Structural adjustment and trade unions in Africa: the case of Ghana: Labour relations in development

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The case of Ghana

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Introduction

Faced with a deep and prolonged economic crisis, virtually all African governments have been compelled since the 1980s by the International Monetary Funds (IMF), the World Bank and Western donors to implement a 'neo-liberal' reform package, in the form of Structural Adjustment Programmes (SAPs). The aim of SAPs has been to reduce the government's role in the economy, to establish free markets and a secure environment for private capital, and to enhance Africa's competitiveness in the global economic order. Their central demands include drastic cuts in public expenditure, such as the elimination of subsidies, dismantling of price controls, 'rationalization' of the public sector through privatization, lay-offs, wage cuts and company closures, liberalization of the economy guided by 'market forces' domestically and 'comparative advantage' internationally, promotion of commodity exports and foreign investment, and currency devaluation. In terms of macro-economic performance, structural adjustment has produced widely diverging results in Africa, but in terms of social consequences the outcome has been more uniformly negative. It is now generally recognized that employees have been among the most seriously affected by the economic crisis and structural adjustment. They are confronted with retrenchments and job insecurity, wage restraints and the suspension of benefits, soaring consumer prices and user charges for public services, 'flexible' management practices and subcontracting, and an intensification of managerial efforts to increase labour productivity.

World Bank reports have often attempted to justify these anti-labour measures, both in economic and political terms (Bangura and Beckman 1993, Adesina 1994, Gibbon 1995, World Bank 1995). The economic justification for structural adjustment is that workers are 'too many and too costly'. This is attributed to misconceived policies, including the development of an overprotected and oversized import-substituting industrial sector. Another problem is the growth of overstaffed state enterprises and public services, with wage bills out of proportion to their carrying capacity and deficits paid by state subsidies, due to a combination of budgetary laxity and the influence of corrupt and clientelistic modes of labour recruitment. Such policies have worked against the development of the private sector and increased competition in the global market. The political justification for structural adjustment is that workers are 'powerful and selfish'. The World Bank argues that organized labour has been a major beneficiary of pre-adjustment policies, stressing that the historical influence of African trade unions has led to excessive levels of wage employment, inflated wages and a pro-urban, pro-worker allocation of public funds. It is interesting to observe that this argument comes close to earlier populist positions, such as 'labour aristocracy', 'urban bias' and 'urban coalition', which tended to view workers as a privileged minority, pursuing narrow self-interests at the expense of the urban poor and peasantry, taking advantage of better organization, and being in coalition with the urban élite (Waterman 1975, Lipton 1977, Bates 1981, Ferguson 1999). Jamal and Weeks (1993) presented a detailed refutation of the argument, showing that the so-called rural–urban gap was largely illusory and had in any case been closed before the harsh SAP measures were applied to correct it. These views have nevertheless often been used by African leaders, like Rawlings in Ghana (Kraus 1991), to legitimize the implementation of SAP measures and to suppress any trade-union opposition.

Although SAPs pose a formidable challenge to trade unions in Africa, there is still a dearth of studies on trade-union responses to SAPs. Moreover, existing studies appear to differ on the actual role of trade unions in African post-colonial states, with some authors refuting the World Bank assumption that trade unions are occupying a powerful position in African societies (Konings 2000). The latter are inclined to take an extremely pessimistic view of the role of African trade unions. They argue that trade unions are usually not only small, organising only a tiny minority of the working population in the predominantly agrarian societies in Africa, but are also subordinated to state control in the aftermath of independence for the sake of national development. These views are contested by other Africanists, particularly those who have carried out intensive research on trade unions in Africa (cf. Sandbrook and Cohen 1975, Freund 1988). They are ready to admit that trade unions in Africa show a number of weaknesses, but they equally stress that trade unions are among the few organizations that have been able to survive the onslaught on civil society by authoritarian post-colonial regimes. They argue that African governments have found it hard to control trade unions. Even in countries where post-colonial governments did achieve a large measure of control at the national level by co-opting trade union leaders into the regime, they often failed to control unions at regional and local levels (Bates 1971, Konings 1993). Paradoxically, certain state-corporatist strategies, like the centralization of the trade-union movement, the allocation of substantial funds, the introduction of the check-off system, and assistance in trade-union education have tended instead to strengthen the organizational capacity of the unions, which, in turn, has been of great significance to future union struggles for autonomy (Akwetey 1994, Hashim 1994).

This latter group of authors tend to be more optimistic than the former about the role of trade unions in African post-colonial states. They usually refer to certain specific factors which guarantee trade unions an exceptional position among civil-society organizations. First, trade-union members may account for only a small proportion of the working population in Africa, but they are concentrated in the cities and active in strategically important sectors of the economy. As such, they may exercise considerable political power, being potentially capable of paralysing the economy and threatening the regime in power. Second, trade unions are among the oldest civil-society organizations, with a long history of struggles against oppressive and exploitative regimes (cf. Jeffries 1978, Sandbrook 1982, Freund 1988). Third, trade unions often enjoy a higher degree of international solidarity than other civil-society organizations. International trade-union organizations and the International Labour Organization (ILO) in Geneva have frequently requested authoritarian regimes to release trade-union leaders from prison and to ensure a minimum of trade-union liberties (Kester and Sidibé 1997).

Following the implementation of SAPs in African states, however, the optimistic authors appear to have come closer to the views of the pessimistic ones. Most now maintain that SAPs have weakened the position of trade unions in African post-colonial states (Isamah 1994, Mihyo and Schiphorst 1995, Simutanyi 1996). A number of recent studies have shown that trade unions have attempted to oppose structural adjustment, but that the effectiveness of their resistance has by and large been limited. Not only were they likely to operate in a hostile political environment, but also the logic of structural adjustment tended to constrain the ability of trade unions to defend their members' rights effectively. With mass retrenchments of labour in the public and private sectors leading to substantial losses in trade-union membership and trade-union revenues, government abolition of legislative provisions concerning job security, participatory rights or guaranteed collective bargaining rights, and outright government oppression to any oppositional trade-union action, trade unions had their backs to the wall. In these circumstances, there was little the trade unions could do for their members. Increasing job insecurity and a fall in real earnings have forced the rank and file to search for alternative sources of income, straddling between the formal and informal sectors and subsistence farming, as well as engaging in illicit income-generating activities. The 'fusion' of labour markets has ensured the survival of workers but, according to some authors (Jamal and Weeks 1993), it also signifies the virtual collapse of the wage-earning class as a distinct entity. As a result of these developments, trade unions are said to be facing a deep crisis of identity, having not yet devised any new strategies to deal with these dramatic changes.

To test such views, I shall focus in my study on the role of trade unions in structural adjustment in Ghana. Ghana provides an interesting case study, due to the spectacular adoption in 1983 of a 'neo-liberal' reform package by a radical populist military regime, the Provisional National Defence Council (PNDC), which had constantly proclaimed to be committed to popular democracy and anti-imperialism. And, even more significantly, the PNDC's rigorous execution of the SAP earned Ghana the reputation among Western donors of being 'one of the most impressive reform efforts in Africa, the lessons of which are being closely observed in other African countries' (Graham 1988: 42). Even after the transition from the military PNDC regime to the civilian National Democratic Congress (NDC) government in 1992, Rawlings, having been promoted in the meantime from PNDC chairman to elected president of Ghana's Fourth Republic, stressed the continuation of the SAP, with the declared intention of improving economic conditions and achieving sustained economic prosperity for all Ghanaians. And, above all, there is the firm belief among many scholars that Ghana has a relatively strong labour movement, with a substantial capacity for ensuring independence and a long tradition of militant struggles on behalf of workers' rights and interests (Konings 1977, Jeffries 1978, Kraus 1979, Crisp 1984). Freund (1988: 108), for instance, observed, 'A sensitive analysis of developments in a country such as Ghana also shows that the unions are conduits at times for shocks that can present difficulties for regimes'.

In this study, I will first assess the impact of structural adjustment on the labour markets in Ghana, and then describe the response of the Ghana Trades Union Congress (GTUC) under both the PNDC and NDC governments.

Structural adjustment and labour markets in Ghana

When the PNDC under the leadership of Flight-Lieutenant Jerry Rawlings seized power on 31 December 1981, the economy of Ghana was in a state of prolonged recession, disinvestment and virtual collapse.

Between 1970 and 1981 per capita GDP fell by over 30 per cent, mineral production decreased by 32 per cent and cocoa production, the largest foreign-exchange earner, dropped from 400,000 to 225,000 metric tonnes. Declines in exports led to severe foreign-exchange shortages, which strangled imports and created recessionary declines in other sectors because of shortages of inputs, spare parts and transportation. By the early 1980s, the inflation rate was in excess of 100 per cent and the nation was experiencing one of the worst droughts and famines in its history. The sudden expulsion and repatriation of well over 1 million Ghanaians from Nigeria added fuel to the already existing high unemployment and inflation rates (Kraus 1991, Konadu-Agyemang 1998).

No single explanation suffices to elucidate why a country like Ghana whose development potential appeared to be much brighter than most other African countries at the time of its independence in 1957 – being the world's leading exporter of cocoa and disposing of considerable foreign reserves (estimated at US$532m), substantial mineral deposits (gold, diamonds, bauxite, etc.), a comparatively good infrastructure and a relatively well-trained and educated labour force – should suffer such socio-economic ills. Neo-liberals are inclined to attribute these problems first and foremost to internal factors such as the post-colonial state's excessive intervention in the economy, mismanagement, corruption and patronage politics. They blame the Ghanaian post-colonial state in particular for expanding public services (such as 'over-subsidized' educational and health facilities) and establishing an oversized and overprotected public sector, both largely financed by heavy taxation of cocoa farmers and frequent resorts to foreign loans, over-regulation, productivity disincentives, the inability to control inflation and the tolerance of an over-valued currency. It is these so-called 'internal constraints' to development that the IMF and the World Bank seek to address and resolve through SAPs. What is often left out of the neo-liberal diagnosis of underdevelopment is the role of external forces in helping to create the situation in the first place (Hutchful 1989).

After an initial fifteen-month period of populist mobilization and experimentation, during which Ghana's woes were attributed to 'imperialist' and 'neo-colonialist' forces, the PNDC was compelled to adopt a more pragmatic stance on economic issues. In the absence of a realistic alternative from the intellectual left and assistance from 'socialist' countries, the technocratic faction convinced Rawlings in 1983 that the best possible solution to the challenges posed by the desperate economic situation was to seek help from the Bretton Woods institutions (Rothchild 1991, Yeebo 1991). The persistent rhetoric of populism then became linked to a 'neo-liberal' reform package, in the form of an SAP which was designated in Ghana as the Economic Recovery Programme (ERP). The military-led populist regime had considerable leverage to manoeuvre, enabling it to impose a variety of harsh measures intended to rehabilitate the economy.

The PNDC formally launched the SAP in April 1983. It contained the conventional measures, including adjustment of the cedi (the Ghanaian currency) to market forces, import liberalization, tightening financial accountability, reducing deficit financing, increasing prices for cocoa, cutting back on public services, marketing boards and parastatal bodies, and 'cost recovery' for much-needed social services.

By the end of the 1980s the IMF and the World Bank were in a state of euphoria about Ghana's performance. Compared with other African countries, Ghana appeared to have fared better from a macro-economic point of view. For example, the country had an average annual growth rate of 6.3 per cent in the period 1984–6 and of 5 per cent in the period 1986–92. There were noticeable improvements in infrastructure – roads, rail and seaports – in order to promote export production. Substantial improvements occurred in Ghana's balance of payments. Although the country did not regain its position as the number one producer of cocoa in the world, exports of cocoa and other products recovered appreciably. The recovery of exports such as gold, diamond and timber was facilitated largely by the heavy capitalization of mines previously starved of funds, and the provision of credit facilities to timber companies by the World Bank and other international financiers, with guarantees from donor nations (Panford 1997). Approximately US$9 billion was injected into the Ghanaian economy by the international community between 1983 and 1992.

Since the beginning of the 1990s, however, international praise of the 'Ghanaian model' has died down somewhat. International donors were shocked when the political liberalization process appeared to have caused a slackening of fiscal controls, leading to substantial budgetary deficits and (temporary) withdrawal of 'aid' (Sandbrook and Oelbaum 1997). Moreover, the structural weakness of the domestic economy has become more and more visible. Ghana's recovery remains vulnerable to international commodity price changes. Declines in export commodity prices and increases in import prices, most notably of oil, and Ghana's heavy external indebtedness continue to act as constraints on economic growth. In addition, the intensified focus on the export of primary products has not been accompanied by any significant industrial growth. Some authors even observe a pattern of 'de-industrialization' in Ghana (Panford 1994, Hutchful 1996). Manufacturing climbed 16.1 per cent in 1984–6, 7.6 per cent in 1987–8, and a mere 2.8 per cent in 1989–90. This suggests that early growth involved recovery from profound lows on the basis of improved access to imported raw materials and other inputs as well as price decontrols. Estimated capacity utilization still remained below 40 per cent in 1990. Industrial restructuring and competitive ability have been severely impeded by a number of factors. Devaluation sharply raised the cost of imported inputs and eroded liquidity, and while, in principle, price liberalization allowed price increases to be passed on to consumers, in practice many manufacturers could not do so because demand was constrained by stabilization measures and increased competition. Tight credit and high interest rates (over 30 per cent) have squeezed working capital, and lack of access to long-term finance has constituted an important constraint on restructuring. Excessively rapid liberalization has led to competition from a flood of imports even before domestic manufacturers have had an opportunity to adjust to the new economic environment. And, last but not least, the political climate has not been conducive to private investment. Rawlings and other state personnel have often displayed a hostile attitude towards local business people, perceiving them as corrupt and bent on quick returns as well as supporting the political opposition. As a result of these economic and political factors, a lot of domestic manufacturers found it hard to survive, and some even had to wind up their businesses. Rawlings' persistent populist rhetoric was also a prominent factor in explaining why Ghana failed to attract much foreign investment (Kraus 1991, Hutchful 1996, Tangri 1999).

Given Ghana's continuing dependence on primary commodity exports and lack of industrialization, structural adjustment appears to have failed to restructure an essentially colonial economy. It tends to encourage a world order in which Africa continues to export raw materials and import even basic goods that it had previously manufactured. Such a division of labour, which is often justified in terms of 'comparative advantage', constitutes one of the major obstacles to any meaningful form of regional co-operation in Africa at a time when other parts of the world are maximizing their economic competitiveness through the creation of powerful regional groupings (Konings and Meilink 1998).

While the aura of success surrounding Ghana's adjustment efforts is fading, the effects of structural adjustment on the urban labour markets have been devastating. Workers are now confronted with low real incomes, a drastic reduction in formal-sector employment and job insecurity, and a formidable expansion of informal-sector employment.

Low real wages

Rawlings and his lieutenants have always thought that trade unions were selfish and protected the privileged interests of costly workers who did little. Their views simply denied the socially destructive annual inflation rate, averaging over 50 per cent, which impoverished and demoralized workers in the years preceding the introduction of the SAP (1975–81). Rising allowances apart, the index of real minimum wages dropped from 75 in 1975 to 15 in 1981 or 80 per cent (Table 15.1). Even if a significant income gap between urban wage earners and the rural population ever existed in Ghana – a thesis which has been contested by earlier empirical studies in the 1960s and 1970s (Konings 1977) – the characterization of the mass of urban workers as an 'aristocracy of labour' clearly no longer applies. Strikingly, higher skilled and higher paid workers suffered a proportionally greater reduction in their real incomes, compressing the wage structure (Vandermoortele 1991: 86, Jamal and Weeks 1993). In 1981, the differential between the highest and lowest paid workers in the civil service had shrunk drastically to 2.5:1. As a result of these developments, all workers had lost the incentive to work hard. Most felt compelled either to engage in simultaneous informal-sector activities or to flee the country in search of greener pastures. During this period, Ghana suffered a severe brain drain.

Following the introduction of the SAP in 1983, the real minimum wage dropped to its lowest level, barely rising in 1984, when it was a mere 11.5 per cent of its 1963 value. There was a substantial increase in 1985, when real earnings almost doubled to 21.4 per cent of their 1963 value – a level that was more or less maintained in subsequent years (Table 15.1). The regime persistently attempted to control and restrain the minimum wage level. It soon introduced the notion of a 'minimum rationalization wage'. The state of the economy could accommodate a simple restoration of the existing value of wages (Table 15.2), but could not allow a real increase in the value of incomes, which could only be based on an increase in labour productivity (Adu-Amankwah 1990: 108). The regime was also quick to invoke the poverty and relative productivity of the rural population and the urban bias inherent in the existing patterns of resource allocation as a justification for demanding sacrifices of urban workers. Increases in producer prices for cocoa and other agricultural commodities were readily cited as the real cause of the government's inability to provide a living wage.

While the PNDC was initially inclined to offer higher wage increases to the lowest-paid workers in the public service, thus further compressing differentials between the highest and lowest wages to 1.8:1, it changed its wage policy in 1986 by increasing the differential between the highest and lowest paid to 4:1. Urged by the World Bank to be more sensitive to incentives than inequality, it widened pay ranges to 5.4:1 in 1988 and 10:1 in 1990 – a move opposed by the trade-union movement (Kraus 1991: 145–6).

What does the minimum wage mean in Ghana? In 1990, when a worker on the minimum wage received, including allowances, approximately 400 cedis per

Table 15.1 Real minimum wage index in Ghana, 1963–88

Year	*Real minimum-wage index*
1963	100.0
1965	66.4
1966	58.3
1967	68.6
1968	67.9
1969	63.5
1970	61.2
1971	56.0
1972	68.1
1973	57.1
1974	73.2
1975	75.2
1976	48.1
1977	33.4
1978	25.6
1979	16.7
1980	16.6
1981	15.4
1982	12.6
1983	10.2
1984	11.5
1985	21.4
1986	22.0
1987	19.7
1988	20.5

Source: Kraus 1991: 123

day, a ball of *kenkey* (one of the domestic staple foods) cost 50 cedis, one chicken roughly 2,500 cedis, one small fish 300 cedis, one loaf of bread 250 cedis, and one bottle of beer 350 cedis. Clearly, such a wage could scarcely support the workers' own food requirements, let alone those of their families or additional necessary expenditure on housing, clothing, health care and other costs. Even for better-paid skilled and clerical workers, it was difficult to make ends meet (Jeffries 1992: 211). Indeed, estimates show that the average low-income family in Accra spent the equivalent of more than eight times the minimum wage (ISSER 1994, 1995). As Table 15.2 clearly shows, the present daily minimum wage is still below the UNDP human poverty index of US$1 in spite of the so-called 'SAP miracle' in Ghana (UNDP 1997: 3).

Since the introduction of the SAP in 1983, workers have been burdened with the cost recovery scheme ('pay or perish', as it is called in Ghana), raising user charges for water, electricity, sewage, health and educational services to increasingly prohibitive levels. Occasional reports on social responses to such price hikes are gloomy. They reveal widespread withdrawal from medical and educational facilities. Parents can no longer afford to pay school fees for their children and a

Table 15.2 Daily minimum wage equivalent in US dollars for Ghana, 1980–98

Date	*Minimum wage (in cedis)*	*Exchange rate (cedis/US$)*	*Minimum-wage equivalent (in US$)*
October 1980	4.00	2.75	1.45
November 1980	12.00	2.75	4.36
March 1983	12.00	9.56	1.25
April 1983	25.00	9.56	2.61
January 1984	25.00	35.99	0.69
April 1984	35.00	35.99	0.97
December 1984	52.00	35.99	1.44
January 1985	70.00	54.37	1.28
January 1986	90.00	89.21	1.01
January 1987	112.00	162.37	0.68
January 1988	146.25	202.34	0.72
January 1989	170.00	270.01	0.63
January 1990	218.00	326.28	0.67
July 1991	460.00	367.73	1.25
January 1992	460.00	437.09	1.05
January 1993	460.00	648.98	0.71
January 1994	790.00	956.73	0.83
January 1995	1,200.00	1,200.40	1.00
January 1996	1,700.00	1,637.24	1.04
May 1997	2,000.00	2,050.28	0.98
January 1998	2,000.00	2,314.15	0.86

Source. Yanney 2000: 33

growing number of children have no choice but to join the informal-sector labour market (Ninsin 1996, Panford 1997).

Workers are now compelled to extend their outreach over the whole gamut of economic activities to survive, from wage labour to informal-sector activities and even to subsistence farming. According to Jamal and Weeks (1993), any previous formal–informal and rural–urban dichotomies no longer apply. Low real wages are also driving people to illicit activities such as theft, corruption, black-marketeering and prostitution (ISSER 1994, 1995).

Despite the unprecedented fall in urban real wages and the narrowing of the income gap between urban workers and peasants, rural–urban migration has continued unabated. Jamal and Weeks (1993) argue away this paradox by pointing out that rural–urban migration has become part of the survival strategy of the extended family. The rural population is also becoming increasingly impoverished. Only the larger cocoa farmers appear to have benefited from increased producer prices (Rothchild 1991). Green (1988) estimated that the number of urban dwellers living below the poverty line increased from an average of 30–35 per cent in the late 1970s to 45–50 per cent in the mid-1980s. For rural people, there was an increase in poverty from a range of 60–65 per cent in the late 1970s to 67–72 per cent in the mid-1980s. The Ghana Living Standard Survey partly supports this assertion (Ghana Statistical Service 1989).

With poverty, hunger and near hopelessness mounting on all fronts, workers tend to rely on the trade unions to defend their interests. In a situation of structural adjustment, however, trade-union leaders are bound to experience difficulties in delivering the desired result – an increase in wages.

Massive retrenchment, job insecurity and unemployment

The SAP in Ghana has caused unprecedented retrenchments in public and private-sector employment alike. Although Table 15.3 appears to underestimate the number of workers in both the public and private sectors, it nevertheless provides a clear indication of the extent of these retrenchments: formal-sector employment fell from 455,000 in 1975 to an all-time low of 186,000 in 1991.

As many as 71,500 workers in the civil service and field of education had been retrenched by the end of 1994 (Fokuoh 1996). Reorganization, divestiture and liquidation of state-owned enterprises contributed to massive lay-offs in the public sector. Approximately 75,600 jobs were lost in Cocobod (the former Ghana Cocoa Marketing Board) between 1985 and 1992, and over 50,000 jobs were cut in other state enterprises between 1987 and 1994 (Gyimah-Boadi 1991, Hutchful 1996, Konadu-Agyemang 1998). Since the costs involved in such retrenchments tended to be high, the government often attempted to postpone and reduce the fairly liberal end-of-service benefits won by workers through collective bargaining (Adu-Amankwah and Tutu 1997).

Several factors account for the severe job losses in the private sector. The problems faced by domestic manufacturers as a result of economic liberalization, leading to either closure of their enterprises or drastic retrenchments, have already been discussed. Another factor is the World Bank's continued insistence on government withdrawal of existing labour laws and collective agreements protecting workers' job security. One such legal provision is the requirement that

Table 15.3 Trends in formal employment in Ghana, 1960–91 (1,000s)

Year	*Public sector*	*Private sector*	*Total*
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	413
1987	315	79	394
1988	252	55	307
1989	177	38	215
1990	189	40	229
1991	156	31	187

Source ISSER 1995: 139

enterprises obtain the authorization of the Ministry of Labour for any lay-offs. Protective legislation and collective agreements are now commonly ignored, strengthening managerial control over the labour process manifest in the introduction of flexible employment contracts, working times, rules and wages. As a consequence of increased managerial flexibility in hiring and firing labour, even the employed are faced with permanent job insecurity. The latter is even being emphasized by the growing tendency among employers to recruit casual workers alongside a core of permanent workers, capitalizing on the existence of a swelling 'labour reserve army', and to introduce 'new' forms of employment such as subcontracting and a farming out of substantial parts of the production process (cf. Thomas 1995).

Redeployment schemes, like the Labour Redeployment Programme and the donor-supported Programme of Actions to Mitigate the Social Costs of Adjustment (Pamscad), which aim at assisting retrenched workers through job counselling, retraining and placement in the agricultural as well as formal and informal sectors of the economy, had little impact due to limited resources (Fokuoh 1996, Hutchful 1996, Panford 1997).

One of the consequences of the massive labour retrenchment has been a large drop in trade-union membership. Membership of the Ghana Trades Union Congress (GTUC) shrunk from 700,000 in the 1980s to 551,447 in August 1992 (Panford 1997). For the first time in post-colonial Ghana, the unions had to bargain with employers from a weak position.

Another consequence is the high rate of unemployment (see Table 15.4), particularly among the educated, including university graduates. No less than 14.3 per cent of those with post-secondary education were unemployed in 1987–8 compared with 5.2 per cent of those with primary education and 3.4 per cent of those with no education at all (ISSER 1995: 145). A symptom of the growing socio-economic malaise is the unemployed youths who roam the streets in urban areas, plotting their escape from Ghana to try their luck in Europe, North America and elsewhere. Most of the retrenched workers and the unemployed see no alternative but to look for gainful activities in the informal sector, whose capacity to absorb new entrants has slowed down.

Table 15.4 Average unemployment rates in Ghana, 1960–93

Period	*Unemployment rate (%)*
1960	6.0
1966–9	11.1
1969–79	6.0
1984	15.6
1990–3	19.0

Source: ISSER 1994: 143.

Major growth in informal-sector employment

Retrenchments, low real incomes and lack of domestic and foreign investment in the formal sector have precipitated a shift towards the informal sector (Ninsin 1991, Aryeetey 1996). The relative share of informal-sector employment in total non-agricultural employment increased from 25 to 44 per cent in the period 1970–90. At present, for every worker employed in the formal sector, there are 5.5 workers employed in the informal sector (Table 15.5). The informal sector is particularly important for the urban population. It is estimated that between 60 and 85 per cent of the urban population is currently operating in the informal sector (ISSER 1994: 142).

The informal labour market has not just been deregulated, it has also become increasingly segmented (Clark and Manuh 1991, Jamal and Weeks 1993, Mihyo and Schiphorst 1995). There are the small entrepreneurs who possess assets and skills. Earnings of heads of informal enterprises tend to be higher than the official minimum wage, even sometimes higher than the average wage in the formal sector. However, the wages of hired workers are usually lower than in the formal sector, while apprentices, who form up to three-quarters of informal-sector labour, often receive no wage at all. After completing their apprenticeship period, few apprentices continue as wage earners in the informal sector, since it is more remunerative to set up their own small workshops.

Alongside these small entrepreneurs and their workers, there are increasing numbers of new entrants without assets and relevant skills, competing for a stagnant or falling number of casual employment opportunities. Many are young people engaged in petty trade, retailing and hawking everything from dog-collars and apples to sunglasses (Panford 1994: 88). They often have no control over their markets but have to comply with the terms dictated by their creditors – subcontractors and large retailers. Like these young hawkers, the majority of women engaged in the informal sector in petty trade, tailoring and food preparation belong among the poorest section of informal-sector employees.

The shift of employment from the formal to the informal sector obviously poses a serious challenge to the unions. They have not yet made any significant inroads into organising workers in the informal sector, while daily losing members from the formal sector.

Table 15.5 Informal-sector employment in Ghana, 1970–90

Informal-sector employment	*1970*	*1980*	*1985*
Total number (thousands)	356	683	946
As % of formal-sector employment	89	203	204
As % of total employment	10	16	19
As % of non-agricultural employment	25	35	41
Number of women (thousands)	114	219	303

Source ILO/JASPA Africa Employment Report (1990)

The GTUC and structural adjustment under the PNDC (1981–92)

When the PNDC seized power on 31 December 1981, the labour movement was in a state of disarray. The leadership of the GTUC was severely compromised in the eyes of many of its members, who accused it of bureaucracy, opportunism, betrayal of workers' interests and self-perpetuation in office. In recognition of a series of measures favourable to the labour movement, the GTUC leadership had refused to support the protest actions of other civil-society organizations against the corrupt and oppressive Supreme Military Council regime (1972–9) which was eventually overthrown by Rawlings during his first coup in June 1979. Neither had it offered any effective leadership in the labour disputes that destroyed the subsequent Third Republic (1979–81) (Kraus 1979, Chazan 1983). Shortly after the 1981 coup, a group of militant trade unionists in the Accra–Tema area, organized in the so-called Association of Local Unions (ALU), launched a *putsch* of its own, taking over power from the compromized GTUC leadership.

The new leadership expressed its objectives in terms of building a dynamic, revolutionary and democratic trade-union movement (Adu-Amankwah 1990, Yeebo 1991). From the very start, the PNDC had supported the change of leadership, which, it thought, would bring the trade-union movement more in line with the regime's populist orientations. The new leaders were indeed more committed to the 'revolution' than their predecessors. Nevertheless, they continued to assert the independence of the labour movement and its right to represent the interests of workers. The latter claim became an immediate source of friction between the revamped trade-union movement and the PNDC, since new, and apparently competitive, labour organizations had been created in the early days of the 'revolution'.

After the coup, Rawlings called for the formation of People's and Workers' Defence Committees in local communities and work-places as an expression of the importance that the radical populist regime attached to 'people's power' and 'popular participation' (Konings 1986, Ray 1986, Hansen and Ninsin 1989). Subsequently, Workers' Defence Committees (WDCs) began to emerge in work-places even before full guidelines on their structure and functions had been issued and their relationship with the existing trade unions had been clarified.

The installation of these 'revolutionary' organizations undoubtedly formed the greatest challenge in Ghanaian labour history to the existing power relations within enterprises. The WDCs had wide-ranging responsibilities, including the propagation and defence of the revolution, the exposure of management malpractices and corruption, the distribution of essential commodities, supervision of promotions, demotions, transfers and dismissals, and – even though this was barely visible during the most radical phase of the populist regime – disciplining workers and raising productivity. Above all, the WDCs were supposed to secure an active role for workers in the decision-making process. The PNDC passed a decree which created interim management committees (IMCs) on public boards and in corporations. These were to be composed of four representatives from management, two from the WDCs and only one from the trade unions. WDC actions led to desertion by some management personnel, the setting up of committees of enquiry and, in some of the boldest and most far-reaching cases, culminated in the forced take-over of some companies by workers (Graham 1989, Nugent 1995).

Understandably, the initial absence of clear guidelines for relations between the newly formed WDCs and the trade unions also led to numerous power struggles within enterprises, between the WDC and trade-union leaders. Most union leaders were inclined to perceive the WDCs as instruments of the PNDC's hidden agenda to either replace or control the unions. The worst fears of union officials seemed justified when PNDC guidelines in April 1982 specified that WDCs were to be responsible for the supervision of local union affairs. Public statements by PNDC officials did little to shed light on the matter. On 1 May 1982, for example, Rawlings declared that the WDCs were not intended to replace trade unions, but he failed to elucidate the division of functions. Not surprisingly, many newly formed WDCs interpreted government policy to mean that they were the sole legitimate representatives of labour interests (Graham 1989, Yeebo 1991, Nugent 1995). Given this situation, the GTUC leadership took the unprecedented step of calling on the ILO to help resolve the issue of who legitimately represented the workers (Gyimah-Boadi and Essuman-Johnson 1993: 202). Although the ILO proved incapable of resolving the dispute, the conflict between the two labour organizations was gradually more or less 'settled', albeit differently in each particular setting. In some cases, the WDCs were decisively rebuffed, while in others they became the senior partners. In a number of instances, especially where conflicts between management and workers were most acute, the two sides co-operated closely.

With the abolition of the People's Defence Committees (PDCs) and the WDCs in late 1984, and their replacement by Committees for the Defence of the Revolution (CDRs), the unprecedented level of workers' participation in management and policy-making contracted significantly. It is important to note that the CDRs were placed under the strict control of the regime and that their role in the system of industrial relations was no longer relevant, being restricted to labour discipline and productivity. About the same time the IMCs were dissolved and replaced by Joint Consultative Committees, which had only a supervisory capacity. The management of public boards and corporations now reverted to technocrats and professional managers. Hutchful (1989) convincingly showed that the World Bank continuously insisted on the abolishment of the WDCs as a major condition for the allocation of funds: 'the concentrated fire of the World Bank was reserved for the WDCs' and their alleged 'propensity to engage in disruptive tactics', in particular 'the harassment of private enterprise'. Clamping down on these 'revolutionary' organs was therefore viewed by the PNDC as a necessary prerequisite for reassuring the Bretton Woods institutions of a peaceful environment – both industrially and politically – to permit the 'optimum utilization' of their global financial resources. The PNDC had an

additional interest in their abolition, having often accused the national coordination of the Defence Committees of 'revolutionary overzeal' and the 'establishment of a parallel government' (Konings 1986, Yeebo 1991). The curbing of the WDCs' power, however, had the probably unintended consequence of reunifying the labour movement in its struggle against structural adjustment.

A wider gulf between the PNDC and organized labour developed after the presentation of the first SAP-inspired budget in April 1983. Its announcement of severe curtailments in public subsidies and price rises came as a shock to the workers who had been the main supporters of Rawlings' 'revolution'. This led to a rapid loss of PNDC legitimacy among the majority of workers. The ALU leaders of the GTUC had not been consulted in advance and refused to mobilize angry workers against the anti-labour budget. Still being strongly committed to the revolution, they appealed to the workers to exercise utmost restraint in order not to jeopardize the long-term goals of workers' struggles (Herbst 1991: 186). Nevertheless, they expressed reservations about the budget as a whole and called for the suspension of some aspects, in particular the increased price of petrol and the severe limits set on wage increases through collective bargaining. Their criticism provoked a violent WDC assault on the GTUC headquarters – no doubt, with the support of the PNDC.

An important event for future relations between state and organized labour took place at the end of the same year. After successive postponements, the GTUC delegates' conference was finally held. The ALU leadership was voted out of office, being generally perceived as too subservient to the Rawlings regime (Yeebo 1991), and was replaced by the 'old guard', led by A.K. Yankey. These old-guard leaders were not concerned with safeguarding the ideals of the revolution, since they had been among the principal casualties in 1982. They were more worried about preserving trade-union autonomy versus the state and upholding what they considered the essential task of unions: the defence of workers' interests, even if it meant jeopardizing the good relationship that had been established.

At the congress, Rawlings addressed the assembled delegates in a speech which was to foreshadow future conflicts. He warned them that the GTUC was viewed by the 'people' as an organization which had 'attempted to hold the rest of the community to ransom in order to extract benefits for its members'. This, he asserted, was untenable in the 'revolutionary situation, in which we are all working for the common good'. Yankey, in reply, said he hoped that the labour movement would be consulted on all future economic measures, and ended by asserting that the GTUC was fully behind the PNDC's efforts to rebuild the country. This was immediately belied in the PNDC's eyes when the GTUC called for a minimum wage of 300 cedis a day at a time when the lowest-paid workers could expect only 21–5 cedis. Rawlings greeted the demand with derision and anger: it was 'absolute rubbish – the outcome of ignorant minds. Are such people enemies?' (Adu-Amankwah 1990: 100). The distance between the PNDC and the GTUC on what was a reasonable wage remained.

The new GTUC leadership, in fact, started attacking the various SAP measures for their nefarious effects on workers' living and working conditions, leading to the development of increasingly antagonistic relations between the unions and the regime. For example, a resolution adopted by the GTUC Executive Board in 1984 noted:

> As a result of these IMF and World Bank conditions, the working people of Ghana now face unbearable conditions of life expressed in poor nutrition, high prices of goods and services, inadequate housing, continuing deterioration of social services and growing unemployment above all ... . We caution government that the above conditions pose serious implications for the sharpening of class conflict in the society.
>
> (quoted in Herbst 1991: 184)

The GTUC repeatedly demanded the withdrawal of the SAP 'as being imposed by the Bretton Woods institutions on Ghana', the restoration of collective bargaining procedures and union participation in the economic decision-making process (Adu-Amankwah 1990). However, while they continued to agitate against the reforms, the new leaders clearly recognized that, given the autocratic nature of the PNDC, there were limits to the regime's patience in confronting actual protests. The new Secretary-General, Mr A.K. Yankey, therefore sought to operate cautiously, doubting the ability of the GTUC to survive a war of attrition. Consequently, he usually tried to make known the GTUC position by the presentation of memoranda to the government and press communications to the general public. This form of trade-union protest appeared to have little impact on the government, which mostly ignored union demands. Only on rare occasions did the regime feel compelled to make concessions (Adu-Amankwah and Tutu 1997).

The greatest victory ever won by the GTUC during this period occurred in 1986, when the government unilaterally cancelled leave allowances for public-sector workers. The GTUC leadership told the government that lack of communication between the regime and the unions left it with no other choice but to call a general strike. It exhorted workers to wave red flags and wear red armbands (the customary sign of mourning). The outrage expressed by ordinary workers suggested that the strike enjoyed the overwhelming support of its members. The PNDC realized that it had gone too far and swiftly reinstated the allowances. In addition, it soon reactivated the existing tripartite institutions and bilateral forms of consultation. Subsequent government attempts to convene these fora on an *ad hoc* basis and to use them as instruments for compromising the unions (by having them accept already predetermined wage levels), created new sources of conflict between the PNDC and GTUC.

Generally speaking, however, the PNDC effectively deployed a variety of strategies to contain trade-union opposition. First, the government and its leading spokespeople, using the state-controlled media, continued to accuse the trade-union movement of being 'selfish', making 'unrealistic' demands, misleading the workers, and being engaged in subversive activities aimed at destabilizing and derailing the revolution (Adu-Amankwah 1990, Gyimah-Boadi and Essuman-Johnson 1993). Second, the PNDC continued to use divide-and-rule tactics against organized labour, capitalizing on the fact that the SAP was having a differential impact on the various sectors of the economy. Thus, the Ghana Private Road Transport Union (GPRTU), which generally endorsed the liberalization measures (increased fares, imports of vehicles and spare parts), and the Railway Workers' Union, which had benefited from the rehabilitation of the railways, were easily pitted against the Industrial and Commercial Workers' Union (ICU), whose members were threatened by privatization and job losses (Nugent 1995). Third, while radical trade-union leaders were being hounded by the security agencies, the PNDC was careful to nurture its relationship with those it perceived as moderates. In 1988, for example, the PNDC effectively prevented the radical General Secretary of the ICU and Acting Secretary-General of the GTUC, Mr L.G.K. Ocloo, from being elected Secretary-General of the GTUC. Yankey, who was then re-elected with the support of the PNDC, subsequently became more or less co-opted into the regime. And, last but not least, the PNDC continued to use strong-arm tactics, including intimidation, force and repression.

While the PNDC had left workers some latitude in remoulding power relations in the work-place between 1982 and 1984, by the mid-1980s there was a good chance that the coercive apparatus of the state would be actively deployed on the side of management and employers in the event of a dispute. For example, in November 1985, when Cocobod wanted to lay off over 20,000 workers, the PNDC passed a special law (PNDC Law 125) that empowered the management to ignore the labour law regarding retrenchment. Protesting union leaders were summoned to the Bureau of National Investigations (BNI) (the state security agency), were held for a couple of hours and then released with a warning to behave 'if they did not want to spend Christmas in detention'. Subsequently, the government was to deploy security forces at the GTUC headquarters to prevent the GTUC leadership from holding a mass meeting to protest against the manner of retrenchment. At the end of 1986, armed policemen arrested local labour leaders at the Assene Company in Accra, following a long wrangle over the entitlement of workers to protective clothing (Graham 1989). In mid-1987, when the GTUC intended to hold a meeting to protest against mass retrenchments and other anti-labour measures such as taxing various workers' allowances and benefits, it was refused a permit and armed police were deployed again to forestall the 'illegal' holding of the meeting. This was complemented by an attack by an armed mob on the Hall of Trade Unions, during which trade-union leaders were assaulted. In 1988, the government dismissed thirty-six union leaders and activists from the Ghana Broadcasting Corporation (GBC), dissolved the local union and banned officers of the relevant national union, the Public Services Workers' Union (PSWU), from entering GBC premises. The same kind of arbitrariness was displayed in the dismissal of over thirty union leaders and activists at the State Gold Mining

Table 15.6 Recorded labour strikes in Ghana, 1982–9

Year	*Number of strikes*	*Number of workers involved*	*Working days lost*
1982	104	4,707	11,690
1983	16	15,076	36,957
1984	9	10,550	17,022
1985	12	2,830	8,025
1986	19	7,459	24,936
1987	22	1,116	19,401
1988	11	2,798	7,152
1989	20	8,925	15,704

Source: Gyimah-Boadi and Essuman-Johnson 1993: 206

Corporation (SGMC) in 1988, following agitations during negotiations for a collective agreement. In 1990, the government dismissed over 200 workers at the Ghana Italian Petroleum Company over an alleged illegal strike of workers against management malpractices. The inability of the GTUC to secure reinstatement of the dismissed workers contributed to a growing loss of union influence among workers. It was a mark of the regime's ruthlessness in dealing with worker and union protests that relatively few strikes were recorded between 1983 and 1989, even though labour discontent was high (Table 15.6).

The GTUC and structural adjustment under the NDC (1992–2000)

The global trend towards political liberalization from the end of the 1980s, the new standards of Western governments and international financial institutions for capital allocation, linking structural adjustment to liberal democracy, and the growing opposition of urban civil-society organizations in Ghana to military rule contributed to the PNDC announcement in 1991 that the country would return to a multi-party system (Nugent 1995, Drah and Oquaye 1996, Ninsin 1998).

Recent research shows a large variation in the degree of intensity of the trade unions' role in the democratic transition in Africa (Konings 2000). The GTUC appears to occupy a middle position in the spectrum of trade-union involvement. After 1986, it began to move away from being limited to economic issues, and made various calls for political liberalization. No attempt, however, was made to mobilize the workers to press home these demands, out of fear that such actions would exacerbate its already antagonistic relationship with the PNDC. In 1986, for example, the GTUC appealed to the PNDC to install a People's Assembly composed of representatives of all identifiable civil-society organizations, which would allow people to make their views heard and also help the government to take generally acceptable decisions. A few years later, it called for the convening of a democratic National Constituent Assembly to formulate a constitution which would then be submitted to the people for approval, as well as for the introduction of a large measure of political liberalization. Although these demands coincided with those of the Movement for Freedom and Justice (MFJ), an opposition umbrella organization created in 1990, the GTUC refused to join this organization and support its struggle for the introduction of multi-partyism in Ghana. And, even more significantly, around the time that the campaign for multi-party elections began in the autumn of 1992, the GTUC constitution was amended to prohibit the organization from entering into alliance with, or formally supporting, any political party for the purpose of winning elections. This amendment appears to have been motivated first by the GTUC's memory of the harmful effects on the defence of workers' interests of previous alliances with political parties such as the Convention People's Party (CPP), 1958–66 and the Social Democratic Front (SDF), 1979–81; and second by the lack of confidence in the alternative constituted by the opposition coalition to Rawlings. The GTUC, therefore, had come to the conclusion that it would be in a better position to defend workers' interests if it preserved its autonomy with respect to the political parties.

During the transition period, Rawlings formed his own party, the National Democratic Congress (NDC), which pledged to continue PNDC policies. He was eventually able to win the 1992 presidential election, mainly due to the following factors: he was largely able to control the transition period, making full use of his position as head of state; he still enjoyed a considerable measure of popularity, especially in the rural areas which had benefited to a certain extent from structural adjustment (the provision of higher producer prices and infrastructural facilities); and he took advantage of the fact that the opposition parties were divided and had no clear programme. The opposition accused Rawlings of large-scale electoral fraud and of intimidating opponents, and boycotted the 1992 parliamentary elections. As a result, the first period of the Fourth Republic (1992–6) resembled a one-party state. In the 1996 presidential and parliamentary elections, Rawlings and the NDC scored a further victory. This time the opposition parties admitted that the elections had been relatively fair and they entered parliament for the second period of the Fourth Republic (1996–2000).

At first sight, there appeared to be little change between the PNDC period and the Fourth Republic. The 1992 liberal-democratic constitution provided the new president with wide-ranging powers. Rawlings continued to enjoy a large measure of autonomy in the planning and execution of policies. His party controlled parliament and he could still rely, if necessary, on a tight security apparatus. On the other hand, the Ghanaian experience had not yet disproved those who expected democratization to spur needed reforms. Not only did the Fourth Republic outlast earlier democratic interludes, it also spawned, albeit in the midst of conflict and compromize, a fragile institutionalization of some of the rules and procedures of the democratic game, manifest, among others, in a large measure of autonomy for the press and the judiciary, and the resurgence of civil society (Sandbrook and Oelbaum 1997).

From the very start, it was clear that the NDC government would experience greater difficulties than the PNDC in the implementation of the harsh SAP measures. Given the ongoing process of political liberalization, it could no longer afford to deploy the same repressive tactics to subdue labour as had its predecessor. Not unexpectedly, the country soon witnessed renewed labour militancy. The civil and public services in particular were regularly paralysed by severe and protracted strike actions – a manifestation of the workers' relative freedom to voice their long-standing grievances about low real incomes, increasing retrenchment and job insecurity, persistent government efforts to postpone or reduce end-of-service benefits which prevented workers from setting up in the informal sector, and 'flexible' management practices. On several occasions, workers invaded the office of the Minister of Finance and Economic Planning, Dr Kwesi Botchwey, who had occupied this position since 1982 and was generally perceived as one of the main architects of structural adjustment in Ghana, and threatened to harm him.

A newly emerging feature of Ghana's industrial relations scene was the use of court injunctions by workers and unions to block the liquidation or sale of state-owned enterprises. Litigation was used by the workers in the Tema Food Complex, the State Fishing Corporation and Coca Cola Ghana Limited to ensure that the government paid all benefits due to them prior to the sale of their enterprises (Panford 1997).

The mounting social discontent exploded in 1995. On 1 March, the NDC-dominated parliament approved a new value-added tax (VAT) of 17.5 per cent. The new tax was part of the IMF- and World Bank-endorsed revenue enhancement strategy adopted by the NDC. On 11 May, a group of opposition leaders, calling itself the Alliance for Change (AFC), organized a massive demonstration by workers, youth, unemployed and members of the general public to protest against the VAT. Initially, anti-VAT protests were restricted to Accra but they later spread to other regional capitals as well. The demonstrators were even more furious, as parliament had exempted the President from paying VAT. They chanted in Akan 'Kume Preko', meaning 'You might as well kill me now', to express their willingness to die rather than live under structural adjustment conditions. In many respects, these demonstrations resembled the previous anti-SAP uprisings in Zambia (from 1985 to 1987) and in Nigeria (in 1986 and 1988–9), where the revolt of the urban masses protesting against the withdrawal of subsidies and concomitant price hikes forced their governments to withdraw the SAP temporarily (Bangura and Beckman 1993, Simutanyi 1996). Although the anti-VAT demonstrations in Ghana were of a peaceful nature, participants were nevertheless attacked by members of the pro-government Association of Committees for the Defence of the Revolution (ACDR), resulting in the death of four demonstrators and numerous injuries, some critical.

Confronted with such a dangerous situation, President Rawlings recalled parliament from recess, which under a certificate of urgency reduced the VAT rate to 15.5 per cent and then repealed it completely on 11 June. The government also announced monetary compensation for the deaths and injuries

caused during the demonstrations. Furthermore, the Minister of Finance and Economic Planning, Dr Botchwey, who was blamed for the ministry's failure to educate the Ghanaian population on the VAT measures, was forced to resign.

With the establishment of a political framework for constitutional democracy, trade unions acquired a larger measure of autonomy. Following the election of a more radical leadership in 1992, the GTUC began to reassert its right to promote the interests of the workers through the pursuit of collective bargaining, participation in the national decision-making process, and other ways of representing the workers, such as representations to parliament on issues that were considered vital. In 1993, the GTUC presented a memorandum to parliament that expressed its concern over aspects of a Serious Fraud Office Bill considered to be anti-democratic and unconstitutional.

Compared with during the PNDC era, the GTUC leadership now proved less reluctant to deploy the general-strike weapon to back its demands for higher wages and to denounce the NDC government's repeated attempts to violate collective agreements as well as decisions arrived at in the bilateral and tripartite fora. For instance, in January 1995, the GTUC threatened a general strike on these issues. Subsequently, the government allowed the tripartite forum to negotiate a new national minimum wage, and promised to implement the decisions of the tripartite meetings (Adu-Amankwah and Tutu 1997: 265–6).

The GTUC also began to explore other ways of forcing the government to respect collective-bargaining procedures. In 1993, it filed a complaint with the ILO about the government's refusal to honour agreements on procedures for lay-offs and retrenchment benefits. Again, in 1993, it went to court in an attempt to overturn an arbitrator's award that was considered to be biased, ill-founded and an abuse of process. It also went to court in 1996 to compel the government to accede to the right of unionization by senior staff in a foreign-controlled bank.

The GTUC also began to propose revisions to the SAP. It suggested a review of the unbridled trade liberalization, the free-floating foreign-exchange system, the wholesale removal of all subsidies, the retrenchment of labour and the doctrinaire privatization. As an alternative, it posed a vision of the economy where every individual had access to education and health care, and contributed to the growth of the economy through employment. With arable land, industries and abundant labour as major national resources, such an economy was to be based on agriculture, and it had to be supported to become the engine of growth and sustainable development. In 1995, the GTUC requested that the government install a national forum on the state of the Ghanaian economy, made up of the tripartite partners and important civil-society organizations.

In August 1996, the GTUC held its Quadrennial Congress at the University of Cape Coast. This important congress adopted a number of policies to meet the challenges posed by structural adjustment and democratization. The two major ones were as follows:

Strengthening the organization and internal democracy

In order to retain current members' interests, the unions had to encourage membership participation in trade-union affairs – paying particular attention to the youth and women – through consciously improving communications inside the organization, and to expand services to its membership, such as vocational training and retraining, helping workers to prepare for redeployment and to meet the uncertainties associated with loss of employment, counselling and other welfare services. To increase membership, the unions were particularly requested to intensify their efforts to unionize the rapidly expanding informal sector. Since the end of the 1980s, a number of unions had already started organizing in the informal sector. This was to be given a further boost by more conscious planning, so that appropriate organizational forms would be developed for bringing informal-sector workers and associations into the framework of union organization (Yanney 2000).

Improving workers' representation and participation

For more effective representation of workers' interests in the process of collective bargaining, the unions were asked to deepen and expand their research activities and to train officers at all levels. But, beyond more effective collective bargaining, the trade unions also had the responsibility of improving workers' participation at all levels, including in the work-place. This is why the GTUC is at present involved in a programme of research on industrial democracy and educating the rank and file on workers' participation in enterprises.

Another important initiative taken at this congress was the establishment of worker-owned enterprises (Yanney 2000). This initiative was an attempt to contribute to employment generation, to expand the base for union membership, and to improve and broaden the main source of union finances. It was also thought to have the potential to assist in creating the conditions for worker participation to gain legitimacy and acceptability in Ghana.

Conclusions

This study has attempted to fill one of the conspicuous lacunae in the growing body of literature on structural adjustment in Africa: the response of organized labour to the dramatic effects of SAPs on labour markets. While there may be a large variation in the actual roles played by African trade unions (cf. Bangura and Beckman 1993, Mihyo 1995, Schiphorst 1995, Simutanyi 1996), this case study of the Ghanaian trade unions appears to partly reject the pessimistic view that trade unions in Africa had their backs to the wall during structural adjustment and could do little for their suffering members. This view seems more relevant to the PNDC era than to the NDC era.

During the PNDC era, the government proved capable of implementing the austere SAP measures essentially on the basis of political repression and within the framework of an effective military dictatorship, earning Ghana the reputation of being the 'success story' of structural adjustment in Africa. In these circumstances, few concessions could be won by Ghanaian trade unions.

During the NDC era, the government found it hard to implement the SAP measures in an environment of political liberalization, leading to the resurgence of worker militancy and the development of increased trade-union autonomy. The latter enabled the unions to better defend workers' interests and promote trade-union rights.

The current economic and political reforms also turned out to be a source of inspiration for union leaders in their search for new and innovative ways to mobilize workers. First, they attempted to strengthen the organization by providing the rank and file with more services and more space for participation in trade-union affairs, as well as by recruiting new members from outside the traditional trade-union constituency, especially workers in the expanding informal sector and in the rural areas. Second, they tried to improve workers' participation in the national decision-making process and in the enterprises. Their drive for greater worker participation is a clear expression that trade unions are not only prepared to contribute to the emergence of a democratic culture in society but also to come to grips with forms of collective action which are supplementary to traditional (and often confrontational) collective bargaining (cf. Mihyo and Schiphorst 1995). Realizing more and more the need for restructuring, the unions appear willing to accept responsibility for improvements in efficiency and productivity in exchange for a greater say in decision-making.

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