IN THE FIRST SESSION OF THE SIXTH PARLIAMENT OF THE FOURTH REPUBLIC OF GAHNA

REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES

ON

THE 2014 PROGRAMME BASED BUDGET ESTIMATES

FOR

THE NATIONAL LABOUR COMMISSION

December 2013
REPORT OF THE PARLIAMENTARY SELECT COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES
ON THE
2014 ANNUAL BUDGET ESTIMATES OF THE
NATIONAL LABOUR COMMISSION

1.0 INTRODUCTION

The Honourable Minister of Finance and Economic Planning, Mr. Seth
Emmanuel Terkper in accordance with Article 179 of the Constitution,
presented the Budget Statement and Economic Policy of the Government of
Ghana for the 2014 fiscal year to the House on Tuesday 19th November, 2013.

Pursuant to Standing Orders 140(4) and 184 of the House, Mr. Speaker
referred the draft Annual Budget Estimates of the National Labour Commission
to the Committee on Employment, Social Welfare and State Enterprises for
consideration and report to the House.

2.0 ACKNOWLEDGEMENT

The Committee met with the Acting Executive Secretary, Mrs. Bernice Welbeck
and officials of the National Labour Commission and deliberated on the 2014
Draft Annual Estimates of the Labour Commission. The Committee is grateful
to them for the information and support they provided during deliberations on
the estimates.

3.0 REFERENCE DOCUMENTS

In considering the draft Annual Estimates for the Commission, the under listed
documents were used as reference materials:

1. The 1992 Constitution of Ghana,
2. The Standing Orders of Parliament of Ghana
3. The 2013 Budget Statement and Economic Policy of the Government of
Ghana.


4.0 MISSION STATEMENT OF THE NATIONAL LABOUR COMMISSION

The Mission Statement of the National Labour Commission for the 2014 fiscal year is to develop and promote a peaceful and harmonious industrial relations environment through the use of effective dispute resolution practices within the context of the law, promotion of co-operation among the labour market players and mutual respect for the rights and responsibilities.

4.1 VISION STATEMENT OF THE NATIONAL LABOUR COMMISSION

The vision of the Commission is to promote a peaceful and harmonious industrial relations environment borne out of the firm understanding of and committed compliance with the labour Laws by all stakeholders to make the Ghanaian economy competitive to attract investment.

5.0 STRATEGIC POLICY OBJECTIVES

The strategic objectives of the National Labour Commission are to:

1. Facilitate and settle industrial disputes in accordance with the Labour Act, 2003 (Act 651).

2. Strengthen the capacity of the National Labour Commission to ensure speedy resolution of disputes.

3. Enforce rules and regulations governing labour administrations, international labour standards and ILO Conventions.

4. Promote social dialogue among the Tripartite Partners,

5. Strengthen the capacity of the Tripartite Partners.

6. Build staff capacity through training and development.

7. Deepen on-going institution and internalization and policy formulation, planning, monitoring and evaluation system at all levels.
8. Promote and protect the rights and responsibilities of employers and employees.


10. Improve the capacity of labour mediators and arbitrators.

11. Promote an enabling environment and effective regulatory framework for corporate management.

6.0 2013 PERFORMANCE

6.1 FUNDS ALLOCATED FOR THE 2013 FISCAL YEAR

For the implementation of activities for 2013 fiscal year an amount of Two Million, Eighty Four Thousand, Six Hundred and Twenty Three Ghana cedis (GH¢2,084,623) was allocated. Out of this, One Million Seven Hundred and Eighty Four Thousand Six Hundred and Twenty Three (GH¢1,784,623) was GoG, and ABFA was Three Hundred Thousand Ghana Cedis (GH¢300,000).

| Table 1: Breakdown of allocation for 2013 |
|-----------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                         | GOG             | DONOR           | IGF             | OTHER FUNDS     | TOTAL           |
| COMPENSATION OF EMPLOYEES               | 754,043         | -               | -               | -               | 754,043         |
| GOODS & SERVICES                        | 607,830         | -               | -               | -               | 607,830         |
| ASSETS                                  | 422,750         | -               | -               | -               | 422,750         |
| ABFA                                    | -               | -               | -               | -               | 300,000         |
| TOTAL                                   | 1,784,623       | -               | -               | 300,000         | 2,084,623       |

Source: Budget Statement and Economic Policy of GOG for 2013
Table 2: Breakdown of allocated and Released Funds

<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGET ALLOCATION GH¢</th>
<th>TOTAL RELEASES GH¢</th>
<th>TOTAL EXPENDITURE GH¢</th>
<th>DIFFERENCE BETWEEN RELEASES AND EXPENDITURE GH¢</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation of Employees</td>
<td>754,043.00</td>
<td>387,199.00</td>
<td>323,618.12</td>
<td>63,580.88</td>
</tr>
<tr>
<td>Goods and Services</td>
<td>607,830.00</td>
<td>120,318.00</td>
<td>82,788.45</td>
<td>37,529.55 (Warrant Received and Funds already Committed)</td>
</tr>
<tr>
<td>Non Financial Assets</td>
<td>422,750.00</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

6.2 REVIEW OF THE COMMISSION’S PERFORMANCE IN 2013

In the 2013 fiscal year funds allocated were committed to the following activities;

- The National Labour Commission received a total of 439 complaints from individuals, workers organizations/associations, trade unions and employers.
- A total of 215 were settled through facilitation and summary/formal hearings.
- 114 cases were referred to mediation for settlement.
- 41 cases were also referred to voluntary arbitration for settlement.
- 1 case is outstanding because the parties refused to go for compulsory arbitration.
- Again, 87 cases rolled over from 2012 were settled.
- The Commission received and paid GH¢400,000.00 to beneficiaries following settlement and awards made after handling of complaints. The amount excludes funds paid directly to beneficiaries by respondents.
### Table 3: Cases Referred, Settled, Outstanding and Reasons

<table>
<thead>
<tr>
<th>REFERRALS</th>
<th>NUMBER SETTLED</th>
<th>NUMBER OUTSTANDING</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Referral for Facilitation</td>
<td>371</td>
<td>215</td>
<td>156</td>
</tr>
<tr>
<td>Referrals for Mediation</td>
<td>156</td>
<td>114</td>
<td>42</td>
</tr>
<tr>
<td>Referrals for Voluntary and Compulsory Arbitration</td>
<td>41</td>
<td>34</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: National Labour Commission

### Table 4: Status Of Outstanding Complaints From January – August 2013

<table>
<thead>
<tr>
<th>Number of Cases</th>
<th>Process</th>
<th>Settlement Record (Near Settlement)</th>
<th>Number Outstanding (Undergoing Settlement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>68</td>
<td>Facilitation</td>
<td>49</td>
<td>19</td>
</tr>
<tr>
<td>114</td>
<td>Mediation</td>
<td>93</td>
<td>21</td>
</tr>
<tr>
<td>41</td>
<td>Arbitration</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>1</td>
<td>Compulsory Arbitration</td>
<td>1</td>
<td>Nil</td>
</tr>
<tr>
<td>224</td>
<td></td>
<td>173</td>
<td>51</td>
</tr>
</tbody>
</table>

Sources: National Labour Commission

### 7.0 STRIKES IN 2013

Fourteen (14) strikes were recorded in the year. Eight of the strikes were by public service workers and related to the implementation of the Single Spine Salary Structure.
Over one million workers were involved and the strikes lasted between one week to three months.

The man hours lost during the period of strike are as follows:

✓ Minimum 56 hours and maximum 672 hours (per employee and calculated on 8 hours basis)

Total Loss of Productivity Hours:
✓ Minimum 56,000,000 (Hours) Maximum 672,000,000

8.0 OUTLOOK FOR 2014

8.1 FUNDS ALLOCATED FOR THE 2014 FISCAL YEAR

For the implementation of activities for 2014 an amount of GH¢2,378,174 has been allocated. Out of this GoG is GH¢2,378,174.

The breakdown of the allocation is as follows:

<table>
<thead>
<tr>
<th></th>
<th>GOG</th>
<th>DONOR</th>
<th>IGF</th>
<th>OTHER FUNDS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COMPENSATION OF EMPLOYEES</strong></td>
<td>1,000,572</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,000,572</td>
</tr>
<tr>
<td><strong>GOODS &amp; SERVICES</strong></td>
<td>930,849</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>930,849</td>
</tr>
<tr>
<td><strong>CAPEX</strong></td>
<td>446,753</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>446,753</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2,378,174</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,378,174</td>
</tr>
</tbody>
</table>

Source: Budget Statement and Economic Policy of GOG for 2014
8.2 ACTIVITIES FOR 2014

The funds allocated would be committed to the following activities:
➢ Promote the use of dialogue amongst the social partners in the management and/or handling of industrial relations to effectively minimize labour agitations.

➢ Promoting the rights, responsibilities and duties of both employers and employees.

➢ Will improve efficiency in its service delivery through effective and speedy facilitation of industrial disputes and disagreements.

➢ Promote the use of Alternative Dispute Resolution Mechanisms in the settlement of industrial differences.

➢ Promote good faith negotiations at the enterprise level to ensure reduction in labour agitations.

➢ Ensure prompt enforcement of its decisions, awards and orders in the Law courts where parties fail to comply.

➢ Respond promptly to appeals against its decisions, orders and directives.

➢ Engage social partners in labour to chart effective means to addressing both employers and employees concerns

➢ Strengthen the capacity to manage industrial disputes effectively.
### 9.0 Strategies to Manage Issues of Labour In 2014

<table>
<thead>
<tr>
<th>ISSUES</th>
<th>POLICY OBJECTIVE</th>
<th>STRATEGIES</th>
<th>INDICATORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-compliance to labour laws, regulating employment relations</td>
<td>Protect employment</td>
<td>Ensure adherence to laid down procedures in the management of employment relations at enterprise level</td>
<td>Protect rights responsibilities and duties of employers and employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Illegal industrial actions/lockouts prevented</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Effective labour management co-operation enhanced.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Employers and employees obligations in employment relations developed.</td>
</tr>
<tr>
<td>Non-adherence to procedures for addressing industrial disputes</td>
<td>Promote efficiency in the resolution of industrial disputes</td>
<td>Strengthen collective bargaining at enterprise level.</td>
<td>Establish internal grievance handling procedures at enterprise level.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Peaceful Industrial relations environment ensured</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Established conditions of service for workers.</td>
</tr>
<tr>
<td>Poor Industrial or Labour Relations</td>
<td>Promote harmonious labour relations</td>
<td>Broaden knowledge in the implementation of labour laws (Act 651) and regulations among stakeholders (tripartism)</td>
<td>Knowledge in Act 651 increased. Industrial agitations minimized Good faith negotiations enabled. Efficient and effective dispute resolution processes established. Enhanced capacity of personnel of commission</td>
</tr>
</tbody>
</table>

10.0 OBSERVATIONS AND RECOMMENDATIONS

10.1 COMPENSATION OF EMPLOYEES

It was realised that eleven (11) employees engaged in July 2012 were not paid until October 2013 due to delays in the employment process. The Committee considered the situation unacceptable and urged the commission to ensure that arrangement for salaries are made before new staff are engaged.
It was again observed that out of GH¢754,043.00 allocated for employee compensation, only GH¢387,199.00 has been released. Out of the amount released GH¢323,618.12 has been expended leaving a balance of GH¢63,580.88. It was explained that releases have not been made towards the allowances of Commissioners, car maintenance and newly engaged staff. The Committee urges the Ministry of Finance to ensure that funds for Compensation of employees are released on time to ensure industrial harmony.

10.2 GOODS AND SERVICES

The Committee noted that the Commission was not able to perform its core mandates of educating and sensitizing stakeholders on the Labour law (Act 651) due to none release of funds. The Commission could not also train its staff in the 2013 fiscal year. The Committee considers the situations very unacceptable since most of the strikes experienced within the year were due mostly to the lack of understanding of the labour law. The Committee recommends that the Ministry of Finance should commit funds to these activities to ensure reduction in labour agitations.

10.3 NON-FINANCIAL ASSETS

No releases were made towards non-financial assets in the 2013 fiscal year although the Commission has for the past three years made requests for vehicles and office equipment. Considering the important role played by the Commission in labour relations, the Committee urges the Ministry of Finance to commit funds to the purchase of cars and office equipment this fiscal year to enable the Commission improve on its performance.

10.4 ALTERNATIVE DISPUTE RESOLUTION

The Committee lauded the Commission for its commitment to the use of alternative dispute resolution in the handling of labour disputes since it would further enhance relations in the labour front. The Committee considers the strategy laudable because it would lead to a reduction in the number of labour agitations in the country and promote harmony since the resort to the courts has not been of much help.

10.5 PERFORMANCE INDICATORS

The Committee further realised that some of the performance indicators set by the Commission are not realistic and measurable. The Committee for instance wondered how increased knowledge could be measured. It therefore directed
the Commission in future to set realistic and measurable indicators to allow for better assessment of performance.

9.0 CONCLUSION

The National Labour Commission plays a critical role in promoting peaceful and harmonious industrial relations through effective dispute resolution practices within the context of law. It is therefore important that it is funded adequately to ensure that peace prevails in the labour front.

The Committee therefore recommends the adoption of its report and the approval of an amount of Two Million, Three Hundred and Seventy Eight Thousand, One Hundred and Seventy Four Ghana Cedis (GH₵2,378,174) to support activities earmarked by the National Labour Commission for the 2014 fiscal year.

Respectfully submitted

HON JOSEPH ZAPHENAT AMENOWODE
CHAIRMAN

ANITA QUARTEY-PAPAFIO
CLERK