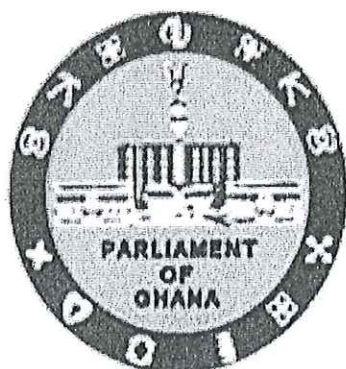


IN THE SECOND SESSION OF THE EIGHTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF  
GHANA

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REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL  
WELFARE AND STATE ENTERPRISES ON THE  
CONSIDERATION ON THE 2023 ANNUAL BUDGET  
ESTIMATES OF THE NATIONAL LABOUR COMMISSION

Acc No : 7085 C2

Class No : ABE/MLC/23

**REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND  
STATE ENTERPRISES ON THE 2023 ANNUAL BUDGET ESTIMATES OF THE  
NATIONAL LABOUR COMMISSION**

**1.0 INTRODUCTION**

The Annual Budget Statement and Economic Policy of the Government of Ghana for the 2023 financial year was presented to Parliament on Thursday, 24<sup>th</sup> November, 2022 by the Hon Minister for Finance, Mr Ken Ofori Atta, in accordance with Article 179 of the 1992 Constitution.

Pursuant to Orders 140(4) and 184 of the Standing Orders of the House, the Rt Hon Speaker referred the Annual Budget Estimates of the National Labour Commission to the Committee on Employment, Social Welfare and State Enterprises for consideration and report.

The Committee met with Officials of the National Labour Commission on Tuesday, 13<sup>th</sup> December, 2022 and considered the referral.

The Committee expresses its appreciation to the Executive Secretary, Hon Ofori Asamoah and the technical team from the Commission for their support.

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**2.0 REFERENCE DOCUMENTS**

The Committee referred to the following documents during the consideration of the estimates:

- i. The 1992 Constitution of Ghana
- ii. The Standing Orders of Parliament of Ghana

- iii. The 2023 Budget Statement and Economic Policy of the Government of Ghana
- iv. The 2023 Annual Budget Estimates of the National Labour Commission
- v. The 2022 Budget Statement and Economic Policy of the Government of Ghana
- vi. The 2022 Annual Budget Estimates of the National Labour Commission

### **3.0 MANDATE OF THE COMMISSION**

The National Labour Commission exists to develop and sustain industrial peace and harmony by promoting cooperation among labour market players, and facilitating the settlement of industrial disputes through the application of effective conflict resolution mechanisms.

The Commission performs the following key functions:

- i. Facilitating the settlement of industrial disputes
- ii. Investigating labour-related complaints, particularly unfair labour practices and taking appropriate steps to prevent labour disputes
- iii. Promoting effective labour cooperation between labour and among management
- iv. Maintaining a database of qualified persons to serve as mediators and arbitrators
- v. Promoting and protecting the rights and responsibilities of employers and employees

## 4.0 PERFORMANCE FOR THE YEAR 2022

### 4.1 Financial Performance

The National Labour Commission was allocated a budget of Six Million, Two Hundred and Seventy-Six Thousand Ghana Cedis (GHC6,276,000.00) for the implementation of its programmes and activities for the 2022 financial year. The breakdown of the allocation and releases made over the period are provided in Table 1.

Table 1: 2022 Allocation and Releases

ITEM	APPROVED BUDGET (GH¢)	RELEASES	EXPENDITURE	BALANCE
Compensation	4,108,000	2,756,970.53	2,756,970.53	1,351,029.47
Goods and Services	1,363,000	947,244.01	947,244.01	415,755.99
CAPEX	805,000	439,900.00	439,900.00	365,100.00
<b>TOTAL</b>	<b>6,276,000</b>	<b>4,508,179.22</b>	<b>4,144,144.54</b>	<b>2,131,885.46</b>

Source: 2022 Budget Performance of National Labour Commission

### 4.2 Programme Performance

#### 4.2.1 Management and Administration Programme

To promote effective labour management cooperation and uphold the rights and responsibilities of employers and workers for effective industrial relations practices, the National Labour Commission put in place measures to ensure the effective administration of workplace justice and the expeditious resolution of industrial and labour disputes.

The Commission handled 487 complaints involving over 70,000 workers. The cases were filed by both public and private sector employers, workers, trade unions, and associations. Of the total number of cases handled, 47 per cent were fully resolved, with the rest still undergoing the processes of resolution.



Some major industrial actions were recorded in 2022, 90 per cent of which were of public interest. Some of the issues which led to the strike actions are still undergoing settlement.

In all, 17 industrial actions were handled by the Commission. The Commission resolved 87 per cent of the strike disputes, with the rest undergoing the process of resolution. The Commission rendered 53 rulings, decisions, directives, and orders out of which 81 per cent were complied with. The rest are being prepared for prosecution and enforcement.

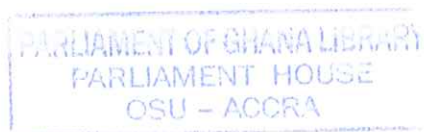
#### **4.2.2 Settlement of Labour/ Industrial Disputes**

The Commission received a total of 334 complaints from workers in the public and private sectors. This was by the end of the third quarter of the year 2022. Out of this number, the Commission resolved 153 of the complaints filed during the period, representing 44% settlement.

In addition to this, the Commission successfully settled 121 cases rolled over from previous years.

#### **4.2.3 Rulings, Directives and Orders**

The Commission in the exercise of its powers under the law and issued Orders to defaulting parties to remedy infractions of the law as well as directions to comply with the terms of employment and agreements reached between the parties, which have been flouted. The Commission, within the period, issued 47 rulings, decisions, directives, and orders to remedy defaults and irregularities in the employment relationship.



## 5.0 OUTLOOK FOR 2023

The Commission intends to utilise its budgetary resources to implement the following programmes and activities in 2023:

- i. Resource the three regional offices in Ashanti, Western and the Greater Accra Regions to make them more effective and functional to allow for easy accessibility and affordability of the Commission's services.
- ii. Enhance commitment towards promoting a peaceful industrial relations environment through the proactive treatment and resolution of disputes.
- iii. The Commission will promote dialogue through the application of negotiation, mediation, and arbitration to resolve workplace disputes instead of litigation.
- iv. The Commission will enhance its facilitation services for the timely resolution of industrial disputes to strengthen the employer-employee relationship at the workplace.
- v. The Commission will promote enterprise-based trainings on the Labour Laws as a strategic tool to promote harmony at the workplace and for peaceful industrial relations environment in general.
- vi. The Commission will continue to be proactive in dealing with public interest disputes and will promptly intervene in threats of industrial actions to minimise and prevent industrial disputes.

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## 6.0 ALLOCATION FOR 2023

The National Labour Commission has been provided with a budgetary allocation of **Eight Million, Six Hundred and Eighteen Thousand, Three Hundred and Sixty Ghana Cedis (GHC 8,618,360.00)** to implement its programmes and activities for the 2023 financial year. The breakdown of the allocation is presented in table 2:

**Table 2: Breakdown of 2023 Budgetary Allocation by Sub-Programme**

	Compensation (GH¢)	Goods and Services (GH¢)	CAPEX	TOTAL (GH¢)
Management and Administration	1,386,622	2,760,800	1,006,600	5,154,022
Labour Dispute Resolution	3,214,338	250,000	-	3,464,338
<b>TOTAL</b>	<b>4,600,960</b>	<b>3,010,800</b>	<b>1,006,600</b>	<b>8,618,360</b>

Source: The Budget Statement and Economic Policy of the Government for 2023

## 7.0 OBSERVATIONS AND RECOMMENDATIONS

### 7.1 Outstanding Compensation Vote in the 2022 Financial Year

The Committee observed a substantial outstanding amount sitting in the compensation vote of the Commission. Out of the total amount of GH¢4,108,000.00 approved as compensation for the Commission, a total amount of GH¢2,756,970.53 has been expended at the time of reporting representing 67 per cent of the entire compensation budget.

As to what occasioned the outstanding amount, the Commission explained that the amount represents the salaries of workers for the rest of the year, salaries of newly recruited staff, salaries of promoted staff, allowances for Board Members for fourth quarter and arrears of sitting allowance for regional committees of the Commission.

Further, Officials of the Commission stated that part of the outstanding amount is meant for the payment of the salaries of 16 newly recruited staff of the Commission.

## **7.2 Increase in Budgetary Allocation**

The Committee noted an overall increase of about 27 per cent in the 2023 Budget Estimate of the Commission. While Goods and Services saw an increase from GH¢1,363,000 in 2022 to GH¢3,100,800 in 2023, an increase of 127 per cent, that of Capex recorded an increase of 25 per cent from 2021 levels.

The Committee was happy to note that with this increase in budgetary allocation, the Commission will be able to perform the following activities and programmes in 2023:

- Funding of the regional offices in Greater Accra, Ashanti, Western regions, and other new offices.
- Tendering activities of the Commission.
- Maintenance, Rehabilitation and Refurbishment of existing Offices.
- Software acquisition and development.
- Maintenance of the Commission's website.
- Office Supplies.
- Education and sensitisation on the Labour Law; and
- Prosecution, Enforcement and Compliance.

The Committee urges the Ministry of Finance to ensure the timely release of funds to enable the Commission deliver on its mandate.

## **7.3 Low Staff Levels**

It came to the attention of the Committee that the Ministry of Finance granted financial clearance to enable the Commission recruit new staff and replace those who have resigned or retired from the services of the Commission.

The Committee noted that during the year under review, the Commission recruited some 16 new staff to augment its human resource base. Despite the new appointments, the attrition rate among the staff



of the Commission continues to be high. According to the Commission, the situation has undermined its capacity to deal expeditiously with huge volumes of cases/complaints received from various parts of the country.

The Commission, therefore, requested dispensation to enable it to recruit some critical staff in 2023. The Committee urges the Government to prioritise the Commission's work in promoting a peaceful working environment and harmonious labour relations.

The Committee therefore recommends to the Ministry of Finance to provide the requisite financial clearance for the Commission to replace its exited staff.



#### **7.4 Labour Dispute Resolution**

The Committee observed that although the Commission's core mandate is the resolution of labour disputes, only an amount of GH¢250,000 has been allocated for that function for the year 2023. The Committee wondered if that amount was sufficient to fulfil that mandate. In response, the Executive Secretary stated the Commission undertakes labour dispute resolution through mediation, arbitration, negotiation, and facilitation. The Commission, through its Industrial Resolution Department, assists parties to labour disputes to settle disputes peacefully without charging any fees.

The Commission explained that when cases are referred for mediation or arbitration, the appointed mediators and arbitrators are paid by the parties to the disputes, but the Commission does receive or is paid for its services. The Commission stated that the Commission pays the Staff of the Industrial Dispute Department, and the amount budgeted for labour disputes is for the facilitation of meeting and not for the payment of external mediators. The Commission, however, pays the Commissioners when they sit for summary hearings or compulsory arbitration.

The Committee wishes to recommend that the Commission to critically re-examine the processes critically to determine the feasibility of possible charges to be applied especially on institutions utilizing the services of the Commission, even if that may require amendments to the Act establishing the Commission.

### **7.5 Internally Generated Fund**

The Committee noted that the Commission does not generate revenue from its services. As a result, although the Commission deploys its resources and facilitates compensatory awards to deserving parties, it does not charge any fees for the service rendered. For instance, the Committee observed that in 2022, the Commission facilitated the payment of compensatory awards amounting to GH¢5,220,201.82 to deserving parties.

The Committee is of the considered view that it is now time for the Commission to charge for some of the services it renders to the public, particularly so where the Commission succeeds in facilitating the payment of compensation. This is to enable the Commission generate some revenue internally to support its work.

### **8.0 CONCLUSION**

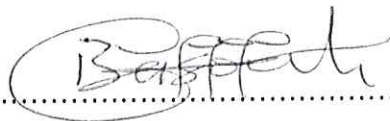
The National Labour Commission (NLC) established under Section 135 of the Labour Act, 2003 (Act 651) aims to develop and sustain a peaceful and harmonious industrial relations environment using effective dispute resolution practices within the context of the law, promotion of cooperation among the labour market players and mutual respect for their rights and responsibilities.

Labour issues continue to be core to the country's socio-economic development as labour agitations can potentially halt the Government's development efforts.

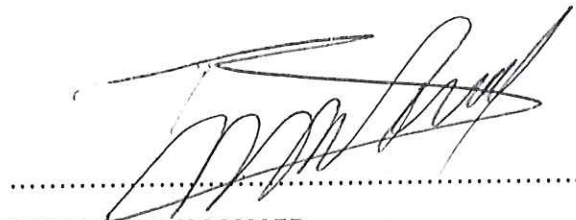
It is, therefore, in the interest of the Government and the entire nation to ensure that the Commission has the resources required to deliver effectively on its mandate.

Considering the above, the Committee recommends to the House to adopt its report and approve the sum of **Eight Million, Six Hundred and Eighteen Thousand, Three Hundred and Sixty Ghana Cedis (GHC 8,618,360)** to support the services and work of the National Labour Commission for the 2023 Financial Year.

Respectfully submitted



HON PHILIP BASOAH  
CHAIRMAN, COMMITTEE ON EMPLOYMENT,  
SOCIAL WELFARE AND STATE ENTERPRISES



INUSAH MOHAMMED  
CLERK, COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE  
AND STATE ENTERPRISES

