

Ghana

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What's happening

49%

Population below international poverty line

€45

per month

National minimum wage

€272

per month

Rural living wage

€344

per month

Rural living income

29%

Agricultural workforce

20%

Agriculture share of GDP

2

low

Risk to workers' rights

Context

Ghana has a population of roughly 31.7 million people,^[1] with 42% living in rural regions^[2] and 58% 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 14.88 Ghanaian cedi (1.6 EUR) per day^[10], or 401 Ghanaian cedi (45 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 1,841 Ghanaian cedis (272 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 favourable 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]

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 2,324 Ghanaian cedis (344 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.

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

WHATSHAPPENING-LABEL-

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

Updated 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, 2022.

RESOURCE

Fairtrade Living Income Reference Prices for Cocoa [↗](#)

A Fairtrade LIRP indicates the price needed for an average farmer household with a viable farm size and an adequate productivity level to make a living income from the sales of their crop. This study was updated in 2022.

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 (2021). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GH>
2. World Bank (2021). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=GH>
3. World Bank (2021). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=GH>
4. World Bank (2019). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=GH>
5. World Bank. (2021). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=GH>
6. World Bank (2017) Ghana Agriculture Sector Policy Note: Transforming Agriculture for Economic Growth, Job Creation, and Food Security. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/28394> License: CC BY 3.0 IGO.
7. IFAD. Country Profiles: Ghana. <https://www.ifad.org/en/web/operations/w/country/ghana>
8. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
9. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
10. WageIndicator Foundation. (2023). <https://mywage.org/ghana/salary/minimum-wages>

11. U.S. Department of State. 2019 Country Reports on Human Rights Practices: Ghana. <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/ghana/>
12. Global Living Wage Coalition (2022). Living Wage Update: February 2022, Ghana, peri-urban, Lower Volta Area. https://www.globallivingwage.org/wp-content/uploads/2018/04/Updatereport_Ghana_2022_29032022final.pdf
13. Global Living Wage Coalition. (2022). <https://www.globallivingwage.org/living-wage-benchmarks/ghana/>
14. Living Income Community of Practice (2022). Living Income 2022 Update: Rural Ghana -Cocoa growing areas of Ashanti, Central, Eastern and Western. http://c69aa8ac-6965-42b2-abb7-0f0b86c23d2e.filesusr.com/ugd/0c5ab3_8b6a7e26d7c04908a7738f1c97376a78.pdf