

## **ORGANISED LABOUR**

**PRESS STATEMENT READ BY BROTHER KOFI ASAMOAH,  
SECRETARY GENERAL OF TRADES UNION CONGRESS (TUC) AT  
A PRESS CONFERENCE ON THE PUBLIC SECTOR WAGE  
NEGOTIATIONS HELD AT GNAT HALL, ACCRA**

**MONDAY, 29 JULY, 2013**

Ladies and gentlemen you are most welcome to this press conference.

This press conference is being held under the auspices of organised labour on the 2013 base pay negotiations and related issues of the public sector wage bill as well as the management of the public purse.

You may recall that in January 2010, government commenced the implementation of the Single Spine Pay Policy (SSPP). An important aspect of the new pay policy was to bring all public sector workers classified under article 190 of the 1992 Constitution onto a unified salary structure. This was to end the multiplicity of pay negotiations in the public sector which had led to wide disparities in the public service compensation system. The SSPP was designed on the basis of equal pay for work of equal value.

Ladies and gentlemen, before the introduction of the Single Spine Salary Structure (SSSS) there were close to 90 bargaining centres within the public sector. These bargaining units operated without recourse to each other since the coordinating unit was weak and lacked legislative backing. The direct result of these uncoordinated negotiations was the wide pay inequities that characterized the public sector. And more importantly, government had very little control over the negotiations and hence the public sector reward system. To this end, the SSSS has brought some sanity in the administration of public sector pay.

The SSSS has also enabled government to re-establish control over its pay policy including, for the first time, knowing the actual numbers of people it employs or more appropriately it pays.

Ladies and gentlemen, let me hasten to add that bringing together over half a million workers onto a single vertical salary structure and establishing the appropriate relativities across and within service classifications was not an easy task. The task was much more difficult than probably anticipated. In this regard, I commend government, in particular the Fair Wages and Salaries Commission (FWSC) and all the unions involved in the process for the hard work that has led to the development of the SSSS. Available information from the FWSC show that over 99 percent of all eligible public sector workers have been migrated onto the structure. There are a number of post-migration challenges that are also being addressed.

Ladies and gentlemen, as you may already be aware, 2013 base pay negotiations are on-going. The Public Sector Joint Standing Negotiating Committee (PS-JSNC) has met on three (3) different occasions. The partners, in this case government represented by the FWSC and the unions, have already articulated their positions.

Almost eight (8) months into the year we do not see an end in sight. And it appears to us that government is deliberately delaying the process by adopting a hard-line position that does not accord with good faith negotiations. Government is failing to recognize that negotiations hinge on dialogue and not imposition.

Ladies and gentlemen, in the course of these lengthy negotiations, public sector workers and their unions have had to endure vilification from the very partner we are negotiating with. Government commentators have unfairly represented public sector workers and their pay as the cause of “the meat going down to the bone”. We are told that Ghana spends over 72 percent of its total revenues in paying public sector workers. And that the single spine pay policy is the

singular cause of all that has gone wrong with the country's public finances.

Ladies and gentlemen, we are concerned that these acts and commentary may be intended to intimidate, humiliate and rally public disaffection against public service workers. The impression is being created that public sector pay is a windfall to undeserving public sector workers and that the country derives no service or value from these workers. The practice has gone on for far too long; facts continue to be twisted by people who have not been part of the process.

Ladies and gentlemen of the press, organised labour has its own version of the story of the single spine salary structure and the public sector wage bill in relation to national revenues and Gross Domestic Product (GDP). The rule of thumb in negotiations is that 'don't negotiate in public' but given the circumstances in which we find ourselves, some amount of factual rebuff of this public posture by government is needful to stop the official attempt to scapegoat public sector workers.

For the records, organised labour officially repudiates the strenuous efforts to blame the wage bill and for that matter the single spine salary structure for the mess in public finance management.

The figures available to us show clearly that even with the clearance arrears from 2010 and 2011, the provisional outturn for 2012 in terms of public sector emolument as a ratio of total revenue was 46.28 percent lower than the proportion recorded in 2008. In terms of Gross Domestic Product, the public sector wage bill was 9.8 percent of GDP in 2012. When oil revenues are excluded, public sector wage consumed 55.31 percent of revenues. When the arithmetic is done taking into consideration only tax revenues, public sector wage consumed 57.94 percent of total tax revenues in 2012. These are significant proportions by any measure but they fall short of the

figures government and its officials are touting to the public. It leads us to ask the obvious question: why is government, the custodian of official statistics in Ghana putting figures it knows are not correct into the public domain? Probably to excuse itself and pass the blame to workers.

Ladies and gentlemen, we have stated previously, that a large proportion of the public sector wage bill has been appropriated to the few politicians classified under Article 71 of the Constitution. These privileged few are not part of the Single Spine. But we are all aware of the gargantuan salaries they awarded themselves including their ex-gratia. All this has fed into the wage bill. The single spine therefore cannot be the sole reason for the rising wage bill. We have, on countless occasions requested government to disaggregate the public sector pay envelop for informed analysis of who takes what as we define a clearer way forward. We urge government to respond to that call in the interest of transparency and accountability.

Ladies and gentlemen, we are also aware of the gross mismanagement that has characterized the public sector compensation system in recent times, a situation that we attribute to the failure of politicians to allow technocrats to administer the pay system.

Ladies and gentlemen, beside the issues of wages and salaries, we are all living witnesses to the grave inefficiencies that pervade public expenditure management. The auditor general's report for 2011 catalogued a range of salary-related malpractices across all government ministries and agencies. Certainly, the recent revelations from SADA to GYEEDA are sufficient reminders of the management challenges with the public purse.

Clearly, what government needs to check and concentrate its efforts on is the large-scale mismanagement, including mismanagement in the public payroll system as well as pure corruption both of which has

engulfed the country and led to leakages on the revenue side and waste on the expenditure.

Ladies and gentlemen, at the start of the implementation of the single spine pay policy, the government white paper stated among other things that the new pay policy will be implemented in an inverted pyramid over a five year period. By this, government indicated that more resources will be made available for the implementation of the policy as we approach the five year period.

Ladies and gentlemen, we are in the third year of implementation and government now claims the policy has been an albatross on its neck. In the past 3 years, unions have been patient to forgo negotiations of non-wage conditions of service including allowances. As part of the roadmap, some of these issues are due for negotiations this year. Sadly, government is dragging its feet on even the base pay itself. There are elements in government that are calling for the suspension of the single spine pay policy. Such groups were also the loudest in touting the achievements just a year ago using the single spine. Unfortunately, they have no credible alternatives.

Ladies and gentlemen, we in organised labour are of the view that the single spine pay policy offers government the best opportunity to manage its compensation policy and with it a strong and well resourced institution to administer same. The alternative will be chaos.

There are challenges on how we resolve the post-migration issues and sustain the policy itself. Thus far we have endeavored to discuss these challenges within the framework of the Public Sector Joint Standing Negotiating Committee believing as we did that it was the appropriate forum for that kind of dialogue. We have also welcomed the initiative by the Ministry of Employment and Labour Relations and the Presidency to convene a forum on the Single Spine Pay Policy to agree on the way forward for the policy. At this stage we expect

government and its communicators to stop the bastardisation of the single spine pay policy, public sector workers and their unions.

Ladies and gentlemen, for the base pay negotiations for 2013, we would like to assure government that just as it gives mandate to the FWSC, we equally have mandate from our members.

Our negotiating posture is dictated not only by that mandate, but equally and importantly by the hardships being suffered by most Ghanaians and their families. We urge government to stop the delay tactics because it will neither inure to its benefit nor that of workers and industrial harmony. The base pay adjustment will be made this year and all arrears will have to be paid this year within the framework of the law and the agreed roadmap. Therefore, the earlier we conclude the negotiations the better for us all.

Ladies and gentlemen, I thank you for your attention!