

**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

**2018 ANNUAL BUDGET ESTIMATES OF
THE MINISTRY OF EMPLOYMENT AND
LABOUR RELATIONS**

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1.0 INTRODUCTION

In Accordance with Article 179 of the 1992 Constitution, 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 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 to the House.

Subsequently, the Committee met with the Hon. Minister for Employment and Labour Relations, Mr. Ignatius Baffour Awuah, his Deputy, Mr Bright W. Brobby and a team of officers on Tuesday, 12th December, 2017 and considered the referral.

The Committee expresses appreciation to the Hon. Minister and his team for their co-operation. The Committee also thanks the schedule officers from the Ministry of Finance for assisting the Committee to consider the estimates.

2.0 REFERENCE DOCUMENTS

The Committee availed itself of the following documents during the consideration of the budget estimates:

- i. The 1992 Constitution of the Republic of Ghana
- ii. The Standing Orders of Parliament of Ghana
- iii. The Budget Statement and Economic Policy of the Government of Ghana for 2017

- iv. The Annual Estimates of the Ministry of Employment and Labour Relations for 2017
- v. The Budget Statement and Economic Policy of the Government of Ghana for 2018
- vi. The Annual Estimates of the Ministry of Employment and Labour Relations for 2018

3.0 MANDATE

The mandate of the Ministry of Employment and Labour Relations is to coordinate employment and labour related policies and interventions to promote accelerated job creation and harmonious labour relations for socio-economic development.

4.0 IMPLEMENTING AGENCIES

1. Ministry Headquarters
2. Youth Employment Agency
3. National Pensions Regulatory Authority
4. Labour Department
5. Fair Wages and Salaries Commission
6. Department of Factories Inspectorate
7. National Vocational Training Institute
8. Management Development and Productivity Institute
9. Ghana Co-operative Council
10. Ghana Co-operative College
11. Opportunity Industrialisation Centres
12. Integrated Community Centres for Employable Skills

5.0 2017 PERFORMANCE

5.1 The Ministry of Employment and Labour Relations was provided an amount of **GH¢60, 708,079.00** for its programmes and activities for the year 2017. Table provides the detail breakdown of the allocation.

Table 1. Allocation and Releases for 2017

Item	Approved Budget (GH¢)	Release (GH¢)	Variance	% Variance
Compensation	34,591,698.00	28,904,109.51	5,687,588.49	16.4
Goods & Services	4,308,946.00	3,294,521.48	1,014,424.52	23.5
Asset	1,000,000.00	132,780.00	867,220.00	86.7
IGF	20,807,435.00	20,933,298.97	125,863.97	-0.6
TOTAL	60,708,079.00	51,878,184.46	8,829,894.54	14.6%

5.2 As at November 2017, an amount of GH¢51,878,184.46 constituting 85.4% of the total allocation to the Ministry had been released. The Committee considered this a positive development. During the year under review, the Ministry undertook the following activities, among others:

- i. Developed the 2018-2021 Sector Medium Term Plan
- ii. Submitted the Domestic Workers Bill that seeks to protect the rights of domestic workers to the Attorney-General Department

- iii. Revised and submitted the Occupational Health Safety (OHS) bill to Cabinet
- iv. Revised the Ghana Co-operatives Bill, which has the objective of making the co-operative systems more vibrant
- v. Facilitated the formation of 320 co-operative societies
- vi. Trained 11,474 persons in vocational skills
- vii. Enrolled 62,115 youth in the Youth Employment Agency (YEA) programme across all districts. This exclude those engaged under the sanitation model
- viii. Conducted 2,345 workplace inspection

6.0 BUDGETARY ALLOCATION FOR YEAR 2018

6.1 An amount of **GH¢388,616,215.00** has been allocated to the Ministry of Employment and Labour Relations for the implementation of its programmes and activities for the 2018 financial year. Table 2 below gives the breakdown of the allocation

Table 2 - Breakdown of 2018 Allocation

ECONOMIC CLASSIFICATION	ALLOCATION (GH¢)	% ALLOCATION
Compensation	39,324,803.00	10.1
Goods and Services	303,933,690.00	78.2
Asset	635,390.00	0.2
IGF	30,349,223.00	7.8
Donor	14,373,000.00	3.7
TOTAL	388,616, 215.00	100%

6.2 Outlook for 2018

6.2.1 In line with its policy objectives for 2018, the Ministry will continue with the implementation of labour policies, laws and standards.

In this regard, it will work to reduce occupational hazards, especially in the informal sector and create an enabling environment for decent employment. The Ministry projects to inspect 2,900 workplaces, and also continue with its efforts at getting the Occupation Health Bill submitted to Parliament and the Occupational Health Safety (OHS) Authority established. This is expected to help address issues relating to OSH across all sectors.

6.2.2 Furthermore, the Ministry will facilitate the provision of adequate training and skills development to create jobs and opportunities for the youth. In pursuance of this, the Technical and Vocational Training Institutes under the Ministry, including National Vocational Training Institute (NVTI), the Management and Productivity Institute, will together train 8,000 persons in different vocational trades.

6.2.3 AS a mechanism for creating opportunities for accelerating job creation and reducing poverty, the Ministry, will in 2018, promote the development of vibrant co-operatives. In all, 500 new co-operatives will be registered and 200 artisan co-operatives will be trained.

6.2.4 Also the Ministry, through the National Pensions Regulatory Authority, will license 30 corporate Trustees and 1,250 individual trustees. It will also register 78 Pension Funds Managers and Custodians and organize 33 pension sensitization programmes.

6.2.5 In order to provide timely, reliable and disaggregate labour market data the Ministry fully installed Labour Market Information System (LMIS) and developed its web portal in 2017. In 2018, the Ministry will pilot LMIS in two regions. The system will help government monitor trends in unemployment.

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 The Committee noted that the overall budgetary allocation of GH¢388,616,215.00 to the Ministry for 2018 represents an astronomical increase of 540% over the 2017 allocation of GH¢60,708,079.00. The huge increase in the allocation was largely accounted for by Goods and Services which jumped from GH¢4,303,946.00 in 2017 to GH¢303,933,690.00. The Ministry explained that the Goods and Services amount of GH¢303,933,690.00 includes a component of GH¢300,000,000.00 meant for the implementation of the Nation Builders Corps Programme. This means that the Ministry will be left with a sum of GH¢3,933,690 as Goods and Services to run the operations of the Ministry.

7.2 The Committee was informed that during the year, the Ministry, through the National Employment Service of the Department of Labour facilitated the placement of 16,328 job seekers who registered with the Public Employment Centres (PECs) and Private Employment Agencies (PEAs). The Committee acknowledged that the job placement role of the Ministry is an important one, especially given the high youth unemployment in the country. The Committee was of the view that considering the mandate of the Ministry in employment generation, and particularly the role it is already playing in the placement of job seekers on the job market, there is the need for government to re-align the National Service Scheme to the Ministry of Employment and Labour Relations. This could greatly help to narrow the transition from National Service to active employment for many of our graduates.

7.3 The Ministry, through the Department of Factory Inspectorate, plays a key role in promoting safety work environment and decent work. Unfortunately, the Committee was informed that the Department of Factory Inspectorate, lack the requisite number of inspectors and the resources to effectively conduct workplace inspections in all parts of the country. The

Committee expressed concern about the weak enforcement of workplace safety standards, as a result of which workers or even the public are exposed to danger as it happened in the recent gas explosion at Atomic Junction that claimed the lives of some people

The Committee therefore recommends the need to consider safe work environment as an important national priority and provide adequate resources for the Department of Factory Inspectorate to conduct more and regular workplace inspections. The Department is encouraged to collaborate with other key agencies that have similar objective to enforce workplace safety standards for the benefit of workers/employees and the public at large.

8.0 YOUTH EMPLOYMENT AGENCY (YEA)

8.1 The Youth Employment Agency (YEA), for the 2018 financial year, has been provided a sum of GH¢825, 227,763.00 to implement its programmes and activities. The Sources of Allocation comprise 80% Communication Service Tax; 10% of District Assembly Common Fund, (DACF) and 5% of Ghana Education Trust Fund. Also included in the total allocation is an amount of GH¢318,000,000.00 meant for the implementation programmes under the President's Special Initiatives.

8.2 The Committee was informed that YEA projected to receive an amount of GH¢327, 687,096 from the 80% Communication Service Tax (CST) as part of its 2017 sources of funds. However, the agency received only GH¢193,484,822.00, representing 53% of the projected amount. The Committee was informed that the 80% projection from the CST was capped to 62% midway into the year. The Committee expressed concern about this development since the engagement of people into the various modules of the YEA was based on the expected inflows. The Committee therefore strongly urges the Ministry of Finance to reconsider the capping of the CST, which constitutes the bulk of funding for the YEA.

8.3 The Committee noted that in 2017, the GETFund did not cede the 5% of the Fund to the YEA as provide by law. The Committee expressed its displeasure about this unfortunate development, which deprives the YEA of the needed fund to implement its programmes. The Committee strongly recommends that in view of the flouting of this regulation by the GETFund, the Ministry of Finance, as a matter of urgency, henceforth deduct at source and directly transfer the 5% GETFund to the YEA.

9.0 NATIONAL PENSIONS REGULATORY AUTHORITY (NPRA)

9.1 The NPRA has been allocated an amount of GH¢21,144,024 for the execution of its programmes in 2017. The allocation is made up of GH¢10,783,425.00 from IGF; GH¢8,669,050 for Goods and Services and GH¢1,691,522.00 for Capex. No allocation was made from GOG. The Ministry was informed that the NPRA, has since April 2017, been completely weaned of Government subvention. The Agency is therefore allowed to retain 66% of its IGF to run the institution.

9.2 In 2018, the NPRA will, among others, monitor the Social Security Scheme (SSNIT) to enforce compliance; unify all pension schemes as provided under Section 213 of the National Pensions Act, 2008 (Act 766); implement revised staff conditions of service and sensitize the self-employed in the informal sector on the benefits of pension.

9.3 The Committee was informed that about 85% of the active labour force is found in the informal sector. The Authority is therefore embarking on public education on the benefits of pension so that people in informal economy will be encouraged to enroll in voluntary pension schemes. In this regard, the Authority is planning to make it easier for people to lodge their contributions to the bank accounts of Custodians, through the emerging technologies like the mobile money transfer. Again, the Authority is considering reviewing

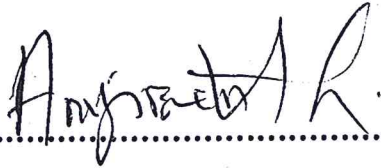
downwards the fees charged for the operation of voluntary pension scheme as an incentive for improving voluntary pensions within the informal sector.

10.0 CONCLUSION

The Ministry of Employment and Labour Relations plays an important role in socio-economic development through job creation, skills development, protection of the rights of workers and the maintenance of peaceful industrial atmosphere, among others. There is therefore the need for the Ministry of Finance to ensure, at all times, that the Ministry of Labour and Employment Relations is provided with the resources required to enable it perform these noble functions effectively and efficiently.

In the light of this, the Committee recommends that the House approves the sum of **Six Hundred and Eighty-eight Million, Two Hundred and Five Ghana Cedis (GH¢688,616,215.00)** for the implementation of the programmes and activities of the Ministry of Employment and Labour Relations for the 2018 financial year.

Respectfully submitted



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



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CLERK TO THE COMMITTEE
ANTHONY AGYEKUM

