

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

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

ON THE

**2010 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF EMPLOYMENT AND SOCIAL
WELFARE**

DECEMBER 2009

**REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND
STATE ENTERPRISES ON THE 2010 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF EMPLOYMENT AND SOCIAL WELFARE**

1.0 INTRODUCTION

Following the presentation of the 2010 Budget Statement and Economic Policy of the Government by the Hon. Minister for Finance and Economic Planning on Wednesday 18th November, 2009, and subsequent Motion for its adoption, the Annual Estimates for the Fiscal year 2010 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 held a number of meetings to consider the Estimates of the Ministry. The Committee was assisted in this endeavour by the Minister for Employment and Social Welfare, Hon. Stephen Kwao Amoanor, 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 2009 financial year.
- (d) The Budget Statement and Economic Policy of the Government of Ghana for the December 2010 financial year.
- (e) The Draft Annual Estimates of the Ministry of Employment and Social Welfare for the 2009 financial year.
- (f) The Draft Annual Estimates of the Ministry of Employment and Social Welfare for the 2010 Financial Year.
- (g) Presentations made and 2009 performance document submitted to the Committee on the 2010 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.

The Ministry does all these through formulation and implementation of policies, co-ordination, monitoring and evaluation of performance of the sector; guided by belief in improved productivity, efficiency, equity and prompt responsiveness to clients. The latter comprises the labour force, employers, people with disability, the disadvantaged and the vulnerable.

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 2009

4.1 National Plan of Action (NPA) for the Elimination of the Worst Forms of Child Labour

Government is a signatory to various international conventions, protocols and regulations that protect and secure the interest of children. The Ministry in 2009 established the National Plan of Action (NPA) which reviewed and prepared a standard MOU which formed the basis for co-operation between the Ministry and key sectors such as Health, Education, Agriculture and other institutions such as Ghana Statistical Service and National Development Planning Commission in an effort to protect children from exploitation and other negative acts which are harmful to children's health, education and growth.

A National validation workshop was held in November 2009 to process the National Action Plan for submission to Cabinet for approval early 2010.

The NPA has since been translated into Institutional Action Plans for implementation, after MOUs were signed.

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

In response to global concerns on incidence of worst forms of child labour, particularly the Harkin-Engel Protocol, the NPECLC worked hard towards its objective of significantly reducing the prevalence of worst forms of child labour in the cocoa sector. The NPECLC ultimately secured an unconditional certificate from the International Cocoa Verification Board (ICVB). Attaining the certificate indicated clear evidence that the country was making serious efforts to curb the prevalence of worst forms of child labour in cocoa in order to avoid Ghana's cocoa being boycotted on the international market.

NPECLC in 2009 sensitized communities, parents, children, teachers and policy makers in 47 cocoa producing districts in Ghana. It also developed a manual on Hazardous Framework Activity to guide farmers and stakeholders on what children are allowed to participate in cocoa production process without compromising their education and overall development.

Remediation activities were scaled-up to cover additional 36 districts in which 6,300 children were supported to access school and skill training. Over 600 stakeholders were trained on programme delivery and on Hazardous child activity framework to intensify awareness creation on prevention of children's involvement in hazardous activities.

4.3 Disability Issues

Government reconstituted and inaugurated the National Council on Persons with Disability. Major gains achieved by the Council included the development of a Strategic Plan, organization of the Disability week in June 2009, development of a Legislative Instrument (LI) to operationalise Persons With Disability Act, and the development of guidelines to disburse the 2 per cent District Assembly Common Fund for Disabled persons.

4.4 Livelihood Empowerment Against Poverty (LEAP)

During the year, an amount of GH¢7.5 million was allocated for the implementation of the LEAP Programme. By the end of October 2009, 24,346 households were covered under the LEAP programme. A further 6,000 households in communities affected by floods in the three (3) Northern Regions were also covered under an emergency programme. Government also initiated a programme to promote school enrolment and retention of vulnerable children living in the LEAP households. Approximately 28,434 household members in 54 Districts benefited from payment of either premiums and/or registration under the NHIS Scheme.

The Ministry also produced an enhanced LEAP MIS/Single Register that improved targeting for use by other MDAs in pro-poor programmes and established the Social Protection and Livelihood Technical Committee (SPLIT) that would strengthen coordination and capacity of some MDAs to effectively implement other complementary social protection services.

4.5 Employment Creation

Government instituted a Special Employment Task Force to review the existing Policy to bring it in line with the National Development Policy Framework job creation objectives.

4.6 Human Resource Development (HRD)

A nation's greatest asset is its human resource. A well educated, skilled and productive labour force can lead to a just and a prosperous society. It is for this reason that human resource development is taken seriously by the Ministry. Skills training and retraining for youth unemployed and semi-skilled were conducted / delivered by the Technical / Vocational Training Institutions under the Ministry namely;

- National Vocational Training Institute

- Integrated Community Centre for Employable Skills
- Opportunity Industrialization Centre
- Co-operative College
- School of Social Welfare

Middle level management training was delivered in various disciplines by the Management Development and Productivity Institute. In 2009, the above named institutions trained 8,138 people in various skills and competencies.

The Ministry also Solicited and received inputs to finalise the draft HRD Policy document. The Policy would mainstream training, retraining and capacity building into the National Agenda to produce the skills needed to drive the nation's socio-economic development.

4.7 Labour Issues

A peaceful industrial environment is necessary for foreign / local / direct/ indirect investments to create jobs on a sustainable basis for economic growth. The Ministry therefore co-operated with National Tripartite Committee (NTC), the National Labour Commission (NLC) and the Fair Wages and Salaries Commission (FWSC) to deliberate and resolve issues on labour, wages and salaries and productivity.

Specifically, the National Tripartite Committee (NTC) negotiated and pegged the new National Daily Minimum Wage at GH¢2.65 which represented an increase of 17.5% over the 2008 figure. Organized Labour under the auspices of the TUC negotiated a 17% salary increase over last year's salary levels for public service workers.

4.8 Single Spine Pay Policy (SSPP)

In May 2009, Government organized a stakeholders consultative workshop on work done on the SSPP and finalized the policy document for implementation in January 2010. Government have since issued a White Paper on the SSPP.

5.0 OUTLOOK FOR 2010

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.

5.1 Human Resource Development

The Human Resource policy which was initiated in 2008 and partially developed through the collection, collation and analysis of inputs in 2009 will be finalized. An Implementation Action Plan (IAP) will be developed. Both documents will be validated by key stakeholders for submission to Government for approval in 2010.

Training institutions under the sector will continue with their traditional roles of training the youth, semi-skilled and unskilled labour force to acquire employable skills for the job market or for self employment. Emphasis will be on new areas such as the oil and gas industry, fabrication and jobs in the maritime industry. Together, these institutions will provide training to 42,400 youth and informal sector operators.

Government will endeavour to retool these institutions and if possible, expand infrastructure to make vocational and technical education the preferred choice of the youth as against the grammar type education; and Institutional capacity building will be implemented to improve the skills and competencies of 250 staff of MDAs in the

sector, particularly in the areas of monitoring, evaluation and project / programme design.

5.2 Social Integration/Elimination of Child Labour

The Ministry will not relent in its efforts to protect our children from abuse, exploitation and illiteracy which retard their education and growth. Under the National Plan of Action (NPA), Government will implement the following actions in favour of children:

- Recommend the prosecution of people who engage in actions detrimental to the well-being of children.
- Undertake outreach sensitization programmes to mobilize the Ghanaian Society to protect the rights of children and liaise with key training institutions to enhance full implementation of the FCUBE Policy and Technical Vocational Education and Training (TVET) for our children.
- Seek co-operation of Polytechnics and Universities to develop appropriate technology to reduce the demand for child labour on farm and other economic ventures, and sensitize parents to take advantage of educational facilities and policies to enrol their children in schools and training institutions.

5.3 National Programme for the Elimination of Child Labour in Cocoa (NPECLC)

The Ministry will double its efforts at eliminating the child labour in the cocoa sector together with the World Cocoa Foundation (WCF), the International Cocoa Verification Board (ICVB) and the Harkin-Engel Protocol (HEP) and foreign member-states which patronize cocoa.

To enhance the knowledge-base on child labour in the Cocoa sector, Child Community Labour Monitoring Teams will be established in 470 communities in 70 districts and the legal framework strengthened to deal with WFCL in Cocoa through the dissemination of hazardous activity framework (HAF) to policy makers, farmers

and the media. In addition, technical assistance will be provided to District Assemblies to pass and implement bye-laws on matters affecting children.

5.4 Disability Issues

The Persons With Disability Council will be supported by the Ministry to focus and implement programmes and actions that will empower and secure the well-being of persons with disability.

The Disability Council will finalize work on the Strategic Plan to give direction to its work and help prioritize its agenda and submit the Legislative Instrument to Cabinet and Parliament for approval. The Council will also establish link with its constituents to strengthen cohesion and unity of purpose among Persons With Disability.

5.5 Ageing Policy

The Ageing Policy has reached an advanced stage of completion. The policy was validated by principal stakeholders. An implementation Action Plan will be developed in the first quarter of 2010 for the policy to be submitted to Cabinet for consideration and approval. The Ministry will thereafter disseminate the policy to all stakeholders to create awareness and ensure effective implementation to the benefit of the ageing population.

5.6 Livelihood Empowerment Against Poverty (LEAP)

The LEAP Programme will in 2010 increase coverage from 35,000 households in 54 Districts to 55,000 households in 100 Districts Nationwide.

The LEAP, after a year of operation will undertake an operational review to improve on its instruments, structures and procedures. Lessons to be learnt from the appraisal will inform direction for better social interventions for the extreme poor, the disabled and excluded in Ghana.

The Programme has signed MOUs with some MDAs to better coordinate and improve access to existing services and opportunities. In 2010, these MDAs will be strengthened institutionally and provided with equipment and logistics to implement identified programmes in favour of LEAP beneficiaries. The LEAP Programme in 2010 will conduct a Baseline study with a view to assessing progress and impact of the programme on beneficiaries households.

The development of a Social Policy for Ghana will start in 2010 to guide the Nation in the conduct and prosecution of its social strategy interventions

Institutional capacity building will be implemented to improve the skills and competencies of staff of the Department of Social Welfare and the Ministry particularly in the areas of monitoring, evaluation and project / programme design.

5.6 Employment Creation

The issue of job creation is very high on the agenda of government. The Ministry which is responsible for creating an enabling environment and opportunities will continue to focus on this priority subject.

The reviewed Employment Policy will be validated by all the relevant stakeholders i.e. Government, Employers, Organized Labour and our Development Partners such as ILO, UNDP, DANIDA, WORLD BANK before submission to Cabinet for approval.

The Ministry after Cabinet approval will hold stakeholders sensitization workshops on the Employment Policy to operationalize the Policy and integrate it into the National Budget process to empower MDAs to promote job creation and gainful employment in various sectors of the economy.

The Ministry will ensure that Ghana take advantage of the numerous opportunities for gainful employment in the Global Maritime Industry. In this connection, the Ministry

In 2010 will collaborate with the Ministry of Transport particularly the Ghana Maritime Authority, the Ghana Maritime University, the Ghana Dock and Maritime Workers Union to negotiate special compensation agreement for Ghanaian Seafarers with the International Transport Federation (ITF) to enable Ghanaian seafarers gain legal employment in the shipping Industry. Furthermore the above named institution will coordinate and strengthen training for seafarers to enhance their marketability in the business.

The Ministry and its Tripartite Partners and the ILO in 2010 will strengthen the informal sector and give policy direction with a view to creating decent employment, raising productivity and reducing risks associated with the informal economy.

5.7 Labour Issues

The Ministry will strengthen its cooperation with the National Tripartite Committee (NTC), the Labour Unions, the Fair Wages and Salaries Commission (FWSC) and the National Labour Commission (NLC) to uphold and sustain the current industrial peace and harmony in the country. Specifically NTC will determine the National Daily Minimum Wage for 2010 and deliberate on matters affecting labour, employment, occupational health and safety and other matters of economic importance.

The Ministry will facilitate 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.

5.8 Single Spine Pay Policy

Government will implement the Single Spine Pay Policy in January 2010. The Fair Wages and Salaries Commission the body responsible for salary and wages administration will ensure fair and transparent implementation of the policy using best practices.

5.9 Labour Market Information System

The Ministry is implementing the Labour component of the Business Sector Programme Support (BSPS) with funds provided by DANIDA to address the problems of inadequate, inaccurate and diffused labour market statistics that have affected effective planning over the years.

The Ministry has therefore developed a homepage which will be populated with the requisite information to provide opportunities for job seekers, employers and potential inventors to interact via the web.

6.0 TOTAL ALLOCATION FOR THE YEAR 2010

For the implementation of the above activities and policy initiatives, the Ministry of Employment and Social Welfare and its affiliated bodies have been allocated an amount of **Thirty-Two Million, Eight Hundred and Twelve Thousand, One Hundred and Eighty Six Cedis (GH¢32,812,186.00)** to cover Personnel Emoluments, Administrative, Service and Investment Expenses.

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	15,217,224.00	-	-	-	-
ADMIN.	381,161.00	816,416.00	-	-	-
SERVICE	300,930.00	1,774,779.00	-	-	-
INV'T	125,887.00	905,997.00	-	-	-
TOTAL	16,025,201.00	3,497,192.00	1,289,793.00	12,000,000.00	32,812,186.00

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

DEPT	GOG	IGF	DONOR	MDRI	TOTAL
MESW HQRS	365,678.63	-	1,289,793.00	12,000,000.00	13,655,471.63
INTERNAL AUDIT	31,950.16	-	-	-	31,950.16
MDPI	520,892.08	533,475.00	-	-	1,054,367.08
NVTI	3,293,657.42	2,837,447.00	-	-	6,131,104.42
OATUU	70,279.15	-	-	-	70,279.15
OIC-GHANA	497,364.42	126,270.00	-	-	623,634.42
CO-OP. COUNCIL	78,061.76	-	-	-	78,061.76
ICCES	1,218,398.24	-	-	-	1,218,398.24
DISABILITY COUNCIL	747,241.65	-	-	-	747,241.65
FAIR WAGES &SAL.COMM.	857,241.79	-	-	-	857,241.79
LABOUR DEPT	910,410.42	-	-	-	910,410.42
DSW	5,614,437.63	-	-	-	5,614,437.63
DFI	392,035.08	-	-	-	392,035.08
DOC	1,352,521.99	-	-	-	1,352,521.99
CO-OP. COLL.	74,981.68	-	-	-	74,981.68
TOTAL	16,025,201.00	3,497,192.00	1,289,793.00	12,000,000.00	32,812,186.00

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 Inadequate Logistics

The Committee observed that inadequate logistics had been a major constraint to the Ministry's Departments and Agencies. The Committee noted that this situation would adversely affect the smooth performance of the Ministry in terms of service delivery.

The Committee observed that most of the Departments and Agencies under the Ministry were not able to monitor and supervise the activities under their areas of jurisdiction. The Department of Social Welfare, Department of Factories Inspectorate, and Department of Cooperatives were particularly affected, by the lack of vehicles in their monitoring and other field works.

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

7.2 Lack of Logistic for Human Resource Development Institutions

The Committee was particularly concerned about the lack of support for the Integrated Community Centre for Employable Skills (ICCESS), Opportunities Industrialization Centre (OIC) and National Vocational Training Institute (NVTI) which are seriously handicapped in respect of equipment, tools and other materials for effective teaching. Since the programmes run by these centres are meant to benefit the local people within the communities, the Committee recommends that the District, Municipal and Metropolitan Assemblies make efforts to assist the centres with logistical support to enable them function effectively.

The Committee further recommends that the Ministry of Finance makes a special release of funds for the revamping of these all important institutions to enable them assist in ridding our streets of deviants.

7.3 Inadequate Funding

The Committee noted that the wide range of programmes outlined under the Ministry is so important that it deserves adequate budgetary allocation. Issues such as Human resource, peaceful industrial relation, employment, Single Spine Pay Policy and the like are all activities undertaken by the Ministry.

The Committee observed that inadequate budgetary allocation to departments and agencies under the Ministry still persist. For instance some Departments had zero allocation for Service and Investment. It was also revealed that due to these financial problems, some Departments do not have adequate staff both in quantity and quality to run the day to day affairs of the agencies and Departments. Departments most affected are Cooperatives Department, Factories Inspectorate, the Cooperative Council and ICCES.

Furthermore, it was observed that Labour Department would not be able to implement its programmes under the National Employment Service as a result of a drastic reduction in their Service votes. Moreover, no allocation was made on Investment, although the Headquarters building of the Labour Department is sinking and is at the verge of collapse.

The Committee recommends to the Ministry of Finance and Economic Planning as a matter of urgency to provide the Ministry with a supplementary budget to enable these Departments embark on their planned programmes

7.4 Uncertainties in Donor Inflow

The Committee observed that donor inflow uncertainty is a major problem confronting the Ministry. A review of the 2009 performance of the Ministry indicates that the LEAP programme could not achieve its target of 35,000 households. As at the end of October 2009 a total of 24,346 households have been covered leaving a deficit of 10,654 households yet to be covered. The Committee noted that funds from MDRI meant for the programme had just been released.

Looking at the 2010 Budget estimate of the Ministry, the Committee realised that about forty percent of the Ministry's budget is donor funded. For instance GHC12,000,000.00 allocated to the LEAP Secretariat is going to be funded by the MDRI.

In view of the late releases of funds that occurred in 2009, the Committee recommends that the Ministry widens its scope of sourcing for funding to include domestic development partners and also look for alternative sources of funding for this important programme. Furthermore, the Committee recommends that measure be taken to do away with the usual procurement problems to ensure that funds that are approved by donors can be put to use timely.

7.5 Lack of Employment Data

The Committee observed that the nation is still faced with the problem of statistics on employment. Data on the number of people employed, retrenched, unemployed and under employed could not be verified. The Committee however noted that the Ministry with the support of DANIDA is implementing the Labour component of the Business Sector Programme Support (BSPS) by developing and installing a Labour Market Information System (LMIS) which will address the problems of inadequate, inaccurate and diffused labour market statistics that have affected effective planning over the years.

The Committee however recommends that all Government departments and agencies, private sector and the non formal sectors of the economy should be tasked to report to the Ministry on quarterly basis on their respective employment statistics.

7.6 Implementation of Single Spine Pay Policy (SSPP)

The Committee welcomes the decision of Government to implement the SSPP beginning January 2010. However, the Committee noted that there could be initial implementation challenges with regard to managing reactions from some public sector workers who may not be entirely satisfied with their finalized placement on the Spine and workers who may not have been evaluated for placement on the spine.

Realizing these difficulties, the Committee recommends that the Fair Wages and Salaries Commission (FWSC) should recruit and train the needed professional Staff to be able to address all technical issues so as to reduce workers agitations and dissatisfaction.

Furthermore the FWSC must as a matter of urgency undertake public awareness education programme to ensure acceptability of the Policy as well as building consensus for the way forward on the Single-Spine.

Finally the Committee demands the patience and tolerance of workers to enable the Commission and Government handle all difficulties that may arise from the process.

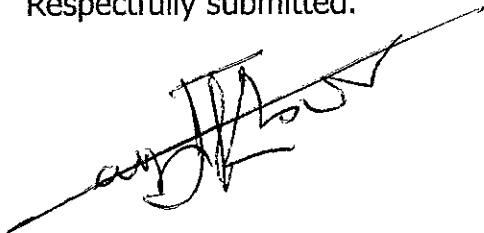
8.0 CONCLUSION

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 2010.

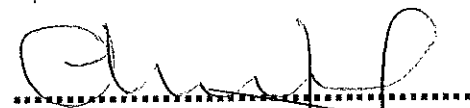
The Committee after careful consideration, finds the Draft Budget Estimate of the Ministry justifiable and recommends to the House, for approval, the sum of **Thirty-Two Million, Eight Hundred and Twelve Thousand, One Hundred and Eighty Six Cedis(GH¢32,812,186.00)**.

In addition, the Committee recommends that a supplementary budget be raised to enable the Ministry carry out fully its planned programmes and activities.

Respectfully submitted.



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



.....
**ROSEMARY ARTHUR SARKODIE (MRS)
CLERK, COMMITTEE ON EMPLOYMENT,
SOCIAL WELFARE AND STATE ENTERPRISES**

11TH DECEMBER, 2009