
ORGANISED LABOUR

MAY DAY STATEMENT

**READ BY THE SECRETARY GENERAL OF TRADES UNION
CONGRESS (GHANA)**

DR YAW BAAH

**AT THE
NATIONAL PARADE
BLACK STAR SQUARE IN ACCRA
1ST MAY, 2019**

May Day is indeed a very special day for workers and unions all over the world. That is why, we the working people of Ghana, have gathered here in Accra and in all the regions to celebrate this memorable day. This May Day is very special because it coincides with the centenary celebration of the International Labour Organisation (ILO). It is important to note that Ghana has been a member of the ILO since 1957. Ghana has since ratified 50 ILO Conventions that have provided the basis for the rules, laws and regulations governing employment in the country.

H.E. President Nana Addo Dankwa Akufo-Addo has joined us today with Honourable Ministers of State to celebrate this important day. We also have with us here Comrade Pedro Gonzalez, the Cuban Ambassador to Ghana, Dr. John Ofori Tenkorang, Director-General of SSNIT, Mr. Hayford Attah Krufi, Chief Executive of National Pensions Authority (NPRA), Comrade Arezki Mezhoud, the Secretary General of Organisation of African Trade Union Unity (OATUU), Brother Daniel Mann, representative of the Ghana Office of Friedrich Ebert Foundation and many other Special Guests.

On behalf of the working people of Ghana, I would like to welcome our Special Guest of Honour, H.E. President Nana Akufo-Addo, Honourable Ministers of State and all our Special Guests to the National Parade.

This year's May Day has provided another opportunity for us to reflect on working and living conditions of millions of Ghanaian workers, in both the formal and informal segments of our economy.

Mr. President, we still have here in Ghana, hundreds of thousands of workers who are paid below the National Minimum Wage, which is currently just about GH¢270 per month. Tens of thousands of workers are working as casual employees without employment contracts. In fact, some of them have worked as casuals for over a decade. Tens of thousands of workers are denied their fundamental right to join unions because they could be sacked by their anti-union employers if they exercise that right. Telecom companies, hotels and restaurants are particularly notorious for this unfair labour practice. There are tens of thousands of young men and women who are being denied the right to annual leave and sick leave with pay. Some are forced to work overtime without pay. Children are being forced to work in very hazardous conditions on farms, on rivers and at sea. Some female employees have been denied their reproductive rights to have children because their employment contracts could be terminated if they become pregnant. Unfortunately, some state institutions are guilty of this crime against women. These are but a few of the challenges Ghanaian workers have to endure every day at their workplaces.

Mr. President, we in Organised Labour hold the view that these unfair labour practices are being perpetrated by some employers who know that the state institutions such as Factories Inspectorate Department and Labour Department do not have the resources to monitor or enforce compliance with employment regulations. They also know that the National Labour Commission does not have resources to adjudicate expeditiously on labour disputes so they mistreat Ghanaian workers with impunity.

Mr. President, we are humbly appealing to you and your government to provide the necessary logistical, financial and human resources to these state institutions to perform their duties effectively.

There is also the need for a review of laws governing employment because the current labour laws are not providing adequate protection for workers, particularly in terms of job security, income security, and health and safety. We have already made a case at the National Tripartite Committee for a review of labour laws, in particular, the National Labour Act, 2003 (Act 651) to reflect the realities on the ground. In the next few weeks we will submit proposals for review of the Labour Act to the National Tripartite Committee. We trust that government will provide the

necessary support to the Ministry of Employment and Labour Relations, the Ministry of Justice and Attorney General's Department, and Parliament to facilitate the review process so that we can have a labour law that truly protects workers from the prevailing colonial labour practices in some workplaces.

This year we have decided to draw attention to the lack of access to pension, hence the theme **“SUSTAINABLE PENSION FOR ALL”**. Currently, Ghana's total working-age population is estimated at 13 million. Just about 1.5 million (representing 11.5 percent of the total working-age population) have access to pension under the Social Security and National Insurance Trust (SSNIT). This means over 11 million working people (mainly in the informal economy) do not have access to social security. This is not acceptable in a rich and proud middle-income country like Ghana. Something has definitely gone wrong in our economic and social policy.

Mr. President, we would like to appeal to you to correct this flaw in our social policy. We are expecting concrete plans and a road map for Universal Pension Coverage in Ghana in the 2020 Budget and Economic Policy Statement.

Mr. President, low coverage is not the only weakness of our social security system. Another weakness is the payment of inadequate pension benefits, especially for pensioners on the SSNIT scheme. Currently, there are about 200,000 pensioners on the SSNIT scheme. It may surprise you to know that about a quarter of these pensioners (i.e., 50,000 pensioners) are receiving just about GH¢300 per month or GH¢10 per day. This is woefully inadequate, given the health challenges old people have to contend with on daily basis. This explains the high incidence of poverty and destitution among pensioners in Ghana.

There is another flaw in our social security system – inequality in pension benefits. Currently, the highest pension on the SSNIT scheme is GH¢55,000 per month (or GH¢660,000 per annum) compared to those receiving a minimum pension of GH¢300 of (GH¢3600 per annum). This represents a ratio of 183 to 1. Why should we allow such extreme inequality in pension benefits in our national insurance scheme?

Another shortcoming of our pension system is the discrimination against women in terms of access to social security and levels of pension benefits. Currently, women constitute about two-fifth of contributors to SSNIT. A

significant proportion of female pensioners are earning minimum pension of just GH¢300 per month.

These weaknesses in our pension system could be attributed to the inherent flaws in the legislation governing social security as well as failure of our social policy to recognize the needs and vulnerabilities of some sections of our society. Mr. President, this has to be corrected.

Pension analysts and actuaries are very quick to point to low salaries in Ghana as the cause of inadequate pensions. In 2017, Organised Labour constituted a technical committee to investigate the computation of pension benefits. The committee found that low level of pay is an important factor but another important factor which is contributing significantly to low pensions and, consequently, to the high incidence of poverty and destitution among pensioners, has to do with the computation of pension benefits.

In the last two years, Organised Labour has been engaging the Board and Management of SSNIT and NPRA on the computation of social security benefits. Mr. President, I am very pleased to inform you that we are making good progress. The Chairman of the Board of Trustees of SSNIT Dr. Addo Kuffour and the Director-General of SSNIT, Dr. John Ofori Tenkorang have been very cooperative. The Chairman of the Governing Board of NPRA, Mr. Paul Simon Koranteng and the CEO Mr. Hayford Attah Krufi have demonstrated commitment to dialogue as a means of resolving all pension-related disputes. Organised Labour will continue to engage SSNIT and NPRA. We are confident that we can resolve all disputes in the spirit of cooperation, mutual respect, and social partnership.

Mr. President, before I shift attention to other issues, let me mention one factor which is hindering progress in our pension system - the huge government indebtedness to SSNIT and the second-tier occupational pension schemes. We are aware that government transferred over GH¢3 billion to public sector second-tier schemes in 2018. But that was a small step in the right direction. The truth is that Government stills owes SSNIT and the second-tier schemes millions, if not billions, of Ghana Cedis. Realistically, we cannot expect our pension schemes to perform effectively and efficiently if government, which is the single largest employer with over 600,000 workers on its payroll, fails to pay social security contributions. If there is any factor that can lead to the collapse of our pension schemes it is the persistent non-payment of social security

contributions by government. Mr. President, once again, we are appealing to you to change this situation.

Mr. President, after your last State of the Nation Address (SONA), we made a written submission to your office. In that submission, we drew your attention to some issues relating to a new Container Terminal which is being constructed by the Meridian Port Services (MPS) at Tema Port. We understand that Ghana Government signed a 35-year contract with MPS in 2015 which will allow MPS to monopolize the activities at the Tema Port when they start operations at the new terminal next month (June, 2019). The contract was awarded to MPS without competitive bidding. Analyses conducted by Ghana Ports and Harbours Authority (GPHA) show that when the new terminal commences operations in June, 2019 with the monopolistic rights given to MPS, GPHA and other operators at the Tema Port are going to lose huge revenues that may lead to the collapse of many container-related businesses. This will translate into massive job losses in the maritime industry. GPHA may declare over 1,400 workers redundant in 2019 alone. If the contract is not reviewed and MPS commences operation in the new terminal in June, 2019 Ghana will surely lose millions of US dollars in revenue, in addition to over US\$800 million granted to MPS in tax concessions as part of this deal.

Once again, we would like to humbly appeal to you to intervene, as a matter of urgency, to ensure that the contract between Ghana Government and Meridian Port Services is reviewed. We need an agreement which is mutually beneficial and fair to the good people of Ghana.

As I approach the end of the statement, I would like to appeal to my fellow Ghanaian workers to continue to work hard, in spite of all the challenges, to support the President's vision of *Ghana Beyond Aid* which is going to be launched today. Together with our social partners, let us prove to the world that Ghana can manage its own affairs without the intrusion of the International Monetary Fund (IMF).

Lastly, Mr. President, you will recall that we called on you for your support when Comrade Kwasi Adu-Amankwah (the current General Secretary of ITUC-Africa) was detained in Zimbabwe a couple of weeks ago at the start of a duty tour to solidarize with trade union leaders who are being persecuted by the Government of Zimbabwe. As soon as you personally intervened, he was released from detention to continue his work in Zimbabwe. On behalf of Comrade Kwasi Adu-Amankwah and the TUC

Family I would like to take this opportunity to thank you and your team at the Jubilee House and at the Ministry of Foreign Affairs for your support. May the Good Lord bless you and your Government!

In conclusion, Mr. President, what we the working people of Ghana are calling for is a renewed social contract that guarantees adequate wages, safe working environment, universal access to pension, universal workers' right to freedom of association and collective bargaining, protection from discrimination and forced labour, as well as total elimination of child labour and forced labour in all forms. We believe that Ghana has what it takes to protect workers' rights and to provide universal social protection, including universal access to pension, if there is political will to do it.

Thank you.

Long Live Organised Labour!
Long Live Workers' Solidarity!
Long Live Ghana!