

Ghana

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Context

Ghana has a population of roughly 30.5 million people,^[1] with 43% living in rural regions^[2] and 57% living in urban areas.^[3] The agricultural sector employs 30% of the workforce,^[4] making up roughly one fifth of Ghana's GDP.^[5]

Agriculture is the main source of livelihood for the majority of the country's poorest households. Low yields for both staple and cash crops in Ghana's agricultural sector is common.^[6] Ghana's agriculture is dominated by smallholder farmers. They farm following traditional practices on plots which are often smaller than 2 ha. Agribusinesses have shown interest in collaborating with smallholders in Ghana. However, if Ghana's traditional approach to agriculture is to change towards a modern commercial model, then small-holder farmers would need significant help to modernise their methods ^[7]

The top produced commodities in Ghana are cassava, yams, plantains, maize and palm oil fruit.^[8] Ghana's top export commodities in terms of quantity are cocoa beans, shelled cashew nuts, palm oil cocoa powder and cocoa cake and wheat flour.^[9]

Wages

Minimum wage

In Ghana the minimum wage is set by law at 11.82 Ghanaian cedi (1.7 EUR) per day^[10], or 319 Ghanaian cedi (52 EUR) per month based on 27 working days. Many companies in the country however do not comply with the law. There has been a widespread violation of the minimum wage by all sectors. On the other hand, in the informal sector, the minimum wage was not enforced at all. In addition, although workers have the right by law to remove themselves from dangerous situations at work, only few reported free to exercise this right without feeling that they are jeopardising their employment.^[11]

Living wage

The **Global Living Wage Coalition** has developed a Living Wage Benchmark study for peri-urban Ghana, Lower Volta region, based on the Anker methodology.

The Anker Living Wage Benchmark for peri-urban Ghana is estimated at 1,456 Ghanaian cedis (208 EUR) per month.^[12] The estimate accounts for the wage required by banana workers to afford a basic but decent standard of living in the lower Volta River region of Ghana. Banana workers in this region inhabit small towns and settlements along the river, which can be categorised as peri-urban. Although in Ghana bananas are grown in many areas for domestic consumption, all banana production for export is concentrated in the Lower Volta Region. The banana sector in the region is fully unionised, which creates favorable collective bargaining conditions. Nevertheless, banana workers in the area do not rely solely on their income from the banana plantations but rather try to diversify it through other activities.^[13] When compared to Ghana's national minimum wage, the living wage benchmark for Lower Volta Region is more than 4 times higher.

Living income

The Living Income Community of Practise has developed a **living income benchmark** for the rural cocoa growing areas of Ghana (Ashanti, Central, Eastern, and Western Regions).

The estimated living income is 1,683 Ghanaian cedis (241 EUR) per month.^[14] This number is based on a typical family of 2 adults and 3 children, with 1.56 fulltime workers. Along with Côte d'Ivoire, Ghana is a leading force in cocoa production. More than half of all Ghana's cocoa comes from the Western region, while second in importance is the Ashanti region. When compared to the income of a family depending on Ghana's national minimum wage, the living income benchmark is nearly four times higher.^[15]

Working conditions

Labour law violations regularly occur in Ghana, leaving many workers at risk. According to the **CSR Risk check**, in Ghana, violations of the minimum wage law in the formal economy is widespread. In addition, the majority of the workforce is informally employed, which leads to lost earnings, irregular income, no social security, and poor working conditions. Hence, an understanding of how the country operates in practise is crucial to understanding the root causes of low wages and how best to intervene.

The ITUC Global Rights Index, which assesses workers' rights violations, gives Ghana a score of 3 out of 5, indicating that violations of labour rights are regular. The ITUC index describes **legal impediments** to the freedom of association, the right to collective bargaining, and the right to strike in Ghana. ITUC has also published a **list of workers' violations** that have occurred in Ghana in recent years.

Labour laws are set nationally to protect workers' rights and define employers' obligations and responsibilities. To better understand the labour, social security and human rights legislation in Ghana, visit **NATLEX**, a database developed by the International Labour Organization. Similarly, the WageIndicator Foundation provides detail information about **Ghana's labour law** and examples of **collective bargaining agreements** used by different corporations in Ghana.

What's happening

RESOURCE

[Living Wage Benchmark, Peri-Urban Ghana](#)

Living wage estimate for workers to be able to afford a basic but decent living standard in the Lower Volta River area of Ghana. Global Living Wage Coalition, 2021.

RESOURCE

[Living Income Benchmark, Rural Ghana](#)

Living income estimate for rural Ghana, focussing on cocoa-growing farmers. Living Income Community of Practice, 2020.

RESOURCE

[Fairtrade Living Income Reference Prices](#)

Living Income Reference Prices for cocoa in Ghana and Côte d'Ivoire. Fairtrade International, 2019.

RESOURCE

[Demystifying the Cocoa Sector](#)

Major study on the cocoa sector in Ghana and Côte d'Ivoire. KIT The Royal Tropical Institute

RESOURCE

[Income Gap of Cocoa Producing Households](#)

This report by KIT compares the actual incomes of Ghanaian cocoa producing households with the living income benchmark.

Footnotes

1. World Bank (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GH>
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12. Global Living Wage Coalition (2021). Living Wage Update: February 2021, Ghana, peri-urban, Lower Volta Area. https://www.globallivingwage.org/wp-content/uploads/2018/04/Updatereport_Ghana_2021-FINAL.pdf

13. Global Living Wage Coalition. (2019). <https://www.globallivingwage.org/living-wage-benchmarks/ghana/>
14. Living Income Community of Practice (2020). Living Income March 2020 Update: Rural Ghana - Cocoa growing areas of Ashanti, Central, Eastern and Western. http://c69aa8ac-6965-42b2-abb7-0f0b86c23d2e.filesusr.com/ugd/0c5ab3_8b6a7e26d7c04908a7738f1c97376a78.pdf
15. Living Income Community of Practice (2018). Living Income Report, Rural Ghana - Cocoa growing areas of Ashanti, Central, Eastern and Western. https://c69aa8ac-6965-42b2-abb7-0f0b86c23d2e.filesusr.com/ugd/0c5ab3_55017cee608047d494f56b496925ae4a.pdf