

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



## REPORT

of the

### COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISE

on the

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### 2024 ANNUAL BUDGET ESTIMATES

of the

### NATIONAL LABOUR COMMISSION

for the

### 2024 FINANCIAL YEAR

DECEMBER, 2023

## **1.0 INTRODUCTION**

The Annual Budget Statement and Economic Policy of the Government of Ghana for the 2024 financial year was presented to Parliament on Wednesday, 15<sup>th</sup> November 2023 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.

## **2.0 DELIBERATIONS**

The Committee met with Officials of the National Labour Commission on Wednesday, 13<sup>th</sup> December 2023 and considered the referral. The Committee expressed its appreciation to the Executive Secretary, Hon Ofori Asamoah and the technical team from the Commission for their support.

## **3.0 REFERENCE DOCUMENTS**

The following documents served as references for the Committee during the review exercise:

- i. The 1992 Constitution of Ghana
- ii. The Standing Orders of Parliament of Ghana
- iii. The 2024 Budget Statement and Economic Policy of the Government of Ghana
- iv. The 2024 Annual Budget Estimates of the National Labour Commission
- v. The 2023 Budget Statement and Economic Policy of the Government of Ghana
- vi. The 2023 Annual Budget Estimates of the National Labour Commission

## **4.0 MANDATE OF THE NATIONAL LABOUR COMMISSION**

The National Labour Commission is established under Part XVIII of the Labour Act, 2003 (Act 651). The 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.

As an independent arbiter in labour/industrial disputes settlement, it 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

The Commission is established as. The Commission performs its functions using the following processes:

## 5.0 PERFORMANCE FOR THE YEAR 2023

### 5.1 Financial Performance

To perform its mandate, the National Labour Commission was allocated a budget of **Eight Million, Six Hundred and Eighteen Thousand, Three Hundred and Sixty Ghana Cedis (GHC 8,618,360.00)** for the implementation of its programmes and activities for the 2023 financial year.

The breakdown of the allocation and releases made during the period are provided in Table 1.

**Table 1: 2023 Allocation and Releases**

ITEM	APPROVED BUDGET (GHC)	RELEASES (GHC)	EXPENDITURE (GHC)	BALANCE (GHC)
<b>Compensation</b>	4,600,960.00	2,230,775.00	2,230,775.00	2,370,185.00
<b>Goods and Services</b>	3,010,800.00	2,152,539.31	2,152,539.31	858,260.69
<b>CAPEX</b>	1,006,600.00	318,955.00	318,955.00	687,645.00
<b>TOTAL</b>	<b>8,618,360.00</b>	<b>4,702,269.31</b>	<b>4,702,269.31</b>	<b>3,916,090.69</b>

*Source: 2023 Budget Performance of National Labour Commission*

## **5.2 Programme Performance**

This section highlights the actual programmes and activities executed vis-à-vis the releases made in respect of the programmes.

### **5.2.1 Management and Administration**

The Commission's primary objective is to promote a sound industrial relation which fosters good and healthy relations between the partners (management and labour) in the industry.

In a bid to execute its mandate of improving the economic conditions of the general labour environment, the Commission enhanced its adjudicating responsibility in the administration of justice of labour/industrial disputes.

Additionally, to uphold rights and responsibilities of employers and employees in settlement of industrial disputes, a total complaint of three hundred and fifteen (315) were received involving over one million workers, cumulatively. The Commission successfully resolved one hundred and eighty-one (181) which represents 57.5% success while the rest are undergoing resolution.

The year recorded twenty-seven (27) industrial actions which comprise of notices of strikes and threats of strikes. These strikes were of public interest and mostly occurred in Tertiary Education Schools (recorded 14 strikes).

Industrial disputes were resolved by the Commission by negotiation settlements, issued directives, decisions, and orders for parties to comply.

The Commission awarded a total amount of about GHC7,001,000 as compensation and awards to beneficiaries upon successful resolution of their disputes. The amount excludes those compensatory awards paid directly to the beneficiaries.

### **5.2.2 Settlement of Labour and Industrial Dispute**

The Commission rendered sixty-three (63) decisions, orders, rulings and directives during the period. Four have so far been appealed against by the losing parties. The Commission is monitoring to ensure full compliance.

## 6.0 OUTLOOK FOR 2024

In the 2024 fiscal year the Commission will undertake:

- Operationalisation of the Ghana Labour Market Information System (GLMIS) across all PECs in the country
- Submission of real time Labour Market data
- Intensify Labour Inspections
- Intensify Job canvassing to facilitate employment of job seekers.

## 7.0 ALLOCATION FOR 2024

The National Labour Commission has been allocated budgetary amount of **Twenty-One Million, Twenty-One Thousand, Six Hundred and Sixty-Eight Ghana Cedis (GHC 21,021,668.00)** to implement its programmes and activities for the 2024 financial year. The breakdown of the allocation is presented in table 2:

*Table 2: Breakdown of 2024 Budgetary Allocation by Sub-Programme*

ITEM	Compensation (GHC)	Goods and Services (GHC)	CAPEX	TOTAL (GHC)
Management and Administration	1,814,326	8,187,819	2,932,889	12,935,034
Labour Dispute Resolution	7,286,634	800,000	-	8,086,634
<b>TOTAL</b>	<b>9,100,960</b>	<b>8,987,819</b>	<b>2,932,889</b>	<b>21,021,668</b>

*Source: The Budget Statement and Economic Policy of the Government for 2024*

## 8.0 OBSERVATIONS AND RECOMMENDATIONS

### 8.1 Non-release of Budgetary Allocation

The Committee expressed worry about the non-release of approved funds to enable the Commission to execute its mandate. The 2023 budget performance of the Commission indicates that although a total allocation of GHC8,618,360.00 was approved for the Commission, as of September 2023, only an amount of GH4,702,269.31 has been released and expended leaving an outstanding amount of GH3,916,090.69. This represents 55 percent of the total amount released and expended.

The budget underperformance of the Commission affected the Compensation, Goods and Services and the Capex votes severely. For instance, the Committee observed that

although an amount of GHS 1,006,600.00 was allocated for CAPEX in 2023, only a meagre amount of GHS 318,955 has been released and expended, leaving a balance of GHS 687,645.00. For the Compensation vote, the Committee expressed concern on the variance of GHS 2,370,185.00 and sought to find out if salaries of employees were in arrears. The Commission in response explained that salaries have been paid and the variance represent non-salary related allowances including allowances of the Members of the Commission and Committees of the Commission for the period.

The Committee admonished the Commission to separate compensation of employees and the Commission expenses into two separate items since lumping them together as compensation is misleading.

The Commission explained that they have made a request to the Ministry of Finance for the payment of outstanding amount to enable the Commission to undertake its capital projects programmed for the year and pay the outstanding allowances to the Members of the Commission.

The Committee urged the Ministry of Finance to as a matter of urgency release the outstanding amount to the Commission before the end of the financial year to enable them to settle their commitments.

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## **8.2 Increase in 2024 Budgetary Allocation**

The Committee observed a huge increase in the 2024 budgetary allocation to the Commission and commended the Ministry of Finance for taking on board the recommendation of the Committee on resourcing the Commission to enable it to execute its mandate. The Committee was happy to note that an amount of GhC 21,021,166 has been allocated to the Commission in 2024 an increase of 144% over the 2023 allocation. The increase in the total allocation **for 2024** saw a corresponding increase in the Compensation vote (98%), Goods and Services vote (198%) and Capex vote (191%) of the Commission.

While the Committee is commending the Government for the huge increase in the allocation, it is mindful of the 2023 under performance of the Commission's budget and urge the Ministry of Finance to ensure the timely release of funds to enable the Commission function effectively.

### **8.3 Labour Dispute Resolution and Appointment of Permanent Commissioners**

The Committee observed that the Commission received a total of three hundred and fifteen (315) complaints from individual workers, groups of workers, trade unions, workers' organisations, and employers. Out of the total number of complaints received, the commission successfully resolved one hundred and eighty-one (181) complaints representing 57.5% of the total number of complaints handled during the period.

While the Committee commended the Commission for resolving about 57.5% of the complaints received, it was worried that the 42.5% of the labour disputes sent to the Commission remain unresolved. According to the Commission the unresolved complaints is a result of the limited time available for the Commissioners to sit on matters before it due to the dual role they play as commissioners and the Board.

The Committee recommends the composition of an Executive Body distinct from the Board who will play the sole function of adjudicating on labour matters and decisions arrived at to be reviewed by the Board. This system the Committee believes will lead to efficiency and effectiveness as well as ensure matters are adjudicated timeously.

### **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 **Twenty-One Million, Twenty-One Thousand, Six Hundred and**

**Sixty-Eight Ghana Cedis (GHC 21,021,668.00)** to support the services and work of the National Labour Commission for the 2024 Financial Year.

Respectfully submitted.

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**HON EUGENE BOAKYE ANTWI**  
**CHAIRMAN, COMMITTEE ON EMPLOYMENT,**  
**SOCIAL WELFARE AND STATE ENTERPRISES**



.....  
**DR ERNEST DARFOUR**  
**CLERK, COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE**  
**AND STATE ENTERPRISES**