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**IN THE SECOND SESSION OF THE FIFTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

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

**2011 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF EMPLOYMENT AND SOCIAL WELFARE**

10TH DECEMBER 2010

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STATE ENTERPRISES ON THE 2011 ANNUAL BUDGET ESTIMATES OF THE
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1.0 INTRODUCTION

Following the presentation of the 2011 Budget Statement and Economic Policy of Government by the Hon. Minister for Finance and Economic Planning on Thursday 18th November, 2010, and subsequent Motion for its adoption, the 2011 Annual Estimates of the Ministry of Employment and Social Welfare was referred to the Committee on Employment, Social Welfare and State Enterprises for consideration and report pursuant to Orders 140 (4) and 184 of the Standing Orders of the House and Article 179 of the Constitution.

1.1 Committee Sitting

The Committee met on Wednesday 8th December, 2010 and considered the Estimates of the Ministry. The Committee was assisted in this endeavour by the Minister for Employment and Social Welfare, Hon. E. T. Mensah , the Chief Director, and the Directors of the various agencies and departments under the Ministry. The Committee is grateful to them for their cooperation and contributions during the hearing.

2.0 REFERENCE DOCUMENT

The following documents guided the Committee in its deliberations:

- (a) The 1992 Fourth Republican Constitution of Ghana
- (b) The Standing Orders of the Parliament of Ghana

- (c) The Budget Statement and Economic Policy of the Government of Ghana for the 2010 financial year.
- (d) The Budget Statement and Economic Policy of the Government of Ghana for the December 2011 financial year.
- (e) The Draft Annual Estimates of the Ministry of Employment and Social Welfare for the 2010 financial year.
- (f) The Draft Annual Estimates of the Ministry of Employment and Social Welfare for the 2011 Financial Year.
- (g) Presentations made and 2010 performance document submitted to the Committee on the 2011 Budget Statement.

3.0 MISSION STATEMENT AND OBJECTIVES

The Ministry of Employment and Social Welfare exists to promote sustainable employment opportunities, management and vocational skills development, training and retraining, harmonious labour relations, safe and healthy working environment, co-operatives and group formation and social integration of the vulnerable, the excluded and the disadvantaged, for the development and growth of the economy.

In order to realize its Mission Statement, the Ministry of Employment and Social Welfare has set for its self the following objectives:

- To become a high profile, well resourced and efficient as well as effective Ministry committed to human resource development.
- To promote and encourage the creation of an enabling environment for accelerated growth and employment.
- To enhance the social well-being of all Ghanaians.
- To integrate the vulnerable, excluded persons with disabilities and disadvantaged into the mainstream of development.
- To promote and strengthen international labour relations and cooperation.

4.0 REVIEW OF PERFORMANCE IN 2010

4.1 National Programme for the Elimination of Worst Forms of Child Labour in Cocoa (NPECLC)

Ghana's effort on the fight against the worst forms of child labour especially in Cocoa production has reflected in the non-inclusion of Ghana in the United States Executive Order 13126 on the Prohibition of Acquisition of Products Produced by Forced or Indentured Child Labour.

The National Plan of Action (NPA) for the Elimination of the Worst Forms of Child Labour which seeks to eliminate child labour in all sectors of the economy has been approved by Cabinet.

The Ministry has also developed a Ghana Child Labour Monitoring System to capture all relevant information on children in the cocoa growing communities to inform remedial interventions of the programme.

Additionally, under the Child Protection Programme, the Ministry trained 420 District Child Protection and 2,675 Community Child Protection Committee members in the handling of child protection issues in the country.

4.2 Livelihood Empowerment Against Poverty (LEAP)

Under the LEAP programme, over 45,000 extremely poor and vulnerable households from 81 districts were provided with a total financial support of GH¢5.8 million to meet their basic needs.

To enhance capacities of District Social Welfare Officers and community LEAP implementation members to undertake outreach programmes, 652 bicycles, 45 computers and accessories, 45 each of scanners, workstations and photocopiers were provided.

4.3 Disability Issues

The National Council on Persons with Disability initiated moves to establish regional structures aimed at carrying out advocacy and sensitization activities on the Disability Act.

The Council has developed a draft strategic plan to bring the activities of the council within the context of national development agenda. Additionally, in collaboration with Ghana Federation of the Disabled, the modalities for disbursing the 2-3 percent share of Common Fund to Persons with Disability has been developed.

4.4 Ageing Policy

The Ageing Policy which seeks to integrate older persons into the mainstream of society and its Implementation Action Plan has been approved by Cabinet.

4.5 Skills Training for Employment

In furtherance of the job creation agenda of government, the Ministry trained 38,420 youth in various employable skill areas in its vocational training institutions: the National Vocational Training Institute (NVTI), the Opportunities Industrialization Centre (OIC) and the Integrated Community Centres for Employable Skills (ICCES).

4.6 National Employment Policy

The Ministry in 2010 developed a draft National Employment Policy and its Implementation Action Plan

4.7 Labour Issues

The Ministry facilitated tripartite dialogue to uphold and sustain Industrial peace and harmony in the country. The Ministry through the Department of Labour and other stakeholders carried out sensitization of the Labour Act (Act651) through workshops and seminars for social partners.

The Labour Market Information System website has been designed and subjected to review for subsequent installation and operationalisation.

4.8 Single Spine Pay Policy (SSPP)

Significant progress has been made in the implementation of the Single Spine Pay Policy (SSPP). A number of institutions have already been migrated onto the Single Spine Salary Structure (SSSS). The rest of the institutions will be migrated as soon as their mapping exercise and other related tasks are completed.

The implementation of this new pay reform will drastically reduce pay disparities in the public service. Moreover, Government can ensure compliance and effectively monitor the pay structure of self-accounting institutions. Additionally, the wage bill will be managed more efficiently and the increasing rounds of pay negotiations will be significantly reduced.

4.9 Development and management of cooperatives

To mobilize resources effectively under Cooperative development and management, the Ministry through the Department of Cooperatives registered 350 co-operative societies and trained 400 cooperative members, executives and employees during the period under review.

5.0 PROGRAMMES FOR 2011

Government has resolved to create a better Ghana where each citizen will be given the opportunity to develop his/her talent to the fullest in order to contribute towards national development. To this end, the Ministry will continue with its policies, programmes and activities in the areas of Human Resource Development, Social Development, Employment, Wages and Salary and Labour Administration. In 2011 the following programmes will be undertaken:

5.1 National Programme for the Elimination of the Worst Forms of Child Labour in Cocoa (NPECLC)

The Ministry will continue with the protection of the cocoa industry from threats of sanctions and boycott in the international market by expanding the activities geared towards the elimination of all forms of child labour to additional 21 cocoa growing districts.

In addition, the Ministry will develop a legal framework for addressing Worst Forms of Child Labour in cocoa growing areas and provide alternative means of livelihood for cocoa farmers to make them generate additional income during the off seasons.

5.2 Livelihood Empowerment Against Poverty (LEAP)

The Ministry will cover 65,000 beneficiary households under the LEAP Programme. This will be achieved through the following activities:

- Establishment of National Steering Committee for Social Protection.
- Implementation of Common Targeting Mechanism to facilitate pro-poor targeting across sectors.
- Building the capacity of Social Protection Committees and Enumerators to effectively administer Common Targeting Mechanisms.
- Establishment of Social Complimentary Services Reference Centre
- Strengthening organizational structures of MESW/DSW under the Institutional Strengthening Plan (ISP) to implement the National Social Protection Strategy (NSPS) and ;
- Provision of logistics to implement NSPS/LEAP

5.3 Labour Issues

The Ministry will pursue the agenda for the establishment of Regional Pilot Tripartite Committees in Sekondi-Takoradi, Kumasi and Tamale to deal with labour administration matters that affect workers, and employers' rights, productivity, labour standards, labour inspections and other related matters.

5.4 Single Spine Pay Policy (SSPP)

The Ministry is aware of the enormous challenges associated with the implementation of such a comprehensive pay reform and will take appropriate measures to mitigate the impact of the single spine implementation on the budget. The following measures are proposed over the medium term to ensure the sustainability of the Single Spine Salary Structure (SSSS);

- The rationalization and standardization of allowances and benefit which are not part of the SSSS will be undertaken as a matter of urgency to ensure that such allowances are negotiated to sustainable levels.
- Payroll audits in Public Sector Institutions will be intensified to ensure elimination of ghost names and measures to prevent their recurrence will be instituted.
- Performance management-related public sector reform such as labour rationalization and others which ensure that remuneration is tied to productivity will be accelerated; and
- Migration of all subverted agencies onto the IPPD will be accelerated.

5.5 Disability issues

The Disability Council in collaboration with other stakeholders will embark on advocacy and sensitization of the general public on the Disability Act. This will be in relation to issues associated with the design and construction of public buildings in compliance with the provision of the Disability Act.

5.6 National Human Resource Policy

The Ministry will finalize the National Human Resource Policy document by developing an Implementation Action Plan for submission to Cabinet. The thrust of this policy is to ensure the development of a knowledgeable, well-trained and disciplined labour force with the capacity to drive and sustain private sector-led growth.

5.7 National Migration Policy

The Ministry in collaboration with the International Organization on Migration and the Ministry of Interior has initiated action towards the development of a National Migration Policy.

5.8 Skills Training for Employment

The National Vocational Training Institute (NVTI), the Opportunities Industrialization Centre (OIC), and the Integrated Community Centres for Employable Skills will continue with the provision of employable skills for the youth.

Additionally, the NVTI in collaboration with other stakeholders will provide the youth with relevant technical skills that will enable them participate in the emerging oil and gas industry.

6.0 TOTAL ALLOCATION FOR THE YEAR 2011

For the implementation of the above activities, the Ministry of Employment and Social Welfare and its affiliate agencies have been allocated a total amount of **Thirty-Four Million, Nine Hundred and One Thousand, Eight Hundred and Sixty-Two Cedis (GH¢34, 901,862.00)** to cover Personnel Emoluments, Administrative, Service and Investment Expenses. Out of this, GH¢16,322,382.00 is GoG, GH¢4,393,470.00 is IGF, GH¢12,000,000.00 is for Social Intervention Programmes and Donor is GH¢2,186,010.00.

Below is the breakdown of the GOG/Donor allocation for year 2010:

Fig. 1: 2010 Ceiling Allocation in GH¢

ITEM	GOG	IGF	DONOR	MDRI	GRAND TOTAL
P.E	15,673,741.00	-	-	-	-
ADMIN.	323,774.00	868,763	-	-	-
SERVICE	261,924.00	2,551,265	1,243,025	-	-
INV'T	62,994.00	973,442	942,985	-	-
TOTAL	16,322,382.00	4,393,470.00	2,186,010.00	12,000,000.00	34,901.862.00

Fig. 2: Allocations to Departments and Agencies under the Ministry

DEPT	GOG	IGF	DONOR	MDRI	TOTAL
MESW HQRS	760,763.15	-	2,186,010.00	12,000,000.00	14,946,773.15
INTERNAL	27,776.67	-	-	-	27,776.67
AUDIT	-	-	-	-	-
MDPI	522,566.14	1,729,279.00	-	-	2,251,845.14
NVTI	3,288,341.88	2,480,771.00	-	-	5,769,112.88
OATUU	70,311.46	-	-	-	70,311.46
OIC-GHANA	480,702.75	183,420.00	-	-	664,122.75
CO-OP. COUNCIL	79,753.01	-	-	-	79,753.01
ICCES	790,883.05	-	-	-	1,195,201.21
DISABILITY COUNCIL	543,695.39	-	-	-	743,715.25
FAIR WAGES & SAL.COMM.	630,653.46	-	-	-	856,097.19
LABOUR DEPT	677,497.53	-	-	-	911,626.20
DEPARTMENT OF SOCIAL WELFARE	3,695,670.10	-	-	-	5,563,662.69
DFI	298,571.59	-	-	-	391,748.65
DOC	886,388.13	-	-	-	1,377,074.88
CO-OP. COLL.	69,067.96	-	-	-	73,041.86
TOTAL	11,037,461.00	4,393,470.00	2,186,010.00	12,000,000.00	34,901,862.00

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 Inadequate Logistics

The Committee observed that inadequate logistics support had been a major constraint to the Ministry and its implementing Departments and Agencies. This constraint, the Committee noted adversely affected the performance of the Ministry and the implementing agencies in terms of service delivery. For instance most of the Departments and Agencies were unable to effectively monitor and supervise the activities under their areas of jurisdiction. The Department of Social Welfare, Directorate of Factories Inspection, and Department of Cooperatives were particularly, affected by this logistical constraint.

The Committee accordingly recommends that the Ministry of Finance makes special arrangements to provide the Ministry and its Agencies with some additional vehicles and logistics to enhance the performance and effectiveness of their operations.

7.2 Lack of Modern Equipment for Training Institutions

The Committee observed that the skills-based training institutions such as Integrated Community Centre for Employable Skills (ICCESS), Opportunities Industrialization Centre (OIC) and National Vocational Training Institute (NVTI) under the Ministry lack basic and modern instructional equipment critical in the training of students. However, no allocation was made for the acquisitions of these equipments in the 2011 budget.

The Committee holds the view that with the rapid technological changes, students who turn out of these institutions would be handicapped in the world of work if these instructional tools and materials are not made available to the institutions.

The Committee therefore recommends to Government as a matter of urgency to retool all the skills-based training institutions with state of the art equipments and machinery to enable them function effectively.

7.3 Inadequate Funding and Irregular releases of Budgetary Allocations

The Committee observed that inadequate budgetary allocation particularly; Service and investment allocations to the Ministry and its departments and agencies still persist. For the year 2011, the Ministry has been allocated a paltry sum of **Thirty-Four Million, Nine Hundred and One Thousand, Eight Hundred and Sixty-Two Cedis (GH¢34, 901,862.00)** to cover Personnel Emoluments, Administrative, Service and Investment Expenses. Out of this, **Sixteen Million, Three Hundred and Twenty-Two Thousand, Three Hundred and Eighty-Two Cedis (GH¢16,322,382.00)** is GoG, **Four Million, Three Hundred and Ninety-Three Thousand, Four Hundred and Seventy Cedis (GH¢4,393,470.00)** is IGF, **Twelve Million Cedis (GH¢12,000,000.00)** is for Social Intervention Programmes and Donor is **Two Million, One Hundred and Eighty-Six Thousand, and Ten Cedis (GH¢2,186,010.00.)**

Out of GoG **Sixteen Million, Three Hundred and Twenty-Two Thousand, Three Hundred and Eighty-Two Cedis (GH¢16,322,382.00)**, **Fifteen Million, Six Hundred and Seventy-Three Thousand, Seven Hundred and Forty-One Cedis (GH¢15, 673, 74)** is for P.E, **Three Hundred and Twenty-Three Thousand, Seven Hundred and Seventy-Four Cedis (GH¢ 323,774)** for administration leaving a meagre **Two Hundred and Sixty-One Thousand, Nine Hundred and Twenty-Four Cedis (GH¢ 261,924)** and **Sixty-Two Thousand, Nine Hundred and Ninety-Four Cedis (GH¢ 62,994)** for service and investment respectively.

As a result departments such as National Vocational Technical Institute, Department of Factory Inspectorate and Opportunities Industrialization Centre had zero allocation for their Service and Investment activities. In the opinion of the Committee, the Ministry will not be able to achieve its objectives in the affected departments as all the budgetary allocation goes into the payment of salaries without any funds for service delivery.

The Committee further observed that irregular and untimely release of budgetary allocations also compounded the woes of the Ministry in carrying out its planned programmes and activities. A review of 2010 performance of the Ministry indicated that out of the approved GOG budget of GHC 16,025,201.00, only 9,520,593.68 had been released to the Ministry for the implementation of its activities. As a result, the Ministry was unable to undertake and complete some of its programmes.

The Committee sees this as worrisome and urges the Ministry of Finance and Economic Planning and for that matter the Government to raise supplementary budget for the Ministry to carry out its planned activities. Further, the Ministry of Finance is urged to ensure regular and timely release of approved funds.

7.4 Inadequate Staffing

It was revealed that due to inadequate budgetary allocation coupled with the ban on recruitment, most Departments/Agencies under the Ministry do not have adequate staff both in quantity and quality to run the day to day affairs of the agencies and Departments. Another contributing factor to the above problem, the Committee observed, is poor condition of service for the staff of these agencies/departments. The Committee learnt that the field staff of the Department of Cooperatives receive as low as **Two Cedis, Ten Pesewas (GH¢2.10.00)** per month for their travel expenses and as a result, they are unable to carry out much of the assignments they are expected to carry out.

The poor condition of service has also resulted in an attrition of technical and critical staff required for the effective running of these agencies/departments. This has been a drain on these agencies/departments which continually use their meagre allocation to train the staff who hardly stay.

It is the hope of the committee that with the introduction of the Single Spine Salary Structure, the problem of poor condition of service would be resolved. The

Committee also appeals to the Ministry of Finance and Economic Planning to allow the Ministry to recruit technical and critical staff to augment the exiting staff strength.

7.5 Outstanding International Commitment

Membership of international bodies brings with it both benefits and commitments. Ghana is an affiliate member of the Africa Regional Labour Administration Centre (ARLAC) and the African Rehabilitation Institute (ARI). These organizations provide technical support to member countries in the form of training, knowledge transfer and expert advice on labour and other related issues.

The Committee was however sad to note that over the past thirteen (13) years, the Ministry has been unable to pay the accumulated dues owed the above-mentioned bodies. Below is the break down of the amount owed:

- ARLAC: US 237,301.00
- ARI: US 570,754.00
- Total US 808,055.75**

The Committee also learnt that all attempts made by the Ministry to get Ministry of Finance and Economic Planning to settle the arrears have been futile. The Ministry has always been advised by the Ministry of Finance and Economic Planning to use its meagre budgetary allocation to settle the debt. However, considering the quantum of the debt, it would be difficult if not impossible for the Ministry to commit the already low annual budgetary allocation to settle the long outstanding debt.

The Committee is certain that the image of Ghana is at stake and appeals to the Ministry of Finance and Economic Planning to raise funds to get the arrears cleared in order to redeem the image of the country.

8.0 CONCLUSION

In conclusion, Government efforts in achieving the Millennium Development Goals of reducing poverty and giving access to the vulnerable, excluded, aged, and Persons with Disability is progressing steadily. However, more pragmatic measures should be put in place to hasten the attainment of the goals set up by the Ministry for year 2011.

The Committee after careful consideration, finds the Draft Budget Estimate of the Ministry of Employment and Social Welfare woefully inadequate but justifiable and accordingly recommends to the House, for approval, the sum of **Thirty-Four Million, Nine Hundred and One Thousand, Eight Hundred and Sixty-Two Cedis (GH¢34,901,862.00)**.

Further, the Committee recommends that a supplementary budget be raised to enable the Ministry implement fully, its planned programmes and activities for the year 2011.

Respectfully submitted.



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HON. PRINCE JACOB HAYIBOR
CHAIRMAN, COMMITTEE ON EMPLOYMENT,
SOCIAL WELFARE AND STATE ENTERPRISES



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ROSEMARY ARTHUR SARKODIE (MRS)
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10TH DECEMBER, 2010