



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

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

ON THE

**2007 BUDGET ESTIMATES OF THE
NATIONAL LABOUR COMMISSION**

IN THE FIRST SESSION OF THE FOURTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA

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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 2007 Financial Year was presented to the House on Thursday, 16th November 2006 by the Minister of Finance and Economic Planning, Honourable Kwadwo Baah-Wiredu.

In compliance with Standing Orders 140(4) and 184 the 2007 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.
- ii. The Budget Statement and Economic Policy of the Government of Ghana for the 2007 Financial Year.
- iii. The Budget Statement and Economic Policy of the Government of Ghana for the 2006 Financial Year.
- iv. The standing Orders of the Parliament of Ghana.

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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 cooperation among the Labour market players and mutual respect for their rights and responsibilities.

4.0 OBJECTIVES OF THE NATIONAL LABOUR COMMISSION

In order to realize its mission, the National Labour Commission has tasked itself with 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.

5.0 REVIEW OF THE 2006 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 five billion, six hundred and sixty-three million cedis (5,663,000,000) under Heads 185 for its operationalisation in the 2006 Financial Year.

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

ITEM	PE	ADMINISTRATION	SERVICE	INVESTMENT	TOTAL
GOG	1,700,000,000	550,875,000	1,177,000,000	2,235,000,000	5,663,000,000
DONOR	-	-	-	-	-
TOTAL	1,700,000,000	550,875,000	1,177,000,000	2,235,000,000	5,663,000,000

5.1 ACHIEVEMENTS

The commission made significant achievements which are worthy of mention.

5.1.1 INDUSTRIAL HARMONY

Industrial relations in the year under review faced some challenges mostly from medical and teaching personnel in the public sector. These agitations related to the request for enhanced remunerations and improved conditions of service which culminated into nationwide strikes. It is gratifying to note that the Commission intervened in accordance with the Law, and called the parties to order using the dispute settlement mechanisms.

The Commission further quelled agitations from other sections of the economy which could have resulted into strikes and lockouts with the potential of negatively affecting productivity and thus, slowing down economic development of our country.

These included :

- The Meteorological Services Department
- The Customs, Excise and Preventive Service
- The thirty-two (32) Unions under the Public Services Workers'
- The Barclays Bank of Ghana Limited
- The Environmental Protection Agency (EPA)

The Commission successfully resolved various industrial disputes ranging from summary dismissals, unfair termination through Retirement Benefits to Workmen compensation.

The Commission boast of successfully resolving about the 80% of the one thousand cases it has so far received with the remaining 20% still going through process of resolution.

5.1.2 SENSITISATION/TRAINING WORKSHOP ON ACT 651

In order to sensitize stakeholders on the provisions of the Labour Act, the Commission held training and educational programmes for various stakeholders including Health Workers comprising medical doctors, pharmacists, nurses, clinicians and hospital administrators.

The Commission also successfully organized joint consultative fora with the Civil Servants Association, Ghana Registered Nurses Association, Ghana National Association of Teachers and Judicial Services Staff Association as well as the Polytechnic Teachers Association of Ghana.

5.1.3 CHALLENGES

In spite of the achievement made by the Commission, it also faced some challenges which include the refusal by the public to accept the work of the Commission, lack of public knowledge about the Labour Law and budgetary allocation not enough.

2007 BUDGETARY ALLOCATION FOR THE NATIONAL LABOUR COMMISSION

In order to achieve the set objectives for the 2007 Financial Year, the National Labour Commission has been allocated an amount of seven billion, eight hundred and twenty million Cedis (¢7,820,000,000.00) 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	AMINISTRATION	SERVICE	INVESTMENT	TOTAL
GOG	1,995,000,000	826,000,000	1,336,000,000	3,663,000,000	7,820,000,000
DONOR	-	-	-	-	-
TOTAL	1,995,000,000	826,000,000	1,336,000,000	3,663,000,000	7,820,000,000

Fig.2

6.1 COMPARISM OF APPROVED GOG BUDGETARY ALLOCATION OF 2006 AND 2007 FINANCIAL YEARS

ITEM	2006	2007	REMARKS	PERCENTAGE CHANGE
PE	1,700,000,000	1,995,000,000	+295,000,000	+17.35%
ADMINISTRATION	550,875,000	826,000,000	+275,125,000	+49.94%
SERVICE	1,177,000,000	1,336,000,000	+159,000,000	+13.51%
INVESTMENT	2,235,000,000	3,663,000,000	+1,428,000,000	+63.89%
TOTAL	5,663,000,000	7,820,000,000	+2,157,000,000	+38.09%

Fig 3

6.2 ANALYSIS OF THE 2007 BUDGETARY ALLOCATION

A cursory glance at the figure 3 above indicates that on the whole, there was an improvement in the budgetary allocations for the 2007 financial year.

There were significant improvements in the provisions made for P.E, Administration, Service and Investment. Nonetheless, the Commission has expressed concern about the inadequacy of this year's allocation to meet the plans and programmes of the Commission.

- 6.3 The Commission plans to step up its educational programme to cover a wide area of the country. The purpose is to have many stakeholders informed about the provisions of the Labour Act. The need for the widened scope of education is re-enforced by the high pace at which unions are registering as new unions would need to be well informed about the processes in resolving Labour disputes.
- 6.4 The Commission also intends to produce a TV series on the Labour Act, 2003, Act 651, advertise jingles, organize educational workshop for information Officers of the Information Service Department in the northern sector, hold sensitization workshop for the Executive-Ministers and deputy Ministers of State and - recruit additional staff. All such activities, the Committee noted would go a long way to forging harmony on the Labour front.

- 6.5 As a step to reducing the incidence of the perennial strikes in the country, the Commission has plans to institute research into the causes of strikes and their effects on business/industry.

The Committee noted that although it was part of this year's planned programme, lack of funds did not make it possible. The Committee finds that the arrangements to bring it up in the 2007 budget is laudable as it will contribute to achieving industrial harmony.

- 6.6 The Commission intends to collaborate with international and local Training institutions for the training of staff of the commission for purposes of staff capacity building.

7.0 OBSERVATION/RECOMMENDATIONS

7.1 Delays in the Release/Non Release of funds

The Committee bemoaned the recurring inadequate allocations to the Commission and also the delay in their releases due to factors ranging from lack of funds to administrative bottlenecks at the Controller and Accountant-General's Office.

The Committee observed that such problems, coupled with the usual non-release of funds approved under the Budget, really constrained the productive capacity of the Commission.

The Committee thought that it was necessary to step up the Commission's activities particularly to ward off potential unrest in the volatile labour environment the country has witnessed in the past. Under the present circumstances, the Committee observed that the Commission stood the risk of neglecting certain aspects of its core functions which would be detrimental to the peace and tranquility of our dear country.

The Committee therefore recommends that the Ministry of Finance and Economic Planning endeavours to arrange the release of additional funds under a supplementary budget to enable the

Commission carry out its planned programme of activities for the year.

7.2 ESTABLISHMENT OF REGIONAL OFFICES

The Committee also observed, the need to move the Commission closer to the people to obviate the possibility of labour unrest occurring at such places under the excuse of inaccessibility of the Commission to mediate at the initial stages of labour unrests.

It was in this vein that the Committee underscored the importance of plans afoot to establish a minimum of three Regional offices in this Financial year due to inadequate budgetary allocation.

The Committee recommends, as a matter of urgency, that the Ministry of Finance and Economic Planning releases funds from the HIPC initiative or other sources to make good this laudable objective.

7.3 PERMANENT OFFICE ACCOMMODATION

The Committee was concerned about the Commission operating in a rented facility for which there was insufficient budgetary allocation for the payment of the rent accruing thereto. The Committee observed that such a situation always resulted to the virement of funds from other cost centres for the purpose, a situation which has been the bane of the M-TEF.

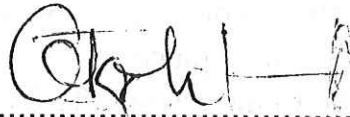
The Committee therefore recommends that one of the government's abandoned residential bungalows be allocated to the Commission to be used as a permanent office accommodation as has been done to other agencies.

8.0 CONCLUSION

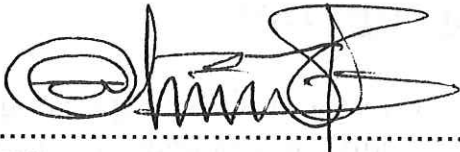
A peaceful labour front is sine qua non to increased employment generation. The ability of the Commission to create harmonious labour relations has been evident since its establishment.

As a measure to deepening and sustaining the peaceful employment climate the country appears to be enjoying now, the Committee recommends to the House for approval, the sum of Seven Billion, Eight Hundred and Twenty Million Cedis (¢7,820,000,000) from

GOG sources for the activities of the National Labour Commission for the 2007 financial year.



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HON. PAUL OKOH
CHAIRMAN, COMMITTEE
ON EMPLOYMENT, SOCIAL
AND STATE ENTERPRISES



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ABDALLAH IBRAHIM GARIBA
AG. CLERK COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE
AND STATE ENTERPRISES

12TH DECEMBER 2007