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SOCIAL PARTNERS AND POVERTY REDUCTION STRATEGIES IN GHANA-CAN THIS BE A DEVELOPMENT SUCCESS STORY?

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Abstract:

Ghana opted for the Heavily Indebted Poor Country (HIPC) initiative in 2000 and the implementation of GPRS I and II. Today, it is one of the best-performing economies in sub-Saharan Africa with striking progress on both growth and poverty. Research has also revealed that contrary to perceptions that waged jobs are not being created, they have in fact been expanding far faster than the labour force growth. In this work we examine social partners' involvement in GPRS I and II, which could be credited with contributing to these employment outcomes. Our analysis indicate that, the experience of social partners' participation in GPRS I and II has had some positive effects in enriching the broader policy environment with the extension of the participatory approach to other policy areas, raising the self-awareness of social partners in respect of their technical capacities and providing the opportunity for them to form partnerships to engage government. However, the story remains one of only limited success since the main employment challenges facing Ghana - translating its impressive economic performance into sustainable improvements in living standards by creating decent and productive employment, and remedying deficiencies in both the demand and the supply sides of the labour market is still eminent.

1.0 Introduction

In 1999, the preparation and implementation of Poverty Reduction Strategies (PRSs) became a conditionality for the assertion to the enhanced Heavily Indebted Poor Countries initiative introduced by the World Bank, International Monetary Fund (IMF) and other Development Partners. Later PRSs were made to form the implementing framework for the Millennium Development Goals (MDGs) and aid harmonisation agenda at the national level in about 70 low income countries around the world. The International Labour Organization (ILO) since 2001 has supported the building of capacity of constituents to engage in the PRSs process with the view to helping them drive the employment and decent work agenda as the bridge between growth and sustainable poverty reduction.

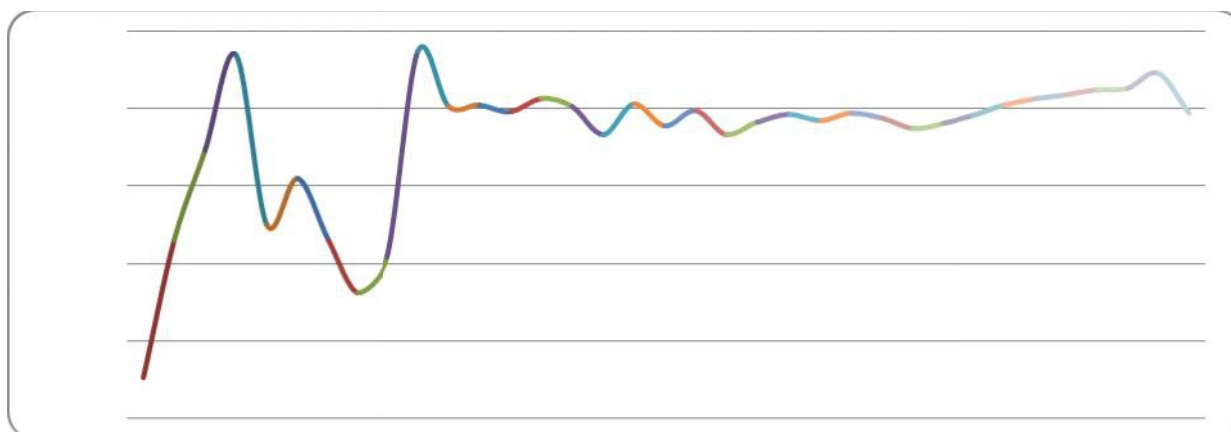
Ten years after the introduction of the PRSs, it became imperative to undertake a survey of social partners' engagement in the process and to learn lessons from their participation. In this regard this paper aims at assessing social partners' participation in the formulation and implementation of the Ghana Poverty Reduction Strategy (GPRS) with the view to providing qualitative inputs on the quality of their participation.

The report relies extensively on desk research supplemented by interviews with social partners and other key stakeholders. The selection of the stakeholders for the interviews was based on their key involvement in the formulation and implementation of the PRSs. The paper has six sections. Following this introduction is section 2, which provides an overview of economic development in Ghana. Section 3 discusses social dialogue in Ghana, while section 4 discusses participation of social partners' in the formulation and implementation of the GPRS. The last section concludes the paper.

2.0 Overview of Economic Growth, Poverty and Employment

The Ghanaian economy has undergone considerable changes since the inception of Economic Recovery Programme (ERP) and later the Structural Adjustment Programme (SAP) as the first in a series of strategies aimed at reversing the economic turmoil of the mid 1970s and early 1980s.

Figure 1: Annual Gross Domestic Product Growth Rate (%), 1975-2009



Source: Annual Reports of the Bank of Ghana and Quarterly Digest of Statistics of GSS, various issues

Macroeconomic performance of the country improved after the implementation of the ERP/SAP largely supported by the IMF and World Bank. The national economy recorded an annual average growth of -2.2 per cent between 1975 and 1982, average annual inflation rate of about 64.9 per cent and balance of payments deficit of \$6.8 million. As a result of these programmes, growth in real Gross Domestic Product and Gross Domestic Product per capita averaged about 4.8 and 1.9 per cent respectively from 1984 to 2004 although the real per capita Gross Domestic Product of \$420 in 2001 falls short of the \$450 earned in 1960.

Despite the impressive economic performance, the impact of the programme on the structural transformation of the economy has not been very strong in the areas of unemployment and to some extent poverty due to the partial and fragmented nature of the policies (Baah-Boateng, 2004). For example, employment in absolute terms decreased from 84.8 percent in 1991/1992 to about 80.7 in 1997 and further to about 76.8 percent in 1998/1999. This to some extent confirms the existence of low quality jobs in the Ghanaian economy in which majority of the people are working out of the necessity to subsist regardless of the quality of work as evidenced in many developing countries. Also, unemployment increased from about 4.7 percent in 1991/1992 to about 8.2 in 1998/1999 while poverty reduced from 51.9 percent to about 39.5 percent over the same period. This can partially be attributed to the fact that Ghana still depends on a few primary commodities for exports with value added in agriculture accounting for about 36 per cent of Gross Domestic Product. There was a massive redeployment of labour in both the public and private sectors as a result of streamlining government expenditure and closure of many import-dependent private firms. Additionally, the country's over-dependence on external

sources for development financing has led to an ever increasing external debt situation. Furthermore, the adjustment focused on increasing production in agriculture and mining for exports with little or no focus on value addition which has the potential to increase decent productive and employment and consequently reduce poverty on a large scale. These have seriously constrained efforts aimed at the development of new and better employment opportunities, as well as at the optimum utilization of the Ghanaian labour force.

The inability to create employment opportunities to enhance the quality of remunerative work restrains Ghana's limited capacity to translate a record of moderate growth into sustainable improvements in living standards during the period of economic reform (Heintz, 2004). The ERP and SAP were not able to adequately create employment and reduce poverty. This led to the implementation of the Programme of Action to Mitigate the Social Cost of Adjustment in 1987. The basic aim of the programme was to provide short-term actions that could immediately address the problems of the poor and vulnerable groups arising from the SAP.

Labour is abundant in Ghana. The adult population aged 15 years and above and the economically active population, increased during the 1990s (table 1). Employment in the 1990s and the 2000s showed a decreasing trend¹. In the 1970s and early 1980s, labour force grew at a slower pace than the population growth. In the 1990s and early 2000s the situation reversed. The increased labour force growth rate could be linked to the rising share of the youth population in the 1990s. This means that the Ghanaian labour market has to be more efficient in order to absorb the increase in the economically active population. Available data indicate that so far the Ghanaian labour market has not been able to create enough jobs for all those who are available to work. Employment growth between 1984 and 2000 was about 3.1 per cent per annum, lagging behind the labour force growth rate of 5.8 percent over the same period

The key supply issue for the Ghanaian Labour market is the quality of labour. Ghana, like other sub Saharan African countries, has an education deficit and a relatively lower life expectancy as compared to the rest of the world. One of the major causes of rising unemployment has been identified as the mismatch between skill requirements of employers and skills of prospective employees. In the 1990s the situation improved due to the

¹ It must be noted that in Africa, many labour market terminologies such as employment, unemployment, labour force participation, etc. are difficult to apply because over 70 per cent of the employed labour force are self-employed in the informal economy and the definitional/measurement problems linked to the different formats of surveys which collect info on these variables.

educational reforms that began in the mid 1980s and the provision of almost free and universal education, which has ensured an increased stock of educated labour.

One of the conditionalities placed by Development Partners for assertion to the Heavily Indebted Poor Countries Initiative was the formulation and implementation of the GPRS which re-orientated the whole issue of national development on poverty reduction unlike previous policies that treated poverty in an isolated manner. After about a decade of implementing the GPRSs, there has been significant achievement in employment generation and poverty reduction. Information from the Ghana Statistical Services (GSS) indicates that unemployment has declined from 10.4 per cent in 2000 to 7.5 per cent in 2003 and further to 5.8 per cent in 2006 while overall poverty incidence has generally reduced from 51.7 percent in 1992 to about 39.5 percent in 1998 and further down to 28.5 in 2006. Even though this achievement is significant there exist significant potential for the country to improve on employment generation and poverty reduction.

Table 1: Labour Force Distribution

	1991/92	1997	1998/99	2000	2003	2005/2006
Total population (millions)	14.9	17.1	17.7	18.8	---	22.2
Adult population 15+ (millions)	7.91	---	10.27	11.1	---	13.32
Labour force/economically	6.05	---	8.21	8.29	---	9.75
Total employment (millions)	5.77	---	7.6	7.4	---	9.16
Employment (%)	84.8	80.7	76.8	82.1	73.6	68.8
Underemployed (%)	10.5	12.5	15.7		18.9	7.3
Unemployment (%)	4.7	3.9	8.2	10.4	7.5	5.8
Inactive (%)	23.5	26.9	20.1	25.3	27.9	25.4
Participation rate	76.5		77.9	74.7		
Poverty(headcount) (%)	51.9		39.5			28.5

Source: (GSS, 1995), (GSS, 1998a), (GSS, 1998b), (GSS, 2002), (GSS, 2003), (GSS,2008)

It should, also be noted that there has been improvement in several human development indicators over this period. For instance, life expectancy at birth increased from 54.0 years in 1982 to 60 years in 2003. Similarly, on average, infant mortality rates fell from 88.4 per 1,000 live births to 64 per 1,000 live births over the same period. Nevertheless, improvement in the social dimensions of development through human resource development, the creation of more decent jobs and a broader distribution of the benefits from growth, could have led to better results than those recorded.

3.0 State of Social Dialogue

Organized Labour in Ghana is made up of the Trades Union Congress (TUC), Ghana Federation of Labour, Ghana National Association of Teachers, Civil Servants' Association and the Ghana Registered Nurses' Association. Among these organizations the largest group is the TUC. Being the umbrella organization for labour unions, it represents organized labour in all dealings with government and employers' associations on labour issues. The TUC of Ghana was formed in 1945 with the registration and coming together of 14 national unions under the Trades Union Ordinance of 1941. It is made up of 17 affiliated national unions and has a secretariat which coordinates their activities. The primary objective of the TUC is to improve the pecuniary and non-pecuniary employment conditions of its members. Specifically, the TUC aims at unionizing all employees in Ghana under a united trade union movement; secure social, political and economic justice; support efforts of affiliated unions to improve wages, create better conditions of service at work places and ensure the ratification and application of ILO and other international conventions with a view to harmonizing world labour practices. Information from the Ghana Living Standard Survey 5 (GLSS 5) which is a nationally representative survey that solicits comprehensive information on livelihoods of individuals in Ghana indicates that about 35.9 per cent of employers have trade unions in their workplace. The TUC also estimate that its membership is between 400,000 and 450,000.

The TUC exerts strong pressure not only on the labour market, but also on the general economic environment of the country. The TUC faces a number of challenges and uncertainties. Technological advancement is helping employers to scale down employees in some sectors such as mining while outsourcing, sub-contracting and the increased "informalization" of employment pose a danger to the world of work. For example in the mining sector the use of surfacing mining technologies has reduced employment in the sector. Data on direct employment in the mining sector shows that employment in the sector decreased from about 22,285 in 1995 to about 14,311 in 2002 but has since increased to about 20,000 in 2008. The increase from 2002 to 2008 is due to the opening up of new mines by Newmont company. Moreover, unrestricted labour market reforms and the neo-liberal political regime are causing a slight change in industrial relations in favour of employers, especially foreign investors. This threatens to some extent the expression and exercise of freedom of association and the right to organize and bargain collectively (Trade Union Congress, 2004). Additionally, low wages and other unfavourable employment conditions,

increasing health and safety challenges, worsened pension benefits and weaker social security systems are some of the challenges making employees worse off. Furthermore, issues on poor working conditions, non-payment of living wages, wage disparities between junior and management staff, increase in casual work and the loss of trade union membership pose a serious threat to employment and income security.

The Ghana Employers' Association (GEA) was established in 1959 to provide a collective approach to matters relating to industrial relations, represent and promote the interest of its members in their dealings with social partners and promote good industrial relations in Ghana. It is the main employers' association and has a track record of good organization in the social partners' system. There are other associations such as the Association for Small-Scale Businesses and the Centre for Indigenous Business. However, their activities and membership are quite limited. Under its constitution the GEA collects from its 328 members statistical and other data as may be necessary for the analysis of wage structure and employment conditions in Ghana and to bring to the attention of its members Labour Acts, policies and regulations affecting them. The GEA also aims at promoting the interest of its members within organizations vis-à-vis the government. It also represents employers in international organizations such as the ILO and the International Organization of Employers.

The Ministry of Manpower Development, Youth and Employment is the body responsible for the formulation and implementation of Labour Acts, policies, regulations and conventions on industrial relations, as well as for the monitoring and evaluation of such policies and programmes. The Ministry is also in charge of the implementation of labour market programmes in collaboration with other stakeholders. It convenes meetings of the National Advisory Council on Labour and the National Tripartite Committee on salaries and wages and advises the government on the decisions of these committees. The Ministry undertakes its responsibilities with the help of four departments: the Labour Department, the Department of Social Welfare, the Department of Cooperatives and the Factories Inspectorate Department. Of these four, the Labour Department and the Department of Social Welfare are the most important in terms of effectiveness and will be discussed in subsequent sections. The other two departments are virtually inactive in the labour market due to resource constraints. Although the Ministry plays a very important role in ensuring an effective labour market, it is highly marginalized together with its departments and agencies. Problems confronting the Ministry include inadequate resource allocation, weak institutional capacity,

lack of appropriate basic equipment and the lack of requisite personnel. For example the total expenditure allocation to the Ministry of Manpower Youth and Employment as a percentage of the overall expenditure of Ministries, Departments and Agencies (MDAs) was around 0.57 in 2009.

There have been consistent improvements in industrial relations over the years, due to the growing relevance of the role played by the government, employers and employees as social partners. The government, employers' associations and workers' unions are adequately represented in the two main bodies in the labour market – National Labour Commission and the National Tripartite Committee - as required by law. The GEA and TUC are also respectively represented in about thirteen and nineteen key national Bodies, Commissions, Boards and Committees influencing the labour market. They have also effectively participated in the formulation and implementation of labour market policies and programmes.

Discussions with the GEA and TUC indicate that they played a significant role in the formulation and implementation of the Labour Act. Specifically, issues of concern to the associations such as the composition and function of the National Labour Commission, sympathy strikes and lock out, casual and temporary employment, and unionization processes, among others, were discussed thoroughly with the parliamentary committees before their passage into law.

The GEA and TUC have also developed a bipartite relationship through quarterly meetings to discuss issues of mutual interest and to have a forum for discussion and dialogue. Prevention of the deadly Human Immune Deficiency/Acquired Immune Deficiency Syndromes pandemic is an area where the social partners have collaborated. All the social partners have teamed up to organize workplace information, education, communication policies and programmes with support from both donors and the government for the formal and the informal sector. Social partners have also collaborated to organize programmes on occupational safety and health at work and the environment. Academic courses and sensitization seminars and workshops for labour market entrants have also been jointly run by social partners.

Consultation, dialogue and negotiations between social partners have led to a reasonable number of industrial actions. On average, there have been 34 industrial actions annually from 2001 to 2004, most of which have been resolved amicably. The basic reasons underlining industrial actions are low salaries and poor working conditions. Other reasons are

delays in the payment of allowances, breakdown in negotiations, solidarity strikes and non-payment of salary arrears. A survey by Twerefouet. al (2007) indicates that on a scale of 1 to 5, where 1 is the least score and 5 the greatest, respondents were asked to assess the level of coordination between social partners in the implementation of labour market programmes. The average score was a little above the mean.

The impact of social partners, particularly the TUC on wage determination through the National Tripartite Committee is quite strong in the formal sector. It is estimated that over two-thirds of formal sector jobs are subject to Collective Bargaining Agreements while the GLSS 5 indicates that about 42.7 per cent of employees have written contracts with employers. The strong influence of TUC on wage determination through social dialogue may have partly led to wage rigidities. This coupled with the inefficient labour market information system and the inadequate educational and training facilities, account for the low occupational mobility in Ghana. Also, the lack of alternative employment opportunities and the high income insecurity in the informal economy, coerce many employees in the sector to place a high premium on social dialogue as a way of resolving labour market problems. Quite often employees are in a disadvantaged position because of their vulnerability, susceptibility and their lack of voice and support in the negotiating process. No matter how badly the negotiation goes, there is always a settlement and that to some extent, ensures industrial harmony (Twerefou et. al, 2007).

Ghana is currently one of the best-performing economies in Africa. The last five years show striking progress, on both growth and poverty, and Ghana appears as one of the star performers in efforts to reach the MDGs on cutting poverty and boosting health.² In terms of relative progress, Ghana outperformed all other countries around the world by reducing hunger across its population by nearly three-quarters, from 34 per cent to 9 per cent, between 1990 and 2004. As earlier mentioned poverty was halved over the period from 1991 to 2005, while economic growth accelerated to 6.2 per cent in 2006, after two decades of 4 per cent growth.

While poverty levels have fallen dramatically, however, concern has increased over both the extent and the quality of job creation. Research reveals that by far the most important factor behind rising incomes and falling poverty in recent years is an increase in wages (N. Nsowah-Nuamahet. al, 2010). Data show that earnings rose rapidly between 1998

²Millennium Development Goals (MDG) report card: measuring progress across countries (London: Overseas Development Institute, Sep. 2010).

and 2005, by 64 per cent for men and by 55 per cent for women. There have also been major changes in the pattern of job creation in this period, the most striking of which were the expansion of employment in small firms (from 3.4 to 6.7 per cent of the workforce) and the rise in farming employment (from 35.1 to 37.3 per cent of the workforce) . Contrary to the perception that waged jobs are not being created, they have in fact been expanding far faster than the labour force has been growing. The rest of this case study examines the social partners' involvement in GPRS I and II, which could be credited with contributing to these employment outcomes.

4.0 Analysis of Social Partners' Participation Over Time

As part of the conditionalities for the assertion to the Heavily Indebted Poor Countries initiative, the Government of Ghana put in place a policy document dubbed Ghana Poverty Reduction Strategy I (GPRS I)(implemented from 2003-2005) and the Growth and Poverty Reduction Strategy II (GPRS II) (implemented from 2006-2009). The documents formed the blue print for Ghana's development, provide the framework for concessional assistance from the World Bank and the IMF and outline the anti-poverty strategies for the medium term. The GPRS II was built on broader and deeper consultation and stakeholder involvement achieved by the GPRS I. Since 2008, the country has been formulating a third round Poverty Reduction Strategy dubbed Medium Term National Development Policy Framework which is to be implemented from 2010-2013. Though the preparation of the document started in 2008, it has still not been completed largely as a result of delays in the reconstitution of members of the Commission after the change in government. Our analysis will therefore focus primarily on the participation of social partners in the formulation of the GPRS I and II.

In order to make the formulation of the PRSs participatory and integrative, the National Development Planning Commission (NDPC), the statutory body responsible for development planning constituted Cross-Sectoral Planning Groups (CSPG) made up of representatives from both governmental and nongovernmental organizations. The formation of the CSPGs was based on the relevant themes of the PRSs that have been identified by the Commission. Each Ministry, Department and Agency (MDA) was asked to nominate technically competent officers to the relevant CSPG which were charged with the development of relevant themes and the content of the document. For nongovernmental organizations, the Commission invited specific organizations to specific groups based on their area of focus and expertise.

Among the five thematic areas identified in GPRS I, both the TUC and the GEA were members of the human resource development CSPG. However, in GPRS II, which had just three themes,³ the TUC joined both the human resource development and the good governance and civil responsibility CSPGs, while the GEA participated in only the human resource development CSPG. In the Medium Term National Development Policy Framework that is being formulated, the TUC is a member of four out of seven thematic groups.⁴ The GEA is a member of only two: those concerned with sustainable partnerships between government and the private sector, and developing human resources for national development. These developments suggest that the TUC has been gradually increasing its participation over the years compared to the GEA.

The Commission to some extent also implemented an open door policy where institutions could also contribute to discussions in any of the groups. The work of each CSPG is facilitated by a Consultant supported by a Research Associate, a Co-ordinator selected from the technical staff of the NDPC secretariat and a Chairperson selected from among members of each CSPG. The NDPC based on its expertise and past experience, put together the format for a matrix together with the CSPGs to guide the Groups in formulating their policies and strategies. The CSPGs for each thematic area discussed the issues and policies proposed with the aim of harmonizing them to ensure integration. Each CSPG formed a core-working group, which collated and drafted reports on deliberations of that particular CSPG. The procedure has virtually been the same in the preparation of all the three documents. The number of meetings necessary to complete the assignment is determined by the members of the groups at their maiden meetings.

4.1 Expectations and Reasons for Participation

Each CSPG group met about three times in both GPRS I and II. Discussions with TUC and GEA indicated that they participated effectively in all the meetings organised for the groups in which they were members. Their aim of participating in the formulation of both GPRS I and II was to influence national policy in ways quite commensurate with the aims and objectives of their establishment. Reasons for participation of the TUC stems from its Human Development Policy that stresses that the Congress pledged its support for all

³Private sector development; human resource development; and good governance and civic responsibility.

⁴Sustainable partnerships between government and the private sector; developing human resources for national development; transparent and accountable governance; and accelerated agriculture modernization and agro-based industrial development. The other three are: improvement and sustenance of macroeconomic stability; expanded development of production infrastructure; and reducing poverty and income inequalities.

initiatives and policies aimed at creating opportunities that enhance individual capabilities and enable them to live satisfactory lives. Thus, it was the expectation of the TUC that the economic and social policies of GPRS I and II will be designed to ensure that Ghanaians have adequate incomes through decent employment, have access to knowledge through quality education and training, participate fully in the decisions that affect their lives and that of their communities and to ensure that the ultimate aim of policies is to enable every individual to live a healthier, longer and satisfying life (Anthony Baah, 2004).

The GEA on the other hand had the same expectations but expressed in a different form. Their expectation was to see private sector initiatives being fully integrated into the policies and efforts to address issues of vulnerability and disability. The above views suggest that protecting the interest of their members and the general populace was the main reason that garners social partners to participate in the formulation of both GPRS I and II. Partners realized that the key policy instrument that will guide the management of the economy is the GPRS I and II and therefore committing themselves fully to the development of the document was the only way to influence national policy on development as well as encouraging others to do same.

For the TUC their expectations and reasons for participating in the GPRS I and II was motivated by the advice and the technical support provided by the International Confederation of Free Trade Unions through workshops and seminars which focused on providing guidelines for its members to engage in the process with the view to ensuring that international labour standards are given the requisite attention. The main avenues through which social partners influenced the GPRS were meetings, seminars and workshops organised for the CSPG. At CSPG meetings, social partners were able to put their views forward and to some extent ensure that their views were taken into consideration.

4.2 Impact of GPRSs on Policy Formulation and Overall Policy Environment

Both the GPRS I and II has made a difference in government overall policy direction because of the genuine consultation undertaken by government. However, the freedom to seriously influence the document was to some extent constrained due partly to restrictions that have been placed on macroeconomic conditions. The formulation of CSPGs from both governmental and non-governmental institutions with diverse expertise and the provision of a uniform and transparent platform for social partners to contribute provide evidence of government preparedness to involve Ghanaians in national development. Discussions with government officials and social partners indicate that both GPRS I and II made a difference

in terms of the overall government approach to development and that government has a positive view of participatory policy formulation though the same cannot be said on the implementation. According to them, development planning in the past, especially before 1992 was a preserve for government and its agencies. However, the situation is now improving with the government paying some attention to public participation, though there is more room for improvement

Chapter six of the 1992 Constitution of Ghana which deals with the Directive Principles of State Policy mandates the government to involve citizens in development. Various sections of the Local Government Act of 1993 reinforce this position. These provisions make it necessary for government to involve citizens in development planning. The basic justification for involving citizens in policy formulation, implementation and monitoring as emphasized in many government documents is to inform the public of government's policies, solicit their views on priorities and promote ownership by all Ghanaian. As such, starting from 1992 some efforts have been made by various governments to encourage public participation and consultation. For example, the Vision 2020 document which was a long term development plan for Ghana with medium-term role over components benefited from some consultation of the public. In line with these provisions the participatory process was quite key and to some extent intense in the formulation of GPRS I and II.

The CSPGs that met constantly to discuss strategies in both GPRS I and II involved stakeholders from almost all the Civil Society Organizations (CSOs) including social partners. Information from the GPRS II indicates that there were about 26 reviews, workshops and seminars organised to refine the document by organised or umbrella organizations including social partners, and in many of these seminars, real reviews were made on the document (NDPC, 2005). For example, initially the government proposed five thematic areas for the GPRS II but after discussions with the CSPG it became necessary to reduce the thematic area to three in order partly to focus on core issues. Participatory approach to policy formulation was also enhanced because development partners made it a conditionality for their support. This gave social partners some strength that enabled them to fully participate in the process. In fact social partners were of the view that without the backing of development partners consultation would not have been that intense in the formulation of the GPRS I and II.

Social partners were of the view that the government looked at participation as a positive approach to development. However, participation comes at a cost, such as the cost of organising workshops in different parts of the country, the time needed to do that which slows down the process and the quality of inputs that are obtained which requires much energy to be synthesised and absorbed. Therefore it is possible that they will decide not to engage in participation if the right incentive and checks are not available. Social partners were not too sure that governments will undertake extensive public consultation on key policy reviews if they have their will. Even though support from development partners has made participation important, effective participation has been a challenge and whether they influenced the process remains another question.

The formulation of both GPRS I and II made a difference in terms of overall policy formulation on poverty reduction but the same cannot be said about implementation. According to social partners, although poverty is multifaceted in that it has got various dimensions such as income, health, education, political, environmental, etc., previous policies (before 2000) on poverty reduction has focused on specific sectors and not comprehensive in nature. However, the formulation and implementation of GPRS I and II revolutionised policy formulation and implementation on poverty reduction in that the whole focus of government policy was on poverty reduction. Involvement of stakeholders and the broader discussion of poverty enabled the government to understand the various dimensions of poverty at both the national and local level and this helped strategise to tackle poverty. In spite of these successes in consultation, there exist some questions that need to be addressed - How many consultations should be considered enough or optimal? What format of consultation would be considered appropriate to maximize public input? How sufficiently flexible are technocrats to accommodate certain degrees of change in content and direction? How should social partners and the broader CSOs be involved in the implementation of policies?

In summary, the GPRS has to some extent changed national planning but the change can more be seen in participation in policy formulation than in policy implementation. Constituents were of the view that the change has been due to the global demand for such participatory process and to a lesser extent on the demand by citizens.

4.3 Main Actors Influencing the Process

Discussions with the social partners point to the fact that formulation of the GPRS was directly a response of government, non-governmental organizations including social partners and Development Partners but indirectly controlled by development partners especially the World Bank and the IMF, followed by the Ministries, Departments, Agencies (MDA) and nongovernmental organizations including social partners. Social partners were of the view that in the formulation of GPRS I many Development partners, especially bilateral donors were worried because they did not know its impact on their own defined programme for Ghana. Some of the development partners believed that if they did not find a way of getting their defined programmes for the country in the GPRS I then they would not have any business being in Ghana since the document provided a medium term framework for all government programmes. They therefore lobbied relevant MDAs for them to incorporate their country defined programmes for Ghana. It has also been argued that development partners influenced the GPRS I through the MDAs since they were having projects with them and there was the need to complete those projects and programmes.

The situation somehow changed in the formulation and implementation of the GPRS II for various reasons. First, probably the implementation of the GPRS I allayed the fears of the development partners since they already knew that either their programmes were developmental in nature and could not be neglected in the formulation of the GPRS II or they already knew how to get everything in the strategy through the MDAs skilfully. Secondly, the Paris Declaration on aid effectiveness and the implementation of the Multi-Donor Budget Support programme encouraged development partners to reduce their impacts on the formulation of GPRS II. Indeed the NDPC reported that in the formulation and implementation of the GPRS II some development partners sometimes elected one development partner to represent them in meetings, workshops and seminars, indicating their reduced influence on the process.

Investment projects in both GPRS I and II were mainly financed by Development Partners and needed to be prioritized due to the inadequacy of funds. Reports from social partners suggest that there were situations where the choice for a project is made but will not be funded by Development Partners because it does not satisfy the areas of focus. This situation was well observed in the initial stages of the implementation of the GPRS I. The situation improved with the implementation of the Multi-Donor Budget Support.

4.4 Impact of Social Partners on the GPRSs

Social partners made some efforts to organise themselves to influence the PRS. Both the TUC and the GEA organised in-house seminars to discuss the GPRS with their members and chose more senior persons to represent them in the CSPGs. An observation made by the TUC is that though participation was thorough, it was difficult for one's view to be incorporated since the technical committee which drafted the report of the thematic groups considered more of the impact of some of the policies on the macroeconomic targets which have been set by the World Bank and IMF.

Information gathered from social partners indicates that some particular achievements have been made from their engagements in the GPRS I and II processes, particularly in the area of national policy formulation and knowledge of national policy. The TUC for example indicated that over the years their research activities have focused on wages with very little on policy formulation. Participation in the GPRS I has prompted them on the need to upgrade their research division and to undertake activities and research that will help them influence national policies. They have therefore employed two professionals to complement their research staff. Additionally, constituents do have a good idea of government policy since they were involved in its formulation and a good knowledge of national poverty issues.

Social partners were quite sure that some of the proposals they made were taken into consideration and that the NDPC was quite interested in soliciting public views in the formulation of the document inspite of the problems that confronted Commission. To support this assertion, constituents alluded to the fact that in the GPRS II, the Employment matrix in the human resources development theme was virtually developed by them and was accepted fully by the NDPC. However constituents did have some reservations. According to them the implementation was virtually done without them and many of the targets for employment indicators were missed or not monitored properly. They also alluded to the fact that the government is not keen in collecting data on employment in order to effectively monitor employment creation. The GEA also reported making significant input in the development of vocational and technical education and they were all taken on board. In the area of implementation of the vulnerability component of the GPRS II, constituents reported following up the promulgation of the Disability Act and the subsequent establishment of the Disability Board. One important lesson that the TUC learnt from their participation in GPRS I was that influencing the policy as an individual organization was quite difficult. They therefore made efforts to network with other CSOs to collectively influence the formulation

of GPRS II through the Growth and Poverty Forum. The TUC were of the view that the work of the Forum really sent a positive signal to the NDPC though they are not able to access vividly its impact.

4.5 Impact of GPRSs on Implementation of Decent Work Agenda

Discussions with social partners as well as a closer look at the documents indicate that with the exception of fair wages, almost all the components of the decent work agenda - social protection, social security, social dialogue, skills development and employment generation, freedom of association and collective bargaining, youth employment, forced and child labour, safety nets and better, safe and healthier working conditions were addressed in GPRS I and deepened in GPRS II. This can be confirmed by the legalization and the institutionalization of several policies that provides the framework for the management of the labour market. The promulgation of the revised Labour Act of 2003 is to some extent an outcome of deliberations from the GPRS I. Also, the promulgation of the Disability Act, 2006 and the subsequent formation of the Disability Board is a direct outcome of deliberations on GPRS II. Furthermore, the Draft Employment Policy and the Draft Youth Policy which addressed various components of the decent work agenda were all prepared in course of implementing the GPRS II. Additionally, the institution of the pension reforms which led to the establishment of the three tier pension system is also an outcome of the GPRS II. One observation is that more would have been done in the area of mainstreaming, especially employment in both the GPRS I and II if the document has emphasised on how employment will be generated in the sectors and the targets to be achieved.

Indeed some have argued that the inability of the documents to touch on fair wages was due to conditionalities imposed by the IMF in 2006 which prevented any increase in the wage bill. In the implementation of the GPRS II, the Government of Ghana in 2006 decided not to do business with the IMF. It has been argued that the government decided to do this because of the unrealistic conditionalities imposed by the IMF. There exist a hypothesis that many important social programmes such as the Livelihood Empowerment against Poverty Programme, Fair Wages, National Youth Employment Programme, School Feeding Programmes, provision of school uniforms for school children which have significant social implications would not have been possible if the country had not decided to disengage with IMF.

Though social partners participated in the formulation of the GPRS, the same cannot be said on implementation. Constituents indicated that they were not well involved in the implementation of the GPRS. Together with other stakeholders, the NDPC linked the document to the budget and prioritised all the programmes. However, less attention was given by politicians to the implementation of the document. Specifically, budgetary allocations were made with very little regard to the prioritizations in the GPRS. Politicians were more interested in allocating the resource to satisfy their short term political goals at the expense of the medium term objectives specified in the GPRS.

One reason for this occurrence could be the relation between the Ministry of Finance and Economic Planning responsible for budget allocation and the NDPC responsible for planning. The NDPC is the planning wing of the government and comes directly under the Office of the President while the Ministry of Finance and Economic Planning allocates the resources with little focus on the GPRS document prepared by the NDPC. This brings to light the issues of the irrelevance of the GPRS. Of what use will a medium term plan- GPRS be if the budgetary allocations in the short term plan- budget that is supposed to implement the medium term plans are not consistent with the proposed allocations made in the medium term plan. Perhaps, the major relevance of the GPRS is the education that it provided for stakeholders on the different dimensions of poverty and public policy formulation.

Almost all the stakeholders interviewed were of the view that there is little political commitment on the part of government to implement the GPRS and the poor implementation could also be linked to the poor linkage between the NDPC and Ministry of Finance and Economic Planning. Even though employment creation featured prominently in the document, the lack of implementation and the poor monitoring of employment made it difficult to analyse the employment impact of the GPRS. This issue brings to the fore the relationship between political manifesto and national development plan. Should government implement what is written in its manifesto or what has been nationally agreed upon? More work should be done in these areas and on how social partners can effectively and transparently participate in the implementation and at what level.

4.6 External and Internal Factors Constraining Participation

Though the government through the NDPC is quite interested in participation, there existed some internal challenges which made participation by social partners difficult especially in the formulation of GPRS I. The NDPC reported that social partners do not have

the requisite expertise to engage in policy formulation with MDA who have been in the business of formulating, implementing and monitoring policies for many years. Social partners also alluded to the fact that their capacity to formulate policies is quite limited. Probing more on the issue, partners alluded to situations where consultants contracted to help CSPGs formulate the policies did not agree with them on some issues largely attributable to the depth of their knowledge in national policy formulation. This made it difficult for the right interface and space to be provided for effective participation by social partners.

Social partners realised these deficiencies and made efforts to build their capacities through workshops organised by International Confederation of Free Trade Unions and other organizations. Furthermore, constituents also held the view that participation came at a cost to them since they had to forgo other equally important meetings and activities directly relevant to their Union.

With regards to external challenge, discussions with social partners suggest that the capacity of the NDPC to organise participatory workshops meant genuinely to incorporate the views of the public is quite limited. The Commission has over the year, not had the expertise and skills to undertake participatory policy formulation, especially with the GPRS I which was supposed to be formulated in a short period of time. Finding itself in an area where it is not competent, the tendency was to listen to all the comments but doing very little to incorporate them. Furthermore, social partners complained of the short deadlines given them to prepare and make inputs into certain policy decisions. In addition, NDPC did not sometimes make available documents to them in advance for them to deliberate on issues before attending seminars and workshops. Social partners, especially the TUC also reported that the opportunity cost of participation in the GPRS was high. According to the TUC the internal consultations and the many meetings that they needed to attend cost them in terms of time and resources and to some extent made it difficult for them to attend to other equally important core activities of the Union.

Constituents, especially the TUC believed that external influence of Development Partners constrained engagement. According to them Development Partners set targets on macroeconomic and other important issues for government leaving, very little space for the public participation. This intuitively meant that the social partners are not able to influence conditionalities imposed by Development partners. There was serious reservation with the way Development Partners released funds and its impact on implementation. According to

constituents, Development Partners released very little funds, sometimes late, but demand conditionalities that are not possible to be attained. They stressed that Development Partners, especially the IMF, focus on economics leaving other important social components of development. For example the conditionality to maintain inflation at exceptionally low level limits government spending and consequently job creation. These, according to them, were serious external factors that constrained the formulation and implementation of the GPRS I and II.

4.7 Participation in Priority Setting and Discussions on Key Macro Issues

Priority setting is one of the important components in policy formulation since funding has always been a major constraint to the implementation of policies. Information gathered from social partners indicates that they were involved in priority setting but not in the drafting of the document. The drafting was done by technical committees but with inputs from the CSPG, in which they were effective members. Additionally they were involved in discussions on growth sectors and the allocation of resources between productive and social sectors but not in discussions around concessionary loans, macroeconomic policies, budget support, though other organizations such as Institute for Democratic Governance (IDEG), were involved in these issues.

A notable observation by partners was that issues like macroeconomic stability and loan agreements which have major impact on the formulation and implementation are reserved for MDAs and development partners with very little public participation. Social partners were excluded from consultation in Washington between the World Bank and government that determined the macroeconomic policies to be implemented and the indicator for measuring macro economic performance. Such criteria always neglected key macroeconomic variables like employment on account that there is lack of data. Good as the decision may be, it must be recognised that similar situations existed in the 1980s where there was limited information on many macroeconomic variables like inflation, interest rates, etc. However, because of the importance of these indicators structures were put in place to document them.

Discussions with the Head of the Aid and Debt Management Division of the Ministry of Finance and Economic Planning suggest that the management of aid has been the prerogative of government alone with social partners playing very little role. Perhaps, it is only in the implementation of the Multi Donor Budget Support that social partners have been

involved. This could be partially confirmed by the absence of any involvement of CSO in the ‘Harmonisation and Alignment in Ghana for Aid Effectiveness: A Common Approach for Ghana and its Development Partners’ document which highlights the principle of Country Ownership in the context of Ghana agreed on by the Government of Ghana and its Development Partners on 25 February 2005. All the principles stated in the document have virtually nothing to do with social partners involvement in aid harmonization

4.8 Social Partners Engagement in Monitoring and Evaluation

Mechanisms were also put in place to monitor and evaluate the implementation of GPRS I and II with the view to learning from them and using it to update future strategies. A comprehensive monitoring and implementation plan with indicators on all the various dimensions of poverty was developed and three groups – National Intra-Agency Poverty Monitoring Group, GPRS Dissemination Committee and the Poverty and Social Impact Assessments Technical and Advisory Committees were established to support the implementation of the monitoring and implementation plan.

Though monitoring of GPRS I and II was quite participatory involving both public and some private actors, participation of social partners appears not to be very strong. Participation to some extent was limited to the formulation of the plan. At the implementation stage they were limited to validating data most of which were not reliable. The monitoring process was also flawed with implementation challenges such as technical capacity constraints and the fragmented set of uncoordinated information at both the national and sub-national level. A consistent challenge that saddled the implementation of the monitoring and evaluation programme is data collection and the lack of proper feedback, inconsistency of data from the regional and district levels, lack of incentives to motivate staff of MDAs and the difficulty of institutionalizing the monitoring and evaluation process at the district levels (NDPC, 2005).

The Annual Monitoring Progress Report which was supposed to be produced in the first quarter always came very late. This made it impossible to incorporate lessons learnt and correct mistakes arising. In fact social partners elaborated that monitoring of the process especially its implementation was weak. One concern of social partners was the lack of annual data on employment. Social partners, especially the TUC alluded to the fact that it is not important for government to monitor employment creation and has therefore not invested

in collecting credible data on employment. Thus, macroeconomic policies and indicators did not specifically focus on monitoring employment.

4.9 Mainstreaming Decent Work Agenda and the Formation of Partnerships

A detailed study of both the GPRS I and II as well as interview with social partners indicates that key components of the Decent Work Agenda such as social protection, social security, social dialogue, skills development and employment generation, freedom of association and collective bargaining, youth employment, forced and child labour, safety nets and better, safe and healthier working conditions were adequately addressed though not properly mainstreamed. To some extent, most of these issues were treated as stand-a-lone with little linkages with other policies. Constituents confirmed playing active roles in the preparation of the policy matrix that raised these issues, provided policy responses and the strategy to implement the policies as well as determining the implementing and collaborating agency addressing these issues.

A notable observation from the discussions with the TUC, is that constituents realized that networking with other organizations with a view to presenting a common front will enable them to better influence the process. In this regard social partners participated effectively in the Growth and Poverty Forum established by IDEG with the main objective of effectively engaging in dialogue with the government on the GPRS II. The Group at its meetings reviewed the GPRS I together with the Annual Progress Reports. This provided a background for them to brainstorm on the GPRS II and make valuable contributions. The TUC were of the view that networking with other institutions through the Growth and Poverty Forum enabled them to better understand the issues in policy formulation and to influence the GPRS II. At the tripartite and bipartite levels, social partners also undertook several consultations on various occasions to address pertinent issues affecting them. The problem is how to sustain and deepen the partnerships

5.0 Conclusions

In order to reverse the economic decline that confronted the country in the early part of the 1980s, the government of Ghana with the help of the IMF and World Bank implemented the ERP/SAP with the objective of putting the country back on a sound economic track. The programme has indeed reversed the economic decline with growth in real Gross Domestic Product averaging about 4.8 per cent from 1984 to 2004 although the real per capita Gross Domestic Product of \$420 in 2001 falls short of the \$450 earned in 1960. In 2000 the government of Ghana assented to the Heavily Indebted Poor Countries

initiative which required the formulation and implementation of poverty reduction strategies. There has been some achievement in employment generation and poverty reduction since the formulation and implementation of the GPRS. Unemployment has declined from 10.4 per cent in 2000 to 7.5 per cent in 2003 and further to 5.8 per cent in 2006 while overall poverty incidence has generally reduced from 51.7 percent in 1992 to about 39.5 percent in 1998 and further down to 28.5 in 2006. Social dialogue has also improved through bilateral and tripartite consultations and has made the labour environment relative stable. In spite of the successes made, available data indicate that the Ghanaian labour market has not been able to create enough jobs for the active population. Employment growth between 1984 and 2000 is about 3.1 percent per annum and lags behind the labour force growth of about 5.8 percent per annum.

There was a serious effort by government to include mass participation in the formulation of GPRS I but the lack of capacity by social partners and other non-governmental organizations led to the involvement of think tanks and umbrella organizations in the preparation of the GPRS II. Indeed, the formation of the Growth and Poverty Forum facilitated by IDEG in which the TUC participated effectively provided a platform for the Union to network and collectively discuss the GPRS II. There exists a hypothesis that development partners influenced the GPRS I through the MDAs since they were having projects with them and there was the need to complete those projects and programmes but their influence was to some extent reduced in the formulation of the GPRS II.

One important challenge that confronts the country in the implementation of the both GPRS I and II is how to ensure the effective monitoring and evaluation of progress. Inconsistency of data from the regional and district levels, lack of incentives to motivate staff of MDAs and the difficulty of institutionalizing the monitoring and evaluation process at the district levels has made it difficult to effectively monitor the process and to learn lessons (NDPC, 2005). Annual Progress Report usually comes very late, making it impossible to incorporate lessons learnt and correct mistakes arising. A notable observation from the discussions suggests that both GPRS I and II made a difference in terms of the overall government approach to development. The government of Ghana now has a positive view of participatory policy formulation though the same cannot be said on the implementation. This has partly been made possible because of the conditionality from development partners who made participatory process in the GPRS mandatory. In fact social partners were of the view

that without the backing of Development Partners consultation would not have been that intense in the formulation of the GPRS.

Involvement of stakeholders and the broader discussion of poverty enabled the government to understand the various dimensions of poverty at both the national and local level and this helped strategise to tackle poverty. In spite of these achievements, there exist some questions that need to be addressed in order to make participatory processes more relevant to the formulation and implementation of PRSs.

Though much was done to ensure that the decent work agenda is taken into consideration by GPRS I and II, the same cannot be said about wages. The decent wage component of the decent work agenda appears to have been assumed as an automatic outcome of employment creation. There exists a perception that the documents did not touch on fair wages because of conditionalities by IMF which prevented increases in the wage bill. Furthermore, social partners effectively participated in discussions on growth sectors and the allocation of resources between productive and social sectors but not in discussions around concessionary loans, macroeconomic policies and budget support.

Constituents reported solely developing the Employment matrix in the human resources development theme of the GPRS II though they were alienated from the implementation. Additionally, some of the policies were legalised and institutionalised. For example, the Labour and Disability Acts are to some extent a direct outcome of deliberations from the GPRS I and II.

One important observation is that budgetary allocations were made with little regard to the prioritizations, especially in the GPRS I. One possible explanation could be the disjointed relation between the Ministry of Finance and Economic Planning responsible for budget allocation and the NDPC responsible for planning. It has been argued that politicians were more interested in allocating resources to satisfy their short term political goals mainly detailed in their manifestos. The quest by politicians to fulfil promises in their manifestos makes it relevant to know the relationship between political manifesto and national development plan. Should governments implement what is written in manifestos which have not been discussed by Ghanaian or implement what has been nationally agreed upon by the country? In the light of these developments, one can argue that the major relevance of the GPRS is the education that it provided for stakeholders on the different dimensions of poverty and the process of public policy formulation.

There exist some challenges that constrained participation. The lack of capacity of social partners to effectively carry out a comprehensive, participatory consultation exercise with all the requirements in terms of personnel, expertise and documentation that has been the preserve of public servants and the lack of experience by the planning authority to engage in participatory processes posed a challenge to participation. Inadequate time to prepare and little advanced information on the subject also made it difficult for social partners to participate effectively. These have prompted social partners especially the TUC on the need to upgrade their research division and to undertake activities and research that will help them influence national policies.

It must be emphasised that a good balance between government, development partners and non governmental organizations in the formulation, implementation and monitoring of development plans to benefit the country is achievable but not without special efforts. Such a balance allows each stakeholder to play its role in an efficient manner and ensure the creation of decent jobs for majority of Ghanaians. The multi-dimensional nature of the problem means that the country requires multi-faceted measures integrating legal, institutional and administrative changes, supported by all stakeholders. Such measures should include but not limited to building the capacity of social partners to enable them effectively participate in policy formulation, implementation and monitoring; defining the role of each stakeholder in the policy formulation implementation and monitoring chain; defining and providing guideline for participation; defining the level and nature of participation that will be considered adequate; streamlining and investing in data collection, especially on employment to make it easier to assess progress; deepening networks among social partners to enable them have a common voice; undertaking researches that will help mainstream labour market issues into all themes of the GPRS; defining and providing explicit guidelines on how government can involve social partners in the implementation of policies; urging Development Partners, especially the World Bank and the IMF to make employment a key factor in macroeconomic stability; properly linking the work of the National development Planning Commission with that of Ministry of Finance and Economic Planning and encouraging government to have the political will to implement nationally accepted policies than political manifestos.

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