

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

MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS

for the

2024 FINANCIAL YEAR

DECEMBER, 2023

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2024 financial year was presented to Parliament on Wednesday, 15th November 2023 by the Hon. Minister for Finance, Mr. Ken Ofori Atta, in accordance with Article 179 of the 1992 Constitution and Section 22 of the Public Financial Management Act, 2016 (Act 921).

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

The Committee met on Wednesday, 13th December, 2023 and considered the Annual Estimates of the Ministry. Present at the meeting were the Hon. Minister for Employment and Labour Relations, Mr. Ignatius Baffour Awuah and his deputy, Mr. Bright Wireko-Brobbe, the Chief Director, Head of Agencies and Officials from the Ministry of Finance.

The Committee expresses its appreciation to the Hon. Minister and his team for their co-operation and support. The Committee also expresses appreciation to the scheduled officers from the Ministry of Finance for being in attendance to assist the Committee in considering the Estimates.

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 Public Financial Management Act, 2016 (Act 921)
- iii. The Standing Orders of Parliament of Ghana (2000)
- iv. The 2024 Budget Statement and Economic Policy of the Government of Ghana
- v. The 2024 Programme-Based Budget (PBB) Estimates of the Ministry of Employment and Labour Relations
- vi. The 2023 Budget Statement and Economic Policy of the Government of Ghana
- vii. The 2023 Programme-Based Budget (PBB) Estimates of the Ministry of Employment and Labour Relations

viii. The Report of the Committee on Employment, Social Welfare and State Enterprises on the 2023 Annual Budget Estimate of the Ministry of Employment and Labour Relations.

3.0 POLICY OBJECTIVES

The policy objectives of the Ministry, as contained in the National medium-Term Development Policy Framework (NMTDPF), are as follows:

- i. Promote harmonious industrial relations;
- ii. Promote job creation and decent work;
- iii. Improve labour migration governance;
- iv. Establish an Effective Occupational Safety and Health Management System;
- v. Ensure improved skills development and productivity for the industry;
- vi. Prevent and protect children from all forms of violence, abuse, neglect and exploitation;
- vii. Promote decent pensions and promote pension coverage;
- viii. Improve cooperative development through review of legislative framework;
- ix. Position YEA to provide more employment opportunities for the youth; and
- x. Rebrand Youth Employment Agency (YEA) as a public service institution.

4.0 CORE FUNCTIONS OF THE MINISTRY

The core functions of the Ministry are to:

- i. Initiate, formulate and coordinate sector policies and programmes as well as schemes to ensure sustainable, accelerated employment-generation and human capital development;
- ii. Develop strategies and mechanisms to ensure and promote industrial peace and harmony;
- iii. Develop and periodically review all legal and policy instruments for the sector.
- iv. Ensure the development and review of labour market information management systems to facilitate the availability of timely, relevant and accurate national employment and labour statistics;
- v. Coordinate all national employment initiatives with the collaboration of relevant stakeholders of the economy;

- vi. Ensure the monitoring and evaluation of sector policies, programmes and projects in relation to enhanced labour productivity;
- vii. Promote best management practices, systems and procedures in all sectors of the economy to enhance labour productivity;
- viii. Ensure fair and equitable wages and salaries for employees in all sectors of the economy
- ix. Ensure the provision of employable skills and apprenticeship particularly to the youth, through vocational and technical training at all levels to promote decent and sustainable jobs,
- x. Ensure occupational safety and health for all workers in both the formal and informal sectors,
- xi. Ensure all workplaces conform to labour laws through labour inspection, and
- xii. Facilitate the development of vibrant co-operatives and small-scale enterprises for employment generation and poverty reduction.

5.0 DEPARTMENTS AND AGENCIES UNDER THE MINISTRY

The Ministry executes its functions through the following departments and agencies

- i. Ministry Headquarters
- ii. Youth Employment Agency
- iii. Labour Department
- iv. Fair Wages and Salaries Commission
- v. Department of Factories Inspectorate
- vi. Management Development and Productivity Institute
- vii. Department of Co-operatives
- viii. Ghana Co-operative Council
- ix. Ghana Co-operative College

6.0 PERFORMANCE FOR THE YEAR 2023

6.1 Total Approved Budget for 2023

In the year under review, a total amount of **Seventy-Six Million, Six Hundred and Ninety-Nine Thousand, Three Hundred and Forty-Two Ghana Cedis (GH¢ 76,699,342.00)** was approved for the operations of the Ministry, its Departments and

Agencies. The breakdown of the allocation of the Ministry for the year 2023, in terms of cost centres, programmes and sources of funding are provided in Table 1.

Table 1: 2023 Budgetary Allocations by Cost Centres and Sources of Funding

ECONOMIC CLASSIFICATION	2023 APPROVED BUDGET (GH¢)			TOTAL (GH¢)
	SOURCE OF FUNDING			
	GOVERNMENT OF GHANA (GH¢)	INTERNALLY GENERATED FUND (GH¢)	DONOR PARTNERS (GH¢)	
COMPENSATION	40,285,685	-	-	40,285,685
GOODS & SERVICES	2,142,700	2,451,455	23,133,498	27,727,653
CAPEX	1,096,240	374,766	7,214,998	8,686,004
TOTAL	43,524,625	2,826,221	30,348,496	76,699,342

Source: 2023 Budget and Economic Policy of the Government of Ghana

6.2 Expenditure for 2023

The expenditure returns of the Ministry for the year 2023 is provided in Table 2.

Table 2: Expenditure and Releases as at October 2023

ECONOMIC CLASSIFICATION	APPROVED BUDGET (GHC)	REVISED BUDGET (GHC)	RELEASES (GHC)	EXPENDITURE (GHC)	BALANCE (GHC)
COMPENSATION	40,285,685	52,371,391	41,736,260	41,736,260	10,635,131
GOODS AND SERVICES	27,727,653	27,727,653	28,253,744	27,228,482	-526,091
CAPEX	8,686,004	8,686,004	16,753,675	16,753,675	-8,067,671
TOTAL	76,699,342	88,785,048	86,743,679	85,718,417	2,041,368

Source: Ministry's presentation

7.0 2023 PROGRAMME PERFORMANCE

This section presents the Ministry's performance during the year under review.

7.1 The National Labour Migration Policy

During the review period, the Ministry drafted six Bilateral Labour Agreements (BLAs) between Ghana and Italy, Mauritius, Libya, Egypt, Saudi Arabia, and Kuwait to guide labour export, under the National Labour Migration Policy, and transmitted to the respective countries.

7.2 Job Creation and Development

The various employment modules under the Youth Employment Agency enrolled 93,983 youth. The enrolment had a considerable impact on the lives of individual beneficiaries, communities, and the country at large in security, healthcare delivery and acquisition of employable technical and vocation skills.

The Department of Cooperatives registered 827 Co-operative Societies, audited 525 existing Co-operatives, and inspected the books of 1,421 Co-operative Societies. About 21,430 members of farmers' cooperative societies and 6,207 artisans were also trained. During the year under review, the Ministry through the Department inspected 1,207 cooperative societies throughout the country.

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7.3 Skills Development

The Ministry trained 4,634 persons on management and development, and delivered 80 managerial and functional courses. Further, about 79 SME's were trained on the Sustaining Competitive and Responsible Enterprises (SCORE) Project.

7.4 Labour Administration

The Labour Department undertook 1,290 workplace and establishment inspections and facilitated the placement of 10,211 persons in gainful employment through the Public Employment Centres (PECs), Private Employment Agencies (PEAs) and Job Fairs.

The Ministry organized a maiden National Labour Conference, and the third phase of the National Plan of Action for the Elimination of Child Labour (Ghana Accelerated Action Against Plan Against Child Labour) was launched.

The Ministry began the construction of a four-storey ultra-modern Labour Office Complex and sixteen (16) Public Employment Centres (PECs), one in each region. The Ministry constituted the National Labour Legislation Review Technical Committee to lead the review of the labour legislation and the development of the new draft Bill.

The Ministry registered about 375 workmen compensation with 268 victims compensated, and 107 sensitization programmes on pension organized.

The Department of Factories Inspectorate (DFI) undertook 3,508 safety inspections of factories, offices and shops. They organised 150 safety talks and registered 555 new workplaces.

7.5 Negotiations for the Base Pay and Pay-Point Relativity (BPPPR) for 2023

Following a series of consultations and consensus building among the Public Services Joint Standing Negotiating Committee, the Fair Wages and Salaries Commission (FWSC) concluded negotiations for the Base Pay and Pay-Point Relativity (BPPPR) for 2023. The Commission also negotiated Conditions of Service (CoS) for 12 Public Service institutions. Government is in negotiations with Organised Labour on the 2024 BPPPR for Public Sector Workers.

7.6 Pensions

About 56,167 workers in the informal sector were enrolled onto the 3rd Tier of the 3-Tier Pension Scheme, bringing the number of informal workers in the Tier 3 to 594,422, representing 6 percent of the workers in the informal sector. The National Pensions Regulatory Authority (NPRA) prosecuted 22 employers who defaulted in honouring their obligations to their employees.

During the period, the Ministry registered 223 pension schemes and 28 Corporate Trustees license application reviewed. A new office for National Pensions Regulatory Authority (NPRA) was opened in Koforidua. The Ministry through the NPRA retrieved GHS 2,783,390.49 in 2023 from prosecutions. Private Pension Assets Under Management (AuM) as of the end of third quarter of 2023 was GHS47 billion compared to GHS33.7 billion around the same period in 2022.

8.0 OUTLOOK FOR 2024

- The Department of Cooperatives will register 1,250 new Co-operative Societies, audit 1,000 and inspect additional 1,000 existing co-operatives in 2024.
- The Labour Department will undertake 1,800 workplace and establishment inspections and facilitate the placement of 12,000 jobseekers in available job vacancies in 2024.

- The Department of Factories Inspectorate will inspect 3,500 factories, offices and shops, undertake 170 safety talks and register 550 new factories, offices and shops in 2024.
- The Fair Wages and Salaries Commission will continue to negotiate Conditions of Service for public institutions in 2024.
- In 2024, the NPRA will create awareness to increase pension cover to workers in the informal sector to 12 percent. It will also ensure full deployment of its Risk-based Software to improve operational and regulatory oversight.

9.0 ALLOCATION FOR THE YEAR 2024

To implement its programmes and activities for 2024, a total amount of **One Hundred and Ninety-One Million, Forty-One Thousand and Seventy Ghana Cedis (GHC 191,041,070)** has been allocated to the Ministry of Employment and Labour Relations, its Departments and Agencies. The breakdown of the allocation in terms of cost centres, programs, and funding sources is provided in Tables 3 and Table 4 as follows:

Table 3: 2024 Budgetary Allocations

ITEM	SOURCE OF FUNDING			TOTAL GH¢
	GOG GH¢	IGF GH¢	DONOR GH¢	
COMPENSATION	75,566,582			75,566,582
GOODS AND SERVICES	7,131,610	7,046,345	17,773,705	31,951,660
CAPEX	3,000,000	522,828	80,000,000	83,522,828
TOTAL	85,698,192	7,569,173	97,773,705	191,041,070

Source: 2024 Budget and Economic Policy of the Government of Ghana

Table 4: Allocations to the Ministry by Programmes

Program	Compensation (GH¢)	Goods and Services (GH¢)	CAPEX (GH¢)	Total (GH¢)
Management & Administration	10,743,108	21,380,156	83,000,000	115,123,264
Job Creation & Development	17,638,386	1,048,645		18,538,386
Skills Development	4,774,178	4,792,995	522,828	10,090,001
Labour Administration	42,410,909	4,729,864		51,870,637
Total	75,566,582	31,951,660	83,522,828	191,041,070

Source: Ministry's 2024 Presentation

9.0 OBSERVATIONS

9.1 Development of Ghana Labour Information System (GLIS)

The Ministry informed the Committee that the Ministry is developing the Ghana Labour Information System which is an application-based information system where potential employers and employees would meet and exchange ideas. Where possible, recruitments would be done based on information provided on the platform. Although the development of the application is 100 per cent complete, the Ministry is yet to officially launch the programme. The purpose of the GLIS, the Committee was informed is to enable the Ministry identify skill gaps in the world of work so that such information could be given to the educational institutions to teach students to occupy those spaces. As part of the project the Ministry is establishing offices across the 16 regions of Ghana to coordinate the processes and provide easy access to job seekers. The Committee commended the Ministry for establishing such system that would go a long way to provide information in the labour market for job seekers. The Committee urged the Ministry to as a matter of urgency commission and operationalize the system without further delay.

9.2 Over expenditure of the Ministry's Budget

The Committee observed that the Ministry over spent its budget by 13 per cent. Although a total amount of GH¢76,699,342 was allocated to the Ministry in 2023, as of October 2023, a total amount of GH¢86,743,679 had been received and expended. The over expenditure was recorded in all the cost centers of the Ministry. On what accounted for the situation, officials of the Ministry explained that the over expenditure was a result of 30 per cent adjustment in salary and re-allocation that was done by the Ministry of Finance during the Mid-year review.

9.3 Estimate of the Fair Wages and Salaries Commission

The Committee questioned why the Estimate of the Fair Wages and Salaries Commission (FWSC), is subsumed under the Ministry's Budget. The Ministry explained that the FWSC is a Civil Service Department under the Ministry and that is why their budget is subsumed under the Ministry's Budget.

The Committee disagreed with the Ministry stating that Commissions belong to the Public Service and not the Civil Service because they are set up by specific Act of Parliament and as a result are not covered by the Civil Service Act. The Committee bemoaned the practice and indicated that as an independent salary body, the Commission should be treated as such and given its budget as is the case of the National Labour Commission under the same Ministry.

The Ministry agreed with the Committee stating that the FWSC was previously known as the Department of Price and Income Board and admitted that the Commission is still in transition. The Ministry acknowledged that FWSC has an independent Board which makes it ideal for it to carry on with its operations.

The Committee was informed that as part of the review of the Labour Law, there is a proposal to make the Commission an Independent Emolument Commission which would not only look at public sector emolument but would also look at Article 71 emolument as well.

10.2 CONCLUSION

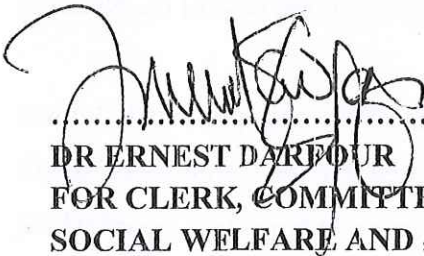
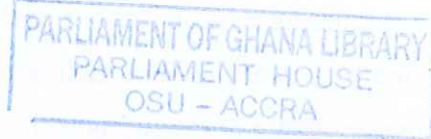
The Ministry of Employment and Labour Relations' mandate of coordinating labour-related policies, promoting job creation and decent working environment, and fostering industrial peace can only be achieved if the Ministry is given the needed resources to undertake its functions effectively and efficiently.

In view of the above, the Committee recommends that the House adopts its report and approve the sum of **One Hundred and Ninety-One Million, Forty-One Thousand and Seventy Ghana Cedis (GH GH¢191,041,070)** to enable the Ministry of Employment and Labour Relations implement its programmes and activities for the 2024 financial year.

Respectfully Submitted



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



.....
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