

**IN THE FIRST SESSION OF THE SIXTH
PARLIAMENT OF THE FOURTH REPUBLIC OF
GAHNA**

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

ON

**THE 2014 PROGRAMME BASED BUDGET
ESTIMATES**

FOR

THE NATIONAL LABOUR COMMISSION

December 2013

**REPORT OF THE PARLIAMENTARY SELECT COMMITTEE ON
EMPLOYMENT, SOCIAL WELFARE AND STATE ENTERPRISES
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2014 ANNUAL BUDGET ESTIMATES OF THE
NATIONAL LABOUR COMMISSION**

1.0 INTRODUCTION

The Honourable Minister of Finance and Economic Planning, Mr. Seth Emmanuel Terkper in accordance with Article 179 of the Constitution, presented the Budget Statement and Economic Policy of the Government of Ghana for the 2014 fiscal year to the House on Tuesday 19th November, 2013.

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

2.0 ACKNOWLEDGEMENT

The Committee met with the Acting Executive Secretary, Mrs. Bernice Welbeck and officials of the National Labour Commission and deliberated on the 2014 Draft Annual Estimates of the Labour Commission. The Committee is grateful to them for the information and support they provided during deliberations on the estimates.

3.0 REFERENCE DOCUMENTS

In considering the draft Annual Estimates for the Commission, the under listed documents were used as reference materials:

1. The 1992 Constitution of Ghana,
2. The Standing Orders of Parliament of Ghana
3. The 2013 Budget Statement and Economic Policy of the Government of Ghana.

4. The 2014 Budget Statement and Economic Policy of the Government of Ghana.
5. The 2014 Draft Annual 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 2014 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, promotion of co-operation among the labour market players and mutual respect for the 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 2013 PERFORMANCE

6.1 FUNDS ALLOCATED FOR THE 2013 FISCAL YEAR

For the implementation of activities for 2013 fiscal year an amount of Two Million, Eighty Four Thousand, Six Hundred and Twenty Three Ghana cedis (**GH¢2,084,623**) was allocated. Out of this, One Million Seven Hundred and Eighty Four Thousand Six Hundred and Twenty Three (**GH¢1,784,623**) was GoG, and ABFA was Three Hundred Thousand Ghana Cedis (GH¢300,000).

Table 1: Breakdown of allocation for 2013

	GOG	DONOR	IGF	OTHER FUNDS	TOTAL
COMPENSATION OF EMPLOYEES	754,043	-	-	-	754,043
GOODS & SERVICES	607,830	-	-		607830
ASSETS	422,750		-		422,750
ABFA	-	-	-	300,000	300,00
TOTAL	1,784,623	-		300,000	2,084,623

Source: Budget Statement and Economic Policy of GOG for 2013

Table 2: Breakdown of allocated and Released Funds

ITEM	BUDGET ALLOCATION GH¢	TOTAL RELEASES GH¢	TOTAL EXPENDITURE GH¢	DIFFERENCE BETWEEN RELEASES AND EXPENDITURE GH¢
Compensation of Employees	754,043.00	387,199.00	323,618.12	63,580.88
Goods and Services	607,830.00	120,318.00	82,788.45	37,529.55 (Warrant Received and Funds already Committed)
Non Financial Assets	422,750.00	Nil	Nil	Nil

6.2 REVIEW OF THE COMMISSION'S PERFORMANCE IN 2013

In the 2013 fiscal year funds allocated were committed to the following activities;

- The National Labour Commission received a total of 439 complaints from individuals, workers organizations/associations, trade unions and employers.
- A total of 215 were settled through facilitation and summary/formal hearings.
- 114 cases were referred to mediation for settlement.
- 41 cases were also referred to voluntary arbitration for settlement.
- 1 case is outstanding because the parties refused to go for compulsory arbitration.
- Again, 87 cases rolled over from 2012 were settled.
- The Commission received and paid **GH¢400,000.00** to beneficiaries following settlement and awards made after handling of complaints. The amount excludes funds paid directly to beneficiaries by respondents.

Table 3: Cases Referred, Settled, Outstanding and Reasons

REFERRALS	NUMBER SETTLED	NUMBER OUTSTANDING	COMMENTS
Referral for Facilitation			
371	215	156	Referred for Mediation
Referrals for Mediation			
156	114	42	41 referred to Voluntary Arbitration
Referrals for Voluntary and Compulsory Arbitration			
41	34	7	Parties contesting referral want Commission to hear and determine matter

Source: National Labour Commission

Table 4: Status Of Outstanding Complaints From January – August 2013

Number of Cases	Process	Settlement Record (Near Settlement)	Number Outstanding (Undergoing Settlement)
68	Facilitation	49	19
114	Mediation	93	21
41	Arbitration	30	11
1	Compulsory Arbitration	1	Nil
224		173	51

Sources: National Labour Commission

7.0 STRIKES IN 2013

Fourteen (14) strikes were recorded in the year. Eight of the strikes were by public service workers and related to the implementation of the Single Spine Salary Structure.

Over one million workers were involved and the strikes lasted between one week to three months.

The man hours lost during the period of strike are as follows:

- ✓ Minimum 56 hours and maximum 672 hours (per employee and calculated on 8 hours basis)

Total Loss of Productivity Hours:

- ✓ Minimum 56,000,000 (Hours) Maximum 672,000,000

8.0 OUTLOOK FOR 2014

8.1 FUNDS ALLOCATED FOR THE 2014 FISCAL YEAR

For the implementation of activities for 2014 an amount of **GH¢2,378,174** has been allocated. Out of this GoG is GH¢2,378,174.

The breakdown of the allocation is as follows:

	GOG	DONOR	IGF	OTHER FUNDS	TOTAL
COMPENSATION OF EMPLOYEES	1,000,572	-	-	-	1,000,572
GOODS & SERVICES	930,849	-	-	-	930,849
CAPEX	446,753	-	-	-	446,753
TOTAL	2,378,174	-	-	-	2,378,174

Source: Budget Statement and Economic Policy of GOG for 2014

8.2 ACTIVITIES FOR 2014

The funds allocated would be committed to the following activities:

- 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 to manage industrial disputes effectively.

9.0 Strategies to Manage Issues of Labour In 2014

ISSUES	POLICY OBJECTIVE	STRATEGIES	INDICATORS
<p>Non-compliance to labour laws, regulating employment relations</p>	<p>Protect employment</p>	<p>Ensure adherence to laid down procedures in the management of employment relations at enterprise level</p>	<p>Protect rights responsibilities and duties of employers and employees</p> <p>Illegal industrial actions/lockouts prevented</p> <p>Effective labour management co-operation enhanced.</p> <p>Employers and employees obligations in employment relations developed.</p>
<p>Non-adherence to procedures for addressing industrial disputes</p>	<p>Promote efficiency in the resolution of industrial disputes</p>	<p>Strengthen collective bargaining at enterprise level.</p> <p>Enhance the use of alternative Dispute resolution mechanisms in the resolution of industrial disputes</p>	<p>Establish internal grievance handling procedures at enterprise level.</p> <p>Peaceful Industrial relations environment ensured</p> <p>Established conditions of service for workers.</p>

			<p>Easy accessibility to effective industrial dispute resolution system</p> <p>Guaranteed expeditious resolution of industrial disputes.</p>
Poor Industrial or Labour Relations	Promote harmonious labour relations	<p>Broaden knowledge in the implementation of labour laws (Act 651) and regulations among stakeholders (tripartism)</p> <p>Strengthen the Capacity of the NLC to effectively perform its oversight role in the implementation of Act 651</p>	<p>Knowledge in Act 651 increased.</p> <p>Industrial agitations minimized</p> <p>Good faith negotiations enabled.</p> <p>Efficient and effective dispute resolution processes established.</p> <p>Enhanced capacity of personnel of commission</p>

10.0 OBSERVATIONS AND RECOMMENDATIONS

10.1 COMPENSATION OF EMPLOYEES

It was realised that eleven (11) employees engaged in July 2012 were not paid until October 2013 due to delays in the employment process. The Committee considered the situation unacceptable and urged the commission to ensure that arrangement for salaries are made before new staff are engaged.

It was again observed that out of **GH¢754,043.00** allocated for employee compensation, only **GH¢387,199.00** has been released. Out of the amount released **GH¢323,618.12** has been expended leaving a balance of **GH¢63,580.88**. It was explained that releases have not been made towards the allowances of Commissioners, car maintenance and newly engaged staff. The Committee urges the Ministry of Finance to ensure that funds for Compensation of employees are released on time to ensure industrial harmony.

10.2 GOODS AND SERVICES

The Committee noted that the Commission was not able to perform its core mandates of educating and sensitizing stakeholders on the Labour law (Act 651) due to none release of funds. The Commission could not also train its staff in the 2013 fiscal year. The Committee considers the situations very unacceptable since most of the strikes experienced within the year were due mostly to the lack of understanding of the labour law. The Committee recommends that the Ministry of Finance should commit funds to these activities to ensure reduction in labour agitations.

10.3 NON-FINANCIAL ASSETS

No releases were made towards non-financial assets in the 2013 fiscal year although the Commission has for the past three years made requests for vehicles and office equipment. Considering the important role played by the Commission in labour relations, the Committee urges the Ministry of Finance to commit funds to the purchase of cars and office equipment this fiscal year to enable the Commission improve on its performance.

10.4 ALTERNATIVE DISPUTE RESOLUTION

The Committee lauded the Commission for its commitment to the use of alternative dispute resolution in the handling of labour disputes since it would further enhance relations in the labour front. The Committee considers the strategy laudable because it would lead to a reduction in the number of labour agitations in the country and promote harmony since the resort to the courts has not been of much help.

10.5 PERFORMANCE INDICATORS

The Committee further realised that some of the performance indicators set by the Commission are not realistic and measurable. The Committee for instance wondered how increased knowledge could be measured. It therefore directed

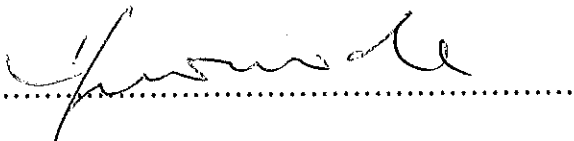
the Commission in future to set realistic and measurable indicators to allow for better assessment of performance.

9.0 CONCLUSION


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

The Committee therefore recommends the adoption of its report and the approval of an amount of Two Million, Three Hundred and Seventy Eight Thousand, One Hundred and Seventy Four Ghana Cedis (**GH¢2,378,174**) to support activities earmarked by the National Labour Commission for the 2014 fiscal year.

Respectfully submitted



HON JOSEPH ZAPHENAT AMENOWODE
CHAIRMAN



ANITA QUARTEY-PAPAFIO
CLERK