



**IN THE SECOND SESSION OF THE SIXTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF  
GAHNA**

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

**ON**

**THE 2015 ANNUAL BUDGET ESTIMATES**

**OF**

**THE NATIONAL LABOUR COMMISSION**

**December 2014**



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

The Honourable Minister of Finance and Economic Planning, Mr. Seth Emmanuel Terkper in accordance with Article 179 of the 1992 Constitution and Standing Order 138 on Wednesday 19<sup>th</sup> November, 2014 presented the Budget Statement and Economic Policy of the Government of Ghana for the 2015 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 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 Chairman of the board of the National Labour Commission, Mr. Edward Briku-Boadu, the Acting Executive Secretary, Mrs. Bernice Welbeck and officials of the National Labour Commission and deliberated on the 2015 Programme Based Budget Estimates of the National 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 2014 Budget Statement and Economic Policy of the Government of Ghana.
4. The 2014 Programme Based Budget Estimates of the National Labour Commission.
5. The 2015 Budget Statement and Economic Policy of the Government of Ghana.
6. The 2015 Programme Based Budget Estimates of the National Labour Commission.

#### **4.0 MISSION STATEMENT OF THE NATIONAL LABOUR COMMISSION**

The Mission Statement of the National Labour Commission for the 2015 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 their 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.

#### **4.2 DEVELOPMENT GOALS**

The development goal of the Commission is to become an efficient and effective industrial dispute settlement institution to create a peaceful and attractive environment for investment leading to accelerated growth, poverty reduction and attainment of middle income status by Ghana.

## **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.
9. Increase the capacity of the Judiciary on Act 651 and its Labour Regulations, L.I. 1822 and L.I. 1833.
10. Improve the capacity of labour mediators and arbitrators.
11. Promote an enabling environment and effective regulatory framework for corporate management.

## **6.0 FUNDS ALLOCATED FOR THE 2014 FISCAL YEAR**

For the implementation of activities for 2014 an amount of **GH¢2,378,174** was allocated.

The breakdown of the allocation is as follows:

	<b>GOG</b>	<b>DONOR</b>	<b>IGF</b>	<b>OTHER FUNDS</b>	<b>TOTAL</b>
<b>COMPENSATION OF EMPLOYEES</b>	1,000,572	-	-	-	1,000,572
<b>GOODS &amp; SERVICES</b>	930,849	-	-	-	930,849
<b>CAPEX</b>	446,753	-	-	-	<b>446,753</b>
<b>TOTAL</b>	<b>2,378,174</b>	-	-	-	<b>2,378,174</b>

Source: Budget Statement and Economic Policy of GOG for 2014

## **7.0 2014 PERFORMANCE**

### **7.1 ACTIVITIES FOR THE 2014 FISCAL YEAR**

In the 2014 fiscal year, the Commission received 428 complaints from individual workers, groups of workers, workers associations, trade unions and employers. This involved about 1,850 workers. Out of the complaints received 216 were settled and compensations of GH¢416,125.25 were received and paid to beneficiaries. The amount excludes payments made directly to beneficiaries.

One hundred and sixty complaints rolled over from the previous year were also handled.

The members of the Commission held 54 sittings and heard on the average 6 cases in a week. There were also 10 compulsory arbitration meetings to deal with disputes involving essential services.

The Commission upon hearing complaints on infringements or violations of the law issued 23 directives and 27 orders or rulings.

Nine officers and staff were trained at the Management and productivity Institute in Accra on management procedures for two weeks.

## 7.1 STRIKES AND LOCK OUTS

10 strikes were recorded in the year 2014. 8 of the strikes were by public sector workers and two were by private sector workers. The strikes from the public sector were mainly by education and health sector workers and lasted between one week and two months. The man hours lost to the strikes range between 40 hours per week and 160 hours per month. The longest period of strike was recorded by the education sector.

One lockout was recorded within the period and it was done to protect life and property.

## 7.2 OUTSTANDING PROGRAMMES FOR 2014

The following programmes have been earmarked for 2014 but would be executed subject to the release of funds:

1. One day interaction with the media on the work of the Commission
2. A stakeholders workshop for the health and education sector
3. Development of a documentary/drama on the key provisions of Act 651
4. Two-day sensitization workshop for social partners in Tema on dispute settlement procedures
5. Two day workshop for identified social partners on freedom of association and collective bargaining.

## 7.3 CHALLENGES

**The following were noted as challenges faced by the Commission in the 2014 fiscal year:**

- The Commission has the mandate to inform and educate its social partners and stakeholders in labour on the labour law in order to minimize or prevent disputes. The Commission was however not able to carry out any of its training programmes due to the non-release of funds.

- Frequent increases in the prices of fuel and other utilities negatively impacted on the budget allocations of the Commission
- Inadequate office space
- Old and aged vehicles with associated huge service costs
- Lack of effective maintenance of office equipment due to the lack of funds
- Low number of staff
- Low appreciation of the provisions of the labour law and management of employment relations
- Lack of internal systems for addressing grievances in most enterprises resulting in disputes
- Entrenched positions by some parties during negotiations
- Poor communication between labour and management
- Non-recognition of the requirement of the labour law during industrial disagreements

## **8.0 OUTLOOK FOR 2015**

### **8.1 FUNDS ALLOCATED FOR THE 2015 FISCAL YEAR**

For the implementation of activities for 2015 an amount of **GH¢2,700,476** has been allocated.



The breakdown of the allocation is as follows:

	<b>GOG</b>	<b>DONOR</b>	<b>IGF</b>	<b>OTHER FUNDS</b>	<b>TOTAL</b>
<b>COMPENSATION OF EMPLOYEES</b>	985,051	-	-	-	985,051
<b>GOODS &amp; SERVICES</b>	1,015,425	-	-	-	1,015,425
<b>CAPEX</b>	700,000	-	-	-	<b>700,000</b>
<b>TOTAL</b>	<b>2,700,476</b>	-	-	-	<b>2,700,476</b>

Source: Budget Statement and Economic Policy of GOG for 2015

## 8.2 COST CENTRE ALLOCATIONS

	<b>Employee Compensation</b>	<b>Goods and Services</b>	<b>Capex</b>	<b>Total</b>
<b>MANAGEMENT AND ADMINISTRATION</b>	591,011	831,329	700,000	2,122,340
<b>LABOUR DISPUTES RESOLUTION</b>	394,040	184,096	-	578,136
<b>Total</b>	<b>985,051</b>	<b>1,015,425</b>	<b>700,000</b>	<b>2,700,476</b>

## 8.2 ACTIVITIES FOR 2015

The funds allocated would be committed to the following activities in the 2015 fiscal year:

### 8.2.1 GENERAL ACTIVITIES

The Commission will focus on the prevention of industrial disputes through the promotion of collective bargaining, engagement of partners to discuss and negotiate in good faith, promote effective co-operation between labour and

management and use alternative dispute resolution mechanisms in the settlement of industrial disputes.

The Commission will also embark on public education campaign through engagement of parties at the enterprise level and the production of documentaries and dramatization of the obligations of the parties in the employment relationship to promote social dialogue and partnership.

### **8.2.2 SPECIFIC ACTIVITIES**

As part of the general activities enumerated above the following specific activities would be undertaken:

- Resolve 70% of complaints filed
- Develop programmes to promote peaceful industrial relations
- Enforce decisions/Orders/Rules of the Commission in the courts
- Sensitize 120 social partners on the effective use of Alternative Dispute Resolution systems in Act 651
- Organise two day seminar for 60 social partners on International Labour Standards
- Train 60 labour market operators on effective labour management co-operation at the enterprise level
- Increase capacity of members of the Commission
- Develop interactive programmes on prevention and management of industrial disputes
- Develop television and radio series on aspects of Act 651
- Commission research on the effectiveness of Act 651 and the operations of the National Labour Commission after ten years of existence
- Organise a stakeholders forum to discuss implementation challenges of Act 651 and identify the way forward
- Retrain enlisted mediators and arbitrators for the expeditious resolution of disputes

## **9.0 OBSERVATIONS AND RECOMMENDATIONS**

### **9.1 IMPLEMENTATION OF THE LABOUR LAW**

It was realised that most labour groups do not comply with the provisions of the labour law, Act 651. They refuse to comply with the rulings of the National Labour Commission and so the Commission is regularly forced to go to court to enforce its rulings or orders. This does not promote peaceful labour relations.

The Committee urges the Commission to regularly educate labour and employers on the provisions of the Labour Act to ensure proper understanding and appreciation of the law.

The Committee also recommends that employers should engage experts in industrial relations to manage issues of labour during periods of agitation.

### **9.2 INADEQUATE FUNDING**

The Committee also noted that the Commission is not able to undertake most of its sensitisation programmes with labour and employers although such programmes are budgeted for and approved every year. This results in the increase in industrial actions and disrespect for labour rules.

The Committee urges the Ministry of Finance to ensure that funds allocated for educational programmes and training are released to the commission to enable it carry out sensitisation programmes that would lead to a reduction in labour agitations and a peaceful labour front.

### **9.3 NON-FINANCIAL ASSETS**

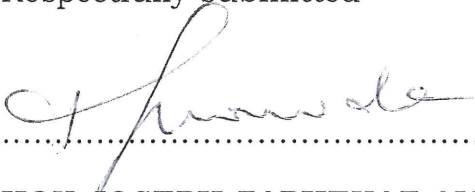
No releases were made towards non-financial assets in the 2014 fiscal year although the Commission has for the past four years made requests for vehicles and office equipment. Considering the important role played by the Commission in labour relations, the Committee urges the Ministry of Finance to commit funds to the purchase of cars and office equipment this fiscal year to enable the Commission improve on its performance.

## 10.0 CONCLUSION

The National Labour Commission plays a crucial role in preventing industrial disputes. 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, Seven Hundred Thousand, Four Hundred and Seventy Six Cedis (**GH¢2,700,476**) to support activities earmarked by the National Labour Commission for the 2015 fiscal year.

Respectfully submitted



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**HON JOSEPH ZAPHENAT AMENOWODE**  
**CHAIRMAN**



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**ANITA QUARTEY-PAPAFIO**  
**CLERK**