Research Article

MINIMUM WAGE COMPLIANCE IN DEVELOPING COUNTRIES AMONG THE INFORMAL SECTOR WORKERS IN GHANA

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Abstract

Minimum wage legislations are applicable in most countries in the world and across continents. This research sought to assess the level of compliance of minimum wage legislation among informal sector workforce in Ghana. Literature in relation to wages such as components, types, classifications, compositions, determinants among others relative wage analysis were reviewed. A survey research was used with the adoption of a cross-sectional design that allowed the researchers to draw one or more samples from the population at one time period. The methodology then comprises research design, population, sample size and techniques, data collection procedure as well as data quality control. Using household and labour force survey data from varying informal sectors in Ghana as a developing country, the author calculated the rates of minimum wage compliance for employees covered by current legislation and assesses the average "depth" of violations. The level of compliance with minimum wage laws often depends on factors specific to each labour market. The research revealed, a substantial share of workers still earns less than the legal minimum wage. Enforcement has not kept up with growth in regulations to protect workers from low wages and poor working conditions. Several institutional structures shape enforcement, including the role of labour inspectors and the presence of unions. These enforcement enablers were non-functional and thus though make compliance negatively related to the ratio of minimum to median wages in Ghana, compliance rates with occupational or industry or location-specific minimum wage systems are more prevalent. Pursuance of informal minimum wages across sectors and the provisioning of adequate infrastructural base to expand employment opportunities shall on its own expand the economy and surge up wages to become living wages instead of pursuance of minimum wages. However, better compliance – especially for women, ethnic groups, and unskilled and informal workers – also depends on contextualized yet comprehensive minimum wage policies combining union/employer involvement, awareness-raising and credible enforcement.

INTRODUCTION

Workers are grouped into different categories. The categories come in the forms such as skilled and unskilled; formal and informal; professionals and non-professionals as well as white and blue collar jobs. Irrespective of the category a worker belongs, he/she must be given a reasonable compensation that befits the status and the contribution the worker makes towards the firm's productive systems and profit intent. The compensation payable to employees comes in many forms but the commonest of them is the payment of wages and salaries. OECD (2002) indicated wages and salaries consist of the sum of wages and salaries in cash and in kind. The emphasis was that wages and salaries include the values of any social contributions, income taxes, etc., payable by the employee even if they are actually withheld by the employer for administrative convenience or other reasons and paid directly to social insurance schemes, tax authorities, etc., on behalf of the employee. Wages and salaries may be paid in various ways, including goods or services provided to employees for remuneration in kind instead of, or in addition to, remuneration in cash. Wages and salaries in cash consist of wages or salaries payable at regular weekly, monthly or other intervals, including payments by results and piecework payments; plus allowances such as those for working overtime; plus amounts paid to employees away from work for short periods (e.g., on holiday); plus ad hoc bonuses and similar payments; plus commissions, gratuities and tips received by employees for work done or as an incentive for improved productivity.

Employers are at liberty to pay the wages and salaries but they are mostly guided by regulations in this discretion. One major principle that guides the types of compensation package to provide and the process of payment is minimum wage legislation that is commonly applied in many countries.

This, minimum wage policy has undergone much debate of which people argue has both positive and negative effects. In Ghana, the government through the Ministry of Employment and Social Welfare imposes minimum wage legislation that is dated as far back as 1957. The minimum wage law prevents employers from paying wages below a mandated level and the aim is to help workers have a decent income levels to enhance their social and economic wellbeing. Decades of economic research show that minimum wages usually end up harming workers and the broader economy (Wilson 2012). Wilson (2012) further postulated that minimum wages particularly stifle job opportunities for low-skill workers, youth, and minorities, which are the groups that policymakers are often trying to help with these policies. The practice of minimum wage legislation and determination has been operational for a long time in Ghana. Different views and concepts have been raised and discussed about its effectiveness and relevance in solving its objective.

Minimum wage, for all its noble intent and purpose in ensuring that workers are not unduly taken advantage of by miserly employers, is not a particularly effective means of guaranteeing that all workers are earning enough to meet their basic needs.

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In that disconnect lies the fundamental issue that commands discussion at the local, regional, and national level: how to ensure that Ghanaian workers are paid adequately.In relation to these reviews and discussions in connection to workers compensation effectiveness, the objective of this research study was therefore to analyse extent to which minimum wage have been enforced in a context characterized by a large number of casual and informal wage earners who operate beyond the reach of understaffed labour inspection services across Ghana.

LITERATURE REVIEW

There are several approaches used to define a wage. From www.slideshare.net/WelingkarDLP the term "wages" may be used to describe one of several concepts, including wage rates, straight-time average hourly earnings, gross average hourly earnings, weekly earnings, weekly take home pay, and annual earnings. Thus, the term "compensation" is of a recent origin which includes everything an employed individual receives in return for his/her work. Bhaumik (2012) indicated a wage is a basic compensation for labour and for labour per period of time referred to as the wage rate. Other frequently used terms for wages are payment per unit of time (typically an hour or year). Total compensation represents earnings and other benefits for labour. Wage income represents total compensation and unearned income. Wages are also referred to as economic rent, which is the figure of total compensation, after reducing the opportunity cost. Opportunity cost represents the cost of something in terms of an opportunity forgone (and the benefits which could be received from that opportunity) or the most valuable forgone alternative. Thus, the term compensation as a substitute word for wages and salaries is of recent origin. Wages is now considered as a cost factor. Therefore, strategic management of wages and salaries is very important for organizations. It has become imperative for organizations to balance the cost of compensation and employee motivation (for retention) to survive in a competitive world. Employee compensation is a better term than employee benefits or wages or salaries. What the employee provides the employer is a labour service, usually known as work.

According to Somvanshi (2012) the wage as a component of compensation is categorized into three (3) components such as minimum wage, fair wage and living wage. Minimum wage is the wage that is able to provide not only for bare physical needs but also for preservation of efficiency of worker plus some measure of education, health and other things. Fair wages is an adjustable step that moves up according to the capacity of the industry to pay, and the prevailing rates of wages in the area of industry. Living wage is that which workers can maintain the health and decency, a measure of comfort and some insurance against the more important misfortunes of life.

Cuong, (2011), referenced Freeman 1994; Dowrick and Quiggin 2003; Gunderson 2005 by indicating that minimum wages are the lowest hourly, daily or monthly wage that a government requires employers to pay to employees. The main argument for minimum wages is to increase the living standards of labourers, especially the poor. In addition, minimum wage increases can have other positive effects such as promoting labours' work effort and productivity, reducing

people covered in subsidy programmes, increasing consumption, aggregate demand and generation of multiplier effects.

In any event the minimum wage must be paid irrespective of the extent of profits, the financial condition of the establishment or the availability of workmen at lower wages. The wages must be fair, i.e. sufficiently high to provide standard family with food, shelter, clothing, medical care and education of children appropriate to the workmen. A fair wage lies between the minimum wage and the living wage which is the goal. Wages must be paid on an industry wise and region basis having due regard to the financial capacity of the unit. (http://www.citehr.com/type-wages.html)

The Minimum wage rate established by collective bargaining or by government regulation that specifies the lowest rate at which labour may be employed. The rate may be defined in terms of the amount, period (i.e., hourly, daily, weekly, monthly, etc.), and scope of coverage. For example, employers may be allowed to count tips received by employees as credits toward the mandated minimum-wage level. The modern minimum wage, combined with compulsory arbitration of labour disputes, first appeared in Australia and New Zealand in the 1890s. In 1909 Great Britain established trade boards to set minimum-wage rates in certain trades and industries. In the United States the first minimum-wage law, enacted by the state of Massachusetts in 1912, covered only women and children; the first statutory laws were introduced nationally in 1938. The intent of these laws was to shorten hours and raise pay in the covered industries. (Gerald 1993).

In Ghana, minimum wage has been applied since independence in 1957 and with reference from the Labour Act 2003, (Act 651) section 112, for its development, application, enforcement and review, it is stated there shall be the establishment of a National Tripartite Committee which shall be composed of:

1. the Minister who shall be the chairperson;
2. five representatives of the Government;
3. five representatives of employers' organization; and
4. five representatives of organized labour.

The law stipulates the functions of the National Tripartite Committee in section 113 as:

1. determine the national daily minimum wage;
2. advise on employment and labour market issues, including labour laws, international labour standards, industrial relations and occupational safety and health;
3. consult with partners in the labour market on matters of social and economic importance; and
4. perform such other functions as the Minister may request for the promotion of employment development and peace in the labour.

Encyclopædia Britannica (2013) indicated that minimum-wage legislation now exists in more than 90 percent of all countries, although the laws vary greatly. For example, in the United States the vast majority of individual states have minimum-wage legislation in addition to a set federal minimum wage. In the European Union (EU) most member states have national minimum wages; those that do not rely on trade unions and employer groups to establish minimum

earnings through the collective bargaining process. The minimum-wage rate in Argentina is set through collective agreement by the National Council for Employment, Productivity and the Adjustable Minimum Living Wages, which includes an equal number of government, employer, and worker representatives. Despite differing legislation, however, minimum-wage rates are generally set at higher-than-average levels in developing countries than they are in developed countries and in the EU. Countries that deviate from this trend include those of the Commonwealth of Independent States (CIS) and south eastern Europe.

Supporters of minimum-wage laws maintain that they enhance the work ethic and increase the standard of living of workers and that they decrease the cost of social welfare programmes and protect workers against exploitation at the hands of their employers. Opponents argue that minimum-wage laws hurt small businesses that are unable to absorb the costs of higher payrolls, increase unemployment by forcing employers to cut back on hiring, decrease education by encouraging citizens to enter the workforce, and result in outsourcing and inflation as businesses are forced to compensate for rising operation costs. Existing or proposed alternatives to minimum-wage laws include Earned Income Tax Credit (EITC) programmes, which aid low-wage earners through decreased taxes and tax refunds, and an unconditional social-security system known as basic income, which periodically provides citizens with a lump sum of money for their livelihood enhancement and growth.

Minimum Wage Coverage

To Rani, Belser and Oelz (2013), there is a widespread of perception in many developing countries that minimum wage laws do not cover certain labour market segments such as informal sector employment or non-unionized firms. Thus, in most countries such as Ghana, labour laws apply also to informal wage workers, even if they have no written contract. In most countries, certain provisions of minimum wages legislation are in fact specifically targeted at unskilled and low-paid workers or those in the informal sectors of the economy.

Factors that influence compliance

According to Bhorat (2014), the recent literature on minimum wage enforcement has focused on determining which factors influence compliance (or non-compliance) in developing countries and can thus be used to guide enforcement. This approach can be loosely designated the "determinants of non-compliance" approach and thus several insights have emerged from studies that take this approach. Argentina is one of the first attempts to empirically estimate the effect of government enforcement on compliance in a developing country (Ronconi, 2008). The study used the number of labour inspectors working in provincial public enforcement agencies as a proxy for enforcement activity and finds that the intensity of enforcement is a significant determinant of adherence to the law. A higher concentration of inspectors is correlated with increased fines for non-compliance and suggests that this is one channel through which enforcement effectively influences compliance. Another study in South Africa also used the number of labour inspectors as a measure of the intensity of enforcement (Bhorat, Kanbur, and Mayet 2012). However, it find an insignificant impact of the number of labour inspectors on compliance; the level at which the minimum wage was set had more marked effects.

Based on Bhorat (2014), the literature then suggests that there are four composite sets of variables that are important inputs for understanding the factors that shape and influence minimum wage outputs in developing countries:

- institutional factor;
- characteristics of inspectors;
- firm characteristics; and
- local labour market characteristics.

A template based on these inputs and outputs can help policymakers derive measures and formulate strategies to ensure an optimal environment for minimum wage enforcement and compliance. Institutional factors include the penalty structure for failing to comply with minimum wage regulations, the number of minimum wages, the resources allocated to enforcement, and the conduct of awareness campaigns. All play a role in shaping the levels of non-compliance with minimum wage legislation, but their importance varies with the country and labour market context.

The individual characteristics of inspectors can influence how effective they are at achieving compliance. These individual characteristics include:

- education;
- experience; and
- gender.

Firm characteristics affect the observed levels of enforcement and non-compliance with minimum wage legislation in an economy. Important characteristics include the size of the firm, the distance from the enforcement agency, the number of previous violations, and foreign ownership share.

Finally, local labour market characteristics, such as the unemployment rate, the average wage rate relative to the minimum wage, and the levels of unionization, also play a crucial role.

Indicators for minimum wage setting

Belser and Sobeck (2012) indicated the criteria for minimum wage setting listed under ILO Convention No. 131 and based on international practice, they suggests that social partners, governments and experts may find it useful to base their discussions on a few well-defined indicators, such as for example:

a. a minimum living wage threshold;
b. the ratio of the minimum wage to the average (mean and median) wage;
c. the number of employees directly affected by the minimum wage, and the impact on the country's total wage bill.

On Minimum Wage Increases and Erosion, Meer and West (2015) indicated that minimum wages set in nominal dollars and not adjusted for inflation makes the nominal wage differential between two jurisdictions become economically less meaningful over time. Minimum wage trends over the years in Ghana are not an exception.

Empirical discussion on minimum wage operations across countries

As Rani and Belsar (2012) indicated, a number of countries around the world have experienced positive changes which have contributed to the change in perception of the minimum

wage. They argues that in the United Kingdom, for example, a survey by political experts has identified the national minimum wage introduced in 1999 as the most successful government policy of the past 30 years. In emerging countries, too, minimum wages are making a strong comeback. In Brazil the reactivation of the national minimum wage since 1995 is widely credited – together with Bolsa família, a cash transfer programme – for the recent reduction in poverty and inequality (Berg and Tobin, 2011). In South Africa, wage floors were introduced in 2002 to fight the racial discrimination introduced under apartheid and to support the wages of millions of low-paid farm workers, hospitality workers, domestic workers and others in sectors where unions are weak. In China, new regulations were issued in 2004 in the face of growing concerns about increasing wage inequality. Finally, in Egypt and other countries rejuvenated by the "Arab Spring", governments have been forced to respond to the demands for minimum wages by young revolutionaries and trade unionists. The intended objectives of establishing minimum wages are to prevent the exploitation of workers by employers, to promote a fair wage structure, to provide a minimum acceptable standard of living for low-paid workers and, eventually, to alleviate poverty, especially among working families (ILO, 1992).

METHODOLOGY

From the goal perspective, the study is an applied research. With respect to types and nature of the problem, a descriptive research plus a survey method for data gathering was used. The methodology then comprises research design, population, sample size and techniques and data collection procedure as well as data quality control.

Research Design

For the purpose of this study, a survey research design was adopted. Saunders, Lewis & Thornhill (2007)identified seven (7) research strategies of experiment, survey, case study, action research, grounded theory, ethnography and archival research. Using survey is very beneficial as it allows the collection of data from a population in an economical manner and yield more control over research process and the sampling method used. This research adopted a cross-sectional design that allowed the researcher to draw one or more samples from the population at one time period. As a correlation research design type, it established a relationship between two variables in each case, i.e. one dependent and the other as an independent. A quantitative approach was used to quantify incidences, current conditions and investigated the relationship between the independent and dependent variables using information gained from the questionnaire and interviews conducted.

Population and Sampling Procedure

According to Ary et al (2002), population refers to the entire group of individuals to whom the findings of a study apply. It is whatever group the investigator wishes to make inferences about. The target population was all the employees, owners and operators of informal sector organizations in Ghana. The study population of interest in the fieldwork was the owners and managers and the other workers in the informal sector organizations. The individual persons owning or managing those organizations and the various employees constituted the sampling units for the study. The survey population for the study was drawn from the list of informal organizations obtained from the Metropolitan Assembly in Kumasi directorate. This population was the targeted group of interest for the study. The sample size was determined using the Krejice & Morgan table (1970) as cited in Amin (2005) and Gay & Diehl (1992), the method states that at least thirty (30) subjects are required to establish a relationship. The sample size selected for this study is three hundred and sixty (360) informal sector workers and business organizations operators. The study used a simple random sampling method for the selection of respondents with a response rate of 91.9%.

Data collection and Instrumentation

Data were collected from two main sources -primary and secondary sources. The existing data from documentary sources including published literature, office files/records, personal records and the internet search for current publication and information were evaluated. A self-administered questionnaire and face-to-face interviewing methods were used to collect primary data. The self-administered questionnaire method was used to elicit information relevant for the study from the respondents. The face-to-face interviewing method was used for some respondents who could not complete the questionnaire themselves. It ensured that all questions were answered and all responses were received. It saved time, reduced call backs and questionnaire mortality rate.

Thus, both questionnaire and interview were the main instruments used to collect data for this study. The questions required participants to respond to items on factors influencing minimum wage on compliance such as enforcement, implementation, punishment and rate of minimum wage. A section of the questions also required respondents to provide information on their demographic background. Respondents were also asked to provide information on whether they did or did not comply with the minimum wage regulations. I coded those who indicated that they complied with the minimum wage regulations as **1** and those who indicated that they did not comply as **0**. Sample items on the questionnaire were "employers do not comply with the minimum wage because of lack of awareness amongst the workers about minimum wage provisions" and "employers comply with the minimum wage because of the fear of being punished when caught.

Data Analysis Approach

To arrive at the intended analyses, the participants' responses were keyed into SPSS version **13.0** software and several sets of statistical analyses were performed: mean point value, standard deviation, variance and t-test of significance. One-way-analysis of variance (ANOVA) was employed to test the relationship between variables and respondents' background information. The t-test of significance was computed to test for statistically significant differences in the variables. A statistically significant set at **p < 0.05** assesses if the researcher's level of confidence in the sample also exists in the population (see, Bryman & Cramer 1990, p. 151; 2001, p. 159).

Data quality control

A reliability measurement was seen as suitable in this investigation. In the analysis, using the multiple analytical tools and mainly SPSS version **13.0** software program, a

Cronbach alpha reliability of **0.87** was obtained which shows that the research instrument had a strong reliability (see, Bryman & Cramer 1990, p. 71; 2001, p. 63; Reynaldo & Santos 1999; Saunders *et al.* 2000, p. 361). The face and content validity of the research instruments were ascertained by some experts in Test and Measurement. Thus, far the responses in the test and measurement, it was clear that respondents understood the research questions as they were well answered and presented.

FINDINGS & DISCUSSIONS

To provide focus and direction, two research hypotheses were formulated for the study as:

- There are significant relationships between factors that tend to determine minimum wage and job search in Ghana
- There are significant differences in the distribution of minimum wages compliance among the informal sector workforce in Ghana

The test of significance was primarily performed at the probability level of $p < 0.05$. A total of 331 of the 360questionnaires sent to the randomly selected sample were returned, which represented a response rate of 91.9%. The typical participants were operators and workers in the informal sector organizations in the Kumasi Metropolis. Based on the total number of respondents, information on their demographic characteristics is as displayed in Table 1.

Table 1 Participants' Demographic Characteristics

Independent Variables		Frequency	%
Gender	Male	106	32.10
	Female	225	67.90
Age	20-30 years	132	39.90
	31-40 years	122	37.00
	41-50 years	55	16.60
	51and Above years	22	6.60
Status	Operators	42	12.60
	Workforce	289	87.40
Educational Level	BECE	147	44.41
	WASSCE	121	36.55
	Diploma/Graduate	51	15.41
	Postgraduate	12	3.63
Length of Service	1-5 years	111	33.50
	6-10 years	76	23.10
	11-15 years	64	19.30
	16-20 years	57	17.20
	21 and Above	23	6.95

The descriptive analysis revealed significant relationships among facets of minimum wage, job seeking, and job tenure factors.

Table 2 Participants responses to job seeking factors

Variables	Ranking	Mean	Std. Dev	Variance
Job existence	1	3.54	2.17	4.69
Curtailment of job search	2	4.21	2.83	8.02
Achieving independence	3	4.89	2.48	6.17
Poverty reduction	4	5.83	2.46	6.04
Potential for growth	5	6.05	2.33	5.42
Participating in the labour force	6	6.63	2.29	5.26
Recognition in society	7	7.27	2.48	6.16
The work itself	8	8.14	2.55	6.49

Table 2 displays ranking of workers job seeking scores and minimum wage. Of the 8 variables of working related sources of minimum wage and job seeking related factors measured in this study, workers were most motivated by both the job availability and full engagement i.e. job existence, the work itself, labour force participating rate and potential for personal growth. The workers in the informal sectors tend to be satisfied if these factors are present in their job and believe that these will positively impact their job existence and continuous employment with the hope of being engaged in the labour force participation.

The sets of statistical analysis carried out to determine if significant relationship exist between jobs seeking factors and the existence of minimum wage (hypothesis 1). First, descriptive statistics were run to ascertain their mean values, and the result revealed that the most important factor of job seeking among Ghanaian informal sector workforce is job existence which has a mean rating of *3.54* while curtailment of job search was *4.21*, achieving independence and reducing poverty scored second and third with mean of *4.89*and*5.83* respectively. Potential for personal development growth opportunities *(6.05)*,being part of labour force participation(6.63), getting recognition in society (7.27)and the work itself with *8.14* in that order. To determine if relationship exist between informal sector workforce related search of job and minimum wage, an analysis using t-test was carried out. The results of the t-test indicated no significant differences *(t = 3.10, Df = 679, p. < .002)* between job seeking facets and their intensity. Thus hypothesis 1 was rejected.

To test what degree of differences exist between the distribution of minimum wages and the level of compliance among the informal sector workforce in Ghana, the respondents' demographic characteristics towards their perception of minimum wages compliance, ANOVA was employed. The independent variables tested are: gender, age, educational level, effort and responsibility. They were computed and the result showed that significant differences existed in the respondents' opinion based on their gender *(f = 13.26, p < .000)*. In other words, from the result, male workforce derived greater consideration when determining wage of the informal sector workers than their female counterparts. Likewise, there was a high statistical difference between workers age differentiation and their consequent wage determination in respect of the ages. Thus, informal workers of 20-30had a greater pay differential than those ages 31-40 and 41-50*(f = 11.28; p < .000)*. It became obvious from the computed ANOVA test that workers in the age brackets spanning 31 -50are more highly paid than others at *(f = 16.57; p < .000)*,they possess higher occupational and administrative experiences as possible reason for this result. Thus, hypothesis 2 is accepted indicating large variances exist in minimum wages without adequate compliance measures instituted.

CONCLUSION

We examined the minimum wage compliance in developing countries with particular reference to Ghana through an assessment of worker folks within informal sector enterprises. Much of the previous literature on the topic has assumed that the existence of minimum wage would result in a relatively rapid adjustment in employment and growth in the personal wellbeing of the affected. Thus, Meer and West (2015)

indicated on their studies of the impact of minimum wages in the United States of America (USA) were the first to suggest that the theoretical wage–employment trade-off does not always hold in practice: An increase in the minimum wage is not always synonymous with a decline in employment. Studies on developing countries have shown that introducing or increasing a minimum wage can have mixed effects.

The study based on the hypothesis indicated that minimum wage legislation exist in Ghana and practiced using tripartite committee comprising cross sectional groupings but lacked compliance and enforcement on the part of employers and employees when established. Thus, to the unorganized casual workers who account for two-thirds of all wage earners in sectors such as domestic work, construction, agricultural workers, restaurants, retail and wholesale services and nursing homes and private clinics among clearly brings out the effectiveness of the minimum wage coverage is mixed. In none of these sectors is there full compliance, and noncompliance seems to be particularly high and so enforcement seems to be a major issue even for sectors which are covered under the schedules of employment.

This is emphasized by the American Legislation Exchange Council (ALECL), (2014) as the problem plaguing developing countries is not minimum wage but rather shortage of jobs. The road towards full compliance with the minimum wage is still a long one and changes will take time.

The data indicate a fraction of workers are paid the minimum wage in response to the law, but the level of non-compliance remains high especially as time elapses. The relatively low levels of compliance imply that official enforcement efforts and non-official compliance pressures are not sufficient.

Recommendations & Managerial Implications

Minimum wage determination is relevant and applicable in countries where the laws are working and monitored as a tool to ensure equity in the compensation management among the worker folks. Informal minimum wage are more prevalent and acceptable among the informal sector workers folks and employers and it must be encouraged and practice effectively in a developing country like Ghana where compliance and enforcement of formally established is non-functional. Thus, with reference to informal minimum wage, sometimes a minimum wage exists without a law. Custom and extra-legal pressures from governments or labour unions can produce a *de facto* minimum wage. So can international public opinion, by pressuring multinational companies to pay Third World workers' wages usually found in more industrialized countries. The latter is a situation in Southeast Asia and Latin America as has been publicized in recent years, but it existed with companies in West Africa in the middle of the twentieth century. Blanket minimum wage levels for all industries could also be set as a fixed percentage of the GDP per capita or the income tax threshold of the nation.

Governments in developing countries especially like Ghana should provide appropriate incentives such as low interest rates, subsidies, effective financial service platforms and adequate infrastructure enabling environmental components of power, water, telecommunication, roads, rails, ports and harbours, airports, transportation, hospitals to create more jobsand also to propel the private sector either formal or informal to create jobs for prospective employees. Thus, the availability of jobs will enhance prospective employees' ability to bargain for right type and a value of compensation meaningful to meet their living standards and hence, provide them with the prospects of living wage.

The minimum wage legislation differentials can as well be implemented to resonate compliance as the one across board creates difficulties for those institutions found in remote areas of the country where commercial and industrial activities are less intensive and not so much vigorous. Thus, a worker residing in a typical remote area of a district assembly will incur fewer expenses in respect of rent, food, transportation among others as compared to his or her counterpart in a cosmopolitan area.

Above all, as indicated by Gindling et al (2015), a successful national campaign for minimum wage adoption, compliance and enforcement may serve as a starting point.

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