

**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

**ANNUAL BUDGET ESTIMATES OF THE
NATIONAL LABOUR COMMISSION FOR THE
2020 FINANCIAL YEAR**

December 2019

REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISE ON THE 2020 ANNUAL BUDGET ESTIMATES OF THE NATIONAL LABOUR COMMISSION

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2020 financial year was presented to the House on **Wednesday, 13th November 2019** by the Hon. Minister for Finance, Mr. Ken Ofori-Atta. Pursuant to Standing Orders 140(4) and 184 of the House, the Annual Budget Estimates of the National Labour Commission was referred by the Rt. Hon. Speaker to the Committee on Employment, Social Welfare and State Enterprises for consideration and report to the House.

Subsequently, the Committee held a meeting with the Executive Secretary of the National Labour Commission, Mr. Ofori Asamoah and his technical team on Thursday 5th, December, 2019 and considered the referral.

The Committee is thankful to the Executive Secretary and his team for their support. The Committee also expresses appreciation to the Ministry of Finance for designating officers to assist in its deliberations.

2.0 REFERENCE DOCUMENTS

The Committee made reference to the following documents during the consideration of the estimates:

- I. The 1992 Constitution of the Republic of Ghana
- II. The Standing Orders of Parliament of Ghana
- III. The 2019 Budget Statement and Economic Policy of the Government of Ghana.
- IV. The 2019 Annual Budget Estimates of the National Labour Commission.
- V. The 2020 Budget Statement and Economic Policy of the Government of Ghana

- VI. The 2020 Annual Budget Estimates of the Labour Commission
- VII. The Labour Act, 2003 (Act 651)

3.0 MANDATE OF THE COMMISSION

The Commission is clothed with the mandate to develop and sustain a peaceful and harmonious industrial relations through the use of effective dispute resolution practices within the context of the law. It is also mandated to promote co-operation among the labour market players and mutual respect for their rights and responsibilities.

The Commission, in pursuance of its mandate, performs a number of functions including:

- i. Facilitating and settling industrial disputes in accordance with the Labour Act, 2003 (Act 651)
- ii. Investigating labour related complaints, particularly unfair labour practices and taking the appropriate steps to forestall labour disputes
- iii. Promoting effective labour co-operation between labour and among management
- iv. Maintaining a database of qualified persons to serve as mediators and arbitrators
- v. Promoting and protecting the rights and responsibilities of employers and employees

4.0 FINANCIAL PERFORMANCE FOR YEAR 2019

4.1 The National Labour Commission was provided with a budgetary allocation of **Five Million, Three Hundred and Fifteen Thousand, Three Hundred and Fifty-nine Ghana Cedis (GH¢5,315,359.00)** to implement programmes and activities for the 2019 financial year. The allocation comprised Compensation - GH¢2,776,940.00; Goods and Services - GH¢1,588,419.00; Capex - GH¢950,000.00. The breakdown is represented in table 1

Table 1. 2019 Allocation and Releases

ITEM	APPROVED BUDGET (GH¢)	ACTUAL EXPENDITURE	VARIANCE	% Variance
Compensation	2,776,940.00	1,699,173.71	1,077,766.29	38.8
Goods and Services	1,588,419.00	1,499,315.46	89,103.54	5.6
Capex	950,000.00	934,042.66	15,957.34	1.7
TOTAL	5,315,359.00	4,132,531.83	1,182,827.17	22.3%

4.2 An amount of GHGH¢4,132,531.38 representing 77.7% of the total budgetary allocation had been released as at the end of October 2019.

5.0 ACHIEVEMENTS FOR 2019

During the year under review the Commission was able to achieve the following among others:

5.1 Settlement of Disputes

The Commission received and settled a number of disputes both from the private and public sectors. The Commission received a total of 530 complaints by the end of August 2019. Further, 93 complaints which were rolled over from the previous year (2018) were resolved by the end of August 2019. The Committee noted that the Commission resolved various industrial disputes - 232 through facilitation, 10 through mediation, 4 through settlement at voluntary/compulsory arbitration, and 99 through settlement by the Commission. In all, the Commission successfully settled 445 complaints constituting 84% of the total number of complaints filed and handled in 2019.

5.2 Payment of Compensation and Awards

A total amount of GH¢1,799,272.17 was paid through the Commission to beneficiaries after the settlement of their disputes by the Commission. The amount does not include outstanding payments and payments made directly to beneficiaries.

5.3 Notable Interventions

The Commission, during the year under review made important interventions in a number of disputes involving some unions like the Technical University Teachers Association of Ghana (TUTAG) and the Ghana Medical Association.

6.0 ALLOCATION FOR YEAR 2020

6.1 The Commission has been allocated an amount of **GH¢6,558,123.00** to cater for its programmes and activities for the 2020 financial year. Out of the total allocation, Compensation accounts for GH¢3,218,901.00 (49.1%); Goods and Services GH¢2,339,222.00; (35.7%), and Capex GH¢1,000,000.00 (15.2%).

Table 2: 2020 Economic Classification by Source

ITEMS	GOG	IGF	TOTALS	%
COMPENSATION	3,218,901	-	3,218,901	49.1
GOOD & SERVICES	2,339,222	-	2,339,222	35.7
CAPEX	1,000,000	-	1,000,000	15.2
TOTALS	6,558,123.00	6,558,123.00	6,558,123.00	100

Sources: Annual Budget, PBB estimates 2020

6.2 Table 2. Comparative analysis of 2019 & 2020 budgetary allocations

ITEM	2019	2020	% Increase
Compensation	2,776,940.00	3,218,901.00	16
Goods& Services	1,588,419.00	2,339,222.00	47.3
Capex	950,000.00	1,000,000.00	5.3
TOTAL	5,315,359.00	6,558,123.00	23.4%

7.0 OUTLOOK FOR 2020

In pursuance of its core mandate of facilitating the settlement of industrial disputes, and ensuring effective management and co-operation between labour and management, the Commission will among others:

- i. Strengthen and improve its internal mechanisms
- ii. Engage with public sector employer's representatives with the view to minimizing industrial disputes, with particular focus on the health and education sectors.
- iii. Make the services of the Commission more accessible by resourcing the newly opened regional office in Ashanti Region and also revamp the Western Regional Office.
- iv. Explore the possibility of opening two additional regional offices.
- v. Develop an electronic case management system to enhance service delivery.
- vi. Upgrade the Commission's website.
- vii. Educate the Ghanaian populace through the media by engaging with both the print and the electronic media.
- viii. Review the work flow system in order to inject more efficiency in the delivery of service.

- ix. Make effective use of mediation and arbitration services for expeditious resolution of industrial disputes
- x. Enhance staff capacity through training.
- xi. Establish a library for the purposes of research to facilitate quality decision-making.

8.0 OBSERVATIONS AND RECOMMENDATIONS

8.1 The Committee noted that the 2020 budgetary allocation to the Commission recorded an increase of 23.4% over that of 2019. Compensation increased by 16% whilst Capex recorded a 5.3% increase.

As at October 2019, an amount of GH¢1,077,766.29, which constitutes 38.8% of the allocation for compensation was still outstanding. The Commission explained that outstanding figure in respect of compensation was due to the non-payment of some compensation-related allowances, allowances of Commissioners, as well as transfer grants and compensation for 17 newly recruited personnel. The Committee expressed concern that the untimely payments of allowances to the Commissioners could serve as a disincentive to work.

The Committee therefore recommends the need to explore the possibility of treating the Commissioners allowances as statutory monthly salaries to address the problem.

8.2 The Committee was informed that the total expenditure on Goods and Services decreased at a rate of 16.5% from GH¢1, 796,472.00 in 2018 to GH¢1,499,315.46 as at the end of October 2019. The Commission indicated that the reduction in the expenditure on Goods and Services during the year under review affected the ability of the Commission to sit regularly to deal with the number of cases/complaints received from individuals/organisations.

8.3 Currently, the Commission sits only once a week. In some instances, some complainants who had travelled from various parts the country,

sometimes with their lawyers, had to wait all day without having their case heard. Unfortunately, the Act that sets up the Labour Commission, (Act 651) does not allow the Commission to charge fees for services rendered.

In view of the important role the Commission plays in settling industrial disputes and maintaining peaceful labour atmosphere, amidst the resource constraints within which the Commission operates, the Committee strongly recommends the need for government to reconsider the existing Labour Act for possible amendment to enable the Commission generate IGF to complement its budgetary provision.

8.4 The Committee was informed that records on industrial disputes within the public sector indicates that the education and health sectors have for the past years recorded high number of industrial disputes. The records show that the education sector, particularly the tertiary level, witnessed the highest number of disputes in 2018 and 2019. The Committee urged the Commission to engage the social partners to find ways of effectively managing the employment relationship within these sectors.

8.5 It came to the attention of the Committee that the Labour Commission is still faced with the challenge of lack of offices in the other regions and districts. As a result, complainants from other part of the country has no option than to travel all the way to Accra to have their cases resolved.

The Committee noted that as parts of efforts to establish the presence of the Commission in other regions/districts, the Commission has programmed to open offices in Tema and Sunyani in 2020. The measure is expected to ensure that people in the catchment areas have direct access to the services of the Commission without having to travel to Accra.

The Commission has also projected to redesign its website and also procure and implement an electronic case management information system that will enable prospective petitioners file cases online from any part of the country.

The Committee lauded this initiative and encouraged the Commission to ensure their successful implementation.

9.0 CONCLUSION


The National Labour Commission performs functions that promote national security and peaceful industrial front. Over the years the Commission has operated within serious resource constraints that affect the smooth discharge of its mandate. Given the indispensable role the Commission plays in the affairs of the country, it is imperative to prioritise the National Labour Commission as a strategic national institution for good governance, peace and security.

In the light of this, the House is respectfully invited to approve the sum of **Six Million, Five Hundred and Fifty-eight Thousand, One Hundred and Twenty-three Ghana Cedis (GH¢6,558,123.00)** to support the activities of the National Labour Commission for the 2020 fiscal year.

Respectfully submitted



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



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ANTHONY AGYEKUM
CLERK TO THE COMMITTEE