

# **REPORT OF THE COMMITTEE ON EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES ON THE 2022 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS**

## **1.0 INTRODUCTION**

The Budget Statement and Economic Policy of the Government of Ghana for the 2022 financial year was presented to Parliament on Thursday 17<sup>th</sup> November 2021 by the Hon. Minister for Finance, Mr. Ken Ofori Atta, pursuant to 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 Ministry of Employment and Labour Relations to the Committee on Employment, Social Welfare and State Enterprises for consideration and report.

The Committee met on Wednesday, 8<sup>th</sup> December 2021 and considered the Annual Estimates of the Ministry. Present at the meeting were the Hon. Minister for Employment and Labour Relations, Mr. Ignatius Baffour Awuah and his Deputy, Mr Bright Wireko-Brobbe, the Chief Director, Heads of Agencies and Officials from the Ministry of Finance.

The Committee is grateful to the Hon. Minister and his team for their co-operation and support. The Committee also expresses appreciation to the scheduled officers from the Ministry of Finance for being in attendance to assist the Committee consider the Estimates.

## **2.0 REFERENCE DOCUMENTS**

The Committee in considering the Estimates referred to to the following documents:

- i. The 1992 Constitution of Ghana
- ii. The Standing Orders of Parliament of Ghana (2000)
- iii. The 2021 Budget Statement and Economic Policy of the Government of Ghana
- iv. The 2021 Programme Based Budget (PBB) Estimates of the Ministry of Employment and Labour Relations
- v. The Report of the Committee on Employment, Social Welfare and State Enterprises on the 2021 Annual Budget Estimate of the Ministry of Employment and Labour Relations
- vi. The Public Financial Management Act, 2016 (Act 921)

### **3.0 POLICY OBJECTIVES**

The policy objectives of the Ministry as contained in the National Medium-Term Development Policy Framework (NMTDPF) are as follows:

- i. Promote harmonious industrial relations;
- ii. Promote job creation and decent work;
- iii. Improve labour migration governance;
- iv. Establish an effective occupational safety and health management system through review of legislative framework;
- v. Strengthen competency-based skill development in technical and vocational education;
- vi. Ensure improved skills development for industry;
- vii. Prevent and protect children from all forms of violence, abuse, neglect and exploitation;
- viii. Promote decent pensions;
- ix. Improve cooperative development through review of legislative framework; and
- x. Rebrand YEA as a public service institution.

### **4.0 CORE FUNCTIONS OF THE MINISTRY**

The core functions of the Ministry are to:

- i. Initiate, formulate and coordinate sector policies and programmes as well as schemes to ensure sustainable, accelerated employment generation and human capital development;
- ii. Develop strategies and mechanisms to ensure and promote industrial peace and harmony;
- iii. Develop and periodically review all legal and policy instruments for the sector
- iv. Ensure the development and review of labour market information management systems to facilitate the availability of timely, relevant and accurate national employment and labour statistics;
- v. Coordinate all national employment initiatives with the collaboration of relevant stakeholders of the economy;
- vi. Ensure the monitoring and evaluation of sector policies, programmes and projects in relation to enhance labour productivity;
- vii. Ensure fair and equitable wages and salaries for employees in all sectors of the economy;

- viii. Ensure the provision of employable skills and apprenticeship particularly to the youth, through vocational and technical training at all levels to promote decent and sustainable jobs;
- ix. Ensure occupational safety and health for all workers in both the formal and informal sectors;
- x. Ensure that all workplaces conform to labour laws through labour inspection; and
- xi. Facilitate the development of vibrant cooperatives and small scale enterprises for employment generation and poverty reduction.

## **5.0 DEPARTMENTS AND AGENCIES UNDER THE MINISTRY**

The Ministry executes its functions through the following departments and agencies

- i. Ministry Headquarters
- ii. Labour Department
- iii. Department of Factories Inspectorate
- iv. Department of Co-operatives
- v. Ghana Co-operative College
- vi. Integrated Community Centres for Employable Skill
- vii. Ghana Co-operative Council
- viii. Youth Employment Agency
- ix. National Pensions Regulatory Authority
- x. Fair Wages and Salaries Commission
- xi. National Vocational Training Institute
- xii. Management Development and Productivity Institute
- xiii. Opportunity Industrialisation Centres

## **6.0 REVIEW OF 2021 FINANCIAL PERFORMANCE**

### **6.1 Total Approved Budget for 2021**

In the year under review, a total amount of Two Hundred and Eight Million, Sixty-Three Thousand, One hundred and Twenty-Seven Ghana Cedis (GH¢208,063,127.00) was approved for the operations of the Ministry, its Departments and Agencies. The breakdown of the allocation

of the Ministry for the year 2021 in terms of cost centres, programmes and sources of funding are provided in Table 1.

*Table 1: 2021 Budgetary Allocations by Cost Centres and Sources of Funding*

Item	GoG (GHC)	DP (GHC)	Retained IGF	Total
<b>Compensation</b>	68,758,386.00	-	23,586,840.00	92,345,226.00
<b>Goods &amp; Services</b>	3,739,587.00	796,334.00	51,073,107.00	55,609,028.00
<b>CAPEX</b>	4,717,508.00	-	55,391,365.00	60,108,873.00
<b>Total</b>	<b>77,215,481.00</b>	<b>796,334.00</b>	<b>130,051,312.00</b>	<b>208,063,127.00</b>

*Source: 2021 Budget and Economic Policy of the Government of Ghana*

## 6.2 Expenditure for 2021

The expenditure returns of the Ministry for the year 2021 is provided in Table 2.

*Table 2: Expenditure and Releases*

Item	Allocation (GhC)	Amount (GhC) and Percentage Released	Expenditure (Amount and Percentage)	Outstanding Allocation (GhC)	% Variance
Compensation	92,345,226.00	67,173,340.00 (73%)	57,480,083.00 (86%)	25,171,886.00	27
Goods and Services	54,812,694.00	35,497,373.00 (65%)	24,434,269.00 (68.8%)	19,315,321.00	35
CAPEX	60,905,207.00	15,876,231.00 (26 %)	3,814,589.00 (24%)	45,028,976.00	74
<b>Total</b>	<b>208,063,127.00</b>	<b>118,546,943 (57%)</b>	<b>85,728,941.00 (72%)</b>	<b>89,516,183.00</b>	<b>43</b>

*Source: Ministry's presentation*

The Committee noted that while about 73% of the Ministry's compensation budget was released, a significant portion of the Goods and Services (65%) and Capital Expenditure vote (26%) were not released as shown in Table 1. The non-release of the Goods and Services and CAPEX allocations meant that the Ministry could not undertake its scheduled programmes, activities, and projects in 2021. As a service-oriented agency, the Ministry relies heavily on its Goods and Services and CAPEX votes to procure the needed logistics for its services. As a result of the non-released of funds, in 2021 many of the Ministry's planned programmes and activities were negatively affected.

## **7.0 2021 PERFORMANCE AND OUTLOOK FOR 2022**

During the review period, the Ministry operated four programme areas, including Management and Administration, Job Creation and Development, Skills Development, and Labour Administration. This section presents the performance for 2021 and the outlook for 2022 as contained in the Budget Statement and Economic Policy of the Government.

### **7.1 Management and Administration Programme**

The Ministry of Employment and Labour Relations collaborated with relevant stakeholders to implement the National Labour Migration Policy (NLMP) which was approved in 2020. Additionally, a draft Bilateral Labour Agreement between Ghana and Saudi Arabia on the regulation of migrant workers was developed. The Ministry also solicited inputs from stakeholders to draft a similar Labour Agreement between Ghana and Kuwait.

The Ministry commenced the process of reviewing the Labour Act, 2003 (Act 651) with the goal of strengthening labour administration in the country in line with international best practice. In 2022, a nationwide consultation to validate inputs into the Act will be undertaken.

The Ministry will collaborate with the National Steering Committee on Child Labour and other stakeholders to evaluate the outcomes of the implementation of the 2nd Phase of the National Plan of Action (NPA2 2017-2021), for the elimination of the worst forms of child labour in the country. Based on the outcome and recommendations, all necessary steps will be taken to strengthen efforts in the fight against child labour.

In 2022, the Ministry will deepen collaboration with the Tripartite constituents and all stakeholders to work collectively to maintain the peaceful industrial atmosphere in the country. The Ministry will continue to coordinate the implementation of the National Employment Policy, the National Green Jobs Strategy, the National Labour Migration Policy, and the Labour (Domestic Workers) Regulations, 2020. The Ministry will also seek approval for the National Occupational Safety and Health Policy and the Co-operatives Bill.

## **7.2 Job Creation and Development Programme**

The Youth Employment Agency (YEA) engaged 82,869 beneficiaries under the various YEA modules in 2021. In 2022, the Agency will engage 106,000 beneficiaries.

“The Job Centre”, an interactive web-based system that links job seekers to potential employers, enabled 1,185 persons to gain employment.

In 2021 the cooperatives institutions of the Ministry facilitated the formation of 2,133 new co-operative societies. The Department of Co-operatives inspected 1,201 cooperatives and audited 616 existing cooperative societies. In the year under review the Department of Cooperatives and the Ghana Co-operatives Council trained a total of 5,320 farmers and 120 artisans. The Council also organised 184 stakeholder engagements with cooperative leaders and policy makers to support the promotion and development of cooperatives.

In 2022, the co-operative institutions will register 1,000 new cooperative societies, inspect 700 and audit 1,200 existing co-operatives societies. The Ministry will continue to strengthen the co-operative institutions to facilitate the formation of new co-operatives and provide the needed support to existing ones. The strengthening of these institutions will ensure the growth of vibrant co-operatives for job creation and economic development.

## **7.3 Skills Development Programme**

Furthermore, in the year 2021 the Ministry, in collaboration with the NVTI, the Opportunities Industrialisation Centres-Ghana (OICG) and the Department of Integrated Community Centres for Employable Skills (DICCES), trained a total of 7,472 persons in various trades in 2021. The

NVTI also conducted tests for 32,694 candidates in various trades. The Management Development and Productivity Institute (MDPI), on the other hand, trained 633 persons in various productivity enhancement courses to improve their skills and productivity levels.

In 2022, the Ministry however intend to train 8,590 persons in various vocational trades and accredit 2,674 mastercraft persons. NVTI will assess 45,871 candidates in various trade areas. MDPI will train 1,000 persons from all sectors of the economy in various management and productivity enhancement skills, and 60 SMEs in the ILO's Sustaining Competitive and Responsible Enterprises (SCORE) Module.

#### **7.4 Labour Administration Programme**

The Labour Department conducted 696 workplace and establishment inspections and placed 3,231 persons in gainful employment through Public Employment Centres (PECs) and Private Employment Agencies (PEAs). The Department registered 269 workmen compensation cases and facilitated the payment of compensation to 289 persons. The Department also issued 46 Collective Bargaining Certificates. In 2022, the Department will conduct 1,800 workplace and establishment inspections and facilitate the placement of 6,500 job seekers in jobs through the PECs and PEAs. The Department of Factories Inspectorate registered 235 new factories, shops and offices, and inspected 2,570 workplaces. The Department conducted 42 industrial hygiene surveys and investigated all eight reported industrial accidents.

In 2022, the Department will register 500 new factories, inspect 3,000 offices, shops and factories, undertake 100 safety and health talks and conduct 96 industrial hygiene surveys.

Through the Fair Wages and Salaries Commission (FWSC), the Ministry negotiated the Base Pay and Pay-Point Relativity (BPPPR) for years 2021 and 2022. The Commission also completed job re-evaluation for two public sector institutions and negotiated conditions of service for three others.

In 2022, the Commission will negotiate the BPPPR for 2023 in accordance with section 19 of the Public Financial Management (PFM) Act, 2016 (Act 921). The Commission will re-evaluate the jobs of 10 public sector institutions and conclude negotiations of conditions of service for another

15.

The National Pensions Regulatory Authority (NPRA) intensified efforts to get more workers in the informal sector to be enrolled onto the 3rd Tier of the 3-Tier pension scheme. Currently, 315,890 persons (representing 4 percent of the workforce) are registered on the Tier 3 pension scheme. The Authority prosecuted seven recalcitrant employers who defaulted in honouring obligations on behalf of employees. The Authority commenced pilot registration of farmers for the Cocoa Farmers Pension Scheme in August 2021.

In 2022, the Authority projects rolling out the Farmers Pension Scheme and expand enrolment on the 3rd Tier to 12 percent (about 947,670) of the workforce. The Authority will begin deploying Risk-Based Supervisory Software (RBSS) to facilitate real-time monitoring of private pension schemes.

## 8.0 ALLOCATION FOR YEAR 2022

To implement its programmes and activities for 2021, a total amount of **Two Hundred and Fifty-Eight Million, One Hundred and Seventy Ghana Cedis (GHC258, 170,000.00)** has been allocated to the Ministry of Employment and Labour Relations, its Departments and Agencies. The breakdown of the allocation in terms of cost centers, programs, and funding sources is provided in Tables 4 and 5 as follows:

*Table 4: 2022 Budgetary Allocations*

Item	SOURCES OF FUNDING			
	GoG	IGF	DP FUNDS	TOTAL
<b>Compensation</b>	73,682,000.00	28,406,000.00	-	<b>102,088,000.00</b>
<b>Goods and Services</b>	3,618,000.00	60,543,000.00	18,931,000.00	<b>55,609,028.00</b>
<b>Capex</b>	3,302,000.00	53,689,000.00	15,689,000.00	<b>72,990,000.00</b>
<b>Total</b>	<b>80,602,000.00</b>	<b>142,948,000.00</b>	<b>34,620,000.00</b>	<b>258,170,000.00</b>

*Source: 2022 Budget and Economic Policy of the Government of Ghana*



*Table 5: Allocations to the Ministry by Programs*

<b>PROGRAM</b>	<b>Compensation (GHC)</b>	<b>Goods and Services (GHC)</b>	<b>CAPEX (GHC)</b>	<b>Total (GHC)</b>
<b>Management and Administration</b>	4,539,386.00	18,973,369.00	17,585,850.00	41,098,605.00
<b>Job Creation and Development</b>	9,491,133.00	438,479.00	-	9,929,612.00
<b>Skills Development</b>	40,566,361.00	37,559,611.00	33,701,400.00	111,827,372.00
<b>Labour Administration</b>	47,491,120.00	26,120,541.00	21,702,750.00	95,314,411.00
<b>Total</b>	<b>102,088,000.00</b>	<b>83,092,000.00</b>	<b>72,990,000.00</b>	<b>258,170,000.00</b>

*Source: Ministry's 2021 Presentation*

## **9.0 OBSERVATIONS AND RECOMMENDATION**

### **9.1 Over reliance on IGF**

The Committee observed that an amount of GH¢130,051,312.00 was allocated from IGF as Capex in the 2021 Budget of the Ministry. However, the Committee noted that as at 31<sup>st</sup> September 2021, an amount of GH¢69,276,352.00 representing 53% had been realized.

The committee observed that despite the inability of the Ministry to meet its IGF target of GH¢ 130,051,312.00 for 2021, the Ministry has again projected to mobilise a huge amount of GH¢142, 948,00.00 from IGF sources in 2022.

The Committee inquired as to how the Ministry was going to meet its IGF target, the Minister told the Committee that the inability of the Ministry to meet its IGF target for 2021 was largely due to some administrative bottlenecks involving one of its main IGF institutions, the Management Development and Productivity Institute (MDPI). The Committee was informed that Government granted permission to MDPI to undertake some revenue generation exercise by regularizing the tenancy of individuals and institutions that have encroached on its land and use the proceeds to acquire a permanent site for the Institute. It was noted that the non-performance

in revenue generation in 2021 was due to the inability of the Management Development and Productivity Institute (MDPI) to complete the process of regularization.

The committee was informed by the Ministry of Employment and Labour Relations that, its challenge has been resolved and the Institute has received a comprehensive valuation of the lands from the Lands Commission and this has given the Institute a realistic assessment of the projected revenue in 2022.

The committee was further informed that, a survey conducted by Lands Commission to register resident whose tenancy must being regularized recorded 482 occupants. Out of this number, 80 have been served with demand notices. The Institute projects that by the end of 2022, about 150 occupants should have paid to regularized their tenancy.

In addition, the Committee was informed that the National Vocational Training Institute which used to generate substantial revenue from its 34 training institutions, experienced low enrolments due to the Free SHS policy. Since, the enrolment fees constitute a more significant proportion of the IGF of the Ministry, the low enrolment in the NVTI accredited institutions immensely affected IGF inflow during the period under review.

## **9.2 Funding of Capital Expenditure**

The Committee observed that the Capex budget of the Ministry is fully funded from IGF sources. In the 2021 financial year, out of the amount of GH¢60,108,873.00 approved as Capex for the Ministry, an amount GH¢55,391,365.00 was to be funded from IGF representing 92% of the Capex budget. Unfortunately, the Ministry could only generate GH¢12,809,851.00 from the projected IGF. This situation affected the implementation of the Ministry's capital projects and activities that were to be funded from IGF sources.

Similarly, out of a total amount of GH¢72,990,000.00 allocated for Capex in the 2022 budget of the Ministry, GH¢53,999,000.00 representing 73% will be sourced mainly from IGF. This means that should the Ministry misses its IGF target as it happened in the preceding year, particularly with the migration of the skills development institutions to the TVET Service, it would be very difficult for the Ministry to undertake capital projects and procure critical logistics.

Therefore, the Committee recommends that the Ministry of Finance provide adequate Funding from GOG as part of the Capital Expenditure instead of depending mainly on IGF, which cannot always be guaranteed or predicted.

Further, the Committee urges the Ministry of Employment and Labour Relations to devise other innovative ways of generating revenue from its services in the future.

### **9.3 Non-Release of Development Partners Funds**

The Committee observed that that amount of GHC796,334.00 allocated as donor funding in the 2021 budget to support capital expenditure under the Management and Administration programme of the Ministry had not been released as at September 2021.

The Committee inquired about why the amount has not been released and what it was meant for, it was observed that there was no record in the Ministry's Budget Performance on how the DP Fund was to be utilized for the Committee to track performance. The Ministry explained that it was yet to receive information on how the amount would be expended as the DP funds component of the Budget is always managed by the Ministry of Finance.

The Ministry indicated, the DP Funds normally come in the form of grants and sometimes loans and are managed by the Ministry of Finance through their National Authorising Officer (NAOs), who periodically report to the Ministry.

The Committee recommends that, the Ministry of Finance should work out an arrangement for the Ministry of Employment and Labour Relations to manage the funds at their level and report accordingly; in order to forestall the challenges relating to accurate and timely reporting on the utilization of the DP Funds.

Despite the non-release of DP budget for 2021, in 2022 the budgetary allocation from DP sources was instead increased from GHC796,334.00 to GHC14,283,850.00.

Considering the past performance of DP funding, the Committee wishes to advise the Ministry not to rely on DP funds and look for other reliable sources of funding to support its activities.

#### **9.4 Non utilization of Released Funds**

The Committee observed that although funds have been released for various expenditures in the programme areas at various Cost Centers, the amounts are yet to be expended. The Committee noted an amount of GHC67,173,340.00 and GHC35,497,373.00 have been released for Compensation and Good and Services respectively, however, the Ministry had only utilized an amount of GHC57,480,083.00 and GHC24,434,269.00 representing 85% and 68% of the Compensation and Goods and Services votes respectively.

Furthermore, although an amount of GHC15,876,231.00 had been released for Capex expenditure, only GHC3,814,589.00 had been expended by the Ministry as at September 2021. The Committee believes that this situation sends a wrong signal to the Ministry of Finance about the capacity of the Ministry and its agencies to utilized released funds.

The Ministry attributed the situation mainly to the CAPEX allocation for NPRA and MDPI. The Committee was informed that although the NPRA, for instance had generate an IGF of GH¢10,970,668 for CAPEX, it had only expended GH¢1,624,767 leaving a variance of GHC9,345,901.00.

The Committee was informed that the amount which constituted the variance has been reserved for the construction of a new head office building for the Authority, but the Board of the Authority was not yet in place to approve the spending. The Ministry assured the Committee that the Board has just been constituted and action will be taken on the matter as soon as the Board meets.

#### **9.6 Coordination of Employment Policies by the Ministry**

The Committee observed that the Ministry of Employment and Labour Relations exists to initiate, formulate and coordinate sector policies, programmes and schemes to ensure sustainable, accelerated employment generation and human capital development in the country. With this mandate it was expected that the Ministry will coordinate all employment generations programme of the Government.

However, the Committee noted that many of the Government initiatives towards employment generation such as National Entrepreneurial and Innovation Programme (NEIP), Nation Builders Corps (NABCo), National Afforestation Programme, Ghana Enterprise Authority (GEA) and the proposed YouStart Initiative are not coordinated by the Ministry of Employment and Labour

Relations and its agencies. Instead these initiatives are established and coordinated under the Office of the President.

To ensure that Government initiatives towards employment generation are tracked and accounted for effectively, the Committee recommends to Government to refocus the initiatives and bring them under the supervision of the Ministry of Employment and Labour Relations which has the mandate for employment generation in the country.

The Committee was informed that the Ministry is a critical stakeholder in coordinating all Government employment creation initiatives in the country. Since employment generation issues are multi sectoral, a Ministerial Committee for the Coordinating of Employment issues has been activated with the Minister of Employment and Labour Relations as the chair. On the YouStart programme, the Ministry stated that, although the main implementation agencies are the National Entrepreneurial and Innovation Programme (NEIP) and the Ghana Enterprise Agency, the Ministry of Employment is providing oversight over the programme.

#### **9.7 National Pensions Regulatory Authority**

The National Pensions Regulatory Authority has been granted a total budgetary allocation of GH¢109, 577,751.00 to implement its planned programmes and activities in 2022. Out of the total budgetary provision, an amount of GH¢28,406,00.00 which translates to 25% of the allocation will be utilized for Compensation whilst GH¢24, 660,940.00 constituting 22.5% will be used to cater for Goods and Services. A total amount of GH¢21,702,675.00 which is 19.8% of the allocation will be applied to fund capital expenditure. An amount of GH¢34,808,136.00 representing 31.8% will be transferred to the Ministry of Finance.

The Committee noted that the Authority has proven to be self-financing in recent years. While in 2020, the Authority generated a total of GH¢50,005,672 constituting 90% of its IGF target to fund its operations, the entire budgetary allocation of the Authority for the 2021 financial year, amounting to GH¢54,853,120 was fully funded from IGF. The Committee considers this development very positive and urges the Authority to sustain its self-financing efforts.

## **9.8 Informal Sector Pension**

The Committee was informed that as part of measures to improve Pension Coverage in the informal sector, the Authority, in 2022, will continue the development and implementation of the micro-pensions policy for the informal sector. The Committee was happy to note that in the 2022 financial year, the Authority is projected to achieve an informal sector pension coverage of 947,670.

On the Cocoa Farmers Pension Scheme, the Ministry informed the Committee that the Authority had facilitated the registration, appointment, and licensing of the Trustees for the Scheme. The farmers are currently registering and will be enrolled in 2022.

The Committee commends the effort of the Authority to improve pension coverage within the informal sector and urges the Government and all stakeholders to support this initiative which is cardinal for promoting social and income security of many Ghanaians who work outside the formal sector.

## **9.9 National Vocational Training Institute (NVTI)**

An amount of GH¢56,041,527.00 has been allocated to the NVTI. In pursuance of the Institute mandate of creating jobs through skills development and training, the agency will, among others, enroll 4,000 trainees and offer on-the job training to 4,446 people. Further, the NVTI plans to register 5,000 Master Craft Persons and administer proficiency testing for 2,000 Master Crafts Person.

The Committee observed that the institute is confronted with challenges such as inadequate number of instructional and support staff, lack of vehicles, inadequate infrastructure, equipment and tools.

The Committee recommends that in view of the importance of technical and vocational education and training in providing employable skills to the youth, government should speed up the transition process of migrating the Institute to the newly established TVET Service under the Ministry of Education.

## **9.10 The Department of Co-operatives**

The Department of Co-operatives exists to create conducive environment for sustainable cooperative action for employment generation, poverty reduction, community and human capital development.

The Department has been allocated an amount of GH¢9,602,589.00 to implement its programmes. The Department will in 2022 apply its budgetary allocation to digitise the operations of the Department, revitalise agricultural co-operative through the formation of an Apex Association, and promote co-operation and collaboration among stakeholders within the co-operative societies.

The Committee noted that the Department could not realise some of its projections in 2021 mainly due to non-release of budgetary allocation. Other challenges that hampered the performance of the Department include inadequate funding, inadequate staff, and logistical constraints.

The Committee is of the view that co-operative system holds great potential for creating jobs, particularly within the informal sector. In addition, the co-operative system could serve as an important vehicle for expanding pension coverage within the informal sector.

The Committee, therefore, recommends that government should equip the Department of Co-operatives with the requisite logistics to enable them transform the co-operative sector into a more viable industry.

## **9.11 Retooling the Labour and Factory Inspectorate Departments of the Ministry**

The Committee acknowledged the critical role Labour and Factory Inspectorate Departments play in labour administration in the country. While the Labour Department is mandated to register the employed and unemployed and secure suitable job opportunities for them, the Factory Inspectorate Department promotes Occupational Safety and Health (OSH) to prevent industrial accidents and investigate reports of industrial injuries.

The Committee noted that over the years these two department have been deprived of the required funding to enable them to procure the needed equipment, requisite tools, office space, personnel, and logistics for to effectively carry out their mandate. The Committee is of the view that the

Ministry can only achieve its mandate if all the agencies under its outfit are well resourced and positioned to function effectively.

The Committee believes that when these departments are retooled they will generate more revenue for the Government.

The Ministry informed the Committee that efforts have been made over the years to engage Ministry of Finance on how to restructure these Departments as revenue generating agencies and permit them to retain portions of the IGF they generate.

The committee therefore urges the Ministry of Finance to pay attention to the Ministry to enable it realise the full revenue potential of the department of Labour.

## **10.0 YOUTH EMPLOYMENT AGENCY (YEA)**

The Committee also looked at the activities of the YEA which is also under the supervision of the Ministry of Employment and Labour Relations. The Committee noted that the agency is being funded from DACF and other statutory funds. The funding of the YEA does not form part of the general annual allocation to the Ministry.

The Committee was informed that the National Youth Employment Agency is expected to receive an estimated amount GH¢905,035,281.00 from its various sources to implement its programmes and activities for the 2022 financial year.

The Agency's budget, as provided under the Youth Employment Agency Act, 2015 (Act 887), will be funded from Communication Service Tax - 80%, Ghana Education Trust Fund (GETFUND) - 5%, and the District Assemblies Common Fund (DACF) - 10%. These funds are required to be made available to YEA to execute its programmes.

The Committee observed that, the Agency had received a total of GH¢235, 150,721.00 of its total budgetary allocation of GH¢654,143,762.00 for 2021 representing 36% of the entire allocation. The Committee noted that apart from the Communication Service Tax which had made some releases to the Agency, the District Assembly Common Fund (DACF) and the Ghana Education Trust Fund (GETfund) had not released their portion of the allocation as at September 2021.



The Committee found the situation very worrying and expressed concern about the failure of the DACF and GETfund to comply fully with the law requiring them to transfer 10% and 5% respectively of their funds to YEA. As at the time of reporting, DACF has not released any funds to the Agency.

The Committee was also informed that the 80% Communication Service Tax (CST), which constitute the highest component of the YEA sources of funding has been consistently capped. In 2021, YEA's share of the CST was capped to 66%. Although this has been revised upwards to 68% in the 2022 Allocation.

The Committee observed that the capping of YEA funds, coupled with the non-releases of funds from DACF and GETfund deprives the YEA of the needed resources to implement its programmes and activities. For instance, the Agency projected to enroll 20,000 youth in the Community Improvement Programme in 2021 but managed to enroll only 12,950 due to funding challenges.

Similarly, YEA planned to enroll 10,000 youth in the Youth in Entrepreneurship Module but ended up enrolling only 5000.

The Committee considers the YEA as an important vehicle for providing jobs for the youth. There is therefore the need for government to provide the Agency with the needed resources to effectively pursue this mandate.

The Committee strongly urges the DACF, the GETfund and the Ministry of Finance to ensure that funds earmarked for YEA are transferred in full and on time for the implementation of the Agency's programmes and activities.

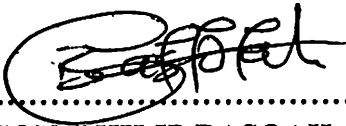
The Committee requested that the YEA furnishes it with details of expenditure on the Sanitation Model of the National Youth Employment programme, the Agency complied and the detail breakdown of activities and expenditure was subsequently submitted to the Committee.

## 12.0 CONCLUSION

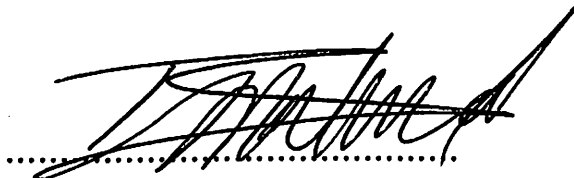
The Ministry of Employment and Labour Relations mandate of co-ordinating labour-related policies, promoting job creation and decent working environment, and fostering industrial peace can only be achieved if the Ministry is given the needed resources to undertake its functions effectively and efficiently.

In furtherance to the above, the Committee recommends that the House adopt its report and approve the sum of **Two Hundred and Fifty-Eight Million, One hundred and Seventy Thousand Ghana Cedis (GH¢258,170,000.00)** to enable the Ministry of Employment and Labour Relations implement its programmes and activities for the 2022 financial year.

Respectfully submitted



.....  
**HON. PHILIP BASOAH**  
**CHAIRMAN, COMMITTEE ON**  
**EMPLOYMENT, SOCIAL WELFARE**  
**AND STATE ENTERPRISES**



.....  
**INUSAH MOHAMMED**  
**CLERK, COMMITTEE ON**  
**EMPLOYMENT, SOCIAL WELFARE**  
**AND STATE ENTERPRISES**