



**In this issue:**

- *GEA participates in stakeholders meeting to review the pay systems in Ghana*
- *GEA holds final 2018 Council Meeting*

## GEA PARTICIPATES IN STAKEHOLDERS MEETING TO REVIEW THE PAY SYSTEMS IN GHANA

### 1.0 Introduction

Following Government's effort to review the pay systems in Ghana, an Advisory Group made up of the various constituents of the National Tripartite Committee (NTC) was set up in October 2017 to examine and appraise the current pay systems. The Advisory Group prepared a first draft report but needed inputs from various stakeholders to enable it finalize the report for Government's decision making. In this regard, a stakeholders meeting was held on 27th September, 2018 at the NAGRAT Hall in Accra.

### 2.0 Objectives

The meeting was geared towards soliciting the views of participants on four thematic areas that defines and affect the current pay system. These areas include: The Single Spine Pay Policy, Pensions, Productivity and legal frameworks in other public sectors.

### 3.0 Participation

The meeting was participated by senior officials from various institutions such as Ministry of Employment and Labour Relations (MELR), Ministry of Finance (MoF), Fair Wages and Salaries Commission (FWSC), Controller and Accountant Generals Department (CAGD), Trade Union Congress (TUC), Association of Ghana Industries (AGI), University of Ghana (UG), University of Professional Studies (UPSA), Social Security & National Insurance Trust (SSNIT), National Pensions & Regulatory Authority (NPRA), Ghana Chamber of Commerce (GCC) among others.

### 4.0 Discussions

The various issues of concern as discussed under each thematic area are presented in the table below:

### IN GHANA

Thematic area	Emerging issues of concern
<b>Single Spine Pay Policy</b>	<ul style="list-style-type: none"> <li>• Low Pay</li> <li>• Rising wage bill and poor macroeconomic management</li> <li>• Overlaps in the pay points</li> <li>• Disparities in the SSPP</li> <li>• Issues with market premiums</li> <li>• Bloated allowances</li> <li>• Administrative / Political decisions</li> <li>• Multiple / conflicting laws in pay</li> </ul>
<b>Pensions</b>	<ul style="list-style-type: none"> <li>• Low pensions (linked to low pay)</li> <li>• Poor management of pension funds</li> <li>• Disparities in Pensions</li> <li>• Conflicting laws on pensions</li> <li>• Unification of pensions</li> <li>• Unfunded Pensions (Cap 30) and its fiscal implications</li> <li>• Retiring with allowances</li> <li>• Retiring with salaries</li> </ul>
<b>Productivity</b>	<ul style="list-style-type: none"> <li>• Perceived low productivity and performance</li> <li>• Low commitment to productivity improvement</li> <li>• Lack of general framework for productivity</li> <li>• Inadequate resources</li> </ul>
<b>Other public sectors</b>	<ol style="list-style-type: none"> <li>1. Article 71 &amp; Public servants                             <ul style="list-style-type: none"> <li>○ Relatively higher pay</li> <li>○ Rising number of beneficiaries</li> <li>○ Establishment of analogies</li> </ul> </li> <li>2. Corporations / Enterprises                             <ul style="list-style-type: none"> <li>○ Much higher pay</li> <li>○ Lack of supervision (no recourse to FWSC &amp; PSC on salary determination)</li> <li>○ Conflicting laws</li> </ul> </li> </ol>

# ***PUBLIC DIALOGUE ON IMPROVING GOVERNANCE TO MEET TODAY'S DEVELOPMENT CHALLENGES***

## **1.0 Introduction**

The World Bank Group organized a public dialogue at its Ghana office on June 4, 2018. The dialogue was aimed at discussing the findings of the 2017 World Development Report (WDR) with regards to challenges in governance process, as well as coming up with agreed ways of reviving old culture and ethos of integrity, transparency and accountability.

### **1.1 Findings of the World Development Report**

The 2017 World Development Report highlights three (3) major thematic areas namely; Why policies fail, the effect of power asymmetries and how to reach effective policies.

According to Dr. Deborah Wetzel-Senior (Director, Global Practice) who presented the report, even though the factors that stampede developmental processes may be more generic in scope, the issues identified in the 2017 WDR are peculiar to most African countries hence require urgent attention.

With respect to the reasons for policy failure in most jurisdictions, the findings indicate that lack of political will, lack of capacity and the existence of gaps between policy implementation arena and government interaction mechanisms account for policy failure.

In addition, Power asymmetry, which connotes a state in which differences in status exist between individuals and groups of individuals within an organizational hierarchy has a lot of negative implication on governance system. In relation to the effect of power asymmetries and the rule of law, the differential ability to take action or cause an action to be taken leads to the problem of exclusion, violence and clientelism in the system of governance.

Power asymmetries can be self-reinforcing, leading to vicious cycles that make entry points for effective policymaking difficult to find. It was reported that every developed country has evolved out of unequal and unjust systems, though it has done so slowly. Thus, it is not realistic to try to “get to the top” overnight.

Finally, the 2017 WDR also examined how the agency of elites, citizens, and international actors can incrementally expand the set of effective implementable policies. The findings show that this requires changes in the incentives of actors to pursue reforms, a shift in actors' preferences and beliefs, and changes in the way decision making occurs to enable contestability by marginalized actors.

## **1.2 Discussions and the way forward**

Based on these insights, participants at the meeting proposed new ways Ghana can achieve its development objectives. It was discussed that part of the solution has to do with challenging the common excuses that development practitioners often give for policy ineffectiveness. Instead of complaining that policies fail because they don't conform to “best practice,” we should ask why policies that work in one context fail in another.

In other words, how do the context-specific functional challenges and interests of those in power differ? Hence, rather than lamenting that policies fail because of a “lack of capacity,” we must ask why those in power have chosen not to invest in relevant capacity. Capacity at any juncture may be a stock, but over time it reflects the priorities of those in power, giving rise to “pockets of effectiveness” and explaining underinvestment in agencies that can challenge the status quo.

Perhaps most importantly, though, rather than giving up because of a “lack of political will,” policies have to be formulated so that they have the buy-in of the actors who implement them. If policies are incompatible with the incentives faced by those in power, we should not be surprised when they fail to achieve intended results.

### **1.3 Conclusion**

The interests and the relative power of the state and non-state actors who interact to design and implement policies shape the effective performance of governance. Therefore, unhealthy power asymmetries can lead to persistent policy failure through exclusion, capture, and clientelism.

When certain groups are systematically excluded from decision making, “exit” and violence may become rational responses. In addition, when politically connected firms capture policies and regulations to make them reflect narrow interests, policies to coordinate efficient investments are ignored, and resources will certainly be misallocated.

Finally, when clientelistic exchanges of short-term benefits for votes prevent the emergence of programmatic party platforms, the poor suffer disproportionately and this creates a sluggish progress in development.