

ORGANISED LABOUR

MAY DAY STATEMENT

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AT THE 2023 NATIONAL MAY DAY PARADE
HELD IN BOLGATANGA IN THE UPPER EAST REGION

1ST MAY 2023

THEME

*“PROTECTING INCOMES AND PENSIONS IN AN ERA OF ECONOMIC
CRISIS: OUR RESPONSIBILITY”*

Your Excellency, Nana Addo Dankwa Akudo-Addo, President of the Republic of Ghana;
Honorable Minister for Employment and Labour Relations;
Honorable Minister for Upper East Region;
Honorable Minister for Finance;
Honorable Ministers of State;
Executive Secretary, National Labour Commission;
Heads of Department;
Colleague Organized Labour Leaders;
Brothers and Sisters;

OPENING REMARKS

I would like to join the Chairman and the Honorable Minister for Upper East Region to welcome all of you to the National May Day Parade. Special welcome to President Akufo-Addo and Vice President Bawumia to the national parade.

This is the seventh time the President is celebrating May Day with us accompanied by the Vice President. Your Excellencies, we want you to know that we appreciate your presence. It is an indication of your respect for workers and the value you place on our contribution to the growth and development of Ghana. We are looking forward to your message for the working people of Ghana on this special day.

PEACE IN BAWKU

Mr. President, the leadership of Organized Labour selected Upper East Region for this year's National May Day Parade for two main reasons. The first reason is that we wanted to have the opportunity to show solidarity

with workers and all the people in this region. The ethnic conflict in the region is having a devastating impact on lives, property, businesses, jobs, schooling, health care and social and religious activities, particularly in the Bawku District. We in Organised Labour believe that conflict and instability anywhere in the country pose a serious threat to lives and development everywhere in the country. The second reason for choosing the Upper East Region for the national parade is that we wanted to create an opportunity and a unique platform for H.E The President of the Republic to address the Chiefs and people of this region directly.

We hope that by appealing to the warring factions directly from here to complement all the efforts government has been making towards the resolution of the conflict in Bawku, there will be peace. When that happens, it will be a modest contribution from Organized Labour towards peace and stability in the Upper East region.

On this special occasion, we are appealing to you, Mr President, and your government to intensify the efforts you are making towards the resolution of the conflict. We pray for God's wisdom for you to help resolve this conflict during your term in office, just as you helped to resolve the conflict in Dagbon. This will be a great legacy indeed.

Comrades, now I would like to shift our attention to the theme of this year's celebration *"PROTECTING INCOMES AND PENSIONS IN AN ERA OF ECONOMIC CRISIS: OUR RESPONSIBILITY"*.

THE ECONOMIC CRISIS AND ITS EFFECTS

We are all feeling the effects of the high rate of inflation, the high cost of living, the destruction of jobs and potential jobs including employment freeze in public sector, the debt crisis and the effects of the Domestic Debt Exchange Programme on investors including pensioners, the depreciation of the Ghana Cedi, the sharp increases in fuel prices, delays in infrastructural development, as well as the effects of the crisis on education, health and human development, generally. Sadly, IMF bailout has now become the lifeline for Ghana, in spite of our enormous human and natural resources.

Mr. President, we in Organized Labour hold the view that the economic crisis we are experiencing in Ghana is self-imposed. We acknowledge the adverse effects of COVID-19 and the Russian/Ukraine war on the global economy but we do not believe that these events are the fundamental causes of Ghana's economic crisis. COVID and the war in Ukraine have only exposed the weaknesses of our economy and the economic policy framework that has guided economic management in Ghana in the last four decades. The reason Ghana has had to seek IMF support almost every three years is largely due to the flaws in the way our economy has been managed, based on neo-liberal free market ideology.

We would like to reiterate our well-known position that IMF programme can never take us out of this crisis. Our history of engagements with the

IMF provides ample evidence that IMF-sponsored programmes and policies cannot change our economic circumstances. Another IMF programme will only impose more economic burden on us. We have to change the situation ourselves. We believe that government can lead us out of this crisis by cutting expenditure on non-essentials including the need to stop spending our hard-earned revenue on a national Cathedral. In fact, it will be better to convert that project into a national hospital. Mr. President, you can also reduce the size of your government. Ghana has too many ministers and deputy ministers. Revenue mobilization efforts should be intensified but we caution against the excessive use of regressive taxes which impose a disproportionate burden on local businesses and on poor people in society. The Ghana Revenue Authority (GRA) and all its revenue collection agencies must be freed from all forms of political interference so that they can perform their functions professionally and effectively.

We urge government to pay attention to the National Development Planning Commission's policy recommendations on domestic tax revenue mobilization published in its *Policy Brief No.1 in November 2022* including the following:

- Ghana's major exports should be made a major contributor to tax and non-tax revenue;
- Renegotiate some of the incentives in the extractive industry. An expatriate extractive firm should not be treated any differently from a local firm in the sector and in any other sector, for tax purposes;

- Firms in the extractive industry should be taxed based on their turnover;
- Ghana must negotiate for equity shares in all the extractive firms; and
- Consideration should be given to some environmental taxes.

PROTECTING INCOMES IN AN ERA OF ECONOMIC CRISIS

Now let me turn attention to incomes. The first thing we should do to protect incomes is to protect decent jobs that afford workers the opportunity to earn regular incomes. Too many workers are losing their jobs because some employers are abusing their rights to hire and fire workers. Other employers are also taking advantage of the weaknesses in the labour law and replacing permanent employment contracts with fixed-term contracts. In the last five years the TUC has lost thousands of its members due to this practice which is being promoted and facilitated by private employment agencies. That is why we have been pushing for a review of the national labour laws to protect jobs and incomes. Mr. President, we are counting on you to ensure that the review of the labour law is completed this year.

Another measure government can take to effectively protect incomes is to adopt a wage policy that indexes wage to inflation. That was why we proposed a sixty percent increase in public sector pay for 2023 when inflation was 53 percent. After several weeks of negotiations, we were given 30 percent increase. Thirty percent increase appears substantial but

in real terms workers have suffered a very significant decline in their real incomes. A permanent solution to the sharp decline in real incomes is to bring inflation down. We expect government to provide leadership in this direction. We want to take this opportunity to serve notice that if inflation remains high, Organized Labour will continue to demand wage increases that reflect inflation and the high cost of living. That is the only way we can guarantee a living wage and higher standard of living for the working people of Ghana.

Mr. President, workers on the Single Spine Salary Structure (SSSS) are receiving the lowest salaries in the public sector, even though they are providing all the essential services to the people of Ghana – healthcare, education, national security, and other important public services. This has to change. We urge government to complete the review of the Single Spine Pay Policy before the next round of negotiations. We will no longer accept a situation where Article 71 office holders are awarded huge pay increases with fat allowances while some workers on the Single Spine Salary Structure continue to receive less than GH¢600 per month (which is less than the international poverty line of \$2 a day). As we all know, every wage earner in Ghana takes care of a number of his or her relatives. That makes wages the most important source of income in Ghana. We, therefore, need a wage policy that reflects that reality.

PROTECTING PENSIONS IN AN ERA OF ECONOMIC CRISIS

Comrades, protecting pensions is also our responsibility. And, as developments on the labour scene in the last couple of months clearly showed, we take that responsibility very seriously. Our first responsibility is to continue to protect our pension funds from the Domestic Debt Exchange Programme. We want to, once again, remind government that the Memorandum of Understanding we signed on 22nd December 2022 stated clearly that all pension funds have been exempted from the Domestic Debt Exchange Programme. Nothing has changed. **PLEASE DO NOT TOUCH OUR PENSION FUNDS!**

Mr. President, at the 2021 National May Day Parade held at the forecourt of the Trade Union Hall in Accra, you promised to top up lump-sum benefits for all those who retired fully under Act 766 starting from January 2020, whose lump-sum benefits were lower, compared to what they would have received under PNDCL 247. Eligible pensioners are yet to receive the top-ups. I am very happy announce today that the President has assured us, through Honorable Minister for Employment and Labour Relations and Minister for Finance, that the lumpsum top-up will be paid this year.

Another issue about pensions that need urgent attention has to do with the second-tier pensions. Mr. President, we should either consider establishing one strong institution to manage the second-tier schemes or we should strengthen NPRA to effectively regulate, supervise and monitor the numerous privately-managed second-tier schemes. This has become

necessary to prevent a similar crisis that happened in the banking sector which cost the Ghanaian tax payer over GH¢20 billion.

We also need to strengthen the social insurance aspect of SSNIT by making pension accessible to all workers in the informal economy. It is simply unacceptable that only 1.7 million Ghanaians are enrolled on the the SSNIT scheme when Ghana's workforce is about 13 million.

Mr. President, we need to draw your attention to some issues that are bothering Organized Labour. The first issue has to do with the violation of workers' rights by some unscrupulous employers, especial the violation of the constitutional right of Ghanaian workers to join or form trade unions. Too many Ghanaian workers remain outside the coverage of collective agreements because of fear of victimization from their employers. This is the fate of many Ghanaians who are working for foreign companies across all sectors of the economy. Managers in these companies are deliberately frustrating the efforts of Ghanaian workers to exercise their constitutional right to join a union of their choice. Currently, we are dealing with a very strange case at Sunon Asogli Power (Ghana) Ltd at Kpone where the Chinese managers in the company, with the support of their Ghanaian counterparts, have dismissed three trade union leaders for leading the unionization of workers in the company. Unionized workers are being intimidated and threatened on daily basis. The Minister for Employment and Labour Relations, Honorable Ignatius Baffour Awuah, is helping us to resolve the impasse between the union and management of Sunon Asogli

Power Ghana Ltd. We are grateful for his support. Efforts to unionize workers in other companies especially those in the telecom, banking and hotels and restaurant sectors are also being frustrated.

Mr. President, we do not think our government should allow such a thing to happen in our country at this day and age. We expect government to do something about this urgently.

SPECIAL REQUESTS

Brother Chairman, I would like to conclude the statement with some special requests to the President of the Republic, Nana Addo Dankwa Akufo-Addo. The first issue is about the **Saglame Housing Project**. Mr. President, please do whatever you can to make the Saglame Housing Project useful for Ghanaians. We cannot allow that project to go waste when many workers who are contributing so much to Ghana's development cannot have places to lay their heads. The second request is about **Tema Oil Refinery (TOR)**. We believe that government has the capacity to revamp TOR. We are appealing to you to use your good offices to change the fortunes of TOR. That will be another great legacy.

CLOSING REMARKS

In conclusion, we would like to appeal to you, Mr President, to convene a national dialogue on the economy so that we can build consensus on the way out of this crisis that will also pave the way to build a more resilient economy. The working people of Ghana and their unions are ready to play

our part in the social and economic development of our Dear Motherland, Ghana.

Finally, on behalf of the leadership of Organised Labour, I would like to thank the Chairman and Members of the National May Day Planning Committee and the Local Planning Committee based in Bolga who worked tirelessly to ensure a successful May Day celebration.

I wish all the Working People of Ghana a Very Happy May Day Celebration.

Long Live Organized Labour!

Long Live Ghana!

God Bless Our Homeland Ghana!