



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

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

ON THE

2008 BUDGET ESTIMATES

OF THE

NATIONAL LABOUR COMMISSION

10TH DECEMBER 2007

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1.0 INTRODUCTION

In pursuance of Article 179(1), (2) and (10) of the Constitution of the Republic and Standing Order 140(1), the Budget Statement and Economic Policy of the Government of Ghana for the 2008 Financial Year was presented to the House on Thursday, 15 November 2007 by the Minister of Finance and Economic Planning, Honourable Kwadwo Baah-Wiredu.

In Compliance with Standing Orders 140(4) and 184, the 2008 Draft Estimates of the National Labour Commission were referred to the Committee for consideration and report, and the Committee having held a meeting to so consider the Estimates reports as follows:

1.1 ACKNOWLEDGEMENT

The Committee is grateful to the Executive Secretary of the Commission and Officials of the Commission who attended the Committee Budget Hearing Session to assist the Committee to deliberate on the Estimates.

2.0 REFERENCE DOCUMENTS

In considering the Estimates, the under-listed documents were referred to:

- i. The 1992 Constitution of the Republic of Ghana.
- ii. The Budget Statement and Economic Policy of the Government of Ghana for the 2008 financial year.
- iii. The Budget Statement and Economic Policy of the Government of Ghana for the 2007 financial year.

3.0 MISSION STATEMENT OF THE NATIONAL LABOUR COMMISSION

The National Labour Commission exists to develop and sustain a peaceful and harmonious industrial relations environment through the use of effective dispute resolution practices, promotion of co-operation among the labour market players and mutual respect for their rights and responsibilities.

3.1 OBJECTIVES OF THE NATIONAL LABOUR COMMISSION

In order to realize its mission, the National Labour Commission set for itself the following objectives;

- To promote a peaceful and harmonious industrial relations environment through the use of flexible labour market practices to attract investors both foreign and local for the growth of the economy
- To strengthen the institutional capacity of the Commission to discharge its functions.
- To promote industrial democracy and social dialogue
- To develop a peaceful working environment for the enhancement of productivity.

4.0 REVIEW OF THE 2007 PERFORMANCE OF THE COMMISSION.

In order to achieve the objectives set for the period under review, the National Labour Commission was allocated an amount of Seven Hundred and Eighty - Two Thousand Ghana Cedis (GH¢ 782,000.00) under Heads 185 for its operationalisation in the 2007 Financial Year.

A tabular representation of the allocation with respect to the various expenditure items is as follows:

ITEM	PE (GH¢)	ADMIN (GH¢)	SERVICE (GH¢)	INVESTMENT (GH¢)	TOTAL (GH¢)
GoG	199,500	82,600	133,600	366,300	782,000
DONOR	-	-	-	-	-
TOTAL	199,500	82,600	133,600	366,300	782,000

Fig. 1

5.1 ACHIEVEMENTS

In the year under review the Commission made some achievements which are worthy of mention.

5.1.1 INDUSTRIAL HARMONY

Industrial atmosphere in the year under review was relatively calm. There were however a few agitations from some public and private sector employees.

The institutions involved were:

- The Civil Servants Association
- The Health Workers ' Group
- The Customs, Excise and Preventive Service (CEPS)
- The Ghana National Association of Teachers (GNAT)
- The Polytechnic Teachers Association of Ghana (POTAG)
- The Ghana Mine workers Union

The Commission's interventions averted the loss of man-hours, revenues and jobs except in one instance when the appointments of workers were terminated before the matter was brought to the Commission. This notwithstanding, the Commission is facilitating settlement to ensure that the affected workers are paid due compensation.

The Commission recorded 100% success in the settlement of industrial disputes through the Dispute Settlement Procedures established under the National Labour Commission (NLC) Regulations, 2006 L.1.1822. These disputes were collective in the sense that they were, between

organised labour (Unions) and Management of companies/ Establishments and this involved over ten thousand (10,000) workers.

The Commission recorded a total of Six hundred and Sixty-three (663) cases on the individual complaints involving individual workers of non – unionised worker groups. These complaints included dismissals, terminations, non-payment of End of Service Benefits (ESB), unpaid salaries, unfair labour practices, redundancy payments, e.t.c. Out of the total number of 663 cases received, 191 were completely settled while 472 were undergoing the various processes of resolution.

The Committee was informed that, a significant achievement on the part of the Commission was that parties in dispute were now beginning to appreciate the need to dialogue rather than to resort to industrial actions.

6.0 CHALLENGES

In spite of the achievements made by the Commission, it also faced some challenges which included the lack of co-operation from respondents, mainly because of lack of appreciation of the new industrial relations regime, misinformation, inadequate or lack of education on the labour law, (Act 651) the low manpower level of the Commission compared to the number of complaints received and the inadequate budgetary allocation.

7.0 2008 BUDGETARY ALLOCATION FOR THE NATIONAL LABOUR COMMISSION.

In order to achieve the set objectives for 2008 Financial Year, the N.L.C has been allocated an amount of Six Hundred and Seventy-Four Thousand, Five Hundred and Eighty-two Ghana Cedis (GH¢ 674,582) from GoG sources under Heads 185 for its operations.

The table below presents the allocation with respect to the various expenditure items as follows:

ITEM	PE	ADMINISTRATION	SERVICE	INVESTMENT	TOTAL
GOG	199,500	85,100	133,596	256,386	674,582
DONOR	-	-	-	-	-
TOTAL	199,500	85,100	133,596	256,386	674,582

Fig. 2

8.0 COMPARISON OF BUDGETARY CEILINGS AND THE COMMISSION'S ESTIMATES

Item	Estimates (GH¢)	GoG Ceiling (GH¢)	Variance (GH¢)	Percentage (GH¢)
PE	219,489	199,500	19,989	90.89%
ADMINISTRATION	313,100	85,100	228,000	27.18%
SERVICE	273,516	133,596	139,920	48.84%
INVESTMENT	456,386	256,386	200,000	56.18%
TOTAL	1,262,491	674,582	587,909	53.43%

Fig. 3

A study of fig. 3 above gives a clear picture of the low budgetary support for the National Labour Commission which ironically, has the arduous task of creating and maintaining peace and harmony in the volatile industrial atmosphere of our dear country.

9.0 PROGRAMME OF ACTION FOR 2008 FINANCIAL YEAR

The low budgetary support notwithstanding, the Commission has set itself a huge task in the 2008 financial year.

- 9.1 The Commission intends to place more emphasis on one of its core functions, that is, "to promote effective co-operation between labour and management: This will be done in collaboration with the social partners, government, employers and organised labour. The Commission

particularly plans to embark on programmes to promote effective co-operation between labour and management. This will be done through:

- Encouraging "good faith" negotiations to ensure the trust and confidence of the partners in the working relationship.
- Promoting negotiations and mediations as the best tools to resolve industrial misunderstanding.
- Training on negotiation skills for both the public and private sector negotiators, workers' unions and management.
- Sensitizing the social partners to use the collective bargain process to ensure good governance.
- Educating the partners in the working relationship to respect the rights of both the employer and the employee.
- Organising programmes to educate stakeholders on labour laws.
- Promoting peaceful and harmonious industrial relation environment for national and industrial security.

9.2 The Commission plans to continue a nation-wide education campaign on the new labour law, and good industrial relations practice. Evidence gathered so far from the complaints / petitions received shows that, the players in the labour market are still not well informed or not aware of the new industrial relations regime to enable them respond to the change. The Commission will also seek collaboration with the NCCE to organise educational programmes on the labour Act 2003, Act 651. In this regard, the Commission plans to further collaborate with the Labour Department and the Factory Inspectorate Divisions and other Agencies of the Ministry of Manpower, Youth and Employment to carry out educational programmes of Act 651 for labour officers and factory inspectors.

10.0 OBSERVATIONS / RECOMMENDATIONS

10.1 ESTABLISHMENT OF REGIONAL OFFICES

Effectiveness of the Commission, the Committee observed, lies in its ability to resolve industrial disputes even before they degenerate. Accessibility to aggrieved partners in the industrial front is crucial if the Commission is to be that effective. It is in this respect that the Committee observed with concern the Commission's inability to establish a minimum of three regional offices as planned in the 2007 Financial Year. This concern was deepened when the Committee noted the absence of any financial preparation in the 2008 budget of the Commission for the realisation of this noble vision.

The Committee therefore recommends, as a matter of urgency that the Ministry of Finance and Economic Planning releases funds from other sources including HIPC because without any additional funds, this laudable objective cannot be achieved in the 2008 Financial Year.

10.2 PERMANENT OFFICE ACCOMODATION

The Committee observed that the Commission was still operating from rented premises for which huge sums were paid as rent annually. Yet provisions had not been made for these huge rents in the budget, a situation which has always compelled the Commission to vire figures from other sources for payment of rent. This, the Committee observed, did not auger well for the maintenance of sound financial practices and also defeated the M-TEF budgeting which matches expenditures to pre-determined objectives.

The Committee is still recommending to government to come to the aid of NLC by allocating one of the abandoned bungalows to the Commission to be used as a permanent office accommodation.

10.3 INADEQUATE STAFFING

The Committee observed that staffing levels of the Commission were rather low having regard to the number of complaints and petitions that had to be dealt with. It was therefore heart warming for the Committee to learn that the Commission has been given clearance by the Ministry of Finance to recruit additional staff in the Head Office.

The Committee however, recommends that the Ministry of Finance arranges to provide supplementary funds for the recruitment of additional personnel to man the new Regional Offices when they get established in the course of the year

10.4 INADEQUATE BUDGET ALLOCATIONS

The Committee observed that the 2008 budgetary allocation to the Commission was rather low in general. Of particular importance are the allocations for Administration and Service out of which the Commission pays allowances of Commissioners, settle utilities, pursue rulings in courts, and generally run the activities of the Commission.

The Committee noted that with 2008 being an election year, there was the likelihood to experience increased industrial agitations and confrontations which necessitate the effective performance of the Commission to maintain industrial peace and harmony for development. This goes to reason that the Commission ought to be well resourced to deliver if the nation is to enjoy industrial peace in the year under consideration.

It is against this background that the Committee observed the rather low budgetary allocations for Administration and Service which accounted for just 27.18% and 48.84 % respectively of the Commission's estimates.

The Committee recommends that the Ministry makes arrangements to provide a supplementary budget to enable the Commission live up to expectation in the ensuing year.

11.0 CONCLUSION

For purposes of ensuring and maintaining a peaceful industrial climate to serve as a booster to attract both foreign and local investment with the attendant increased employment and income generation to the State, the Committee recommends to the House, for approval, the sum of Six Hundred and Seventy-four Thousand, Five Hundred and Eighty-two Ghana Cedis (GH¢674,582.00) from GoG sources for the activities of the National Labour Commission for the 2008 financial year.



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10TH DECEMBER, 2008