

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

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

ON THE

PARLIAMENT OF GHANA LIBRARY

**2018 ANNUAL BUDGET ESTIMATES OF
THE NATIONAL LABOUR COMMISSION**

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA

Acc No 755 C₃
Class No BE/NLC/18

REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISE ON THE 2018 ANNUAL BUDGET ESTIMATES OF THE NATIONAL LABOUR COMMISSION

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2018 financial year was presented to the House on **Wednesday, 15th November 2017** by the Hon. Minister for Finance, Mr. Ken Ofori-Atta. Pursuant to Standing Orders 140(4) and 184 of the House, the Annual Budget Estimates of the National Labour Commission was referred by the Rt. Hon. Speaker to the Committee on Employment, Social Welfare and State Enterprises for consideration and report to the House.

The Committee subsequently held a meeting with the Executive Secretary of the National Labour Commission, Mr. Ofori Asamoah and his technical team on Monday 12th December 2017 and considered the referral.

The Committee is grateful to Executive Secretary and his team for their support. The Committee also expresses appreciation to the Ministry of Finance, for designating officers to assist in the Committee's work.

2.0 REFERENCE DOCUMENTS

During its deliberations on the budget estimates, the Committee made reference to the following documents:

- I. The 1992 Constitution of Ghana
- II. The Standing Orders of Parliament of Ghana
- III. The 2017 Budget Statement and Economic Policy of the Government of Ghana.

- IV. The 2017 Annual Budget Estimates of the National Labour Commission.
- V. The 2018 Budget Statement and Economic Policy of the Government of Ghana
- VI. The 2018 Annual Budget Estimates of the Labour Commission

3.0 MANDATE OF THE COMMISSION

The Commission is mandated to develop and sustain a peaceful and harmonious industrial relations through the use of effective dispute resolution practices within the context of the law, promotion of co-operation among the labour market players and mutual respect for their rights and responsibilities.

The Commission, having regard to this mandate, performs various functions including:

- i. Facilitating and settling industrial disputes in accordance with the Labour Act, 2003 (Act 651)
- ii. Investigating labour related complaints, particularly unfair labour practices and taking the appropriate steps to forestall 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 2017

4.1 The National Labour Commission was allocated a sum of GH¢2,863,532.00 for the implementation of its programmes programmes and activities for the 2017 financial year. The allocation comprised Compensation - GH¢1,350,516.00; Goods and Services - GH¢1,313,016.00; Capex - GH¢200,000.00. The breakdown is represented in table 1

Table 1. 2017 Allocation and Releases

ITEM	APPROVED BUDGET (GH¢)	ACTUAL EXPENDITURE	VARIANCE	% Variance
Compensation	1,350,516.00	905,699.45	378,013.55	28
Goods and Services	1,313,016.00	447,569.00	865,447.00	65.9
Non-Financial Assets	200,000.00	-	200,000.00	100
TOTAL	2,863,532.00	1,353,268.45	1,443,460.55	50.4%

4.2 As at October 2017, the Commission has had a little over 50% of its total allocation released. However, no release was made for Capital Expenditure (Capex). The Committee was informed that the non-release of the allocation for Capex in particular affected the Commissions ability to expand infrastructure and procure critical office equipment.

4.3 In spite of the low releases, the Commission was able to settle a good number of disputes from the public and private sectors. The Committee noted that on the average the Commission dealt with 20

cases weekly and generally resolved 56% of the cases brought before it. It is also significant to note that 87% of industrial disputes on issues that could have triggered industrial strikes was resolved by the Commission.

4.3 Furthermore, the Commission received and paid a total amount of **GH¢562,479.75** as compensation to beneficiaries following settlement of their cases. This amount excludes payments made directly to beneficiaries, without channelling them through the Commission.

The Committee commended the effort of the Commission, particularly in the areas of dispute resolution and industrial harmony, given the resource constraints within which it operated in 2017.

5.0 ALLOCATION FOR YEAR 2018

5.1 The Commission has been allocated an amount of **GH¢6,277,229.00** to implement its programmes and activities for the 2018 financial year. Out of the total allocation, Compensation accounts for GH¢2,490,529.00 (39.7%); Goods and Services GH¢2,786,700.00; (44.4%), and Capex 1,000,000.00(15.9%).

Table 2. Comparative analysis of 2017 & 2018 budgetary allocations

	2017	2018	% Increase
Compensation	1,350,516.00	2,490,529.00	84.4
Goods & Services	1,313,016.00	2,786,700.00	112
Capex	200,000.00	1,000,000.00	400
TOTAL	2,863,532	6,277,229.00	119%

6.0 OUTLOOK FOR 2018

In year 2018, the Commission will apply its budgetary allocation to undertake various activities and programmes including the following:

- i. Open three regional offices in Kumasi, Tamale and Sunyani, and also revamp the Takoradi Office.
- ii. Organise enterprise-based training on labour issues for identified sectors
- iii. Undertake sensitisation programmes for labour market players for effective labour/management co-operation at the enterprise level
- iv. Organise training programmes for its staff
- v. Promote the use of dialogue among the social partners in the management and/or handling of industrial relations to minimize labour agitations.
- vi. Strengthen the institutional capacity of the Commission to enable it effectively manage industrial disputes.

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 The Committee noted that the 2018 budgetary allocation to the Commission was a significant increase of 119% over that of 2017. Compensation alone increased by 84.4% whilst Capex recorded a 400% increase. The Commission explained that the increase in Compensation was to cater for the payment of salaries and related allowances of 41 personnel at post. It is also meant for the replacement of three resigned staff as well as the recruitment of 4 personnel for the Head Office and 6 personnel for four newly regional

offices to be established. The allocation for compensation also include 10 months outstanding allowance for Commissioners.

7.2 It came to the attention of the Committee that the Commission has no offices in the other regions and districts apart from a small office in Takoradi manned by one staff. As a result, all cases from the various parts of the country have to be settled in Accra. This development puts a lot of pressure on the Commission and also creates difficulties for many complainants in the other parts of the country who have to necessarily travel to Accra to access services of the Commission.

The Committee therefore expressed satisfaction that significant budgetary provision has been made under Capex to enable the Commission open three additional regional offices in Tamale, Kumasi and Sunyani, and also revamp the office in Takoradi and Accra. When these projects are completed, it will go a long way to make the services of the Commission directly accessible in other parts of the country and promote the expeditious resolution of industrial disputes.

The Committee urges the Ministry of Finance to consider the role of the Commission in fostering national peace at the labour front as an important national priority and make timely release of funds to the Commission.

7.3 The Committee was informed that the most of staff of the Commission lack the requisite knowledge and expertise in labour and industrial dispute resolution issues. However, due to inadequate funds, the Commission has, for a long time, not been able to organise training to equip the staff and Commissioners the requisite skills and best practices in labour issues. The Committee therefore

recommends that adequate funds be made available to enable the Commission build the capacity of its human resource.

7.4 The Committee observed that the National Labour Commission has operated with various challenges since the passage of the Labour Act 2003 (Act 651). Currently, the Commissioners work part-time and sit once a week. Besides the Act does not allow the Commission to generate funds internally (IGF) to support its operations. The Committee is of the view that given the growing complexities of labour issues worldwide and within our own context, there is the urgent need to take a second look at the existing Labour Act for possible amendments to make the Commission more responsive to the current circumstances.

8.0 CONCLUSION

The National Labour Commission plays an important role in promoting national security and peaceful industrial environment. Against this background, it is imperative for the Commission to be given all the necessary support and the requisite resources to enable it effectively pursue its mandate for the benefit of the country.

The Committee therefore recommends that the House approves the sum of **Six Million, Two Hundred and Seventy-seven Thousand, Two Hundred and Ninety-nine Ghana Cedis (GH¢6,277,229.00)** to support the activities of the National Labour Commission for the 2018 fiscal year.

Respectfully submitted

Anyimadu K.

.....
KWAME ANYIMADU-ANTWI
CHAIRMAN, COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE
AND STATE ENTERPRISES

PARLIAMENT OF GHANA LEGISLATIVE
PARLIAMENT HOUSE
OSU - ACCRA

Anthony Agyekum

.....
ANTHONY AGYEKUM
CLERK TO THE COMMITTEE