



TRADES UNION CONGRESS (GHANA)

**A STATEMENT READ BY
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**AT A PRESS CONFERENCE ON
COST-OF-LIVING ALLOWANCE (COLA) AND THE NATIONAL ECONOMIC
SITUATION**

HALL OF TRADE UNIONS, ACCRA

MONDAY, 18 JULY 2022

Good afternoon, Brothers and Sisters. On behalf of the leadership of TUC, I would like to welcome you all to this press conference. I have with me members of the Executive Committee of the TUC, General Secretaries and Chairpersons of the affiliate unions of TUC, heads of department of TUC and other senior officials.

This Press Conference was originally planned for the TUC to declare series of industrial actions to back our demand for 20% COLA. Thankfully, on Thursday, July 14, 2022, Organised Labour led by the TUC, reached an agreement with Government for a 15 percent COLA for all workers on the Single Spine Salary Structure (SSSS), effective 1st July 2022. The parties further agreed that all COLA-related strikes must be called off. Today, 18th July, 2022 our children have returned to school, thanks to the agreement we reached last week.

This was achieved after intense negotiations between Organised Labour led by the TUC, and government, represented by the Ministry of Employment and Labour Relations, Ministry of Finance, Ministry of National Security, Ministry of Education and Fair Wages and Salaries Commission.

You may recall that, on May Day Organised Labour made a special request to His Excellency, President Nana Addo Dankwa Akufo-Addo to use his executive powers to grant 20 percent Cost-of-Living Allowance (COLA) to public service workers as well as workers in the private sector who are earning the minimum wage of GHS365 per month and all pensioners on the SSNIT payroll who are receiving the minimum pension of GHS300 per month.

Brothers and Sisters, you may also recall that on 24th June, 2022, the TUC followed up the request for COLA with a formal letter to the President of the Republic. We did not get any response from the President so on Monday, 4th July 2022, the unions in the education sector including our affiliate, Teachers and Educational Workers Union (TEWU) embarked on indefinite strike to back the demand for COLA. Some workers in the universities followed. Public Services Workers Union of TUC declared a strike which was to start from tomorrow, 19th July 2022. Health sector workers including doctors, nurses and midwives had threatened to strike on 22nd July 2022. And, today, 18th July 2022, the TUC was going to declare a nationwide strike. The agreement on COLA on 14th July 2022 has indeed averted a catastrophe on the labour scene.

We would, therefore, like to thank God for the peace we are all enjoying today. We thank H.E. President Akufo-Addo and his government for the timely intervention. We thank the Ministers and Deputy Ministers from the ministries of Employment, Finance, National Security, and Education for their positive attitude towards the negotiation that enabled the parties to reach a win-win deal. We are grateful to all the unions and their members for the extraordinary show of unity and stamina that brought us this unprecedented victory. This successful struggle has amply demonstrated what we can achieve a lot if we close our ranks and stay focused on the issues that matter to workers and the good people of Ghana.

Brothers and Sisters, as we relish in the glory of not only for securing a lifeline for struggling workers but also avoiding a potential disaster on the labour scene, I hasten to remind workers and Ghanaians that the struggle is not over because the cost-of-living crisis is not over. Inflation is now 29.8% and there are no signs that it will decline soon. Workers and all Ghanaians continue to face difficulties on several fronts, which demand our collective attention and action. The perennial issues of low pay and pay inequities remain. Our pension system is not working for the majority of workers. Young people, educated at great costs to their parents and the nation, are struggling to get jobs that are commensurate with their levels of education and skills. The national economic outlook remains grim, and government has started negotiating for an IMF bailout. We know too well what it means to seek an IMF bailout.

That is why the struggle must continue. The TUC and its affiliates have our eyes and minds firmly fixed on the outcome of the Single Spine Review Process currently underway. We are determined to work together with other organized labour groups to end the unfairness in remunerations for public sector workers on the Single Spine Salary Structure on one hand and Article 71 office holders and State-Owned Enterprises (SOEs) on the other hand. We will not allow the class system in pay administration in favour of Article 71 office holders to continue. It must end now.

Brothers and Sisters, another big issue we must tackle head on has to do with pensions. You may recall that the majority of workers who retired from January, 2020 (under the new pensions act, Act 766) received pension lump-sum benefits that were inferior, compared to what they would have received if they had retired under the old pension law (PNDCL 247). In September, 2020, the TUC made a special appeal to the President to authorize the payment of lump-sum top-up for all retirees who were affected. On 1st May, 2021, the President promised that government would pay the lumpsum top-up. We are in July, 2022, the lumpsum top-up has not been paid. We are demanding that government should honour that promise without further delay. We are also demanding a total overhaul of the pension system. The current system is unfair to many workers. A few privileged individuals are being paid huge sums of money from the SSNIT scheme every month, at the expense of ordinary workers who are contributing to the scheme from their meagre salaries. Even workers who do not contribute toward pension receive better pensions, compared to those who pay monthly contributions towards their pensions. This has to change.

Brothers and Sisters, the greatest challenge ahead of us is the IMF-sponsored programme. As we know, IMF-sponsored programmes and policies are completely divorced from reality. We have already communicated our objection to the decision to seek an IMF bailout for the eighteenth time. We are convinced that an IMF programme will not solve our problems. It will only impose hardships on Ghanaians.

Once again, we would like to remind government that, as part of the negotiations for the 2021 and 2022 base pay, we agreed to the four and seven percent pay increases respectively on condition that government will not declare redundancies and that government will continue to employ young people into the public service.

We insist that our main challenge in the management of the economy has to do with corruption and the failure on the part of successive governments to transform the structure of the Ghanaian economy to allow Ghanaians to produce what we eat and eat what we produce. Currently, the profit-making sectors such as mining, petroleum and banking are mainly in the hands of foreign companies.

IMF programmes will not deal with these fundamental structural issues. IMF programmes only prepare the country for the next IMF bailout so that IMF will continue to be in business. We know that the eighteenth IMF programme being negotiated now will not be different from the previous ones. What will surely be different this time is that the TUC will lead the working people of Ghana to resist any attempts to impose hardships on workers and their families and the Ghanaian population, as a whole.

LONG LIVE WORKERS' SOLIDARITY!

LONG LIVE GHANA!

I thank you for your attention.