize to overcome business constraints which include: high prices for inputs; low prices for the goods produced; difficulties in gaining access to credit and service; threats of eviction by city authorities; and the risk of income losses deriving from unexpected events such as death or illness (ILO, 1997).

In Ghana, the origins of trade unionism are rooted in organizing in the informal sector. Unionization in the then Gold Coast was found to be widespread among agricultural labourers, cooks, motor-drivers, mechanics, goldsmiths and several other artisans, especially after the First World War (Adu-Amankwah, 1998). When trade unionism became consolidated in Ghana, however, most members were found in the formal sector, especially urban. Even so, one affiliate of the Ghanaian Trades Union Congress (GTUC), the Ghana Private Road Transport Union (GPRTU), is a fully-fledged informal sector union. Besides, since the end of the 1970s, Ghanaian trade unions have been organizing consciously in the informal sector.

### **2.2.1. The Ghana Private Road Transport Union (GPRTU)**

The GPRTU is composed mainly of hired drivers, owner-drivers and vehicle owners. The union also engages paramilitary personnel that it employs as guards with responsibility for monitoring the payment of daily income tax by private road transport operators.

The union provides a peculiar framework for the pursuit of the interests of its varied membership. It operates structures at branch, regional and national levels. The national and regional structures are dominated by the vehicle owners' component of the union while the presence of the owner-drivers in the union is established mainly at branch level. GPRTU branches cover virtually all the districts of the country. Hired drivers (and their apprentices) largely make up the numbers in the union.

The GPRTU serves as a medium for the road transport owners and operators who belong to it to relate to the public authorities. With the support of government, the union has been able to secure facilities to acquire vehicles for its members on credit. This has helped to improve the income-earning capacity and economic security of some members. (The perception, however, is that this facility has benefited more the vehicle owners and to a lesser degree the owner-drivers than the drivers.) The union also serves as the framework for determining private road transport fares. It also negotiates the fees to be paid for operating at road transport terminals. The GPRTU is also consulted by the public authorities on many operational issues pertaining to the road transport sector. The GPRTU is reputed to enjoy considerable patronage from the ruling party and Government in return for the loyalty and support of the union.

The union further provides a framework for resolving problems between hired drivers and the owners of the vehicles they operate. However, the persistent absence of social security protection for drivers - job security, health care facilities and the promotion of occupational health and safety, protection against income losses during sickness, annual leave, minimum

wage, etc. - is a telling indication of which members' interests the union does not adequately serve. The balance of power in the union weighs in favour of the owners against the drivers.

The union operates a welfare fund for members in distress. The fund is normally accessed upon bereavement of members. The GPRTU is a member of the West African Road Transport Union and the International Transport Workers' Federation (ITF).

### **2.2.2. General Agricultural Workers' Union (GAWU)**

GAWU organized its Rural Workers' Organisation Division (RWOD) as early as 1979. The membership is national, with a higher concentration in the Volta and Greater Accra Regions, and the Northern, Upper East and West regions. By 1998 total membership was over 12,000, with 60 per cent being women. The members are peasant and landless farmers, farmers who hire out their labour, flywheel tractor operators, stone-quarrying workers and other self-employed rural workers. Apart from the flywheel tractor operators who have their own association which is in turn affiliated to the union, all the others have direct membership of the union and pay dues directly to it.

GAWU supports members, particularly women, with revolving loans, and also facilitates members' access to other forms of institutional credit. It further assists with the provision of access of members to basic tools and inputs like cutlasses, fertilizer and other materials, as well as basic necessities like lanterns and kerosene. GAWU has further set the example in the Upper East region of Ghana by providing sewing machines to a group of female members to assist their efforts at providing clothing for their families.

The union also puts up building structures to be used as storage facilities and classrooms for literacy classes that it organizes for members. It also provides education and training for its members through seminars and workshops on the following topics: bee-keeping, food processing, bookkeeping and trade union finance, ploughing techniques to reduce soil erosion, equipment maintenance, health and safety on how to handle chemicals, and environmentally sound farming practices.

Rural workers who are members of the union can now mobilize themselves to speak up for their rights in their communities as well as undertake joint efforts at self-help projects. They demonstrate a considerable degree of confidence in the union. They can invite GAWU to give them advice and sometimes lead them in negotiations, for example, over the acquisition of land. The union also indicates that it will not hesitate to provide legal assistance to members should the need arise.

However, the absence again of social security protection for rural workers like guaranteed incomes, annual leave, minimum wage and health care facilities underscores the enormous distance yet to be covered by the union in assuring the enjoyment of minimum labour standards by rural workers. Because of the low incomes in the rural sector, the union has to invest more finances in organizing the rural workers than it can hope to realize from dues (rural workers pay dues of 1,200 cedis annually, approximately US\$ 0.50). Finance constitutes a major limitation on GAWU's organizational capabilities.

The union collaborates with the Ministry of Food and Agriculture (MOFA), the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF), the International Federation of Building and Wood Workers (IFBWW), the Netherlands Federation of Trade Unions (FNV), and others that address rural workers.

### 2.2.3. **Timber and Woodworkers Union (TWU)**

TWU began its organizational efforts in the informal sector in 1988. This was after the TWU quadrennial conference in 1987 which adopted a resolution for organizing self-employed woodworkers in the informal sector. The objectives for organizing were:

- to promote the interests of all the self-employed and to secure united action on all issues affecting or likely to affect those interests;
- to regulate their operations through education; and
- to secure both national and international recognition of their socio-economic role in national development.

The first group of the self-employed targeted for organization included the power chainsaw operators, firewood cutters, charcoal burners and the canoe carvers whose activities are carried out right in the forest. The TWU organized the **National Sawyers Association (NSA)** to cover all of them. Since 1991 the NSA has been on its own in terms of organization. It is affiliated to the TWU and is represented on its National Executive Council by two persons.

The union has employed one of its members as a full-time official responsible for the informal sector. There are 12,000 members spread over six regions in the southern sector of the country. Few are, however, found in the Northern Region.

The union provides training and education to members. This has enhanced their ability to register their businesses with the Registrar General's Department, the Internal Revenue Service, the District Assemblies and the Forestry Department as a prerequisite to obtaining a felling permit to operate. The TWU finances conferences of the NSA (pays for food, accommodation and organizational costs) and the printing of membership cards.

Small-scale carpenters are also organized in the **Small-Scale Carpenters' Association**. They are the users of the products of the chainsaw operators - the carpentry, joinery and furniture workers. According to the union, a recent national survey estimated the number of these workers at 1.5 million. The union has organized 30,000 of them nationwide, concentrated in Kumasi and Accra. They are spread in all the ten regions at local, district and regional levels.

The **Wood Working Machine Owners' Association** is the third group of self-employed operators to be organized. Their operations are centred in the six forest regions of Ghana. While approximately 6,000 workers are estimated to be in the sector, the union's efforts at organizing them is proceeding steadily with 3,000 already under coverage.

The **Cane and Rattan Workers' Association** is made up of suppliers and weavers in the sector. The union's organizational activities started in this sector in February 1996, and are ongoing. The union now covers the Greater Accra and Eastern Regions where about 1,000 workers have been signed on. The union is also looking forward to organizing wood carvers who are concentrated in Accra and Aburi.

Informal sector members of TWU have a sense of recognition. They support the union in their fight against government legislation and policies that run counter to their perceived

interests. The union on many occasions helped them to retrieve some of their tools seized by the public authorities. This contributes to instil in them a sense of social protection. In terms of working conditions and standards of living, the operators have fared differently. Some members have improved their working conditions through better arrangement of tools and benches in their shops (e.g. carpenters), wearing of nose masks, aprons and boots. Electrical arrangements and fittings have also improved. For the chainsaw operators, on the other hand, their level of income has dropped in the last two years because of a new regulation which limits their operation. However, woodcarvers and cane/rattan workers' incomes have increased.

Their products are largely patronized by tourists who offer high prices. Some carpenters have also been exposed to the international market through trade fairs.

The bargaining strength and representativeness of the TWU have gone up even though there exists no direct relationship between the union and members. The union, however, accepts members who try to access it directly; but generally it deals with members through their associations. Since the unionization of the informal sector workers by TWU, anybody who wishes to deal with the workers therein involves the union. Examples of such bodies are the Timber Export Development Board (TEDB), the Ministry of Lands and Forestry, and Parliament.

TWU negotiates with District Assemblies and the Internal Revenue Service (IRS) on tax rates for members. It also negotiates with District Assemblies for land to resettle carpenters.

The TWU intervenes to settle members' cases out of court. For instance, when a chainsaw operator was implicated in an illegal operation of felling of timber, the union intervened to have the case settled outside court. Similar assistance was given to carpenters when a contractor refused to pay the cost of jobs he sublet to them. The union also provides members with education and training on tree planting, felling, harvesting and extracting techniques, health and safety, timber laws and regulations, forest management, marketing, and financial and business management.

The major constraint to the organizing efforts of the TWU is the fact that most of their potential membership have no previous experience of union organization and do not readily see the value of organization. The other significant constraint with regard to the organizational efforts of the union is the absence of a ready package of benefits to attract members. The TWU collaborates with the IFBWW and the TEDB.

#### **2.2.4. The Industrial and Commercial Workers Union (ICU)**

The most organized informal sector group of workers in the ICU is the **Ghana Hairdressers and Beauticians' Association** (GHABA). They include hairdressers, beauticians and barbers.

GHABA has a membership of 4,000 spread all over Ghana with special concentration in Accra, Kumasi and Takoradi. The association has its own structure from district through regional to national levels. In Accra, the district is divided into zones because of the density of the population and range of activities. Each member of the association pays 200 cedis per month to the national executive committee who collect dues and in turn pay an affiliation fee to the ICU. The association has a representation of three persons on the National Executive Council (NEC) and on the women's wing of the ICU.

ICU conducts elections of officers for GHABA at zonal, district, regional and national levels which always result in free and fair outcomes. Although GHABA does not receive direct financial support from ICU, the union meets the secretarial and organizational cost of their conferences and provides legal services for members when they run into problems in the course of performing their duties. The ICU also organizes workshops and seminars on basic trade union subjects, bookkeeping, health and safety, and how to protect clients. Training is also provided in leadership roles and rights and responsibilities both within the union and the society at large.

For GHABA, working conditions entail the setting up of a shop - provision of equipment, products, sanitation, environment of the shop, and health and safety. Members' working conditions have improved to some extent since joining the union. They now wear gloves when handling chemicals. They have also improved the ventilation of their shops. GHABA also organizes entrance examinations for those wishing to operate as hairdressers, and with the support of the public authorities has instituted regulation that allows hairdressers' salons to be sited at least 50 metres apart.

Executive members of GHABA visit their members' shops regularly to ensure that they keep their environment clean and also have the required number of combs, towels and the right types of cream. Members have improved upon their human relations with their clients and apprentices. GHABA has also helped members to acquire equipment and tools for their shops.

The living standards of members of GHABA have not, however, improved significantly in spite of increased income levels. This is because not too many people visit the salons nowadays. Because of the general high cost of living most clients prefer to style their hair by themselves in their homes.

Undoubtedly, the informal sector has increased the numerical strength of the ICU, but the union has no close relationship with the members. The ICU represents the workers and leads negotiations with the IRS and the Accra Metropolitan Assembly (AMA) on tax rates and rents to be paid on shops. However, GHABA members of the ICU have developed confidence to express their views at meetings. The district zones and regions hold their own meetings with or without assistance from union officials. Some of the members can now chair meetings and write reports. For welfare, the union also makes donations upon the death of members of the associations.

The organization of GHABA has had its difficulties. There have been some problems with internal democracy and accountability that tended to undermine confidence and lowered the morale of members. Among executive members who had had no prior organizational experience of accounting for their activities, the demand of accountability to members has not been easy to accommodate. On the other hand, default in accountability of executives affected members' willingness to pay dues and even led to poor attendance at meetings and withdrawals from the association. There are also some members who continue to feel socially insecure because they are not able to get financial assistance.

#### **2.2.5. Other trade union initiatives in organizing informal sector**

Tie-and-dye workers as well as domestic cooks and stewards have also been recently organized into the ICU. The ICU collaborates with the International Federation of Commercial, Clerical, Professional and Technical Employees (FIET) and the Women Workers' Union (KKD) of Denmark in furthering its initiatives in the informal sector.

Other trade union initiatives in organizing informal sector workers include the Ghana Union of Professional Photographers (GUPP). Constituted into a body in 1987 with a membership of 1,150, it became affiliated to the Public Services Workers' Union (PSWU). GUPP is national in character but has high membership concentrations in Kumasi, Takoradi and Accra.

It operates regional and national executive structures. Members pay dues through GUPP to PSWU but they are not represented in the structures of the PSWU, e.g. the National Executive Council (NEC) or the Regional Councils.

The GUPP has unrealized expectations workers from its affiliation to the PSWU. It expects education, training and exposure through photo exhibitions from its association with the PSWU. It also expects the PSWU to assist with direct organizational work in contacting potential members around the country. Membership of GUPP has dropped to 400 because of low morale and absence of recognition of the value of belonging to the association. GUPP has a welfare scheme for compensation in times of bereavement, but this has so far only benefited a few persons.

The other group of informal sector workers to be organized by a trade union in Ghana is the Butchers' Association. It is affiliated to the Local Government Workers' Union (LGWU) and currently has membership only at the Kumasi Abattoir. The LGWU provides legal advice and assistance. For instance, when the Butchers' Association went to court over their right to join the LGWU rather than the Cooperative Butchers' Association as proposed by the Ashanti Regional Minister, the union paid their legal fees. The LGWU has organized members of the association to join the Social Security and National Insurance Trust (SSNIT) Pension Scheme. The union is also supporting the association to develop a pension scheme to supplement the SSNIT Pension Scheme. The association has also been assisted by the union to form a credit scheme from which members take loans to finance their business. The LGWU collaborates with the Kumasi Metropolitan Authority (KMA) in organizing the butchers in the metropolis.

### **3. Recommendations for future trade union action**

#### **3.1. Products of trade union intervention in the informal sector**

The discussion of trade union organizational efforts in the preceding section provides interesting evidence of differentiated support for economic outcomes, social protection and the provision of a voice for informal sector workers.

GAWU, GPRTU and the LGWU facilitate varying degrees of credit and financial support for informal sector workers who belong to or are associated with them. This is through loan guarantees or credit facilities. GAWU also facilitates access to inputs for its members. GAWU, TWU and ICU provide education and training that improve the skills and capabilities of their members in the informal sector. TWU facilitates participation in fairs as market promotion for its members, while the GUPP pronounces its expectation of union support for marketing promotion through photo exhibitions. GAWU and TWU negotiate for land as part of the general infrastructure.

In terms of social protection, a number of the unions have raised awareness of rights and standards among their members. TWU, ICU, GAWU and GPRTU have raised awareness among their members of the potential for organization and collective bargaining. ICU, LGWU and TWU have provided legal support to members. TWU has protected its members from

harassment by the public authorities. LGWU has encouraged its members to join the national social security and pension scheme. Work conditions, particularly health and safety, have improved among ICU, TWU, GAWU and LGWU members in varying degrees.

The main obstacles to union organization as they have emerged from the initiatives in the informal sector have to do with, firstly, the low financial returns from the sector as against what unions have to spend organizing there; and, secondly, the absence of ready packages of benefits to attract informal sector operating units coupled with their absence of previous experience of union organization.

The trade unions in the informal sector have served as the medium for representing the workers in negotiating for tax rates, rents, fees or fares. The GPRTU is widely consulted, while GAWU and TWU make themselves heard on a wide range of issues before different public bodies. The unions all show evidence of acting as channels for collective bargaining with the public authorities or any other body on one matter of interest or the other. These, however, only open the window on to the existing opportunities for different groups of informal sector workers to intervene in and influence the policy process.

The examples of trade union organization in the informal sector, though impressive, do not yet measure up to the sector's demands for clear support for its growth as well as the provision of social protection for the workers and the application of minimum standards thereof. The possibilities for trade union organization in the informal sector that have been demonstrated by the existence and operations of unions signal the need to pursue vigorously the quest for further organization of the sector. This should contribute to the creation of the conditions for the elimination of child labour and discrimination in employment as well as the attainment of social protection for all workers.

### **3.2. Trade union perspectives on informal sector organization**

In its policy on organization and internal democracy, the GTUC acknowledged in 1996 that the informal sector is an important part of Ghana's economy and that the trade unions need to step up organizational work there. The policy objective was set to pursue vigorously the organization of workers in the informal sector.

Already in 1995, the GTUC had identified the needs of the informal sector that required servicing. They included:

- organization - to promote the self-organization of informal sector workers and encourage them to: organize within existing trade unions; organize and affiliate to existing trade unions; organize and affiliate to the GTUC; organize on their own and develop relations with the trade unions and the GTUC;
- capital - to provide information on existing credit and financial schemes for the informal sector; help develop group collateral for credit from financial institutions; promote savings and credit schemes; undertake campaigns and advocacy for increased financial opportunities for informal sector operatives;
- training and education - to investigate and provide information about existing facilities and opportunities; facilitate access to existing programmes; facilitate the institution of relevant programmes and appropriate schemes where they do not exist; utilize adult education methods through the print and electronic media;

- the market - to promote high standards; undertake market surveys and information dissemination; undertake marketing promotion through trade fairs;
- social protection - to explore the possibilities of the Social Security and National Insurance Trust (SSNIT) as well as other insurance schemes as the framework for guarantee against income losses during sickness, and for workers' compensation and pension;
- input supplies - to promote cooperatives as a means of improving access to inputs; and
- legal protection - to undertake advocacy and a campaign to secure a legislative framework that guarantees minimum standards for all workers, and campaign for the effective functioning of regulatory institutions to assure the application of labour standards.

In laying out the needs of the informal sector that required servicing, the GTUC also outlined how the trade union stood to gain by organizing informal sector workers. Such gains were evaluated in terms of membership, finances, greater legitimacy as representing the constituencies of both formal and informal sector workers, and therefore a chance for stronger intervention in national development.

By organizing informal sector workers, it was agreed that the trade union could achieve the following:

- help build up membership, particularly at a time when trade unions are losing members through retrenchment and deregulation;
- make trade unions more representative;
- strengthen the bargaining position of trade unions;
- acquire broader appeal and increase trade union capacity for mass action;
- extend trade union recognition and enhance union image both nationally and internationally;
- improve the human power base of the trade union;
- improve the union's financial and resource base; and
- reduce ignorance about trade unions and their role.

### **3.3. Approach to organizing**

In October 1997, the Pan-African Conference on Democratic Participation organized by the African Workers' Participation Development Programme (APADEP) in Arusha, Tanzania, affirmed the need to organize informal sector workers. The conference undertook an overview of African workers and the trade union situation in the light of structural adjustment programmes that have been implemented in a number of African countries since the 1980s and throughout the 1990s as well as the current trend of globalization.

The workers' situation was characterized by rising unemployment and the attendant insecurity for most workers, low and insufficient incomes for workers, poor working conditions in terms of hygiene and health and safety, the absence of canteens and poor transportation facilities, unsatisfactory grading and promotion, inadequate provision for training and education, and deficient workplace management.

As for the trade union situation itself, the shrinking base of the trade unions raised questions about the unions' legitimacy as the most representative organizations of workers. Furthermore, there was a grim record of inaccessibility of many workers to labour laws and trade union statutes, inadequate budgets for the functioning of trade union committees, especially at local levels, inadequate provision of trade union education, marked under-representation of women in trade union structures, and weakness of internal trade union democracy.

The emergent challenges facing the movement raised a set of policy options including the following:

- improving internal democracy and the representation of women within trade union structures;
- strengthening collective bargaining and workplace negotiation;
- promoting workplace participation;
- expanding organization to cover the informal sector; and
- developing workers' participation beyond the workplace.

The strategy for strengthening the trade union movement combines the appropriate mix of building on and consolidating the existing functions of trade unionism as well as extending the boundaries of trade union existence and operations. The injunction to organize informal sector workers that emerged from the Arusha Conference was based on the recognition of informal sector workers as a new partner in the workforce community. Because the informal sector is a new area for trade union organization, the conference called for a creative approach that took account of the differences between the informal sector and the formal which so far had been the traditional domain for trade union organization.

Already, the GTUC has laid out its own approach for organizing workers in the informal sector as follows:

- affiliated unions that have already started organizing informal sector workers should be encouraged and supported by the GTUC;
- affiliated unions that have not started organizing in the sector should be encouraged to explore possibilities;
- the GTUC should identify existing informal sector organizations and seek to develop relations with them;
- existing informal sector organizations should be encouraged to affiliate either to national unions or directly to the GTUC; and

- the GTUC and affiliated unions should identify specific informal sector workers and undertake pilot organizational projects to draw lessons for further organizational work.

The GTUC has also underlined the need for a redefinition of trade union membership and the introduction of different categories and levels of membership to introduce flexibility that accommodates informal sector workers.

### 3.4. Relevant initiatives

Trade unions in Ghana have some important activities to undertake to fulfil the needs of servicing the informal sector in a meaningful and consistent manner. The two main elements of the strategy for building organizations in the informal sector include, firstly, building the capacity of the trade unions to function appropriately and, secondly, coordinating the initiatives pertaining to the informal sector. Specific activities for the GTUC and the trade unions in Ghana include:

- setting up a database on the informal sector which would encompass features, needs, composition and geographical profile; setting up another database on existing institutions and programmes and their profile for assisting the sector;
- linking informal sector organization to national development, which would mean paying particular attention to agriculture and manufacturing, and demonstrating how organization of workers therein can contribute to the growth of those sub-sectors, and developing a policy for intervention in the informal sector as part of the strategy for national development, focusing on the support of the State and others for business growth and for social protection for workers and the generalized application of labour standards;
- implementing trade union education for cadre development, i.e. organizers, publicists and campaigners; and
- developing financial and credit schemes; training and education programmes for interpersonal and vocational skill development; insurance schemes to promote social protection; and campaigns for the application of labour standards.

The consistent pursuit by the trade unions in Ghana of the challenge of organizing informal sector workers requires the nurturing and conscious development of links with the relevant public authorities and institutions, both national and international, that can provide the necessary support. To be most effective, such relations must be dynamic, and must move essentially towards policy support that is both technical and financial.

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### **Note**

1. This paper will take the definition of the "informal sector" as the range of economic units in both urban and rural areas which are largely owned and operated by individuals with little capital and labour, and which produce goods and services to generate income and employment.