

**IN THE THIRD SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

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

ON THE

**BUDGET IMPLEMENTATION/PERFORMANCE
REPORT IN RESPECT OF THE MINISTRY OF
EMPLOYMENT AND LABOUR RELATIONS**

November 2019

REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES ON THE ANNUAL BUDGET PERFORMANCE REPORT OF THE MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS FOR THE 2018 FINANCIAL YEAR

1.0 INTRODUCTION

The Annual Budget Implementation Report of the Ministry of Employment and Labour Relations for the 2018 Financial year was laid in Parliament on 9th April 2019 in accordance with Section 27 of the Public Financial Management Act, 2017 (Act 921).

Pursuant to Order 184 of the Standing Orders of Parliament, the Report was referred to the Committee on Employment, Social Welfare and State Enterprises for consideration and report.

Accordingly, the Committee met with the Hon Minister for Employment and Labour Relations, Mr. Ignatius Baffuor-Awuah, the Deputy Minister, Hon. Bright Wereko-Brobby and other officials from the Ministry on Tuesday, 12th November, 2019 and considered the report. The Committee is grateful to the Hon. Minister for assisting the Committee in its deliberations.

2.0 REFERENCE DOCUMENTS

The Committee was guided by the following documents during its deliberations:

The 1992 Constitution of the Republic of Ghana

The Standing Orders of the Parliament of Ghana

The Budget Statement and Economic Policy of the Government of Ghana for the 2018 Financial Year

The 2018 Programme Based Budget (PBB) Estimates of the Ministry of Employment and Labour Relations

The Public Financial Management Act, 2016 (Act 921)

3.0 PROCEDURE

The Committee examined the Budget Performance Report within the context of the Ministry's policy objectives for 2018, its budgetary allocation and releases, and the performance targets for the various planned programmes and activities, as contained in the 2018 Programme Based Budget Estimates (PBB) of the Ministry.

4.0 SCOPE OF THE PERFORMANCE REPORT

The 2018 Budget Implementation/Performance Report of the Ministry covered the following areas, among others:

- Policy Objectives for 2018
- Financial Performance for the period.
- Summary of expenditure by economic classification
- Policy outcome indicators and targets
- Key policy initiatives
- Retained IGF
- Staff establishment
- Actions taken on recommendations of Parliament in respect of Auditor General's Report, and
- Ongoing projects

5.0 POLICY OBJECTIVES FOR 2018

The Ministry of Employment and Labour Relations exists to co-ordinate employment and labour related policies and interventions to promote job creation and harmonious labour relations for socio-economic development. As part of measures aimed at achieving this mandate, the Ministry programmed to pursue the following policy objectives in 2018.

- Improve policy environment and institutional capacity for effective human capital development and employment policy management
- Create opportunities for accelerated job creation across all sectors
- Enhance labour productivity and
- Improve work place safety and health
- Enhance labour administration and promote harmonious labour relations
- Protect children against abuse and exploitation
- Provide timely reliable and disaggregated labour market data for effective planning and programming
- Ensure the provision of adequate training and skills development in line with global labour trends
- Encourage the formation of small business enterprises through the co-operative system
- Ensure adequate social protection for working force through pension reforms
-

6.0 PROJECTIONS FOR KEY PROGRAMMES AND ACTIVITIES

In pursuance with its policy objectives for the year under review, the Ministry projected to implement, among others, the following key programmes and activities under the 4 main budget programmes namely, management and administration, job creation and development, skills development and labour administration.

6.1 Management and Administration

- Develop a comprehensive Labour Migration Policy to facilitate labour migration and to protect Ghanaians who embark on work-related foreign travel.
- Procure ten thousand (10,000) ICT materials to strengthen its administration and also organise competency based training for 55 staff of the Ministry.

6.2 Job Creation and Development

- Increase the enrolment levels in the Youth Employment Agency (YEA) Programme from sixty-two thousand, one hundred and fifteen (62,115) to one hundred and twenty-five thousand (125,000).
- Pass the Co-operatives Bill into law and also register one thousand, two hundred (1,200) co-operative societies with an estimated membership of twenty-four thousand (24,000).
- Following the successful development of a National Youth Employment Framework by the Ministry, the Ministry programmed to collaborate with stakeholders to develop specific programmes and in the areas of agrobusiness, green jobs, industrial parks, business incubation, ICT Apprenticeship and Skills Development. The initiative was expected to generate sixty-five thousand 65,000 job opportunities for the youth.

6.3 Skills Development

- Train eight thousand (8000) persons, through the National Vocational Training Institute (NVTI) in various vocational trades. The NVTI also programmed to test and certify forty-five thousand (45,000) candidates in vocational skills. In addition, Management Development and Productivity Institute (MDPI) was expected to train one thousand, four

hundred (1400) persons in managerial and productivity enhancement skills.

6.4 Labour Administration

- Conduct through the Department of Labour three hundred and fifty (350) establishment inspections and place four hundred (400) job seekers in gainful employments. The Department also projected to settle at least ninety (90) of all reported labour complaints.

7.0 FINANCIAL PERFORMANCE FOR 2018

In year 2018, the Ministry of Employment and Labour Relations was provided with a budgetary allocation of Three Hundred and Eighty-eight Million, Six Hundred and Sixteen Thousand, Two Hundred and Fifteen Ghana Cedis (GH388, 616,215.00) for the implementation of its programmes and activities.

It is significant to note that out of the total amount allocated to the Ministry, a sum of Three Hundred Million (300,000,000.00) was earmarked for the Implementation of the Nation Builders Corps (NABCo) Programme, leaving GH88,616,216.00 for the Ministry's programmes and activities.

According to the Ministry, the implementation of the NABCo programme was expected to commence in January 2018. However, its implementation delayed until November of the same year, at a time the programme had been relocated to the Office of Government Machinery.

The breakdown of the Ministry's allocation by economic classification, and releases as at December 2018 is presented in the table below

Table 1 - Allocation and releases as December 2018

Item	Approved Budget (GHC)	Release (GHC)	Variance	% Release
Compensation	50,108,255.00	46,734,994.00	3,373,261.00	93.27
Goods & Services	34,637,518.00	18,559,230.00	16,078,288.00	53.58
Asset	3,870,443.00	2,086,877.00	1,783,566.00	53.92

TOTAL				
	88,616,216.00	67,381,101.00	21,235,115.00	76.04

8.0 ACHEVEMENTS

The Ministry utilised its budgetary allocation to implement various programmes and activities some of which are enumerated as follows:

- Launched the 2nd phase of the National Plan of Action for the Elimination of Child Labour (NPA2)
- Obtained cabinet approval for the unification of Public Sector Pension Schemes.
- Facilitated the formation and registration of 686 new co-operative societies. It also inspected 661 and audited 591 existing co-operative societies. 360 agricultural societies and 320 executive co-operative officers were trained by the Ghana Co-operative Council and Ghana Co-operative College in managerial and entrepreneurial skills respectively.
- The National Vocation Training Institute (NVTI), Opportunity Industrialisation Centres (OIC) and the Integrated Community Centres for Employable Skills (ICCESS) trained 7869 persons in various vocational trades. In addition the Management Development and Productivity Institute (MDPI) trained 644 persons in various managerial and productivity enhancement skills.
- The Labour Department conducted 450 work places/establishment inspections and placed 2485 job seekers in gainful employments.

Details of the key performance targets for 2018 and achievements are highlighted in Table 2 on the next page.

Table 2: Key Programme Performance Targets and Achievements - 2018

MIAN OUTPUT	Target 2018	Achievement (Perf. Report)	% Achieved
Management and Administration	PBB Pg. 27		
Information Education and Communication (IEC) Materials	10,000	-	-
Maintenance of ICT machines and infrastructure	4	2 Report pg. 16	50%
Competency-Based Training PBB Pg. 21	55	19 Report pg. 14	34.6%
Periodic review of employment and labour policies. PBB Pg. 24	2	2 Report pg. 15	-
JOB CREATION AND DEVELOPMENT	PBB Pg. 35		
Youth engaged under YEA modules	125,000	107,576	86%
Youth enrolled on the Youth in Agric module	10,200	1,200	-
Youth enrolled on the Trades and Vocations module	1,000 Rep.	-	
Youth enrolled on the Entrepreneurship	2,000	-	-
Youth enrolled on the Industrial Attachment module	12,000	226 PBB Pg. 36	1.9%
Cooperative Development			
Arbitration of Conflicts in the societies	40	-	-
Training of Artisans	240	360	133.3%
Training of Farmers	160	320 Report pg. 18	200%
No of Society Audit	450	591	131.3%
No. of Inspections carried out	450	661 Report pg. 18	146.9%
SKILLS DEVELOPMENT			
Vocational skills training for youth	11,519	12,829	11.4%
Master craft men trained	4,190	4,567 Rep. page 19	109.9%
Vocational institutions retooled	15	0	0
LABOUR ADMINISTRATION			
Employed and unemployed persons placed in job vacancies	2,500	2,485 Rep. pg 19	99.4%
Migrant worker placed in foreign jobs vacancies	2,000	No Report Rep. pg 21	-
Private employment agencies (PEA) Monitored	100	50	50%
Labour inspection conducted	400	450	11.2%

Source: PBB estimates 2018, Annual performance report 2018

9.0 OBSERVATIONS

9.1 The Committee noted that the Ministry recorded some commendable achievements and in some cases exceeded its target for some programmes. For instance, as highlighted in the above table, the Ministry achieved 147% of its target under Inspection of Books of Cooperative Societies and 200% under the Training of Farmers.

9.2 It is also significant to note that the Department of Labour, exceeded its projection for labour inspection by 11.2%. The Department of Factories Inspectorate also inspected 2,238 work places, registered 460 new work places, renewed 625 work place registration certificates and conducted 84 industrial hygiene service. It is worth noting that the Ministry ceded its 2018 GOG budgetary allocation for Capex to the Department of Factory Inspectorate. This enabled the department procure five (5) pick-up vehicles to facilitate its occupational factory inspections.

The Committee commended the Ministry for providing vehicles for the Factories Inspectorate, but expressed concern that the Factories Inspectorate and the Department of Labour continue to face resource constraints that makes it difficult for the two departments to perform their functions efficiently and effectively. For instance whilst the Labour department is currently operating from a dilapidated structure and lacks offices across the regions, the Factories Inspectorate is struggling for office accommodation as they have been asked to vacate their current location to pave way for the Ghana Marine Drive Project.

9.3 In addition, although the Department of Labour and the Factories Inspectorate generate funds internally through their operations, they are not allowed to retain a portion of the funds. Besides, the fees charged by the Department of Factories Inspectorate is out of current realities. The Committee strongly urges the Ministry of Finance to revise the fees upward to enable the Factories Inspectorate generate more IGF and possibly wean itself of government subvention.

9.4 During the year under review, the Ministry developed a draft National Labour Migration Policy aimed at streamlining labour migration and harnessing its potential benefits for development. Similarly, the Ministry finalised the Domestic Workers Regulations for submission to Cabinet. The Committee expressed optimism that the Labour Migration Policy and the Domestic Workers Regulations would contribute significantly to address the menace of child labour and protect the interest of domestic workers and labour migrants. The Committee therefore urged the Ministry to expedite action on

their passage and implementation to regularise the domestic work industry and also streamline the exportation of labour to other countries.

9.5 The Committee noted that in 2018, the Fair Wages and Salaries Commission successfully negotiated the 2019 National Daily Minimum Wage ahead of preparation of the 2019 Budget Statement. The determination of public sector wages prior to the preparation and presentation of the 2019 Budget provided room for government to predict, to a large extent, the public sector wage bill for the ensuing year and incorporate same into the national budget. The Committee commended the Ministry for the early negotiations on salaries and encouraged it to continue with the practice.

9.6 The Youth Employment Agency was allocated a sum of GH515, 834,919.00 for the implementation of its programmes and activities for 2018. The Committee noted however that as at 31st December 2018, only GH227, 913,677.00 representing 44.18% of the approved budget for the Agency stood as its actual expenditure. The low inflow of funds to the Agency from the Communication Service Tax, the District Assemblies Common Fund and the GETFund affected the planned programmes and activities of the Agency.

9.7 Committee observed that although the Ministry made significant achievements in many respects, it was not able to achieve some of its targets in some instances. For example, the Ministry projected to enrol 10,200 Youth in Agricultural Model of the YEA but managed to enrol only 1,200. The Ministry could not also meet its target in respect of monitoring of Private Employment Agencies, as only 50 out of the projected 100 employment agencies were monitored. Again, the target for industrial attachment placement was 12,000 but the reported enrolment was only 226. The Ministry explained that following the introduction of NABco, the Ministry ceded the recruitment of graduates, especially HND and first degree holders to NABco. The Ministry did not therefore proceed with the industrial attachment programme and that the 226 represented the people who were already enrolled in the system.

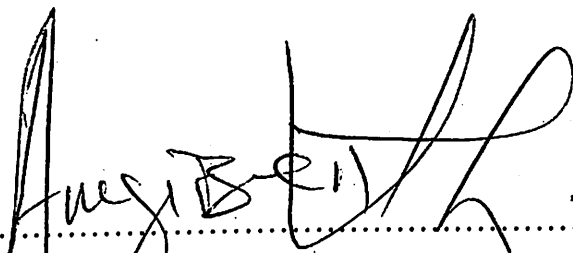
The Committee again observed that the Report did not provide information on some planned programmes like procurement of 1000 ICT materials and enrolment of 2000 youth in apprenticeship programmes. The Committee urged the Ministry to provide it (Committee) with detailed information on planned programmes which were not captured in the report.

10.0 CONCLUSION

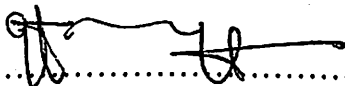
The Committee, having carefully examined the Budget Performance Report of the Ministry of Employment and Labour Relations for the 2018 Financial Year hereby submits that the Ministry was generally able to achieve most of its targets and objectives for the year under review. The various programmes and activities implemented were in line with the Policy objectives of the Ministry. The scope and the content of the Budget Performance Report satisfies the requirements prescribed in Section 27 of the Public Financial Management Act, 2016 (Act 921).

In the light of this, the Committee on Employment, Social Welfare and State Enterprises respectfully invites the House to adopt its report on the Budget Performance Report of the Ministry of Employment and Labour Relations for the year 2018.

Respectfully Submitted



.....
HON KWAME ANYIMADU-ANTWI
CHAIRMAN, COMMITTEE ON EMPLOYMENT,
SOCIAL WELFARE & STATE ENTERPRISES



.....
ANTHONY AGYEKUM
CLERK TO THE COMMITTEE