

GHANA - WOOLWORTHS



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December 2003

Acknowledgements

First, I would like to express my sincere gratitude to Mrs. Akua Britwum (Research Fellow and Lecturer at the Centre for Development Studies of the University of Cape Coast, Ghana), for the excellent fieldwork. Her hard work and dedication to duty were great assets to this study. I would also like to thank Miss Josephine Abakah of the Ghana Labour College of the Trades Unions Congress for her support during the fieldwork. I thank all other comrades at the Ghana Trade Union Congress and the Industrial and Commercial Workers' Union for providing me with some of the information needed for this report. My thanks also go to the Trade Union Solidarity Centre of Finland (SASK) for providing financial support to the Africa Social Observatory Project and to NALEDI for the effective co-ordination of the project. Finally, I thank the employees of Woolworths(Ghana) who provided information on working conditions in the company.

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1. Background Information/Context

Woolworths is investing in Ghana at a time when the country is facing very precarious economic situation. Although the Ghanaian economy has been growing at an average annual rate of around 4 percent the economic and financial risks for investors are still high in terms of inflation, exchange rate and interest rate. Although a downward trend has been recorded in the past few years inflation still poses major challenges to investors. For instance, the year-on-year inflation was 15 percent at the end of 2002 compared to 40 percent in 2000 and over 70 percent in 1995. Like inflation, interest rate has also been falling over the past few years, but it remains high even by Sub-Saharan African standards. In 2002, for example interest rate averaged 25 percent compared to 47 percent in 1997 and 42 percent in 2000. The Ghanaian currency (the Cedi) has depreciated drastically since the early part of 1980s after the introduction of flexible exchange rate system as part of the stringent economic reforms. The current exchange rate of the cedi in terms of the US dollar is ¢9000 to US\$1.00 compared to ¢6800 in 2000. In 2002 alone, the cedi depreciated by 15 percent against the US dollar; 23 percent against the British pound; and 28 percent against the Euro.

Over a third of Ghana's population are poor¹. Only 43 percent of Ghanaians live in urban areas. The remaining 57 percent live in rural and, in most cases, deprived areas. The first two Woolworths outlets in Ghana are located in Accra (the capital city) which has a population of 3 million representing 15.4 percent of the total population of Ghana. In terms of employment, only about a million people are employed in the formal economy out of over 10 million Ghanaians considered to be economically active. The economy depends mainly on the production and export of agricultural commodities (staple food crops, cocoa and timber) and minerals (gold, diamond, manganese and bauxite).

Foreign direct investment (FDI) in Ghana is very low compared to other Sub-Saharan African countries like South Africa, Angola and Nigeria. In fact, Ghana attracts only about 1 percent of all FDI flow to Sub-Saharan Africa. Majority of the MNCs operating in the country are in mining and a few in manufacturing. The trade sub-sector, the sector in which Woolworths is investing, is the second most important sector in terms of employment for the working age population. It is heavily dominated by mainly self-employed local entrepreneurs with very little foreign participation in the sector.

Politically, Ghana is among the most stable countries in the West African sub-region. It has a democratically elected government, press freedom and relatively active civil society (including trade unions). As will be seen in the subsequent sections of this report the key factor that motivated Woolworths to

¹ The population of Ghana in 2000 was approximately 19 million.

invest in Ghana is the relative political stability in the country compared to the countries in the sub-region².

It is against this social, economic, financial and political background that the study of Woolworths (Ghana) was conducted as part of Africa Labour Research Network research project known as Social Observatory on Multinational Corporations in Africa.

2. Objectives of the project

In the case of Ghana this project is very relevant because there is tremendous pressure on government from the international financial institutions to deregulate the labour market. To this end a new labour law is in the process of being passed to facilitate the intended deregulation of the labour market. The monitoring of the application of the core international labour standards is extremely important to ensure that vulnerable workers are protected from supernormal profit-motivated employers, particularly multinationals. In a situation like Ghana's where the government is desperately in need of foreign investments to boost the economy there is the tendency to relax the rules and standards in the labour market or ignore human and workers' rights abuses as a means of attracting more foreign investors. For instance, the World Bank considers the low wages in Ghana as a competitive advantage for attracting foreign investors and for the development of labour-intensive industries (World Bank 2001). This project is therefore timely and has enormous potential benefits for workers in Ghana.

The rest of the report is organised as follows: The next section discusses the research method and constraints. It is followed by a discussion of the background and operations of Woolworths (Ghana) under the following sub-themes: profile of Woolworths(Ghana); freedom of association and collective bargaining; discrimination; child labour; forced labour; wages and benefits; corporate social responsibility; and health, safety and environment. Some concluding remarks are in the last section.

3. Research Method and Constraints

This is a case study research. The company selected for this study is Woolworths (Ghana). There are two main reasons for selecting Woolworths. First, it is one of the largest and well-known multinational companies in Africa with a huge growth potential. Currently, Woolworths is operating in a number of countries in southern and more recently in western Africa and plans to

² Three of Ghana's closest neighbours, namely Liberia, Sierra Leone and Côte d'Ivoire, have experienced civil wars in recent times. Ghana had a very volatile period between 1966 and 1981 during which period Ghana experienced five coup d'états that led to the overthrow of governments. Fortunately, the situation never degenerated into civil war.

expand its operations to other parts of the continent in the near future. Second, we wanted to allow for international comparison of the observance of labour and other standards by multinational companies with the same origin (South Africa) and operating in the same sector (trade).

The main method originally designed for gathering information for this research was personal interviews based on separate questionnaires for management and workers of Woolworths. Management refused to grant permission for the interview and refused to provide any detailed information on Woolworths activities in Ghana. Therefore, we had no choice but to limit our interviews to workers. Additionally, an interview was conducted with officials of the Industrial and Commercial Workers' Union (ICU) which organises workers in the commercial sector. As mentioned earlier this study forms part of a pilot phase of Social Observatory of Multinationals in Africa taking place simultaneously in four African countries. To facilitate international comparison of our findings in these countries a standard sample questionnaire was designed for all the four countries involved in the pilot phase. Each country was allowed to modify the instrument to suit the conditions in the country and the enterprise that is being studied. The questionnaires for Woolworths management and workers were, therefore, modified based on the fact that Woolworths is a new company in the country and is not yet unionised. Issues covered in the questionnaires included: general characteristics of the company, labour relations, application of core labour standards, working conditions, human rights and corporate social responsibilities, and health, safety and environment.

The fieldwork was done in collaboration with the Centre for Development Studies (CDS) of University of Cape Coast, in Ghana. A Research Fellow and lecturer in labour studies at the Centre did the fieldwork³. The researcher made the first contact with management on August 4th 2003 at the new Horizon Branch of Woolworths (Ghana) on the Liberation Road in Accra (the capital city of Ghana). Mr Ernest Collison received the researcher on behalf of management. A formal introductory letter from the Director of the Centre for Development Studies and copies of the questionnaires were given to management. The management representative was briefed on the nature, objectives and scope of the project. After the briefing, he explained that the final authority to grant permission for the interviews with management and workers rests with the General Manager who was not available.

The researcher followed up with a telephone call on August 5. She was informed that the General Manager had received the introductory letter and

³ Currently, the Trades Union Congress (Ghana) is collaborating with the Centre for Development Studies (CDS) of the University of Cape Coast in a combined research and education project known as African Workers' Participation Development Programme. As part of the collaboration, the Centre launched a Diploma in Labour Studies Programme at the University in 1999 (the first of its kind in Ghana). This project is being sponsored by FNV (Holland). In 2000 the TUC, in collaboration with the Centre, introduced a Certificate in Labour Studies programme at the Ghana Labour College in Accra. Certificates for this course are awarded by the University.

copies of the questionnaires but has not given any comments on them. Again, the General Manager was out of office when she called later that day. She made another telephone call on August 6 but the GM was not available. On August 7 she travelled from Cape Coast to Accra (100 km) to meet the GM (Debbie Eve). The GM explained that she had not got sufficient time to study the questionnaires due to a special sale they were organising in the shop during that week. On August 18, the researcher spoke to the General Manager on telephone only to be told that our questions are too “sensitive” and so the company will not grant the request for interview. We asked her to respond to the questions that are not “sensitive” but she refused.

Since management did not cooperate with us we had to rely on employees for information. This report is, therefore, based mainly on information gathered in an interview with some employees of the company and from secondary sources. Some information was also gathered from the telephone conversations with management personnel including the General Manager.

To ensure that our report is accurate we submitted a draft research report to management for their comments. The comments are incorporated in this report (see Appendix 1 for the comments).

A Brief Profile of Woolworths(Ghana)

Woolworths (Ghana) is part of the global supermarket chain. It is one of the franchised Woolworths companies jointly operated by Woolworths of South Africa and Handa Group of companies. The company owns a total of 52 stores in 19 countries across Africa and in the Gulf region. The first branch in Ghana, which was also the first in the West African sub-region, was officially opened in Accra on November 19, 2002 by the President of Ghana. In his opening remarks, the President assured Woolworths management of government’s support and urged the company to venture into manufacturing of garments as well as processing, marketing and packaging of agricultural produce in Ghana under the President’s Special Initiatives (PSI)⁴. Cobus Barnard, the head of franchise of Woolworths South Africa indicated that the company had so far invested about US\$10 million in Ghana and expect to expand its operations to other parts of the country. Three reasons were given by Ish Handa, the Chairman of the Board of Directors of the Handa Group of Companies, for investing in Ghana. They include political stability in the country, the bright economic prospects and the investor friendly environment. The company has since opened a second outlet in Accra. Woolworths is planning to open other outlets in Kumasi (the second largest city) and in Tema (the port city near Accra), in the short to medium term and in other regions in the long term. Currently, the company employs between 40 and 50 Ghanaians and about 9 expatriates. It uses no sub-contracted labour. The workers could not give us accurate information on the sex composition of the workers but indicated that there are more women than men in almost all the departments

⁴ Under this initiative, companies are given incentives to venture into manufacturing using local raw materials. It is part of government’s special effort to attract foreign investors into the country.

and at various levels in the company's hierarchy. The company has four departments: textiles, ware house, food and sales.

The main competitors of Woolworths are Marx Mart and Koala – the other big supermarkets in Accra⁵. The workers believe that Woolworths have the highest labour productivity and the best customer care in Ghana. They attribute their perceived higher productivity to the fact that all workers at Woolworths have formal education and are highly skilled. Most of the Ghanaian supervisors have university degrees. However, they indicated that Woolworths does not attract as many customers as their major competitors. They attributed lower market share to the relatively higher prices at Woolworths.

4.1 Freedom of Association and Collective Bargaining

Workers at Woolworths are not yet unionised. At the insistence and initiative of workers a Communications Committee was formed about five months ago (see Appendix 1 for management comments). The committee is made up of representatives of workers from all the departments. The duty of the committee is to serve as a liaison between workers and management. But workers reported that, so far, the main duty of the committee has been to carry management decisions and instructions to the workers. They revealed that one of the workers (a female employee) who led the formation of the communications committee has already been fired for allegedly stealing chicken thighs. The interviewees believe strongly that she was framed and consequently victimised because of the leading role she played in the formation of the committee⁶.

According to the workers we interviewed, management discourages workers from forming or joining a trade union. Management staff keep intimidating and reminding workers of the lack of jobs in Ghana with statements like “you come begging for jobs” and, “there are many people in the streets without job”. This has created a sense of job insecurity among the workers. They believe that if they should join or form a union at the moment management would be very displeased and they fear they could lose their jobs. The interviewees reported that because of lack of protection some workers have

⁵ Shoprite has announced its plans to open five shops in Ghana in 2004.

⁶ The interviewees explained further that the chicken thighs she took was due to the information she received from one of the expatriate managers who misled her to take out chicken thighs instead of chicken wings. She was entitled to chicken wings but not chicken thighs at a discount. They said this incident was not reported to the General Manager, who the interviewees believe, would have ordered an investigation before any action was taken. Instead she was dismissed outright by the Financial Controller who the workers say is very hostile to the Ghanaian workers. In management's comment on our draft report, they insisted that the female lady “was caught red handed stealing chicken thighs” and her punishment was not related to the formation of the Communications Committee (see Appendix 1 for management comments).

already been laid off unjustifiably. Despite this negative attitude on the part of management the workers have never complained nor taken any actions against the company for the fear that any such action could result in their dismissal.

The Communications committee meetings are held irregularly as and when necessary. The interviewees could not remember the last time a meeting was held. Among the main issues discussed at the committee meetings are working hours. Employees work for six hours a day from Monday to Sunday and have one day off every other Sunday. They work 9 hours on Sundays from 11:00am to 8:00pm. Each worker is entitled to 15 minutes break and a 30 minutes lunch break. The workers find these working conditions too harsh and so they devote a chunk of their meeting times discussing how they can resolve the problem of long working hours and short breaks. The workers complained particularly about the insufficient number of days off. In their opinion one day off every week (but not every fortnight) will be preferable⁷. With regard to information dissemination, the interviewees reported that they have had no problems distributing information to workers at the workplace. There has never been a strike since the company was established in Ghana. According to the interviewees, workers feel very insecure to even contemplate a strike action.

The workers reported that neither collective bargaining nor workplace forums takes place in the company. Workers have individual contracts with the company and wages are determined by management at the enterprise level based on a pay structure which was determined by management without any consultation with workers or their representatives. Management has promised workers a pay rise at the beginning of every year. According to the interviewees, management insists that there is no need for workers to join or form trade union because unionisation will not change their working conditions. Management cites examples from other countries to support their argument that the workers can still enjoy good conditions without unions. But despite these arguments, workers are of the strong opinion that unionisation will improve their lot in the company⁸.

4.1.1 Brief report of interview with Industrial and Commercial Worker's Union

To find out the reasons why the workers have not been unionised, we conducted an interview with the Industrial and Commercial Workers' Union (ICU) of the Trades Union Congress (Ghana). The union organises workers in

⁷ In management's comment on this they stressed that they ensure that workers do not exceed 40 hours a week. Workers also get **two days** off every two weeks but not **one day** off every fortnight as we were told by our interviewees.

⁸ Many studies have shown that the unionized sector of Ghana's formal labour market earn between 21 and 28 percent higher wages than the non-unionised sector even when controlling for observable individual and firm characteristics. Union members also enjoy better conditions of employment compared to their counterparts in the non-unionised sector [see Teal (1996)].

both the formal and informal sectors. In the formal sector the sub-sectors that fall under ICU include manufacturing, financial services, hotels and restaurants, printing press, commercial entities like wholesale and retail companies. In the informal sector the union organises mainly domestic workers (drivers, house helps, gardeners and security personnel); hairdressers and barbers, weavers and batik-tye-and-dye small-scale manufacturers. Potentially, two categories of Woolworths' employees fall under the jurisdiction of ICU - the workers who work in the stores and those who work as domestic servants and security guards for the expatriate staff.

According the union it had not attempted to start the unionisation process (at the time of the fieldwork) in the company because it considers Woolworths (Ghana) a "young" company and so it was willing to give the company some time to establish firmly in the country before the unionisation process starts⁹. The union hinted that it intended to start the process of unionisation of both junior and senior staff in the latter part of 2003¹⁰. As usual, the union is not certain about the extent of cooperation it will receive from the management of Woolworths. According the union the duration of the unionisation process in foreign companies depends on the degree of co-operation of management. If such co-operation is not forthcoming then the unionisation process could take up to year or more. The union expects management to strongly resist and possibly delay the unionisation of senior staff for fear that company secrets might be divulged to the union. The ICU is certain that the workers will cooperate if only management does not interfere. The union's fear is that management might intimidate and threaten workers to discourage them from joining or forming a union. The union officials cited several examples where they faced many difficulties when they attempted to unionise workers in multinational and foreign owned enterprises in Ghana.

4.2 Laws and Regulations Concerning Freedom of Association and Collective Bargaining in Ghana

Although Woolworths employees are not unionised they are protected by the labour laws of Ghana. Ghana has ratified ILO Conventions 87 and 98 which guarantee freedom of association and the right to bargain collectively. In fact the Industrial Relations Act (1965) guarantees unions the right to represent

⁹ The other reason for the non-unionisation was that this year has been very busy for the union because of its quadrennial conference which took place from 7th to 11th August, 2003.

¹⁰ The unionization process started in the course of preparation of this report. In a telephone interview with a Principal Industrial Relations Officer (PIRO) of the Industrial and Commercial Workers' Union on 4th October 2003 I was informed that some employees have completed membership forms. The ICU is waiting for the collective bargaining certificate to be issued by the Chief Labour Officer for negotiations to start. Contrary to our expectation, the PIRO indicated that the General Manager was very cooperative. However, the female employee of Woolworths who led the unionization process has since been fired. The PIRO believes that she has been victimized for the leadership role she played in the unionization of the workers. He hinted that her dismissal will be one of the first issues to be discussed by the union and management when negotiation starts.

all workers in Ghana whether unionised and or not. The law states in article 7(1) that “an officer of a trade union who is duly appointed by his trade union may conduct negotiations on any matters connected with the employment or non-employment or terms of employment or conditions of labour of any employees *whether members of a trade union or not*”(emphasis added). In addition to the Industrial Relations Act cited above, there are other labour laws that protect workers in Ghana irrespective of their union status. These include; Trade Unions Ordinance,1944; Factories, Offices and Shops Act, 1970 (amended by PNDC Law 66); Trade Dispute (Arbitration and Inquiry) Ordinance; Labour Decree, 1967; Labour Regulations, 1969; Daily-rated Workers (Minimum remunerations); and Social Security Law, 1991. Together, these laws regulate employment in Ghana and provide for the protection of rights of workers. They cover a whole spectrum of employment and non-employment issues such as employment contracts, termination of agreements, severance award, employment of female and disabled, child labour, protection of remuneration, forced labour, compensation for occupational injuries and deaths, occupational health and safety, working conditions (leave, hours of work, rest periods at the workplace, pension, social security benefits, etc), and many other issues relating to employment or non-employment of unionized and non-unionized workers. Several institutions are involved in industrial relations and the protection of workers’ rights in Ghana but the three most important institutions that are engaged in industrial relations on regular basis are the government, trade unions, and employers and their associations. Woolworths is expected to comply fully with all the laws outlined above as well as the conventions, norms and practices that seek the welfare of unionised and non-unionised workers in Ghana.

4.3 Discrimination

The two ILO Conventions concerning equal treatment - Conventions 100 and 111 have been ratified by Ghana. Convention 111 seeks to promote equality of opportunity and treatment in respect of employment and occupation. Convention 100 ensures the application to all workers of the principle of equal remuneration for work of equal value. The Constitution of Ghana and the labour laws outlined above guarantee the equality of treatment and prohibit discrimination on the basis of race, sex, ethnic origin, religion, creed, colour, social or economic status. The workers reported no evidence of any form of discrimination at Woolworths (Ghana). They were, however, not happy with the huge differential in wages and benefits between the expatriates and Ghanaian workers and managers. For instance, all the expatriate staff enjoy free housing and own private cars but not even a single Ghanaian owns a car or enjoys subsidized housing. The workers we interviewed are not aware of any code of good practice for dealing with sexual harassment and HIV/AIDS.

In terms of remuneration, men and women who perform work of equal value are paid equally. Generally speaking, there seem to be no problems with the

application of the conventions and standards regarding equality of treatment with respect to employment and remuneration. But this may be due to the difficulties involved in determining the comparability of employment for the purposes of assessing equal remuneration for work of equal value. With regard to human rights abuses, there have been reports of incidents where some expatriate managers have subjected their Ghanaian employees to verbal abuse and inhuman treatment. For example, there was an incident whereby an expatriate employer was alleged to have verbally abused his Ghanaian driver and called him an animal and wondered how an “animal” could enjoy music¹¹. There was another reported incident where a foreign employer allegedly forced his Ghanaian employee to lick his sputum after he (the Ghanaian employee) spat on the floor at the workplace. These are but a few cases that can be cited to illustrate the potential for increased human and workers’ rights abuses, particularly in foreign enterprises, if there is no monitoring mechanism in place to ensure the full protection of workers.

4.4 Child Labour

ILO has adopted two conventions on child labour: Minimum Age Convention 138 (1973) and Worst Forms of Child Labour Convention 182 (2000). Ghana has ratified Convention 182 (2000). Additionally, there is a Children’s Act which was passed by Parliament in 1998 to ensure adequate protection of children. Ghana National Commission on Children (GNCC) which was established in 1979 is charged with the responsibility of ensuring the “the general welfare and development of children” in the country. The legal minimum age set for either formal or informal employment in Ghana is 15 years. The law also allows children between the ages of 13 and 15 years to engage in “light work” which is defined as work that is not likely to harm the health, safety and the physical and mental development of children. In spite of all these laws and conventions, child labour is quite widespread in Ghana particularly in the informal sector and in agricultural sector. Ghana Statistical Service estimates that nearly 11 percent of children of school going age are engaged in income-generating activities. In some regions in the country the incidence of child labour is as high as 57 percent¹².

As mentioned earlier, child labour is mainly a rural and informal sector phenomenon. Therefore, we did not expect Woolworths to violate the convention on child labour. The workers we interviewed confirmed that Woolworths does not employ workers who are below 15 years. If anything at all, Woolworths can possibly and indirectly be guilty of violation of the convention through its dealings with sub-contractors as it expands its business to other parts of the country and into other sectors. But the workers have no evidence to believe that the company’s subcontractors (if any) employ children.

¹¹ The expatriate manager was a Malaysian working for Ghana Telecom. He was deported within 48 hours of the incident.

¹²Source: Ghana Statistical Service (1998) “Core Welfare Indicators Questionnaire (CWIQ) Survey”

4.5 Forced Labour

According to the interviewees, overtime work is determined by management as and when necessary but it is voluntary. In other words workers may or may not do overtime work. Workers in Ghana are protected by Conventions 29 and 105 regarding forced labour because Ghana has ratified them. The Constitution and labour laws in Ghana prohibit all forms of work or service that is exacted from any person under the threat of any penalty and for which the said person has not offered himself [or herself] voluntarily. Commission on Human Rights and Administrative Justice (CHRAJ) has the duty of ensuring that there is no form of forced or compulsory labour in the country. Although no serious violation of forced labour in the formal sector has been reported, some affiliates of the Ghana Trades Union Congress, particularly unions in the mining and manufacturing sectors have had to deal with cases where workers are forced against their will to work on shifts that last for more than 8 hours. It is not uncommon to find workers in the formal sector who work between 10 to 14 hours a day for seven days a week. In the case of Woolworths(Ghana), as mentioned earlier, workers are obliged to work seven days a week with only one day off every fortnight.

4. Wages, Benefits and working conditions

With regard to wages and benefits we asked specific questions about the level of wages; how wages are determined (either by management or through consultation with workers' representatives); how often wages are determined; whether or not there are differences in wages based on employment status (temporary/casual and permanent employment); and what type of benefits the workers at Woolworths enjoy. Although management considered these questions as some of the "sensitive" questions, they were willing to answer a general question on benefits. In the last telephone conversation our field researcher had with the general manager of Woolworths(Ghana), she was quick to indicate that workers' contribution to the Social Security and National Insurance Trust (SSNIT) are fully paid every month in accordance with the Social Security Law of 1991. The law requires all employers to deduct 17.5 percent of each employee's gross wage as their social security contribution¹³. The workers we interviewed also confirmed that management pays their SSNIT contribution and offers them a paid vacation leave for 16 working days and paid sick leave for 3 days. Workers are also offered incentive bonuses if they meet targets set by management. But the interviewees were of the view that these sales targets are usually set by management and are usually difficult to achieve. In cases where targets are achieved the procedures for payment of bonuses are cumbersome and so payment is delayed unnecessarily. They do not benefit from medical aid, loans, education bursaries, transportation, medical aid, Employee Share Ownership Plan (ESOPs), subsidised housing and child care services. The workers we interviewed could not provide any accurate information on paid maternity leave. There are differences in benefits received based on employment status. The expatriate staff earn far more than their Ghanaian counterparts

¹³ Workers and employers' contributions are 5% and 12.5% respectively.

and, unlike their Ghanaian counterparts, the expatriate staff receive other fringe benefits such as free or subsidised housing and transportation.

The workers reported that they do not benefit from severance pay. Apparently, they were not aware of the labour law that protects all workers in Ghana irrespective of their union status. Paragraph 34 of the Labour Decree (1967) provides for the payment of severance pay to all employees who become unemployed or suffer any diminution in their terms and conditions of employment due to rearrangement, amalgamation or closure of the enterprise that employs them. The Decree further provides that all such severance pay should take into account the past services of the affected employee(s). The Decree does not state how severance pay should be calculated. It only states that the amount of severance pay and terms of payment are matters for negotiation between the employer and the affected employee(s). The TUC has on many occasions represented non-unionised workers (including management personnel) in the negotiation of severance pay since the Industrial Relations Act allows trade unions to represent all workers in all matters regarding employment and non-employment. Although some unionised workers receive as high as 3 months pay for every year of service as severance, the average for unionised workers is around one month pay for every year of service. Severance pay for non-unionised workers who seek redress through the trade unions usually receive lump-sum payment determined by the affected worker in consultation with the union officer who deals with that particular case. Usually the level of severance for non-unionised low skill workers depend on the number of years of service as well as the financial position (ability-to-pay) of the employer.

Since Woolworths management did not give us detailed information about the wage levels and pay structure in the company we are not in the position to provide any detailed assessment of levels of wages, factors considered for wage increases and the extent of differential in wages based on employment status in the company. However, like other foreign companies, wages and salaries for Woolworths' employees exceed the legal national minimum wage¹⁴.

5.1 Training

¹⁴ Wage levels are generally low in Ghana even by Sub-Saharan African standards. Currently, the minimum wage is ₵9200 per day or about US\$27 per calendar month (US\$1.00 = ₵8600). Average monthly wages are still below US\$100. In the mid to late 1990s Ghanaian workers ranked lowest in terms of average monthly earnings as compared to other Sub-Saharan African countries at the similar level of economic development. Comparative analyses of wages in the Sub-Saharan African region by Teal (1998) revealed that average monthly wage in Ghana, measured in Purchasing Power Parity in US Dollars (US\$PPP), was US\$170 compared to \$467 in Cameroon, \$333 in Kenya, \$176 in Zambia and \$328 in Zimbabwe. Studies have shown that, on average, foreign companies in Ghana pay higher wages than their local counterparts [See Teal (1998)].

The company has a training policy. The first group of workers were given two weeks training when they were employed. However, the workers who were employed later have not had any training yet but management has informed them that there will be more training soon. The training was fully financed by management and workers were paid their full salaries for the period they were undergoing training. As part of the training programme workers were introduced to the structure of the company and customer relations - subjects the workers consider very relevant for their job. According to the workers, Woolworths is very particular about customer care and does everything to ensure high standards of customer care. As mentioned above the company is planning more training for the workers and is making arrangement to send managers to its branches in other countries for training. Also, arrangements are being made to bring a trainer from South Africa to train the Ghanaian staff. According to the workers, although the training programme is tailored specifically to suit the needs of the company, some aspects of the training will be beneficial for their career even when they are no longer with Woolworths. The company has not given any financial assistance to any worker for further education or training outside the company¹⁵.

5.2 Corporate Social Investment

Woolworths(Ghana) is a young company in the country but according the workers we interviewed, the company has demonstrated that it is committed to community improvement. The company has donated money and food worth million of cedis to orphanages and other charitable institutions. The company also donated food and drinks for special Christmas party for children.

Woolworths' positive attitude and commitment to community improvement and social welfare were confirmed when we tried to find out the parent company's performance in this area. The result of our search was very encouraging¹⁶. Woolworths has been involved in community improvement projects in some of the countries it is investing and encourages all the new franchised stores to play a visible role in all community improvement initiatives. For instance in 2002 Woolworths donated surplus food and clothing valued R120 million to hundreds of charitable organisations in South Africa. The company is also involved in health and nutrition education and provides financial assistance to support initiatives for the improvement of lives of people living with HIV/AIDS. Other community initiatives Woolworths supports in South Africa include Poison Information Centres at provincial hospitals, education in environmental care and protection, conservation and natural resource management, and provision of pumps to supply potable water to some rural and deprived areas. Like the parent company, Woolworths(Ghana) demonstrated its commitment to community improvement at its official opening in Ghana by donating €101 Million (US\$11000) to the Mother and Child Community Foundation, a Ghanaian NGO committed to the improvement of lives of women and children

¹⁵ The workers laughed when we posed this question and wondered if this will ever happen.

¹⁶ See http://www.woolworthsholdings.co.za/corporate_profile/profile.html

in deprived areas. In a telephone conversation with our field researcher, the general manager indicated that the company is involved in other community initiatives and it will continue to support these initiatives.

5.3 Health, Safety and Environment

We found out from our interviewees whether workers or their representatives have access to information on accidents and any health problems the workers in the company might have. The response was, categorically, no. There is no health and safety committee and workers have never received any training in health and safety. They have no idea about any plans of health and safety training for the workers. Some of the workers are complaining of health and safety problems. For example, sales assistants are complaining about standing continuously for 6 hours with only thirty minutes break. Workers in the foods department have to manually lift heavy loads everyday and some have already linked this to hernia they have developed. Workers in the foods department complain that they do not have adequate clothing to protect them from the cold in the freezing warehouse. They admitted that management has provided them with sweaters but according to the workers the sweaters do not provide adequate protection. Management is aware of the problem and has been promising them appropriate clothing for some time but they are yet to provide them. However, the interviewees indicated that management may be willing to discuss any problems related to health and safety with the workers if such issues are raised¹⁷.

One of the positive reports we received from the workers about Woolworths(Ghana) has to do with its concern for and commitment to high environmental standards particularly with regard to sanitation. However, they could not provide detailed information on the company's performance in health, safety and environment in Ghana. Our search for further information about the parent company revealed that it has taken a number of initiatives in the area of health, safety and environment. For example the company stopped sourcing milk products from dairies whose animals are dosed with rBST (a hormone known to stimulate milk production). The report also indicates that Woolworths sell free range eggs, beef, lamb and pork and ensures that all organic foods are certified by credible auditing bodies. Woolworths claims that its suppliers of honey do not trap badgers and its tuna products come from fleets that use dolphin-friendly techniques. It also ensures that its garments, particularly childrens' wears, are free of any strange objects like pins and broken needles. The company has adopted the EU regulations on banned dye-stuffs to reduce pollution and recycles nearly 1500 tons of corrugated board packaging per year. It has phased out the use of PVC in their packaging. Its shopping bags are re-usable which translates into less environmental pollution.

¹⁷ In management's comments, they indicated that they have now provided padded jackets and gloves to the employees who have to work in the freezers. They also ensure that workers in that section enter the freezers wearing the prescribed clothing.

If these reports accurately reflect Woolworths' activities in health, safety and environment then we can conclude that the company is fairly conscious of its responsibilities in these areas¹⁸. Since most of the supplies to the new franchised stores come from South Africa it is likely that the benefits from health, safety and environmental initiatives undertaken by the parent company in South Africa automatically extend to Ghana and other countries where franchised stores have been opened recently.

5. Concluding Remarks

The purpose of his report was to provide information on Woolworths (Ghana), focusing on the application of core international labour, health and safety, and environmental standards in the company. Our research method was designed in such a way that a bulk of the information required for this report was based on management cooperation and the company's willingness to provide such information. Since management refused to provide the information we requested we had to rely mainly on workers and secondary sources for information.

Despite this constraint, we have provided some information on the company's activities and have given the broad picture of the company's performance in the application of labour, health, safety and environmental standards. We have the impression that Woolworths is fairly conscious of its corporate social responsibilities. This was confirmed by the workers we interviewed. Our main reservation about the company has to do with its attitude towards unionism. As mentioned above, management is using very subtle methods to ensure that workers do not form or join a union. The union in charge of commercial sector in Ghana has recently started the unionisation process. The true character of the company towards unionism will be revealed when negotiations start. Another important area that needs to be emphasised is health and safety of workers. The impression we had from the information we gathered from the workers is that workers in some departments, particularly those in the warehouse, have been complaining about lifting heavy items and working in very cold conditions without adequate protective clothing. Management is aware of the situation but has not paid sufficient attention to the plight of workers in this section. Like many other multinationals, and consistent with their super-normal profit motive, any regulation or standard that appear to impose considerable costs on the firm and possibly reduce profits are likely to be violated, albeit, in very subtle manner especially if there is no regular monitoring and if workers in the enterprise are not unionised. Ensuring higher occupational safety and health standards, for example, is usually expensive and is likely to be ignored if unions are not present. We expect this project to enhance the capacity of trade unions across Africa to

¹⁸ Management expressed satisfaction with the part of the report on health, safety and environment (See Management comments in Appendix 1).

ensure that companies, both foreign and local, apply labour, health, safety and environmental standards to protect workers and the general public.

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APPENDIX 1

MANAGEMENT COMMENTS ON THE DRAFT REPORT

We refer to your letter to us dated 23 October 2003 and the copy of the draft report mentioned above. We wish to thank you for providing us with the draft copy and giving us an opportunity to comment on the same. We observe that there are some factual inaccuracies in the draft report and would like to draw your attention to them. You may like to correct them in your Final Report.

Para 4.1 Pages 7 & 8

The objective of setting up a Communications committee was to integrate all functions of the Company and to create an opportunity for feedback within the organisation. The idea was mooted by the management in October 2002, when the Company was engaged in training the new work force. The committee is an important part of our strategy to run our business efficiently.

Your Draft Report has sought to relate the separation of a certain female employee of the Company who was caught red handed stealing chicken thighs, to the formation of the Communications Committee. The two issues are totally unrelated and it would be very unfortunate if they are mixed up in the Report. We wish to state here that decisions to recruit new staff or to discipline staff are taken by a team, which is extremely sensitive and aware of the grave implications that their actions will have on the company, and on the professional careers and personal lives of the individuals concerned.

Every member of our organisation be it management or staff enjoys a very cordial and healthy relationship based on mutual respect and trust, with other members of the company Staff working hours we have ensured that our staff does not work on an average more than forty hours a week. They also get two days off every two weeks as opposed to one day off every fortnight as mentioned in your report. This section on the draft report needs to be corrected.

Para 5.3 on Health, Safety and Environment

We have provided padded jackets and gloves to our employees who have to work in the freezers and have always ensured that our staff enters the freezers wearing the prescribed protective clothing.

We note with satisfaction your positive comments on our social commitment to make a qualitative difference to the lives of the people of the community that we operate in. As responsible corporate citizens we will continue to explore the opportunities to support other socially relevant projects within Ghana.

Thanking you

Yours sincerely

FOR PINK'S FAMILY OUTFITTERS GHANA LIMITED
(SIGNED)

JOE OFORI-ATTA
DIRECTOR