

# The Informal Sector in Ghana

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80 percent of the Ghanaian workforce is employed in the informal sector. The sector is characterized by underemployment, bad working conditions, uncertain work relationships and low wages. The majority of people are living with high income insecurity.

The trade unions are facing major challenges to organize workers in the informal sector to ensure that the employees are working in an environment which is not harmful to them and secures their basic human needs.

The topic of the paper has not been researched in detail and there is a need to act in future to ensure that the majority of the workforce in the country is not deprived.

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# 1. INTRODUCTION AND BACKGROUND

## 1.1. Introduction

Widespread economic restructuring of the past decades - a shift from manufacturing to service sector jobs compounded by both the world food crises and the recent Great Depression has resulted in an increase in forms of marginal employment and an increase in small businesses, and a decline in male labour market participation - has changed the way people are connected to the labour market. Scholars have begun examining how these changes affect personal employment decisions. At the same time, there are heightened interests in the extent to which informal economic activity exists.

Since the discovery of the concept, 'informal sector,' in Hart's (1970) seminar work on urban informal sector in Ghana, it has not lent itself to a comprehensive and a universally accepted definition. A number of attempts made by different researchers and national authorities (i.e. governments) to define the concept have resulted in diverse definitions. Friedrich and Dominik (2000) state that, 'attempts to measure the shadow economy (i.e. informal sector) first faced the problem of defining it'. There are varied definitions of the concept in the existing literature. Some definitions given in the literature are presented as follows:

- (a) *"All economic activities that contribute to the officially calculated gross national product but currently unregistered". ( Feige, 1989).*
- (b) *"Market-based production of goods and services, whether legal or illegal, that escapes detection in the official estimates of the gross domestic product".( Smith , 1994).*
- (c) *"Unregulated economic enterprises or activities"(Hart,1973).*

Farrell et al (2000) stated that "currently there are two approaches to defining informal sector activity: the definitional and behavioural". According to the definitional approach, *'Informal sector is economic activity unrecorded in the official statistics such as the gross domestic product and /or the national income accounts' (Farrell et al, 2000)*. Behavioural approach, on the other hand, maintains that *'informal sector is based on whether or not activity complies with the established judicial, regulatory, and institutional framework (Farrell et al, 2000)*.

The origin of the informal sector in Ghana's economy can be traced back to the very beginnings of colonial capitalism in the then Gold Coast. Even at such an early stage an essential feature of labour in the informal sector was its heterogeneous character that provided for varieties of peasant proprietors and agricultural labourers, distribution agents, buyers, transport owners and employees, porters, repairers, etc. (Ninsin, 1991; Adu-Amankwah, 1999).

Throughout the decades, instead of disappearing as the modern economy expanded, the informal sector has actually grown in the rural and urban areas of Ghana. The size of Ghana's informal sector is placed at 80 per cent of the total labour force (Hormeku, 1998). The large-scale retrenchment of labour as overriding consequences of structural adjustment in Ghana in the mid-1980s, coupled with the inability to provide employment for the emerging labour

force has created a large pool of unemployed persons who have naturally gravitated towards the informal sector. According to Nyameky (2009), the size of the informal sector employment in the 1980s was twice that of the formal sector. However, by the 1990s, informal sector employment had increased by five and half (5½) times that of the formal sector (ibid). Growing informality is partly explained by low educational attainment. About 31 percent of Ghanaians aged 15 years and above have never attended school. A total of 55.7 percent of Ghanaians have attained only basic education and 13.6 percent have attained secondary education or higher. Generally, Ghanaian men have higher educational attainment than women (GSS 2008).

The inability of the formal private sector to generate jobs in their required quantities has also pushed many into the informal sector. As government continue to maintain a policy of net hiring freeze into the public sector and private sector firms fold up or switch to importation due to unfair competition from foreign companies, the formal sector continues to lose grounds in terms of its share of total employment. In the absence of appropriate social protection mechanisms (e.g. unemployment benefit) informal activities have become survival strategies for many Ghanaians; old and young.

The informal sector in Ghana is made up of proprietary of micro and small-scaled enterprises. It consists of producers, wholesalers, retailers and consumers. There are also intermediary service providers along the value chain such as suppliers of raw materials to manufacturers on contractual basis. Informal sector workers are largely self-employed persons such as farmers, traders, food processors, artisans and craft-workers to mention but a few. The sector consists of varied activities. In rural Ghana, informal sector work mainly involves agriculture (75%) (GSS, 2008), fishing and fish processing, agro-based processing. In contrast, more urban workers (43%) are engaged in non-agricultural activities.

Labour for rural agriculture activities is in the forms of family, casual/permanent, apprenticeship, communal and child labour. Permanent labour relations are common on plantations such as cocoa, oil palm, coconut and rubber produce (APADEP, 1998). Casual workers earn daily wages in performing activities such as land clearing, weeding, preparing moulds, planting, fertilizer and chemical application and harvesting. Again and in contrast with urban centres, labour is largely wage-based, either on piece rate or fixed daily/monthly wage. Child labour is also prevalent in both urban and rural areas.

A significant number of informal sector workers in Ghana are trapped in poverty as they do not earn enough to lift themselves and their families out of poverty. Linked to the high prevalence of poverty among informal economy operators is the lack of access to productive resources, especially capital. It is estimated that between 80-90 percent of the population in developing countries have limited or no access to credit facilities beyond what is provided by family members, friends or informal money lenders<sup>1</sup>.

Lack of skills and technology has affected the level of production among informal sector workers. They employ traditional and manual technologies of production and thus work longer hours but produce little. Informal sector workers are either ignorant about safety issues in their field of work or they simply cannot afford protective gadgets. Most workers in the sector are exposed to bad environmental and other hazardous conditions that constitute a threat to health and safety. Other decent work deficits in the informal sector in Ghana are

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<sup>1</sup> M. Robinson, "The Paradigm Shift in Microfinance: A Perspective from HIID. *Development Discussion Paper. No. 510, Harvard Institute for International Development. (1995).*

lack of job security and social protection to include pension, maternity leave and paid sick leave to mention but a few.

Informal sector workers escape the regulation of government and as consequence suffers neglect of policy makers. Often times, informal sector workers are victims of policy interventions (e.g. city decongestion) initiated by local governments- District, Municipal and Metropolitan assemblies- as mostly seen in Accra and Kumasi metropolis. Their escape has also culminated in evasion of their civil responsibilities such as tax payment and other responsibilities associated with their work. For instance, many employers in the informal sector do not honour labour obligations set out in the Labour Act.

As a result of all the above challenges, the sector has received increasing attention in the labour and development discourse of Ghana. It has, in effect, been the target of some policy initiatives and activities by certain governmental and nongovernmental institutions and organizations, including the trade unions. Unfortunately however, not much progress has been made in transforming the sector by the government but also trade unions. Traditionally, trade unions have organized from formal sectors. Although some trade unions have in the last three decades been organizing informal workers, very little has been attained<sup>2</sup>.

## **1.2. Macro-economic Situation of Ghana**

The 2010 provisional census results estimated Ghana's population at 24,233,431 made up of 11,801,661 males (48.7 %) and 12, 421,770 females (51.3 %). Ghana's population growth rate declined from 2.7 percent per annum to 2.4 percent between 2000 and 2010 (Ghana Statistical Services (GSS), February 2011). The population of Ghana is very youthful, with an estimated 33<sup>3</sup> percent trapped in the 15 to 35 years age bracket<sup>4</sup>.

Ghana has made some progress in establishing and maintaining a sound and stable macroeconomic environment, a break from the numerous setbacks suffered in the early years of postcolonial rule<sup>5</sup>. The establishment of an independent Monetary Policy Committee, government's fiscal discipline and the debt relief under the Highly Indebted Poor Country (HIPC) initiative created a conducive environment for macroeconomic stability and accelerated growth. Ghana's real Gross Domestic Product (GDP) growth rate has risen to 5 percent in the past 25 years, from an average of 4 percent in the mid-1980s (see Figure 2.5 below). In the last three years, average growth has exceeded 6 percent. According to the Ghana Statistical Services, Ghana's GDP growth rate in 2008 was 8.4 percent, the highest in two decades. In 2009, Ghana registered a decline in GDP growth rate (4.0 %) but that was attributed to the global economic crisis and other domestic fiscal challenges. Revised GDP growth rate in 2010 was 7.7 percent (GSS, May 2011). Provisional estimates indicate that

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<sup>2</sup> The General Agricultural Workers Union (GAWU) has been organizing self-employed agricultural workers since 1979.

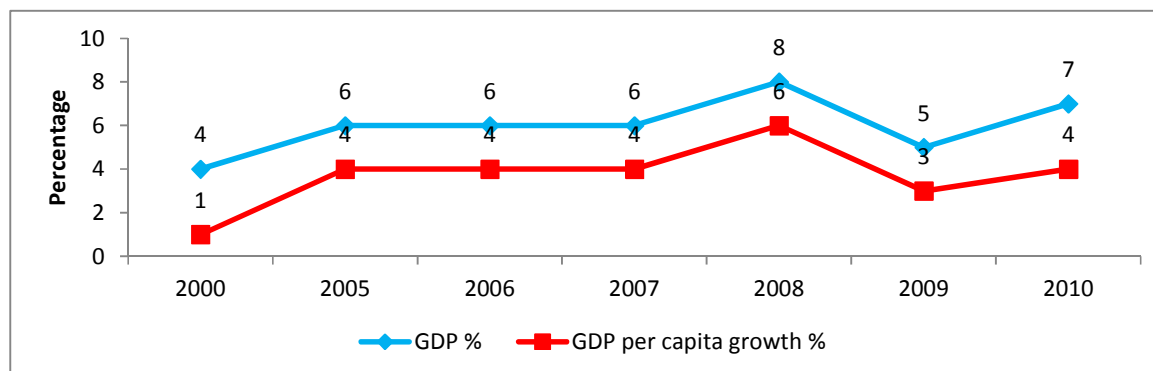
<sup>3</sup> These figure though is subject to change after the 2010 Population and Housing census.

<sup>4</sup> Ministry of Youth and Sports (2010) National Youth Policy of Ghana: Towards an Empowered Youth, Impacting Positively On National Development

<sup>5</sup> (Bureau of African Affairs, 2010)

Ghana's growth rate for 2011 is 13.6 %, driven largely by high growth rate of 36.2% by industry compared to its 5.6 % growth in 2010<sup>6</sup>.

**Figure 2.5: Trends in GDP and GDP per capita growth rate (%) in Ghana from 2000-2010**

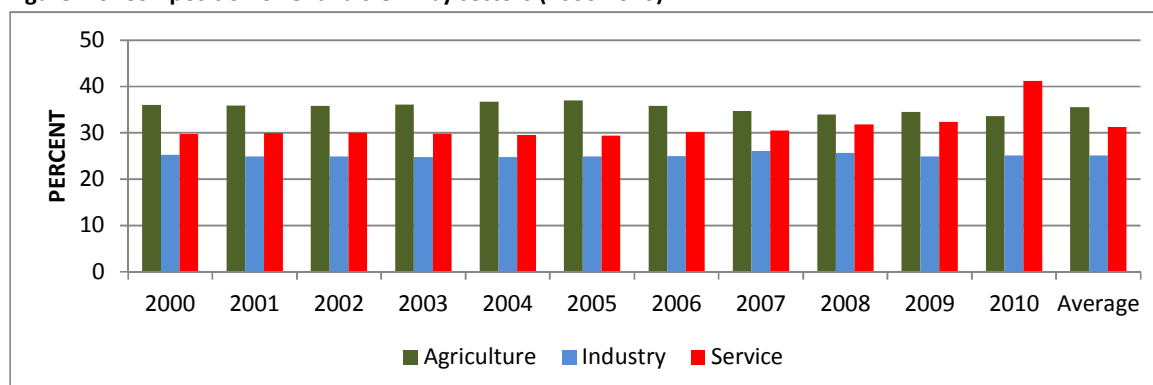


Source: Africa Development Indicators (ADI): WDI

In November 2010, Ghana was deemed to have attained a lower middle income status after rebasing of the National Account to reference year 2006. The rebased Gross Domestic Product was GH¢44 billion [USD\$ 30bn], 60 percent more than what had been previously estimated. A revised 2010 GDP was GH¢ 46 billion, giving a per capita income of GH¢ 1,907 (US\$ 1,343) (GSS, May 2011).

A significant outcome of the rebasing exercise was the takeover by the service sector from agriculture as the major contributor to GDP. In 2010, the service sector contributed 51 percent compared to 30 percent from agriculture and 19 percent from industry. Yet, Ghana is dependent on primary commodity export products like cocoa, gold, timber and manganese as well as non-traditional products such as pineapple, mangoes and artifacts among others. Ghana has become an oil producing country since December 2010.

**Figure 2.6: Composition of Ghana's GDP by sectors (2000-2010)**



Source: state of Ghanaian Economy 2010

<sup>6</sup> Ghana Statistical Service (2011) Provisional GDP for 2011. <http://www.mofep.gov.gh/>

Until recently, Ghana had a relatively high inflation regime. Inflation in Ghana had in the past years averaged above 15 percent. Since June 2009 however, inflation has been on a consecutive decline<sup>7</sup>. Ghana has since June 2010 recorded single digit monthly inflation and it is projected to record a single digit annual inflation in 2011.

**Table 2.2: Inflation and interest rates in Ghana from 2000-2010**

Year	Actual inflation rates	% change	Actual Interest rates	% change
2000	25	26	-	-
2005	15	15	15	17
2006	11	11	13	14
2007	11	11	14	15
2008	17	17	17	19
2009	19	19	18	20
2010	-	-	14	15

*Source: Africa Development Indicators (ADI): WDI and (Bank of Ghana)*

Through the newly established Ghana Revenue Authority which comprises the Internal Revenue Service (IRS), Value Added Tax (VAT) Service and the Customs, Excise and Preventive Service (CEPS), the Ministry of Finance and Economic Planning (MoFEP) mobilizes revenue for national development. Over the years however, MoFEP has had some problems extracting tax revenue from the broader economy [particularly the informal sector]; and has continued to rely more on relatively easily collected tariffs and duties, rather than direct taxes<sup>8</sup>. According to MoFEP, in 2010 tax revenues excluding grants and import exemptions accounted for 14 percent of Ghana's GDP<sup>9</sup>. Table 2.1 below gives a breakdown of government revenue as a proportion of GDP and the contributions on the various tax sources to overall tax revenue. The contribution of tax revenue to GDP declined by 27 percent compared to the 42 percent recorded in 2009. Additionally, while direct taxes contributed 39 percent in 2010 compared to 37 percent in 2009, the contribution of indirect taxes declined from 35 percent in 2009 to 32 percent in 2010 (see table 2.1 below) .

**Table 2.1: Distribution of Government Revenue as a proportion of Gross Domestic Product (GDP) in Ghana**

<b>A. Government Revenue as a proportion of Gross Domestic Product (GDP)</b>							
	2008	% share of GDP	2009	% share of GDP	2010	% share of GDP	Overtime change
Total receipts	4,802,406,319	25	5,673,980,934	25	7,730,623,824	25	0.61
Total revenue including grants	5,623,176,945	29	6,775,165,325	30	8,810,856,711	29	0.57

<sup>7</sup> Ghana has since June 2010 being recording single digit inflation on consecutive decline. Inflation in January and February 2011 inched up to 9.1% and 9.16% respectively, being the result of increases in petroleum products.

<sup>8</sup> [Ministry of Finance and Economic Planning – [http://www.mofep.gov.gh/fiscal\\_data.htm](http://www.mofep.gov.gh/fiscal_data.htm), 2009]

<sup>9</sup> Ministry of Finance and Economic Planning, Ghana 2010 Fiscal Data [http://www.mofep.gov.gh/fiscal\\_data.htm](http://www.mofep.gov.gh/fiscal_data.htm). Note that this calculation uses the MoFEP classification of tax revenues, which includes direct taxes, indirect taxes, international trade taxes, the CEPS and VATS collection components of the National Health Insurance Scheme, and import exemptions.



Total revenue excluding grants	4,802,406,319	25	5,673,980,934	25	7,730,623,824	25	<b>0.61</b>
Tax revenue	4,299,451,807	22	4,657,527,464	20	6,294,697,434	21	<b>0.46</b>
<b>Gross Domestic Product</b>	<b>19,527,441,390</b>		<b>22,780,654,657</b>		<b>30,566,801,793</b>		
<b>B. Total tax revenue and the contribution by each revenue source</b>							
	<b>2009</b>	<b>% share of tax revenue</b>	<b>2010</b>	<b>% share of tax revenue</b>			
Indirect taxes	1,598,607,352	<b>35</b>	1,992,632,139	<b>32</b>			
Direct taxes	1,716,906,199	<b>37</b>	2,453,953,100	<b>39</b>			
International trade taxes	762,667,688	<b>17</b>	1,146,148,621	<b>18</b>			
<b>Tax revenue</b>	<b>4,615,817,209</b>		<b>6,294,697,434</b>				

Compiled by CDD-Ghana from [www.mofap.gov.gh](http://www.mofap.gov.gh)

### 1.3. Labour Market Situation in Ghana

The Ghana Living Standard Survey V (GLSSV, 2005/2006) conducted by the Ghana Statistical Services (GSS) showed that seven out of every ten of the working age population (15 and 64 years) is economically active. Males recorded a higher activity rate (54.9 %) compared to females (53.4 %). Economic activity rate is also higher in rural areas (58.6 %) compared to urban areas (47.3 %). Majority of the employed are concentrated in three major sectors of the economy namely agriculture (55.8 %), trading (15.2 %) and manufacturing (10.9%). Other industry groups employ about 18 percent of the employed. More urban workers are engaged in non-agricultural activities (43 %) whereas their rural counterparts work mainly in agriculture (75 %) (GSS, 2008).

Among the working age population (15-64) there are more males (25 %) in wage employment compared to females (8.2 %). Wage employment is prevalent in urban areas (33.8 %) compared to rural areas (7.3 %). Two thirds (66.7 %) of working people are employed in the private sector and the remaining in the public service (28.5 %). Apprentices constitute about 2.3 percent of the employed population.

As indicated earlier, employment in Ghana is predominantly informal. More than 80 percent of the employed are working in the informal sector. Over half of the employed (55.9 %) are own-account workers (self-employed); 20.4 percent are employed in family enterprises and 17.6 percent are wage employees. Majority of the employed (80 %) operate in three main occupational categories such as agriculture/fishery workers (55.1 %), craft and related trades workers (13.4 %) and services/ sales workers (13 %). More urban workers are engaged in non-agricultural activities (43 %) whereas their rural counterparts work mainly in agriculture (75 %) (GSS, 2008). The majority (30.5 %) of self-employed are into agriculture (without employees). This was followed closely (23.6 %) by contributing family workers also into

agriculture (without employees). There are also employees, contributing family workers and apprentices engaged in non-agricultural economic activities.

The GLSS5 (2006) estimated unemployment<sup>10</sup> rate of 3.6 percent for the working age population (15 years and above) and underemployment<sup>11</sup>, wherein some of the employed are working for 40 hours a week or less and desire more hours of work, rate of 7.3 percent. Unemployment rate is about the same for males and females but it is much higher in urban areas (6.3 %) particularly Accra (8.9 %), the capital city, compared to rural areas (1.6 %). Generally however, unemployment is believed to be higher than estimated. The presumed under-estimation of unemployment is attributed to the definition adopted by the Ghana Statistical Services. The Ghana Statistical Services defined the unemployed to include all persons who did not work but were actively seeking work or were at least available to take up work if they were offered during the reference period of the survey (i.e., the last seven days prior to the survey). Using this definition, people who were engaged in any form of economic activity, whether on gratis or for income/profit were regarded employed.

#### **1.4. Methodology**

The study employed qualitative methods such as interviews and focused group discussion in gathering data. Primary data was gathered through a focused group discussion held with members of the StreetNet Ghana, a not for profit non-governmental organization based in Accra on August 24 2011. Interviews were also held with five street vendors and three domestic workers. The latter were sampled through snow ball method while the former given the nature of their occupation were accidentally or conveniently sampled. Trade union leaders and officers were also interviewed.

The primary data was supplemented by secondary data sources such as articles, surveys and other studies conducted on the informal sector and informal sector workers in Ghana by organized labour and other labour and development economists.

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<sup>10</sup> The unemployed in Ghana in the perspective of the GLSS V referred to the proportion of the economically active population aged 15 to 64 years who were not working in the seven days prior to the interview but were available for work.

<sup>11</sup> Underemployment in Ghana in the perspective of the GLSS V is the situation wherein some of the employed are working for 40 hours a week or less and desire more hours of work.

## **2. MAJOR FORMS OF INFORMAL SECTOR ACTIVITIES IN GHANA**

### **2.1. Forms of Informal Economy Activities in Ghana**

Data for the discussion on the form and nature of informal sector in Ghana is drawn largely from literature documented by Adu-Amankwah (1999) in his analysis of a GTUC leadership group survey in 1995.

The informal sector in Ghana can be categorized under two (2) broad sectors:

- (i) Rural informal sector
- (ii) Urban informal sector

### **2.2. The Rural informal labour**

For the rural sector, the following features were identified:

(i) Agricultural activities. These are predominantly farming units dependent on family labour and are made up of a large number of small farmers in the rural and semi-urban areas. The farmers are mostly illiterate or semi-illiterate and have no formal training. Farming skills are acquired through apprenticeship. Family labour and low-technology pooled labour is what is usually available and land is acquired typically on usufruct basis from family and community assets.

(ii) Fishing and fish processing activities. These are found mostly along Ghana's coastline and are mainly composed of married males aged between 18 and 40 years. These predominantly illiterate workers acquired their swimming skills through experience from their early childhood. The value added and processing activities that include smoking and marketing the fish is basically undertaken by women who are either wives or close relatives of the fishermen.

(iii) Rural agro-based processing activities. These include processing cassava into gari, cassava dough; palm kernel, groundnut and copra oils, palm wine tapping, local pito brewery, local gin distillery, and traditional soap-making. These activities are dominated by married female workers, and predominantly illiterate. Their skills are acquired from within the family. Their experience of seasonal underemployment is pronounced. Mostly married, with children, they lack social security protection.

There are also the forest product workers, mostly male, namely, carpenters, rattan and bamboo craftsmen, wood carvers and woodworking machine operators.

### 2.3. Types of labour in rural informal economy

Drawing from the above, the types of labour in the rural informal economy as identified by APADEP (1998) and Adu-Amankwah (1999) are described below. It is worth emphasizing that the different kinds of employment contracts under which the various types of rural labour are engaged constitute their distinguishing features:

(i) Family labour is a distinctive characteristic of rural informal labour. It permeates all the sub-sectors within rural agriculture. It is predominant in both food and cash crop farming, and in fishing and agro-processing. From a labour market and economic standpoint, family labour is considered crucial for the survival and viability of the enterprise. It is also used as a kind of apprenticeship for the transfer of skills from one generation to the next.

(ii) Casual labour. Known in local parlance as “by-day”, it is the next major type of labour in the rural informal sector. It is prevalent in the food and cash crop sub-sector where it is needed to carry out work including land clearing, preparation of mounds, planting, weeding, fertilizer and chemical application, and harvesting. Casual labour exists under different kinds of contract, and has a high level of mobility migrating from the northern half of the country and even from beyond the northern borders (from Burkina Faso) to work on cocoa, coconut and oil palm farms in the Asante, Eastern and Western regions of Ghana. In the BrongAhafo region, these workers are engaged on maize and yam farms and perform a variety of assignments, such as land-clearing and preparation, the making of mounds, and planting.

They return to their regions of origin to make use of the farming season there also. Where they are not migrants, many casual workers also have their own farms where they grow crops for subsistence. Payment for casual workers is in cash, but can also be in kind.

(iii) Apprenticeship<sup>12</sup>. In Ghana, there is a highly developed apprenticeship system where young men and women undertake sector-specific private training, which yields skills used primarily in the informal sector. Apprentices make up nearly 25% of working-age Ghanaians (Monk, Sandefur and Teal, 2008). In the rural informal economy, systems of apprenticeship exist within the fisheries and the agro-processing sub-sectors - especially in oil palm extraction, coconut oil extraction and shea butter processing. Apprentices are normally not paid, but they may receive cash as pocket money or, as in fishing, be provided for in kind, for example fish.

(iv) Permanent labour. This constitutes a relatively small proportion of the rural agricultural labour force. The size of the farm and the degree of permanence of the crop type determines to a large extent the permanence of labour. Perennial tree crops like cocoa, oil palm, coconut and rubber produce permanent workers.

(v) Communal<sup>13</sup> labour. This is an arrangement by which farmers within an area bound by common agreement pool their labour together to assist each other in turns. Traditionally, most West African societies have relied on forms of cooperative labour for the provision of

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<sup>12</sup> Monk, Sandefur and Teal(2008) Does Doing an Apprenticeship Pay Off? Evidence from Ghana. Centre for the Study of African Economies, Department of Economics. University of Oxford. CSAE WPS/2008-08

<sup>13</sup> Tsey K (2010) The role of customs and beliefs in legitimating community development participation in Botoku, rural Ghana: implications for substance abuse prevention. Forum on public policy.

public amenities. All able bodied people belonging to a village would pool their labour periodically under the auspices of the chiefs and clan leaders to construct and/or maintain public facilities such as tracks and pathways to the farms and creeks where water was collected, build and maintain the village gathering or meeting place, as well as organise fighting forces to protect the village from intruders.

(vi) Child labour. This form of labour is an important component of the informal sector workforce. It is an integral part of family labour, especially in the rural agricultural environment especially. Different categories of children are found in the labour chain in rural communities in Ghana: those who have never been to school, those who have dropped out of school and those who are still in school but assist their parents. Some children are engaged by a parent or a close family member and may be paid or not. There are also children employed by non-relatives. Such children are usually out of school and fully on the labour market.

Child workers are engaged in a wide range of economic activities. In the fisheries sub-sector across the coastal belt, these include mending nets, net dragging, scooping water out of a canoe, cleaning canoes and portage. In the farming areas, noticeably in the Northern and Upper East regions, child workers are engaged in land preparation, planting, weeding, harvesting, shea nut picking and processing. In the rice farms, both in the north and southern Ghana, children, especially girls, act as bird scarers and operate from sunrise to sunset (Adu-Amankwah, 1999).

#### **2.4. Urban informal workers**

The urban informal sector in Ghana, as elsewhere in Africa (ILO, 1997; Adu-Amankwa, 1999), is remarkable for its heterogeneity and variety. As indicated earlier a study of the urban informal economy in Ghana by Hart in the 1970s was the turning point for studies on informal economies in developed and developing economies around the world. Studies on the urban informal sector in Ghana reveal a wide range of operations in the urban informal sector that can be grouped under (i) services; (ii) construction; and (iii) manufacturing.

##### **(i) Services:**

- Urban food traders and processors include food sellers in the market, itinerant wholesalers and retailers, bakers, caterers and cooked-food sellers. These workers are mostly women, predominantly illiterate or semi-illiterate. They acquire their knowledge and skills largely from family. They are also low-income earners and have no social security protection;
- health and sanitation workers - chemical sellers, drugstore operators, funeral undertakers, night soil carriers, refuse collectors, traditional/herbal healers, attendants in private maternity homes, and traditional birth attendants;
- Domestic workers, who are also predominantly women and have limited social protection and job security;
- repairers of watches, refrigeration equipment, radios, mechanical or electrical/electronic equipment, mostly young male workers and have either received some basic education or are drop-outs, but among whom are to be found skilled workers whose skills are largely acquired through years of apprenticeship;

- garages - auto mechanics, sprayers, welders, vulcanizers, auto electricians, many of whom received some basic formal education alongside many drop-outs, and acquired their skills through years of apprenticeship;
- graphic designers, mostly males, about two to six workers in each unit who acquired their skills through limited vocational training and apprenticeship;
- audio-visual workers - photographers, cinema/video operators, performers, musicians, film-makers - are skilled workers who have received basic formal education but limited formal vocational training and apprenticeship - who are mostly male but among whom the number of females is increasing;
- hairdressers and barbers/private security men who are aged workers with very low educational standards, ill-equipped, lack job security and opportunities for career advancement, and without any social security protection.

(ii) Construction: Construction workers – made up of masons, carpenters, steel benders, small-scale plumbers, house-wiring electricians, and carpenters who are mostly young males, and are mostly school drop-outs. Electricians often have some basic training, while all the other groups go through years of apprenticeship.

(iii) Manufacturing: In this sub-sector of the informal sector, the predominant activities cover food processing, textile and garments, wood processing and metal works. Women dominate food processing while men constitute a clear majority in metal works and wood processing. Apprenticeship is the most common form of skill acquisition and employment in urban informal manufacturing units.

## **2.5. Characteristics of urban informal economy in Ghana**

The urban informal sector especially is associated with certain characteristics that have been grouped into four main categories according to the existing literature as highlighted by Ofori 2010 in his work on Taxation and the informal economy in Ghana.

These include the following:

- i. Employment (characteristics of the people engaged in the informal sector);
- ii. Enterprise (characteristics of the activities in the informal sector);
- iii. Habitat (characteristics of the informal sector land and housing);and
- iv. Credit (characteristics of the informal credit markets) (Farrell et al, 2000)

The above mentioned characteristics are examined as follows.

### **2.5.1. Employment Characteristics of the People Engaged in the Informal Sector**

These characteristics are considered as follows:

#### **a) Absence of official protection and recognition**

The urban informal sector entrepreneurs do not enjoy protection from the state machinery in the form of legislations against any unscrupulous fraudsters who may defraud such entrepreneurs in the course of business dealings. Because the operators in the sector do not want to be identified for fear of being taxed, they avoid being recognized and hence do not enjoy the protection that may be available to them from the state (Farrell et al, 2000; Ofori, 2009).

#### **b) Predominance of self-employment work**

There is no gainsaying the fact that operators in the informal sector are self-employed operating from their homes most often, with others using any available public space (popularly referred to as 'no man's land'). With a table and a chair one could easily start up own business with family assistance (Farrell et al, 2000; Ofori, 2009).

#### **c) Non coverage by minimum wage legislation and social security**

Most, if not all, employed in the urban informal sector often get paid far below the national minimum wage and most urban informal sector employers fail to contribute to pension scheme on behalf of their employees. These employers escape appropriate sanctions as their illegal activities are hidden from the law enforcement agencies (Farrell et al, 2000). The employees also fail to report their employers either for fear of been 'fired' or out of gross ignorance of the law (Farrell et al, 2000; Ofori, 2009).

#### **d) Absence of trade union organization**

Informal sector operators in the urban economy are individualistic in nature compared to their rural counterparts with a wide range of activities which make it extremely difficult for the formation of trade unions for the protection of the interest of the members. At any rate, formation of such trade unions may 'expose' the informal operators and risked being formalized (registering with an appropriate body) and subsequently pay tax for which reason some operate informally.

#### **e) Low income and wages**

The people employed in the informal sector are generally paid low salaries and wages due largely to the fact that there is excess labour supply and lack of skills that may attract higher wages. The entrepreneurs also get low return on their investment as a result of keen competition in that sector (Farrell et al, 2000; Ofori, 2009).

#### **f) Little or no job security**

The employees in the informal sector could lose their jobs at any time at the whims and caprices of their employers. The employees cannot take any legal actions for any unfair dismissal as there is usually no binding contract of employment. No compensation is usually paid for such dismissal (Farrell et al, 2000; Ofori, 2009).

### **2.5.2. The Enterprise Characteristics of the Activities in the Informal Sector**

The economic activities taking place within the informal economy exhibit certain unique characteristics which are considered below:

#### **a) Small scale operation with individual or family ownership**

According to Yankson (1992) “the typical urban informal sector enterprise is individually-owned and operated, generally for less than five years duration”. Often, the size is determined in terms of the number of employees including apprentices and family members engaged or capital invested. The average size of employment is four though the number may vary with the nature and type of activity – from sole-ownership to partnership and family ventures and cooperatives.

#### **b) Ease of entry**

The capital requirement for operating in that sector is rather very low and so anybody at all at any time may decide to set up business in the urban informal sector. There are also no regulatory requirements for entering into that sector. Yankson (1992) indicates that “capital intensity in this sector is low – most of the entrepreneurs use labour-intensive technology, with the largest units having the most fixed capital per employee”.

#### **c) Reliance on locally available resources**

Urban informal sector businesses are quite small in size and lack capacity to do off-shore acquisition of resources- material, human and financial – for the running of the business. Hence the informal sector businesses tend to rely more, if not solely, on the local resources. The resources are acquired from various sources, sometimes new or second-hand or self-constructed but very rarely imported. So also for their raw materials, informal sector entrepreneurs depend largely on the local resources, primarily from the formal sector units in the cities (Barwa, 1995; Ofori, 2009).

#### **d) Family ownership**

Like the rural informal sector, family ownership dominates the ownership of the informal sector businesses in urban areas. This is largely due to the fact that family provides cheap source of labour for the business. The lack of trust on the part of individuals does not promote formation of partnerships and joint ventures in the informal economy.

#### **e) Labour intensive and adopted technology**

The level of technology, employed in the urban informal sector business units is low and in poor conditions (Yankson, 1992; Barwa, 1995; Ofori, 2009; Osarenkhoe A (2009) ). The equipment used by informal sector entrepreneurs are self-crafted or bought locally with subsequent improvements made by the entrepreneurs. The informal sector displays ‘technological ingenuity’ by using locally made equipment. The operators lack adequate financial resources to import more advanced technology. The sector relies heavily on the labour for its production.



### **2.5.3. Habitat Characteristics of the Informal Sector Land and Housing**

These characteristics relate to the use of land and housing by the urban informal sector operators.

#### **a) Unauthorized use of vacant public or private land**

The unpublished report on the Mission of UNIDO official to National Board for Small Scale Industries, Accra, states that informal sector operators function from clusters, closer to cities, especially those engaged in auto repairs, metal works, but may also be strategically located at specific points to reach the maximum number of clients. In developing countries, kiosks and small containers owned by the informal sector operators litter every conceivable nook and cranny in the cities and towns (Barwa, 1995; Ofori, 2009).

In addition, urban informal sector operators tend to put up houses on the land from where they operate their businesses. They have no legal title to the land on which they construct such structures. This in some cases has resulted in environmental disaster such as 'Sodom and Gomorrah' in Accra (Barwa, 1995; Ofori, 2009).

The operators in the informal sector cannot afford to purchase quality building materials due to the high cost involved. They tend to put up structures that are of poor standards resulting from the poor quality of the materials used. The end result of these structures is the slums springing up in the urban centers. This situation possesses environmental and health challenges to the governments of various states especially in the developing countries (Ofori, 2009).

### **2.5.4. Credit Characteristics of Informal Credit Markets**

These characteristics deal with credit facilities in the urban informal sector.

#### **a) Easy accessibility**

Indeed, some if not most, of the informal sector businesses thrive on granting credit to their clients. Informal sector goods and services are primarily patronized by the poor class. Credit, therefore, is an inevitable practice for success in the informal sector (Barwa, 1995; Ofori, 2009).

#### **b) Availability in very small and for short terms**

The credit is granted on very small scale as the informal sector businesses are not big to grant large credit. Hence the credit is usually for relatively short term (Barwa, 1995; Ofori, 2009).

Compared to the formal sector procedures in granting credit – such as creditworthiness assessment, on the contrary, in the informal sector credit is usually granted to people known to the operators hence no need to critically assess the individuals being granted credit (Barwa, 1995; Ofori, 2009).

### **3. LEGAL AND INSTITUTIONAL FRAMEWORK FOR WORKERS IN GHANA**

#### **3.1. International Treaties and Conventions promoting workers' rights in Ghana**

Ghana is a signatory to a number of International Human Right treaties including the Covenant on Economic, Social and Cultural Rights. It has ratified 50 ILO Conventions including the eight (8) core Conventions<sup>14</sup>. To a large extent, Ghana has domesticated some of these international laws and treaties to promote the rights of workers through passage of legislative instruments and institutional arrangements.

The labour laws of Ghana do not distinguish between formal and informal sector workers. Indeed one may not be wrong to suggest that the labour laws of Ghana do not take into account the peculiar circumstances of informal sector work.

#### **3.2. The Rights of Workers entrenched in local laws**

The Constitution of Ghana (1992) guarantees every citizen economic rights. Article 24 (1) gives every person the right to work under satisfactory, safe and healthy conditions and to receive equal pay for equal work without discrimination of any kind. Sub-section (2) guarantees every worker rest, leisure and reasonable limitation of working hours, holidays with pay and remuneration for public holidays, while sub-section (3) guarantees the right to form or join a trade union for the promotion and protection of economic and social interests. On the right to organize, article 21(e) of the 1992 Constitution of Ghana, guarantees:

*“freedom of association, which shall include freedom to form or join trade unions or other associations, national and international, for the protection of their interest”.*

Also, article 24(3) of the constitution provides that:

*“every worker has a right to form or join a trade union of his choice for the promotion and protection of his economic and social interests”.*

In addition to the 1992 Constitution, the Ghana Labour Act (Act 651) of 2003 guarantees the rights and responsibilities of both employers and employees. The Act covers provisions on employment protection, conditions of employment, remuneration, termination of employment to mention but a few. It also provides for equal pay for equal work, sets out the

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<sup>14</sup> Three Conventions including the core Convention 138 (1973) on Minimum Age for employment were ratified in June 2011

maximum working hours per day at eight (8) or forty per (40)<sup>15</sup> week and guarantees certain non-wage benefits (e.g. social security, paid annual leave, etc) for workers.

The Labour Act grants every worker the right to form or join a trade union for the promotion and protection of the worker's economic and social interests. Collective bargaining is entrenched in the labour law and agreements reached are binding on all parties. Section 96 of Act 651 states:

*“subject to the provisions of this Act, a collective agreement relating to the terms and conditions of employment of workers, may be concluded between one or more trade unions on one hand and representatives of one or more employers or employer's organisations' on the other hand”.*

However, some clauses in the Act preclude some categories of workers. For instance, clause 2 of Article 79 of the Labour Act (Act 651, 2003) precludes workers in policy/decision-making and managerial positions or performing highly confidential duties from forming or joining a trade union. The Security Services Act also forbids military and paramilitary personnel from forming or joining trade unions (Ibid).

The National Pensions Act (2008) reinforces payment of social security by employers and employees. Self-employed persons by the law can voluntarily join pension schemes and make contributions based on their declared earnings/income. The Act establishes a three tier scheme with mandatory first two tiers and a voluntary third tier. It stipulates monthly contribution of 18.5 percent of employee's gross pay. The contribution is split between the employer and employees at 13 percent and 5.5 percent respectively. The employer is mandated to deduct the employee's contributions through the check-off system and submit to the appropriately agencies within 14 days of each month.

There are also laws that forbid the performance of some activities or the engagement of some groups of people. The Children's Act (Act 560, 1998) prohibits exploitative labour including exploitative child domestic labour. The definition of what constitute exploitative labour is further defined under Section 87 of the Act. This is also supported by Article 28 of the 1992 constitution. The minimum age for employment in Ghana is 15 years. Children aged 13 years and above can be engaged in light work.

Laws regarding exploitation of mineral resources and forestry products as well as District, Municipal and Metropolitan Bye-laws set the conditions for undertaking certain activities. For instance, the Accra Metropolitan Assembly (AMA) bye-laws prohibit street hawking and selling on pavements. The AMA Bye-Law (1995) (1) stipulates that the *“AMA shall publish in the Gazette a notification to the effect that street market has been established specifying the name of the street and notify the Ga Mantse [Ga Chief]”*. Bye-law 7 states that *“no person shall offer for sale or sell any article in a street market other than in the space for selling allocated to him by the AMA”*.

Section 2(1) (h) of the Domestic Violence Act of 2007 (Act 732) covers house-holds among the group of persons in a domestic relationship. The Act prohibits all forms of violence occurring in the household environment. This includes acts of physical assault and sexual harassment against workers in a household.

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<sup>15</sup> Section 44 excluded domestic workers from provisions of sections 33 and 34.

The Company Registration Code, 1963 (Act 179), the Partnership Act, 1962 (Act 152), the Business Name Act, 1962 (ACT 151) and the Ghana Investment Promotion Centre Act 1994 (Act 478) specify the conditions under which businesses can establish and operate. The registration procedure for sole proprietorship business (usually micro and small- scaled business) has fewer requirements than companies. Importantly, wholly Ghanaian owned businesses/companies also have fewer requirements to meet than those that have foreign interest (either wholly or partly). For instance, a wholly Ghanaian owned companies requires a minimum capital of GH¢500 compared to US\$10,000 required from foreigners venturing into businesses other than trading<sup>16</sup>. Thus it can be fairly concluded that by law, business registration is made simple for Ghanaians, although there are still challenges with access to information and documentation as well as protection of property rights.

### **3.3. Institutional Arrangements for promoting Workers Rights**

**The Department of Labour** was inherited from the colonial government at independence in 1957. It was established in 1938 and was responsible for industrial relations. Currently, it operates under the Ministry of Employment and Social Welfare. The department is responsible for the administration and enforcement of labour and employment laws in the country. Generally however, the department undertakes very little of its mandates. Trade unions complain about the department's inability to undertake its duties, which results in violation of the rights of workers in Ghana. The department on the other hand bemoans limited budgetary allocation, lack of logistics and human resources to enable it carry through its responsibilities.

**The National Labour Commission (NLC)** was established by the Labour Act (Act 651, 2003) to handle industrial disputes. Membership of the Commission is made up of two representatives each; from Government, Employers' organization and Organised labour. The NLC is mandated to receive complaints from worker (s), trade union(s) and employer(s) or employers' association. Parties to industrial disputes are obliged under the law to comply with the directives of the NLC. It settles industrial disputes through negotiations, mediation and arbitration. When parties to the negotiations fail to reach an agreement, the commission directs the parties to settle the dispute by mediation by appointing a mediator to attempt to resolve the dispute. If at the end of the mediation process the dispute remains unresolved, the commission would resort to compulsory arbitration. The decision(s) of the arbitrator or majority of the arbitrators is final and binding on all the parties to the dispute.

Like the Labour Department, the National Labour Commission is challenged by inadequate budgetary allocation, shortage of human resource and other logistics. For instance, the National Labour Commission (NLC) until June 2011 had only one office (in Accra) handling cases nationwide. In June 2011, the National Labour Commission opened its first regional office in Takoradi in the Western region. In addition, non-unionized workers may find it challenging to pursue cases in the law court unless they can afford legal counsels. In limited instances some non-governmental organizations have assisted informal sector workers to pursue labour injustice meted out to them. For instance, the Legal Advocacy for Women in

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<sup>16</sup> Foreigners registering trading activities require a minimum equity capital of US\$300,000

Africa (LAWA, Ghana) has in the past provided legal representation for some domestic workers who suffered unfair termination of their employment.

Most Ghanaians however remain ignorant about the laws and hence their rights and responsibilities as employees or employers. For instance, most workers in the informal sector (e.g. domestic workers) would voluntarily exit employment when aggrieved about their employers' conduct rather than resort to legal settlements.

### **3.4. The Informal Sector and Labour Regulations**

Although the Government of Ghana has instituted measures to promote and guarantee workers' rights, dividends accrued have so far been limited to formal sector workers. Most workers operating in the informal sector remain far from enjoying their full rights. They are either ignorant about the law or are unable to secure the needed support to seek justice. They are largely unorganized and lack collective voice to make their concerns heard.

For instance, Section 44 of the Labour Act exempt task workers and domestic workers in private homes from provisions of sections 33 and 34 on maximum working hours of eight (8) per day or 40 per week and rest periods. In 2008, the Legal Advocacy for Women in Africa (LAWA, Ghana) submitted a regulation on domestic work to the legislature for adoption. It has been three years and over and no hearing of the Regulation has been done in Parliament. As yet no strong advocacy has followed the submission of the Regulation. Discussions with LAWA indicate that the project that supported the initiative was closed in 2006. An official at LAWA bemoaned lack of funding to enable it pursue further action. The frustration of a domestic worker is summed below:

*I do not know I can take my employer to court if she doesn't treat me fairly. But the reality is, do I have the money to hire a lawyer? So I think the best thing to do is to leave quietly if unhappy. I once had a madam [employer] who was very nasty. I was just patient till the end of the month. Once I got my pay, I packed my things and left before she returned from work.*

Stated a domestic worker

Employment relationship among wage workers in the informal sector is largely not documented; making enforcement difficult. Employment contracts are established verbally with family and friends witnessing agreements.

*My madam [employer] is a friend of my mother. So she told her she needed someone to assist her sell. I was home doing nothing, so my mother asked me to do it and I agreed.*

Stated a mobile top-up cards vendor

District, Municipal and Metropolitan bye-laws appear in sharp contrast with current situation in major cities and towns in Ghana with the sight of hawkers on every street available. One might conclude that the Metropolitan Assemblies' bye-laws are out-dated and need to be brought to date with current economic trends in Ghana. This is validated by the day to day scuffle between Assemblies' guards and hawkers, sometimes resulting in bloody assault. Street vendors face harassment from city authorities including seizure of wares. When goods are seized, hawkers are fined; and those who fail to settle fines are met with prison sentences. It is commonplace in Ghana that some female street hawkers negotiate their way sometimes through sexual favours to law enforcers in return for their seized wares. This is corroborated by Mutillah's (2005) findings that women involved in street vending are pushed to pay bribes to obtain licenses to operate and in some cases, offer sexual favours to law enforcement officers.

It is also important to note that the majority of informal sector workers are self-employed without employees. It is unclear how labour regulations relate to own-account workers without employees. They have full control of their working hours and income for instance. It is in this wisdom that the Pension Act (Act 766) provides for self-employed persons on voluntary basis. This stands to reason that self-employed persons cannot be forced to declare their incomes for social security contribution. Even in the areas of taxation, it has become practically impossible to determine the turn-over of self-employed persons for that purposes. Many of these workers do not keep records of purchases and sales and make law enforcement difficult.

## 4. WORKING CONDITIONS OF THE INFORMAL SECTOR WORKERS IN GHANA

### 4.1. Incomes/Wages

Ghana has a National Daily Minimum Wage (NDMW) which applies to all forms of employment and is determined annually by the National Tripartite Committee (NTC). The 2011 National Daily Minimum Wage (NDMW) is GH¢3.73 [USD\$ 2.66]. Although quite low, majority of informal sector operators earn below the NDMW. Indeed, more than half of workers in the informal economy earn below the legislated national minimum wage (Baah, 2007)

In 2006, the GLSS V data showed that 46 percent of food crop farmers and 17 percent of informal economy workers earn below the national daily minimum wage. Ironically, some public sector workers (8%) earn below the national minimum wage and 10 percent of private formal workers are earning below the national minimum wage.

Majority of informal sector workers are self-employed and are in control of their income. Incomes in the informal sector are irregular and can be subjected to environmental (weather) and market factors (demand and supply). The incomes of cocoa farmers for instance are seasonal while street vendors depend on profits made on goods sold or services rendered.

The study captured the earnings of some informal sector workers as follows:

*On a good day, I make daily profit of about GH¢10 [USD\$7.1] and GH¢5[USD\$3.6] on lean days.*

Stated a banana seller

*I make daily sales of about GH¢50.00 [USD\$35.7] to GH¢100.00 [USD\$71.4]. If I sell GH¢50.00 cedis [USD\$35.7] worth of goods, I make GH¢10.00 [USD\$7.1] profit. I make GH¢1 or GH¢0.50 profit on each pack of toilet rolls I sell.*

Stated a toilet tissue seller vendor

*About 100 tubers of yams would cost me GH¢300 [USD\$214.3]. There are other cost such as transportation and other related expenditure such as council tax and portorage, usually about GH¢29 [USD\$20.7], totaling GH¢329 [USD\$ 235]. For this, I can sell them for about GH¢440 [USD\$ 314] [making a profit of GH¢111 [USD\$79]]. I do this every week. There are also times that you get the prices much cheaper. For instance I can get the same 100 tubers of yam for GH¢200 [USD\$143] during yam season. In that case the cost per tuber is reduced too.*

Stated a yam seller

*My madam [employer] pays me fixed sum of GH¢50[USD\$ 36] per month. On average, I sell about GH¢70.00 [USD\$50] cards every day. I also sell between GH¢3[USD\$2.1] and GH¢5 [USD\$3.6] iced water [sachet drinking water] every day.*

Stated mobile phone top-up cards vendor

*Previously, I could make a profit of GH¢60 [USD\$43] on weekly basis but of late market is not good so I earn that much bi-weekly.*

Stated a trader at Madina market

*I have two employees. I pay one of them GH¢3.00[USD\$2.1] and the other GH¢5.00 [USD\$3.6] daily. The one who earns GH¢5.00 [USD\$3.6] has a heavy workload than the other. I give them three square meals per day.*

stated self-employed informal sector worker with employees

In a study on domestic workers in Accra, Osei-Boateng, (2010) noted that workers involved in the study earned between GH¢80 [USD\$ 57 ] and GH¢100 [USD\$71.4]. This was above the minimum wage of GH¢71.55 [USD\$51.1] in 2010.

#### **4.2. Non-Wage Benefits**

The Labour laws of Ghana require employers to provide some statutory benefits to employees. These include social security contribution, paid sick leave, paid maternity leave, severance pay and paid annual leave. Sadly, most wage employees in Ghana do not have these benefits. Data from the Ghana Living Standard Survey V suggest that just about 31 percent have access to social security.

Other benefits (medical care, housing, meals etc) though not statutory has become common to some categories of workers. Most domestic workers enjoy free accommodation and at least one meal daily from their employers, though the quality and quantity of some may not be adequate.

*I live in the same house with my madam. I enjoy everything in the house like anyone else. I cook the meals myself and so eat as much as I like. My madam gives me everything, toiletries, roll-on and sometimes clothes. She's very abusive verbally but what can I do. You can't have it all perfect.*

Stated a domestic worker

*My previous employer was very wicked. At my age [37 years], I slept in a kiosk and bathed openly. So I usually had my bath at dawn so that no one sees my nakedness. I was not given meals though I cooked the food myself. Yet she didn't want to allow me to go out and get my own food. So I left after a month. I couldn't bear it.*

State a domestic worker



Section 20 of the Labour Act provides that every worker is entitled to not less than 15 days leave with full pay in any calendar year of continuous service. Female employees in addition to annual leave are entitled to at least 12 weeks maternity leave on confinement. Absence from work as a result of sickness or maternity shall not constitute part of annual leave entitlements. However, most wage employees in the informal sector do not enjoy these statutory benefits. Indeed most do not even know that they are entitled to these benefits. Domestic workers are likely to lose their jobs if they suffer prolong illness or become pregnant in the case of women (Osei-Boateng, 2010). Few employers provide basic medical care to cover illness such as common headache, malaria or fever.

In the case of self-employed workers, the study captured their views as follows:

*If we go on leave, it means starving ourselves. We live on our daily sweet. It's not possible. Who would give the children money to school on the days we don't work?*

Stated a group of market women

### **4.3. Social Security**

The numbers of informal sector workers who have access to social benefits through institutionalized social security schemes are negligible. By March 2011, the Informal Sector Fund<sup>17</sup>, a subsidiary pension scheme operated by the Social Security and National Insurance Trust (SSNIT) had enrolled 83,448 (SSNIT Informal Sector Fund, May 2011); 85 percent of which were informal sector members. At a sensitization workshop organized by the Ghana TUC for its informal sector members in February 2011, most participants showed interest in the loan component of the scheme rather than the core purpose of the Fund to provide retirement benefits. This was confirmed by officials of the SSNIT Informal Sector Fund. A focus group discussion with members of the StreetNet, a local NGO working with people on the streets in Ghana, noted that some of their members had enrolled on the SSNIT Informal Sector Fund.

Ghana operates a National Health Insurance Scheme based on premium subscription. Formal sector workers who are members of the SSNIT pension scheme are covered but informal sector members pay direct premium of between GH¢7.20 to GH¢ 48.00 (US\$ 5.14 - \$34.29). By 2009, premium contributors (presumably informal sector workers) numbered 4,132,783, representing about 29 percent of the scheme's total membership. The number represents about half of estimated informal sector workforce in Ghana. The Government of Ghana in 2008 established free maternal care policy through the NHIS. The NHIS Act also provides exemption from premium payment to people aged 70 years and above, children and the indigent. Some of these exempted categories are in the informal sector.

Some trade unions organizing informal sector groups have established welfare and microfinance schemes to assist their members in the informal sector. The Ghana Private Road Transport Union (GPRTU) operates a welfare fund for members accessed upon bereavement of members. Others such as the General Agricultural Workers Union (GAWU)

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<sup>17</sup> The SSNIT Informal Sector Fund began full operation in 2008 after three years pilot

and the Food and Allied Workers Unions (FAWU) instituted revolving microfinance funds for self-employed farmers affiliated to them. These microfinance schemes however encountered challenges relating to recovery of loans and closed.

There is also evidence of traditional practices of social assistance among people in the informal sector. Traditional microfinance mechanisms such as 'susu' and rotating savings schemes are common among operators. These savings schemes allow operators accumulate savings that can be used on occurrence of life contingencies such as maternity, death or unemployment.

*I have registered my workers with a susu collector and make GH¢1[USD\$0.71] daily for them. I wanted them to also contribute part of their daily wages to top it up but they have refused.*

stated a food vendor with two employees

Traditional social networks have also been a source of social assistance to many operators in the informal sector. Extended family members provide for the aged and the disabled, the sick and the unemployed members of the family, the new born child and the mother, the orphaned and even the complete stranger (Kumado and Gockel, 2003). Mutual help associations based on either neighbourhood or trade are common among informal sector operators and provide avenue for sharing financial and social risks.

There are however widespread evidence of failures of informal social security arrangement. Growing economic constraint and urbanization have affected kinship ties and ability for family members to provide support. More often, members of the family are either too poor themselves or have other competing demands for their resources (Osei-Boateng, Unpublished). Traditional savings mechanisms are also often characterized by theft and misappropriation. The essence of social security is sometimes missing in informal social security arrangements. Mutual associations and schemes rely on the loyalty and effort of their members to contribute, hence excluding the poor from benefiting.

#### **4.4. Employment Relations**

Ghana's labour Law (Act 651, 2003) requires that employment relationships are formalized with the signing of a written contract between employers and employees. Section 12 of the Labour requires that *"the employment of a worker by an employer for a period of six months or more or for a number of working days equivalents to six months or more within a year shall be secured by a written contract of employment"*. The contract of employment stipulates the rights and obligations of the employer and the employee.

As indicated earlier, this provision may not be binding on self-employed workers without employees. In the case of wage employees and apprentices in the informal sector, the provision is hardly complied with by their employers. Most employment agreements are established verbally, making monitoring and enforcement difficult. A study on domestic workers in Accra showed that many of those involved in the study were engaged through

informal contacts (friends and family) and were without written contracts (Osei-Boateng, 2010).

#### **4.5. Hours of Work**

Sections 33 and 34 of Ghana's labour law, Act 651 (2003) provides minimum working hours of forty (40) per week. This translates into 8 hours of work per day. Any extra hours worked must be paid for as overtime. The law provides for every worker thirty minutes break in between continuous work. However, section 44 exempt task workers and domestic workers in private homes from provisions of sections 33 and 34.

The Labour Act also provides for daily rest of not less than 12 hours. In addition workers are entitled to rest period of 48 consecutive hours in every seven days. However, most wage employees in the informal workers do have these liberties. Osei-Boateng (2010) found in the case of domestic workers in Accra that where employers complied, they (employers) chose days that they [employers] would not need the services of the domestic worker. For some domestic workers, jobs left undone during their rest periods awaited their return, thus, increasing their workload during the next working day.

*You cannot have a fixed time period of hours as breaks. It depends on the house routines. Sometimes you may have little doing. For instance, if you are nanny, once the baby sleeps you also have time off.*

stated a domestic worker

In the case of own account workers or self-employed person who had control over their working hours, they worked longer hours. The average working hours in Ghana for informal sector workers is 12 hours (Baah, 2007), 50 percent more hours than the standard working hours (8 hours) stipulated by the Labour Act (Act 651).

#### **4.6. Occupational Safety, Health and Environment**

The informal sector in Ghana is characterized by poor environmental conditions. Majority of informal sector workers operate from their residential premises and others work from public places in temporary shed and structures; under trees or open spaces. Street hawkers do not have fixed vending sites; they move from one street to another in search of patronage of their wares.

Poor public and environmental health, in both the residential and market areas where informal sector workers operate is a major urban problem in Ghana and jeopardizes the health of many informal workers (Apt and Amankrah, 2004; King and Oppong, 2003). Heaps of garbage remain the common sight in major markets in the cities such as Accra, Kumasi, Tarkoradi and Tamale in Ghana. Many workers in the informal sector are either ignorant about hazardous practices or substances or simply cannot afford protective gadgets.

A focused group discussion with members of StreetNet noted common ailment as captured in the quotes below:

*Vendors who have fixed vending sites: malaria, cholera, headaches and pain in the knees*

*We usually have headaches and I believe it's because of the bad stench we inhale for hours at the market*

*Stated a market trader*

*Hawkers: Back pain, malaria, headaches*

Some street vendors in addition to selling on the street live on the streets. Kwankye et al (2007) noted that once on the street as hawkers, street vendors are involved in several behaviours and practices for the sake of survival including sexual relationships. One in four street vendors in Accra involved in the study lived in kiosk, metal containers with six percent living either on the street or in uncompleted buildings. They received sexual advances from their male colleagues and customers. Some female street hawkers (in particular migrants) are sometimes compelled to grant sexual favours in return for roof over their heads. Head porters (commonly known as *Kayayeis*) have taken over lorry parks as their homes, where they live under very deplorable conditions. In addition to being exposed to the vagaries of the weather, they face theft, physical and sexual abuse etc. Street hawkers faced the dangers of car accidents. News of vehicles knocking down street vendors has become a common phenomenon in the major cities of Ghana (Osei-Boateng, unpublished).

#### **4.7. Child Labour**

A significant feature of Ghana's labour market is a relatively high proportion of economically active children. Child labour is prevalent in the informal sector as indicated in the discussion on labour types in rural and urban informal economy in Ghana.

The Ghana Child Labour Survey (GCLS) conducted by the Ghana Statistical Service in 2003 in Ghana showed that 2.47 million children aged 5–7 years (that is, about 39 percent of the estimated 6.36 million children in the age group) were engaged in economic activities. Half of rural children and one-fifth of urban children were economically active. Eighty-eight percent of the working children were unpaid family workers and apprentices, while 5.9 percent were self employed. As many as 1.59 million children were working while attending school. Nearly 20 percent of children (about 1.27million) were engaged in activities classified as child labour. The phenomenon is prevalent in all regions of the country (GSS, 2003; MMYE, 2006).

Majority (89.3 percent) of these children are engaged in agriculture, which is also the main industrial sector in the rural areas. In the urban areas, however, the children are engaged in two main activities: two-thirds are engaged in agriculture and one-fifth in trade. Nearly

three percent of the working children are also engaged in the fishing as well as the hotel and restaurant sectors.

Children's engagement in economic activity in most parts of Ghana is considered a socialisation process to prepare them for adulthood. Thus, in Ghana socio-economic practices have sometimes confused the difference between child work and child labour. For instance, most families in Ghana assume it is right to train children in their economic activity (be it farming or fishing) as a way to ensure they acquire the relevant skills. By so doing, some children are withdrawn from school and bonded in labour in disguise of apprenticeship in work that affects their development.

A common sight in urban centres is children hawking on the streets. While some of these children are engaged in these activities after school, a significant number do so at the detriment of their education, increasing their vulnerability in the labour market now and in the near future.

**Box 1: Child Labour in the Informal Sector: The Experience of a Young man**

Aboagye is 23 year old young man who migrated to Accra at the age of 12. He dropped out of basic education at primary 6 to join his brother in Accra. According to him, his mother was widowed with 11 children (now 8) and could not support his education.

*My brother brought me to Accra at age 12. I joined him to sell on the streets but I have been working independently to support myself for some time now. I have rented my own place. I usually start work at 3pm, when the vehicular traffic begins and close around 7pm to 10pm depending on how long the traffic calms.*

*I have been selling on the streets of Accra since 2000. I want to make some savings so I can enter into a business of my choice. I would like to be a professional driver or run my own company. Once I have enough money I will quit street vending*

## 5. THE STATE OF ORGANISING THE INFORMAL SECTOR WORKERS

### 5.1. General Overview

The growing informalisation of employment has gone parallel with declining trade union membership. In 1999, about half (50 percent) of all who had employment also had trade unions represented at their workplace. By the 2006, the proportion of the workforce that had trade unions at their workplace had decreased to 37 percent. In the 1980s, before the large-scale retrenchment in the public sector, the membership of the Ghana Trades Union Congress (TUC) was estimated about 700,000. Presently, the membership of the TUC stands at about 350,000<sup>18</sup>. In no doubt, organizing informal sector workers is no longer a choice for trade unions.

Organising the informal sector by trade unions started much earlier. The Ghana Private Road Transport Union (GPRTU) which organises transport owners, drivers and their assistants is a fully-fledged informal sector union (Adu-Amankwah, 1999). The GPRTU can be described as “men’s trade union” with an estimated membership of about 120,000<sup>19</sup>. The General Agricultural Workers Union (GAWU) also extended organising activity to self-employed agricultural workers in the informal sector in 1979. By 2009, the membership of GAWU stood at 47,000 made up of 25, 000 small scale farmers and 22, 000 formal sector employees of agricultural enterprises (GAWU 2009 NEC Report) .

Currently, seven (7) of the national unions affiliated to the TUC and the Industrial and Commercial Workers Union (ICU) organize in the informal sector as shown on Table 1. The Food and Allied Workers Union, an affiliate of the Ghana Federation of Labour (GFL) also organizes food and allied workers in the informal sector.

**Table 1 : Trade Unions organizing in the Informal Sector**

	<b>Trade Union</b>	<b>Association/Groups organized</b>
1	Ghana Private Road Transport Union (GPRTU)	<ul style="list-style-type: none"> <li>• Transport owners</li> <li>• Transport drivers</li> <li>• Transport station attendants</li> </ul>
2	General Agricultural Workers Union (GAWU)	<ul style="list-style-type: none"> <li>• Self-employed rural workers</li> <li>• Tenant farmers</li> <li>• Inland canoe fishermen</li> <li>• Rice farmers</li> <li>• Cassava farmers</li> <li>• Cotton farmers</li> <li>• Women’s group</li> <li>• Tree farmers</li> <li>• Oil palm farmers</li> </ul>

<sup>18</sup> Other trade unions exist outside the TUC. The Ghana National Association of Teachers has a membership of over 170,000. One of the largest trade union, the Industrial and Commercial Workers’ Union (ICU) broke away from the TUC in 2005.

<sup>19</sup> Quoted by the General Secretary in an interview as part of the study.

		<ul style="list-style-type: none"> <li>• Irrigation farmers</li> <li>• Tractor operators</li> </ul>
3	Timber and Wood Workers' Union (TWU)	<ul style="list-style-type: none"> <li>• National Sawyers Association</li> <li>• Small-Scale Carpenters Association</li> <li>• Wood Working Machine Owners' Association</li> <li>• Cane and Rattan Workers' Association</li> <li>• Chainsaw Operators</li> <li>• Small scale Carpenters</li> <li>• Wood carvers</li> <li>• Rattan and cane weavers</li> <li>• Charcoal burners</li> <li>• Sawn timber sellers at timber market</li> </ul>
4	Communication Workers' Union (CWU)	<ul style="list-style-type: none"> <li>• Ghana Electronics Servicing Technicians' Association</li> <li>• Postal Agents Association</li> </ul>
5	Local Government Workers' Union (LGWU)	<ul style="list-style-type: none"> <li>• Petty traders (in containers)</li> <li>• Craftsmen</li> <li>• Refuse and waste collectors</li> <li>• Butchers' Association</li> <li>• Charcoal sellers</li> </ul>
6	Public Service Workers' Union (PSWU)	<ul style="list-style-type: none"> <li>• National Lotto Receivers' Association</li> <li>• Ghana Union of Professional Photographers</li> </ul>
7	Maritime and Dockworkers' Union (MDU)	<ul style="list-style-type: none"> <li>• Casual workers in the shipping industry are organized into a labour pool called Ghana Dock Labour Company</li> </ul>
8	Industrial and Commercial Workers' Union (ICU) <sup>20</sup>	<ul style="list-style-type: none"> <li>• Ghana Hairdressers' and Beauticians Association</li> <li>• <i>defunct domestic workers association</i></li> </ul>
9	Ghana Federation of Labour (GFL)	<ul style="list-style-type: none"> <li>• Tie and Dye and Batik makers</li> <li>• Farmers</li> </ul>

Source: Adapted from Nyameky et al (2009)

The TUC adopted a policy in 1996 which sought to encourage its affiliates to organize in the informal sector (Baah 2009). The TUC also established an Informal Sector Desk at its national headquarters to assist the national unions in their challenging task of organising the informal sector. According to Nyamaky et al. (2009), since the TUC adoption of the policy and the establishment of the informal sector desk, the unions have made significant inroads in organizing in the informal sector.

The commitment of the TUC to organize in the informal sector is re-stated in the policy document for the 2008 – 2012 quadrennial. As part of its policies for the quadrennial, the TUC reinforced its commitments to organisational work in the informal sector. The objectives of this policy are:

<sup>20</sup> The ICU broke away from the TUC in 2005.

- Increased union membership in the informal sector and
- Application of minimum labour standards in the informal sector.

The TUC has also granted associate membership to five (5) informal sector associations. These informal sector associations are:

- The New Makola Traders Union
- The Ga East Traders Association
- Actors Guild
- The Greater Accra Tomato Traders Association
- The Musicians Association of Ghana (MUSIGA)

## **5.2. The Challenges of Organising Informal Sector Workers**

The proportion of organized informal sector workers falls short of the total population. In the case of Ghana TUC, informal sector members are regarded as associate and do not have full affiliate status. Obviously, some challenges have hindered organizing the activities of the informal sector in Ghana.

Trade unions in Ghana have not found it financially viable in organizing informal sector workers. While organizing informal sector workers is estimated to be more costly than formal workers, it brings little returns in terms of dues payment.

*The issue of organizing informal sector workers is not simple. It's very expensive yet it brings little returns. Most informal sector workers cannot afford to pay dues. So what do you do? Do you collect the dues of formal sector workers and use that to organize informal sector workers? And how do you justify that to your national executive committee members? Am telling you it's not easy..*

Stated General Secretary of a union

Often times, trade unions initiative in organizing the informal sector begin under donor-funded projects. Characteristically, the enthusiasm dies once the funds are exhausted.



## **Box 2: Organizing Domestic Workers in Ghana: The Case of ICU**

The Industrial and Commercial Workers Union (ICU) began organizing cooks and stewards in 1991. Later, it incorporated other categories of domestic workers including gardeners, drivers, private security and nannies. However, organizing activities stalled due to a number of challenges. Identifying and organizing domestic workers involved a huge cost, and so once the donor funds were exhausted, enthusiasm declined. As domestic workers are located in private homes, the union faced strong resistance from employers and even the workers were afraid to lose their jobs.

The ICU reported a legal constraint which impeded its attempt to secure a collective bargaining certificate from the Chief Labour Officer as stipulated by the Labour Act. Section 80 of Act 651 state that *“two or more people employed in the same undertaking can form or join a union”*. A respondent from ICU stated that since individual domestic workers have individual employers, it was difficult for them to have a union.

Following its failure to secure a collective bargaining certificate, it developed three types of contracts for the domestic workers it organised. The union noted that the contracts led to some workers losing their jobs while others secured good bargain.

### **5.3. Giving Informal Sector Voice through Trade Unions**

Trade unions in Ghana have achieved some modest success in improving the conditions of work of informal sector operators. Baah (2009) noted that informal sector operators have special needs which require special attention from trade unions in order to get these special needs addressed. By organizing in the informal sector trade unions can provide legal and social protection for the informal sector operators (ibid).

#### **5.3.1. Policy Advocacy**

At the policymaking level, the Ghana TUC has been very instrumental in securing vital concessions for the working poor with the majority of them operating in the informal sector. For example, in 2005 the TUC successfully advocated for tax exemption for minimum wage earners. This was based on analysis undertaken by the TUC which showed that minimum wage earners when taxed are pushed below the national poverty threshold. On the basis of this, the social partners including government agreed that the national minimum wage should be tax exempt and this was ratified by parliament.

Through organizing the informal sector, trade unions have offered some space and voice to some informal sector operators in Ghana. For instance Nyameky et al. (2009) asserted that through mass publicity by the medium of radio and Television, the General Agricultural Workers Union (GAWU) of TUC and some farmers groups have voiced their concerns over the Economic Partnership Agreement (EPA) being negotiated between the Ghana

government and the European Union (EU). These concerns have been made known to government through series of position papers on the subject submitted to government (Asafu-Adjaye, Unpublished).

### ***5.3.2. Social Dialogue***

Trade unions have also facilitated dialogue between informal sector groups and government. Between 2003 and 2008 the Makola Traders Union of TUC enjoyed cordial relationship with the government. The leadership of the Union was consulted on various issues affecting members. It successfully lobbied government to construct the pedestrian mall as a settlement package for street vendors who were being evicted by the Accra Metropolitan Assembly.

The Ghana Private Road Transport Union (GPRTU) is consulted by public authorities on many operational issues pertaining to the road transport sector. It serves as the framework for determining transport fares. The Timber and Woodworkers Unions (TWU) with a membership of informal sector operators on a number of occasions has intervened to retrieve tools seized from their members by public authorities. It has also negotiated with district assemblies for resettlement land for evicted carpenters (Adu-Amankwah, 1999).

### ***5.3.3. Economic Gains and Capacity Enhancement***

The GPRTU with the support of government has been facilitating credit to acquire vehicles for its members. On the other hand the General Agricultural Workers Union (GAWU) facilitates members' access to institutional credit and basic tools and inputs such as cutlasses and fertilizers among others. As noted earlier, the GAWU established a revolving fund for the benefit of its members (particularly women) but closed the project due to difficulty in recovering loans. The Timber and Woodworkers Union (TWU) facilitate business registration for its informal sector members (Ibid, 1999).

Trade unions that organize in the informal sector in Ghana have facilitated/offered some education and training on health and safety, marketing strategies and social security to informal sector operators. Other education and training programmes that trade unions through organizing in the informal sector have offered to the operators in the sector include entrepreneurship skills, leadership skills and business and financial management. The GAWU trains self-employed farmers on alternative livelihoods such as soap making, bee-keeping and food processing. Through trade unions, some leaders and members of informal sector associations have benefited from participation in workshops both at the local and international levels (Nyameky et al. (2009).

## **6. CONCLUSION AND RECOMMENDATION**

### **6.1 Conclusion**

Throughout recent decades, instead of disappearing as the modern economy expanded, the informal sector has actually grown in the rural and urban areas of Ghana.

The size of Ghana's informal sector is placed at 80 per cent of the total labour force (Hormeku, 1998). The large-scale retrenchment of labour as overriding consequences of structural adjustment in Ghana in the mid-1980s, coupled with the inability to provide employment for the emerging labour force has created a large pool of unemployed persons who have naturally gravitated towards the informal sector and more vulnerable forms of employment and income erosion in traditional sectors.

The informal sector in Ghana is made up of proprietary of micro and small-scaled enterprises. The rural informal sector in Ghana is dominated by agricultural and agro-processing businesses and relies on family labour and traditional forms of social arrangements and protection mechanisms. The urban informal economy, on the other hand, consists of producers, wholesalers, retailers and consumers. There are also intermediary service providers along the value chain such as suppliers of raw materials to manufacturers on contractual basis. Labour relations in the urban sector are largely apprenticeship-based and the sector relies on low and sometimes rudimentary technology in largely hazardous environmental conditions.

Ghana has a National Daily Minimum Wage (NDMW) which applies to all forms of employment. Unfortunately, majority of informal sector workers are self-employed and are in control of their income. Incomes in the informal sector are therefore irregular and can be subjected to environmental (weather) and market factors (demand and supply).

The Labour laws of Ghana require employers to provide some statutory benefits to employees. These include social security contribution, paid sick leave, paid maternity leave, severance pay and paid annual leave. Sadly, most wage employees in Ghana do not have these benefits. Indeed most do not even know that they are entitled to these benefits.

Ghana's Labour Law (Act 651, 2003) requires that employment relationships are formalized with the signing of a written contract between employers and employees. In the case of wage employees and apprentices in the informal sector, the provision is hardly complied with by their employers. Most employment agreements are established verbally, making monitoring and enforcement difficult.

In effect, with respect to legal protections in Ghana, there appears to be adequate legal protections grounded in international treaties and conventions as well as local laws guaranteeing the rights of workers. However, the employment characteristics of the informal sector and the peculiar contractual arrangements of labour in the sector make enforcement or the resort to legal protections in the event of for injustices or abuse of rights problematic.

In terms of social protection, the numbers of informal sector workers who have access to social benefits through institutionalized social security schemes are negligible. Although, there is evidence of traditional practices of social assistance among people in the informal

sector, and traditional social networks have often been a source of social assistance to many operators in the informal sector, there are however widespread evidence of failures of informal social security arrangements. Growing economic constraint and urbanization have affected kinship ties and the ability for family members to provide support.

In the area of occupation health and safety, majority of informal sector workers operate from their residential premises and others work from public places in temporary shed and structures; under trees or open spaces. Poor public and environmental health, in both the residential and market areas where informal sector workers operate is a major urban problem and jeopardizes the health of many informal workers.

Lastly, it is worth stating that although, the growing informalisation of employment in Ghana has gone parallel with declining trade union membership, trade unions in Ghana have not found it financially viable in organizing informal sector workers. Indeed, the proportion of organized informal sector workers falls short of the total population and thus the need for unions to undertake practical long-term measures to attract informal sector workers to their fold.

## **6.2 Recommendations**

To address the challenges in the informal sector, the following suggestions are proposed for trade unions and other governmental authorities.

### ***6.2.1 Recommendations for Trade Union action***

The two main elements of the strategy for building organizations in the informal sector include, firstly, building the capacity of the trade unions to function appropriately and, secondly, coordinating the initiatives pertaining to the informal sector.

In order to attract the informal sector and also improve the conditions of informal sector workers in Ghana, trade unions must do the following:

- setting up a database on the informal sector which would encompass features, needs, composition and geographical profile; setting up another database on existing institutions and programmes and their profile for assisting the sector;
- organization - to promote the self-organization of informal sector workers and encourage them to: organize within existing trade unions; organize and affiliate to existing trade unions; organize and affiliate to the Ghana TUC; organize on their own and develop relations with the trade unions and the Ghana TUC;
- capital - to provide information on existing credit and financial schemes for the informal sector; help develop group collateral for credit from financial institutions; promote savings and credit schemes; undertake campaigns and advocacy for increased financial opportunities for informal sector operatives;

- training and education - to investigate and provide information about existing facilities and opportunities; facilitate access to existing programmes; facilitate the institution of relevant programmes and appropriate schemes where they do not exist; utilize adult education methods through the print and electronic media;
- the market - to promote high standards; undertake market surveys and information dissemination; undertake marketing promotion through trade fairs to provide opportunities for their members;
- social protection - to promote explore the Social Security and National Insurance Trust (SSNIT) as well as other insurance schemes as the framework for guaranteeing against income losses during sickness, and for workers' compensation and pension for members of the sector;
- Input supplies - to promote cooperatives as a means of improving access to inputs; and
- legal protection - to undertake advocacy and a campaign to secure a legislative framework that guarantees minimum standards for all workers, and campaign for the effective functioning of regulatory institutions to assure the application of labour standards.

### ***6.2.2 Recommendations to Governmental Authorities for action***

The consistent pursuit by the trade unions in Ghana of the challenge of organizing informal sector workers requires the nurturing and conscious development of links with the relevant public authorities and institutions, both national and international that can provide the necessary support. To be most effective, such relations must be dynamic, and must move essentially towards policy support that is both technical and financial. Consequently, outside the ambit of trade unions, conditions in the informal sector could be enhanced through the following:

- linking informal sector organization to national development, which would mean paying particular attention to agriculture and manufacturing, and demonstrating how organization of workers therein can contribute to the growth of those sub-sectors, and developing a policy for intervention in the informal sector as part of the strategy for national development, focusing on the support of the State and others for business growth and for social protection for workers and the generalized application of labour standards;
- Developing financial and credit schemes; training and education programmes for interpersonal and vocational skill development; insurance schemes to promote social protection; and campaigns for the application of labour standards.
- The development of measures which effectively combine services to enable micro-enterprises to increase their income and services to assist them in improving their working conditions and health would also contribute to increased productivity and enterprise growth and to allow for capacity building within the informal sector itself.

- The sensitization of policy makers, municipal authorities and labour inspection services will be critical in building-on local institutional support to progressively extend social protection.
- Awareness-raising and promotional activities would be necessary in order to modify attitudes and prejudices against the sector and to change the traditional role of labour inspection services towards a preventive and promotional approach providing information, advice and training.
- The government must take active role in building the capacity of the informal sector entrepreneurs in terms of training them to be equipped with basic financial and accounting skills so as to be able to keep the basic accounting and financial records that will enable tax authorities to make objective assessment of income tax.
- The extension of occupational health care to workers in the informal sector can be promoted by incorporating occupational health into public health care services at district and local levels and establishing a link between first aid and prevention at the micro-enterprise level.

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