



***IN THE FIRST SESSION OF THE SIXTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA***

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

***ON THE***

***2014 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF  
EMPLOYMENT AND LABOUR RELATIONS***

***December, 2013***



***REPORT OF THE PARLIAMENTARY SELECT COMMITTEE ON  
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**1.0 INTRODUCTION**

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

Pursuant to Standing Orders 140(4) and 184 of the House, Mr. Speaker referred the draft Annual Budget Estimates of the Ministry of Employment and Labour Relations 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 following to deliberate on the 2014 Draft Annual Estimates of the Ministry of Employment and Labour Relations:

1. The Minister for Employment and Labour Relations, Hon. Nii Armah Ashietey, the Deputy Minister, Hon. Sekyere Antwi-Bosiako, the acting Chief Director, Mr. Roland A. Modey as well as Registrars, Directors and officials of the following departments and agencies:
  - a. Ministry Headquarters
  - b. Labour Department
  - c. Department of Factories Inspectorate
  - d. Department of Co-operatives

- e. Management Development and Productivity Institute
- f. National Vocational Training Institute
- g. Organisation of African Trade Union Unity
- h. Opportunity Industrialisation Centre
- i. Ghana Co-operative Council
- j. Integrated Community Centre for Employable Skills
- k. Fair Wages and Salaries Commission
- l. Ministry of Finance

The Committee is grateful to all who participated in the deliberations on the Draft Annual estimates of the Ministry of Employment and Labour Relations for the 2014 fiscal year and also for the information and support they provided.

### **3.0 REFERENCE DOCUMENTS**

In considering the draft Annual Estimates for the Ministry, 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. The 2014 Budget Statement and Economic Policy of the Government of Ghana.
6. The 2014 Draft Annual Estimates of the Ministry of Employment and Labour Relations.

#### **4.0 MISSION STATEMENT**

The Mission of the Ministry is to:

- a. promote gainful employment creation in all sectors of the economy through demand-driven employable skills training,
- b. Formulate policies and strategies to accelerate job creation in both formal and informal sectors of the economy,
- c. Co-ordinate all public and private sector employment interventions in segments of the economy
- d. Collate employment data in collaboration with the Ghana Statistical Service for planning and decision making on accelerated job creation
- e. Establish a labour market information system to link the unemployed and employers
- f. enhance harmonious industrial relations,
- g. promote social justice and protect the rights of workers through enforcement of labour laws and regulations and tripartism
- h. ensure equity in Public Sector pay management
- i. coordinate the timely production of labour statistics for decision making on accelerated economic growth and national development

#### **5.0 STRATEGIC POLICY OBJECTIVES**

The strategic policy objectives of the Ministry of Employment and Labour relations are to promote:

- Productivity and employment
- Human capital formation for national development
- Transparent and accountable governance
- Evidence-based decision making on labour and employment

## 6.0 REVIEW OF THE 2013 PERFORMANCE OF THE MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

### 6.1 FUNDS ALLOCATED FOR THE 2013 FISCAL YEAR

For the implementation of activities for 2013 fiscal year, an amount of Sixty One Million Two Hundred and Twenty Nine Thousand Eight Hundred and Eighty (**GH¢61,229,880**) was allocated.

Out of this, Fifty Four Million Nine Hundred and Sixty Eight Thousand Nine Hundred and Seventy Ghana Cedis (**GH¢54,968,970**) is GoG, SIP is One Million Ghana Cedis (**GH¢1,000,000**) and Five Million Two Hundred and Sixty Thousand Nine Hundred and Ten (**GH¢5,260,910**) is IGF.

The breakdown of the allocation is as follows:

Table 1: Allocation for 2013

	<b>GOG</b>	<b>DONOR</b>	<b>IGF</b>	<b>SIP</b>	<b>TOTAL</b>
<b>WAGES AND SALARIES</b>	21,877,488	-	-		<b>21,877,488</b>
<b>GOODS &amp; SERVICES</b>	32,094,410	-	4,084,593		<b>36,179,003</b>
<b>ASSETS</b>	-	-	1,176,317		<b>1,176,317</b>
<b>SIP</b>	997,072	-	-	1,000,000	<b>1,997,072</b>
<b>TOTAL</b>	<b>54,968,970</b>	<b>-</b>	<b>5,260,910</b>	<b>1,000,000</b>	<b>61,229,880</b>

Source: The Budget Statement and Economic Policy of GOG for 2013 fiscal year

## 2013 Allocations to Departments and Agencies under the Ministry

**Table 2: Breakdown by departments**

DEPT	WAGES & SALARIES	GOODS & SERVICE	ASSETS	IGF	TOTAL
	974,626.19	752,046.23	425,731.40		2,152,403.82
NVTI	6,825,596.24	175,930.44	49,853.60	2,529,288.36	9,580,668.64
MDPI	992,506.28	175,930.44	49,853.60	1,017,178.20	2,235,468.52
OIC	797,135.00	117,286.96	49,853.60	225,041.00	1,216,298.59
ICCES	1,996,576.00	155,531.06	49,853.60		2,201,960.66
DEPT. OF Coops	3,140,756.36	115,825.64	199,414.40	60,000.00	3,515,996.4
C-OP. COUNCIL	110,061.90	48,250.00	48,414.00		206,725.9
Coops. College	563,565.00	51,250.83	42,000.52		656816.35
LABOUR DEPT.	2,561,225.21	209,441.00	180,707.20	95,900.00	3,047,273.41
FAIR WAGES & SAL. COMM.	1,258,981.90	167,552.80	27,707.08		1,454,241.9
DFI	762,262.36	125,664.60	1,000,000.00	130,185.44	2,018,112.4
<b>TOTAL</b>	<b>19,983,292.44</b>	<b>2,094,410.00</b>	<b>1,997,072.00</b>	<b>4,084,593.00</b>	
Special Programmes					
GYEEDA	1,894,195.56	28,000,000.00	0		29,894,195.56
GEBSS	0	1,000,000.00	0		1,000,000.00
Labour Office Complex	-	1,000,000.00	1,050,000.00		2,050,000.00
<b>TOTAL</b>	<b>21,877,488.00</b>	<b>32,094,410.00</b>	<b>3,173,389.00</b>	<b>4,084,593.00</b>	<b>61,229,880.00</b>

Source: Ministry of Employment and Labour Relations

## 6.2 ACTIVITIES FOR 2013

The Ministry of Employment and Labour Affairs was allocated a sum of Sixty One Million Two Hundred and Twenty Nine Thousand Eight Hundred and Eighty (**GH¢61,229,880**) for its activities however only **GH ¢23,872,206.61** was released. The breakdown of the releases is as follows:

<b>Economic Classifications</b>	<b>2013 Budget Allocation</b>	<b>2013 Actual Releases</b>	<b>Percentage Releases</b>
<b>Compensation of Employees</b>	21,877,488.00	19,540,469.94	89.32
<b>Goods and Services</b>	32,094,410.00	855,926.67	2.67
<b>Assets</b>	1,997,072.00	-	-
<b>IGF</b>	5,260,910.00	3,475,810.00	66.07
<b>Total</b>	<b>61,229,880</b>	<b>23,872,206.61</b>	<b>38.99</b>

Source: Ministry of Employment and Labour Relations

The released amount of **GH¢23,872,206.61** was committed to the following activities in the 2013 fiscal year:

### 6.2.1 Skills Development for Employment Creation

Focus was placed on Skills Development for Employment Creation as part of the Ministry's avenues of creating jobs for the good people of Ghana. The NVTI, MDPI, OIC and ICCES jointly trained a total of 21,802 out of the estimated figure of 42,531 persons in various trade areas. In addition, 251 OIC graduates were assisted and placed into employment. 3,639 trainees were again placed in internship programs to acquire on-the-job skills.

The Ministry collaborated with key stakeholders and developed a Labour Intensive Public Works Policy Framework and a National Employment Policy to guide employment creation and enhance job opportunities for unemployed Ghanaians.



### **6.2.2 Job Creation and Development Programme**

The various modules under GYEEDA were revised and a new approach developed to make the programme more responsive to skill acquisition and expansion of productive opportunities for the youth.

The Department of Corporatives reviewed the Youth in Agriculture Module under GYEEDA and registered 1,757 Youth Corporatives in the ten (10) regions. 34,659 youth were also engaged in productive co-operative ventures.

In addition, a new “Triangular Module” that links beneficiaries to skills development institutions and viable corporative societies to enhance their employment opportunities was also developed.

### **6.2.3 Labour Administration Programme**

The Ministry successfully settled sixty (60) labour disputes and issued One Thousand Two Hundred and Sixty Nine (1,269) Tender Certificates as well as Twenty Seven (27) Bargain Certificates.

The Ministry commenced dialogue with the Ghana Statistical Services on the establishment of a functional Labour Market Information System.

The Ministry registered 142 new workplaces and conducted 663 workplace inspections to enforce Occupational Safety and Health Standards.

The Ministry also investigated five (5) reported industrial accidents for payment of compensation to victims and provided technical guidance for the development of the National Occupational Safety and Health Policy.

#### 6.2.4 The Single Spine Salary Structure

The correction of distortions and inequities in the public service pay structure through the implementation of the single spine salary structure is on course inspite of the challenges being experienced. Statistics indicate that 479,497 out of the target of 480,000 public workers were migrated onto the single spine salary structure.

In collaboration with social partners, the National Tripartite Committee also successfully negotiated the National Minimum Wage and determined the 2013 Base pay and Pay point relativity.

#### 7.0 ALLOCATED FUNDS FOR 2014

For the implementation of programmes for the 2014 fiscal year, an amount of **GH¢38,542,298** has been allocated. Out of this GoG is **GH¢34,917,348** and **GH¢3,624,950** is IGF.

The breakdown is as follows:

	<b>GOG</b>	<b>DONOR</b>	<b>IGF</b>	<b>TOTAL</b>
<b>WAGES AND SALARIES</b>	25,000,000	-	-	<b>25,000,000</b>
<b>GOODS &amp; SERVICES</b>	8,696,485	-	2,791,078	<b>11,487,563</b>
<b>ASSETS</b>	1,220,863	-	833,873	<b>2,054,736</b>
<b>TOTAL</b>	<b>34,917,348</b>	-	<b>3,624,951</b>	<b>38,542,298</b>

Source: The Budget Statement and Economic Policy of GOG for 2013 fiscal year

## **7.1 ACTIVITIES FOR 2014**

**The breakdown of activities is as follows:**

### **7.2 Job Creation and Development Programme**

In 2014, Five Hundred and Sixty Thousand Four Hundred and Forty One (560,421) youth would be trained and sixty to seventy percent of them would be employed through the co-operative system in the medium term.

The Ministry will also coordinate all public and private job creation initiatives and establish a national database to inform Government policy on accelerating employment creation.

A rationalization exercise will gain be carried out in collaboration with National Development Planning Commission (NDPC), Organised Labour, Ghana Employers' Association and the private sector to determine public private sector job creation initiatives that have potentials to accelerate employment creation and contribute to aggregate economic growth and national development.

NVTI and MDPI will collaborate with the Ghana Statistical Service to complete the Labour Demand Survey and conduct "Tracer Studies" to determine the number of 2012 trainees in gainful employment and in the segment of the economy in which they are.

In addition, the oil and gas sectors has been identified as one major area to create jobs for Ghanaians. In this regard, the Ministry will collaborate with the Ministry of Energy and COTVET to deepen the on-going off-shore and on-shore oil and gas skills training programmes. It is projected that about 2,400 Ghanaians will be trained out of which 76-85 percent will be directly employed by companies operating in the Jubilee Oil Fields.

### **7.3 Skills Development for Employment Creation**

The Labour Intensive Public Works Policy Framework and National Employment Policy developed in 2013 would be fully rolled out in 2014 to guide employment creation and enhance job opportunities for unemployed Ghanaians.

There would be further collaboration with the Ministry of Local Government and Rural Development, the Ghana Social Opportunities Project, the Ministry of Agriculture and District Assemblies to implement the Labour Intensive Public Works Policy Framework.

A “Tracy Study” will also be conducted 2014 to assess the impact of the vocational and technical skills training on employment creation in the economy, particularly in the informal sector.

### **7.4 Single Spine Salary Structure**

A nation-wide public sensitization and education on specific roles and responsibilities of employers and employees as enshrined in the Labour Act of 2003, Act 651, will be carried out by the Ministry in collaboration with Organized Labour, Employers’ Association, and other social partners. The Fair Wages and Salaries Commission will also carry out a national sensitization exercise to deepen public understanding and appreciation of Government policy on the Single Spine Pay Policy.

The Ministry will collaborate with social partners and enforce Labour Laws and Regulations in this respect. Institutions, Unions, Associations, and Establishments that contravene the Labour Act of 2003, Act 651 will be duly sanctioned.

The Fair Wages and Salaries Commission will also collaborate with the Controller and Accountant General's Department and the Head of Civil Service to carry out a national payroll survey that will rationalize nominal roll with pay roll of each public service institution. The objective is to clean the public service payroll and possibly reduce the Public Sector wage bill over time.

The Ministry will further collaborate with the Ghana Statistical Service, NDPC and Ministry of Finance to undertake a labour Market Survey to determine critical skills in short supply in the public service that qualify for the market premium. Beneficiaries will therefore be placed on the Single Spine Salary Structure as soon as the survey is completed. The appropriate market premium values determined shall not be part of or indexed to wages and salaries of beneficiaries.

Again as part of the implementation of the single spine salary structure pay will be linked to work and productivity in the public service. This enjoins employers in line with Section 168 (2 &4) of the Labour Act of 2003, Act 651, to pay for work done and compensate for increases in productivity of employees. To implement these policy directives, national frameworks will be developed by the Ministry to link pay to work and productivity and productivity index in the public service.

## **7.5 Labour Market Information System (LMIS)**

The production of timely and reliable labour statistics underpins effective employment policy formulation and national development planning. To this end, the Ministry will collaborate with the Ghana Statistical Service, Ministry of Finance, Employers' Association, Research Institutions and the District Assemblies to establish a functional Labour Market

Information System that will aid production of labour Market Information for national planning.

#### **7.6 Child Labour**

Ghana is a signatory to international protocols and agreements on ensuring that children are not used for or exploited in the production of goods and services for domestic consumption and for exports. In this regard, Government will collaborate with domestic and external partners to ensure that children are not exploited in economic ventures, particularly in the cocoa, fisheries, quarry and mining segments of the economy. The Ministry will collaborate with MOF and Cocoa Board and other partners, particularly the District Assemblies to implement the National Plan of Action on Elimination of Child Labour.

### **8.0 OBSERVATIONS AND RECOMMENDATIONS**

#### **8.1 GOODS AND SERVICES**

It was realised that out of the total amount of **GH¢32,094,410.00** allocated to the Ministry under Goods and Services only **GH¢855,926.67** (2.67%) was released. It was explained that out of the amount allocated, **GH¢30,000,000** was for the support of programmes under GYEEDA. The Committee was again informed that although the Minister for Employment and Labour signed the performance contract for GYEEDA and funds were allocated for the activities of GYEEDA under his Ministry, the Ministry of Finance did not released the funds his Ministry. The Committee considers the situation unacceptable because this makes accountability and oversight very difficult. It therefore recommends that the President should issue a policy directive on where GYEEDA should belong to forestall such occurrences in the future.

## **8.2 GHANA YOUTH EMPLOYMENT AND ENTREPRENEURIAL DEVELOPMENT AGENCY**

The Committee observed that although the Ministry of Employment and Labour Relations was not able to access funds allocated to GYEEDA for the 2013 fiscal year, another allocation of **GH¢176,309.00** has been made under Goods and Services for GYEEDA. It was explained that the allocation was for the Youth Employment and Entrepreneurial Programme and the Graduate Entrepreneurial Business Support Schemes of the Ministry of Employment and Labour Relations.

It was again realised that no allocation has been made for Employee Compensation under GYEEDA. The Committee was not provided adequate information concerning absence of the allocation.

The Committee considers the situation improper and calls on the Ministry of Finance to ensure that all programmes under GYEEDA are harmonized and presented under a single budget.

## **8.3 GRADUATE ENTREPRENEURIAL BUSINESS SUPPORT SCHEMES**

The Committee was informed that the scheme is geared towards graduates who come out of school with little or no professional skills. These graduates are registered, trained and assisted to develop business plans. They are also attached to industry to obtain desired skills. The Committee considers the programme laudable but recommends that it should be linked with GYEEDA. The graduates should also be attached to demand driven training institutions for easy access to the job market.

## **8.4 FAIR WAGES AND SALARIES COMMISSION**

The Fair Wages and Salaries Commission is an independent institution but is under the Ministry of Employment and Labour Relations. It does not therefore obtain adequate resources for its operations. The Committee therefore

recommends that the Ministry of Finance should decouple the Commission from the Ministry of Employment and Labour Relations as is the case of other Commissions to ensure that it is resourced adequately to perform its mandate.

The Committee also observed that the Commission was not able to recruit the needed critical technical personnel because of inadequate office space. However, the allocation made towards the completion of the Commission's office space is inadequate. It is therefore recommended that Ministry of Finance should release all the allocated funds for 2014 to ensure the completion of the office complex.

It was again realised that although the Commission has migrated 99.94% of Public Servants onto the Single Spine Salary Structure, it is yet to be migrated. The Committee recommends that an independent body should be engaged to migrate the Commission onto the Single Spine Salary Structure by the close of 2013.

#### **8.5 NATIONAL VOCATIONAL TRAINING INSTITUTE**

The National Vocational Training Institute is mandated to develop human resource through skill training using competency based apprenticeship, master craftsmanship, testing and career development.

It was realised that under the institute's international training programme, 200 Nigerians from the Delta State were trained in welding and fabrication, motor vehicle mechanization, general electricals and pipe lifting in 2013. The Committee was informed that nationals from Liberia, Burkina Faso and Equatorial Guinea have also benefitted from similar programmes.

The Committee commends the Institution for the initiative and recommends that more resources should be made available to the institution for retooling in order to attract more international students and generate more revenue.



## **8.6 OPPORTUNITIES INDUSTRIALISATION CENTRE**

It was realised that the Opportunities Industrialisation Centre over expended the allocation approved under Goods and Services because it retained all its Internally Generated Funds (IGF). The Committee recommends that the Ministry of Finance should provide a ceiling for the use of the centre's IGF. The centre should also advertise for patronage of its training programmes.

## **8.7 MANAGEMENT DEVELOPMENT AND PRODUCTIVITY INSTITUTE (MDPI)**

The Institute was established to among others support the implementation of key objectives of the Ghana Shared Growth Development Agenda and develop productivity improvement strategies by promoting best management practices.

The institution however has difficulty in retaining most of its consultants and professionals due to uncompetitive remuneration and poor conditions of service. The Committee recommends that approval should be given to the Institute to run academic programmes in order to retain its staff and generate more funds. The facilities of the institute should also be modernised to facilitate research and training.

The Committee again noted that the Institute's land in Tema is being encroached upon due to the lack of funds to complete the Institute's office complex. The Committee recommends that the Institute should dialogue with the Tema Development Corporation on the matter to ensure that the land is secured.

## **8.8 INTEGRATED COMMUNITY CENTRE FOR EMPLOYABLE SKILLS**

The programme is community based and assists the youth in the rural centres to acquire employable skills. It is targeted at school drop outs and aims at reducing the rural urban drift with its attendant problems of juvenile delinquency, child exploitation and drug abuse. It however relies on communities to provide structures and equipment for training. The programme

does not therefore benefit rural communities that are not well resourced. The Committee therefore recommends a restructuring of the programme to benefit all rural communities.

## **8.9 DEPARTMENT OF CORPORATIVES**

The Department of Corporatives exists to facilitate the development of vibrant co-operative enterprises capable of contributing to sustainable employment generation, poverty reduction and community development. The programme is a tool for development but has for the past 30 years not been provided a vehicle from government sources. It relies on very few vehicles provided by donors. Consequently, field staff of the department are not able to reach remote parts of the country.

There is also the need to train staff of the department to keep them abreast with changing trends in co-operative development. Training has however not been done for years due to lack of funds.

The Committee recommends that Ministry of Finance should release the department's allocation under Assets to support the purchase of a vehicle for operations.

## **8.11 COLLEGE OF CO-OPERATIVES**

The College exists to train the human resource of the Department of Co-operatives and the Ghana Co-operative Council. It is so under resourced that it could not train any of the co-operatives in 2013. The structure of the school is also dilapidated and does not attract potential students. Staff of the Department of Co-operatives are also trained in other institutions due to the lack of equipment and other infrastructure in the school. The Committee urges the Department of Co-operatives to train its staff in the school. The Department of Co-operatives should also assist by sourcing donor funds to rehabilitate the school.

**9.0 CONCLUSION**

A peaceful labour environment is essential for the development of every country. It is therefore imperative that the Ministry of Employment and Labour Relations is adequately resourced to coordinate all employment and labour issues to promote economic growth and national development. In that regard, the Committee recommends for the adoption of its report and approval of the sum for the sum of Thirty Eight Million Five Hundred and Forty Two Thousand Two Hundred and Ninety Eight Ghana Cedis (**GH¢38,542,298**) for the implementation of the activities of the Ministry of Employment and Labour Relations for the 2013 fiscal year.


Respectfully submitted



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**HON. JOSEPH ZAPHENAT AMENOWODE**

**CHAIRMAN**



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**MS. ANITA QUARTEY-PAPAFIO**  
**CLERK**

