

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

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

ON THE

**2019 ANNUAL BUDGET ESTIMATES OF
THE NATIONAL LABOUR COMMISSION**

December 2018

REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISE ON THE 2019 ANNUAL BUDGET ESTIMATES OF THE NATIONAL LABOUR COMMISSION

1.0 INTRODUCTION

Pursuant to Article 179 (1) of the 1992 Constitution, the Hon. Minister for Finance, Mr. Ken Ofori-Atta, presented the Budget Statement and Economic Policy of the Government of Ghana for the 2019 financial year to Parliament on Thursday, 15th November 2018. 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.

Accordingly, the Committee held a meeting with the Executive Secretary of the National Labour Commission, Mr. Ofori Asamoah and his technical team on Wednesday, 5th December 2018 and deliberated on 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 2018 Budget Statement and Economic Policy of the Government of Ghana

- IV. The 2018 Annual Budget Estimates of the National Labour Commission.
- V. The 2019 Budget Statement and Economic Policy of the Government of Ghana
- VI. The 2019 Annual Budget Estimates of the 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.

In this regard, the Commission 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 2018

4.1 The National Labour Commission was granted a budgetary allocation of GH¢6,277,229.00 for the implementation of its programmes and activities for the 2018 financial year. The breakdown of the allocation is provided in Table 1 below:

Table 1. 2018 Allocation and Releases

ITEM	APPROVED BUDGET (GH¢)	ACTUAL EXPENDITURE	VARIANCE	% ACTUAL
Compensation	2,490,529.00	749,928.54	1,740,600.46	30.1%
Goods and Services	2,786,700.00	992,080.31	1,794,619.69	35.6
Assets	1,000,000.00	65,346.25	934,653.75	6.5
TOTAL	6,277,229.00	1,807,355.10	4,469,873.90	28.8

4.2 Per the above table, as at October 2018, only 28.8% of the Commissions total allocation for the year under review had been released to the Commission. In particular, only 6.5% of the amount allocated for Goods and Services was released during the period.

4.3 There was a high variation between the amount approved as compensation and the actual amount released. The Commission informed the Committee that the amount allocated for compensation was partly to cater for the replacement of critical staff who have resigned from the Commission.

Unfortunately, the Ministry of Finance did not provide financial clearance for the Commission to fill the vacancies. The Commission

lamented that it currently have only one legal officer supporting a Commission whose scope of responsibility is quasi-judicial in nature. According to the Commission, the inability to fill critical vacancies affected the Commission's ability to expeditiously adjudicate the high volume of cases it received.

4.4 The Commission informed the Committee that as at November 2018, only first and second quarter budgetary releases have been made to the Commission. As a result sitting allowances payable to the newly appointed Commissioners are still in arrears.

The non-release of funds appropriated to the Commission affected its ability to the expeditiously adjudicate the many labour disputes received from all parts of the country, as the Commissioners could sit only once a week

4.5 Notwithstanding the low releases, the Commission facilitated and settled various disputes from the public and private sectors. In all, the Commission received 664 cases from over 1,200 individuals, workers, workers organisations/associations, trade unions and employers. The Commission successfully settled 126 cases through facilitation, 48 through mediation, 8 through settlement at voluntary/compulsory arbitration, and 126 through direct intervention by the Commission.

The Commission requested for the payment of a total of GH876, 856.33 to beneficiaries after the settlement of disputes.

5.0 ALLOCATION FOR YEAR 2019

5.1 An amount of **GH¢5,315, 359.00** has been provided as budgetary allocation for the Commission to implement its programmes and activities for the 2019 financial year. The allocation is made up of an amount of GH¢2,776,940.00 (52.3%) for Compensation,

GH¢1,588,419.00 (29.9%) for Goods and Services, and GH¢950,000.00 (17.8%) for Capex.

Table 2. Comparative analysis of 2018 and 2019 budgetary allocations.

	2018	2019	% change
Compensation	2,490,529.00	2,776,940.00	11.5
Goods & Services	2,786,700.00	1,588,419.00	(-43)
Capex	1,000,000.00	950,000.00	(-0.1)
TOTAL	6,277,229.00	5,315,359.00	(-15.3)

5.2 The total budget allocation for the National Labour Commission decreased from GH¢6,277,229.00 in 2018 to GH¢5,315,359.00 in 2019 a difference GH¢961,870.00 representing 15.3%.

6.0 OUTLOOK FOR 2019

The Commission, in year 2019, will apply its budgetary allocation to undertake various activities and programmes including the following:

- i. Improve upon the record of its industrial settlement by 10%, whilst minimizing industrial tensions through prompt arbitration of industrial disputes.
- ii. Develop an electronic case management system to facilitate improved service delivery. In this regard, the Commission will upgrade its website to facilitate electronic filing of cases, and publication of the Commission's decisions and awards.
- iii. Review the list of Mediators and Arbitrators, and make service delivery more affordable and accessible to parties.

- iv. Refurbish and equip the Head Office of the Commission, and recruit personnel to fill key positions.
- v. Establish a library to promote research, build knowledge and facilitate learning
- vi. Undertake education and sensitization programmes on the Labour Act.
- vii. Open one regional Office in the Ashanti Region and renovate the Western Region Office

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 It came to the attention of the Committee that the Commission has still no offices in the other regions. As a result, virtually all cases from different parts of the country are handled by the only office in Accra. The Commission revealed that although it planned to open an office in Kumasi and Tamale to decentralise its operations, the efforts has been thwarted by non-availability of funds to rent and furnish office accommodation in the two regions.

The Committee was therefore happy to note that the Ministry of Finance has just released the remaining amount of the 2018 allocation made for Capital Expenditure (Capex).

7.2 The Committee noted the Commission depends solely on Government subvention to undertake its operations. In the circumstance, the non-release or late release of government budgetary allocation to the Commission greatly affects the operations of the Commission. The Committee therefore recommends the need to grant the Commission the authority to charge some fees for the services it provides in order to raise some IGF to complement government funding.

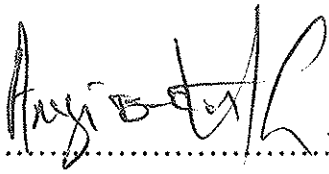
7.3 The Committee observed that the National Labour Commission is a strategic national institution for economic development because the resolution of one labour dispute cannot be quantified in monetary terms given the financial implications of an unresolved labour disputes on productivity and the economy as a whole. Against this background, the Committee commended the Commission for the important interventions it made in complex industrial disputes, such as those involving Health Services Workers Union and the Ministry of Health; as well as Technical University Teachers Association of Ghana (TUTAG) and the Ministry of Education

8.0 CONCLUSION

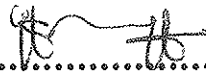
The contribution of the National Labour Commission to national development cannot be overemphasised. Indeed the arbitration role of the Commission promotes peaceful industrial environment and saves the country millions of cedis. It is therefore important that the Commission is adequately resourced to play its role effectively and efficiently.

In the light of this, the Committee recommends the approval by the House, the sum of **Five Million, Three Hundred and Fifteen Thousand, Three Hundred and Fifty-nine Ghana Cedis (GH¢5,315,359.00)** to support the activities of the National Labour Commission for the 2019 Financial Year.

Respectfully submitted



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



.....
ANTHONY AGYEKUM
CLERK TO THE COMMITTEE