

Labour standards in the phase of declining textile industry

The Ghanaian case

Rita Afriyie Takyi

May 2009

Thesis presented to the Department of Sociology and Human Geography in
partial fulfillment of the award of a Master Degree in Development Geography,
University of Oslo.

Contents

Dedication	5
Abstract	6
Acknowledgement.....	7
List of abbreviations.....	8
List of Figures	9
<i>Chapter One: Introduction</i>	<i>10</i>
1.1 Introduction	10
1.2 Research Questions.....	11
1.3 Background to study	11
1.3.1 Industrialization in Africa.....	12
1.4 The Ghanaian Case	15
1.4.1 Employment	16
1.4.1 The textile sub-sector	18
1.4.2 Crises.....	19
1.4.3 Unionization	20
1.4.4 The TUC; Ghana	22
1.7 Content of the Outline.....	25
<i>Chapter two: Neoliberalism as a concept.....</i>	<i>27</i>
2.1 Introduction	27
2.2 Neoliberalism in theory and practice.....	27
2.3 The state, capital and labour	29
2.3.1 Regulating labour and capital	30
2.3.2 The state beyond borders.....	32
2.3.3 The tools of neo-liberalism.....	35
2.4 Labour standards in the era of liberalization	37
2.4.1 Labour Geography.....	39
2.4.2 Regulating labour in capitalist states	41
2.5 Corporate strategies of labour.....	42
2.5.1 Flexibilizing labour	45
2.5.2 Labour in ‘Place’ or ‘Space’?	47
2.6 Union under Neo-liberalism	49

2.6.1 Trade unions and the NIDL	51
2.7 Unions at the center stage	52
2.7.1 Third world unions	55
2.8 Concluding Remarks	57
<i>Chapter Three: Researching labour in Ghana</i>	<i>60</i>
3.1 Introduction	60
3.1.1 Critical Realism	60
3.2 Qualitative Research Methods	61
3.2.1 The interview process	62
3.2.2 Informants	63
3.2.3 Interview guide	65
3.3 The case study	66
3.4 Reliability and validity	69
3.5 Data analysis and Interpretation	70
3.6 Limitations and relevance to other studies	71
3.7 Concluding Remarks	72
<i>Chapter Four: Workers' Dilemma</i>	<i>73</i>
4.1 Introduction	73
4.2 A race to the Bottom	73
4.3 Casualization	76
4.4 Sub-Contracting and implication on labour	78
4.5 Social Reproduction	80
4.6 Trade unions; corporation or submission?	82
4.7 Concluding remarks	86
<i>Chapter Five: Labour Responses</i>	<i>88</i>
5.1 Introduction	88
5.2 Attempts to influence policy	88
5.3 Attracting new members	92

5.3.1 Organizing the temporary and casual workers	95
5.3.2 Women and social alliances	97
5.4 Regional and international partnership	99
Concluding remarks	101
<i>Chapter Six: Summary and Conclusions</i>	<i>103</i>
<i>Reference</i>	<i>108</i>
<i>Appendix</i>	<i>112</i>
Interview guide	112
Union Officials	112
Management	112
Workers	113

Dedication

To my family (*Nana, Vero, Sam, Ben and Paulina*)

Abstract

This thesis examines how the decline in the textile industry in Ghana has affected labour. Processes of neo- liberalization in the Ghanaian economy which comes in the form of Structural Adjustment Programmes have led to increased importation of goods in the country. Considering the merits of these changes, it has also laid the local industries bare to competition which is perceived to be unfair from outside the country. Workers and their unions are now in the cross-road, to save the industry from total collapse and at the same time to secure their place in the factories. Taking neoliberalism as the concept guiding this research, I identify the various ways in which the restructuring in the industries have affected the individual workers as well as their organizations by employing qualitative research methods.

This theoretically informed thesis has sought to explore the interrelationship that exist between the state , capital, and labour; and how in the context of the Ghanaian state , it has being at the mercy of international institutions who are not part of the state but can exert considerable influence on the state in terms of policies and implementations. Capital, which has become more mobile than labour, has being able to ‘put labour in place’ (Peck 1996) in the sense that workers have to compete among themselves for capital which then makes them more vulnerable.

History teaches us that the unions have always being there; and will always be. They are the only organizations that can fight for the course of workers. The unions representing the textile industry; even though may be now weak in their numbers as a result of massive loss of employment have not coiled in their shelves but rather has risen up again, and seeing themselves as part of the process have adopted new strategies to save the industry and their workers.

Many insights are drawn from this thesis; firstly, that neoliberalism is threatening to erode the gains that have been made by workers, secondly, the state does not provide a safety net anymore and thirdly, the workers and the unions themselves have to take up the mantle if they are to win the fight over capitalism at different levels of production.

Acknowledgement

I am grateful to the Lord Almighty for the strength He has given me through the course of my studies. I am also thankful to my informants, Workers in GTP and ATL, Mrs. Martha Clark and all the staff at the Human Resource Department (GTP), Mr E.K.Darko and all the staff at the Human Resource Department (ATL) and Mr. Abraham Koomson, the General Secretary of TEGLEU, for his time and willingness to share your experiences with me. For, without you this thesis wouldn't have been complete.

I am forever grateful to my supervisor, David Lier Christoffer for his excellent supervision and friendliness. To Silvi B. Endressen for introducing me to labour geographies and making me see the other side of geography and all the staff at the Human Geography Department, University of Oslo.

To the University of Oslo and the Norwegian government, I am grateful for the opportunity to further my studies and the financial support given to me throughout my master degree programme.

Last but not the least, my sincere gratitude go to Richard Dwomoh for being very supportive during the thesis writing as well as the Ghanaian community in Oslo who have in various ways being very supportive.

List of abbreviations

AGOA	Africa Growth and Opportunity Act
ATC	Agreement on Textile and Clothing
ATL	Akosombo Textile Limited
EPZ	Export Processing Zones
FDI	Foreign Direct Investment
GFL	Ghana Federation of Labour
GTMC	Ghana Textile Manufacturing Company
GTP	Ghana Textile Print
GUTA	Ghana Union Traders Association
HRM	Human Resource Management
ICFTU	International Confederation of Free Trade Union
ICU	Industrial and Commercial Workers Union
ILO	International Labour Organization
IMF	International Monetary Fund
ISI	Import Substitution Industrialization
ITUC	International Trade Union Confederation
LDC	Less Developed Countries
MOTI	Ministry of Trade and Industry
NIDL	New International Division of Labour
OATUU	Organization of African Trade Union Unity
RPED	Regional Programme on Enterprise Development
SAPs	Structural Adjustment Programmes
TEGLEU	Textile Leather Employee Union
TUC	Trade Union Congress
WTO	World Trade Organization

List of Figures

Fig 1.1 Trade unions and their affiliates in Ghana

Fig 2.1 The Triad of civil society

Fig 5.1 Workers scalar activities

Chapter One: Introduction

1.1 Introduction

Almost all governments now have to institute neoliberal reforms:

That has only spelled trouble for labour. Liberal trade policies have led to increased competition, which often meant that inefficient industries shed labour and in some cases, may be forced out of business entirely. In this climate, unions in many countries have had increasing difficulty delivering tangible results to their members' (Anyemedu 2000:1).

The quote above, points to the essence of this research, which seeks to examine how neo-liberal policies affect local industries and labour. The textile industry in Africa, especially the Ghanaian textile industry, is in deepening crises as it faces strict and unfair competition from countries in Asia and the Middle East as well as smuggling and dumping from neighbouring countries. This is also a time when workers worldwide in the textile industry are facing deteriorating working conditions because of various forms of industrial restructuring, weakening of state regulations on labour and the bargaining power of trade unions. As Andr  and Beckman (1999) argued, in the advanced industrialized countries, economic stagnation and mass unemployment have undercut the bargaining power of trade unions and prepared the way for legislative reforms that eliminate some rights and gains that have already been achieved.

In this research I have chosen to explore the relationship between the decline in the textile industry and the effect this has on labour standards and most importantly how labour is responding to these crises. In doing so this research aims at examining whether the declining textile industry in Ghana has adversely affected labour standards. An underlying presumption of the choice of theories surrounding the topic brings to focus the fact that the liberalization of the Ghanaian economy has in various ways precipitated the decline in the textile industries. In this research I do not intend to explore the underlying factors causing the decline, but rather explore the effect of this decline on labour.

1.2 Research Questions

The research questions that will be guiding this research are as follows:

1. *How has the decline in production in the textile industry affected the labour standards and conditions.*
2. *What has been the role of trade unions in contesting the relations and conditions that regulate the utilization of labour?*

Labour standards are actual or proposed policy objectives or legal requirements concerning labour whereas labour conditions refer to the actual working conditions. For the purposes of this research these two terms will be used interchangeably depending on the context it is used. The first research question pertains to the objective of this research; and the second question seeks to answer the subjective element of how labour unions are actually responding. In answering these questions I intend to make use of theoretical and empirical data through the lens of the textile industries in Ghana and their various local trade unions. In analyzing the labour standards and conditions in Ghana, my point of departure will be Burawoy's (1985) idea that the process of production and organization of work has a political and ideological effect; that is as men and women transform raw materials into useful things, they also reproduce particular social relations as well as an experience of those relations. In effect, the production process shapes the working class not only objectively but subjectively through the struggles engineered by the specific experience of labour. I intend to make an extensive use of the Ghanaian case to explore how the workers and members of the local trade unions interpret the situation they find themselves in, their strategies towards the situation and how they conceive the role of the trade unions and the changes that have occurred recently.

1.3 Background to study

In 2000, almost three-quarters of the world were open to international trade (Flanagan 2006). In large parts of the developing world, the economic liberalist reforms, objectives of privatization, deregulations and open trade and investment have been mainly introduced through Structural Adjustment Programmes (SAPs) supported by the World Bank and the International Monetary Fund (IMF). Much of the theorizing and debate about neo-liberalism and the effect on local industries in most African countries has been a matter of controversy in recent times as many (academicians and politicians) tend to strike a balance between what is going on at the international and the assessment of local realities (Grant 2001). Many of the

general statements made about neo-liberalism in Africa most importantly in the Ghanaian context has been to open up the economy for foreign investment, correct budget deficit, the flow of financial capital, increase market size and in effect the creation of more jobs. As noted in the World Bank report 1994, the implementation of liberalization policies was a major catalyst for increasing capital flow to Ghana. While acknowledging the importance of these factors to the growth of the economy, the adverse effects of neo-liberal policies on the local industries should not be overlooked.

1.3.1 Industrialization in Africa

Africa's socio-economic development continues to lag behind that of other continents, despite various efforts to improve the situation (Otiso 2004). The level of industrialization remains extremely low, yet many countries recognize the need to put appropriate policies in place to boost the level of industrialization. The development of the manufacturing sector has been a top priority of most African governments in the early 1950s and 1960s as many African countries gained independence. Industrial development was seen as one of the major steps forward to a country's economic development and most importantly, it was the period when the modernization theorist had gained prominence in the development debate. The modernization theory sees development as a linear process evolving from a traditional to modern societies, along the path taken by Europe and North America. This is exemplified by the works of Rostow (1960). Thus according to this perspective; all obstacles to modernization of society must be removed. Although the modernization strategy has been applied in various forms in the African continent, the material conditions of most countries have not improved substantially. As a result of the dismal development record of the modernization theory in the continent, the proponents have had to reformulate their development strategy. Consequently, a new modernization theory seeks to bring about economic development in developing countries through free trade, deregulation of capital markets, privatization, and decreased state involvement in the economy (McCormick 2004).

According to McCormick (2004), to understand Africa's position within the global economy, it is helpful to first place them in the context of African industrialization more generally. Industrialization in Africa dates back to the colonial times, when certain key industries were set up to meet the needs of the European residents and the local elites. During the 1960s and 1970s, most governments introduced Import Substitution Industrialization (ISI) aimed at

industrializing their country. However there were significant local variations in relation to the degree of state involvement in production and trade, but overall patterns of ISI were similar. Countries in Africa in their quest for economic development pursued various industrialization policies. Ghana's industrialization strategy in the 1950s and the 60s was mainly import substitution. This strategy was mainly to produce locally to meet local demand and consumption goods that would have otherwise been imported (Quartey 2006). The industries that were set up at the initial stages were light industries such as textile, aluminum, woodwork, chemicals and pharmaceuticals.

Prior to liberalization, according to Grant (2001), the government dominated the Ghanaian economy, functioning as a major shareholder in over 400 different enterprises from financial, manufacturing, extractive, and agricultural sectors. However, the conditions that have characterized the advanced industrialized countries such as the undermining of state regulation, unfair competition, privatization, increases international transfer of capital have come into play in third world industrialization. And these conditions continue to affect local industries of which the textile industry forms the majority. The textile industry in Ghana has become a branch of the wider textile industry. They have become global, integrated in production activities worldwide and are connected through various forms of arrangements and strategies to serve the world market (McCormick *et al* 2004). Nevertheless, despite their global nature, their activities are carried out at the local level and they affect differently local and regional economies.

Post-Fordist developments such as flexible conditions of work and the erosion of union power have also emerged as a result of industrial restructuring. The low level of industrial development and the numerical weakness of industrial workers have made them vulnerable as compared to the advanced industrial countries (Andr  and Beckman 1999).

The triumph of neoliberal policies on economic management as well as the free movement of goods and capital and the relative immobility of labour have led to a situation in which organized labour has been considerably weakened. The need to be internationally competitive has often meant reducing the cost of labour (Anyemedu 2000: 1)

Interventions to these situations have been hostile and unfriendly to the local industries and their workers. Policies of the IMF, WTO and the World Bank have been to the detriment of the local industries as they enforce the opening up of the state for competition and

privatization of state owned assets. Labour unions are poorly equipped to meet the challenges posed by SAPs and Trade liberalization (Andrae and Beckman 1999).

By the 1980s, the wind of structural adjustments was beginning to blow in Africa and with them a strong push to liberalize the market and to adopt a more export oriented approach to industrialization. Both external and internal markets were liberalized, currency markets were freed, and many government assets were privatized or at least reorganized to function commercially (McCormick *et al* 2004). The impact of SAPs have been mixed. McCormick further noted that the liberalization of the currency market and reduction of tariffs have made the importation of inputs much easier which have been recognized by many industrialists. There has been increased Foreign Direct Investment (FDI) under export promotion programmes created by the Africa Growth and Opportunity Act (AGOA) and the Export Processing Zones (EPZ). There have also been the less positive aspects of market liberalization in Africa. There has been rapid and increased liberalization of imports. Under the pressure from IMF and the World Bank, African countries were asked to remove quotas and reduce tariffs resulted in the flooding of the market cheap and second –hand imports which made it difficult for previously protected industries to compete. Markets began to disappear and production reduced. Otiso (2004) concludes that, after nearly two decades of the implementation of SAPs, it has failed to create the foundation for sustainable and balanced economic development in Africa. In addition it has led to the decline of local industry in Less Developed Countries (LDC), undermined efforts towards self-sufficiency in food production, increased poverty, crippled social services, and increased income gap between rich and poor. The textile industry is among the hardest hit by these consequences.

According to Traub-Merz (2006) the crises in the African textile and clothing industry is linked closely to two international processes: the changes taking place in the global textile and clothing market after the expiry of the Agreement on Textile and Clothing (ATC) and the restructuring of the multilateral trade system being negotiated in the current World Trade Organization (WTO). With the expiry of the quota system, the industry is becoming an integral part of WTO system, governed by the general rules and principles of this multilateral trading system. As noted earlier, before democratization and the integration of African economies into the world trading system, the textile industry was basically an import substitution and was therefore highly protected. Import substitution was first oriented towards satisfying local demands on the local market, but there was the hope that at a later stage it will

become competitive at the global market. But with high monopoly and subsidies in this sector and the need for foreign currency to help keep the industry running, coupled with the lack of major sources of export to create the foreign currency, most of the industries failed. This was again triggered by the oil price shocks in the late 1970s and the 80s. Most African countries were forced to finance their fuel imports through foreign loans. When the foreign debt crises emerged in most countries in Africa, import substitution came to a virtual standstill and was rolled back into the infamous SAPs. The development role of the state was reduced under the new IMF/World Bank programme and development was allowed to be determined by market forces. Government subsidies to the manufacturing sector were cut, restriction on foreign trade was removed and currencies depreciated (Traub-Merz 2006, Quartey 2006).

1.4 The Ghanaian Case

The political history of Ghana after the attainment of independence in 1957 has been dominated by military interventions in Government with various attempts to overthrow government whether civilian or military. Successful military coup occurred in 1966, 1972, 1979 and 1981 (Anyemedu 2000). Political instability can be said to be the principal cause of the deteriorating economic condition in the country. After independence, Ghana was considered as a middle income country according to the African standard. However with increasing political instability the fortunes of the country began to diminish and the country gradually became a low income country with most of its population living in an extreme poverty. The military government which took over in 1981 managed to stay in power and in 1992, after a general election it became a constitutional rule.

The Ghanaian government initiated market reforms in 1983 with the full adoption of the World Bank and International Monetary Fund's (IMF) SAPs to halt the economic decline that began in the 1970s. SAPs were designed to liberate the economy, attract more FDI and to create an atmosphere of transparency in the economic arena (Grant 2001, Anyemedu 2000). The government of Ghana has been implementing programmes of economic reforms aimed at reducing the role of the state in the economy and integrates it more fully into the global market. Certain measures were put in place to attain the desired results by eliminating the so called barriers to FDI, upgrading physical infrastructures, privatization and the creation of Export Processing Zones. In effect, Ghana as compared to other West African countries has tended to embrace SAPs without backtracking since 1983. This achievement was recognized by the World Bank report 1994 describing Ghana as a forerunner and 'star pupil' among

international financial institutions. Agriculture, fisheries and forestry constitute about 60% of total employment. The second largest sector is the retail sector accounting for about 21% with the manufacturing sector constituting only 5% of total employment. In addition, the service sector constitutes about 10.1%, construction 2% and the transport/communication/utility sector 1.7% of total employment. The mining sector, finance/insurance and the wholesale trade constitute 3%, 3% and 5% respectively (Anyemedu 2000).

The government of Ghana since 1983 also embarked on various economic reforms all with the aim of reviving and developing the economy. The various reforms have been fiscal reforms, exchange reforms, the removal of price control, private sector reforms, restructuring in the public sector, and various reforms in the manufacturing, agriculture, health and education (Anyemedu 2000). The aim of these reforms has been to fully integrate the Ghanaian economy into the global economy. Of particular importance are the import liberalization and the exchange reforms. The import licensing system which was established in 1961 was abolished in 1989. Also tariffs were reduced and restriction to access to foreign currency was lifted. Considerable success and benefits have been achieved by the integration of the Ghanaian economy into the world economy (Aryeetey 2005). Exports grew from about \$450million in 1983 to \$2,090 million in 1998, while imports also increased from \$500 million to \$2900 in the same year. As pertains with most Sub-Saharan African Countries, Ghana has also failed to attract a large number of foreign investments even though there have been various policies to attract them (Anyamedu 2000).

1.4.1 Employment

Employment data from the Ghana Statistical service indicates that employment increased steadily from 280,000 in 1982 to about 464000 in 1985 and began to fall in 1991 to about 186,000. This decline occurred both in the public and the private sector. The initial increase in employment was greatly due to the increase in importation of raw materials brought easing of foreign exchange constraints and the lifting of restriction on imports. The decline on the other hand was facilitated by the competition that accompanied the increased importation. The textile, clothing, leather and electrical equipment was the hardest hit by the competition and the second factor was the mass retrenchment of labour that occurred at the public sector due to the civil service reform programmes at the public sector. About 73,000 workers were retrenched from 1987 onwards while additional 100,000 were retrenched from the Ghana cocoa board from the mid 1980s to 1991. Wage restraints has been a common feature of all

these reforms; the reason being that it was necessary to ensure that the benefits of exchange rate for the export sector was not eroded by wage increase, secondly, to correct budget deficit and thirdly, there is emphasis on prudent wage policies to enhance Ghana's competitiveness and attract foreign investment.

There are also indications that real wages have declined since the 1991 onwards. A survey by the Regional Programme on Enterprise Development (RPED) in 1992 to 1994 indicates, for the enterprises surveyed real wages have declined by 9%. There has also been widening gap between the highly paid job and the low paid and according to the survey this was due to the various reforms (Anyemedu 2000). In general, Aryeetey (2005) argues that even though there has been a significant and steady growth in the Ghanaian economy since the reforms, one of the most interesting issues that have come out of these reforms has been the slow growth of formal employment despite efforts to attract employment generating investment. In the textile industry, the situation is the same. Employment declined from 7000 in 1995 to 5000 in 2000. In addition to this, the reforms led to increased importation of textiles and other used clothing into the country and this led to the low capacity productions and the eventual closure of many textile industries in Ghana. The situation continued to deteriorate in the textile industries employment continued to decline; as at March 2005 the four major textile companies in Ghana employed a mere 2961 persons (Quartey 2006).

The Ghanaian market size is modest compared to other developing countries; the second largest in West Africa with about 20 million people with rapid urbanization taking place. Besides the adequate market Ghana is enriched with abundant supply of created and natural assets which include gold, bauxite, industrial diamonds and a rich preserve of forest land and among the world producers of cocoa (Grant 2001). However, Ghana is only one source of these resources and therefore competes with other producers in a highly competitive world market.

In recognizing the resource endowments and the size of the market, an analysis on the various development policies since the attainment of independence in 1956 provides us with the yardstick to assess the impact of these policies on the economy. Ghana has pursued various forms industrialization policies and among them was the famous ISI. The rationale was to move the Ghanaian economy from its agrarian state to a modern industrialized state as it has been the case of Western Europe, North America and the Newly Industrialized Countries of

East and South-East Asia (Quartey2006). Like many African countries, Ghana's industrialization strategy was meant to reduce economic dependence and to produce locally goods which would otherwise had been imported. Consequently industries making light products such as soap, textile, woodwork, aluminum, to mention a few were established. During the initial stages of the ISI, the sector was largely dominated by foreign owned firms but a shift in government policies in the 1970s led to increased state participation in the sub sector.

1.4.1 The textile sub-sector

By the mid 1970s, about 16 large and medium sized textile companies had been established in Ghana (MOTI 2004). However over the years, inconsistent and unfavourable government policies have contributed to the significant decline of the sub-sector's activities. As at 2006 the four major companies that survived the harsh consequences of these policies were the Ghana Textile Manufacturing Company (GTMC), Ghana Textile Print (GTP) and Printex, all located in Tema, Accra, and Akosombo Textile Limited (ATL) in Akosombo in the Eastern region. Investment within the textile industry is mainly by local firms consisting of about 95% of total investment with only about 5% being joint ventures (Quartey 2006). The companies at the moment are all privately owned. The government of Ghana used to own about 30% shares in GTP, and some indirect shares in GTMC through other corporations. ATL on the other hand is privately owned by a Chinese investor.

Ghana's textile industry is mainly into the production of fabrics for the use by the garment industry and also for the export market. The garment industry contributes significantly to the sustainability of the textile industry. The garment industry had about 138 medium to large scale garment manufacturing companies, at the time, the textile industry was very active and operating at higher capacity. The garment industry is engaged in making garments for individuals, uniforms for schools and governmental institutions such as the police, army and hospitals. The textile sub-sector is predominantly cotton based even though man-made fabrics are produced in a smaller scale (Quartey 2006).

Textile exports were important source of foreign exchange to the Ghanaian economy and revenue to the textile manufacturing firms (Quartey 2006). Textile export generated about \$27.2 million dollars in 1992 and this increased to \$179.7 million in 1994. However survey shows that revenue from exports has declined consistently afterwards, and by 1998 it has

fallen to a mere \$ 3.173 million. The decline could be attributed to internal as well as external factors. According to Ghanaian manufactures of textile generally agree that the market for export is huge, but they have reservations about operating in some ECOWAS countries due to harsh trade barriers. The export destinations of made in Ghana textiles around the world as at 2004 includes EU countries, the USA, and the ECOWAS sub-regions. Some are also exported to other African countries mainly Southern and East- African countries.

For nearly two decades when ISI was started the textile sub-sector dominated the manufacturing sector and contributed significantly to livelihood (Quartey 2006). It employed about 25,000 of the labour force, accounted for 27% of total manufacturing employment and operated at about 60% of plant capacity (MOTI 2004). However by 1982, a most of the industries went out of business because of lack of foreign exchange to import raw materials and also the situation deteriorated under trade liberalization, which formed part of the SAPs pursued by the government in the 1980s and 1990s

On the other hand, the Ghanaian textile industry imports most of its raw material inputs for operation from outside most notably the Netherlands, China, India, the US, the EU, Nigeria, and Thailand. Textile imports into the country comprises of dye stuffs and chemicals, calico, khaki fabrics, dresses, sheets and accessories. Machinery, equipments and spare parts are also imported for the use at factories. In addition to this there has been increased importation of finished African prints from neighbouring Nigeria, Cote d'Ivoire and the East Asian countries. These finished products bear the patent designs and trademarks of local textile industries and are sold in the market at a relatively cheap price. Consumers have argued that although the locally produced finished fabrics are relatively better in terms of quality, the markets for imported fabrics have increased because of the attractive fancy colours and designs it offers (Quartey 2006).

1.4.2 Crises

The textile industry is one of the industries that have suffered the fatal consequences of structural adjustments and trade liberalization. Open market economy, associated with inconsistent government policies to protect the textile industry has laid them bare to stiff and harsh competition from outside particularly China. ¹The cheap textile and clothing import from China have flooded the domestic market which has seriously injured the industry

¹ Trade Union Resolution on the Future of the African Textile and Clothing Industry

resulting in the loss of productive capacity, factory closure and retrenchment'. ²The global outlook of the textile industry presents an equally abysmal picture. A report indicates that in May 2005, as many as 30 million direct jobs and a further 30 million indirect job under the industry was under threat. The current level of trade liberalization has a decisive impact on the African textile industry. The uncompetitive nature of the industry under import substitution makes it more vulnerable in the world market. In Ghana shortage of foreign exchange to import raw material resulted in the sub- sector operating at a very low capacity. Consequently most of these industries went out of business and the situation deteriorated due to the high cost electricity and the smuggling of textiles to the country which is sold at a relatively cheaper price than the locally manufactured ones.

1.4.3 Unionization

Trade unions emerged in Africa only after the Second World War, when the British and French Africa put in place legal prerequisite for the creation of indigenous labour organization (Schillinger 2005). Until recently, trade unions were found mostly in the civil service sector with very few or none in the manufacturing sector because of the low level of industrialization in the region. African trade Unions historically has played a major role in the liberation struggles for independence. In exchange for their work and struggles they received secured job status, secure job for their members and privileges for their leaders. However, Trade unions in Africa has suffered from the harsh consequences of economic liberalization and the debt crises in the eighties leading to the massive loss of employment in the formal sector and a subsequent loss of membership.

With the attainment of independence for most African countries and the formation of single-party regimes, most trade unions lost their autonomy. In essence they lost their freedom of association, the right to bargain collectively and the right to strike. An example is Ghana under the Nkrumah regime, where a period of unification and political submission sets in during which they degenerated voluntarily or through persuasion to official state labour organizations (Schillinger 2005). Andr  and Beckman (1999) also noted that Africa has a rich experience of state controlled unions. They identified that corporate arrangements where the organizational monopoly of union within a particular backing by the state are common in

² <http://www.ghanatoday.com/index.php?option=news&task=viewarticle&sid=13678> Ghana news website, Downloaded Nov, 2008

third world countries, usually as parts of attempts by the state to enhance control. However some trade union organizations especially TUC of Ghana, ZaCTU of Zambia and NLC in Nigeria managed to withstand or contest their governments attempt to absorb them in their respective regimes.

Open repression against independent trade unions in Africa is rather the exception and limited to countries where the unions are part of a political struggle with an authoritarian or dictatorial regime (Zimbabwe and Swaziland) (Schillinger 2005). Yet in the wake of structural adjustment programmes, economic liberalization, deregulations and global competition, African unions increasingly now find themselves in a hostile political environment, where governments in their quest for Foreign Direct Investments (FDI) have reformed the existing labour laws under the pretence of “labour market flexibility.” They have achieved this by dismantling or weakening certain trade union and workers rights. Schillinger further noted that another ploy is to by- pass the existing labour legislations by introducing special economic zones (Export Processing Zones) in which national labour legislations do not apply fully. In addition, massive loss of employment in the formal sector makes employment in these sectors a privilege. Even under real wage cut and deteriorating working conditions, workers are more often reluctant to protest.

Although their power to influence wages and working conditions and the right to defend workers has suffered enormously, and tends to be weak nowadays, their activities across the region and globally to a larger extent cannot be overlooked. There is increasing number of foreign direct investment in the region and at the same time the industrial sector is gaining some prominence. Trade unions now is not only concentrated in the public sectors but also in the private sector. The work of the Nigerian Trade Union as captured by Andræ and Beckman (1999) in their study of the textile industry provides a vivid example of the activities of trade unions even in times of crises. It must however be noted that the strength and the activities of trade unions varies widely across the region. Unionization rates are relatively high in southern Africa about 40% by international standard as compared to other African countries. Women are less likely to unionize than men and sometimes the level of unionization depends largely on the size of the company, the production processes and the form of ownership.

1.4.4 The TUC; Ghana

The Trade Union Congress (TUC) of Ghana was formally inaugurated in 1945 when the 14 existing trade unions registered under the trade union ordinance of 1941 came under one coordinating body. There existed already the association of workers for mutual protection as far as 1920 but organized trade union activity started in 1941 when the Trade Union Ordinance provided for the registration of unions which could be formed by five workers (Anyemadu 2000). This ordinance however did not give bargaining power to unions. Employers could agree or refuse to bargain with employees. Four years after the formation of the Trade Union Congress, a militant nationalist party was formed. The Convention Peoples' Party (CPP) was devoted to seeking immediate self government from the colonial government. The party courted organized labour, many of the union leaders were active members of the party and there seem to be close coordination between the party and the congress.

The collaboration between the party and the TUC paid off as the party led the country to independence in 1957. In order to strengthen the activities of the unions and for the first time give them legal support, the CPP government introduced the Industrial Relation Act (1958) (Act 56). This was later replaced by the Industrial Relation Act of 1965 which remains the principal instrument governing industrial relation in Ghana. The CPP government gave recognition to the Trade Union Congress as a corporate body. Collective bargaining was made compulsory and a provision of collective bargaining agreement legally binding on employers and workers. In addition there was a legal backing for the check off system which made it possible for dues to be deducted from source. All these were efforts made to strengthen the financial status of the Congress.

Amendments in 1959 however made it impossible for any union to stay outside the structures of the Trade Union Congress (Anyemedu 2000). Several other amendments were also passed. For instance the civil service act and the civil service interim regulation of 1960 made it compulsory for all civil servants to be part of the TUC. This amendment however runs contrary to the International Labour Organization (ILO) convention No 87 and the country's constitution.³ The ILO convention No 87, 1948 provides for the recognition of the principle of freedom of association and the protection of the right to organize. It gives the legal backing to

³ http://www.ilocarib.org.tt/projects/cariblex/conventions_1.shtml Downloaded March 2009.

workers and employers alike to join an organization of their own choosing without prior authorization. In 1958, the government provided TUC with a building which houses the headquarters as a 'tribute to the contribution that Ghana Labour has made in our struggle for liberation'. The collaboration between the CPP government and the TUC did not only produce benefit for the labour movement but also it included cost in a form of lost of independence.

From the 1959 onwards, Anyemadu (2000) argues that the CPP continued to interfere in the affairs of the TUC since it considered it as a wing of the party. The party made leadership appointments of the union and this brought about tension and resentment among the rank-and-file of the labour movement. As a consequence in the mid 1960s when the country was in a difficult economic situation, the labour union turned against the government which eventually led to the overthrow of the CPP government through a military coup de tat. The Trade Union Congress of Ghana continued to suffer setbacks from both the military and civilian rules. The military government that took over the governance of the country in 1966 repealed the civil service act which made it compulsory for all civil servants to be part of the TUC. This led to a significant reduction of members from about 40,000 in January 1967 to 26,000 by 1968. The military government also implemented an IMF stabilization programme which involved the retrenchment of an estimated 60,000 workers in state owned enterprises in 1966 to 1967. This continued to reduce the members of the trade union and their financial status.

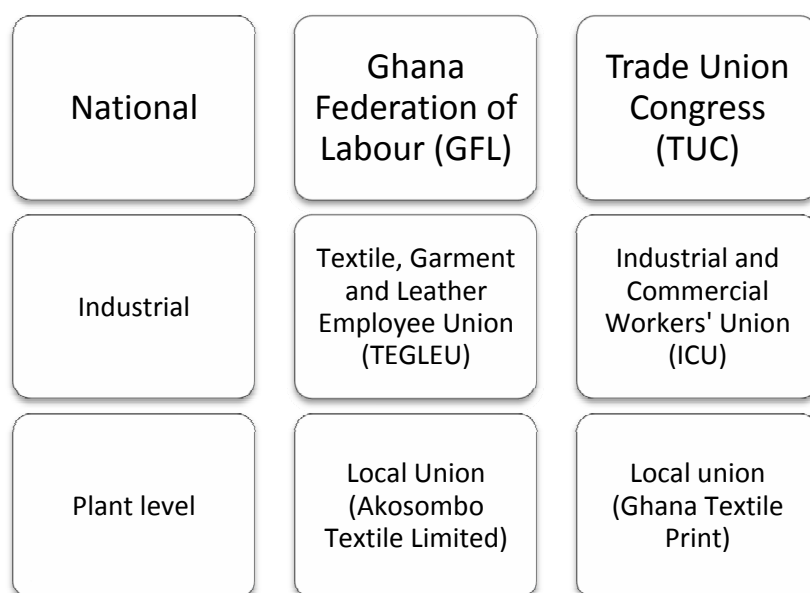
The antagonistic relationship that exists between the military government and the TUC, contrast sharply with the relationship that existed between the CPP government and the TUC (Panford 2000). The return of a civilian government in 1971 continued to seriously affect the TUC. The government that took over was an opposition to the CPP before and after independence. It saw the TUC as an ally to the CPP government and therefore made all efforts to disorganize the labour movement. This government passed a new Industrial Relation Act of 1971 to replace the Industrial Relation Act of 1965. This act provides for the TUC to be dissolved with immediate effect and empowered the government to appoint officers to dispose of all the properties of the TUC. Their claim was that the set up of the TUC was undemocratic and as such it was an infringement on workers to associate freely. The new act provided for any group of workers to associate freely into any federation, confederation and congress of trade union for the attainment of common aim. Even though it could be seen clearly as an

effort to disorganize the TUC, their claim was justified by the constant criticism of the ILO convention No 87 (Anyemedu 2000).

However a new military government repealed the 1971 Act and restored the 1965 Act and restored the TUC. The TUC remained as the sole representative of the trade union movement in Ghana. Any union wishing to apply for a collective bargaining certificate should do so through the TUC. One of the results of the hostile relationship between the various governments and organized labour is that even in the era of new constitution (1992) and a new labour Act of 2003, Ghanaian unions and workers' association still have their backs to the wall. They still remain defensive and need to be highly resourceful to ensure their survival and their relevance to workers and the society. Panford (2001) has noted that since 1986, when retrenchment in the public sector was systematically instituted, the fear of joblessness has threatened workers in both the private sector and the public sector. With members in the public sector gradually shrinking, the unions faces a formidable challenge of retaining their members while meeting the challenge of organizing the informal sector, women and several thousand of workers taken out of public payroll because of massive layoff.

Several innovative features have however emerged in the Ghanaian labour scene since independence (Panford 2001). The formation of the Ghana Federation of Labour (GFL) which is an umbrella organization for independent trade unions is an indicative of this. One of the most remarkable is the establishment of the first autonomous trade union in Ghana. This is the Textile Garment and Leather Employee Union (TEGLEU) which is the first and the only non-TUC affiliate ever permitted by the government. In September 1993, the Textile, Garment and Leather Employee Union were formed out of the Industrial and Commercial Workers Union (ICU) which is affiliated to the TUC (Anyemedu 2000) and currently they are affiliated to GFL. The formation of TEGLEU is an indicative of a new era of labour affairs in Ghana; an era in which independent workers' association can operate freely. In the midst of various crises affecting the sector trade unions still remain strong and effective in this sector. With the emergence of a new trade union which acts, specifically in the interest of the textile industry, some of the local unions at the various factories namely the Akosombo Textile Limited (ATL) and the Ghana Textile Manufacturing Company (GTMC) joined whereas the Ghana Textile Print (GTP) remained with the ICU. The figure below shows the current structure of the labour movement in Ghana and their affiliates in the textile industry.

Fig. 1.1 Trade unions and their affiliates



1.7 Content of the Outline

The chapter after the introduction chapter deals with the concept of liberalization in general and how it is used in the African settings. Why the need to have a second assessment of neoliberal policies and the extent which these policies have affected the African economy in general and the Ghanaian economy in particular. The process of neo-liberalism needs actors and agencies in order to carry out its activities. The role of the state in this process in relation to how it regulates labour and capital will also be reviewed in the second chapter. One of the main implications of policies of neoliberalism is corporate strategies towards reducing the cost of labour through various forms of industrial restructuring. Labour flexibilities and its implications on labour and other challenges to labour will also be examined. Because the aim of this chapter is to examine the role of unions towards these challenges, the next section of this chapter will capture unions in the era of liberalization, their challenges and their activities. The third chapter explains the tools and instruments for data collection and analysis. The philosophical underpinnings behind qualitative research, the process of data generation such as the interview process will be highlighted in this chapter. In addition the rationale for the choice of case and methods used will also be explained. Qualitative research requires the researcher to be able to show the validity and the reliability of the data collected and this is also reviewed. Finally in chapter three, method for data analysis and interpretation and the limitations to the study will also be examined. Chapters four and five will deal with the

empirical data collected from the field and how they support the theories used or otherwise. It will try to draw insights from the preceding chapters in analyzing the contents and the concepts. These chapters tries to answer the research questions posed at the beginning of the research. Using the empirical data from the field and the theories surrounding this topic, this chapter will highlight the challenges being faced by workers in the Ghanaian textile industry and how they are responding to the challenges. The final chapter provides the summary and conclusions to the findings and how the findings answer the research questions.

Chapter two: Neoliberalism as a concept

2.1 Introduction

The past two decades have been characterized by the term neo-liberalization which is often used to describe the role of the market and conversely the limited role of the state in allocating resources and in economic development. These policies have dominated the central political and intellectual agenda of our time. Whether it is in terms of the apparent loss of national sovereignty, openness to foreign competition and capital, deregulation, exhortations about how workers and capital must now compete globally in an all effective market, the impact on the state, local industries and the individual has been enormous (Munck 2002). To understand how neoliberalism spread across space and its impacts, one has to understand how it goes about it, through whom and what its implications are. This chapter therefore will first and foremost delve into the concepts of the state, capital and labour who are increasingly being associated with neoliberalism and its impacts. Secondly the various neo-liberal policies and the effect of these policies on the state and the industry will be examined. The third part of this will deal with the various forms of industrial restructuring and the effects on labour such as “flexibilization” and “casualization”. Fourthly, workers have increasingly become part of the process in the creation of political and economic spaces and therefore the role of the working class in contesting the relation and conditions that regulate the utilization of labour will also be reviewed.

2.2 Neoliberalism in theory and practice

Increasingly, the belief in the role and the efficiency of the market in allocating resources and the deregulation of the state in economic development has dominated the development debate. According to Peck (2001) neoliberal policy is predicated on the vision of naturalized market relations. Although there are a number of elements used to describe neo-liberalism, Herod and Aguiar (2006) describes it as the belief in the market to efficiently allocate resources and to encourage economic development, privatization of state- owned assets and the belief that this will stimulate market forces, deregulation and the distorting governmental interventions in the economy and this implies the cutting of state expenditure on social welfare provision. Lal (1980,1983) in Peet *et al* (1999) was against all economic controls or government interventions instead he argues for liberalizing financial and trade controls for a nearly free trade regime. His ideas were complimented by the work of Balassa (1981). To him free trade

did not mean the total absence of government interventions such as the protection of infant industries, nor the complete acceptance of the mechanisms of the freely operating market system. To him the industrialization strategy adopted by the state is important in determining the developmental success. Friedman (1962) also noted that the existence of free market does not eliminate the need for government. On the contrary, government is essential in as a forum for determining the rule of the game and as a body to interpret and enforce the rules decided on.

To the early proponents of liberalization such as Milton Friedman, there was a relationship between free market and political freedom. To him economic freedom in and of itself is part of total freedom of the individual and the society as a whole. According to Friedman (1962) economic arrangements are important because of their effect on the concentration or dispersion of power. The kind of economic policies that provides economic freedom directly also provides political freedom because it separates economic power from political power. To him when there is economic freedom and there is the existence of private property, people have the right to provide some check to the centralized power. People will also have the power to react to government interventions in the economic affairs of their country. Neo-liberals consider the market as a direct component of freedom, and then the indirect relationship between market arrangements and freedom. They take freedom of the individual as the ultimate goal in judging social arrangements.

Hayek (1960) also argued that the system of private property is the only guarantee of freedom not only for those who own the property, but sometimes for those who do not own it. To him the institution of private property is one main thing that has given man the unlimited amount of freedom and equalness and that private capitalism with its free market had been a precondition for the evolution of all democratic freedoms. He was against socialist planning in that he argued that there is no way one should plan the income of an individual. According to him inequality is undoubtedly more readily borne, and affects the dignity of a person much less, if it is determined by impersonal forces rather than when it is due to the design of a particular person. Unemployment or the loss of income which is an inevitable effect of a society is certainly less degrading if it is a result of misfortune and not deliberately imposed by authority.

Although as a political and economic project, neo-liberalism operates across the global space (Herod and Aguire 2006). However these elements play out differently in different places, as the particularities of place mean that neo-liberalism is not a spatially uniform project (Castree *et al* 2005). Peet (1999) draws on (Lal 1980) and argues however that the fundamentals of growth in developed countries can be applied to the developing countries. Neo-liberalism does not operate in isolation rather it makes use of key elements such as capital and the state and the implications are felt in the society with labour included.

2.3 The state, capital and labour

‘Economic adjustments cannot be disentangled from social relationship and values, political and economic rules of the game, and more generally the web of interrelated institutions (Peck 1996:100)’. The complex relationship between economic reforms in the Ghanaian economy and the effect these have on labour forms the thrust of this research. Understanding the state of labour in the era of various economic policies and their response to the situation requires an understanding of labour which will be discussed later. However, the concept of the state has to be understood in relation to the role it plays in the sphere of production (capital) and reproduction (society).

The state is a powerful institution (Castree *et al* 2005). It is the most influential regulator in the capitalist societies. However according to Hudson (2001) despite the centrality of the state in the economy, there is considerable amount of uncertainty as to how best to theorize and understand the state on the part of economists and geographers alike. It is important to comprehend the capacities, functions, the institutional and the territorial organization of the state and examine what it does, how it does it and how it is organized in order to carry out policy agenda. Jessop (1990) believes the state apparatus comprises distinct ensemble of institutions and organizations whose socially accepted function is to define and enforce collectively binding decisions on all members of the society in the name of a common interest or general will. This definition identifies the state in terms of its macro-political organizations as well as the specific type of political orientations.

Hudson (2001) draws on Jessop (1982) and argues that there are many competing theories of the state and of the relationship between state, economy and the society. To him the theory of the state is grounded in the Marxian political economy. Hudson (2001) identified two approaches to understanding the concept of the state. The first approach seeks to relate the

form of the state and a formal separation of the political and the economic spheres in capitalist production. The state is seen to be located in the level of social formation rather than the capitalist mode of production; however the state is also seen here in relation to the mode of production, their varied conditions of existence, and their effect on other social relationship.

Capitalist accumulation of capital can be made possible if firstly, there is control or elimination of the problems of capital accumulation and all the conditions necessary for the decentralized process of production, market exchange and distribution is made available. Secondly, there should be a continual biological and social reproduction of wage labour that accepts the existing structures of the domination and hegemony.

These conditions however are not automatically realized within the confines of capitalist society. There is constant tendency towards crises within the capitalist production and opposition from wage labour. Stoper and Walker (1989) in Castree *et al* (2005) also claim that, because employers and workers are captives of each other, neither sides is free to get all it wants and thus production is successful within an unfolding process of negotiation and mediation. Thus according to Hudson (2001) the smooth operation of commodity production and exchange is constantly under threat from the contested basis of production and political conflict among wage labour over wage and profit. In this sense the need to regulate the competitive relationship between capital and labour implies the need for a mediator who is relatively separate from each class of interest.

2.3.1 Regulating labour and capital

Regulation is defined by Castree *et al* (2004) as the act of putting things or a relationship on consistent footing. In the case of labour in this research, regulation becomes social since it involves real people who find themselves in multiple social relations that are conditioned by sets of societal institutions. Whereas all social institutions that provide regulation may not always be able to solve the problem between employers and employees, there is a common aspect that all social regulation involves object of regulation, institutions for regulation and mechanisms of regulations. Hudson (2001) describes the role of the state as setting the framework condition. These are the formal rule and regulations that sets limits to what firms can do and cannot do in relation to each other and their workforce. Company laws, labour laws and pension rules are all forms of regulations that the state can use in regulating labour

and capital. Peck (1996) has also identified that labour is not only embedded in the economy in its social and institutional context but also the functioning of economic institutions and the processes of social regulation. Teague (1990) and Clark (1992) in Peck (1996) has argued that the cluster of social norms, political practices and state forms constituting the mode of social regulation seems to be ushered in by the state to meet the needs of capital accumulation and therefore these institutions are functionally determined.

The regulationist Lipietz (1987), Jessop (1990) however denies this claim. They believe that the modes of social regulation are formed through undetermined political and social struggles and that the kind of regulation found in any place is conditioned by the vagaries of national politics. Jessop (1990) argue that there is a danger in the suggestions that the state's central role is to manage the conflict and tensions in regulations and a fundamental flaw in arguing that they do so for accumulation to proceed. Noel (1988) in Jessop (1990) insists the best way to avoid this flaw is to ground regulationist approach to politics in a historically contingent relations among the three principal actor of wage relation (capital, labour and the state) and consider how these relations are joint products of growth and specific forms of state and party organization.

Others such Boyer (1990) and Theret (1994) however want us not to simply concentrate on the institutions, but the effect they have, when and where these effects are taken place. The state's role is an important factor (if not the most important) in securing social cohesion. This is realized in all the structural forms involved in regulation and acts to secure overall cohesion (Jessop 1990). In this sense the site of the state is seen as where all various structural forms of regulations are concentrated. Although there is some necessary relationship between capital and the state, the resources that the state can deploy render it an arena of social struggle. To understand these struggles is to explicate the linkages between agencies and structures, and to take in to account the differential powers and resources available to individuals and collectivities seeking to pursue their interest through the state. While the state does not represent the general interest of capital, the continued existence of the state as a form of social relationship depends upon reproducing the social relations of capital and the continued accumulation process.

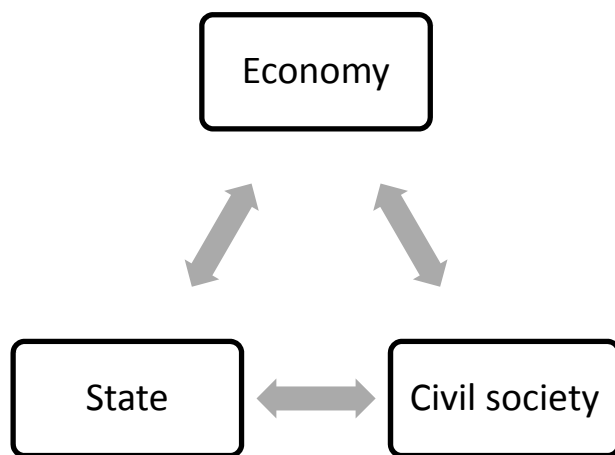


Fig 1.1 The triad of civil society, economy, and state. Source: Hudson 2001.

Given the uneven and contradictory character of societal development, the state exists with intricate web of relationship with the society it is constituted. The activities of the state has a direct impact on the economy and the civil society which is referred here as the realms of personal (labour), family, ethnic relations and civil organizations such as the trade unions. The nation state has absolute authority over its territories and the power to regulate the relationships and linkages between competitive supranational states and extra state organizations. However the existence of the state as part of a bigger international system puts constraints in the state's ability to effectively undertake these functions. In the case of the Ghanaian economy, the joining of the WTO and the indebtedness to IMF and the World Bank has constrained and continue to constrain the ability of the State to perform certain functions in regulating the economy which in effect impacts on the civil society as whole. The state is therefore an important instrument for the neo- liberalist in pursuit of their policies of free market, privatization, deregulations and the flexibilization of labour all through various forms of market and policy restructuring.

2.3.2 The state beyond borders

It is important here to realize that international bodies can exert almost as much power over everyday affairs in the economy as the state does (Castree *et al* 2004). These are referred here as quasi-state bodies. The International Monetary Fund (IMF), the World Bank and the World Trade Organization (WTO) have in various ways exerted considerable amount of control and

influence in the Ghanaian economy since the country adopted the SAPs. The Regulationist has tended to give much methodological importance to the national level. This is assumed to be the sole or at least the site of regulation (Hudson 2001). This claim has been seen to be unsustainable theoretically and empirically according to Jonas (1998) because there is no reason for regulations to be predominantly a national scale process. The extent to which regulation is carried out in other spatial scales is linked to the debate about ‘hallowing out’ of state activities and changes in the mode of operation of state in response to pressures from below and above (Hudson 2001). Hudson draws on Kolinsky (1981) and argues that pressures ‘from above’ is the result of growing international integrations of economies and the enhanced significance of regulatory bodies such as the IMF. Even though the quasi-states are not formally part of the state they can act on behalf of member state. International and domestic investments are made with an eye on international market according to Moody (1997), and as such the international organizations do reshape national economies through their international decisions. Castree *et al* (2004) also noted that, increasingly there have been a profound rolling back of state intervention in the economy and these changes have been part of the emergence of neo-liberalism which promotes the value of free market as the disciplining mechanism in many socio-economic activities. Moody (1997:7) sums this up with the claim that

The regime these policies and negotiations are producing is not one-world government, but loosely structured network of multilateral agreements and institutions. This was made possible only by a political sea change that took place in the 1980s with the rise to power neo-liberalism across much of the world.

In the work of Jessop (1990: 365) he identified six concepts in defining the state in relation to other institutions. Firstly, he argues that an adequate account of the state can only be developed as part of a theory of society and as such the state must be related not only to the broader political system but also to its wider social environment. Secondly, many modern societies are so complex and differentiated that no sub-system could be structurally determined nor could only one organization forms the apex of a singular hierarchy of command whose rule extends everywhere. However many different sub-systems and even more centers of power have emerged. Many of these have developed to an extent which place them beyond direct control by outside forces, the state included. Thirdly, among the various institutional orders in modern societies, it is the state which is responsible for managing any interdependence, but it can only do so through its own institutions, organizations and procedures. Although the state is empowered to make and enforce collectively binding

decisions, its action in this respect are a specific, selective concentration and condensation of struggles within the overall political system and their success depends on conditions and forces beyond its immediate reach. Fourthly, the state must be analyzed both as a complex institutional ensemble with its own mode of calculation and operational procedures and as such a political practices which seeks to deploy its various institutions and capacities for specific purposes. We need to instead of defining the state in a priori term, to explore how its boundaries are established through specific practices within and outside the state. Fifthly how far and in what ways such powers are realized will depend on the actions, reactions and the interactions of specific social forces located both within and beyond this complex ensemble. In short the state does not exercise power; its powers are activated through the agency of definite or capacities political forces in specific conjunctures. Finally, these structural powers or capacities and their realizations cannot be understood by focusing on the state alone. Their realizations depends on the structural ties between the state and its compassing political systems, the strategic links among state managers and other political forces, the complex forms of interdependencies and social networks linking the state to its broader environment.

This is to say that the state is not alone in this modern society. National sovereignty is gradually being diminished with the increasing global integrations. Actions in one part of the world have consequences on the states in other parts of the world. This is not to say that the interactions and the dependencies are always external. Internally, the state depends on other social actors such as workers, non-governmental organizations and individuals in their decisions. As a mediator between the various social actors and capital, their powers are exercised through all the agencies in the society in their search for reproduction. Sometimes external influences tend to be much more than the internal factors. In the case of the Ghanaian society, their indebtedness to the World Bank and the IMF makes the state more vulnerable to the pressures from above.

The Ghanaian government has in various ways succumbed to the pressures from the IMF and the World Bank to open up the economy. These policies even though have their positive sides of giving many Ghanaian the opportunity to choose between local and imported usually cheaper foreign goods, the textile industry in Ghana is the worst hit by the influx of imported textile material from China and other Asian countries. The result is that the warehouses of local manufactures are choked with finished goods that cannot be sold (Daily Graphic, January 1994).

The nation state have continuously ceded effective control of demand- side economic policy to the market with increased emphasis being placed on securing appropriate supply-side conditions for economic competitiveness; hence the widespread concern with flexibilizing labour markets, developing and rewarding human capital and entrepreneurship, and maintaining a good business environment. This means a neo-liberal state is not necessarily a less interventionist state; rather it organizes and rationalizes its interventions in different ways. It must be understood that these aspects of contemporary state restructuring process are above all a political phenomena and they should be understood as part of a wider and deeper, and a hegemonic process of neo-liberalization (Peck 2001). States are actively involved with production within capitalism usually when the state takes active responsibility for organizing production via nationalization or other forms of public ownership (Hudson 2001). As mentioned earlier this runs counter to the neoliberal rhetoric of private ownership relations of capitalism and it is important to understand why this happens and its implication for labour. States are involved in various ways of organization and geographies of production in diverse and historically geographically variable ways.

2.3.3 The tools of neo-liberalism

The neo-classical economic theory informed the IMF and the World Bank in designing the Structural Adjustment Programmes for many third world countries when they were in deepening crises in the 1980s and 90s. Essentially SAPs is the process by which the IMF and the World Bank base their lending to the under developed economies on certain conditions, pre-determined by these institutions (Mohan 2000). The main aim is to transform all the economies in the world into the capitalist economy inserted in one system under the management of international financial institutions. SAPs involve large scale reorganization of the economic system from state control to private sector management and control, promotion of out-ward oriented economies, removal of barriers to international capital flow, trade liberalization, deregulation and restructuring of domestic labour market (Rojas 1997). Mohan (2000) argues that free market and free trade are suppose to provide the internal and external equilibrium and the forces of competition which then produces increasing efficiency in the use of scarce resources, providing economic growth that is vital for economic development.

Therefore the remedy must therefore be to free prices from government intervention, in terms of regulation and subsidy, to privatize state owned firms and to remove artificial barriers to

trade such as tariffs and quotas. ⁴The neo-liberal, market fundamentalism of 1980s and the 90s was concerned primarily with ‘getting the price right’; leaving everything in the hands of the market. The social and economic consequences that saw a deepening and entrenching of the poverty of systemically disadvantaged segments of the society were initially dismissed as merely “transitional phenomena” and not a matter for policy redress. Neo-liberalism revives early beliefs in the ability of “free trade” and “laissez-faire” capitalism to solve economic and social problem (Roberts *et al* 2000).

Peet and Hartwick (1999:54) summerises the policies of the neo-liberals as follows:

- Fiscal discipline: government should avoid budget deficit.
- Public expenditure priorities: government should focus on politically sensitive areas such as education and infrastructure.
- Financial liberalization: interest rates should be determined by the market.
- Exchange rate: rates should be competitive to promote rapid growth of non- traditional sector.
- Trade liberalization: restrictions on imports should be removed.
- Foreign direct investment: barriers to foreign firms and capital should be removed.
- Privatization: state enterprise should be turned to private ownership.
- Deregulation: government should abolish regulations restricting trade and competition.
- Property right: legal system should secure property rights.

In effect the policies involved in the reform programmes were economic liberalization, the broad rubrics for legal and administrative changes needed to create institutions of private property and market competition, macroeconomic stabilization, including measures to reduce budget deficit, reduce growth of the money supply and transferring ownership of state property in to the private sector (Peet *et al* 1999). The neo-liberal policy is assumed to be based on a neutral market which has the mechanisms to effectively allocate resources and promote economic development. All that is required for the optimization or actualization of economic efficiency is for the state to get out of the way (Peck 2001).

⁴ www.law-lib.utoronto.ca Downloaded 19 November 2007.

2.4 Labour standards in the era of liberalization

Increasingly the world has become integrated as most closed countries opened up their economies for trade. Although there have been significant advances in working conditions and labour rights during the era of international economic integration, these conditions vary greatly among nations at a given level of development (Flanagan 2006). The ideology of an ‘open economy’ and ‘free trade’ is now proclaimed by most politicians as the only way to prosperity (Endresen *et al* 2006). They however argued that, most industrialized countries raised high tariffs to protect their local industries, the idea of a free trade followed at a much later stage. The Ghanaian economy has embraced free trade without backtracking and this has had a significant impact on the local industries and the effect has been mostly felt among workers.

Trade liberalization is considered as an inevitable fate; the only good side is that the problems would be transitional. Factory closures are only seen as part of the adjustment and unemployment as the side effect of liberalization programme that will be beneficial to us all in the long run (Endresen *et al* 2006: 83)

Referring to Endresens *et al* (2006) explanations for ‘free trade in the African Textile and Garment industry’, the following arguments were made. Free trade is considered as the results of the mechanisms of natural law, then opponents are seen as people opposed to progress and development in the long run. To them the theoretical foundation of the current free trade regime is drawn from the work of Samuelson’s economic model. In this model free trade is beneficial to all trading partners and it is believed to set a ‘level playing field’ for both labour and capital. The purpose of international organizations such as World Trade Organization (WTO) is to shape the trade regime and thus strengthen the formation of the playing field. In addition, eliminating protectionism is thought to level the playing field while exposure to competition will increase industrialization in the long run. They further argued this model does not take into consideration the initial advantages of the advanced countries especially in terms of technology and capital. Such disadvantages on the side of most African countries emphasize the ‘dark side’ of neo-liberal regime; shaping an unequal world.

Myrdal (1957) also argues that free trade is beneficial to the strongest trading partners; while others may attract growth; there is de-industrialization at the periphery. The initial disadvantages of most African countries as producers of raw materials and colonial past makes the playing field uneven which then tends to accentuate the global unevenness (Endresen *et al* 2006). Munck (2002) is of the view that the ideology of neo-liberalism as the

driving force behind globalization has portrayed its policy of free market forces as one where capital is no longer restrained by government. It has sought to free capital from all social and public restraints, while at the same time removing any social protection for labour rights. Busser (2006) is also of the view that increased competition has put downward pressure on wages and conditions. Governments in developing countries are increasingly pushing for flexible labour markets, under pressure from IMF and the World Bank, thus taking away the necessary protections that workers enjoy, and has resulted in casualization and precarious working condition. In addition she further argues that autonomous trade liberalization in developing countries, under SAPs, has led to the disruption of local industries without necessary safety social nets or the creation of new employment opportunities. African industrialization which is relatively low in technology and recent competition in the local markets leaves the industries with no other option but to let labour pay the price of international competitiveness.

It is striking to note that we live in a world where, on one hand majority of people wants decent and stable jobs, better wages, opportunity for improvement, unemployment and pension benefits, but in reality it is true for just some few people in some few countries. Economic integration and growth in trade which is being herald by the proponent of the neo-liberalism have not led to more equal distribution of income, but have excluded large majority of people from its benefits and labour is paying the price (Busser 2006). Even though there is increasing world integration most things including production and consumption still take place at the national level. The destructive competition of the world cuts across many corners of the world and in fact the deepening integration actually in some aspects increase fragmentations and inequality among nations. The international organizations and their neo-liberal allies are pushing for the elimination of barriers they claim stands in the way of free trade including government social programmes, legal rights and trade unions (Moody 1997). The intensification of competition through global integration impacts negatively on workers' rights when governments in their effort to attract foreign direct investments and to increase imports offer various incentive packages which include low cost of labour and restrictions to trade unions (Egulu 2006). The dismantling of many government regulations in the economy including labour has undermined many of the protections that workers had come to rely upon as part of their "industrial citizenship" right (Herod and Aguire 2006).

2.4.1 Labour Geography

Workers form an integral part in the economies. The conceptualization of labour in labour geography is closely linked to Marx's development of the labour theory of value in *Das Kapital* by Marx 1976 (Lier 2008). According to him wagedworkers and capitalists are mutually dependent upon each other through the employment relation, where labour power is purchased as a commodity in exchange for money (salaries and wages). Capitalist production can usually be made possible by the combination of two commodities; labour power and means of production. Means of production here is referred to as the machinery, raw materials and anything else that makes production possible. These two commodities come together in capitalist production to produce new commodities which is sold for money. However labour power unlike other means of production is embodied in a living being that is capable of thought, action and creativity. It also has the ability to develop relations at the work place and the society they live. Although workers sell their labour power as a commodity, workers themselves are not real commodities. They are conscious and social beings, and products of a society they themselves have been instrumental in creating (Lier 2008).

The inclusion of workers in the whole politics of neo-liberalism has dominated the studies in labour geographies. According Peck (1996), to understand or portray labour flexibility strategies as purely economic is to overlook the diverse ways in which they interpenetrate with parallel development such as welfare reform, labour market deregulation and the neo-liberalization of political rhetoric. However the theoretical foundation of the changing uses of labour can be traced to the post-Fordist period. Amin (1994) has argued that three theoretical positions lie at the heart of the post-Fordist debate. These are the regulation approach, flexible specialization approach and the neo-Schumpeterian approach. Nevertheless, for the purposes of this study I will limit myself to the regulation approach. The neo-Schumpeterian approach and the flexible specialization on the other hand by my view cannot be applied fully in the Ghanaian context.

The regulation approach is concerned with the nature and the direction of an epoch making change; the belief that the world has passed through the putative transition from one dominant phase of capitalist development based upon very different economic, societal and political forms. It seeks to identify the driving force behind each transition and through the process explain how these forces constitute a system capable of securing relative economic stability.

In effect its theorization of economic development claims to give much regard to historical processes, structures and mechanisms which underpinned the various changes. The regulation approach, according to Lipietz (1984), denotes two relatively distinct phenomena. It represents a mode of accumulation and regulation. The mode of accumulation refers to the set of norms, pertaining to the production and work (the labour process), relationships and forms of exchange between branches in the economy. It also denotes rules that govern the industrial and commercial management, the principles of income sharing between wages, profit and taxes, norms of consumption and the pattern of demand at the market place. The mode of regulation on the other hand is used to represent the institutions; formal and informal that regulate and reproduce a given accumulation regime through the application across a wide range of areas, including the law, state policy, political practices, cultures of consumption and social expectation (Amin 1994).

⁵Fordism is used to represent the dominant “accumulation regime”, the time when the configuration of social relations that defines capitalism for instance, reproduces itself in a stabilized way. This stability is achieved by the expectation that individual behavior must take shape so that they are in line with the needs of the particular regime of accumulation. This happens through the individual willingness to play the rule of the game and through a set of institutions which may vary widely. These sets of institutions and regulations are characterized by a compromise between government, management and trade unions associated with standardized mass production processes with social programmes that serve to maintain levels of production and demand. Wage levels are determined collectively, which enhances workers’ bargaining power, effective demand and economic growth. The crises of Fordism have been linked to the specialization of production technologies and markets and the accelerated internationalization of capital, undermining the national regulation regimes (Andr  and Beckman 2006).

However historical evolution and change is not unchallenged. Various critics such as the Marxist tradition have criticized the term based on the dialectal and evolutionary nature of history (Amin 1994). The use of the term can be disputed based on the fact that fordism could not be applied everywhere especially in most parts of Africa. African industrialization started

⁵ <http://lipietz.club.fr/MET/ME/rebelson.htm>

Downloaded March 19,2008.

only after colonialization when they ceased to be only exporters of raw material and importers of manufactured goods. Great Britain and the United States had started industrialization centuries before it was taken to Africa and many parts of the world.

The Fordist period is used to represent the set of institutions and conventions which regulate and reproduce a given accumulation regime through application across wide range of areas, including the law, state policy, political practices, industrial codes, governance philosophies, rules of negotiations and bargaining, cultures of consumption and social expectations (Amin1994). The aim of the early French regulationist was to develop a framework to explain the paradox within capitalism between its inherent tendency towards instability, crises and change, and its ability to coalesce and stabilize around a set of institutions, rules and norms which serve to secure a relatively long period of economic stability. It must however be noted that the theorization of economic development and change which claim to give as much regard to historical process cannot be fully applied in the African context especially Ghana with relation to their colonial past and the type of industrialization strategy adopted in the past.

2.4.2 Regulating labour in capitalist states

In the context of labour and their regulations, Boyer identifies five possible post-Fordist scenarios: flexible specialization; international Keynesian attempts to underwrite employment; market led labour flexibilities; segmented labour market; and negotiated attempts positively to develop skills and labour resources (Boyer in Amin 1994). For the proponents of the Fordist theory, after fordism, then comes the post Fordist era which is characterized by a policy of liberal flexibility in the era of global competitiveness. However Munck has argued that for the developing world work after fordism did not mean post-fordism where there is state led model industrialization with extensive deployment of labour (Munck 2002). To him a new form of wage-labour/capital relations are emerging after fordism but cannot be given a clear post-Fordist label. A new policy of liberal flexibility and ‘Taylorism’ which was not really applied in the south has characterized the domain of production in this era of global competitiveness.

The adoption of the World Bank/IMF Structural Adjustment Programmes by African government meant adopting more neo-liberal policies and with it comes the relaxation of labour laws. Governments are now pushing for a more flexible labour market under the

pressure of IMF and World Bank, thus taking away the necessary protection for workers which have resulted in the casualisation of labour (Busser 2006). Castreel *et al* (2004:138-139) identifies some of the strategies used by states to regulate labour. These are highlighted below

- External macro-economic deregulation: this is achieved by removing or lowering regulatory barriers to trade, foreign direct investment and movement of people, technology and capital. IMF/World Bank are creating conditions that allow capital to be switched easily in the international scale. Where macro –economic deregulation is rapid, the consequence for workers can be very serious.
- Internal labour market deregulation: States may decide to alter their regulatory interventions in the labour market. They may seek to enhance the flexibility of labour market through removing constraints to labour mobility between jobs and market determined wage. Burawoy (1985) also describes it as market despotism where the state protects market relations and labour mobility among firms.
- Union regulation: states may seek to deliver labour market flexibility using toughened legislation to constrain the activities of trade unions and collective bargaining.

The state is therefore seen as the main instrument in regulating labour. This will seem contrary to the neo-liberal rhetoric of less state intervention in the functioning of the market. In the field of labour and environment the state is increasingly adopting the role of ‘market manager’ (Peck 2001).

2.5 Corporate strategies of labour

National policies are of crucial importance especially in third world countries for the promotion of industries and for the formation and control of labour through industrial relation legislation (Henk 1995). In essence the kind of industrialization strategy adopted by any country has a profound influence on labour and trade unionism (Endressen *et al* 2006). As it has been practiced by many third world countries industrialization was based on the protection of local industries and manufacturing goods that would have been previously imported locally. In this kind of industrialization, the protections of workers were enhanced as has been noted by Henk (1995). According to him, the state frequently became heavily involved in the economy as the owner of strategic enterprises and as such a major employer. Import substitution industrialization enhanced the protection of workers and also they could

reap considerable benefits as long as the domestic market can be provided and predicted. Under these conditions, trade unions were favourably placed to build powerful positions in collective bargaining.

The complete turn about towards export orientation industries with its ideological underpinning from the neo-liberal policy of *laissez-faire* started in the 1980s. The quest for cheap and flexible labour dominated the industrial economy. Naturally, the oppression and control of labour organization formed an integral part of this strategy of industrialization. With increasing role of the private sector in the industrial sector, new set of innovative management practices (Human Resource Managements) have emerged and these have influenced the potential for industrial development and the role that trade unions play (Henk 1995).

These new forms of industrial restructuring and reorganization has been described by Lazonick (1991) as consisting of three models namely 'propriety capitalism', 'managerial capitalism' and 'collective capitalism', which represents the successive stages of technological superiority (Henk 1995). According to him the superiority of each model is achieved by lowering the cost per unit and thus conquering the national market, international market and finally the global market. Each set of industrial reorganization is characterized by specific characteristics of industrial relations patterns and thus trade union involvement. He characterized the various models of industrial reorganization as follows: (Henk 1995 :7-8)

Propriety capitalism has been implemented mostly in Britain. The growth of craft- based industries with close alliance between management and ownership of firms in specific geographical regions has been the hallmark of this model. The organizational segmentation between top management and employees, the shop floor control over production by workforce organized along craft- based lines, and the underdeveloped nature of managerial coordination, created an environment which provided both employers and senior workers with strong incentives to ensure the survival of the firm by squeezing as much productivity as possible from existing technologies. As international competition increased and management did not innovate sufficiently, the squeezing of labour costs formed the key strategy to remain competitive.

Managerial capitalism comes about because of superior management and the separation of ownership structures from day- to- day management succeeding in creating national and international enterprises. National and global markets could be captured by lowering the unit

cost of production. In contrast to the propriety capitalism, this model allows for higher wages, and in spite of low union densities, permits active industrial and craft union postures, thereby providing an incentive for management to innovate continuously. The state plays a crucial role in investment in education, whereas trade unions are fully incorporated and controlled in a package deal which includes rapidly rising wages as well as worsening of human and participatory conditions under mass production. The prerogatives of management in essence do not allow for any participatory role of the labour leadership, and unions are confined to antagonistic bargaining for higher wages and better working conditions. This model was widely practiced in the United States.

Collective capitalism is a recent description of the third model. The losing of the market to Japan and other East Asian countries was originally ascribed to their excessive exploitation of labour but with time different views emerged with rapid growth of real earnings, the technological lead in many areas and the sustained force of capturing global market. This new industrial capitalist organization has gradually come to be accepted with new conceptualization, such as the 'Second Industrial Divide', 'The New Competition', 'Toyatism', and 'Collective capitalism'. There is increasing flexibility through sub contracting, and major organizational restructuring which is particularly characterized by continuous technological innovation. Continuous human resource developments in the context of management practices form an integral part of this model. Workers need to become partners rather than adversaries of management for the system to function properly. The role of trade unions is one of critical but constructive cooperation.

With many parts of the world now adopting the collective capitalism approach to industrial restructuring, it has become apparent that this new system is taking over the old system. This new pattern of industrial reorganization could be a bit frustrating to many third world industries who are struggling to overcome the failure of the import substitution and the forced adaptation of SAPs. A likely outcome will be that large numbers relatively small firms will be engaged in cut- throat competition instead of building cooperative networks (Henk 1995). Unions in Ghana at the earlier stages of organization has mainly be corporative in nature but in relation to governments rather than to the capitalist. But with the diminishing role of the state in unions, and with relatively high levels of foreign investment in industries, the unions now mostly in private companies are being corporative with their employers than it used to be. In Ghanaian textile industry, unions are now seen in a cordial relationship with the management and also various form of HRM practices are now evolving in the industries. One

notable is workers examination after a training period and workers continual of work in the factory will depend on the successful passing of the examination. Unions have gradually being called on board and have become part of the decision in labour regulations which mostly are not to the advantage of workers.

We cannot continue our militancy actions of the past [we want this, we want that], we must sit with them and discuss the issues that are concerning all of us (TEGLEU Official).

Even though, I may not be able to state precisely the kind of restructuring that is taking place in the industries, international global integration and the quest to make profits by capitalist no matter the conditions meant reducing labour cost and adopting more flexible ways to labour usage. This in effect has great impact on labours' sustenance and organization.

2.5.1 Flexibilizing labour

In a decade and half following the 1960s, according to Harrison (1994), the share of corporate profit in gross domestic product fell sharply around the world.

The world experienced deindustrialization for nearly two decades, the shakeout of weak competitors and older capacity, all manner of financial and real business restructuring, and the penetration of new technologies onto the factory floor and the office floor. (Harrison 1994:126).

These changes have given rise to different array of management innovations in corporate organization and these is what can be described as the post -Fordist era. Recent controversies around post-fordism, flexible specialization, and flexible accumulation has dominated issues on labour and how this transition models hinges on assertions about changing uses of labour; reorganized, (and flexible) labour processes, restructured, new and flexible application of shop- floor technology (Peck 1996). Managers everywhere have responded to the 1970s crises in various ways all of which can be characterized as a search within large and small firms alike for greater flexibility through reorganization and technological change, in labour management relations, and in the reconfiguration of each firm's transactional and longer term relations to other companies and operating unit (Harrison 1994). Scott in (Peck 1996) has explained the new forms of flexibilities that have been adopted by companies which generates increased polarization and segmentation among the work force. According to Scott (1988) of particular concern is the collective logic associated with the functioning of the labour market, as search for flexibility is paralleled by that for flexibilizing the labour market. Harrison (1994) also noted that mainstream economist have always believed that free markets are the

best ways to guarantee such flexibilities. Three strategies of labour market flexibility have been identified by Storper and Scott in (Peck1996:122).

- There is increasing attempts at the workplace to individualize the employment relations moving away from institutionalized collective bargaining and negotiations in key areas such as wage-setting. Harrison (1994) also explained it as wage flexibility which refers to the various efforts by managers to reintroduce greater competition among individual workers, particularly in those that has been sheltered from direct wage competition as a result of unionization and government regulations through payment via bonuses for individual performance and systematic union avoidance.
- Firms are seeking to achieve enhanced internal flexibility through labour process change such as multi skilling and reduced job demarcation.
- External flexibility is being sought through strategies such as the deployment of part-time job and temporary works that enable rapid quantitative adjustment of the labour intake in accordance with fluctuating production needs. This has also been described by Harrison (1994) as numerical flexibility, whereby jobs are redesigned so as to substitute part-time, contract, and other contingent workers who receive few or no benefits such as health insurance and pension.

An estimated 40 million workers, most of them women are employed in the textile and garment industry (Wills and Hale 2005). The textile industry is one of the industries that have suffered the fatal consequences of neo-liberalization. According to Wills and Hale contemporary trends in the organization of production, reinforced by the re-regulation of the global economy, have made very difficult for workers to organize and/or improve their conditions of work.

Flexibility of labour which comes with neoliberalism has been seen mostly in East Asian countries where women are mostly involved in the production of textile and garments. There has been increasing attempts by major transnational corporations to reconfigure their operations, shedding their in-house production capacity using sub-contracted supply chains to source goods and get them to the market (Wills and Hale 2005). Recent controversies about the changing uses of labour, reorganized labour processes, restructured labour markets and the application of shop-floor technology all in a more flexible way has been on the increase worldwide (Peck 1996). However there are obvious differences in the way in which labour has been formed, qualified, subordinated, organized and reproduced in different part of the world economy (Andræ and Beckman 1999).

In addition, Endressen *et al* (2006) also noted that the type of industrialization strategy adopted by a country has a relationship with the type of labour regime that can be enforced. The crises that have affected the textile industry from the SAPs period to date have had a considerable effect on labour. The concept of labour regime is summarized by Andræ and Beckman as complex institutions, rules and practices that regulate the relationship between labour and capital as they manifest themselves at the work place. This regulation is influenced and conditioned by the society at large, by the nature of enterprises and entrepreneurial classes, local and national state politics, the interventions of the state and organized interests, as well by the way labour is recruited, trained and supported by the family. Central to the concept of labour regime is the need to make labour perform in accordance with production requirements and this can be done through coercion or consensus or hegemony; the acceptance of subordination by the subordinated. In addition, labour regime is premised on a complex balance of social and political forces in that the terms under which labour is ready and willing to make itself to work under any condition is determined by their bargaining power, in the work place and in the labour market as well as their ability to inflict cost on capital.

2.5.2 Labour in 'Place' or 'Space'?

As mentioned earlier, when dealing with the impact of decline in production and the effect on labour, the concept of labour becomes very essential. The reason for study of the industrial working class is political according to Burawoy (1985). The industrial working class still represents the fundamental point of critique, both in advanced capitalist countries, dominated by private property and the socialist countries dominated by central appropriation of products. Wage labour is mainly a social activity (Castree *et al* 2004). In the process of turning raw materials into finished products, wage labour develops a social relationship with employers and their fellow workers. Burawoy (1985) also argues that the process of production has a political and ideological effect, thus as men and women engage in transforming materials into useful thing they also reproduce some form of social relations.

Labour in addition to raw materials, capital and other inputs make the production process possible. It is only one input in the production process and in the capitalist world it takes the form of a commodity (Castree *et al* 2004). Labour differs from the other forms of

commodities because it is embodied in a living and capable of independent thoughts and actions. This is what is termed by Storper and Walker (1989) as a pseudo-commodity in Castree *et al* (2004). Flanagan (2006) also noticed that labour unlike capital, land, and other inputs of production, can think and care even about non-monetary aspects of their job. This means that, unlike other inputs in the capitalist production, they have needs and wants such as happiness, good health, sustenance, shelter and all other necessities of life. However the concept of labour in most debates and literatures tend to conceive labour as a passive victim in the new trend of global capitalism (Munck 2002). Capital is seen as active, mobile and forward looking in the era of global integration whiles labour remains static and basically reactive. The relative immobility of labour as compared to capital in the production process makes the idea of place very important. Peck (1996) argues that places to live now are increasingly being seen as place to earn and strive to earn a living.

The increased migration of labour has limits. 'The computer communication specialist is not as mobile as the Indian home worker or the African rural labourer' (Munck 2002:67). Workers still live in their respective countries and localities to undertake the process of production. Pratt and Hanson (1994) also argues, although the world seems interconnected, we must also not forget that most people still live a local life; their homes, workplace, family, friends, shopping are all located in a small orbit (Castree *et al* 2004). The effect of global integration or neo-liberalism for that matter has the effect locally on the individual workers. The study of politics of production at the local level has been revived according to Andr  and Beckman (1999). They draw on the work of Massey (1984) on the spatial differentiations of national economic development in its adjustments to process of global economic change. The study attributes the importance of labour availability as the prime factor that guides companies in their decision to adjust or relocate. By focusing on labour, the emphasis here is at the local level where labour is recruited, reproduced and socialized. In similar vein it is at the local level that the impulses for workers to organize will be generated, in response to conditions in production as well as outside the workplace.

Peck (1996) is also of the view that the process of putting labour in place is highly geographical. He argues that not only the relations of labour domination is unfolding across an uneven space, but also the process of localization in industrial relations norms and conventions, welfare entitlements and programs play an active role in subordinating labour. The relative immobility of labour and its rootedness in place vis-a-vis capital is being used as

a strategy to extend managerial domination and state discipline. Peck (1996:87) draws on Burawoy (1985) and argues that

The institutions that regulate and shape struggles in workplace; under which the political conditions for a new era of *hegemonic despotism* are being established.

A new era is being ushered in where local communities are coming under attack not only through deindustrialization and job loss but also increased insecurity. The ideas of deregulation and local labour regulations are bringing forth a new geography of labour where state power is deployed to commodify labour and subjugate communities to the market (Peck 1996). If space is the domain where capital strives to make and accumulate profit and place is where labour constructs a meaningful and enduring social relationship then the increasing shift of place to space makes place a place to earn or strive to earn a living. Space and place seems to be melting into each other in practice even though theoretically we cannot distinguish the two (Castree *et al* 2004). The driving force behind this geographical degradation of labour according to Peck (1996) is unfettered global competition and its ally with neo-liberalism.

On the other hand we live in a world that is not only interconnected but also interdependent (Castree *et al* 2004). Place is now seen not only in relation to people who make them and the institutions surrounding them, but also a meeting place for local and non-local activities. The increasing interconnectedness of place can be summed by the claim made by Peck (1996:106) that ‘the control of labour resides in a local scale; however there is an undeniable fact that it occurs within a set of institutional and structural parameters relating to nations states and the imperatives of global organizations’. My conceptualization of ‘place’ however does not only concern the place at the factory level where workers work and at the same time socialize but it is also an understanding of the place of the Ghanaian economy within the global context.

2.6 Union under Neo-liberalism

Trade unionism worldwide is in deepening crises as they face harsh and stereotypical attitude from multinational companies and even government. Henk (1995) argues that although trade unionism continues to have a strong appeal as an instrument and symbol in the search for industrial and economic democracy, there is ample reason to ask whether it will survive in to the next century. To him in large parts of the world especially Africa, Asia, Central and South America, this is no longer a question since the trade union movements in these regions are

hardly equipped for the new challenges posed by phenomena such as structural adjustment programmes, the exclusion of labour from national politics, the informalization and feminization of the industry, flexibility in labour relations and the casualisation of work. Munck (2002) also argues that global competition, neo-liberalism and structural adjustment programmes are constantly eroding labour's bargaining strength. Globally the survival of trade union movements equally presents an abysmal picture. With the emergence of a global economy and worldwide capital market, the international labour movement has been weakened significantly firstly in the United States of America and later also in Western Europe (Henk 1995).

Henk (1995) has further argued that, from a social and labour market perspective huge variations exists in labour market segmentations. Segmentation here according to Peck (1996) holds that the social space of the labour market is divided into submarkets and that the rules governing the behavior of the labour market actors act in different ways from one segment to another. Segmentation theorist argue that labour markets are social construct , incorporating within them various rules and forms of organization which both condition their mode of operation and the determine the type of behavior put up by the actors. Wilkinson (1983) also recognized that systems of labour organization are not all tending towards some optimally efficient form, but that each system is the unique outcome of its own history. It is therefore important to analyze the different factor which has contributed in shaping the type of labour organization that can be found at any place rather than universal approach which has been adopted by the orthodox neoclassical theorist.

Given the much unfavourable situation in developing countries, and with reference to a decade of SAPs, there is time to question the macro-economic models and micro-level analysis which are quite misleading. Clearly a new assessment of the labour market in different parts of the world should be given priority according to Henk (1995). Trade unions emerged in Africa only after the Second World War (before and after decolonization), when the British and French Africa put in place legal prerequisite for the creation of indigenous labour organization (Schillinger 2005). Until recently, trade unions were found mostly in the civil service sector with very few or non in the manufacturing sector because of the low level of industrialization in the region. African trade unions historically have played a major role in the liberation struggles for independence. In exchange for their work and struggles they received secured job status, secure job for their members and privileges for their leaders.

However, trade unions in Africa has suffered from the harsh consequences of economic liberalization and the debt crises in the 1980s leading to the massive loss of employment in the formal sector and a subsequent loss of membership(Schillinger 2005, Henk 1995).

2.6.1 Trade unions and the NIDL

The impact of the changes in the structure of international capitalism in contemporary third world countries of a widely postulated transition from a 'colonial' to what is now referred to as the New International Division of labour (NIDL) has been enormous on trade unions (Southgall1988). The influence of the New International Division of Labour has transformed the fundamental developments and the conditions for the expansion and accumulation of capital on a world scale. Frobel, Heinrichs and Kreye (1980) in (Southgall 1988) has identified three major changes that have accompanied this NIDL. Firstly, there is a growth in worldwide pool of labour reserve consequent of the relentless penetration of the third world by capitalism resulting in the breakdown of the pre-capitalist socio-economic structures. Secondly, there has been the fragmentation of complex production processes into elementary task easily learned and performed by unskilled workforce and thirdly, advances made in communication and transport technology allows production processes to be spatially separated and simpler task to be relocated in a relatively cheap labour zones. The result has been the increased concentration towards export oriented production and the increased domination of the region by transnational corporations. The NIDL theory points to the widespread recognition that transformation in the global economy has a profound effect on labour for the worse. The impact of these developments varies across the third world regions.

In Africa, labour market research shows a dramatic fall in real wages for a workforce which is shrinking rapidly due to privatization of public enterprises as well as actual deindustrialization (Henk1995). Again the dramatic internationalization of capital and the spread of multinational companies in many less developed countries on the capitalist periphery is creating a NIDL and has tended to stimulate more rigorous labour control measures to keep down labour cost and thus to foster repressive regimes (Kraus 1988). In Ghana, although it has not attracted much multinational investment capital for export, there are at least three major senses in which their participation in the international division of labour has imposed external pressures on the economy. Firstly, real wages, and trade unions through pressure of existing capital and the desire of government at certain points to attract more foreign capital. Secondly, through

the involvement in and dependence upon international market for export and crucial foreign exchange earnings and thus their exposure to fluctuations and price shock. Thirdly, the need to accept IMF's policy prescription in exchange for new capital invariably has wage repressive and increased unemployment consequences (Henk 1995).

The role of trade unions in the NIDL has come under scrutiny as some writer argues that, for all their limitations, unions are fundamental organization of the working class, one which workers cannot do without if they are to resist exploitation by capital (Southgall 1988). Although their power to influence wages and working conditions and the right to defend workers has suffered enormously, and tends to be weak nowadays, their activities across the region and globally to a larger extent cannot be overlooked entirely. It must however be noted that the strength and the activities of trade unions varies widely across the region. Trade unions in Africa with particular reference to Ghana have been actively engaged in the various activities to secure a better position for their members. With increasing industrialization in many parts of Africa, the trade unions are now not only concentrated in the civil sector but also in the manufacturing sector in which the textile industry is a part. Unlike the new industrial countries in East Asia where capital has been so effective in subordinating labour as illustrated by factories where teenage girls without access to unions were subjected to tightly supervised and paternalistic regimes (Andræ and Beckman 1999). A distinctively different labour regime can be seen in most parts of Africa especially Ghana where predominantly educated, matured labour force with family responsibilities work in the factories and thus forms the union.

2.7 Unions at the center stage

Despite what the imaginers of a new neoliberal global order might seek to portray; there is always opposition to power and domination, a fact that is seen every day in countless workplaces, fields, offices and elsewhere, but which was perhaps most amply demonstrated to a global audience by events at the 1999 World Trade Organization(WTO) meeting in Seattle, Washington, where tens of thousands of unionist, environmentalist, students and others challenged the power of corporate managers and trade ministers to create a new global regime of neoliberal rule. (Herod 2001:1)

In the work of Moody (1997), he argues that amidst the various industrial restructuring, difficulties in organizations and competitions in the world markets, the working class returned to centre stage again the mid 1990s. To him the trade unions never went away, they were

always there resisting at the locally in the best way possible for fear of job loss but the fact remains that they have always being there even though sometimes unnoticed. It is time for the revival of labour studies, now that there are signs of life in labour movements after twenty years or more of steady decline (Herod 1998).

We must however note that the activities of unions vary across the globe. This section therefore tries to capture the different scale at which union activities are taking place. Scale is important according to Castree *et al* (2001) because it is the key to understanding what in reality is done to wage workers in places and what these workers can do to help themselves. However in the past social theory has often neglected space as constituting a temporal aspect of social life (Herod 2001). Herod (1998) argues that social life is spatial and that social actors, whether individual or government, corporations and of course trade unions must operate within a particular space that may either constrain their actions or enable actions. Geographical scales are socially constructed, in other words they are the product of social relations actions and institutions' (Castree *et al* 2001). The study of the working class has shown that spaces are not only crucial for the capitalist by enabling accumulation and reproduction of capital, but it is also important for the workers themselves; their ability to survive and reproduce themselves (Herod 2001). Workers also have the potential of shaping the economic landscapes in ways that facilitate reproduction.

Herod (1998) further notes labour unions and their members, the operation of labour markets, gender and racial makeup of workforce, wage rates, working conditions and labour laws vary considerably. The significant geographic variation offers opportunities as well as set -backs to unions seeking to organize workers. Workers worldwide might face different circumstances in their workplace and their ability to organize but as noted by Lier (2008) one thing that binds them is the fact that they all find themselves within the capitalist production system. To him an understanding of the spatial configuration of capital makes their strategies effective in the sense that by exposing and exploiting the weakness of capital provides a strategic way of creating labour geographies. The ability to do particular things at specific scales can be vital to achieving individual or group's objective. This is however not to say that the bigger the geographical scale social actors can organize themselves the more powerful they become (Castree *et al* 2001).

Traditionally trade unions have been organized and still organized at three different scales, namely the workplace, the local and the national level. Most workers unions have mostly evolved at the workplace, and later aggregated into a form of sub-national organization (regions, district) and then at the national level but in the post-colonial period, the opposite has often been the case (Castree *et al* 2001). Despite acknowledging the importance of international scale trade union organizations they still remain at the national levels (Hudson 2001). Moody (1997:57) also notes that:

The problem is not simply that today's leaders do not do enough at the international level. Most of the structures and the effects of globalization necessarily occur at national plane. That, after all is where workers live, work and fight. That is also the lesson of the first round of mass strike and even more localized struggles against global regime of capital. The most basic feature of an effective internationalization of capital of this period is the ability of the working class to mount opposition to the entire agenda of transnational capital in their own 'back yard'. For this agenda it is always carried out at the national level.

To say that most struggles take place at the national and local level is not to say that international links, coordination and actions are not critical to the labour movements. Harvey (1993) in Lier (2008) emphasize that place-based struggles may be reduced to 'militant particularism' unless actions are taken at a higher scale. 'Internationalism must be part of the perspective and practice of union leaders, activist and members if global capital is to be contained' (Moody 1997:62). With this idea, workers are confronted with a geographical dilemma of where and how to scale up their activities. Castree *et al* (2001) notes that workers in the capitalist world face this geographical dilemma because what might make sense for them at one geographical scale may have a negative consequence on the other scale. However she further notes that the answer to these dilemmas is at where these workers define their interest and loyalties. Harvey (1995) recognizes that it is easier for workers to be loyal to those they see everyday than with wage workers at a distance place. The tendency of workers to identify themselves at the local scale stems from the uneven geographical development; as is very uncommon for workers in poor parts of the world to support workers in advanced developed countries with already relatively good pay and conditions.

In this regard the relationship between workers and their actions are geographical as well as social. Workers in the capitalist world are differentiated in a socio-geographic sense but at the same time they are interconnected. But what is important is the scale that they wish to undertake their activities. Lier (2008) draws on Herod (1998) and argues that there has been a gradual shift from neo-classical industrial locational studies to Marxist economic geography

in labour studies, as labour is no longer seen as a part of the production process but also an active agent in shaping and restructuring geographies of capitalism. In the past, the deepening international economic integration and neoliberalism in government, has brought a far reaching impact on work force structure both at the national and international scale (Moody 1997). Marx conceptualizes the shape of the working class as changing throughout the world as workers now are classified by industries, occupations, gender, ethnicity, race and so on. This is not new since this is a recurrent feature of capitalism, bringing internal conflict among and between the working class. To him the ‘competition among workers is also the competition among capital’. It is on the basis of this competitive relationship between capital and labour and the need to curb it that unions came up in the first place; to take labour out of the competition.

Organizations and actions by the workers to impose standards or minimum wages and conditions on the employers across a given occupation, were the means.....Always organizations is the answer to the problem (Moody 1997:145).

2.7.1 Third world unions

In the past mostly, 3rd world unions have been politically co-opted and controlled by government and with it comes the implication of political autonomy of the unions. Political autonomy of unions generally is always a big issue in trade union agenda, be it the Soviet Union, Social Democratic countries and the 3rd world countries. But one thing that binds the working class either north or south as noted earlier is their relationship with the capitalist; hence their economic and social interest may be common. However one would ask do they share a common ‘identity’? According to Moody (1997) their consciousness and identity are shaped by many other experience and forces, particularly in cases where racial, national, or gender inequality underlies the differences.

Given the current global problems regarding employment, working conditions and labour organizations, one would expect that the concept of trade unionism will be at the centre stage; in essence it would be widely accepted as it has been for the past sixty years (Henk 1995). For more than a century, trade union movements have been an important element in the liberation struggles for independence and democracy for many countries. They have also defended the interest of workers for a long time. However Henk (1995) further notes that highly unfavourable trends have taken place in recent times. Unprecedented rapid

industrialization with increasing foreign capital inflow has been achieved along with the oppression of labour organizations. The emergence of global economy and world -wide capital market has significantly weakened labour movements. Munck (2002) is of the view that the issue of competitiveness that dominates contemporary policy debates is in fact something that does not occur between nations but between work forces. While trade unions have not being weaker in the era of globalization, workers have actually not being important to the capitalism. Capitalism has always being characterized by an increasing division and fragmentation. Their challenge now is to define completely new roles due to the adjustments and changes in the world economy. Moody (1997:146) draws on Hyman and argues that while today's changes in work may be undermining the activities of trade unions, they also present the opportunity to change the working class organization.

From different perspective, however, the restructuring of employment creates both the need and the opportunity to reconstitute collective relations within the working class: within individual trade unions, between different organizations, and the between unionized and the non-unionized. The growing importance of the female workforce, of part-time and other 'atypical forms of employment, of non-industrial and non-manual occupation and the combination of such trends- can be a powerful impetus towards renewal of trade unionism and the development of new demands in collective bargaining , new methods of organization and new forms of internal democracy.

Trade union in the third world even though limited by their goals and resources face the same dilemmas as the north: they need to reinforce, recompose, and extend a common working class identity (Moody 1997). The world economy is going through transformations, so must the labour unions. There has been a gradual shift from the craft unions to general unions to industrial unions. Munck (2002) has noted that a new form of working class is emerging in response to globalization. Increasingly there has being a rise in the informal sector in many third world countries and according to him this is due to the lack of dynamism in the formal sector and the severe contraction of public sector employment due to SAPs and the overall trend towards flexibilization. While the informal sector may resist incorporations into the traditional trade union structures, they can readily find a common agenda with trade unions that allow space for their particular characteristics and needs. The informal sector is also critical to the capitalist. Its main effect for labour has being to undermine organized labour and facilitate the development of disorganized capitalism

Many of the changes we see in work and the working class today are the consequences of an ever changing division of labour much of it associated with lean production and

internationalization (Moody 1997). Munck (2002) also noted that the particular condition of late industrialization generated not only a new working class but also a new form of trade unionism. Moody recommends a union that organizes all who can be brought into unions and reaches beyond unions to the working class as whole; a unionism that is prepared to take a class stand in the work place, in the neighbourhood, and in political life as well as reach across borders in all these efforts (Moody 1997). Confronting issues of informalization according to Munck (2002) has made trade unions aware of the community beyond the workplace, and to issues beyond wages and conditions. This is what has been described as the 'social movement unionism'. Waterman (2001) emphasize that social movement unionism actively involves the synergies between workers' interest and those of other groups in the society. These forms of organization have being commonly found in South Africa where workers in the post apartheid society see the importance of incorporating the people in their society for their fight for equality.

Incorporating the informal workers in unions' effort to take wage and labour out of competition is an integral part of this research. Even though the ideology of social movement unionism is not common in the Ghanaian labour movement, the formal and the informal sector are directly linked according to Castree *et al* (2001). It is important to realize that many of those working under informal conditions may have been industrial workers before structural adjustments, and intense competition in the Ghanaian market with imported textiles. While informalization, in essence may be a drawback to the strength and interest of organized labour, Munck (2002) has noted that informal workers themselves have played an important role in reviving labour strategies.

2.8 Concluding Remarks

The conceptual framework has in the various sections have tried to find the interrelationship between the state, capital and labour. The states in spite of its contesting theories have been seen as powerful instrument in regulating capital and labour. With increasing international integration, the state now has powerful influence from international organizations such as the World Bank, International Monetary Fund (IMF) and the World Trade Organization (WTO) whom although not part of the state can take certain actions on behalf of the state. I have identified that economic policies cannot be separated from the society and that decisions made

at the national or international level has impact locally on the companies and workers. The concept of place becomes important when dealing with the issues of labour. With increasing world integrations most production and consumption take place at the local level it is also at the local level that the impetus for organization arises to contest dominations and bad working conditions. Space is seen as where capital strives and accumulates profit and place is seen as where workers endures and makes meaningful relationship, however increasingly space and place seems to be melting to each other as places now are seen as place to strive to make a living. However as Peck (1996) noted the control of labour resides at the local level however, it occurs within a set of institutional parameters relating to the nation state and international organizations.

Free trade or trade liberalization now is considered as an inevitable fate; the problems associated with them are transitional and will bring benefits in the long run. But it remains a fact that it has created an unequal world. The destructive competition cuts across many corners of the world, and in fact the deepening integration actually is creating fragmentations and inequality among nations. Free trade has removed all forms of social and public protections for workers and has tended to put downwards pressure on wages.

The state has been seen as instrumental in implementing these policies in their search for foreign capital which has taken centre stage in African development. Ghana is not an exception to this situation. Even though there has not been much multinational investment in the country as the New International Division of Labour (NIDL) assumes, their participation in international trade, signing of World Trade Organization (WTO) treaty and the financial dependence on the International Monetary Fund (IMF) has laid the country bare to competition from outside which makes local industries insecure. The effect on labour has been enormous, even though globally; the picture of labour deterioration is abysmal. There has been increasing flexibility in the labour market through the various forms of industrial restructuring with labour seen as just a mere commodity in the production process. Trade unions have been disadvantaged in this era of global competitiveness and labour market regulation with increasing segmentation of work, outsourcing and sub-contracting.

Finally, the question we ask ourselves is that is there hope for workers worldwide and more importantly workers in the Ghanaian textile industry. The emergence of global economy has

greatly weakened labour movements. It has created a new kind of workforce; even though it might be a drawback to unions' activities it also creates an opportunity and the need to reconstitute collective relations within the working class both in the north and the south. Workers need unions to fight capitalism. Even though the activities vary across space, they all send a common message. After examining the concepts of neo-neoliberalism and its actors and implementers, strategies and impacts, I will then focus now on the rationale and the methods used in doing this research.

Chapter Three: Researching labour in Ghana

3.1 Introduction

This chapter describes the rationale for the choice of case and the instruments used in collecting the data and in analyzing them and the challenges faced during the field work. It describes the critical realism as the philosophical underpinnings that have informed the choice of methods. In addition, qualitative research methods will be discussed and why the choice of the method. The interview process and the selection of informants will also be reviewed. The following sections will deal with the choice of the Ghanaian textile industry and justify the use of case study method. In regard to the credibility of this research, the validity and reliability of the data collected and the analysis will also be discussed.

3.1.1 Critical Realism

This thesis is informed by the traditions of the critical realist thinking. They define the world as existing independent of our knowledge. The world can only be understood under particular explanations and descriptions depending on the way things happen. Critical realism provides the opportunity for doing critical social science, one that is critical of social practices it studies as well as the theories (Sayer 2000). The ontology of the critical realist proposes that the world is not only what we experience but also the *real*, the *actual* and the *empirical*. The real can be the physical things, the state, the individual who have certain inherent causal powers and the ability to release or activate these powers becomes the actual. The empirical refers to the experience of the two. As a social researcher, your task is to distinguish between these relations and finding out how the various components and influence interact and this is done through careful abstraction and conceptualization before you can return to the concrete. Realism is different from empiricism according to Bergene (2005) which presupposes a closed system. There is more to the world than patterns of events. They have ontological depth; events arise from the working mechanisms which arise from the structures of the objects (Sayer 2000). A given structure change has the potential of impacting upon the range of possible future scenarios, the past is undetermined in the sense that what happened was one possible outcome out of several options (Bergene 2005). In regards to neoliberalism which is the underlying concept, of this research, I consider it as a structure or a process which has the ability to expand and influence other structures which in this case is considered to be the state,

capital and one of the various effect is the effect it has on workers in the Ghanaian textile industry.

My choice of case stems from my interest in the economic status of most African countries after adopting the World Bank/ IMF structural adjustment programmes and the effect these have on local industries. These institutions; the state and the International institutions are seen as inhibiting some causal powers able to release these powers to make some decisions whether willingly or unwillingly. In this research the ability of the state and the international financial institutions as a causal agent to open the Ghanaian economy to allow increased importation into the local market and competition with local industries will be examined in relation to the effect it has on workers. In addition the response of the workers to the reality they find themselves has been examined. The liberalization of the Ghanaian economy has had various effects on the economy. It has integrated the Ghanaian economy into the global system and with it comes all the consequences globalization. The kinds of problems that have characterized the advanced industrialized countries have come to play in the third world industrialization. Increased importation and competition has had serious consequences on local industries. The textile industry is one of the industries that have suffered the fatal consequences of trade liberalization.

Even though there may be other philosophical traditions that provide support for doing social research, the critical realism approach gives me the knowledge to conceptualize and to abstract in order to have explanations to the questions that are asked in this research. In addition, no philosophy of science can promise a royal road to the truth and critical realism is not an exception (Sayer 2000). I have undertaken this research by conceptualizing various theories that have tried to explain the complexities of the world.

3.2 Qualitative Research Methods

Social systems are product of multiple components and forces; they are always complex and open which is subject to continual change and modifications. Bergene (2008) further argues that despite social reality being real enough; it is not fixed and unchanging but remolded by human activities. According to Sayer (2000), critical realism endorses or is compatible with a lot of methods; however the particular choice of method depends on the nature of the object under study and what one wants to learn. Given the complexities of the social system, Sayer again noted that

Social systems are products of multiple components and forces, they are always complex and messy. Unlike natural science, we cannot isolate out these components and examine them under controlled conditions. (Sayer 2000:19)

With this idea, I intended to use extensively a qualitative approach to the research. Qualitative research is grounded in a philosophical position which is broadly interpretive; in that it is connected with how the social world is interpreted, understood, experienced, produced and constituted (Mason 2002). I chose a qualitative method because of the opportunity it provides by giving me a broader and a wider scope to do this research and also to give my informants the opportunity to express and give their view about the reality surrounding them. It also promises an insight to how human relationships and social interactions function.

To understand how workers perceive their current situation, as to whether it is exploitation or unfair, if they do not perceive it as exploitation, why not, if they do, then do they resist their exploiters and how? For insights into these questions and many others, qualitative methods will be necessary. The qualitative research design is aimed at understanding reality through the perception of the informant's reality (Thagaard 2003). Strauss and Cobin (1990) also defines qualitative method as any kind of research that produces findings not by means of statistical procedures or other means of quantification. According to Silverman (2005), to use a qualitative approach is a promise to avoid or downplay statistical techniques used in quantitative studies. This is not to say that qualitative method is superior to the quantitative method; however the choice of method will depend on what you seek to find out. Patton (1990) also argued that it is not necessary to pit these two paradigms against each other in competing stance; rather he advocates a paradigm of choices that seek '*methodological appropriateness*' as a primary criterion for judging methodological quality. Drawing inspiration from the critical realist point of view, qualitative research accepts the complex and dynamic quality of the social world. As such to be able to explain in full details the experience and insights of my informants I chose qualitative method as the most appropriate.

3.2.1 The interview process

Social science tend to attribute to one mechanism effects which are actually due to one another because of the system in critical realism which to be open and interacting with one another. This problem of identifying causal responsibility in complex open system can best be dealt with by asking a series of questions (Sayer2000). Interviews are one of the ways of gaining an understanding of the reality by asking questions. The ways interviews are

conducted are of crucial importance in finding the right information needed to answer your questions. It also has a significant impact on the reliability and the validity of the research. Interviews can also be seen as an exclusive interaction between the researcher and the interviewee in which both create a constructive narrative analysis of the world they live in (Silverman 2005). Thus interview provides the researcher with the empirical data needed to answer the questions in the research design. Taking into consideration my research aim and objectives, interviews were considered the most appropriate method to be used to get the kind of information I needed.

3.2.2 Informants

Interviews are conversation with purpose and as such informants should be purposely selected to answer some specific questions. As Denzin and Lincoln explains

Many qualitative researchers employ purposive and not random sampling methods. They seek out groups, settings and individuals where the process being studied is likely to occur. (Silverman 2005: 129)

The role of informants is to give a presentation of their reality and the role of the interviewer is to facilitate the process and make it happen. For the interview process to go on; an appropriate environment is necessary. In this research the workers' own environment was appropriate; where the informants in their own way could direct the flow of the information while I try to ask the relevant questions for my studies. In the two companies that I visited, I first sought permission from the Human Resource Manager through writing and a follow up call by the phone. I was asked to present a proposal and a brief summary of the kind of questions I intended to ask the workers. This could be one of weaknesses in this research; as I intended to ask the various group of informants different set of questions but I had to let the other group know the kind of questions being asked the other. At the two companies, the HRM organized the workers I could interview. Even though I saw the manager call workers who were going about doing their usual work and I suppose they were not already aware of what they were going to do, I consider it as a danger to this research as the management influenced the kind of people I intended to interview. At the factories, I saw that there were very little options for me but to allow the managers to select the informants for me. I could not enter the factory where the workers will be working and it is also not allowed to talk to workers within the factory yard.

After selecting the Ghanaian textile industry as the case and how the decline is affecting labour, the workers became my first point of contact. I decided to interview the workers assumed to be affected by the decline in the production either positively or negatively. In order to gain variety and heterogeneity from the informants I asked the same questions but not in the same order. In order to gain another outlook of the situation, I also had a different interview with the management at both companies. The management here is referred to as the Human Resource Managers (HRM). The interview with the management(s) also had the same interview guide but I had to give to them in advance the kind of questions I will be asking. One of the management told me; 'we are used to the questionnaire where the researcher brings the questions, leaves it for some days and then we fill it out and they come for it later'. Because of the aim of this research, partly to find out effect and the other to find response, a separate interview was conducted with the local union chairperson or secretary. It sometimes looks artificial to separate the Trade Union Representative at the local plant level from the workers. They are also part of the workers in general who have the same experience of the situation. However their role as workers representative becomes very important because of this research aim as partly to find out the effects and response. The informants I chose have different role to play in this research and I suspected they all had different interest and opinions about the issue under investigation.

Because I had to conduct the interview within the working hours of the company, I had to work within a time frame of about ten to fifteen minutes per worker and about thirty to forty minutes for the management. During the interview process, I sought permission from the informants to use a tape recorder. Some didn't hesitate at all in giving consent but others were a bit reluctant about the use of a tape recorder. I explained to them the purpose of this research; only for academic purposes and any information giving will not be used or published anywhere apart from the academic theses I was writing. I managed to get the consent of almost all the workers to use a tape recorder. I felt I needed to use a tape recorder since it is the most appropriate way of capturing the whole interview process. I didn't need an interpreter since most of the workers spoke very good English and the few that didn't, we had the interview in the local language which I understood very well. On the part of the Managers, unfortunately in the two companies I visited they declined the use of a tape recorder and I had to do an intensive note taking of the relevant issues. Ethical issues are very important when doing development field work and as such the views and the concerns of your informants should be respected. Ethical issues arise in relation to power gradient between the researcher

and the researched. Combined with it are complex issues of knowledge generation, ownership and exploitation. Doing fieldwork is about building mutually beneficial relationship with people we meet in the field and about acting in a sensitive and respectable manner (Scheyvens *et al* 2003). Even though I was not allowed to use the tape recorder, and in some way was not able to capture the whole interview process, I felt the need to respect their views and build a mutual trust between us.

Owing to the fact that the two companies that I visited are part of different national trade unions; the ICU and TEGLEU a separate interview was also conducted with the General Secretary of the Textile, Leather and Garment Employees Union (TEGLEU). However no interview was conducted with anyone at the ICU; which would have allowed me to have a much varying response. As such most of the analysis is based on the interview I had with the General Secretary of TEGLEU. In all, 13 interviews were conducted. I tried to solicit for a wide range of ideas not limiting myself only to the interview guide and how my respondent responded to my questions but at the same time I let the interview guide help me so that I can ask the relevant questions. The interview process is an integral part of the research and the theses writing. It is a time that we can reconcile the concepts with the reality. It is the process that we can get to understand what is really happening on the ground which sometimes do contrast or confirm our own thoughts, theories and assumptions. It is about being patient and impatient, as you listen to your respondents tell you their side of the story and being impatient as sometimes not getting the answers you want but having to listen.

3.2.3 Interview guide

An interview guide was designed in order to guide me through the process and to ask the relevant questions for the research. For the three categories of interviewees different set of questions were devised, although the core questions and the aim was geared toward the same goal. Thagaard (2003) in Perderon (2008) argues that a conscious selection entails that the informants chosen by the researcher have certain qualities and knowledge that are strategically important in answering the research question. The interviews were arranged in the following order.

- The workers
- The local trade union representatives
- The management.

The purpose of the interview guide is varied but as argued by Bergene (2005) it acts as a check-list when the interview session is coming to an end. It provides the researcher with the idea of the question he or she will ask and the questions that have been asked. It can also assist the researcher to become more flexible and be able to adjust the questions in a way that suits the informants. There is the tendency for the informants to deviate from the topic under discussion and the interview guide is always important to avert the situation. The questions to be asked were designed beforehand but as the interview proceeded I was able to ask the questions randomly in order to follow the informants' stories and answers to my questions. There is always also the possibility of some topics coming up which were not part of the interview guide. When I got to the field and during the interview process, some questions were seen as irrelevant and as such dropped while some new questions were reformulated. Due to the time restraints especially with the workers' I had to religiously follow the interview guide in order to cover all the topics.

3.3The case study

A case study according to Yin (2003) is an appropriate method of finding answers to complex social institutions. Again case study method provides us with the tool for dealing with the 'why' and 'how' questions of real life experience (Lier 2008). Bergene (2005) is also of the view that using case under critical realist ontological framework is the most appropriate method since the task at hand is to gain understanding into necessary causal mechanisms. My choice of case is informed by many factors. First and foremost, Ghana has become more deeply involved in the fast and changing world, adopting and implementing neo-liberal policies. There have been some benefits that have accrued to the pocket of the economy, but these were not necessarily those that could spread the benefit to the larger population (Aryeetey 2005). I chose the textile industry because of the global nature it has become in recent times and how competition is causing some of the industries to close down and the remaining companies producing at a lower capacity. Even though the industry has become global in nature the effect of the crises has been local. In terms of labour, the formation of the Textile, Leather Employee Union (TEGLEU) provides new indication of advancements made in the labour movement in Ghana; a union that seeks to address the specific needs of the Ghanaian textile industry. The union provided the lens through which the activities of unions can be captured as my research seeks to find effect and response. Lastly, choosing the Ghanaian textile industry was the easiest decision to make at that time due to the fact that it is my home country and will be much easier accessing information. Before I started my studies

at the University of Oslo, I have been staying in Ghana but I had no specific interest in the Ghanaian textile industry even though it was always in the news about the crises it faces. Through my studies and studying the various theories I had an interest in understanding not mainly the cause of these crises but rather the effect it has on the workers. Also taking a cue from what Silverman (2005:40) said, 'do not reinvent the wheel'. I tried to build my case based on an existing study which has been conducted in Nigeria by Andr  and Beckman (1999)

Firstly I decided to study three among the remaining textile industries after most of them collapsed. This decision was not actually to do a comparative study of the three companies but rather to gain a general insight into the effect of the crises on the workers and how they were actually responding. This has been described by Yin (2003) as *single* case study where two cases are not studied to compare them but are often applied to critical cases to test the proposition of former general theory or whether a new set of explanation might be used. But when I got to the field and considering the limited time and resources, I limited the companies to two; The Ghana Textile Print (GTP) and the Akosombo Textile Limited (ATL). One of my objectives is to assess how workers perceive the situation they find themselves and how they are coping with it. The work of trade unions becomes very necessary here. Prior to the study I had an assumed idea that all the industries were affiliated to one common national Trade Union. However, in the field I realized that the two companies that I intended to study had different unions that they are affiliated to. As a researcher, I decided not to change focus entirely but rather to study these unions separately and to find out their activities.

The GTP and ATL can be seen as a case since all information from informants and other information exhausted will be geared towards understanding a common trend of situation. Many variables will be examined and peoples' perception of their reality will be evaluated. As I mentioned earlier the choice of these two companies was not to compare them but to find a general trend of situation. Case study research continues to be an essential form of social science research. According Gomm *et al* (2000), 'all research in one sense is case study; there is always or sets of units, in relation to which data are collected or analyzed'. Cases are usually seen as a paradigm or a methodology to be used as when it is appropriate, depending on the problem under investigation. But one thing that is universal is that cases involve the collection of a large amount of data and variables mainly through interactions and observations that is analyzed qualitatively. The term case study is also often taken to carry

implications for the kind of data that are collected and perhaps how they are analyzed. It is sometimes argued that the aim of case study research is to capture the uniqueness, rather than to use them as the basis for a wider generalization. Punch (1998) describes a case as

The basic idea is that one case or perhaps a number of cases will be studied in details using whatever method seem appropriate; while there may be specific purposes and research questions the general objective is to develop as full an understanding of that case as possible. (Silverman 2005:126)

Relating to the question of objectivity to case study research one should aim at producing an account of each case from an external or research point of view (Gomm *et al* 2000). This is what my research intends to do; to portray the case in its own terms from a researchers point of view. However objectivity in social science research is a contested one because of its descriptive and unstructured nature. This study does not claim absolute objectivity; it is a product of my own biases and assumptions when it comes to formulating research questions and analyzing the responses. Biases on the part of informants also make it less objective since all the various categories of informants all have their vested interest in the issues under investigation. Regarding the issue of generalization, Stake (2000) argues that case studies have general relevance; however he does not believe they may provide a sound basis for scientific generalization. He further argues that if research is to be value to the people, it needs to be designed in a way of how they live their life and experience the world. The strength of case study is that it provides in details the experience of the researched in full and in doing this it facilitates '*naturalistic generalization*'. Dooley (2000) argues that case study research usually does not lend itself for generalization or prediction. However, Lier believes that case study can analytically be generalized in which previously developed theories are used to compare the results of the case study (Lier 2008). Theories therefore become important in selecting the case. Reliance on theoretical concepts to guide the design and collection of data for case studies remains one of the most important strategies (Yin 2003). It helps in defining the unit of analysis; identify criteria for selecting potential informants and the type of data to be collected. The design and analysis of this research reflects a close relationship between theories and the empirical findings.

3.4 Reliability and validity

Unless you can show your reader the procedures you used to ensure that your methods were reliable and conclusions valid, there is little point in aiming at concluding a theses (Silverman 2005:209).

Validity means truth; interpreted as the extent to which an account accurately represents the social phenomena it represents and reliability on the other hand refers to the degree of consistency with which instances are assigned to the same category by different observers. Validity here is firstly referred to as the proximity of the findings to reality and secondly the extent to which the interview questions are fitted to answer the research question. To minimize my biases and to increase my validity, open ended questions were asked. In dealing with real people who are capable of thoughts and actions, in addition to trying to find the individuals' perspective of the issues under investigations, I decided that open ended questions will provide my informants with the opportunity to express themselves freely about the issues. The reliability of a qualitative method is achieved through a well presented and documented research design, mode of data collection and analysis. In this research I have tried to find out from my informants their views and perceptions about the extent to which the decline in the textile industry has affected them and what has been their response towards it. In addition to other sources of information which are typical and representative of the issue under investigation the interview guide which is at the appendix provides a confirmation of the questions that were asked.

In this research the use of triangulation to widen and vary the scope of the research problem. Triangulation is the use of multiple methods and approaches, theories and investigators to study a common phenomenon (Patton 1990). In doing qualitative studies, the search for reality or truth cannot be seen only from one point of view and therefore the need for triangulation. Yin (2003) also supports this with the view that the main way of collecting data for qualitative data is the use of multiple sources of evidence (Lier 2008). I have in this research tried to solicit for the views and concerns of my informants by asking similar questions from different groups of people. In this research I used workers, the management and trade union representatives to gain the information I needed to answer my research questions. The issue of objectivity in qualitative research is highly contested since it involves peoples' perception and opinions. However there are ways to minimize this pitfall by trying to avoid letting your personal opinions dominate the questions you ask your informants. I have been open minded about the questions I asked during the interviews not trying to get the

answers I want by asking leading questions. I also presented myself as a 'learner' who is willing to learn from them. This will reduce the effects that sometimes would have on the appearance of the researcher by the informants. Being the author of this thesis, my own questions form the backbone of this thesis. And as such I have sorted out the information that may not be relevant to the study and created a narrative of the question that is relevant for the subsequent analysis. In conclusion I will draw inspiration from Kvale (1996) that the best way of ensuring the quality of qualitative method is through questioning and cross-checking research findings in dialogue with the respondents in the case (Lier 2008). After, returning from the fieldwork, I have made follow up calls to clarify some issues that were not well understood and in some cases go over the whole interview again. This in my view, will increase the quality of the data collected and hence the analysis.

3.5 Data analysis and Interpretation

Data analysis and interpretation is working with the data, organizing it, synthesizing and looking out for patterns and discovering what is important and what to tell others (Patton 1990). According to Stake (1995) in qualitative case study the analysis is about making sense of the subject under study and it is closely intertwined with the research design, the data collection and the interpretation of the empirical data. In essence the process of data collection and analysis go together and the analytical process and interpretation happens throughout the research consciously or unconsciously.

In this study, analysis was done by organizing and indentifying themes in the empirical data. Interviews have been my main source of data. The transcribed documents were coded/categorized to find the patterns and identify the themes that are relevant to the study. The identification of themes was heavily influenced by my theoretical framework and the literature underpinning this research. Coding is an integral part of qualitative data analysis but according to Coffey and Atkinson (1996) it should not be substituted for the data analysis. It is therefore important to describe precisely how the classification, identification of themes and the linking of key properties are made. The analysis of the theses was done by an abduction method; inferring from the specific cases to the general level. Various theories have informed my choice of topic and questions. In order to find the relationship between the empirical data and the theories, and how the empirical data answers my questions, I have used an inductive approach to analyze the data by moving back and forth the data and the theories to find my answer.

In all these other documents relating to my topic have been reviewed critically which also aided in analyzing the data collected. It is a fact that some documents existed before the research and some are produced during and after the research. Documents become an important source of cross-checking information from your respondents, modify your findings and also compliment the primary data. Mason (1996) writes that documents provide the researcher with the knowledge about what has happened before and having the slightest chance of reoccurring. In this research, I have made use of official as well as unofficial documents to assist me in analyzing my data. The official documents include the labour Act of Ghana, 2003(ACT 651), the Labour Regulation, 2007(L.I 1833) and the National Labour Commission Regulations, 2006(L.I 1822). Other documents include union and employers agreements of the 'Tex Styles Ghana Limited' and the Industrial and Commercial Workers Union of the TUC and the Ghana Textile Manufacturing Company Limited and the Textile, Garment and Employees Union. The unofficial documents include employment data from Akosombo Textile Limited, a contract letter of one of the workers and news articles.

3.6 Limitations and relevance to other studies

The limitation of this studies can be seen from the one sided view of information used in the analysis especially in the work of the Trade Union in Ghana towards the crises. As noted earlier in this chapter the two companies that I visited had different union representing them both at the national and international level. But in this research I have focused most of it on TEGLEU with time being the major reason why I couldn't listen to the work of the other union being the ICU. Secondly, the concept used has mostly being neoliberalism and its relation with the state and labour mostly in the African or the Ghanaian context. The work of the international bodies such as the IMF and the World Bank has been instrumental in sending neo-liberalism in Ghana and are usually seen as forcing these policies on government. On the other hand the influences of these institutions on every state are not the same. The IMF may not be able to impose policies on the US or the UK but the state can also influence these institutions for their own interest.

The transferability of case to other setting is an important part of every research. This case which is unique in its own way can also be relevant to some cases especially the textile industry in Africa. Since the textile industry has the same particularities such as labour

intensity and capital mobility, the work of the unions have always been challenging but can always work to reduce the race to the bottom problem that is seen in many countries in Africa

3.7 Concluding Remarks

In this chapter I have tried to document the philosophical underpinnings of the choice of method, the practical issues relating to the collection of information for the research and to show clearly the quality and the credibility of the information collected and how it was analyzed. Many qualitative methods set out clear aims and objectives at the start of the project which will inform you about the kind of information to be collected and from who such as examining the effect of declining textile industry on labour and how labour is responding. This chapter has sought to provide the practical execution of a qualitative method of doing research through the various stages of the research such as the choice of case and the interview process. It is worth mentioning that false leads and dead ends are just worth reporting as the method chosen. The experience at the field was not an easy one especially due to the time constraints that I have to work with during the interview process and the general time for the research. This has limited the amount of empirical data that I could have used to analyze my data. But notwithstanding this limitation, the experience of gaining access to peoples' lives and experiences even for a short while is something to cherish forever. Having outlined the tools and procedures used in collecting and analyzing the data, the next chapter deals with the exploration of the case.

Chapter Four: Workers' Dilemma

4.1 Introduction

Economic policies cannot be separated from social relationships and values (Peck 1996). Trade liberalization has been an important instrument in the Ghanaian industrial policy. As has been noted by the World Bank report 1995 Ghana is the 'star pupil' in the African continent when it comes to trade liberalization and the Structural adjustments programmes. However, as the proponents of neoliberalism argued, the adverse effects of trade liberalization are considered inevitable fate; and that the problems are only transitional. Factory close downs are seen as part of the adjustments while unemployment are seen as side effects of a liberalizing programme that will be beneficial in the long run (Endresen *et al* 2006). There is an undeniable fact that liberalization has brought some form of developments in the Ghanaian economy as exports and imports rose accordingly.

Nearly all governments are going for neoliberal policies and that only worsens conditions of labour (Anyemedu 2000). Neoliberal policies have led to increased competition, often meant that inefficient industries shed labour and in some cases may be forced out of business entirely. In this chapter I intend to examine the effect of the decline in the textile industry and the implication for labour standards. In order to throw more light into the effect, I will first and foremost discuss the issue of competition in the Ghanaian textile industry which has been the main cause of the decline. I will then discuss the issues of casualization and flexibilization in relation to workers in the textile industry. One of the main effects on labour has been the declining union membership. This will be examined in relation to what Peck (1996) describes as 'putting labour in place' and finally the issue of social partnership will be reviewed as workers are now faced with challenge of fighting for their workers or the industry.

4.2 A race to the Bottom

Trade opens up opportunities and broadens markets. The international flow of capital, commodities and people bring new opportunities for countries and workers. However the intensification of competition according to Egulu (2006) through globalization process impacts negatively on workers' rights when governments efforts to attract investors and increase exports offers various forms of incentives including low cost of labour and

restrictions to trade union activities. On the other hand, opening up the economy for international trade also meant inefficient industries will be out of the game while the few that remains tend to put downwards the pressure on wages in order to cut cost and at the same time be in the race. The Ghanaian economy is not an exception to any of these issues.

Competition policy is now rapidly being adopted in a whole range of developing countries with the encouragements of the international development institutions, and is an endorsement of the vital role that competition plays in the process of development (Cook *et al* 2004). They further noted that despite the centrality of the notion of competition in economic theory its meaning and implications differ widely among states, policy makers and business people. For the classical economist such as Adam Smith, competition was a process of rivalry between participants in the market who compete by changing price in response to market conditions, thereby eliminating excessive profit and unsatisfied demands. However recently the concept of competition differ among the classical and the neo-classical; with the neo classical emphasizing the importance of large number of sellers of homogeneous products, so that no seller had enough of the markets share to enable them influence the product price by changing the quantity that they put in the market.

In the case of the Ghanaian economy and in particular the textile industry, the competition could be described what Jessop (1998) terms as ‘weak competition’ in the sense that it is not creative, but rather destructive based on zero-sum game of creating employment for the exporting country and de-industrialization and loss of employment in the host country. Peck (1996) is also of the view that the ‘cutthroat’ competition which comes along with neoliberalism tends to increase cost-stripping and short-termism which is evident in not only in the restructuring of capital and markets but also the restructuring of the state and social regulations. Free trade is beneficial to the strongest trading partners. The core of the competition in the textile industry in Ghana is the initial disadvantages associated with the economy and the textile industry. As noted earlier most of these industries were set up to meet local demands and usually not for export. Now with the idea of free trade being embraced as the gate way to competitiveness and efficiency, these local industries faces a greater initial disadvantage to the foreign investors. As noted by Endresen *et al* (2006), mercantilism dominated more than a century of European industrialization, a period when the state controlled trade and intense protection for local industries. Only after gaining strength could a country handle competitive pressure and make productive use of free trade. Recently they

argued again that there are more reasons to return to protectionism in US and Europe when they realized that the Chinese importation is destroying their weaker local textile and garment industries. While there are readjustments and review of policies even in the advanced industrialized countries, African countries are still fed with the ideology of free trade.

Report by the 'Daily Graphic' January 1994 noted that 'Most of the local textile industries are suffering from unfair competition from similar imported goods because of tax concession on the latter which makes them more affordable than the locally manufactured ones.' This brings the issue of Structural Adjustments which has been pursued by the Ghanaian government since the eighties. These programmes call for the removal of subsidies and regulations in the local industries. At the same time it calls for the removal of import tax to allow the free importation of goods. This is the problem being faced by the local manufacturing. While they have to produce at a higher cost, the imported textiles come at relatively cheaper cost which is most patronized by Ghanaians. It is because of unfair competition from imported goods that local industries are suffering in view of the high and many taxes they have to pay. Various appeals have been made to parliament for the removal of the twelve and half percentage sales tax on locally manufactured goods.

Even though the locally manufactured textile prints might be of superior quality their prices makes it difficult for consumers to patronize them as should be expected. ('The Daily Graphic' January 1994).

The conditioning international development loans (IMF and World Bank) on the existence of privatization and market liberalization policies, or even the creation of competition laws, will not ensure the creation of proper institutions for effective competition (Cook *et al* 2004). As noted earlier, the initial disadvantages suffered by the Ghanaian textile industry to the Chinese Giants makes competition not an effective one in the Ghanaian economy.

The General Secretary of the Textile, Garment and Leather Employees Unions (TEGLEU) commented on the situation with the statement that, 'about 80% of the imported goods come from China a country which has no room for international labour laws.'

The greatest challenge facing the textile industry now is the 'uneven playing field'. It makes their pricing more competitive and the locally produced more expensive (HRM, GTP).

The result has been the closure of some local industries while some continue to operate below average capacity. The inevitable effect of factory closure and production below capacity has

been the effects on workers. The textile industry which used to employ close to about 25,000 people now employs a mere 2,500 rendering over 19000 workers jobless. This and many other effects is what this chapter intends to discuss. The next section discusses the issue of casualization in the phase of declining textile industry.

4.3 Casualization

In developed and developing countries the textile and garment industry provides a major source of employment for both the skilled and the unskilled. However increasingly there has been casualization as the mode of employment where workers do not have any form of security or protection from the employers. This section reviews the use of casual labour in the Ghanaian textile industry as a result of the decline in production. (Scott 1990) noted that increasingly there have been attempts to individualize the employment relations, moving away from institutionalized collective bargaining and negotiation systems in key areas such as wage-setting. Secondly firms are seeking to achieve enhanced internal flexibilities through labour process changes such as multi-skilling and reduced job demarcation and thirdly external flexibilities is being sought through the deployment of part-time and temporary workers that enable rapid quantitative adjustments of the labour intake in accordance with fluctuating production needs.

‘No work no pay’ describes the mode of employment contract used in one of the textile industries visited. As noted by Castree *et al* (2001) individual firms operating in a competitive environment pursue a range of strategies that are not necessarily in the interest of employees. Sometimes they may cut or hold down wages or replacing existing workers with more cost effective machinery. There are a variety of strategies that industries use in situations of decline in production and casualisation is one of the many strategies that companies employ. The strategy adopted and how it can be implemented always depends in part on how far workers are willing and able to comply with the demands of employers.

In relation to the Ghanaian economy, the choices that workers have are limited. There are high levels of unemployment and an opportunity to work on temporary contract will be highly welcomed. Drawing on the work of Castree *et al* (2001:31), ‘most people simply have little or no choice beyond their childhood and teenage years but to offer themselves as wage labourers. There is enormous variability in the quality and the quantity of workers required by each firm. The decentralization of the labour process and the spread of casualized jobs,

involuntary part time employment according to Moody (1997) have increase recently and it is mostly associated with the clothing industry of which the textile industry is part.

In ATL, a new method of part-time work has being introduced. In this case the workers instead of working for five days in the week, now they work only two to three times in the week. In so doing the worker tends to forfeit the annual leave which every worker is entitled to. All the days the worker does not work make up for the workers' holiday period (TEGLEU Official).

Now I know most of the textile companies and even some commercial houses are employing based on contracts. If you are a casual worker there is not so much commitment on part of the employer for your social life [transport, housing, loans] If you come to work they pay you, if you don't come no pay for you (TEGLEU Official).

All these strategies adopted by management represent a method used to absorb fluctuations in the level of work but at the same time it tends to undermine the basic rights of workers in the company. But in all cases employers desire a balance to exert workplace control and the need for workers to cooperate. With the systematic attempts by employers to employ a segment of the work force they have created structural differences in job types, occupational mobility, promotion prospects, salaries, working conditions and non-salary benefits for different group of workers (Catree *et al* 2001).

Different kinds of workforce can be distinguished namely; primary, secondary, and tertiary labour markets each with their own distinctive working groups. This distinction comprises of people who have well paid, full time, highly educated skilled workers and relatively secure. Other forms of workforce include the poorly paid, unsecured, temporary and otherwise insecure jobs. This group of workers is what is increasingly used in the Ghanaian textile industry. By us parting-time and contract workers, when fluctuations occur they are usually the first to be withdrawn, while the few permanent workers are allowed to continue work. But with the increasing use of contract and part-time workers Moody (1997) argues that with time the 'core workers', those with 'lifetime employment' will shrink in numbers while insecure part-time, temporary, and contract employment will increase in society.

We had two redundancies in 2005, a total of 200 workers. Subsequent engagements have being casual. (HRM, GTP).

Depending on the level of education some people are employed as 'factory hand in training' and the continual of contract depends on the successful passing of examination which is conducted at the end of the training(HRM, ATL).

The decline in the Ghanaian textile industry entailed an enormous cost in terms of lost of employment and income for workers. The balance of forces had shifted to the disadvantage of labour as they face threats of job loss or factory closure. 'If they had the means they would have laid off all the workers and made them temporary'. This was the comment made by an Official of the Textile, Leather and Employers Union. Deploying workers is an expensive cost for the company. By the agreement between employers and the workers, to lay off workers entails paying the worker his or her three months salary multiplied by the number of years the person has been working in the factory. This actually did not deter some companies from embarking on this. In 2000 the Ghana Textile Manufacturing Company which used to employ close to about 4000 people laid off all the workers leaving a mere 100 people working at the moment. They have diversified their activities and are also embarking on outsourcing in a lesser degree.

4.4 Sub-Contracting and implication on labour

'Today very few final goods and services are produced in a single factory in a single location' (Moody 1997). Many of the most detrimental changes in workers conditions come about because of various forms of firms' restructuring and reorganizations. Castree *et al* (2001) drawing from Dickens (1998) identifies two form of restructuring that may be adopted by firms. *Internal and External restructuring* both of which has its consequences on the worker. Dickens argues that external conditions may be negative in the case of declining demand for the firm's products or increased competition and increasing cost of inputs. In the case of the Ghanaian textile industry these are one of the main causes of the decline in the production.

In Ghana the cost of production has become so high that it is difficult to have any meaningful competition with imported goods. The cost of electricity, transport, and the taxes we have to pay on our goods are so high. In addition we have to pay social security and health insurance for workers. It is just too challenging. (HRM ATL)

Internal restructuring as has been described by Dicken (1998) has been associated with management level decision making and the changes in firm's strategic directions. 'Recently the companies send out their designs to China and the textile industry in china prints the textile and it is repackaged and sold in the Ghanaian market' (TEGLEU Official). While we can separate external restructuring and internal reorganization analytically, in reality the two cannot be separated. Competition and decline in the firm's produce may lead to the decision by management to relocate or to adopt strategies that can help them deal with the situation. This inevitably has had a major toll on the workers who used to do these activities. Hale and

Wills (2006) have argued that since the 1970s, technological, political and economic developments have conspired to propel a powerful new form of capitalism into view. Characterized by forms of network and global reach, this model has a profound impact on labour. They were concerned with the way in which multinational companies have reconfigured their operations, and shedding their in-house production capacity and using sub-contracted supply chains to source goods and get them to the markets. Rather than having the whole production process in the factory, they only retain their design contracting the whole of the production to their suppliers elsewhere usually in places where the cost of production is low.

In effect the companies are no longer bear the risk of employing large numbers of staff in production. As noted earlier, a mere 100 people doing the work that about 4000 people were doing meant that most of the activities are not carried out within the factory premises. In addition, the impact of the industry wide decline in the textile industry has had a profound impact on the local manufacturers in 'gray-cloth' production. The Juapong Textile industry located in the Volta region of Ghana, the only textile company in the region has closed down because the major textile company GTP which used to buy the 'gray-cloth' for the production of textile no longer bought their products because of the high cost involved. In an attempt by the government to revamp the company through attracting new investors, the two surviving companies agreed to buy the products from the factory as long as the price and the quality are right.⁶ About 1,200 people lost their jobs along with several indirect jobs. However this is the case that the same product can be produced elsewhere at a relatively lower cost and in places where there are no room for trade unions and where child labour is still in use.

In many ways the garment and textile industries have been at the forefront of subcontracting as argued by Hale and Wills (2006). The low start up entry cost, labour intensity and the ease of subcontracting all make the textile and garment industry vulnerable to horizontal internationalization and subcontracting. Again as argued by Castree *et al* (2001) the decisions by firms to leave a certain location is rarely taken unless in extreme circumstances. Instead, they argue that firms are more likely to change the scale of operations or in the case of the Ghanaian textile industry diversify their production.

⁶ www.ghanatoday.com Ghana news website downloaded April 2nd 2009.

At PRINTEX, they have recently started using the factory yard to produce fruit juice. [Who knows]; may be the other manufacturers may turn their factory yard to produce something else (TEGLEU Official).

When firms choose to scale back operation or diversify their operation workers are automatically affected. In many cases new owners will take the opportunity to rationalize and downsize, and in some cases, renegotiate pay and conditions (Castree *et al* 2001). Smith (2002) argues that labour has been strangely neglected. Workers appear as only passive victims as capital seeks to make profit. Whereas workers in the company which is subcontracting are losing their jobs, those who found themselves in the producing these goods are vulnerable due to the ease at which these contract can be taken away from them; thus making them work in precarious conditions.

The geographical distance involved in the activities of sub contracting means that workers are not only isolated from their employers but also the consumers of the products. Furthermore the producers and the consumers do not share any political institutions or unions that could be used to put pressure on those at the top (Hale and Wills 2006). Castree *et al* (2001) also argues that the relative geographic mobility of capital is now seen to form the basis of a new global politics of production in which the persistent threat of relocation becomes a powerful tool for employers when determining wages, benefits and conditions of service for workers. Workers are increasingly pressured to defend their interest in particular places, and in the process have to compete directly with workers elsewhere to secure their jobs and factories operating in their locality.

4.5 Social Reproduction

Wage workers are socially connected. Labour is the only aspect of the production process that is capable of developing social relations in the workplace with fellow workers and at the same time with their employers. Castree *et al* (2001) argues that wage workers unlike other commodities enter into a social relationship with their employers. They also have families, friends and social groups beyond the workplace. Because of the local nature of production and reproduction, workers are constantly competing with different workers and ('fighting for their factory, their mine, their community') Hudson (2001). The place based nature of labour and the reproduction process involved makes the insecurity associated with job loss an important

issue in the analysis of the effect of the decline in production in the textile industry and labour. In the Ghanaian economy, the dependency ratio is high as such one worker becomes the breadwinner of the whole nuclear and sometime, and the extended family as well.

We are fighting for the workers whom when they lose their job the whole extended family suffers (TEGLEU Official).

The family system gradually is being incorporated into the analysis of the economic system. As argued by Humphries and Rubery (1984) the sphere of reproduction is articulated to the production sphere and it is an integral part of the economy. The demand side of the economy cannot be conceived independently of the supply side structure. Peck (1996:23) draws on Block (1990) and argues that labour is the most fundamental and the most inherently problematic of all economic categories. The initial assumption of the neoclassical that labour is a commodity does not take into consideration the social nature of labour and its reproduction.

It is not the actual human being who is an input into the production process, but one of their characteristics-their capacity to do work. But this is an inherently paradoxical strategy since the individuals' capacity to do work is not innate; it is socially created and sustained (Peck 1996:23).

Things are really hard nowadays; generally the whole economy is hard. As we get more the more our wants. We have a lot of family responsibilities and the pay is not enough to take care of all that (Worker, GTP).

The social system in which the worker finds him or herself has a major role to play in the workers' life. But in cases where the worker is made redundant or unemployed, the effect is broader especially in the Ghanaian system where the extended family still forms part of the social institutions.

When you are laid off no matter how much money you get, in just some few years it will all finish and you will become destitute again (Worker GTP).

In some unions (ICU) the collective bargaining agreement included the benefit of medical facilities for all staff and their dependents. Hence lost of job meant a further loss to the employee and dependents (Manuh 1994). The control of labour according Peck (1996) does not only occur in the narrow parameters of the work place but also relates to the broader social network of the worker. For Burawoy (1985) the act of production is also the act of reproduction. In this sense, as workers produce useful things they also produce the basis for their own existence through wages which becomes the means of the reproduction labour

power. The development of labour laws and the evolution of the welfare system in some European countries have partially separated the process production and reproduction where workers no longer depends entirely on wage production and also somehow removed from the consequences of the international markets (Peck 1996). This solution, by my own observation is not instituted in Ghana. The government social system is weak to the extent that individuals and families take the responsibilities of the unemployed, the sick and the aged. The situation has been deteriorated by the SAPs policies which calls for governments removal or cut in expenditures in social services.

4.6 Trade unions; corporation or submission?

Now management can no longer rely entirely on the economic whip of the market. Workers must be persuaded to cooperate with management; their interest must be coordinated with that of capital[]. The despotic regime in which coercion prevails over consent is replaced with hegemonic regimes, in which consent prevails[]. Now the infliction of discipline and punishment itself becomes the object of consent (Burawoy 1985:126)

The study of the Ghanaian textile industry generally indicated that, the unions still existed but definitely their activities and their powers have changed. In an interview with the Human Resource Manager in one of the companies that I visited, when I asked of the relationship between the management and the Trade unions the response was that ‘ the antagonistic relationship between managers and the unions are all gone, we now see ourselves as social partners in development’. This generally would be welcoming as workers and managers have a cordial relationship at the work place.

The idea of social partners as seen in the US and Europe has not being to the benefit of all workers even though some might argue that it has rather sustained unionism in Europe and the US. As argued by Talyor and Mather (2002) the existence of various forms of corporatism in Europe has been instrumental in determining trade unions’ response to neo-liberal restructuring. The dominant form has been the tendency for union hierarchies seeking accommodation with neo-liberalism through ‘concession bargaining’ and ‘social partnership’. These forms of agreements and partnership involved a trade off which unions agreed on wage moderations, reduced public expenditure and flexible organization of work in order for the companies to prioritize them for employment or to prevent the company from relocating. As noted earlier in this paper, the idea of place is an important aspect of labour. Workers unlike

other commodities in the production process develop attachment to the place they live and work. Hudson (2001) notes that sense of place is the feeling people attach to places they live. Places provide the basis through which people form their own identities. However as argued by Peck (1996) and Herod (1998), neoliberalism has brought a situation in which workers are thrown into competition with one another in order to retain capital. The unions who were supposed to take the workers out of the competition are being undermined and promoting wage and employment inequalities. Labour and capital have different interest in place, while places may be temporal for the capitalist, for workers it where their families, friends and hopefully a permanent place to live. In their attempt to save their works, their community and their lives they tend to make certain concession which often turns to 'race to the bottom'.

In this sense neoliberalism represents a direct attack on labour's rootedness[]Thus the new localism of neoliberal rhetoric is regressive rather than progressive, selling the local to the global on terms determined by the imperatives of international competition and neoliberal policy (Peck 1996:238)

We have to be reasonable with them. We cannot ask for increments when we all know there is a problem. The boat is sinking and we are all [sinking together]. The manufacturers and the workers. We all must help to solve the problem (TEGLEU Official).

The question we ask ourselves is that, are the unions accommodating their conditions or are they submitting to the demands of their employers. This is what the rest of this chapter seeks to review.

In the work of Bergene (2007) 'class politics, hegemony and the ideology of social partnership', she argued that the ideology and the praxis of social partnership constitutes a consolidation of the ruling class, hegemony through ensuring the consent of the broad mass of the population. She further argues that through inviting trade unions and other civil societies to join policy negotiations, they are made partly responsible for the outcome. However, as noted by Moody (1997), for all the talk on partnership and corporations the employer still ruled the workplace, determines who gets the job or promoted. The employer-employee relationship have been seen to have improved recently, but power and wealth has remained where they have being. Labour has been pushed on the defensive both as a political discourse and as a movement (Bergene 2007).

Trade unions have been weakened with the reduction in their members and various forms of industrial restructuring. This presents a great challenge at this time as to where and how they act. As authors such as Callinicos (2005), Kelly (1996) and Whal (2004) strongly discourages

unions to go into partnership with managements, MacShane (1999) recommends partnership with government and capitalist (Bergene 2007). In all these cases whether to go into partnership or dissociation, Moody (1997) notes that there is no win-win game in the relationship between capital and labour. Labour's income is still capitals cost.

The relationship between the union and the management has been very cordial and friendly. We are all working together to deal with the problem (Local Union Officer).

The leaders we have now are not like those we have before. They are not doing anything. They go and say they are negotiating but we don't see any results. Up to now our salary increments have not being agreed on. Actually I don't know what they are doing (Worker).

It is clear that when capitalism finds itself in crises or as put by Bergene (2007), when it is not progressive for the whole of the society; there usually is class compromise and reforms whose intentions are to concede material advantage to broad sections of the society. These reforms and co-operations are deemed necessary for capitalism to survive through crises. These may sound important or necessary considering the situation. However, crises to capitalism do not mean breakdown but restructuring and reorganization. In Ghana, the concerns of competition and low demands for products are shared by both the workers and the management. However, the effects on workers are not the same as that of the employers. Sometimes as noted by Andr  and Beckman (1999), the management exaggerates both in order to extract more concessions from the state and also to restrain union demands.

In the Ghanaian economy, trade unions have always being there even though their activities in one way or the other have been changed or curtailed. They formed the backbone to the liberation struggles and they have gained their recognition at the state level and at the employment level. However, the introduction of SAPs and other forms of industrial restructuring have not being to the benefit of workers and trade unions. While social partnership may hold a promise for the revival of trade union and the opportunity to exert influence, the rationale for bringing them on board by the capitalist or government according to Bergene (2008) may be quite different. Dissemination of information and allowing consultations may be regarded as a means of educating the union officers and through them the workers about the inevitable effect of competitiveness and the sacrifices they have to make. Workers when faced with the threat of plant closures, redundancies and membership loss are more likely than ever before to submit to the needs of the industry (Herod 1998).

The members' jobs are on the line, so if we can sacrifice in the mean time to save their jobs then we have to do it' (TEGLEU Official).

The tool of the employer or the capitalist for that matter has being the constant threat of relocating or closing down. All the sacrifices and the corporations tend to weaken the position of the workers when it comes to bargaining with employers.

Burawoy (1995) argues that the vulnerability of labour to capital both international and national stems from the fact that workers face the loss of job not as individuals but as the result of the viability of the firm. According to him this enables the management to turn to hegemonic regime against workers relying on its mechanisms of coordinating interest to command consent to sacrifice. In effect, firms are able to pursue a concessionary bargaining strategy which seeks to freeze and in some cases reduce wages. Employers can enforce concessionary bargaining by emphasizing and exaggerating the global cost of competition (Castree *et al* 2001).

As noted earlier in this paper, economic policies cannot be dissociated from social institution (Peck 1996). While economic policies have become global in nature, the response however has been reduced to the local level. Herod (1998) argues that whereas most of the problems facing workers especially in the manufacturing sector are caused by decisions taken at the global level, the proposed solutions have emphasized local solutions such as plant -by -plant negotiations and local regulation of the labour market. Decentralization of collective bargaining can weaken the structures of the unions and consequently the effect has been that the unions are limited in their response where there is no national agreement on wages. In Ghana the case may seem worse, such that the textile industries are divided among unions.

The background for the formation of the Textile Leather Employee Union (TEGLEU) comes from the tension between the union officers, as one faction believes the union was not addressing the specific needs of the textile industry (Quartey 2006). The Industrial and Commercial workers Union (ICU) on the other hand is a combination of small union groupings of banking, textile, newspaper, commercial and post-harvest cocoa industry workers. The rapidly globalizing capital obviously calls for the need for a global labour movement (Munck 2002). But in spite of this the local and national unions with a common goal and objective forms the basis for workers struggles against the offences of neoliberalism and capitalism. There has been the proliferation of unions under the new labour laws.

Although the number of independent trade will ensure workers' right to organize and choose unions of their own, it is also becoming problematic as workers become divided between the new and the old unions (Herod 1998). This threatens to weaken the bargaining power of workers as some employers have taken advantage of the situation. Lipietz also writes 'a collective involvement of workers is unlikely to emerge if there is no solidarity about goals between firms and workforce' (Munck 2002:49). I argue that the different trade unions that represent the Ghanaian textile workers threatens to weaken their goals and aims of achieving better working conditions for all the workers in the textile industry. In the study of the two textile industries, they all have a 'wage opener' every year and this will depend on the bargaining power of the unions at the local level. At the time of my study, when union at GTP have not yet agreed on the percentage increase for the year, the unions at the ATL have not met with the management to agree on the increment for the year. Real wages have not actually being reduced in the case of the Ghanaian textile industry.

You cannot worsen the conditions of the worker by reducing their wage; there is nothing of that sort (TEGLEU Official).

On the other hand various methods and strategies are used to exercise control at the workplace all with the corporation of the union leaders and sometimes the government. Herod (1998) is of the view that although local bargaining by the unions provides the unions with the opportunity to negotiate based on their local needs; they are often unable to bring to bear economic power to the employers.

4.7 Concluding remarks

When the Ghanaian government went all out for neo-liberal policies, it only meant worsening conditions for labour. Labour in all aspect of the economy formal and informal has been affected. Workers in the various textile industries have also been affected in many ways. Whereas competition is thought to bring effectiveness in companies, in the case of the Ghanaian textile industry, the competition is seen as ineffective and destructive to the local industries. The companies that cannot withstand the competition may close entirely, while others shed labour. Other methods of industrial restructuring is being employed, sub-contracting is being employed in GTP and GTMC, where the company's designs are sent to China to produce the fabric at a lower cost. The implication is the casualization of labour and various forms of managerial practices all in the name of staying in business. The workers jobs are on the line, so are the companies. This brings the idea of workers' dilemma as to where to base their actions. Workers have to sacrifice, corporate and submit to the demands of their

employer to defend their jobs and at the same time to protect the industries from total collapse or relocating. But in all these, capital still dominates and the state can do very little about it. But all is not lost, workers and their unions need to act at various levels; local, national and international levels to protect their jobs and to secure better conditions. This is what the next chapter looks at; the responses of the labour union in Ghana towards these crises.

Chapter Five: Labour Responses

5.1 Introduction

The trade union in Ghana and their members still have an important role to play in contemporary labour struggles. Trade unions according to Castree *et al* (2001) historically have been the principal bodies that agitate for workers interest both in the workplace and beyond. There have been continuous associations of wage workers for the purposes of maintaining and improving the working conditions of their members. In the phase of deepening national economic crises, intensive competition and decline in the textile industry trade unions as an institutional power can be used with varying success to collectively bargain for better wage condition, resist or make retrenchment expensive for employers and prevent factory closures. Workers are increasingly compelled to hold on to whatever job they have and their prospect of individual advancements is dependent on their bargaining power at the workplace rather than the labour market (Andrae and Beckman 1999). Despite the declining capacity of workers to sustain themselves and their families, the sacrifices they have to make in order to save their jobs and threat of factory closures, their working class identity has been reinforced by workers allegiance to the unions and their reliance on collective means of protecting their interest at the work place. In this chapter, the role of trade unions in Ghana in defending their workers and their work is reviewed in light of the declining textile industry. Firstly, I will examine their role in their attempts to influence government policies. Secondly, their activities of attracting new members will be examined and thirdly, their partnership with the international trade union organizations and its impact will be reviewed.

5.2 Attempts to influence policy

At the national level, trade unions will need to address issues of macro-economic policy formulation if they wish to exercise any decisive influence on the functioning of labour markets, creation of employment, distribution of earnings and incomes and international competition (Henk 1995:241 *my emphasis*).

In the past much attention has been given to political and social aspects of trade unions in Ghana given the role of trade unions before and after independence. Through close contact with government especially the Convention Peoples Party (CPP), often characterized as forms of corporatism, trade unions managed to play relatively strong political roles and in return secured privileged positions for their members. Today, the circumstances have changed, and

this calls for a new strategic approach to these challenges. There is the need for a well defined multidisciplinary approach which would pay adequate attention from economic perspective to industrial relations and labour market developments (Henk 1995).

The labour union in the textile industry (TEGLEU) since the time of intense competition and smuggling from other countries has petitioned the government. In a letter sent to parliament the union requested that, while the textile industry believes in competition to enable us improve the quality of our products and reduce the cost of production, it must be well observed that the various economic measures currently in operation in the country, to a large extent, do not give the local textile factories a favourable environment to compete with the rather cheap imported items, some of which are of no better grade and dumped on the Ghanaian from the Far East and neighbouring countries. In trying to deal with the effect of the situation on labour, the unions have taken it upon themselves to rather deal with the causes of the situation. In addition to this petition, the joint collaborations of TEGLEU and ICU have in various ways appealed to the government to restrict the importation of goods which has local substitute. In their resolutions they called on the government to do something about the unregulated importation of some foreign goods such as textiles which have resulted in the flooding of the local market foreign goods to the disadvantage of the local industries. This has resulted in a situation in which local industries could not sell their stock and some had to lay off their workers and produce at low capacity.

Earlier, the Trade Union Congress has expressed concerns about the way in which economic policies and reforms have neglected the consequences on workers. Anyemedu (2000) notes that the unions have made their views known on government policies, highlighting what the unions perceives as the negative effect on workers and the society as a whole and proposing remedial measures.

The situation that we face today is one in which harsh sacrifices are extracted from mass of the working people in the name of economic recovery at the same time their interests are over looked (Anyemedu 2000:6).

The current condition being faced by workers according to the TUC is being caused by the conditionalities on loans being imposed by international lending organizations such as the IMF and the World Bank. The TUC argued that, as workers ‘we have had to work under severe conditions hoping that things will get better for us to enjoy our toil’. But there are no

signs of improvement rather the situation keeps deteriorating. Employment in the public has virtually ceased to grow due to the massive retrenchment, while workers in the industries which have been subject to unfair competition from outside under trade liberalization programmes have folded up. Those in gainful employment have been hard hit by the adjustment programmes as they have to fight to protect their jobs because they are the first victims of retrenchments (Anyemedu 2000).

The Textile, Leather Employees Union (TEGLEU) have been at the fore front of the activities for the Ghanaian textile industry. One of their main activities has been sending petitions to parliament asking for the removal of taxes on raw material and the twelve and half percent sales tax on the locally manufactured goods. However in an interview with one of the officials of the union, he said

We are far beyond the stage where we asked government to reduce the taxes; because you cannot reduce it to the level that we can fairly compete in the international market. [They can import all they want] but they have to pay the appropriate taxes and use the appropriate routes.

The smuggling of imported textile into the country has been the main concern of employers and the unions as well. One sector which has suffered unjustifiably is the textile industry where all manners of textile and garment products, some of dubious origin and quality, have saturated the local market leading to the collapse of many local industries. This represents the dilemma of the Textile, Leather and Employees Union compelling it to issue a resolution urging government to consider the plight of the local textile, garment and allied industries by setting conditions for the importation of items that have local substitute (Daily Graphic, Nov 22, 1994).

We had a meeting with the minister recently and she is very pleased with what we are doing, but I think there is very little she can do about the situation. She only advised that we do more of public education about the situation. In that case the general public will know the implications of buying those imported goods (TEGLEU Official).

In all these, the unions have concentrated their efforts at the source of their problems. They considered the unfair competition, higher taxes and the importation of goods through the unapproved routes as the main cause of the decline in the textile industry. The unions see themselves as having a stake in the increased efficiency and increased production of the textile industry and are willing to go all out to protect the industry from collapsing. Even though on the whole the manufacturers and the workers are all concerned about the situation,

the union official noted that, 'they are not more anxious as we are'. We need to protect the companies from total collapse to save our jobs.

We need the local textile industries because apart from their employment generating capacity, they invoke in us the mental satisfaction of having something of our own, the essence of nationalism (Daily Graphic, Nov 22, 1994).

Local differences however exist in the activities of the two local unions; the ICU and TEGLEU although there is a strong homogenizing force among the two unions to ensuring that the conditions of the workers are improved and the smuggling stopped. The two companies although having different unions, they all regarded the unions as an integral part of the company and allowed it to be fully integrated in the industrial relation practice. I argue here that each union should be understood in terms of their historical and political institutions in which the unions were formed. It is important to realize how politics and state power can impact union activities.

The relationship between government and the TUC can be traced back to the liberation struggles by Nkrumah and the CPP government. Since then the TUC even though has faced intimidation and victimization from some military government and civilians governments, the recognition of the trade union and the legal backing given to them by the CPP government have in some ways have developed a close relationship with government. The formation of the National Tripartite Committee (Labour Act 2003) which includes representatives of government, organized labour and employers association determine the daily minimum wage, advise on employment and labour market issues, including labour laws, international labour standards, industrial relations and occupational safety and health are in one way or the other partly responsible for the outcomes of decisions which sometimes do not favour labour. TEGLEU on the other hand which is an independent trade organization and affiliated to the Ghana Federation of Labour (GFL) does not have a close alliance with government as the TUC (ICU). 'They are still leaving in their past glory; things have changed' (TEGLEU Official).

The worldwide industrial restructuring and organization needs more than memoranda and comments on government policies. It needs more integrated approach and lobbying in parliament to ensure that legislations take into account the interests of workers. In 1994, the TUC appointed a parliamentary liaison officer, as a means of establishing a continuous

relationship between labour movement and the parliament. The officer who is fully recognized by the house briefs the TUC about impending legislations which concerns labour and also gives the TUC feedbacks about their petitions and memoranda (Anyemedu 2000). There has been mixed results in the activities of the parliamentary officers and organized labour in the national tripartite committee.

At the moment there are no laws that deal with the smuggling of goods. It is all administrative direction, purely moral [don't do this, don't do that]. We have decided to sponsor private member motion in parliament so that a law can be passed for us to be able to arrest the perpetrators (TEGLEU Official).

Quarthey (2006) noted that, although the government of Ghana has responded to the calls from organized labour to save the textile industry, these were not supportive or have been cosmetic only. In 2005, when the national tripartite committee, including organized labour sent a proposal to government to be incorporated in the 2006 budget which will focus on saving the local textile industry. However it was not incorporated rather, the government focused on the African Growth and Opportunity and Acts (AGOA). In all these, unions have played and continue to play an important role in defending workers interest both at the work place and at the national level.

It is important to understand that national unions present *scale-constructing institutions* (Castree 2001:213). They add new sets of relations and capacities to the national landscape of labour in any given country and it is the creation of landscapes that can cause societal reproduction and the capitalist as well (Herod 2001). This process of landscape formation may be seen at different levels of unions' activities and this is elaborated more in the sections that follow.

5.3 Attracting new members

Union membership has been largely derived from the permanent employers of the textile workers. However, as noted by Moody (1997), a rise of new labour movement in Africa is part of the broader class formation that has accompanied the growth of industries. These class formation he argued cannot be compared with those in the advanced industrialized countries; however the new working class in the third world find themselves in deep poverty, mass unemployment and the growth of informal sector that has no prospects of fading away considering the way the world is currently organized. Alliances with other organizations of the economy; public sector unions, temporary and contract workers are necessary steps to

strengthening the union and also increasing their numbers. Extensive informalization of labour relations, whether formal or informal has become a major characteristics of work relations in many countries. Whereas there is no clear pattern in most part of Africa, the aftermath of economic policies have been so deep that the level of the informal sector have increased dramatically, while at the same time in the formal sector a new informal pattern of work is being initiated through the casualization of work (Henk 1995). The TUC efforts to organize people beyond the workplace is not new in the Ghanaian labour movement. In the work of Anyemedu (2000) 'Globalization and the response by TUC', he noted that there has been intensification in the organization of the unorganized as a means of shoring up declining membership. The organization department of the TUC and almost all the national unions are devoting time and energy to attracting new members from the micro and small scale businesses with the view that they can be affiliated to one of the national unions.

Moody (1997) argues that the process of class formation has definitely changed direction as economic integration and crises have deepened. There has also been important change in the formal and the informal sector as the distinction between the two seems to be fading away. While the notion of upgrading the informal sector and absorbing their members into organized labour seems plausible, the International Labour Organization (ILO) however notes that 'it would be unrealistic to expect trade unions and / employers' organizations to entirely cover the needs and demands of such an expanding and heterogeneous sector' (Munck 2002:115).

Organizing the informal operators is not easy, we have reached them through the media and contacts with them, they are all worried about the situation, but as I said it is not easy, you organize them with the aim of providing some services to them and that service we cannot provide (TEGLEU Official).

The main obstacles in organizing the informal sector has been summed by K-Aduamankwah (1999) as the low financial returns from the sector in relation to the cost of organizing members from the informal sector, the absence of ready package benefits and inexperience in union organization. The financial constraints may be the most inhibiting factor as increase in membership will in the long run jeopardize the financial standing of the unions which will in effect reduce any benefits they might be able to promise the informal operators. In the case of the Ghanaian informal sector Anyemedu (2000) argues that it is easier to organize those who are already in some form of association. The traditional unions may provide some form services to the informal sector union by providing them with some form of credits to expand their business and also to provide the channel for collective bargaining with public authorities.

I know they have their own union; the Ghana Union Traders Association (GUTA). But our interest may not be compatible now; we only empathize with each other (TEGLEU Official).

As noted earlier, the informal sectors would welcome incorporation into the mainstream union if it would be able to meet their needs. Workers in the informal sector may not be well organized around traditional 'workers' issues such as bad conditions of services, wages and salaries, rather their concern may be with the threats of eviction from their place of work, access to credit and low demand or prices for their goods. In Ghana, while the mainstream unions may be concerned with how to reduce the smuggling of textiles in to the country in order to save the local textile industry, the informal operators or the sellers of these goods may be concerned with the low patronage of their goods. While their interest may not be compatible in the short term; when the campaign against smuggling is able to have a positive effect; they will be able to sell their goods at a competitive price and the benefit will be shared by all in the long run.

Henk (1995) argues that if the trade union movements especially the national ones, do not change course and take up the informal sector as a key policy concern, it will be hard to see how they will be able to exist as their original members (formal workers) are gradually shifting to the informal sector through lay-offs, retrenchments and redundancies. The collaboration between the unions and the community in which they are instituted in local economic policy making offers the means through which unions can proactively influence the direction of policy making and also channel attention and resources to needy sectors (Herod 1998). With the high rate of retrenchments and redundancies in the public and the private sectors, the unions have also reached out to these categories of people. Anyemedu (2000) argues that efforts are made to retain the formal union members who have been retrenched or made redundant. There has been proposals of life membership be granted to union members. It is important to reiterate that while the unions are seen as institutions or organizations that represent the interest of working people, the growing integration and crises affecting the working class worldwide and particularly workers in the Ghanaian textile industry calls for a change in direction in the traditional ways of carrying out their activities.

The growing number of people in the informal sector and the increasing number of people who have lost their jobs calls for an integration of all these people in the struggle against capitalism and unfair competition. On the other hand, Moody (1997) argues that while the workers in formal sector may not be superior to those in the informal sector, but by virtue of

their education and wealth than those in the informal sector, without a strong sense of interdependency it would be all too easy for the new unions to get lost.

5.3.1 Organizing the temporary and casual workers

By definition according to the Labour Act of Ghana, 2003, a temporary worker is a worker who is employed for a continuous period of not less one month and is not a permanent worker or employed for a work that is seasonal in character. A casual worker on the other hand is a worker engaged on a work which is seasonal or intermittent and not for a continuous period of more than six months and whose remuneration is calculated on a daily basis. In the case of the Ghanaian textile industry, as noted earlier, there have been redundancies in almost all the local industries. Today the mode of employment has been mainly on casual as a consequent of the fluctuating demands of the locally produced textiles. Contracts for employment are valid and limited only in the stipulated time period and the company has no obligation to confirm employment after the expiry of the stated time period. This has been the concern of the union officials as the term and conditions of the workers are not favourable.

For the casual workers there is not so much commitment on part of the employers for their social life [health, transport, loans, maternity leave]' (TEGLEU Official)

With the issue of workers conditions and sustaining their membership at the centre of the labour movement; the unions have gone beyond the traditional way of organizing only the permanent workers. Traditionally the young and permanent workers in the public and the private sectors form the majority of members of the unions (Anyemadu 2000). But things have changed to the disadvantage of the workers and they have to find new strategies to retain their membership.

They [management] thought they would get away with it [laying off and employing casual workers]. We have challenged that and now we have gone in to organize the casual workers as well. They also have their rights and it is permitted by law. So within the months that they engage the worker, we can come in and negotiate on his or her behalf. But you know their conditions may not be good as the permanent worker (TEGLEU Official).

The crises driven cut in production and downsizing of the workforce has prompted the workers to take the unions serious and it has reinforced the unions at the national political level. Without the unions taking active part in the campaign against smuggling and detrimental government policies, the crises would have resulted in the closure of all the textile industries and the defeat of the working class in factories which were hard hit by the crises. Rather what happened is that the threat of job loss, temporary employment contracts and

working conditions helped to reinforce the unions and to fight for their jobs and their members.

In this study, it is not only the workers that were threatened by job loss, but the companies themselves have had to face high cost of production as the cost of electricity, transport and raw materials rose to a high level since about three years ago.

The greatest challenge facing the textile industry apart from the unfair competition and smuggling is the cost of electricity and tax on raw material' (HRM, ATL).

The former president of Ghana, in his May Day speech (2005) stated that Ghana cannot subsidize the textile companies, as in the case of Nigeria, because the country does not have the resources to do so (Quartey 2006). These policies of removal of subsidies on local industries come with the neoliberal Structural Adjustment Programmes.

The reinforcement of the capacities of the unions came at a time that the companies themselves were in crises. As the unions were concerned with protecting the capital that has been invested in companies and preventing the factory from entire closure, a critical achievement is that they have also in their collective bargaining being successful in raising the retrenchment benefits for workers at a time that the factories faced severe financial constraints. This raise in benefits is what caused the TUC to send the government of Ghana to the ILO court in Geneva (Switzerland) when the government rejected the conditions of service and lay-off benefits determined through collective bargaining. The government desire to reject the generous lay-off benefits according to Panford (2001) stems from the fact that there has been increase in the number of lay-off and privatization in the past decade and this comes with it increase expenditure that cannot be paid due to the conditions in the country created by SAPs.

By this strategy, the retrenchment cost of firms makes it expensive for the employers. It deters the companies from taking advantage of the situation to lay-off workers. As noted earlier in this paper, where as some companies (GTMC) took out loans from banks to pay off and lay off workers, the cost of retrenchment has been the main reason why most of the companies have not been able to lay-off all their workers and employed only contract workers. The strategy of raising retrenchment benefits of workers by unions has being noted by Andr  and Beckman (1999) as way of consolidating the labour regime and as a resource that can be tapped by management itself in the restructuring process. In times where companies will have to use their old machinery to compete in the international market coupled with high cost of

electricity and raw materials; better working experience, skills and discipline are important if the companies were to make any meaningful gains in these times of crises. There is the need to enter into and maintain a constructive dialogue with the unions as way of supporting each other as they all faces difficult situations.

5.3.2 Women and social alliances

It has been noted that unions tend to benefit if they take into view and into their role not only the members of their union but also the society as well and people who have traditionally not being active members of trade unions. The strength and impact of the unions' activity can only be felt when they look beyond their workplace and realize that while the working class has a great deal of influence in the economy, they can only be composed of only a minority of the whole population (Moody 1997). Alliances with other organization of class, including women and public sector unions are necessary steps to ensuring that their numbers and density is sustained.

In the work of Moody (1997: 208) he argued that when the new unions emerged in the late 1970s, activist both in South Africa and Brazil emphasized shop-floor organization and developing workers' capacity to negotiate with employers. By the mid 1980s, however, labour activists in both countries had shifted their focus; rather than concentrating solely on factory related issues, both labour movements targeted the state as well as employers seeking to increase the share of the broadly defined working class in the benefit of economic growth. In Ghana since the overthrow of the CPP government the TUC have not being in any active alliance with any political party. In an extra ordinary congress of the TUC in 1969, Anyemedu (2000) argues that, the TUC made a decision not to be part of any political party and the top members were barred from party politics. Their non- political stance was however reversed in 1978 and endorsed the executive board to enter into alliances and collaboration with other persons or group of persons that might share the aspiration of the working people for the purposes of fulfilling the unions initiative of creating a political force for the defense of the protection of the interest of the broad mass of the Ghanaian people. However on the part of TEGLEU, the General Secretary makes the statement that:

We have not relented in our effort to fight for the working people but we do not support any government. We sympathize with any government who is sympathetic to

the course of the working people. If you are a government and we realize that you are power drunk and don't think about workers, then we will have nothing to do with you. When we have a government that is sensitive to the workers, we go with it (TEGLEU Official).

The TUC of Ghana however has formed alliances with other workers' organization and civil society in pursuance of common objectives. Within the labour movements the TUC has established collaboration with the Ghana Judicial Service, the Ghana Registered Nurses Association and the Ghana National Association of Teachers (Anyemedu 2000).

In Ghana, as in many other African countries there are often distinctions made between the class based on gender, ethnicity, income and wealth and sometimes religion which often leads to social disintegration and civil chaos. Women are also under represented in unions with an estimation of about 9 to 10% of unionization (Anyemedu 2000). Henk (1995) is of the view that unless women are allowed to assume leadership positions and articulate the interest of their areas of interest, trade unions movement will continue to be seen as a male affair. It is of this view that the TUC of Ghana has made conscious efforts to organize women into unions, advice them to take leadership positions so that the concerns of female workers can be effectively articulated and also at the same time create a gender balance in the affairs of the trade unions.

Women are often among the last to be drawn into the labour market when an economic upturn occurs, and among the first to be expelled from it during cyclical downturn. However, from a long – term perspective it can be said that women workers are no longer a 'reserve army' of labour, having been fully integrated into the capitalist labour market worldwide (Munck 2000:122)

In Ghana, the proportion of women entering paid employment has risen; about 25% as the global trend of women working in paid employment has increased significantly in the era of globalization (Anyemedu 2000). At the present rate of globalization , it also comes the opportunity for trade unions to make use of the working class women as they play important role in the development of the broader working class movement through organization of the informal sector and neighbourhood based organizations (Moody 1997).

The TUC of Ghana has made a gender policy based on the conviction that issues of gender are matters of human rights and therefore must be treated as a concern of the whole society not as a matter of women issues. The TUC has for some time now incorporated women in the top decision making bodies in all the structures of the TUC. These have been done with the aim of creating a more gender awareness in the union, to promote the integration of gender

consideration in collective bargaining and also to formulate strategies for the protection of women in the Export Processing Zones and the informal sector (Anyemedu 2000). The heavy labour force participation in these sectors would boost the union membership. Moody (1997) referring to Carlos Villas statement about CUT in Brazil notes that class outlook endows the unions with a vast social and political representation that goes beyond the industrial working class to include social movement, the urban poor and the broad segment of the middle sectors. This is what the TUC have sought to do, to include the broad mass of the population in their struggle and fight against neo-liberalism and fierce international competition.

5.4 Regional and international partnership

Turning out wards as a form of defense or attack has been described by Castree (2001) as a geographic strategy that has worked among wage-workers and their representatives institutions. The transition from centrally planned economies to market economies and the end of corporatism in trade union activities means also an avenue for expansion of trade union to seek support internationally and to scale up their activities worldwide. Munck (2002) argue that the position of workers have changed in response to globalization of the economy and changes that has come into the production process. The work of the TUC is considerably supported by their affiliation to the Organization of African Trade Unions Unity (OATUU) and the International Confederation of Free Trade Unions (ICFTU) especially in area of capacity building (Anyemedu 2000). The TUC also has bilateral relationship with unions in the Netherlands and other Swedish counterpart.

Even though the local TUC and its affiliates and the GLF and their members still play an important role in contemporary struggle; however it has become apparent that national (local) trade unions are not sufficient on their own to address the international process that affect the worker, their dependents and the civil society. According to Moody(1997) even though most struggles is ultimately national or even local is not to say that international coordination and actions are not important to the success of trade union in today's globalizing international economies. The idea of internationalism and global coordination is occurring in the context in which economic and social pressure on workers and their dependents are pushing them to act to save the industry and to save their workers as in the case of the Ghanaian textile industry.

With some few exceptions Moody (1997) argues that the state does not provide any 'comfort zone' for workers and their unions anymore. In the case of Ghana, the old corporatism is

gradually being diminished and a new form of trade unionism is been born. The ending of state control over the unions movement and the effort to remove barriers to collective bargaining bringing about the separation of government, trade unions and employers has meant that for the unions to rise from their past glories they need to coordinate their actions with other trade unions who are sympathetic of their cause and organizations that can assist them.

Definitely we need international support. We are active members of the International Trade Union Confederation (ITUC). We also have partners in the Netherland and some parts in Europe. Where do you think we get the money to do all that we are doing? They support us; we don't have the means (TEGLEU Official).

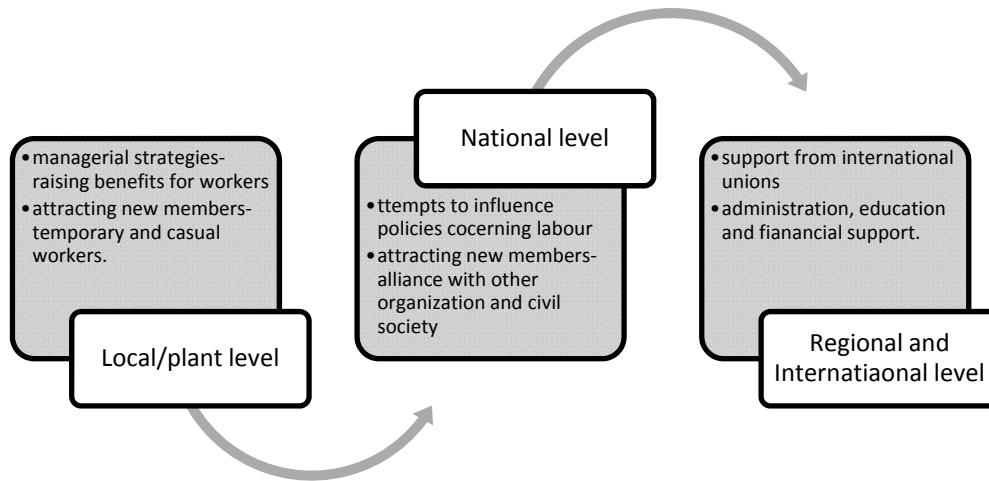
The work of the TUC has been supported by their coordination with the international organizations. Through reports, commentaries, publications of the leading issues in the labour market and trade unionism, the TUC has become up to date with issues in the international economy and how they affect the economy and the labour market (Anyemedu 2000). Most important is the conferences, workshops and the seminars both locally and internationally that equip the union activists on the work of the unions.

The challenge faced by many trade unions in Africa call for a new approach which should take into consideration a wider geographical perspective of their challenges and strategies. Henk (1995) argues that the new approach to survival should take the wide geographical regions as the point of departure. He further notes that aspects of labour, work and employment should be defined in larger context, rather than just the national borders, given the globalization of economic forces, patterns of industrialization and technological development. Castree *et al* (2004) is also of the view that today, the possibility of international corporation and organization are greater than before with the upsurge of telecommunication which make it easier to connect previously separated working communities and struggles.

The establishment of the African office (ITUC-Afro) has proven to be very beneficial to African trade unions in terms of generating programmes targeted at issues affecting African workers and unions. In 1993, the conference on the social dimension of structural adjustment programmes, a workshop on export processing zones and recently a new project approach to structural adjustment have been launched (Anyemedu 2000:14).

Dramatic level of internationalization has occurred within the last decade. Workers have re-scaled their activities from the local plant level and the national level to regional and international level.

Fig 5.1. Workers scalar strategies



Concluding remarks

From the above discussions we realize that unions are still very important in the struggles of the working class and most importantly the Ghanaian textile industry. We realize that, labour, even though for some time now has been seen as just a passive victims in the capitalist creation of landscapes, I will draw on Herod (2001) and argue that workers and their unions too are active geographical agents whose activities can shape political, economic and social spaces both at the local and at the international level. In the phase of declining textile industry and the inevitable effect on labour, the unions have not relented in their efforts to fight for their members even though they continue to face serious challenges. As mentioned in section 4.2, if the unions are to exert any decisive feature in the labour market they need to be able to influence national policies concerning labour. In this study, we see that the unions both the TUC (ICU) and TEGLEU have sent various petitions to parliament and sometimes sponsoring representative at parliament to lobby on their behalf. In addition, due to the great loss of membership due to retrenchments and the recent employment of temporary workers, the unions have again, challenged it by unionizing the temporary workers as well. The recent economic and industrial restructuring and the weakening of formal unions have made unions realize the spaces and people outside the workplace and have tried to incorporate them in the union structures. The TUC have formed alliances with other unions as well as assisting the workers in the informal sector and sometimes trying to incorporate them in the union

structure. Women are also unionized and encouraged to take leadership positions in the various unions as they have good organization skills. With increasing internationalization of capital and the textile industry becoming part of a global industry, there is the need for the unions to also scale up their activities by seeking support both from both international and regional unions.

Chapter Six: Summary and Conclusions

This study began with the aim of assessing the impact of the decline in the textile industry in Ghana on workers and to find out how the workers are actually responding to the situation in which they find themselves. I started this by reviewing the Ghanaian economy in terms of politics and economic policies, impact on the Ghanaian workers and particularly the textile industry, the prospects and challenges. I believe that the opening of the Ghanaian economy for international competition apart from the benefits it brought to the economy, has been the principal force behind the decline in the industry and hence the workers. With this idea, I started off with the theory and the practice of neo-liberalism in the Ghanaian context which comes with structural adjustment programmes imposed by the IMF and the World Bank in chapter two. The role of the state in contemporary politics has been a contested one, but its relationship with capital and labour is crucial and has also been reviewed. Chapter four delineated the impact of the decline in the industry on labour and chapter five reviewed the responses of the unions towards the challenge. The rationale and the methods used in collecting and analyzing the data have also been outlined in chapter three. Based on the documents and the literature I read, the interviews conducted and personal observation I will then answer the questions posed at the beginning of this research.

How has the decline in the textile industry in Ghana affected labour standards?

The crises in the textile industry in Ghana have been mainly due to the recent competition in the textiles in the local market. The textiles that come to the market mostly are smuggled from neighbouring countries and sold at a relatively lower cost than the locally manufactured ones; hence the local industries cannot compete effectively with the imported goods. While this crisis obviously has a negative impact on the workers in the local industry, it is part of the wider neo-liberal restructuring in the world and most especially in Ghana. With the textile industry becoming part of the global economic system, all the conditions that are affecting the international trade have come into play in the Ghanaian textile industry. With workers seen as passive victims of the neo-liberal process and the effect it has on them being temporal, the damages caused by these processes especially to the working class is usually ignored.

From the study, it is apparent that the decline in the industry has had enormous impact on workers and their families and the general Ghanaian economy as a whole. It has caused some companies to close down production entirely, while those still in production are producing at

a lower capacity. Employment now is based on temporary employment contracts which are only valid within a specified time period and the employers have no obligation to extend the employment contract. Like many casual workers worldwide, there is high risk of job insecurity and no social protection for many workers. For those already in permanent job positions new forms of restructuring is been done where workers are allowed to work only few times in the month the whole year thus forfeiting the individuals annual leave which is a rights. All these methods are strategies used by employers as way of balancing the workforce and the demands for the goods, but it is also a way of exerting workplace control over labour. The textile industry is among the major industries that can be easily outsourced to other countries because of the low initial capital cost and the labour intensity involved. Some of the local industries are embarking on outsourcing, sending their designs to other countries to print the textiles and then repackaged and sold in the local market. This inevitably is the loss of job at the importing industry since most of the work is done outside the factory.

In this studies the concept of place has become very important that, workers from all over the world are now competing with each other for the same companies, they are fighting for the companies to produce in their communities and in their countries. Places have become where workers live and strive to make a living (Hudson 2001). Now these pose a great challenge to organized labour such as the TUC (ICU) of Ghana and the TEGLEU. The need to fight for their workers' rights is clashing with the need to save the companies. These two obviously having conflicting interest; labour and the capitalist and consequently have placed the unions in a difficult situation in which they have to sacrifice sometimes for the sake of the industries to still be in production. The militant base of the unions is being paralyzed gradually, as the unions have been drawn to the management side to see the problems of the industry rather than that of the workers. With this the unions have been made part of any decision taken by the management concerning their members. But in all these there is no equal position in the work place as noted by Moody (1997) that there is no win-win game but a zero-sum game where the hegemonic position of the employers is maintained. This brings a race to the bottom for the workers and their unions as they have to 'swallow bitter pills' which may seem, only temporal but the effect is enormous. This is worse in the Ghanaian case as there is not a common union that represents the interest of the textile workers. The fragmentation of the unions' bargaining power to the various local industries also poses a major threat to the workers as there is no collective agreement on the wages and the conditions of services.

Moreover workers and their families live in 'places' and as social reproduction an important aspect of the workers life and in the production process, what affects the worker at the sphere of production also affect that of the reproduction. With the extended family system still being part of the Ghanaian economy, any loss of job at the textile industry meant a great loss to most family members. This was also noted in the study as workers complained about the harsh situation they find themselves in and the difficult family responsibilities at home. The point to note here is that the decline in the industry has negatively affected labour in many ways by referring to the above discussions. But it also has the positive side of allowing the workers to see themselves as part of the process. Despite the challenges being faced by workers and their unions in the Ghanaian textile industry, dealing with it has not always being easy. The difficulty in dealing with the situation was captured in my interview with the General Secretary of TEGLEU. However it was also noted that they have not relented in their efforts to fight for their members no matter the challenges they face. This brings us to the second research question guiding this research;

What has been the role of trade unions in contesting the relations and conditions that regulate the utilization of labour?

Increasingly workers have had to hold on to whatever work they have and especially in the Ghanaian case with high rate of unemployment, whatever work one is doing especially in the formal sector is greatly appreciated. For workers to have better conditions of service and the prospects for individual advancement it depends on the activities and the bargaining power of the unions. In this theses it has been noted that despite workers declining capacity to sustain themselves, the sacrifices they have to make, threats of factory closure and the corporations with management on the side of union, the working class identity of the workers has not being lost but rather has being reinforced.

Recognizing that there is a problem in the industry and their willingness to work to protect the industry makes them an active part in the society and also in the capitalist production. They are not seen just as wage workers or as passive victims in the production process which sometimes faces crises. The unions have recognized the need to play a role at the national level, at parliament and in government policies to help protect the industry from total collapse. These include their petitions and memoranda to parliament on issues of tax and smuggling into the country. The results, according to Quartey (2006) has only being 'cosmetic' on part of the government in that the solution has just being administrative and

moral and not having any appropriate policies for the situation. But I believe that, if unions are to exert any decisive influence on government policies affecting the industry and labour, they should have a say at the national level and this could be seen as a step towards achieving that goal. Union members generally have been dominated by permanent workers in the textile industry but due to high levels of retrenchments and redundancies in the sector, the union membership have reduced drastically. It is also for this reason that the unions have taken it upon themselves to attract new members; to boost their numbers and to increase their financial standings to help them in their activities.

According to Moody (1997), a new form of class formation has accompanied the growth of industries in Africa and they find themselves in deep poverty, mass unemployment and the growth of the informal sector. The aftermath of economic policies has been deep and has increased the informal sector and at the same time created a new informal pattern even in the formal work. These new patterns are the casual labours, the temporary, and the contract workers. The study however indicates that, all these types of workers have their rights within the time they are employed and the unions have gone in to organize and bargain on their behalf within the time they are employed (even though their conditions may not be better as that of the permanent worker). Attempts have also been made to organize and incorporate the informal workers into the union structure and also to educate them about the situation. But it is challenging to organize the informal workers as the ILO recognizes that it will be unrealistic for unions to meet all the demands of such an expanding and a heterogeneous sector. The strength and the impact of the unions' activities can only be felt when they look beyond the workplace (Moody 1997). The role of women and other public sector unions are necessary steps to ensuring that their voices will be heard and their numbers and capacities will be sustained.

Also at the local level, the unions have also been able to raise the retrenchment benefits of their members; and not allowing the companies to take advantage of the crises to lay-off without adequate remuneration. This strategy of increasing the retrenchment benefits is a way of maintaining the old workers in order to consolidate the labour regime and also for the companies to benefit from the skills and the expertise of workers in times of crises.

Strategy at the local level has been recognized by writers such as Harvey (1998) that it is always easier for workers to associate with people they see everyday than at a distant place.

However we realize that the increasing and deepening of international economic integration and neo-liberalism policies have brought far reaching impact on workers both at the national and international level and therefore unions must not only limit their activities at the local and national level but also at the international level. The textile unions also in this field have sought for support from international unions all in their effort to fight for their members. But activities at the national level or international level depend on workers solidarity at the national level and commitment to the cause. This is the challenge facing the textile workers union in Ghana at the moment as the two biggest and surviving textile companies GTP and ATL are divided among unions; with no common union to embark on these activities.

As seen from the above summaries, this study had sought to see the changes and the impacts that have accompanied the decline in the textile industry in Ghana which was caused by many factors and how this has in turn caused the workers and their unions to see that they have a stake in the industries and its survival. The fight to save the industry and the workers at the same time is not easy, it involve many challenges and sacrifices not only in Ghana but the rest workers worldwide.

Reference

- Alain L. (1982). *Towards Global Fordism*, in New Left Review 32. 33-47
- Amin A. (ed) (1994). *Post-Fordism: A Reader*. Blackwell Publishers, Oxford
- Andrae G. and B. Beckman (1999). *Union Power in the Nigerian Textile Industry: Labour Regime and Adjustment*. Transaction Publishers, New Jersey.
- Anyemedu K. (2000) *Trade union response to globalization: case study on Ghana*. Labour and society programme Discussion Papers. 1-16
- Aryeetey E.(2005) *Globalization, Employment and Poverty in Ghana*. www.rrojasdatabank.info downloaded May 2009
- Bergene A. C (2007). *Class politics, hegemony and the ideology of social partnership*. Paper presented at the fourth annual historical materialism conference. SOAS, London.1-19
- Bergene A.C (2005). *Workers of the world, unite? A study of global solidarity in the textile and garment industry*. A thesis submitted in partial fulfillment of master's degree in human geography in the department of sociology and human geography, University of Oslo.
- Burawoy M. (1985). *The Politics Production: Factory Regimes under Capitalism and Socialism*. Verso London
- Busser E. (2006). *The Role of Core Labour Standards and Decent Work in Addressing the MFA Phase-Out in Jauch H. And Traub- Merz R. (Ed) (2006) The Future of the Textile and Clothing Industry in Sub-Saharan Africa*. Friedrich-Erbert-Stifung Publications Germany.
- Callinicos A. (2003), *Anti-Capitalist Manifesto*. Polity Press Cambridge UK.
- Castree, N., N. Coe and M. Samers (2004). *Spaces of work. Global Capitalism and Geography of Labour*. Sage Publications, London.
- Coffey A. and P. Atkinson (1996). *Making sense of qualitative data: complementary research strategies*. Sage Thousand Oaks, California.
- Cook P., Kirkpatrick C. Minogue M and Parker D (2004) *Leading issues in competition, regulation and development*. Edward Elgar Publications UK
- Dickens P. (1998). *Global shift*. Paul Chapman, London.
- Dooley L.M. (2002). *Case study research and theory building*. Advances in Developing Human Resources, Vol 4 No3 335-354
- Endressen S.B and Bergene A. C (2006). *Labour Standards and the Question of Industrialization Strategy: An African Example in Jauch H. And Traub- Merz R. (Ed) (2006) The Future of the Textile and Clothing Industry in Sub-Saharan Africa*. Friedrich-Erbert-Stifung Publications, Germany.

- Flanagan R. J (2006). *Globalization and Labour Conditions; Working Conditions and workers Rights in a Global Economy*. Oxford University Press, Oxford.
- Gomm R, Hammersley M. and Foster P. (ed) (2000) *Case study Method*. Sage Publications, London.
- Grant R. (2000). *Liberalization Policies and Foreign Companies in Accra, Ghana*. Environment and Planning A 2001, volume 33 pp 997-1014
- Hale A. and J. Wills (2005) *Threads of Labour*. Blackwell Publishing, Oxford
- Harrison B. (1994) *Lean and Mean; the changing landscape of corporate power in the age of flexibility*. Guilford Press, New York
- Hayek, F. A. (1960). *The constitution of Liberty*. University of Chicago Press, Chicago
- Henk T. (1995). *Globalization and Third World Trade Unions; the challenge of rapid economic change*. Zed Books, London.
- Herod A and L.L.M Aguiar (2006). *Introduction : Geographies of neoliberalism*. Antipode 38(3) 435-439 .
- Herod A and L.L.M. Aguiar (2006). *Cleaners and the Dirty Work of Neoliberalism*. Antipode 38(3) 425-433.
- Herod A. (1998). *Organizing the landscape: geographical perspectives on labor unionism*. University of Minnesota Press, Minneapolis
- Herod A. (2001). *Labour Geographies; workers and the landscape of capitalism*. Guilford Press, New York
- Hudson R. (2001). *Producing Places*. Guilford Press New York
- Humphries J. and J. Rubery (1984). *The reconstitution of the supply side of the labour market: the relative autonomy of social reproduction*. Cambridge Press. London
- Jauch H. and R. Traub-Merz (ed) (2006). *The future of the Textile and Clothing Industry in Sub-Saharan Africa*. Friedrich-Erbert-Stiftung Publications, Germany
- Jessop B. (1999). *State theory: putting the capitalist state in its place*. Polity Press UK
- Kraus J. (1988). *The political economy of trade union-state relations in radical and populist regimes in Africa* in Southgall (1988) (ed), *Labour and unions in Asia and Africa: contemporary issue*. The Macmillan Press, London.
- Lier D.C (2008). *The Practice of Neoliberalism: responses to public sector restructuring across the labour-community divide in Cape Town*. Thesis Submitted to the University of Manchester for the degree of doctorate of philosophy in the faculty of humanities.

- Manuh T. (1994). Women in the public and informal sectors under the economic recovery programme in Sparr M. (1994) *Mortgaging women's life: feminist critique of structural adjustment programmes*. Palgrave Macmillan, New York
- Mason J. (2002). *Qualitative researching*. Sage publication, London
- McCormick D. and C. Rogerson (ed) (2004). *Clothing and Footwear in African Industrialization*. African Century Publications, South Africa.
- Milton Friedman (1962). *Capitalism and Freedom*. University of Chicago Press Chicago
- Mohan G, E. Brown, B. Milward and A.B Zack-Williams (Ed) (2001). *Structural Adjustment; Theory, Practice and Impacts*. Rutledge London.
- Moody K. (1997). *Towards an international social movement unionism*. New left review 225: 52-72
- Moody K. (1997). *Workers in a lean world: unions in the international economy*. Verso London
- Munck R. (2002). *Globalization and Labour; the new great transformation*. Zed Books. London.
- Myrdal G. (1957). *Economic theory and underdeveloped regions*. Gerald Duckworth, London.
- Panford K. M (2005). *IMF/World Bank and Labour burdens in Africa*. Greenwood publications. UK
- Patton M.Q.(1990). *Qualitative Evaluation and research methods*. Sage Publications, London.
- Peck J. (2001). *Neoliberalizing states: Thin Policies/hard outcomes*. Sage Publications. London.
- Peck, J. (1996), *Work Place; the social regulation of labour markets*. Guilford Press New York.
- Peet, R., and Hartwick, E. (1999). *Theories of development*. Guilford Press New York.
- Perderson T. (2008). *Community's role in slum upgrading: empowerment through participation*. Master thesis in Human Geography, University of Oslo.
- Quartey P (2006). The Textile and Clothing Industry in Ghana in Jauch and Traub-Merz (ed)(2006) *The future of the Textile and Clothing Industry in Sub-Saharan Africa*. Friedrich-Erbert-Stifung Publications Germany
- Robert T. and A. Hite (Ed) (2000). *From Modernization to globalization: perspectives on development and social change*. Blackwell Publishers, Oxford.
- Sayer A. (2000) *Realism and Social Science*. Sage Publications. London

Scheyvens R. and S. Donovan (2003). *Development fieldwork : a practical guide*. Sage Publications, Los Angeles.

Schillinger H. B (2005) *Trade Unions in Africa: Weak but Feared* <http://library.fes.de/pdf-files/liez/02822.pdf> Downloaded May 25th 2008

Southgall R. (Ed) (1988) *Labour Unions in Asia and Africa; contemporary issues*. The Macmillan Press, London.

Stake E. R. (2006). *Multiple case study analysis*. The Guilford Press, New York.

Strauss A.L. and Cobin J. M (1990). *The basics of qualitative research*. www.suu.edu Downloaded April 2009.

Taylor G. and M. Andrews (2002) *Social partners or social movement? European integration and trade union renewal in Europe*. Labour studies Journal (spring) 2002.

World Bank policy research working paper No 184, Nov 30 1995

Yin R.K. (2003). *Case study research: Design and Methods*. Sage Publications, London.

Appendix

Interview guide

Union Officials

What has been the relationship between the textile industry in Ghana and Trade unions over the years

What is the current situation and the implication on labour standards

What do you think is the greatest challenge to the textile industry?

How big a threat do you perceive the competition from China in relation employment, wages and working conditions?

What have been the activities of the union over the years towards these challenges?

What has been the response from government and in your opinion has there been any improvement in relation to labour standards. What do you think must be done?

Has there been any strike action recently, if so what was the cause of the strike action. If there has been no strike actions, what do you think will cause any future strike action in the textile industry

Which issues are mostly debated in the Unions meetings

What do you consider to be the greatest challenge to the unions, are there any disputes, and what is the long term goal of the union?

Management

What would you say is the greatest challenge facing the textile industry

To what extent do you consider the competition from china to have affected the textile industry

How has the decline in the textile industry affected labour in terms of employment (casualisations and flexibilization) , wages and the general conditions of work?

What has being the response from government and has there being any improvement

What do you think can be done to save the local textile industry?

What is the company's relationship with trade unions over the year and what is the present relationship?

How do you perceive the activities of the trade unions? Positive or negative, what has been the reaction of the company?

What has been the most hotly debated issue between management and trade union; are there any disputes?

Workers

How long have you been working?

Has there been any changes in the conditions of work over the years; positive or negative

What was the previous situation like?

To what extent do you perceive the competition from China and smuggling to have affected the production level

Are you a member of TEGLEU/ ICU

How do you perceive the activities of trade unions; positive or negative

Do you think being a member of the trade union have helped you secure a better condition of service?

In your opinion what do you think can be done to save the textile industry?