



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

REPORT OF THE COMMITTEE ON EMPLOYMENT SOCIAL
WELFARE AND STATE ENTERPRISES

ON THE

2016 PROGRAMME BASED BUDGET ESTAIMATES

OF THE

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA

NATIONAL LABOUR COMMISSION

December, 2015

**REPORT OF THE PARLIAMENTARY SELECT COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES
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2016 ANNUAL BUDGET ESTIMATES OF THE
NATIONAL LABOUR COMMISSION**

1.0 INTRODUCTION

In accordance with Article 179 of the 1992 Constitution of Ghana the Honourable Minister of Finance, Mr. Seth Emmanuel Terkper, on Friday 13th November, 2015 presented the Budget Statement and Economic Policy of the Government of Ghana for the 2016 fiscal year to the House.

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

The Committee presents its report to the House for consideration and adoption.

2.0 ACKNOWLEDGEMENT

The Committee met with the Acting Executive Secretary, Mrs. Bernice Welbeck and officials of the National Labour Commission and the Ministry of Finance and deliberated on the 2016 Programme Based Budget Estimates of the National Labour Commission. The Committee is grateful to them for the information and support they provided during deliberations on the estimates.

3.0 REFERENCE DOCUMENTS

The following documents served as reference documents during deliberations on the 2016 Programme Based Budget Estimates of the National Labour Commission:

1. The 1992 Constitution of Ghana,
2. The Standing Orders of Parliament of Ghana
3. The 2015 Budget Statement and Economic Policy of the Government of Ghana.
3. The 2015 programme Based Budget Estimates of the National Labour Commission.
4. The 2016 Budget Statement and Economic Policy of the Government of Ghana.
5. The 2016 Programme Based Budget Estimates of the National Labour Commission.

4.0 MISSION STATEMENT OF THE NATIONAL LABOUR COMMISSION

The Mission Statement of the National Labour Commission for the 2016 fiscal year is to develop and promote a peaceful and harmonious industrial relations environment through the use of effective dispute resolution practices within the context of the law by promoting co-operation among the labour market players and mutual respect for their rights and responsibilities.

4.1 VISION STATEMENT OF THE NATIONAL LABOUR COMMISSION

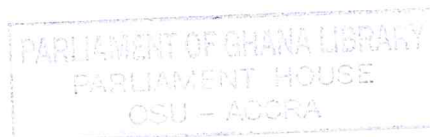
The vision of the Commission is to promote a peaceful and harmonious industrial relations environment borne out of the firm understanding of and

committed compliance with the labour Laws by all stakeholders to make the Ghanaian economy competitive to attract investment.

5.0 STRATEGIC POLICY OBJECTIVES

The strategic objectives of the National Labour Commission are to:

1. Facilitate and settle industrial disputes in accordance with the Labour Act, 2003 (Act 651).
2. Strengthen the capacity of the National Labour Commission to ensure speedy resolution of disputes.
3. Enforce rules and regulations governing labour administrations, international labour standards and ILO Conventions.
4. Promote social dialogue among the Tripartite Partners,
5. Strengthen the capacity of the Tripartite Partners.
6. Build staff capacity through training and development.
7. Deepen on-going institution and internalization and policy formulation, planning, monitoring and evaluation system at all levels.
8. Promote and protect the rights and responsibilities of employers and employees.
9. Increase the capacity of the Judiciary on Act 651 and its Labour Regulations, L.I. 1822 and L.I. 1833.
10. Improve the capacity of labour mediators and arbitrators.
11. Promote an enabling environment and effective regulatory framework for corporate management.



6.0 OUTLOOK FOR 2015

6.1 FUNDS ALLOCATED FOR THE 2015 FISCAL YEAR

For the implementation of activities for 2015 an amount of **GH¢2,700,476** was allocated.

The breakdown of funds allocated for 2015 activities is as follows:

	GOG	DONOR	IGF	OTHER FUNDS	TOTAL
COMPENSATION OF EMPLOYEES	985,051	-	-	-	985,051
GOODS & SERVICES	1,015,425	-	-	-	1,015,425
CAPEX	700,000	-	-	-	700,000
TOTAL	2,700,476	-	-	-	2,700,476

Source: Budget Statement and Economic Policy of GOG for 2015

6.2 COST CENTRE ALLOCATIONS

	Employee Compensation	Goods and Services	Capex	Total
MANAGEMENT AND ADMINISTRATION	591,011	831,329	700,000	2,122,340
LABOUR DISPUTES RESOLUTION	394,040	184,096	-	578,136
Total	985,051	1,015,425	700,000	2,700,476

6.3 PROJECTED ACTIVITIES FOR 2015

The funds allocated were to be committed to the following activities in the 2015 fiscal year:

6.3.1 GENERAL ACTIVITIES

The Commission's focus for 2015 was to focus on the prevention of industrial disputes through the promotion of collective bargaining, engagement of partners to discuss and negotiate in good faith, promote effective co-operation between labour and management and use alternative dispute resolution mechanisms in the settlement of industrial disputes.

The Commission was also to embark on public education campaign through engagement of parties at the enterprise level and the production of documentaries and dramatization of the obligations of the parties in the employment relationship to promote social dialogue and partnership.

6.3.2 SPECIFIC ACTIVITIES

As part of the general activities enumerated above the following specific activities were to be undertaken:

- Resolve 70% of complaints filed
- Develop programmes to promote peaceful industrial relations
- Enforce decisions/Orders/Rules of the Commission in the courts
- Sensitize 120 social partners on the effective use of Alternative Dispute Resolution systems in Act 651
- Organise two day seminar for 60 social partners on International Labour Standards
- Train 60 labour market operators on effective labour management co-operation at the enterprise level
- Increase capacity of members of the Commission

- Develop interactive programmes on prevention and management of industrial disputes
- Develop television and radio series on aspects of Act 651
- Commission research on the effectiveness of Act 651 and the operations of the National Labour Commission after ten years of existence
- Organise a stakeholders forum to discuss implementation challenges of Act 651 and identify the way forward
- Retrain enlisted mediators and arbitrators for the expeditious resolution of disputes

7.0 ACTUAL PERFORMANCE IN 2015

7.1 Facilitation and Settlement of Industrial Disputes Programme

- The Commission received a total of 406 complaints by end of August 2015 from over 1,000,000 complainants cumulatively out of which 170 representing 41.9 percent were fully settled. These complaints were from individual workers, workers organizations/associations, trade unions and employers. The complaints were settled through facilitation, mediation, arbitration and summary hearings. In addition, 124 complaints rolled over from previous years were handled.
- The Commission paid compensation of GH¢628,390.92 to beneficiaries upon settlement of their cases.

8.0 OUT LOOK FOR 2016

8.1 For the 2016 fiscal year an amount of **GH¢2,203,811** has been allocated for the activities of the National Labour Commission

8.2 The breakdown of funds allocated for 2016 fiscal year is as follows:

	GOG	DONOR	IGF	OTHER FUNDS	TOTAL
COMPENSATION OF EMPLOYEES	1,188,386	-	-	-	1,188,386
GOODS & SERVICES	1,015,425	-	-	-	1,015,425
TOTAL	2,203,811	-	-	-	2,203,811

Source: Budget Statement and Economic Policy of GOG for 2016

8.3 ALLOCATIONS FOR PROGRAMMES IN 2016

	Employee Compensation	Goods and Services	Total
MANAGEMENT AND ADMINISTRATION	781,622	810,374	1,591,996
LABOUR DISPUTES RESOLUTION	406,764	205,051	611,815
Total	1,188,386	1,015,425	2,203,811

The funds allocated would be committed to the following activities:

- In 2016, the Commission plans to fully settle 65 percent of all complaints that would be filed through timely and proactive interventions in labour agitations.

- Promote the use of dialogue amongst the social partners in the management and/or handling of industrial relations to effectively minimize labour agitations.
- Promoting the rights, responsibilities and duties of both employers and employees.
- Will improve efficiency in its service delivery through effective and speedy facilitation of industrial disputes and disagreements.
- Promote the use of Alternative Dispute Resolution Mechanisms in the settlement of industrial differences.
- Promote good faith negotiations at the enterprise level to ensure reduction in labour agitations.
- Ensure prompt enforcement of its decisions, awards and orders in the Law courts where parties fail to comply.
- Respond promptly to appeals against its decisions, orders and directives.
- Engage social partners in labour to chart effective means to addressing both employers and employees concerns
- Strengthen the capacity of the Commission to manage industrial disputes effectively.

9.0 OBSERVATIONS AND RECOMMENDATIONS

9.1 DWINDLING BUDGETARY ALLOCATIONS

It was observed that budgetary allocations to the National Labour Commission have over the years been decreasing. The Commission was allocated GH¢2,378,171 for the 2014 fiscal year and GH¢2,204,902 for 2015 and GH¢2,203,811 has been allocated for 2016. The Committee is worried about the decrease in allocation for 2016 because labour unrests increase in election years and the Commission may need adequate funds to manage such unrests. The Committee therefore recommends that more funds should be provided the Commission if there is a supplementary budget during the 2016 fiscal year.

9.2 NON-RELEASE OF FUNDS

The Committee noted that funds released to the Commission for its operations have over the years been far below those allocated and that affects the performance of the Commission and morale of its staff. Indeed most of its planned educational and sensitization programmes are not carried out and that sometimes results in strike action that could have been avoided. The Committee recommends that the Ministry of Finance should endeavour to release funds allocated the Commission to ensure that its planned activities are carried out to ensure harmonious labour relations.

9.3 OPERATIONAL ACTIVITIES OF THE COMMISSION

The Committee again noted that most of the activities of the Commission are not time bound. The Commission for instance intends to train 60 mediators and arbitrators within the year but has not indicated when such training would take place. Secondly the Commission plans to focus on “prevention of labour disputes rather than settlement” but its budget does not capture activities lined up towards the realisation of that object. The Committee recommends that the Commission should in future make all its activities specific, measurable, achievable and time bound.

9.4 DELAYS IN DISPUTE SETTLEMENT

It is imperative that disputes brought before the Commission are settled on time to ensure harmony in the labour front. However it was noted that Labour Commission is not able to settle disputes within the 21 days stipulated under its law due to the lack of regional offices.

It was also noted that the Commission scored 38% in the settlement of industrial disputes in 2015 but has projected to resolve 92% of disputes to be brought before it in 2016. The Committee considers the projection unrealistic and unachievable taking into consideration the undue delay in resolving disputes and achievement in 2015.

The Committee recommends that the Ministry of Finance should resource the Commission to open offices in all the 10 regions to ensure speedy settlement of industrial disputes.

9.5 PROVISION OF VEHICLES FOR THE COMMISSION

It was realised that the Commission was provided GH¢610,000 to purchase new vehicles in the 2015 fiscal year, however it was not able to purchase the number of vehicle envisioned due to delays in the procurement process and the depreciation of the cedi. The Commission was able to purchase 6 cars out of the 7 anticipated. The Committee recommends that the cars purchased should be used expeditiously and efficiently in their educational programmes to ensure that Labour is adequately informed of their rights and responsibilities under the Labour Act. The Committee also urges the Ministry of Finance to timeously release funds to the Commission to avert the reoccurrence of situations in the future.

9.6 UTILITY BILLS

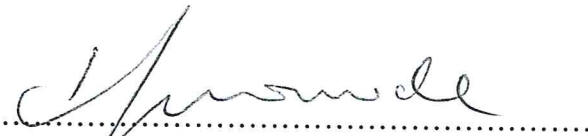
The efficient use of energy has over the years been encouraged to ensure conservation of energy and a reduction in utility bills. It was however realised that the Commission pays GH¢5,000.00 every three weeks for electricity. The Committee considers the funds spent too high and recommends that the Commission should observe practices that would ensure a total reduction in the consumption of electricity.

10.0 CONCLUSION

The National Labour Commission plays a critical role in ensuring peaceful and harmonious industrial relations through effective dispute resolution practices within the context of law. It is therefore important that it is funded adequately and timeously to ensure that peace prevails on the labour front.

The Committee therefore recommends the adoption of its report and the approval of an amount of Two Million, Two Hundred and Three Thousand Eight Hundred and Eleven Ghana Cedis (**GH¢2,203,811**) to support activities of the National Labour Commission for the 2016 fiscal year.

Respectfully submitted



HON. JOSEPH ZAPHENAT AMENOWODE
CHAIRMAN



ANITA QUARTEY-PAPAFIO
CLERK

