

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

**2013 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF EMPLOYMENT AND LABOUR
RELATIONS**

MARCH 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 5th March, 2013 presented the Budget Statement and Economic Policy of the Government of Ghana for the 2013 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 2013 Draft Annual Estimates of the Ministry of Employment and Labour Relations:

1. The Minister for Employment and Labour Relations, Hon. Nii Armah Ashietey, 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. GEEYDA

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

The Committee is grateful to all who participated in the deliberation of the Draft Annual estimates of the Ministry of Employment and Labour Relations for the 2013 fiscal year and also for the information and support they provided during deliberations on the estimates.

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 2012 Budget Statement and Economic Policy of the Government of Ghana
4. The 2013 Budget Statement and Economic Policy of the Government of Ghana.
6. The 2013 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 2012 PERFORMANCE OF THE MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

In the 2012 fiscal year, the Ministry of Employment and Social Welfare was allocated an amount of **GH¢37,928,026** for its activities. The breakdown is as follows:

	GOG	DONOR	IGF	OTHER FUNDS	TOTAL
WAGES AND SALARIES	16,143,953	-	-	-	16,143,953
GOODS & SERVICES	4,085,698	3,154,152	3,067,580	-	10,307,430
ASSETS	562,944	-	913,700	-	1,476,644
ABFA	-	-	-	10,000,000	10,000,000
TOTAL	20,792,594	3,154,152	3,981,280	10,000,000	37,928,026

Out of funds released the following were achieved:

6.1 **Skills development for employment creation**

The Ministry and its agencies embarked on skills development to enhance employment opportunities in the Country. The National Vocational Training Institute (NVTI) trained 15,064 youths in various trades including carpentry and joinery, industrial and auto mechanics, textile and hand weaving, and general electronics. Management Development & Productivity Institute (MDPI) also trained 7,200 youths in four oil and gas modules while the Opportunity Industrialisation Centre (OIC) trained 814 persons in masonry, electrical installation, building and draftsmanship. To promote access of the poor to income earning

opportunities, Integrated Community Center for Employable Skills (ICCES) provided training for 5, 051 people in 65 centers.

The Public Employment Centers of the Labour Department also placed 4,481 persons made up of 3,711 males and 779 females into gainful employment.

6.2 Labour Administration

To promote social justice, the Labour Department facilitated the payment of workmen's compensation to 121 injured and deceased public sector workers and 273 private sector agencies/ institutions. The Department also received 61 industrial complaints out of which 55 were settled and 6 voluntarily withdrawn. In addition, the Department issued Collective Bargaining Certificates to 23 firms and organisation.

The Department of Factories Inspectorate (DFI) inspected 1,006 existing workplaces and registered 218 new ones to promote occupational safety and health as well as reduce accidents/incidences at work places. The Ministry, through a comprehensive National Occupational Safety and Health Policy aimed at promoting industrial hygiene and reducing the incidence of industrial accidents at work places.

6.3 Public Service Pay Management

The National Tripartite Committee successfully negotiated 20 percent increase in the National Minimum Wage. The implementation of the Single Spine pay Policy aimed at removing inequities associated with public service pay is also steady on course. At the end of the year, 478,566 public service employees representing 99.70 percent of total public servants to be migrated onto the Single Spine Salary Structure were migrated. Additionally, draft guidelines on the determination of Market Premium in Public Service was developed and more effective

measures put in place to address issues relating to payment of categories 2 & 3 allowances.

6.5 Social Protection

The Ministry under its various social protection interventions achieved the following:

6.5.1 Child protection and Development

Six hundred street children were enrolled in schools under the supervision of the Department of Social Welfare (DSW) while about 1,300 delinquent children were provided with remand home and probation services. In addition, 298 children were admitted in Osu, Kumasi and Tamale Children's Homes.

6.5.2 Poverty Reduction

Two hundred and twenty-five people with disabilities were trained in various employable skills at DSW's Vocational Training Centers. Approximately, 285,824 beneficiaries received cash grant under the LEAP Programme.

The LEAP, as a component of the National Social Protection Strategy, targets Orphans and Vulnerable Children through their care givers, the aged (above 65 years and without subsistence or support) and persons with severe disabilities without productive capacities. Average Cash Grant payment under the LEAP was increased by 300 percent from an average of GHs 12.00 to GHs 36.00 as at August 2012. Both LEAP coverage and beneficiary households also increased from 95 to 98 Districts, and from 68,557 (2011) to 71, 456 households respectively

6.5.3 Ghana Labour-Intensive Public Works Policy

The Labour-Intensive Public Works Policy has been developed in collaboration with the Ministry of Local Government and Rural Development and other social partners. About 22,873 temporary jobs

were created in 40 districts during the first pilot phase of implementation.

7.0 OUTLOOK FOR 2013

7.1 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**) has been 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:

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

2013 Allocations to Departments and Agencies under the Ministry

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
TOTAL	19,983,292.44	2,094,410.00	1,997,072.00	4,084,593.00	
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
TOTAL	21,877,488.00	32,094,410.00	3,173,389.00	4,084,593.00	61,229,880.00

7.2 ACTIVITIES FOR 2013

The Ministry of Employment and Labour Affairs will use the allocated sum of Sixty One Million Two Hundred and Twenty Nine Thousand Eight Hundred and Eighty (**GH¢61,229,880**) to perform the following activities in the 2013 fiscal year:

7.2.1 Skills Development for Employment Creation

The Government will focus on Skills Development for Employment Creation as part of its avenues of creating jobs for the good people of Ghana. The NVTI, MDPI, OIC and ICCES will jointly train a total of 42,531 persons in various trade areas. 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, job creation in 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.

7.2.2 Retooling of Skills Training Institutions

To meet the skills demand of the Ghana Labour Market, the Government will vigorously retool the training institutions under the Ministry to enhance job creation, 39 NVTI, 5 OIC and 40 ICCES training centers will

be re-tooled with state-of-the-art equipment. The re-tooling will principally focus on replacement of obsolete equipment and Machinery.

7.2.3 Labour Administration

The Ministry, in collaboration with organised labour and other social partners, will strengthen existing “early warning system mechanisms” to reduce labour agitations in all the segments of the economy.

Also the protection of the rights of the working people of Ghana and the promotion of their well-being are of prime interest to Government. To this end, the Labour Department and the Department of Factories Inspectorate will be provided with adequate logistics to conduct regular labour and factory inspections.

7.2.4 Labour Market Information System (LMIS)

As part of activities to establish a functional data base on Labour statistics for a more effective national development planning, the Ministry in collaboration with the Ghana Statistical Service, TUC, Employers Association and National Development Planning Commission will forge a closer working relationship to achieve the above-mentioned goal.

Also, to facilitate equal access to employment opportunities for job seekers, 25 existing public employment centers under the Labour Department will be rehabilitated and provided with adequate logistics. The institutional capacity of the Labour Department will also be strengthened to play a more effective labour migration management role.

7.2.5 Public Service Pay Management

The Ministry will undertake comprehensive public education and sensitization on public service pay management to deepen public understanding, build national consensus on critical components relating

to payment of “market premiums” and categories 2& 3 allowances and accelerate effective SSPP implementation. In addition, productivity index and Labour market surveys will be conducted in collaboration with GSS, NDPC and MDPI to provide the necessary data for evidence-based decision making on payment of “market premiums” and other related allowances.

8.0 OBSERVATIONS AND RECOMMENDATIONS

8.1 Obsolete Training Equipment for Skills Development

The Committee observed with concern the lack of adequate support for the Integrated Community Centre for Employable Skills (ICCESS) and the Opportunities Industrialization Centre (OIC). These institutions do not have modern equipment for training. Most of their equipment are obsolete and need to be replaced. The situation does not auger well for effective training.

The replacement of the required equipment is expected to be capital intensive and cannot be adequately provided for by budgetary allocations. The Committee therefore recommends that the Ministry of Employment and Labour Relations should liaise with the Ministry of Finance and Economic Planning to obtain funds to retool these institutions to ensure that modern employable skills are imparted to the students.

8.2 Inadequate Technical Staff

The Committee noted that inadequate technical staff at the head quarters of the Ministry and the Fair Wages and Salaries Commission has been one of the major challenges affecting productivity.

Despite the magnitude of work at the Fair Wages and Salaries Commission, it has only fifteen permanent staff out of which nine (9) are technical staff. There is therefore the urgent need to recruit more staff to ensure efficiency in the new role that the Ministry and the realisation of the mandate of the Fair Wages and Salaries Commission.

8.3 Internally Generated Funds

The Committee was however glad to note that in spite of the numerous constraints bedeviling the Ministry some departments were able to generate funds internally. National Vocational Training Institute (NVTI), the Management Development and Productivity Institute (MDPI), and the Department of Factories Inspectorate (DFI) generated funds from services provided.

The Committee lauds them for their initiative and urges government to increase support to these institutions to ensure effective skill development.


8.4 Labour Market Information System (LMIS)

The Committee noted that the Ministry would collaborate with the Ghana Statistical Service to collate employment data for planning and decision making. A labour market information system would also be established to link the unemployed and employers. These activities would provide government the needed statistics on labour for planning and development as well provide the unemployed information on opportunities in the labour market. The Committee lauds the Ministry for the initiative and urges the relevant departments to initiate the projects with dispatch to create an open and transparent labour market.

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 Sixty **One Million, Two Hundred and Twenty Nine Thousand, Eight Hundred and Eighty Cedis (GH¢61,229,880.00)** for the implementation of the activities of the Ministry of Employment and Labour Relations for the 2013 fiscal year.

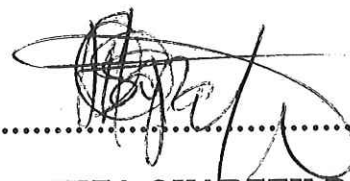
Respectfully submitted



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HON. JOSEPH ZAPHANET AMENOWODE

CHAIRMAN



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MS. ANITA QUARTEY PAPAPIO

CLERK