

Wages in Ghana

Wage Indicator survey 2012

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WageIndicator.org

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The WageIndicator concept is owned by the WageIndicator Foundation. The Foundation is a non-profit organization. Its Supervisory Board is chaired by the University of Amsterdam/Amsterdam Institute of Advanced labour Studies, the Dutch Confederation of Trade Unions (FNV) and Monster career site. Start: September 2003. The WageIndicator operates globally through a network of associated, yet independent regional and national partner organisations like universities, media houses, (trade unions- and employers organisations and individual (legal, internet, media) specialists, with whom the WageIndicator engages in long lasting relationships. WageIndicator Foundation has offices in Amsterdam (HQ), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Maputo, Minsk. WageIndicator websites are there in 65 countries. In 40 countries the WageIndicator website has a so called 3 pillar structure. In that case the site can be called an online up to date library on Wages, Labour Law and Career. In 20 countries the WageIndicator websites are supported with offline actions like paper surveys, fact finding debates and media campaigns. The independent WageIndicator Foundation aims for transparency of the labour market by sharing and comparing wage and labour conditions data.

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About University of Amsterdam/Amsterdam Institute for Advanced Labour Studies - www.uva-aias.net

The University of Amsterdam is a 350-years old research university. Its Amsterdam Institute for Advanced Labour Studies (AIAS) is an interdisciplinary research institute focusing on labour issues, particularly industrial relations, organisation of work, working conditions, wage setting, labour-market inequalities, employment and labour market governance. AIAS maintains a large portfolio of internationally funded research projects and international data bases and data collections. Since 2003, AIAS chairs the Supervisory Board of the WageIndicator Foundation. Kea Tijdens (sociologist) is a Research Coordinator at AIAS and a professor of sociology at Erasmus University Rotterdam. She is the scientific coordinator of the WageIndicator web-survey on work and wages. She has analysed the data concerning the wage ranking of health care occupations in 20 countries, the impact of short-time arrangements in Germany and the Netherlands, and the relationship of collective bargaining coverage and wage brackets. Janna Besamusca is a PhD candidate at the University of Amsterdam, researching the position of women in the labour market worldwide.

Special thanks to

Funding partners: CNV Internationaal. **Project partners:** Labour Research & Policy Institute Ghana Trades Union Congress, Wage Indicator Foundation. **Team members:** Janna Besamusca, Clara Osei Boateng, Tomáš Mamrilla, Paulien Osse, Kwabena Nyarko Otoo, Kea Tijdens, Mary Torgbe, Sanne van Zijl.

More information: WageIndicator org, <http://www.mywage.org/ghana/home>.

1 Executive summary

This *WageIndicator Data Report* presents the results of the face-to-face WageIndicator survey in Ghana, conducted between 20 February and 20 April 2012. In total 1413 persons were interviewed, mainly in urban areas of all Ghanaian regions. The workers in the survey live in households with on average almost 4 members, including themselves. Six in ten men and nearly five in ten women live with a partner; more than 60% of men and 59% of women live with one or more children. The large majority of the workers have some kind of secondary education degree and on average, workers in the survey have almost fourteen years of work experience. Nearly half of the respondents work either as managers (30%) or professionals (17%). Clerical support workers (12%) and service and sales workers (14%) constitute a considerable part of the sample.

Seven in ten workers are employees with permanent contracts (67%). Almost 15% are self-employed; about nine per cent of the workers are employees with a fixed term contracts and another nine per cent are employees without a contract. Two-thirds of all self-employed are men. Women make up the majority of workers on permanent contracts and without contracts. Six in 10 employees on fixed term contracts are men. Workers without contract are very likely to be under 30 (64%) while much less likely to be older (only 4% being 50 years or older). Eight in ten workers work in an organization with at most 50 employees (37% firms until 10 employees and 43% 11-50 employees).

The average working week of the respondents is 54 hours and they work nearly six days a week. Two in ten workers report working regularly in shifts, almost half of the respondents regularly work in the evening. Over six out of ten people work on Saturdays and 42% report working Sundays. Only 32% of respondents are covered by a collective agreement, whereas 92% agree that it would be important to be covered.

Six in ten workers report entitled and contribute to social security, compared to four in ten who are not. Over 89% of self-employed and 85% of workers without a contract is not entitled to social security, whereas 83% of workers on permanent contracts are entitled. Half of the workers are in the very formal jobs, whereas just less than two in ten workers work in very informal jobs. Men are more likely than women to be in very informal jobs and less likely to be in very formal jobs. Older workers are most likely to be in very formal jobs (65%) and younger workers the least likely (37%).

The median net hourly wage of the total sample is 2,35 Ghanaian Cedi. The largest firms pay the highest wages and the smallest ones the lowest. Similarly, wages go up with more experience. Relative high median wages are also depicted for the workers on permanent contracts. Workers without any contract earn the lowest wages. While wages increase for every extra level of education, there is an enormous pay off for graduates from polytechnics and universities. Crafts and trades workers earn the highest wages, followed by technicians and professionals. Elementary workers, services and sales works and plant and machine operators are still reasonably well paid. Managers are surprisingly low paid.

Almost three in ten workers earns less than 0,50 Cedi per hour, whereas one quarter earn more than 3,50 Cedi. More than half of the workers with no formal education earn less than 1,50 Cedi per hour, whereas no university graduates and only 1% of polytechnic alumni do. Nearly seven in ten polytechnic graduates (68%) and six in ten university graduate earn more than 3,50 Cedi per hour. Three out of ten workers on permanent contracts earn more than 3,50 Cedi, compared to seven in ten workers without a contract, who earn less than 0,50 Cedi.

The analysis shows that 72% of the sample is paid on or above the minimum and 28% is paid below the minimum wage threshold. One in three workers without a contract works for wages below the minimum threshold. Approximately half of the workers in very small firms, under 29 years of age or in the lowest two tranches of the informality index are paid under the minimum wage threshold. Nine in ten workers in very formal jobs, workers over 50 years old or those in companies of more than 50 employees, work for at least the minimum wage. Eight in ten workers on permanent contracts and six in ten self-employed earn the minimum wage or more. Higher education levels, age and living with a partner all have positive effects. Graduates from polytechnics and universities appear to be free from any danger of being paid under the minimum wage. Agricultural workers are regularly paid below the minimum wage (only 45% is paid on or above the minimum wage). In contrast, technicians, crafts and trades workers and those in elementary occupations are paid according to the minimum wage in 96 to 97 per cent of the cases.

Table of contents

1	Executive summary	
2	Introducing the survey	1
	Aim of the survey.....	1
	The questionnaire	1
	Sampling and fieldwork.....	1
	Weighting	1
3	Socio-demographic characteristics	3
	Regions	3
	Age and gender	3
	Household composition	4
	Living with partner and children	4
4	Employment characteristics	5
	Labor force.....	5
	Employment status and labour contracts.....	5
	Employment by educational category	7
	Years of work experience	7
	Firm size.....	8
	Employment by occupational category	9
5	Remuneration	10
	Wage levels.....	10
	Minimum wage setting.....	11
	Bargaining coverage.....	13
	Participation in schemes and receiving allowances.....	13
	Wages on time and cash in a bank account	14
6	Working hours	15
	Working hours agreed	15
	Usual working hours.....	15
	Shifts or irregular hours	16
	Average working days per week.....	16
7	Satisfaction with life-as-a-whole	17
	Appendix 1 List of occupational titles	18
	Appendix 2 Regressions	19

Table of Graphs

Graph 1	Distribution of respondents and total population (2010) across regions.....	3
Graph 2	Percentage interviewees according to age and gender	3
Graph 3	Distribution over household size, break down by age group, gender and total.....	4
Graph 4	Distribution over household composition, break down by age group, gender and total ...	4
Graph 5	Distribution over status in employment, break down by entitlement to social security, contribution to social security, agreed work hours, wage by bank or in cash and total ...	6
Graph 6	Distribution over the informality-index, breakdown by gender, age, and total	6
Graph 7	Percentage interviewees according to education, by gender and total	7
Graph 8	Distribution over years of work experience, break down by age group, gender and total	8
Graph 9	Distribution over firm size, break down by employment status, education level and total	8
Graph 10	Percentage interviewees according to occupational category, by gender and total	9
Graph 11	Median net hourly wage in Ghanaian Cedi (GHS), break down by firm size, tenure, gender, contract status, education, occupation and total.....	10
Graph 12	Distribution over hourly wages in GHS, break down by education, employment, gender and total	11
Graph 13	Percentage of workers paid above the minimum wage threshold, by informality index, gender, age, firm size, employment status and total.	12
Graph 14	Percentage of workers paid above the minimum wage threshold by occupation, education and total.	12
Graph 15	Percentage of interviewees covered by a collective agreement and percentage agreeing with the statement that it is important to be covered, breakdown by firm size and total.....	13
Graph 16	Percentage of interviewees participating in a scheme in the past 12 months.....	14
Graph 17	Percentages of employees reporting that they received their wage on time and that they received their wage in a bank account, by occupational group.	14
Graph 18	Percentages of workers having agreed their working hours, by employment group and occupational group.....	15
Graph 19	Average length of the working week, by employment group and occupational group ...	15
Graph 20	Percentage workers reporting to be working in the evenings, shift work or irregular hours, Saturdays or Sundays, by employment group, gender and total	16
Graph 21	Average number of working days per week, by employment group, gender, firm size, occupational group, education and total.....	16
Graph 22	Percentage of workers indicating how satisfied they are with their life-as-a-whole.....	17
Graph 23	Average satisfaction with life-as-a-whole, breakdown by employment status, gender, wage, occupational level, education and total (mean scores on a scale 1-10)	17

2 Introducing the survey

Aim of the survey

This *WageIndicator Data Report* presents the results of the face-to-face WageIndicator survey in Ghana, conducted between 20 February and 20 April 2012. The survey aimed to measure in detail the wages earned by Ghanaian workers, including the self-employed. In total 1413 persons were interviewed. This survey is part of the global WageIndicator survey on work and wages. These surveys are posted on WageIndicator websites. The continuous, volunteer WageIndicator web-survey is an international comparable survey in the national language(s). The survey contains questions about wages, education, occupation, industry, socio-demographics, and alike.¹ Once a WageIndicator survey is created for use on a national WageIndicator website, a paper-based questionnaire for face-to-face interviews can be drafted from the web-survey. These paper-based surveys supplement the web-based surveys in countries with low internet access rates.

The questionnaire

The WageIndicator survey was adapted from the global standard questionnaire to the Ghanaian setting. Most of the questions were retained without changing the intended purpose. The questionnaire was conducted in English.

Table 1 Number of respondents and language of the survey

	Number of respondents	Percent
English	1,413	100%

Source: WageIndicator face-to-face survey Ghana, 2012, unweighted data

Sampling and fieldwork

All interviews were conducted face to face by the Labour Research & Policy Institute Ghana Trades Union Congress. Respondents selected through a random walk. Interviewer went into the street, bars, work places, educational institutions and neighbourhoods. Interviews were conducted in all regions, depending on their level of economic activity. The selection was highly urban in nature and results of this survey are most representative of workers living in cities. The Labour Research & Policy Institute did the data entry as well. All interviewers and those working on data entry received trainings for that purpose.

Weighting

Sampling is critical in reaching a national representative survey. ILO's Estimates And Projections of the Economically Active Population (EAP 6th edition) were used for weighting according to gender and age. The table shows the weights, indicating to what extent the gender/age group in the face-to-face survey was over- or underrepresented in comparison to the labour force estimates. If a weight is lower than 1, the group is overrepresented. If the weight is larger than 1, the group is underrepresented. In this paper, all graphs and tables are derived from weighted data. Because nineteen respondents did not provide their age and seven did not provide their gender, the weighted analysis will be performed for a sample of 1388.

¹ See for more information about the survey Tijdens, K.G., S. van Zijl, M. Hughie-Williams, M. van Klaveren, S. Steinmetz (2010) *Codebook and explanatory note on the WageIndicator dataset, a worldwide, continuous, multilingual web-survey on work and wages with paper supplements*. Amsterdam: AIAS Working Paper 10-102. www.wageindicator.org/documents/publicationslist/publications-2010/codebook-and-explanatory-note-on-the-wageindicator-dataset.pdf

Table 2 Weights for the Ghana survey according to age and gender distribution

	Weight	N
Male 14-29 years	1,18	210
Male 30-39 years	0,66	298
Male 40-80 years	0,78	366
Female 14-29 years	1,13	202
Female 30-39 years	1,25	139
Female 40-80 years	1,49	173
Total	1,00	1388

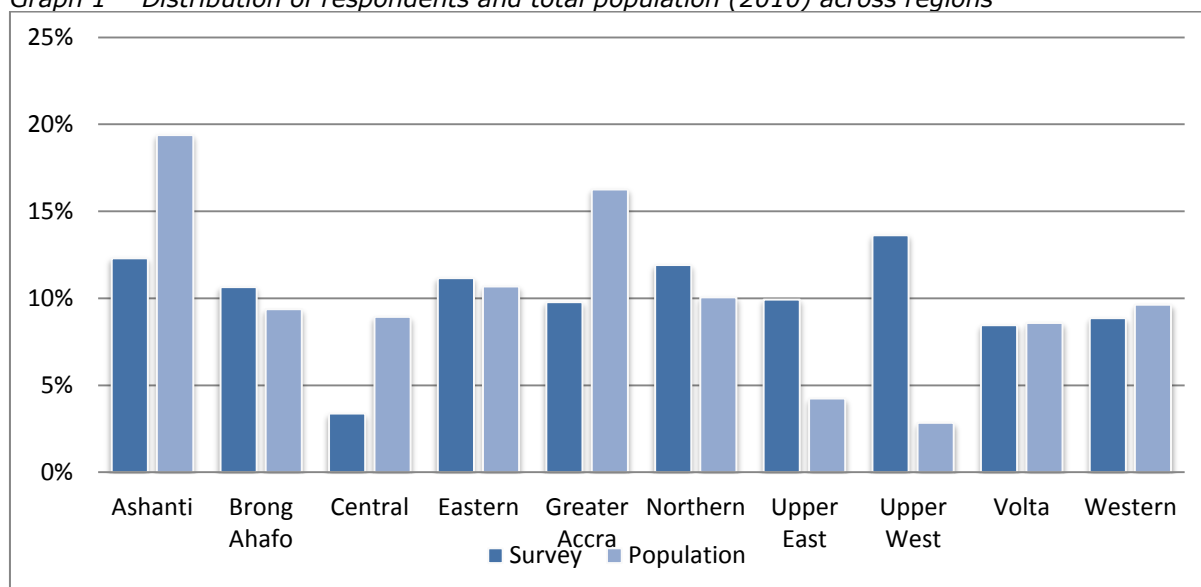
Source: The weights are based on the labour force estimates for 2012, derived from the Estimates And Projections Of The Economically Active Population (EAPPEP 6th edition) database of the International Labour Organization (ILO).

3 Socio-demographic characteristics

Regions

In the sample, all regions in Ghana were covered. Ashanti, Central and Greater Accra are underrepresented in the sample, the Upper West and Upper East are overrepresented compared to population statistics². About 65% of the sample lived in cities of between 10,000 and 100,000 inhabitants, 20% in larger cities and 13% lived in small villages and rural areas.

Graph 1 Distribution of respondents and total population (2010) across regions

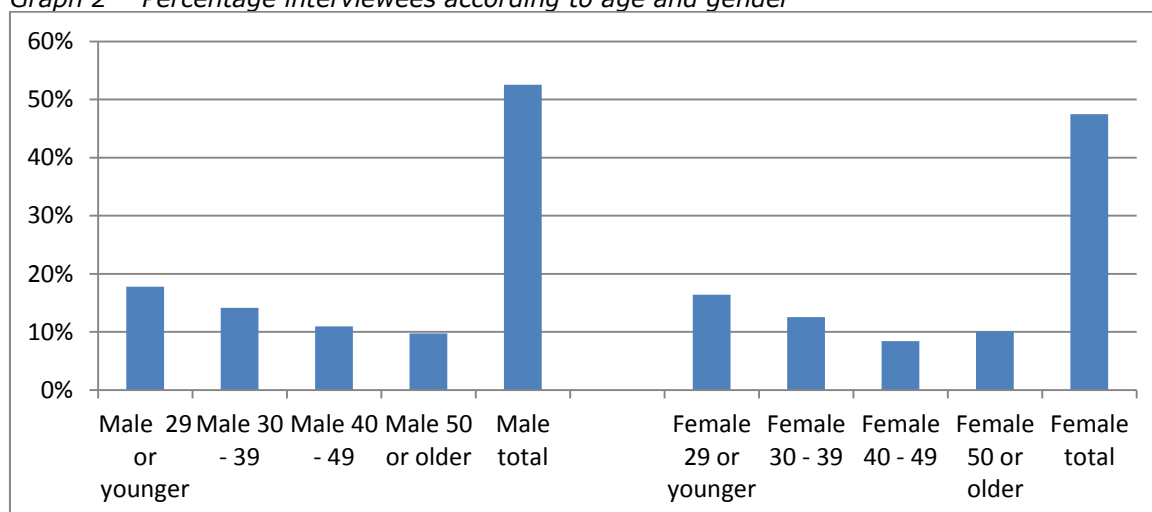


Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 29 missing cases)

Age and gender

Slightly more male than female workers were interviewed (52% versus 48%). Compared to older workers more young workers (men and women) aged 29 or under were interviewed (34%).

Graph 2 Percentage interviewees according to age and gender



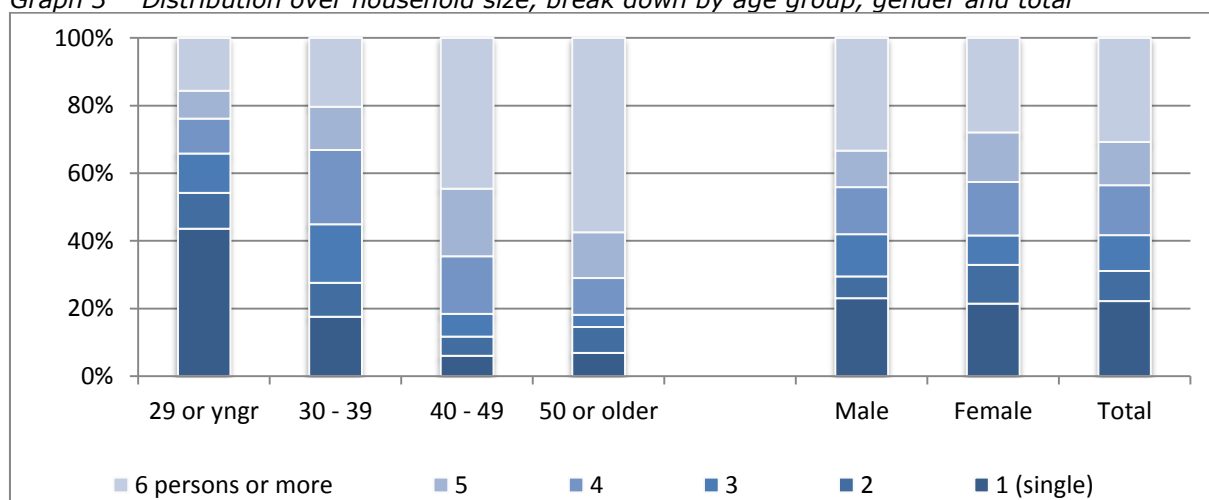
Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388)

² For Ghana's population by region and city, see <http://www.citypopulation.de/Ghana-Cities.html>

Household composition

The workers in the survey live in households with on average almost 4 members, including themselves, which is in line with findings of the Ghana Statistical Service³. Graph 3 shows that 22% of workers live in a single-person households, and 31% live in a household with 6 members or more (see bar total); two-person households are relatively rare, at only 9%. Young people are most likely to live alone, whereas those above fifty are most likely to live in households of six people or more. Men are slightly more likely than women to live alone (23% and 21% respectively), but are also most likely to live in large households (33% and 28%). Women are much more likely than men to live in two-person households (11% versus 6%).

Graph 3 Distribution over household size, break down by age group, gender and total

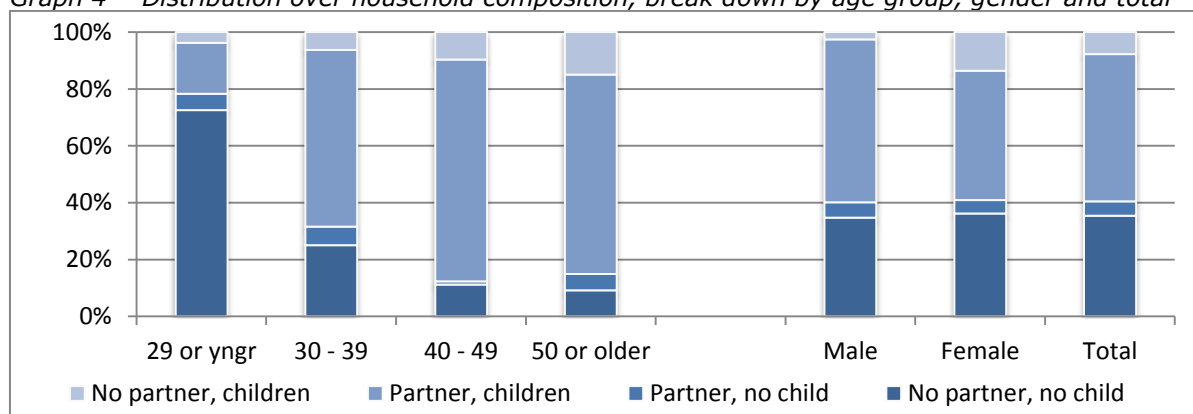


Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 4 missing cases)

Living with partner and children

As Graph 4 shows, six in ten men and nearly five in ten women live with a partner. Nearly three in four people under 30 years of age live alone, compared to only 9% of people over fifty. Graph 4 also shows that more than 60% of men and 59% of women live with one or more children. Nearly eight in ten people between 40 and 49 live with both children and a partner, followed by seven in ten people of over fifty. Both single parent and couples without children are relatively rare (8% and 5% respectively). If people do live with dependent children but without partner, they are almost always women (14% of women, compared to 3% of men). As much as 57% of men live with a partner and at least one child, compared to 45% of women.

Graph 4 Distribution over household composition, break down by age group, gender and total



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 2 missing cases)

³ http://www.statsghana.gov.gh/docfiles/glss5_report.pdf

4 Employment characteristics

Labor force

According to the ILO economically active population estimates and projections Ghana has an economically active population of nearly 11 million people (10.971.700) 52% of which are men and 48% are women. The female labor participation rate in Ghana is 67%, as compared to 72% for men. The population is very young, declining at each age bracket; compared to 3,4 million people until the age of 4, there are only 1,8 million between 30 and 34 and just over half a million Ghanaians between 60 and 65. According to the ILO⁴, four in ten Ghanaians live in poverty.

According to the last released household survey⁵ of the Ghana Statistical Service, from 2008, the urban population makes up 47% of the labor force and the rural population 59%. The largest part of the workers are own account workers (55%), family workers (20%), employees (18%) and employers (5%). Nearly three in ten work in the public sector, compared to 7 in 10 in the private sector. Within the private sector, an estimated 48% work in the informal sector. More than half of the Ghanaian work force is in agriculture and fisheries, 13% are services and sales workers and 13% in crafts and trades. The average hourly wage is 5,55 Ghanaian Cedi, or GHS 0,5 for women and GHS 0,61 for men. The best paid industries are fishing (GHS 1,16), finance (GHS 1,54) and real estate (GHS 1,18). The best paid occupations are managers and legislators (GHS 1,88 per hour) and professionals (GHS 1,34). Unemployment, in 2008, was at 3,6%. Young people are most likely to be unemployed, which is unsurprising because they are by far the largest demographic group⁶.

Employment status and labour contracts

The survey distinguishes registered self-employed, employees with a permanent contract, with a fixed-term contract and workers without a contract. The last bar in Graph 5 shows the distribution over these four categories. Nearly seven in ten workers are employees with permanent contracts (67%). Almost 15% are self-employed; about nine per cent of the workers are employees with a fixed term contract contracts and another nine per cent are employees without a contract. A breakdown by gender and age group (not in the Graph) reveals that two-thirds of all self-employed are men (67%, compared to 33% women). Despite the fact that women are less numerous in the labor market, they make up the majority of workers on permanent contracts and without contracts (51% and 50% respectively), but 6 in 10 employees on fixed term contracts are men. Self-employed workers are spread over all age categories, just under 55% being between 30 and 49, and just over 45% being older or young than that. Workers without contract, however, are very likely to be under 30 (64%) while much less likely to be older (only 4% being 50 years or older).

A main criterion for the divide between formal and informal work is the entitlement to social security. Six in ten workers report being entitled to social security, compared to four in ten who are not. The graph shows how four groups of people with different employment statuses fare in this respect. Over 89% of self-employed and 85% of workers without a contract are not entitled to social security, whereas 83% of workers on permanent contracts are entitled. Slightly more workers on fixed term contract are not entitled than are (57% and 43% respectively).

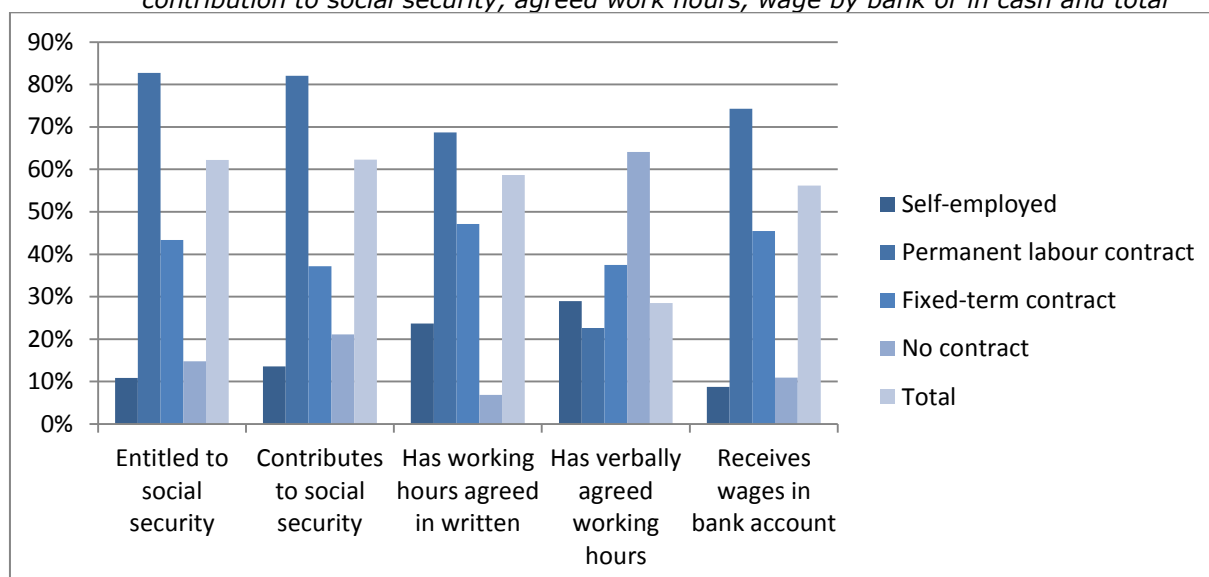
The WageIndicator survey included a question about contribution to social security. Four in ten workers say that they do not contribute, while six in ten say they do (no 38%, yes 62%). Graph 5 shows that the picture of social security contributions is very similar to that of benefits and entitlements. One exception is the situation of workers on fixed term contracts: while 85% indicated that they are not entitled to social security, only 79% indicate they do not contribute, leaving a group of 6% who do contribute but do not benefit.

⁴ Working out of poverty in Ghana, ILO, 2004, <http://www.ilo.org/public/english/bureau/dwpp/download/ghana/ghbooklet.pdf>

⁵ Ghana Living Standards Survey Report of the fifth round, Ghana Statistical Service, September 2008, http://www.statsghana.gov.gh/docfiles/glss5_report.pdf

⁶ More information on youth employment in Ghana can be found in a special ILO publication from its youth employment network: http://www.ilo.org/public/english/employment/yen/downloads/psi/psi_study.pdf

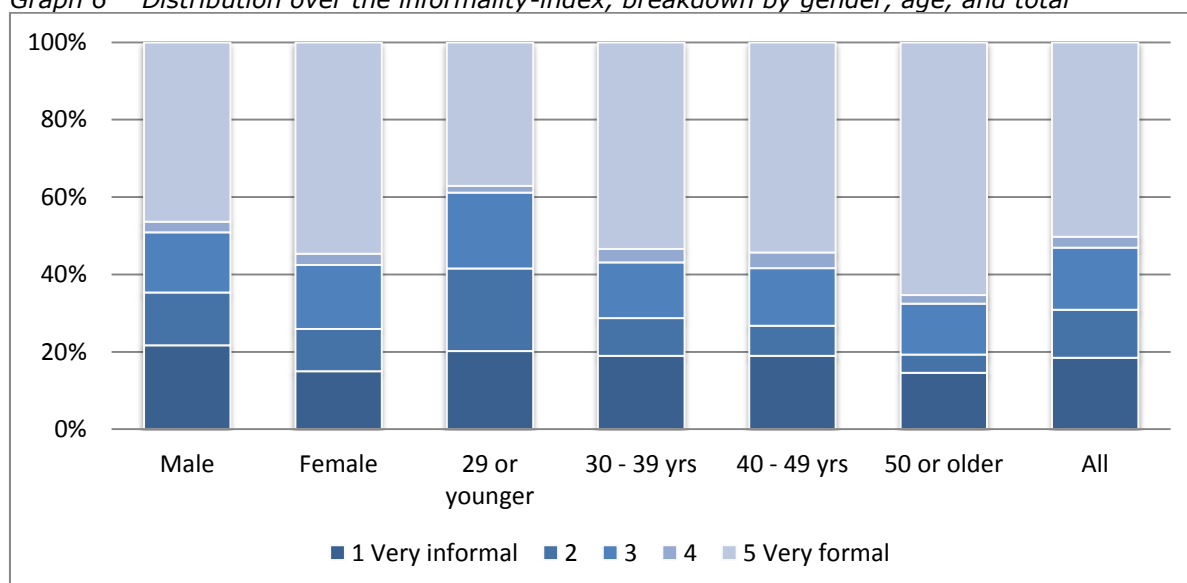
Graph 5 *Distribution over status in employment, break down by entitlement to social security, contribution to social security, agreed work hours, wage by bank or in cash and total*



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 4 missing)

Informal work might relate to unlimited working hours, but this is not often the case. Only one out of ten workers states not to have any agreed working hours, the remaining group has agreed working hours, either in writing (59%) or verbally (29%). Only half of the self-employed workers (53%) have agreed working hours, compared to 91% of employees on permanent contracts, 85% on fixed term contracts and 71% of workers without a contract. Workers on permanent and fixed term contracts most often have hours agreed in written, whereas employees without contracts tend to have verbally agreed hours. Respondents were also asked if wages were received in a bank account or cash in hand (by bank 57%, in cash 41%). Workers without contracts and the self-employed nearly always receive wages in cash (85% and 78%). Three quarters of permanent employees tend to get their salaries transferred into a bank account (74%), whereas those on fixed term contracts are split about equally likely to receive wages in cash or in the bank.

Graph 6 *Distribution over the informality-index, breakdown by gender, age, and total*



Source: WageIndicator face-to-face survey Ghana, 2012, weighted data (N=1388, of which 2 cases missing)

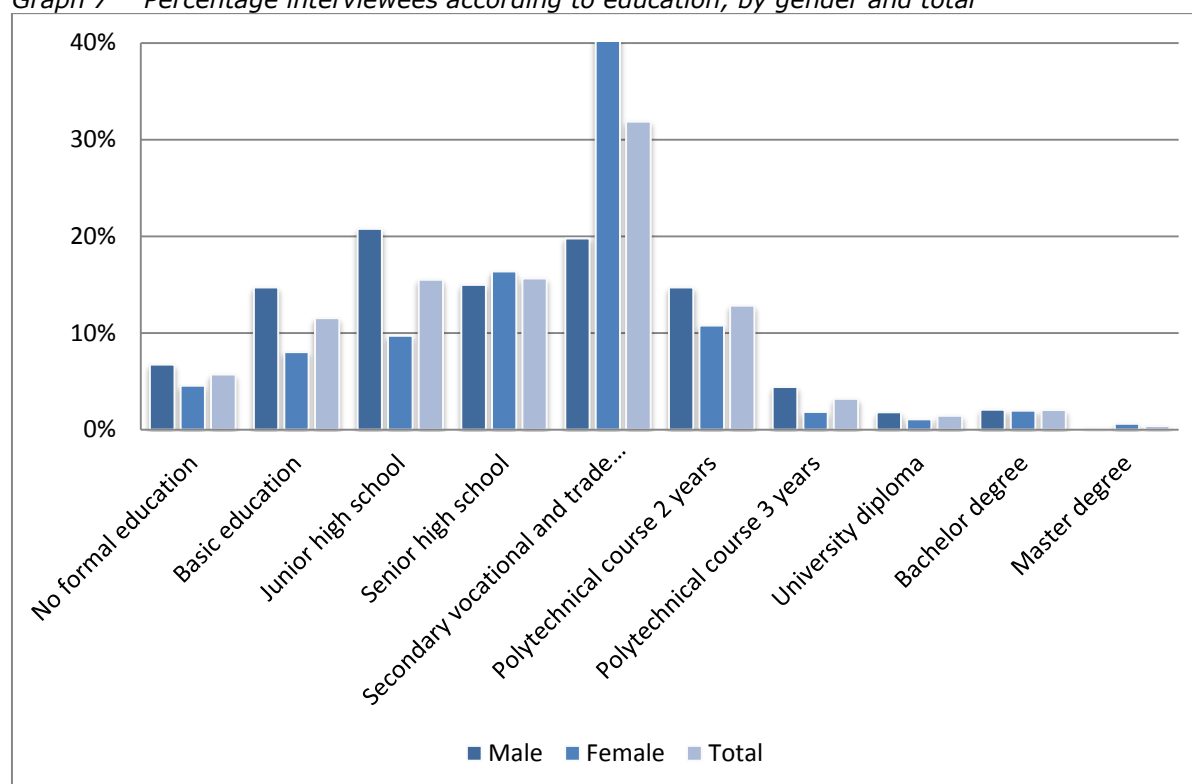
The data allow us to investigate how formal and the informal people's jobs are and to compute an informality-index. We identified the workers who are not entitled to social benefits, do not

contribute to social security, and have no employment contract; this group is placed at the extreme informal end of the spectrum. The workers who are entitled, do contribute and have a permanent contract are placed at the other end of the spectrum. As is shown in graph 6, half of the workers are in the very formal jobs, whereas just less than two in ten workers work in very informal jobs. Men are more likely than women to be in very informal jobs and less likely to be in very formal jobs. Older workers are most likely to be in very formal jobs (65%) and younger workers the least likely (37%).

Employment by educational category

The large majority of the workers have some kind of secondary education degree (junior high school 15%, senior high school 16%, secondary vocational 32%). Around 12% of workers have no more than basic education degrees and 6% enjoyed no formal education at all. Another 13% followed a two-year polytechnic course, 3% completed the three-year course and 4% have some kind of university degree. Due to the urban focus of the survey, the sample is more highly educated than the level reported by the Ghana Statistical Service. Women are significantly higher educated than men, which seems to be mainly due to much more women than men continuing after primary education and high school: 45% of female workers compared to 20% of male workers completed secondary vocational and trade education. Men are more likely to have completed polytechnic, university of bachelor degrees, but this concerns much smaller groups of people. One in ten workers say they are overqualified for the job they do, which is reported by workers from all educational degrees with comparable frequency, with the exception of those without education and workers with basic education. About 3% of respondents report they are under qualified for their jobs; this is reported mainly by workers without education and those with senior high school degrees (8% each).

Graph 7 Percentage interviewees according to education, by gender and total



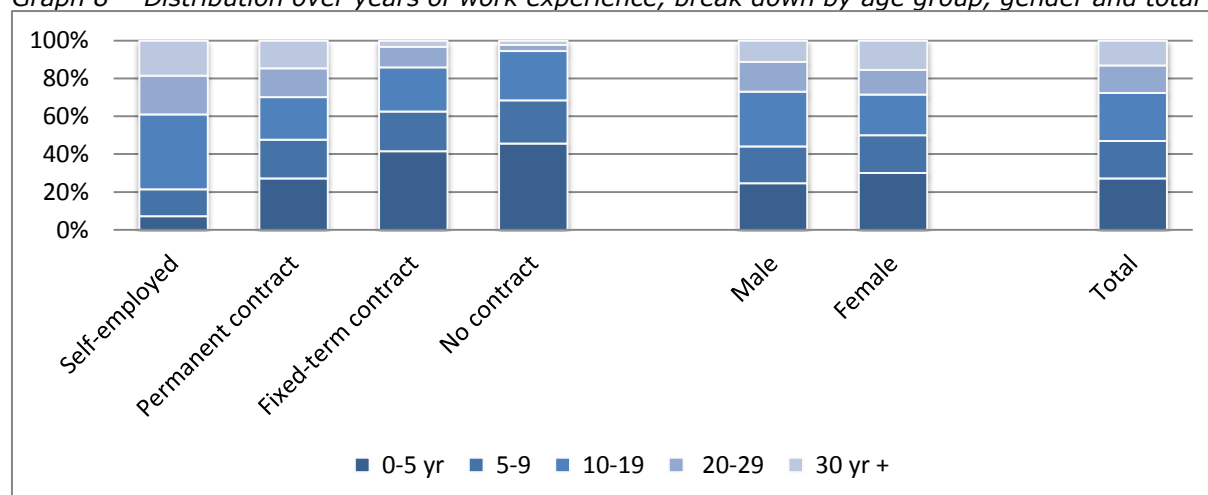
Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388)

Years of work experience

On average, workers in the survey have almost fourteen years of work experience. As is shown in Graph 8, the largest group (27%) of workers has less than five years of experience, followed by those with between 10 and 19 years of experience (25%). The smallest groups are workers with 20 to 29 (14%) or more than 30 years (13%) of experience. Self-employed workers have on average

more years of work experience than employees (over 18 years) and workers without contract the lowest (8 years). On average, women differ very little from men in terms of work experience. A closer look reveals, however, that female self-employed tend to have more years of experience than their male counterparts, whereas male employees on fixed term contracts or without contracts have more experience.

Graph 8 Distribution over years of work experience, break down by age group, gender and total



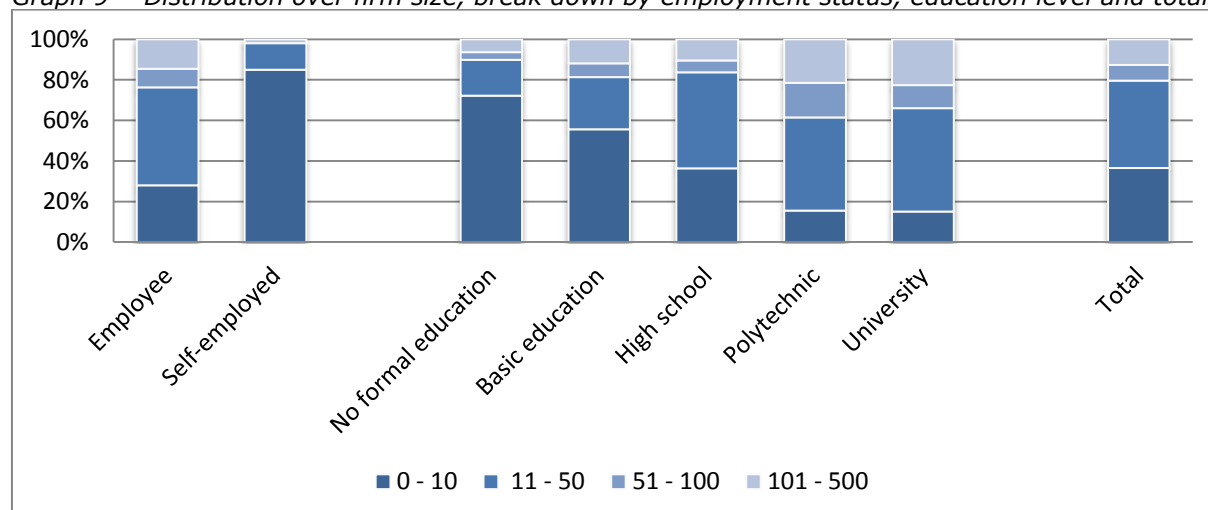
Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 9 cases missing)

The survey has a few questions about employment spells, which measures how often and for how long workers have periods out of employment. Some 14% of respondents experienced such a spell and in half of the cases this lasted for more than one year. Men take significantly more breaks than women, but the duration of their breaks does not vary from those of women. No questions were asked about the reasons for the spell, but most likely these are due to unemployment.

Firm size

Eight in ten workers work in an organization with at most 50 employees (37% firms until 10 employees and 43% 11-50 employees). Graph 9 shows that 85% of the self-employed work in small firms, another 13% employs between 11 and 50 workers, and only 2% have companies of over 100 employees. The graph also shows that the more highly educated workers are, the less likely they are to work for small firms and the more likely to work for big firms.

Graph 9 Distribution over firm size, break down by employment status, education level and total



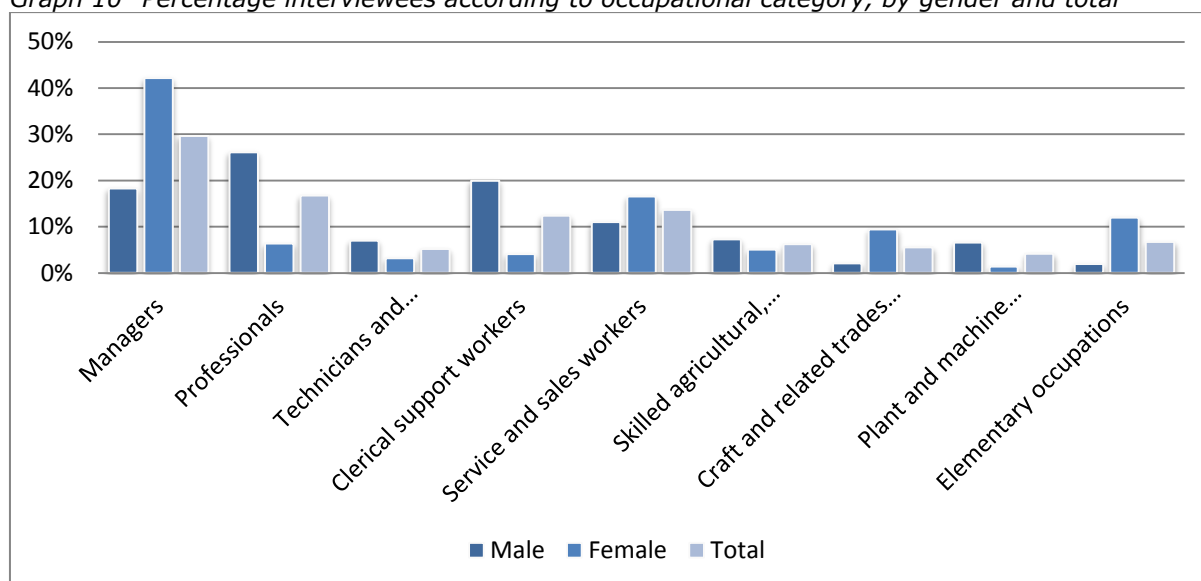
Source: WageIndicator paper survey Ghana 2012, weighted data (N=1388, of which 12 cases missing)

More than seven in ten workers without education work in firms with 10 or fewer employees; only 4% of them work form companies employing between 51 and a 100 people, 6% work for firms with more than 100 employees. Small firms remain the predominant work place for workers with primary education (56%). The biggest groups of workers with high school, polytechnic of university education degrees work in firms employing between 11 and 50 people (47%, 46% and 51% respectively).

Employment by occupational category

Graph 10 shows that nearly half of the respondents work either as managers (30%) or professionals (17%). Clerical support workers (12%) and service and sales workers (14%) constitute a considerable part of the sample. This is not entirely representative of the Ghanaian population, half of whom work in agriculture and fisheries according to the information of the Ghana Statistical Service; a consequence of 85% of the sample of the WageIndicator questionnaire living in cities⁷. Three quarters of male respondents are in the abovementioned occupation categories. Women in the sample are most likely to work as managers (42%), service and sales workers (16%) or in elementary occupations (12%). Noteworthy is that women are twice as likely as men to be managers and crafts workers. Men are much more likely to be professionals, clerical support workers or plant and machine operators.

Graph 10 Percentage interviewees according to occupational category, by gender and total



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388)

⁷ For more information, see the employment chapter of the Ghana Living Standards Survey, starting from p. 34: http://www.statsghana.gov.gh/docfiles/glss5_report.pdf

5 Remuneration

Wage levels

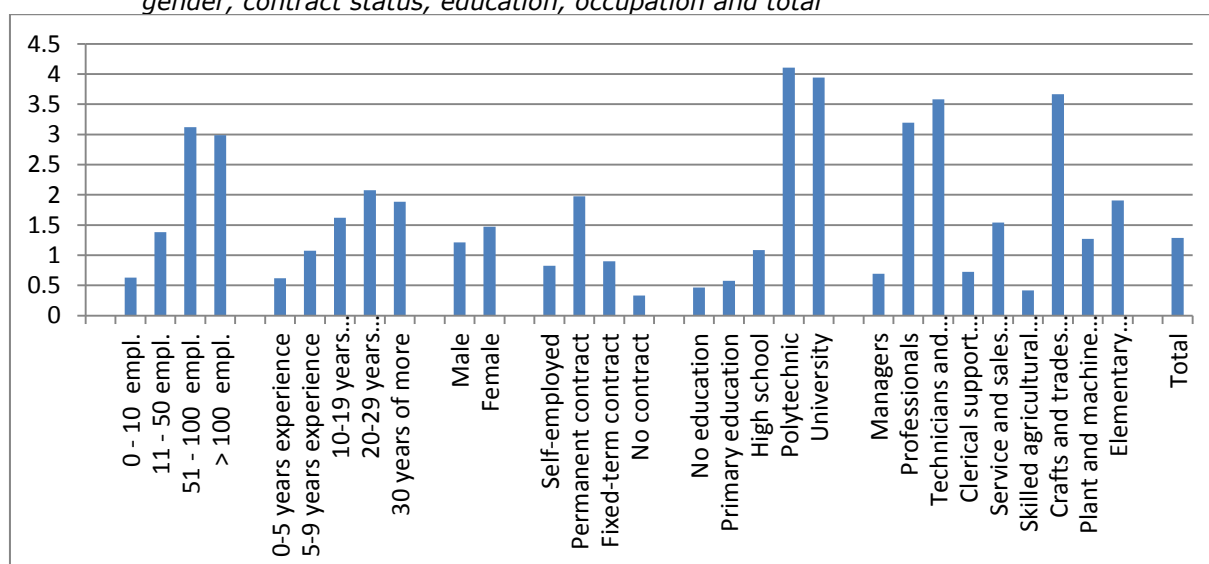
The median net hourly wage of the total sample is 2,35 GHS (Ghanaian Cedi). The median wage is the middle of all observations within a defined category, so when all the wages are listed from smallest to largest, we take the number exactly in the middle. It should not be confused with the average or mean wage, which is the sum of all wages of the individuals divided by the number of observations. The median has the advantage that it is not overly influenced by a few very high earners.

Graph 11 shows that the largest firms pay the highest wages and the smallest ones the lowest. Similarly, wages go up with more experience, except for the last category. The breaking point at 30 years is probably influenced by people who've reached the retirement age still being in the labour market, but in lower jobs than before. Relative high median wages are also depicted for the workers on permanent contracts. Workers without any contract earn the lowest wages. While wages increase for every extra level of education, there is an enormous pay off for graduates from polytechnics and universities. They earn GHS 4,10 and GHS 3,93 respectively, much more than the next group: high school graduate, who earn GHS 1,80. The wage difference between women and men are so small that it is impossible to draw conclusions. Men's average wage is higher than women's by GHS 0,14 per hour, but their mean wage is lower by GHS 0,26.

The graph shows the median wages by occupational category. Crafts and trades workers earn the highest wages, followed by technicians and professionals. Elementary workers, services and sales works and plant and machine operators are still reasonably well paid. Managers are surprisingly low paid, which is an effect of the inclusion of many self-employed workers in this category.

The graph depicts the wage differentials for several categories of workers. The impact of each category on an individual's net hourly wage can be investigated, controlled for the impact of the other categories (see Appendix 2). The results show that higher education pays off, and so does occupational status. Secondly, workers in more formal jobs earn higher wages.

Graph 11 Median net hourly wage in Ghanaian Cedi (GHS), break down by firm size, tenure, gender, contract status, education, occupation and total

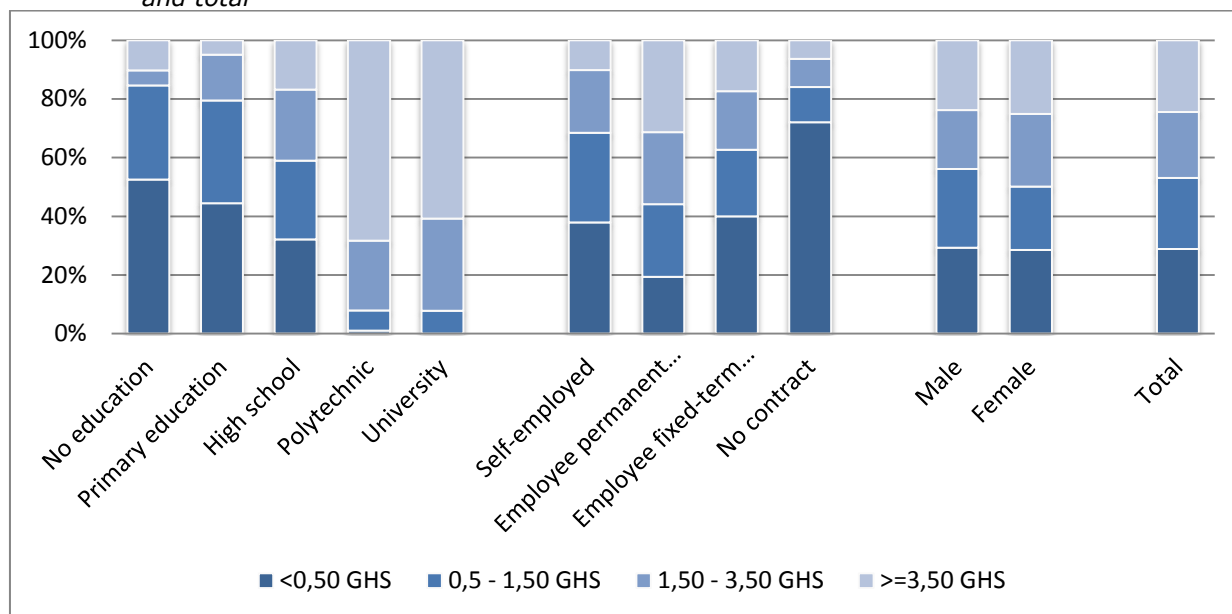


Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 50 cases missing)

The graph with the median wages certainly provides a clear picture of the remuneration of the workers in the survey. However, it is of equal importance to explore the distribution over the wage groups. To do so, we divide the workers in four groups of approximately equal size. The lowest category of workers corresponds to those working under the minimum wage, which is analyzed in more detail later in this chapter.

Graph 12 depicts that almost three in ten workers earns less than 0,50 Cedi per hour, whereas one quarter earn more than 3,50 Cedi. The graph shows the more than half of the workers with no formal education earn less than 1,50 Cedi per hour, whereas no university graduates and only 1% of polytechnic alumni do. Nearly seven in ten polytechnic graduates (68%) and six in ten university graduates earn more than 3,50 Cedi per hour. Three out of ten workers on permanent contracts earn more than 3,50 Cedi, compared to seven in ten workers without a contract, who earn less than 0,50 Cedi. Hardly any differences between male and female workers are revealed.

Graph 12 Distribution over hourly wages in GHS, break down by education, employment, gender and total



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 40 cases missing)

Minimum wage setting

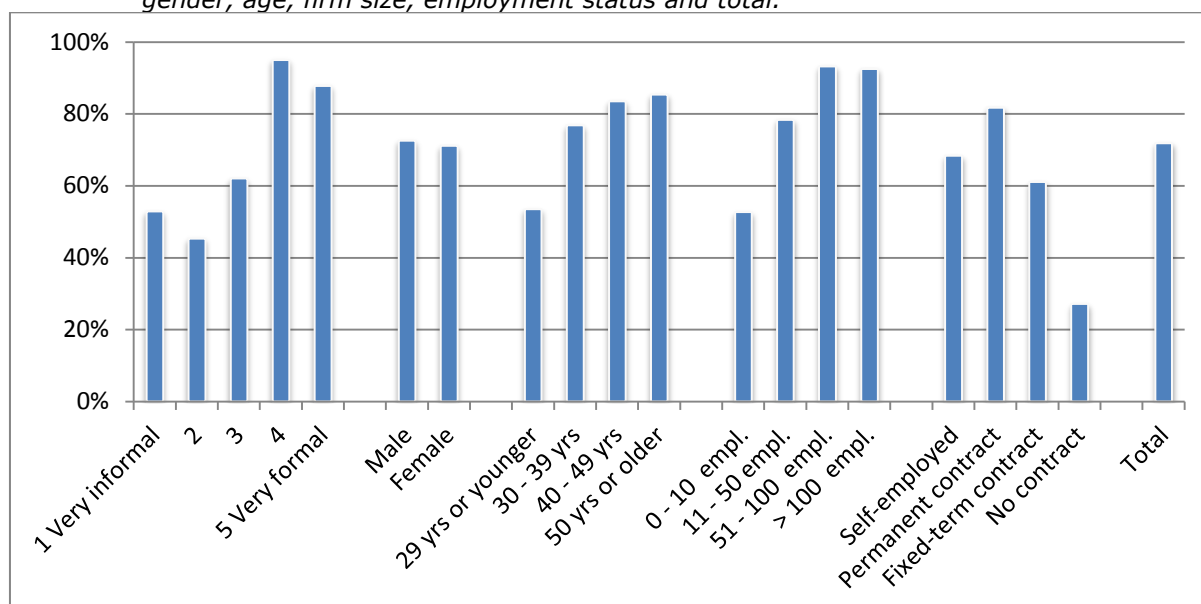
Ghana has a single minimum wage rate, set at 4,48 Cedi per day. The minimum hourly wages are computed based on 8 working hours a day (which means GHS 0,56 per hour).

In the survey, net hourly wages have been computed, based on the reported number of working hours per week. These wages have been compared to the minimum wage rates. Thus, the hourly wages have been taken as the criterion to measure if a worker was paid according to the minimum wage rate. Even if a worker's monthly wage was above the monthly minimum wage, if this worker reported more than 44 working hours per week he or she could still fall below the minimum wage threshold. To test compliance with the minimum wage, we calculate which share of workers earns the minimum hourly wage or more.

The result of our analysis shows that 72% of our sample is paid on or above the minimum and 28% is paid below the minimum wage threshold. The graphs show in detail in which groups this occurs most frequently. Fewer than one in three workers without a contract work for wages on or above the minimum threshold. Approximately half of the workers in very small firms, under 29 years of age or in the lowest two tranches of the informality index are paid under the minimum wage threshold. Nine in ten workers in very formal jobs, workers over 50 years old or those in companies of more than 50 employees, work for at least the minimum wage. Eight in ten workers on permanent contracts and six in ten self-employed earn the minimum wage or more.

The impact of each category on an individual's outcome can be investigated, controlled for the impact of the other categories (see Appendix 2). This shows that particularly working for bigger companies has significant positive effects on wages. Higher education levels, age and living with a partner all have positive effects.

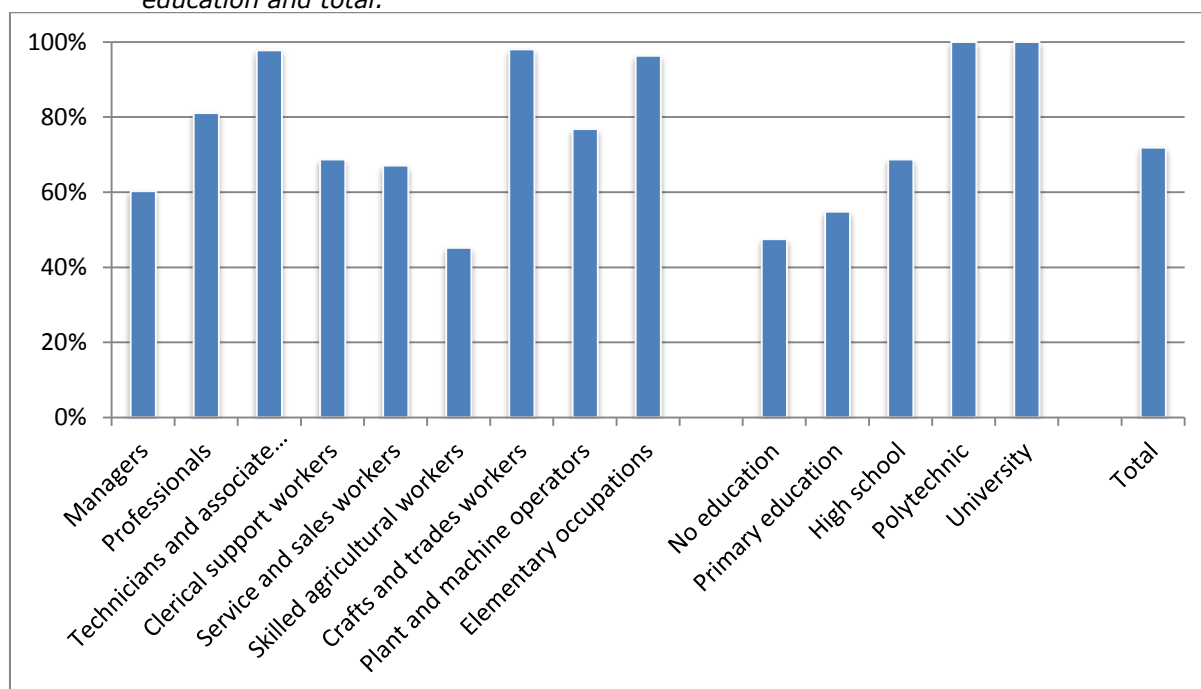
Graph 13 Percentage of workers paid above the minimum wage threshold, by informality index, gender, age, firm size, employment status and total.



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 246 missing)

Occupations vary with respect to their compliance with the minimum wage. Particularly workers in agriculture are regularly paid below the minimum wage (only 45% is paid on or above the minimum wage). In contrast, technicians, crafts and trades workers and those in elementary occupations are paid according to the minimum wage in 96 to 97 per cent of the cases. Similarly, the more educated a worker is, the more likely they are as well to be paid on or above the minimum wage threshold. Graduates from polytechnics and universities appear to be free from any danger of being paid under the minimum wage.

Graph 14 Percentage of workers paid above the minimum wage threshold by occupation, education and total.



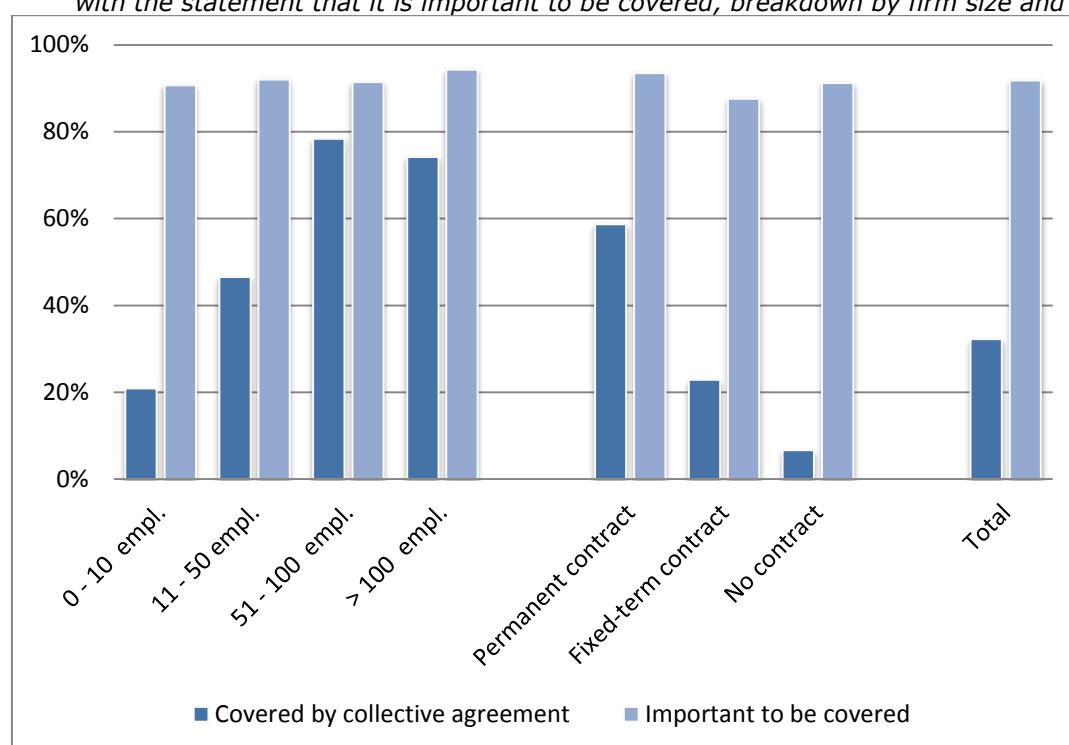
Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 246 missing)

Bargaining coverage

Collective agreements are a main instrument for wage setting. This raises the question to what extent the workers in the survey are covered by an agreement. Only 32% of respondents are covered (see graph 15). Workers in small companies (0-10 employees) are least covered (21%) and those in companies between 50 and 100 employees most often (78%). Six in ten workers on a permanent contract are covered by a collective agreement, compared to 7% of workers without contract.

The survey has a question asking whether interviewees think that it is important to be covered by a collective agreement. Compared to only 32% of workers who are covered by a collective agreement, 92% agree that it would be important to be covered. Agreement is high across the board, but a little lower (88%) among workers with fixed term contracts.

Graph 15 Percentage of interviewees covered by a collective agreement and percentage agreeing with the statement that it is important to be covered, breakdown by firm size and total

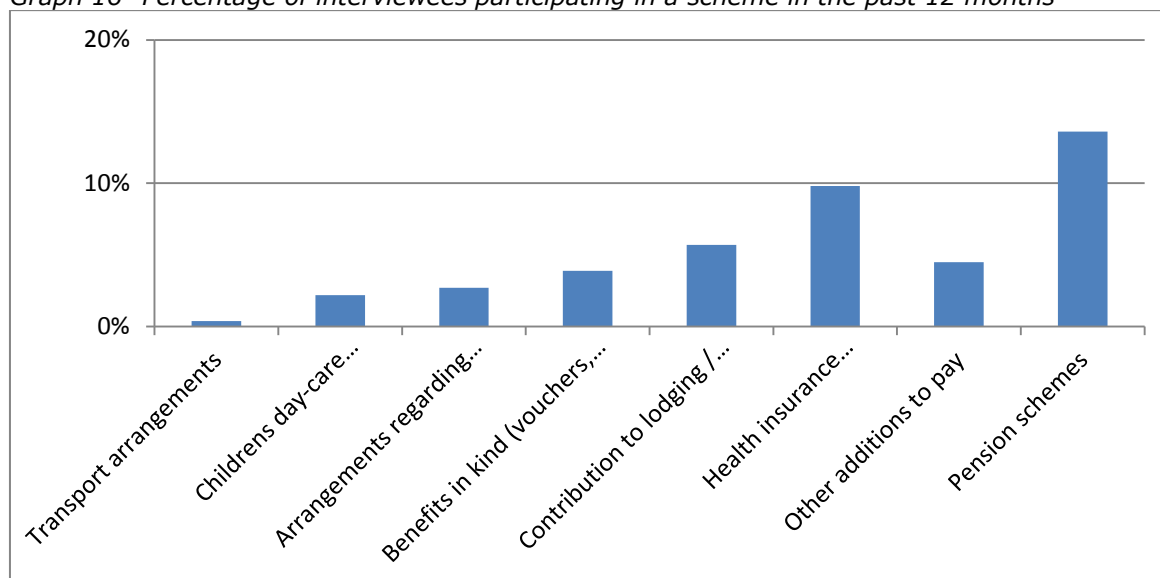


Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 126 cases missing)

Participation in schemes and receiving allowances

The survey has several questions about participation in schemes. The survey has also several questions about bonuses and allowances, such as an annual bonus, a dirty or dangerous work allowance, a performance bonus, a shift allowance and alike. Participation in schemes is reported very infrequently. Only health care and pension schemes exceed the 10% participation (10% and 14% of workers being covered respectively).

Graph 16 Percentage of interviewees participating in a scheme in the past 12 months



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388)

Wages on time and cash in a bank account

The survey asks employees whether they received their wage on time and whether they received it by a bank draft or cash in hand. The graph shows that three quarters report receiving their wage on time. Differences exist between the occupational groups. Agricultural workers all report receiving their wages in time, whereas managers do so in only 69% of the cases.

Over six in ten employees (64%) receive their wage through a bank transfer. This is most frequently occurring in technical occupations and crafts and trades (100%). It occurs least frequently among the agricultural workers (10%) and managers (50%).

Graph 17 Percentages of employees reporting that they received their wage on time and that they received their wage in a bank account, by occupational group.



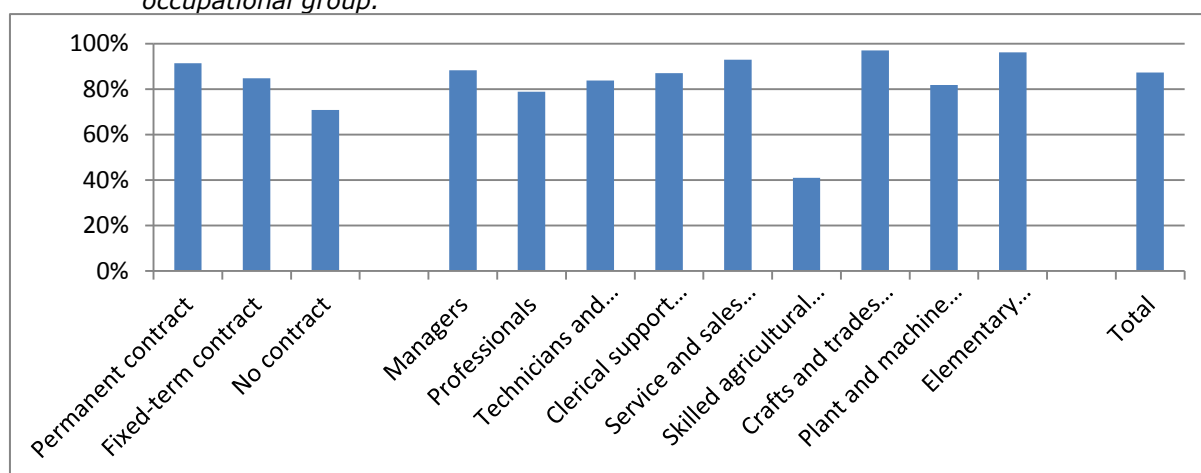
Source: WageIndicator paper survey Ghana, 2012, weighted data, (N=1388)

6 Working hours

Working hours agreed

In the *WageIndicator* web-survey, a question asks if the respondents have agreed their working hours with their employer, either in writing or verbally. Nearly nine in ten workers have agreed working hours, as the Graph shows. This is highest for the employees with a permanent labour contract (90%) and lowest for workers the self-employed (52%). Elementary occupations, crafts and trades workers almost always have formally agreed working hours (96% and 97% respectively). Agricultural workers hardly ever have agreed working hours: only four in ten do.

Graph 18 Percentages of workers having agreed their working hours, by employment group and occupational group.

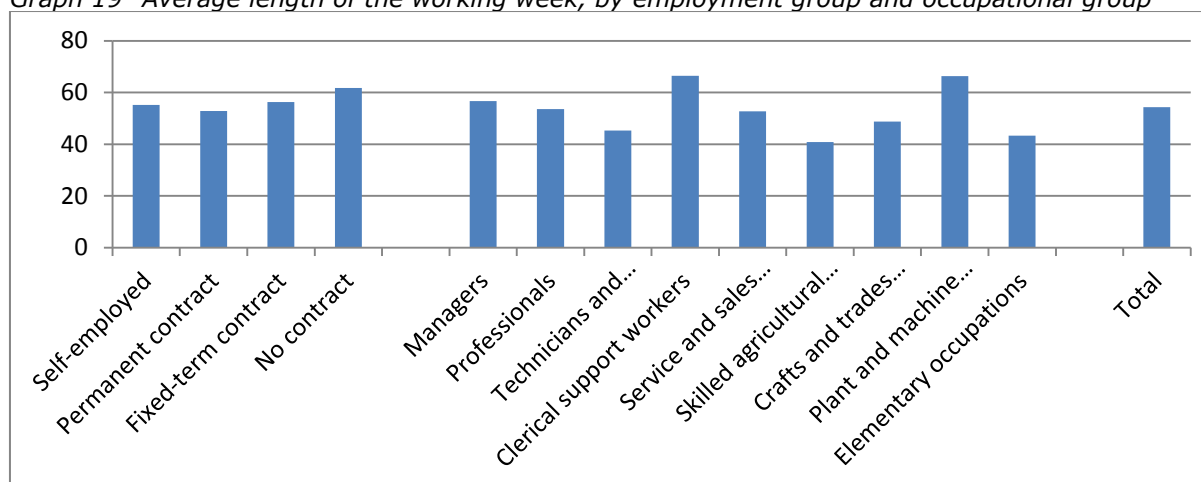


Source: *WageIndicator* paper survey Ghana, 2012, weighted data, (N=1388)

Usual working hours

By law, Ghana has a standard working week of 40 hours. Graph 19 shows that the average working week of the respondents is much longer at 54 hours.

Graph 19 Average length of the working week, by employment group and occupational group



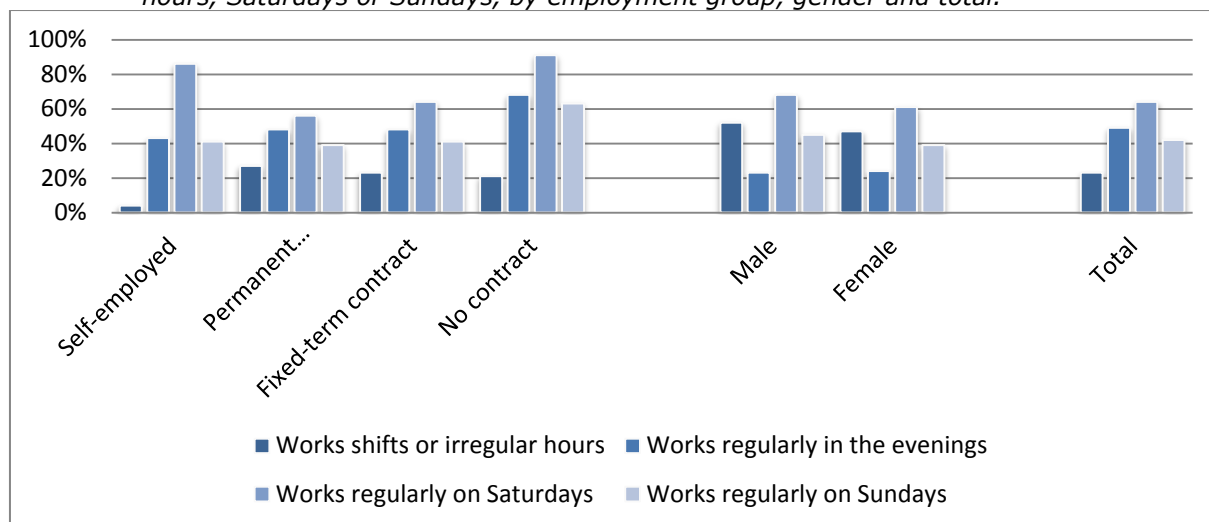
Source: *WageIndicator* paper survey Ghana, 2012, weighted data, (N=1388)

Plant and machine operators and clerical support workers have the longest working week (66 hours on average). Agricultural workers (41 hrs), elementary workers (43 hrs) and technicians (45 hrs) indicate having the shortest working hours. Employees without contracts work the longest hours (62 per week); employees on permanent contracts work the shortest (53 hours).

Shifts or irregular hours

The *WageIndicator* survey includes a question asking if the respondent works shifts or irregular hours. Graph 20 shows that two in ten workers report to do so. The incidence of shift work or irregular hours is lowest for the self-employed (4%) and highest for the workers with a permanent contract (27%). Almost half of the respondents regularly work in the evening. Self-employed workers report doing so least often (43%) and employees without contracts most often (68%). Over six out of ten people work on Saturdays and 42% report working Sundays. Up to nine out of ten workers without contracts report working on Saturdays and 63% of the same group works frequently on Sundays. This is much more than workers on permanent contracts, 56% of whom works Saturdays and 39% on Sundays.

Graph 20 Percentage workers reporting to be working in the evenings, shift work or irregular hours, Saturdays or Sundays, by employment group, gender and total.

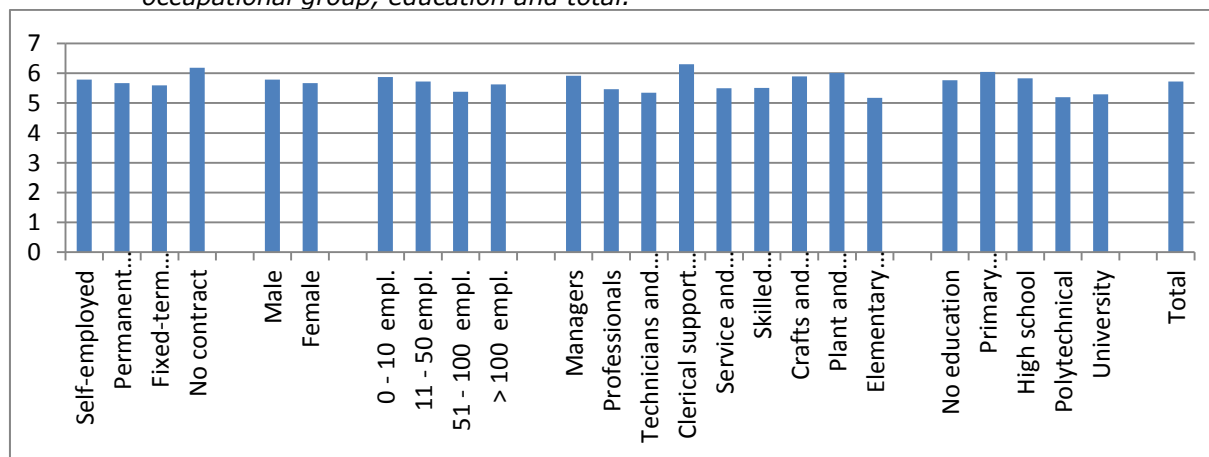


Source: *WageIndicator* paper survey Ghana, 2012, weighted data, (N=1388, of which 61 cases missing)

Average working days per week

On average, the workers in the sample work nearly six days a week. It is particularly workers without a contract, who work more days than average. Plant and machine operators as well as clerical support workers work many days. Workers who have completed high school or less tend to work six days per week, whereas those with polytechnic and university degrees work five days. Few differences are found between women and men of firms of different sizes.

Graph 21 Average number of working days per week, by employment group, gender, firm size, occupational group, education and total.



Source: *WageIndicator* paper survey Ghana, 2012, weighted data, (N=1388, of which 11 cases missing)

7 Satisfaction with life-as-a-whole

The survey includes a question about satisfaction with life-as-a-whole, to be judged on a scale from 1 – dissatisfied - to 10 – satisfied. On average, respondents score a 6,5 on the happiness scale. Two thirds of respondents score a six or higher. Just below 2 in 10 workers score a nine or ten; thirteen per cent of interviewees score a four or lower.

Graph 22 Percentage of workers indicating how satisfied they are with their life-as-a-whole.

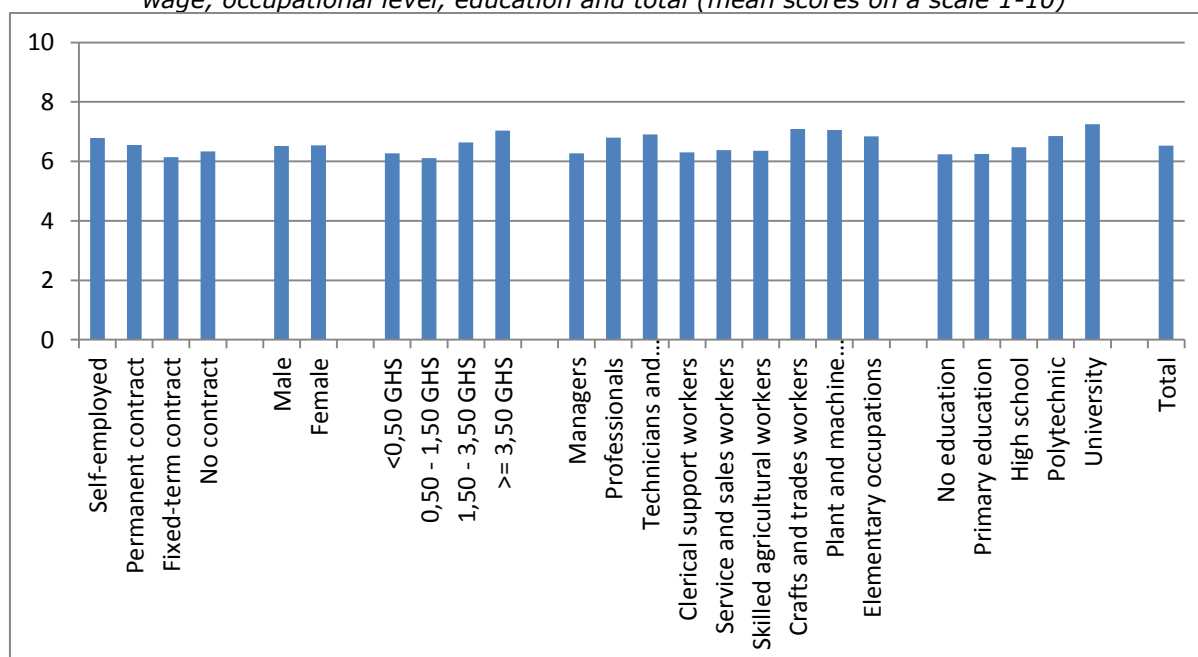


Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 3 cases missing)

Do groups differ with respect to their satisfaction with life-as-a-whole? Graph 23 shows a breakdown for several groups and indicates that differences are relatively minor. Workers with university degrees are the happiest, scoring an average 7,3; those without education and with primary education score a 6,2. Crafts and trades, as well as plant workers are happier (7,1) than managers and clerical support workers (6,3). Few gender differences are found.

When explaining the variance in life satisfaction in a regression analysis (see appendix 2), however, only four per cent of the differences are explained by these factors. Partly, this is due to the small sample size and the relatively minor differences between respondents in terms of happiness. The only significant effect in the model is that of lower wages, which make people less happy.

Graph 23 Average satisfaction with life-as-a-whole, breakdown by employment status, gender, wage, occupational level, education and total (mean scores on a scale 1-10)



Source: WageIndicator paper survey Ghana, 2012, weighted data (N=1388, of which 6 cases missing)

Appendix 1 List of occupational titles

Code ISCO0813	Occupational title	Frequency
1322020000000	Manager oil or gas company	73
1345040000000	Primary school head	68
1411010000000	Hotel manager	81
1412020000000	Catering manager	149
2221060000000	Hospital nurse	61
2310030000000	Post-secondary education teacher economics, business and management sciences	73
2330060000000	Secondary education teacher general programs, no specific field	49
2341010000000	Primary school teacher	85
3142020000000	Agricultural inspector	79
4110030000000	Bank clerk (back-office)	57
4120060000000	Secretary	75
4224010000000	Hotel front desk receptionist	71
5120060000000	Restaurant cook	66
5131010000000	Waiter or waitress	52
5414010000000	Security guard	69
6330010000000	Subsistence mixed crop or livestock farmer	88
7115010000000	Carpenter	66
8111030000000	Miner, underground miner	61
8322020000000	Taxi driver	11
9112010000000	Cleaner in offices, schools or other establishments	79
Total		1413

Appendix 2 Regressions

Dependent variable: log net hourly wage					
	B	Std. Error	Beta	t	Sig.
Constant	0,195	0,098		1,991	,047
Informality index	0,067	0,025	0,147	2,695	,007
Educational level	0,192	0,026	0,284	7,443	,000
Employee with a permanent contract	-0,156	0,083	-0,1	-1,882	,060
ISEI International Socio-Economic Index of occupational status for ISCO-08	0,004	0,001	0,12	3,504	,000
R-square	0,121				

Dependent variable: Paid on or above the applicable minimum wage threshold yes/no						
	B	S.E.	Wald	df	Sig.	Exp(B)
Informality index	0,106	0,07	2,278	1	0,131	1,112
Firms <10 employees	-1,869	0,332	31,757	1	0	0,154
Firms 10-50	-1,02	0,306	11,07	1	0,001	0,361
Firms 50-100	-0,693	0,282	6,062	1	0,014	0,5
Employee (vs self-employed)	-0,585	0,114	26,306	1	0	0,557
Education	0,727	0,147	24,46	1	0	2,07
Female	-0,203	0,205	0,981	1	0,322	0,817
Lives with partner	0,648	0,257	6,365	1	0,012	1,912
Lives with child	0,345	0,268	1,649	1	0,199	1,411
Age	0,043	0,009	20,281	1	0	1,044
ISCOISEI	0,011	0,006	3,33	1	0,068	1,011
Constant	-2,469	0,712	12,011	1	0,001	0,085
-2 Log Likelihood	701,385					

Dependent variable: Satisfaction with life-as-a-whole (1 "dissatisfied" to 10 "satisfied")					
	B	Std. Error	Beta	t	Sig.
Constant	6,647	0,303		21,912	0
Employee (vs self-employed)	-0,14	0,074	-0,065	-1,892	0,059
Education level	0,037	0,057	0,025	0,65	0,516
Female	-0,068	0,114	-0,02	-0,595	0,552
<0,50 GHS	-0,301	0,179	-0,082	-1,679	0,094
0,50-1,50 GHS	-0,565	0,171	-0,146	-3,297	0,001
1,50-3,50 GHS	-0,245	0,163	-0,06	-1,498	0,134
Living with a partner	0,102	0,162	0,027	0,63	0,529
Living with a child	-0,089	0,175	-0,022	-0,51	0,61
<29 years	-0,264	0,164	-0,068	-1,609	0,108
30-39 years	-0,121	0,079	-0,145	-1,532	0,126
40-49 years	0,115	0,078	0,14	1,48	0,139
R square	0,034				

