

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

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

*ON THE*

**2021 ANNUAL BUDGET ESTIMATES OF THE  
NATIONAL LABOUR COMMISSION**

*March 2021*

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# **REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES ON THE 2021 ANNUAL BUDGET ESTIMATES OF THE NATIONAL LABOUR COMMISSION**

## **1.0 INTRODUCTION**

Pursuant to Article 179 (1) of the 1992 Constitution, the Minister for Parliamentary Affairs, Majority Leader and Leader of Government Business, Mr. Osei Kyei-Mensah-Bonsu, presented the Budget Statement and Economic Policy of the Government of Ghana for the 2021 financial year to Parliament on Thursday 12<sup>th</sup> March 2021, in line with Article 179 of the 1992 Constitution.

In accordance with Standing Orders 140(4) and 184 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 subsequently held a meeting with the Executive Secretary of the National Labour Commission, Mr. Ofosu Asamoah and his technical team on Tuesday, 23<sup>rd</sup> March 2021 and considered the referral.

The Committee expresses its appreciation to the Executive Secretary and his team for their support. The Committee also acknowledges the assistance provided by the schedule officers from the Ministry of Finance in the consideration of 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 Standing Orders of Parliament of Ghana
- III. The 2020 Budget Statement and Economic Policy of the Government of Ghana
- IV. The 2020 Annual Budget Estimates of the National Labour Commission.
- V. The 2021 Budget Statement and Economic Policy of the Government of Ghana
- VI. The 2021 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 co-operation among labour market players, and facilitating the settlement of industrial disputes through the application of effective conflict resolution mechanisms.

The Commission, having regard to its mandate, performs the following key functions:

- i. Facilitating the settlement of industrial disputes
- ii. Investigating labour related complaints, particularly unfair labour practices and taking the appropriate steps to prevent labour disputes
- iii. Promoting effective labour co-operation 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 YEAR 2020

4.1 The National Labour Commission was granted a budgetary allocation of Six Million, Five Hundred and Fifty-eight Thousand, One Hundred and Twenty-three Ghana Cedis (**GH¢6,558,123.00**) for the implementation of its programmes and activities for the 2020 financial year. The breakdown of the allocation and releases made over the period are provided in Table 1

**Table 1. 2020 Allocation and Releases**

ITEM	APPROVED BUDGET (GH¢)	RELEASES	EXPENDITURE	% ACTUAL
Compensation	3,218,901.00	1,988,485.42	1,988,485.42	61.8%
Goods and Services	2,339,222.00	1,519,693.80	1,507,097.78	64.4%
Assets	1,000,000.00	1,000,000.00	988,625.21	98.9%
<b>TOTAL</b>	<b>6,558,123.00</b>	<b>4,508,179.22</b>	<b>4,484,208.41</b>	<b>68.4%</b>

4.2 As indicated in Table 1, as at 31<sup>st</sup> December 2020, a total amount of GH¢4,484,208.41, which translates into 68.4% of the total budgetary allocation to the Commission, had been expended.

## 5.0 ACHIEVEMENTS FOR 2020

During the year under review the Commission was able to achieve the following, among others:

### 5.1 Establishment of Regional Office

The Commission established a regional office in Tema as part of the efforts to establish the presence of the Commission in other parts of

the country to promote peaceful industrial relations environment. The Tema office will serve as the Greater Accra Regional Office. The Commission staffed the office and inaugurated a three-member Tripartite Committee of the Commission, as required by law.

## **5.2 Settlement of Complaints**

During the year under review, the Commission settled 292 out of a total number of 641 complaints filed mainly by individual workers, group of workers, trade unions and employers. Cumulatively, the Commission settled a total of 603 cases, which included 311 cases brought forward from the preceding year.

## **5.3 Rulings and Decisions**

The Commission made 52 Rulings and Decisions upon determination of complaints brought before it for adjudication.

## **5.4 Awards for Compensation**

The Commission awarded compensation to parties following successful settlement of disputes. In all a total amount of GH¢1,436,671.42 was paid through the Commission to beneficiary parties. This amount did not include payments made directly to beneficiaries.

## **5.5 Notable Interventions**

The National Labour Commission, during the period under review, intervened in a number of disputes of national interest, involving government as employer. Some of these disputes involved employees in the tertiary education and the hospitality industry.

## 6.0 ALLOCATION FOR 2021

6.1 The National Labour Commission has been provided with a budgetary allocation of **GH¢6,315, 798.00** to implement its programmes and activities for the 2021 financial year. The allocation comprises an amount of GH¢3,218,901.00 for Compensation, GH¢1,946,867.00 for Goods and Services, and GH¢1,150,000.00 for Capital Expenditure (Capex).

Table 2. Provides a comparative analysis of 2020 and 2021 budgetary allocations of the Commission.

Table 2: comparative analysis of 2020 and 2021 Allocation

ITEM	2020	2021	% change
Compensation	3,218,901.00	3,218,901.00	-
Goods & Services	2,339,222.00	1,946,867.00	(-16.8)
Capex	1,000,000.00	1,150,000.0	15%
<b>TOTAL</b>	<b>6,558,123.00</b>	<b>6,315,798.00</b>	<b>(-3.7%)</b>

6.2 The above Table shows that there has been a reduction in the total budgetary allocation of the Commission from GH¢6,558,123.00 in 2020 to GH¢6,315, 798.00 in 2021. This represent a decline of 3.7% in the Commission's budgetary allocation. However Capital Expenditure has seen an appreciation of 15%.

## 7.0 OUTLOOK FOR 2021

The Commission intends to utilise its budgetary resources to implement the following programmes and activities, among others:

- i. Resource its three regional offices in Ashanti, Western and Greater Accra Regions to enable them provide services to social partners in an effective and efficient manner.
- ii. The Commission also plans to open one Regional Office in the Northern Region.
- iii. The Commission will continue to settle industrial disputes and promote peaceful industrial relations. To this end, the Commission will hold more sessions to facilitate speedy resolution of complaints/disputes.
- iv. The Commission will also continue to prioritise the application of mediation and arbitration as the preferred mechanism for settling disputes in place of court litigation.
- v. The Commission will step up its education and sensitisation drive to drum home the essence of good employer-employee relationship with the view to minimising industrial disputes and facilitating timely intervention of industrial disagreements.

## **8.0 OBSERVATIONS AND RECOMMENDATIONS**

### **8.1 Shortfall in Compensation**

The Committee observed that in year 2020, an amount of GH¢3, 218,901.00 was provided to the National Labour Commission to cater for compensation. As at 31<sup>st</sup> December 2021, however, only GH¢1, 988,485.42 out of the total allocation for compensation had been expended, creating a significant shortfall of 38.2%.

The Commission explained that part of the amount approved for compensation in 2020 was to enable the Commission recruit new staff for offices, which it had planned to open in the Northern and the Brong/Ahafo Regions. Unfortunately, the Ministry of Finance did not

provide the needed financial clearance to enable the Commission undertake the recruitment exercise.

The Commission indicated that due to the Corona Virus Disease (Covid-19), the Commission could not undertake certain planned activities and programmes. For instance, a planned promotion exercise for staff of the Commission could not take place due to the challenges imposed by the Covid-19 Pandemic. Additionally the Commissioners could not undertake their regular sittings to perform their dispute resolution functions due to the outbreak of the pandemic. The Commission was therefore able to manage with the amount released for compensation.

## **8. Allocation for Capital Expenditure**

The Committee noted that almost the entire amount approved for capital expenditure in the Commissions' 2020 allocation was released and expended. The Committee lauded the release of the amount for capex, which enabled the Commission to open a new Regional Office at Tema. The Committee underscores the need for Government to support the Commission to open offices in all regions in Ghana to facilitate the settlement of disputes in the regions. This, the Committee observe, will eliminate the challenges associated with the current situation where many parties have to travel to Accra to have their cases resolved.

### **8.3 Staff Resignations**

It came to the attention of the Committee that a number of staff of the Commission have resigned their post in recent times due to low remunerations and unattractive conditions of service. Ironically, the Commission has, over the years, found it very difficult to replace staff



who have resigned, as a result of the inability of the Ministry of Finance to provide the needed financial clearance for the Commission to recruit new staff to replace those who have resigned or retired. The situation, according to the Commission, has undermined its capacity to deal expeditiously with huge volumes of cases/complaints received from various parts of the country.

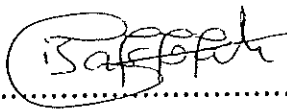
The Committee urges the government to prioritise the work of the Commissions in view of its role in promoting peaceful working environment and harmonious labour relations. The Committee urges the Ministry of Finance to provide the requisite financial clearance for the Commission to replace its exited staff.

## **9.0 CONCLUSION**

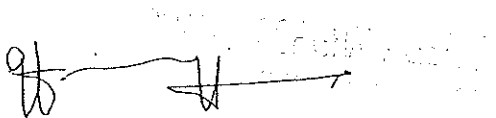
The invaluable contribution of the National Labour Commission in promoting harmonious industrial relations cannot be underestimated. It is important to recognise that the arbitration role played by the Commission reduces industrial tension and create the congenial atmosphere for productivity and development. It is therefore in the interest of Government and the entire nation to ensure that the Commission has the resources required to deliver effectively on its mandate.

Against this background, the House is respectfully invited to approve the sum of **Six Million, Three Hundred and Fifteen Thousand, Seven Hundred and Ninety-eight Ghana Cedis (GH¢6,315, 798.00)** to support the services of the National Labour Commission for the 2021 Financial Year.

Respectfully submitted



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CHAIRMAN, COMMITTEE ON  
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.....  
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