

# **MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS**



## **2014 STATISTICAL REPORT**

**PREPARED BY THE RSIM DIRECTORATE**



## PREFACE

The non-availability of reliable and timely statistics to inform policy formulation processes has over the years contributed to the mistrust of the public and major stakeholders in such policies. This is as a result of challenges associated with the generation and management of data/statistics by the Ministry and its Departments/Agencies. The main reason is the seeming lack of coordination, collation and management of data; and to some extent, weak capacity to analyse stored data. Efforts are thus being made to correct the situation and strengthen, among others, the Research, Statistics and Information Management (RSIM) Directorate of the Ministry of Employment and Labour Relations (MELR). It is in this regard that the Ghana Statistical Service (GSS), under the Ghana Statistics Development Project (GSDP), is collaborating with eight (8) key Ministries and Births & Deaths Department to build robust data systems in the GSS and the MDAs, to improve the production and dissemination of quality and relevant statistics for monitoring national and international programmes.

In this light, it is deemed crucial for the MELR to have a Statistical Report, the findings of which will serve as a guide to implementation of the changes and reforms needed to realise the vision. The Report aims to address the lack of a statistical culture, inadequate statistical advocacy, insufficient coordination and feedback mechanisms, lack of clarity of statistical functions in some Departments/Agencies, as well as under-resourcing of statistical units and activities.

Thus, the RSIM Directorate of the Ministry of Employment and Labour Relations, in collaboration with the various Departments and Agencies under the Ministry, has put together this Statistical Report, elaborating the activities of the various Departments and Agencies for the year 2014.

The main aim of this Report is to provide in-depth information to users on the main activities undertaken by the various Departments and Agencies, as a means of contributing to better employment and labour-related policy formulation and implementation. It is through this Statistical Report that the Ministry, as well as users and the general public, will be able to determine how well the Ministry is performing in facilitating employment for the unemployed, which in turn will inform policy makers.

This Report has gone through extensive stakeholder consultations with Departments/Agencies under MELR.



HARUNA IDRISU, MP  
MINISTER, MELR



## ACKNOWLEDGEMENTS

The Ministry of Employment and Labour Relations (MELR) would like to express its sincerest appreciation to all institutions and individuals who have contributed in varied ways to the development of the 2014 Statistical Report on the activities of the Ministry and its Departments/Agencies.

The Ministry recognizes the priceless role, suggestions, commitment and encouragement, from the pre-validation to the finalisation stage, of its Departments and Agencies by way of providing data/statistics to ensure the successful development of the Report.

The MELR is grateful to the World Bank and the Ghana Statistical Service (GSS) for their assistance through the provision of resources under the Ghana Statistics Development Project (GSDP).

The MELR is optimistic that this Report will help to reshape the image of the Ministry and its Departments/Agencies, as well as help track their strong contributions to the country's development agenda.



## LIST OF ABBREVIATIONS

BNSSS	-	Basic National Social Security Scheme
DFI	-	Department of Factories Inspectorate
DOC	-	Department of Co-operatives
FWSC	-	Fair Wages and Salaries Commission
GLMIS	-	Ghana Labour Market Information System
GSDP	-	Ghana Statistics Development Project
ICCES	-	Integrated Community Centres for Employable Skills
ILO	-	International Labour Organisation
JUSAG	-	Judicial Service Association of Ghana
MCPs	-	Master Crafts Persons
MDAs	-	Ministries, Departments and Agencies
MDPI	-	Management Development and Productivity Institute
MELR	-	Ministry of Employment and Labour Relations
NDMW	-	National Daily Minimum Wage
NLC	-	National Labour Commission
NPECLC	-	National Programme for the Elimination of the Worst forms of Child Labour in Cocoa
NPRA	-	National Pensions Regulatory Authority
NTC	-	National Tripartite Committee
NVTI	-	National Vocational Training Institute
OIC-G	-	Opportunities Industrialisation Centre – Ghana
OSH	-	Occupational Safety and Health
PEA	-	Private Employment Agency
PVTIs	-	Private Vocational Training Institutes
RSIM	-	Research, Statistics and Information Management
SSNIT	-	Social Security and National Insurance Trust
SSSS	-	Single Spine Salary Structure
TPFA	-	Temporary Pensions Fund Accounts
YEA	-	Youth Employment Agency



## TABLE OF CONTENTS

PREFACE.....	i
ACKNOWLEDGEMENTS.....	ii
LIST OF ABBREVIATIONS.....	iii
LIST OF FIGURES.....	v
LIST OF TABLES.....	vi
EXECUTIVE SUMMARY.....	1
1.0 INTRODUCTION.....	3
2.0 BACKGROUND.....	3
3.0 OBJECTIVE.....	4
4.0 SCOPE OF WORK.....	5
5.0 METHODOLOGY.....	5
6.0 KEY FINDINGS.....	5
6.1 National Daily Minimum Wage, Base Pay and Migration onto the Single Spine Salary Structure.....	5
6.2 Employment Registration and Labour Inspections.....	5
6.3 Occupational Safety and Health (OSH).....	7
6.4 Employment Creation.....	7
6.5 Skills Development.....	8
6.6 Pensions Regulation.....	9
6.7 National Labour Commission.....	13
7.0 INSTITUTIONAL CHALLENGES.....	14
8.0 RECOMMENDATION.....	15
9.0 CONCLUSION.....	15
APPENDICES.....	16
GLOSSARY.....	18



## LIST OF FIGURES

Figure 1: Employment Services by Labour Department, 2014.....	6
Figure 2: Job Placement by PEA, 2014 .....	7
Figure 3: Co-operatives Registered, 2014.....	8
Figure 4: Time series representation of New and Active contributors, Pensioners as well as Number of Establishments contributing to the Scheme .....	10
Figure 5: Classification of Establishments on 1st Tier Scheme, 2014.....	11
Figure 6: Number of Custodians, Trustees and Fund Managers (2012-2014).....	11
Figure 7: Beneficiaries of 5% claims by Sector.....	12
Figure 8: Amounts paid to beneficiaries by sector .....	12
Figure 9: Breakdown of dispute cases by type received in year 2014 .....	13



## LIST OF TABLES

Table 1: Activities undertaken by the Labour Department, 2014 .....	6
Table 2: Activities undertaken by DFI, 2014.....	7
Table 3: Activities undertaken by DOC, 2014.....	8
Table 4: Number of people trained by skills training institutions, 2014.....	8
Table 5: Training conducted by NVTI, 2014.....	9
Table 6: Breakdown of Training by Type and Sex of Trainees .....	9
Table 7: Contribution Rates to Pensions.....	10
Table 8: Pension Schemes Registered Annually since 2012 .....	12
Table 9: Coverage of Schemes as at 31st December, 2014 .....	12
Table 10: Rate of Return on Investment (ROI), 2014.....	12
Table 11: Settlement through the dispute settlement procedures.....	14



## LIST OF APPENDICES

Appendix 1: Minimum wage (GH¢) 2005-2014.....	16
Appendix 2: 3-Tier Pension Scheme .....	16
Appendix 3: Growth Indicators of SSNIT Scheme, 2006-2014 .....	17





## EXECUTIVE SUMMARY

The Ministry of Employment and Labour Relations (MELR), established by Executive Instrument 1 (EI 1) issued in January 2013 and in consonance with Sections 11 & 13 of the Civil Service Act, 1993 (PNDC Law 327), is required as part of its mandate to monitor the performance of the Employment and Labour Relations Sector towards accelerated employment generation and harmonious labour relations, as well as to create an enabling policy environment and opportunities for profitable job creation, career and professional development.

The Ministry therefore makes it a point to track the progress of implementation of policies, laws and programmes by the Departments and Agencies it oversees, to ensure the said mandate is achieved. This will help the Ministry to know whether to review certain aspects of its operations/policies or re-strategise to mitigate challenges that arise from the monitoring of the operations of its Departments and Agencies.

The data/statistics presented in this report are purely administrative and were extracted from the 2014 Annual Performance Report, as well as from data submitted by the Departments and Agencies themselves.

Data on the country's Daily Minimum Wage indicates that the growth rate within the period 2005-2014, with the exception of the years 2009 and 2014, has consistently remained between 3%-8%.

Information on Employment Registration and Labour Inspections undertaken by the Labour Department within the period 2005-2014 reveals that the Labour Department collected data on labour inspections, registration of Private Employment Agencies (PEAs), job placements, issuance of Collective Bargaining Certificates, registration of Labour Unions, issuance of Labour Clearance Certificates, compensation of Redundant workers, ratification of ILO Conventions and provided regular Labour Situational Reports. All these activities of the Labour Department aim to ensure that working conditions are improved and people are secured with jobs. The Labour Department was able to ensure that the working conditions of 4,712 people were improved. They also registered 78,586 jobseekers, of which 9,400 were successfully placed in employment.

Data on Occupational Safety and Health provided by the Department of Factories Inspectorate (DFI) included activities undertaken such as the registration of new businesses, which has seen an improvement of 0.22% within the period; inspection of registered workplaces, which increased by 0.37%; conducting surveys on industrial hygiene, which increased by 9%, investigation of reported accidents, where reported accidents reduced by 5%; while training and talks organised on Occupational Safety and Health increased from 50 to 150.



In terms of employment creation, the Department of Cooperatives (DOC) organised 462 groups into Cooperatives, organised 80 training programmes in bookkeeping, as well as conducted 96 inspections and auditing of the Cooperative Societies. In the year under review, registered Cooperatives comprised 19% of Financial cooperatives, 79% of Agricultural cooperatives, and 1% each for Industrial and Service cooperatives.

With respect to skills development, data was acquired from the following institutions responsible for skills development under the Ministry: MDPI, NVTI, ICCES and OIC-G.

- i. The Management Development and Productivity Institute (MDPI), whose responsibility is mainly to train participants in skills development, to enable trainees secure jobs for themselves after undergoing training, organised 57 regular courses and 26 customised training/in-plant courses for 2014.
- ii. The National Vocational Training Institute (NVTI) trained 13,049 participants within the period. Certificates were awarded to 1,094 participants; 3,100 Master Crafts Persons (MCPs) were registered and in all 46,337 participants were tested.
- iii. The Integrated Community Centers for Employable Skills (ICCES) was able to train 3,017 unemployed youth in the communities in which they function.
- iv. The Opportunities Industrialisation Centre - Ghana (OIC-G) in 2014 trained 1,145 candidates in carpentry, plumbing, dressmaking and other technical skills.

Finally, data relating to workers' pension from the National Pensions Regulatory Authority (NPRA), in charge of regulating the operations of the Pension Scheme and ensuring the effective administration of all pensions in the country, indicated that in all, employers contribute 13.0% of basic salary to the Scheme, while employees contribute 5.5% of their basic salary to the Scheme. The total number of active contributors as at 2014 was 1,152,041 relative to 140,753 pensioners. The number of registered establishments was 41,404 during the same period.



## 1.0 INTRODUCTION

Policy formulation requires scientific analysis of data so as to make informed decisions. This is not different in the case of policy formulation for matters pertaining to employment and labour relations. Thus, to ensure successful planning and policy formulation, the Ministry of Employment and Labour Relations (MELR) relies on its Departments/Agencies for quality labour-related statistics/data. Each of these Departments/Agencies carries out activities that produce labour market statistics/data which could serve as inputs into policy. This is especially true of the data that will be produced by the Ministry's impending Labour Market Information System (LMIS). The MELR has the responsibility to ensure that labour-related information/data is collected by the responsible units within its Departments/Agencies in collaboration with the Ghana Statistical Service (GSS), to ensure uniformity in standards and methodologies. In particular, the Ministry is to ensure that the capacities of the responsible officers are built towards evidence-based labour-related planning and programming. Usually this strategy of establishing an evidence-based mechanism is to assess the usefulness of labour-related data/statistics and enhance a systematic flow of information from producers to end-users.

Thus, this report presents the collated data/statistics generated by the Ministry of Employment and Labour Relations (MELR) and its Departments/Agencies for the year ended 2014.

## 2.0 BACKGROUND

Adequate and reliable data is central to the practice and theory of public policy formulation, implementation, monitoring and evaluation. Unfortunately, in Ghana, getting data from authoritative sources is extremely difficult. This is because the institutions responsible for compiling the data and making them available to end-users are ill-equipped in terms of personnel capacity and logistics, hence the lack of timely and reliable data from such institutions.

One of the core functions of the Departments/Agencies under the Ministry is to provide labour-related information/statistics. These Departments/Agencies have offices all over Ghana; and very useful labour information is thus being collected and stored by them. The Ministry has therefore noticed the relevance of compiling the data generated into a comprehensive Statistical Report for evidence-based labour-related planning, programming and policy making, as well as for using it as a means of showcasing the achievements of the Departments and Agencies.

The Research, Statistics and Information Management (RSIM) Directorate of MELR is responsible for coordinating the production of data/statistics from the Ministry's Departments and Agencies; and is also required to lead the collation, analysis and dissemination of sector-specific (*i.e.* employment and labour-related) data/statistics for policy formulation and planning.

Some of the data collection functions of the Departments and Agencies under the MELR include:

- Labour Department - labour/employment data, including inspections, processing and determination of workmen's compensation claims, registration of Private



- Employment Agencies, issuance of collective bargaining certificates to trade unions;
- DFI - data on Occupational Safety and Health (OSH) accidents and diseases, registration of new factories, inspection of existing factories;
  - NVTI - data on trained and tested graduates and on-the-job training (industrial attachment) placement;
  - OIC-Ghana - data on trained graduates and their placement in jobs;
  - ICCES - data on trained graduates and their placement in jobs;
  - MDPI - data on manpower development, productivity indices and institution building;
  - DOC - data on functional co-operative societies, number of societies audited, number of societies that convene Annual General Meetings;
  - NPRA - data on pensions regulations, registration and licensing of pension schemes and service providers, as well as pension funds;
  - YEA - data on youth employment;
  - FWSC - data on Base Pay negotiated on the Single Spine Salary Structure (SSSS), number of Public Service employees migrated onto the SSSS;
  - NLC - data on labour disputes resolution.

These data/statistics are supposed to be used to develop yearly Statistical Reports by MELR for dissemination to the main stakeholders of the Ministry; and to also inform policy decisions and direction.

Unfortunately, the generation of a Statistical Report has been a challenge for some years; and it is thus deemed necessary to develop one, starting with the year 2014. It is hoped that this report will be circulated to all stakeholders for their information and use as needed.

### **3.0 OBJECTIVE**

The objective of the Statistical Report is to summarise and disseminate data/statistics generated by the Ministry's Departments and Agencies on all their activities to inform policies.



#### **4.0 SCOPE OF WORK**

The Report summarises the data/statistics generated by the Ministry's Departments and Agencies for the period January to December 2014. The information is presented in broad categories of the Tripartite, Salary Migration, Labour Registrations and Inspections, Occupational Safety and Health, Employment Creation, Skills Development, Labour Disputes Resolution and Pension Regulations.

#### **5.0 METHODOLOGY**

Administrative data/statistics submitted as part of the 2014 Annual Performance Report by the Departments and Agencies to the Ministry were extracted and further analysed to suit the purpose of this Report. Additional data/statistics as needed were provided by the Departments/Agencies to complement available information.

#### **6.0 KEY FINDINGS**

The details of the data collated and analysed are discussed below:

##### **6.1 National Daily Minimum Wage, Base Pay and Migration onto the Single Spine Salary Structure**

The National Daily Minimum Wage (NDMW) is the wage level below which it would be illegal for an employer to pay an employee. It is fixed by the National Tripartite Committee (NTC) comprising Government, Employers and Trade Unions every year, taking cognizance of the economic challenges facing workers at a specific point in time.

The 2014 NDMW was pegged at GH¢6.00. On the average, the minimum wage grew by 16.27% but the highest growth in recent times (2011) was 19.94% even though it rose by 20.54% in 2005. With the exception of 2009 and 2014, the daily minimum wage increment has always been between 3% - 8% higher than the inflation rate for the preceding year (see Appendix 1).

In 2014, a Base Pay was not negotiated; rather, a Cost of Living Allowance (COLA) of 10%, equivalent to GH¢6.01, was granted to all Public Service workers. The COLA was GH¢0.01 higher than the NDMW.

Also, as part of the implementation of the Single Spine Pay Policy (SSPP), which seeks to deal with distortions and inequities in Public Service pay administration, the Fair Wages and Salaries Commission (FWSC) has since 2010 to date, migrated a total of 480,436 Public Service workers onto the SSSS.

##### **6.2 Employment Registration and Labour Inspections**

The Labour Department is responsible for the collation of labour statistics on inspections, workmen's compensation, employment service and the protection of the rights of workers.

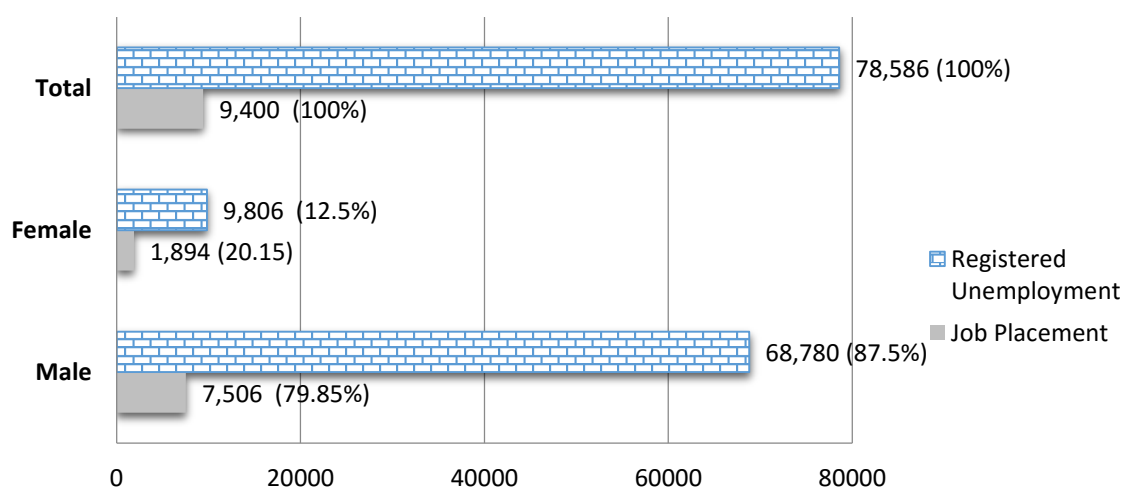
During the period under consideration, the Labour Department was able to undertake the following activities:

**Table 1: Activities undertaken by the Labour Department, 2014**

<b>Labour Activities</b>	<b>Number</b>
Labour Inspections	243
Registered PEAs <sup>1</sup>	64
Job Placement (Migrant Workers)	2,500
Collective Bargaining Certificate issued	37
Labour Complaint cases	112
Workmen's compensation cases finalized	160
Reports of ratified ILO <sup>2</sup> Conventions	13
Registered Labour Unions	4
Labour Clearance Certificate Issued	2,578
Redundant Workers compensated	1,845
Labour Situational Reports	96
Ratified Conventions	1
Strikes recorded	15

Within the period under consideration, the Labour Department was able to ensure that the working conditions of 4,712 people were improved; of which 2,966 (63%) were males and 1,746 (37%) were females. This was as a direct result of the 243 labour inspections the Department conducted within the period.

The Department was also able to register 78,586 jobseekers, out of which they successfully found jobs for 9,400. This means that only 11.96% of those registered gained employment. The reasons accounting for this, based on the monitoring report produced by the MELR-GSDP team in 2014, were the insufficiency of vacancies; the non-availability of the type of jobs the applicants applied for; the jobs available being beyond the capabilities of the registered jobseekers; or the failure of the jobseekers to follow up on their application, which could mean they had either secured a job somewhere, so did not report back; or had lost interest. The graph below gives a clear picture of the employment services rendered by the Labour Department in 2014.

**Figure 1: Employment Services by Labour Department, 2014**

To complement the efforts of the Labour Department, some PEAs were also able to secure jobs for 4,702 jobseekers. Out of this number, 3,560 were males and 1,142 were females.

<sup>1</sup> Private Employment Agencies

<sup>2</sup> International Labour Organisation



Of the 4,702 jobseekers, 11% obtained jobs outside Ghana, while the rest got jobs within the country (see figure 2). The details of the types of job, however, were not included in the report from the Labour Department.

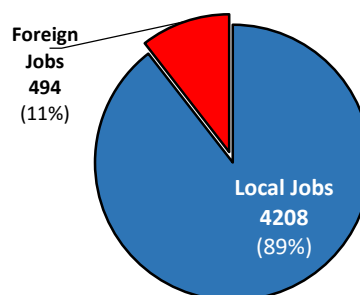


Figure 2: Job Placement by PEA, 2014

### 6.3 Occupational Safety and Health (OSH)

The Department of Factories Inspectorate (DFI) is responsible for the enforcement of occupational safety and health standards at workplaces to prevent workplace accidents and diseases. The table below gives details of the activities undertaken by the DFI within the period under reference relative to 2013.

Table 2: Activities undertaken by DFI, 2014

Activities	2013	2014
Registration of new premises	319	388
Inspection of registered workplaces	1,750	2,405
Industrial hygiene surveys	10	19
Investigation of reported accidents	18	13
OSH Talks and Training	50	105
Shops/offices inspections	152	182

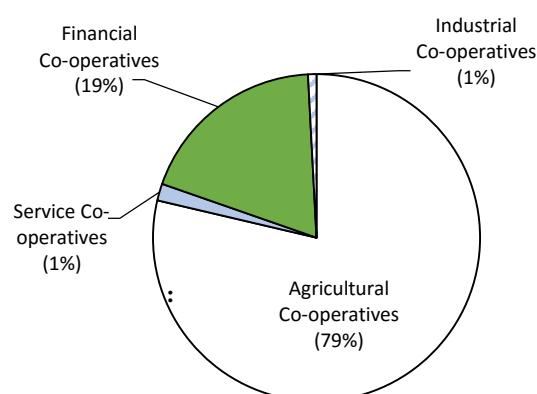
The number of premises inspected increased by 0.22% (representing 69 new registrations) while inspections conducted on registered premises within the period also went up by 0.37% (which is 655 inspections). On a positive note, the number of reported accidents reduced from 18 to 13; this could mean that either the over 100% increment in OSH Talks and Training had an impact, or there was under reporting of accidents. This surmise can only be firmly established if a thorough study is conducted as to why that happened.

### 6.4 Employment Creation

The Department of Co-operatives (DOC) promotes the formation and registration of cooperatives; and educates the public on cooperative systems. Below is the breakdown of societies formed and registered within the year under review.

**Table 3: Activities undertaken by DOC, 2014**

Activities	No.
Organised Groups into Co-operatives	462
Organised Training in Bookkeeping	80
Inspection/auditing of Co-operative Societies	96

**Figure 3: Co-operatives Registered, 2014**

Throughout the year under review, the DOC registered 600 Co-operative Societies across the country (*ref.* Table 3 above). Out of this, 472 were Agricultural co-operatives, 10 were Services co-operatives, 113 were Financial co-operatives and 5 were Industrial co-operatives. Their percentage distributions are as shown in Fig. 3. In addition, the DOC was able to organize as many as 462 groups into co-operatives, which in turn provide employment for other people.

### 6.5 Skills Development

The Institutions responsible for skills development under the Ministry are National Vocational Training Institute (NVTI), Integrated Community Centres for Employable Skills (ICCES), Opportunities Industrialisation Centre-Ghana (OIC-G), Management Development and Productivity Institute (MDPI) and Youth Employment Agency (YEA)<sup>3</sup>.

In all, **NVTI** trained about 72.85% of the total number of people trained in 2014, followed by **ICCES** with 16.84%.

**Table 4: Number of people trained by skills training institutions, 2014**

Training Institutions	No. of people trained
MDPI	702
NVTI	13,049
OIC-G	1,298
ICCES	3,017
<b>Total</b>	<b>17,913</b>

The **ICCES** was able to train 3,017 people. 2,966 (98.3%) unemployed youth in the communities within which they operate were equipped with various skills/trades; while 51 (1.7%) Centre Managers and Regional Coordinators were also trained.

Besides providing training for 13,049 trainees, the **NVTI** gave accreditation to 1,094 Master Crafts Persons (MCPs); registered 3,100 MCPs and 5,518 Apprentices. Also, 46,337 candidates were tested within the same period. The breakdown of the training is as indicated below:

<sup>3</sup> YEA joined the MELR in 2015 following promulgation of the Youth Employment Agency Act, 2015 (Act 887)



**Table 5: Training conducted by NVTI, 2014**

<b>Training</b>	<b>No. of trainees</b>
Trainees in various trades	8,057
Trainees outturn	4,042
Trained participants in defensive driving	153
Trained Instructional staff from NVTI and others	134
Trained Driver Instructors	99
Trained Master Crafts Persons	564
<b>Total</b>	<b>13,049</b>

In all, the **OIC-G** trained 1,298 people. Of this number, 942 (72.6%) Literate Youth were trained at the Centre, 327 (25.2%) Non-literate youth were trained through apprenticeship in addition to 22 (1.7%) Instructional staff. 7 (0.5%) Management & non-instructional staff were trained to improve their capacity. In all, 197 (15.2%) graduates were placed in employment. Table 6 below gives a detailed breakdown of the training provided.

**Table 6: Breakdown of Training by Type and Sex of Trainees**

<b>Training</b>	<b>M</b>	<b>F</b>	<b>Total</b>
<b>Centre Base Training</b>			
No. of trainees carried over	498	518	1,016
No. of trainees enrolled	445	437	882
No. of trainees dropped	36	53	89
No. Completed	462	480	942
No. still in training	445	422	867
<b>Apprenticeship</b>			
No. of trainees carried over	28	62	90
No. of trainees enrolled	90	185	275
No. of trainees dropped	7	11	18
No. Completed	111	236	347
No. still in training	-	-	-
No. employed	63	134	197
<b>Staff Development</b>			
No. of instructional staff skills improved	15	7	22
No. of management and non-instructional staff skills improved	5	2	7

The **MDPI** organised 57 regular courses and 26 customised (in-plant) courses for a total of 702 trainees. The trainees were made up of 599 (85.3%) Ghanaians and 103 (14.7%) foreigners from the Gambia, Liberia and Sierra Leone. The Ebola epidemic seriously affected the participation of Liberians and Sierra Leoneans.

A challenge with this data from the skills training institutions (NVTI and ICCES) was that it did not indicate how many of the trained persons gained employment upon completion, became self-employed or progressed to a Polytechnic or institution of higher learning to further their education.

## 6.6 Pensions Regulation

The National Pensions Regulatory Authority (NPRO), as established by the National Pensions Act, 2008 (Act 766)<sup>4</sup>, is mandated to regulate and monitor the operations of the new

<sup>4</sup> Some amendments were made to the Pensions Act, 2008 (Act 766) with the passage of the National Pensions (Amendment) Act, 2014 (Act 883) by Parliament in December 2014.



3-Tier Pension Scheme and ensure effective administration of all pensions in the country. Details of activities and statistics generated by the NPRA during 2014 are as indicated below:

### ***New Contribution Rates***

The new contribution rates under the 3-Tier Pension Scheme are as follows:

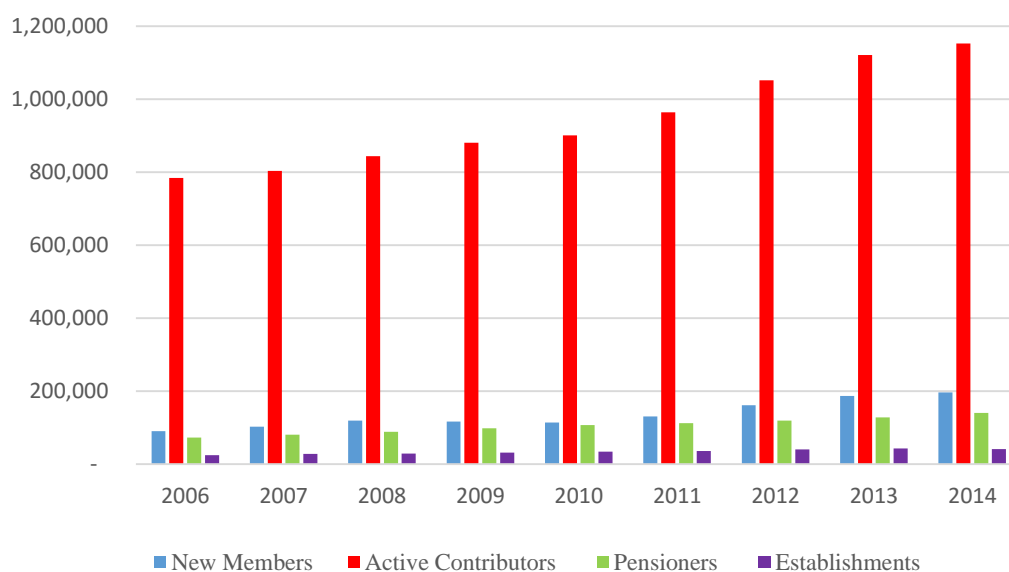
**Table 7: Contribution Rates to Pensions**

<b>Contributors</b>	<b>Previous Rate (PR)</b>	<b>Additional Rate (AR)</b>	<b>New Rate (PR+AR)</b>
Employer	12.5%	0.5%	13.0%
Employee	5.0%	0.5%	5.5%
<b>Total</b>	<b>17.5%</b>	<b>1.0%</b>	<b>18.5%</b>

Currently, employers and employees collectively contribute 18.5% of employees' basic salaries towards the Tiers 1 and 2 Schemes (see table 11). Out of the 18.5%, 11.0% is remitted to the Tier 1 Scheme (BNSSS), 5.0% given to the Tier 2, while the remaining 2.5% goes to the National Health Insurance Authority to support the National Health Insurance Scheme (NHIS).

### ***The New 3-Tier Scheme***

#### ***Tier 1 Scheme (Basic National Social Security Scheme)***



**Figure 4: Time series representation of New and Active contributors, Pensioners as well as Number of Establishments contributing to the Scheme**

The number of active contributors increased by 2.81% between 2013 and 2014 despite a slight decrease in the number of establishments contributing to the scheme within the same period. Over the years, the number of new entrants has seen a steady rise. Also, there was a consistent increase in the number of pensioners over the years.

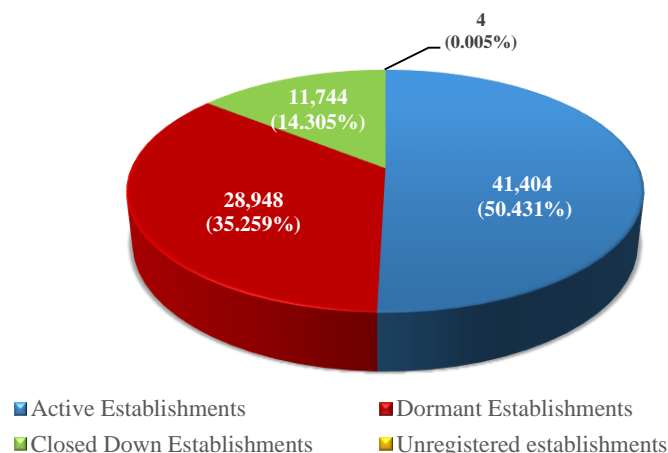


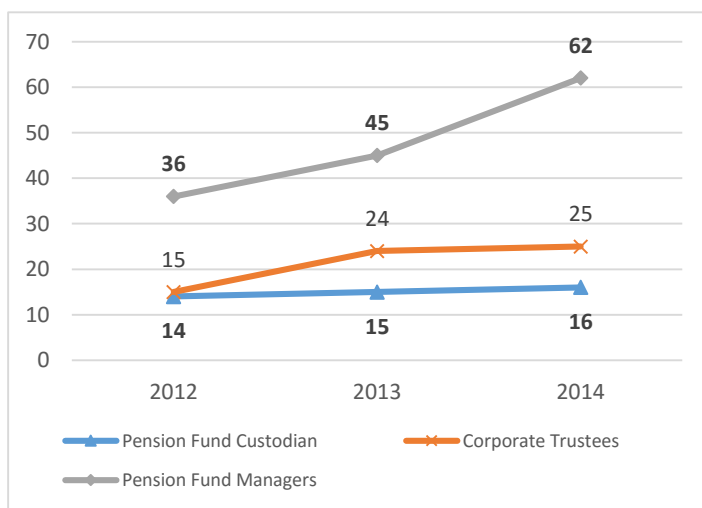
Figure 5: Classification of Establishments on 1st Tier Scheme, 2014

As at December 31, 2014 a total of 82,100 establishments from both the private and public sectors of the economy had been registered under Social Security and National Insurance Trust (SSNIT). Out of this number, a substantial proportion (43.4%) was either dormant in terms of contribution or had just entered into operation or closed down their operations.

**Tiers 2 And 3 Schemes**

*Service Providers in the Industry*

The NPRA, since 2012, has licensed and registered a number of service providers to help administer and manage the new 3-Tier Pension Scheme. These include Corporate Trustees, Pension Fund Managers and Pension Fund Custodians.



There has been interest among individuals and institutions to provide services in the industry as the numbers continue to increase yearly. From an initial number of 65 Pension Fund Managers, Corporate Trustees and Pension Fund Custodians in 2012, the figure has increased to 103, representing 58.5% in 2014.

Figure 6: Number of Custodians, Trustees and Fund Managers (2012-2014)

*Registered Schemes*

The Authority started registering Tiers 2 and 3 Schemes from private and public institutions as well as Corporate Trustees since 2012. The total number of Tier-2 schemes as at 2014 was 132 from an initial number of 97 in 2012, representing a 36.1% increase. Similarly, the number of Tier-3 schemes registered in 2012 increased by 33 new Schemes in two years. Year 2014 ended with a total of 247 registered and operational Schemes (see Table 14).

**Table 8: Pension Schemes Registered Annually since 2012**

Scheme Type	Type of Administration	2012	2013	2014	Total
Tier-2	Employer-Sponsored (Occupational)	64	22	6	<b>92</b>
	Master Trust (Occupational)	33	0	7	<b>40</b>
<b>Sub-Total</b>		<b>97</b>	<b>22</b>	<b>13</b>	<b>132</b>
Tier-3	Employer-Sponsored (Provident)	48	15	4	<b>67</b>
	Master Trust (Provident)	25	0	7	<b>32</b>
	Group/Personal	6	1	2	<b>9</b>
	Personal	3	2	2	<b>7</b>
<b>Sub-Total</b>		<b>82</b>	<b>18</b>	<b>15</b>	<b>115</b>
<b>Grand Total</b>		<b>179</b>	<b>40</b>	<b>28</b>	<b>247</b>

### *Pensions Coverage and Asset Portfolio of Schemes*

The industry as at 31<sup>st</sup> December, 2014 had an estimated net holding of almost GH¢9.7 billion as shown in Table 15. Pension funds were invested in diversified portfolios including Government securities, bonds, money market, ordinary shares, residential and commercial properties and loans.

**Table 9: Coverage of Schemes as at 31st December, 2014**

Scheme	Active Establishments	Enrolment	Coverage (%)	Asset Portfolio (GH¢)
Tier-1	70,352	41,404	58.9	5,170,130,000.00*
Tier-2	41,404	9,533	23.0	3,871,819,963.61**
Tier-3	9,533	83	0.87	645,316,671.29
<b>Total</b>				<b>9,687,266,634.90</b>

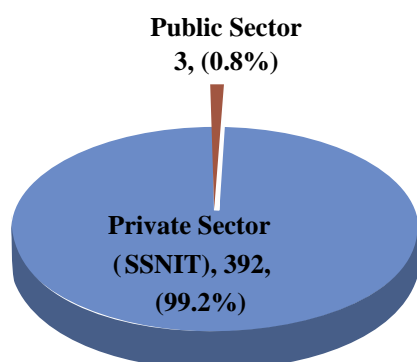
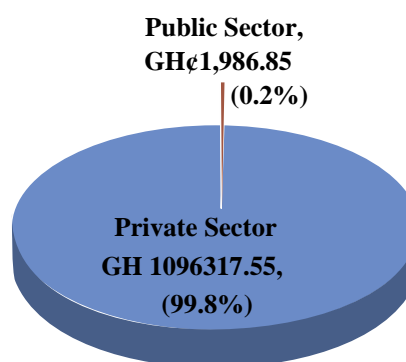
\*Obtained from SSNIT 2013 Annual Report \*\*Includes both Assets Under Management and TPFA Funds

**Table 10: Rate of Return on Investment (ROI), 2014**

Scheme type	Rate of Return (%)
Tier-1 (SSNIT)	16.9
Tier-2	26.0
Tier-3	26.0
<b>Average</b>	<b>23.0</b>

The average rate of investment return for the Schemes was 23.0% as at 31<sup>st</sup> December, 2014. Comparatively, the Tiers 2 and 3 Schemes posted impressive returns relative to what Tier 1 Scheme realised within the same period.

### *Benefits Payment under Tier-2 Scheme*

**Figure 7: Beneficiaries of 5% claims by Sector****Figure 8: Amounts paid to beneficiaries by sector**



As shown in Figure 7, a total of 395 beneficiaries were paid their benefits/claims amounting to GH¢1,098,304.40 in 2014, with an overwhelming majority being from the private sector. Indeed, a significant proportion of the amount (99.8%) was paid to beneficiaries in the private sector (see Figure 8).

### 6.7 National Labour Commission

The National Labour Commission was established by the Labour Act, 2003 (Act 651) to perform the following functions among others:

- To facilitate and settle industrial disputes
- To investigate labour related complaints, in particular unfair labour practices and take such steps as it considers necessary to prevent labour disputes
- To maintain a database of qualified persons to serve as mediators and arbitrators
- To promote effective labour co-operation between Labour and Management

During the period under review, a total number of 590 labour disputes from both the private and public sectors of the economy were reported to the Commission.

These complaints were from individual workers, workers organizations/associations, trade unions and employers. The nature of the complaints is indicated in the chart below:

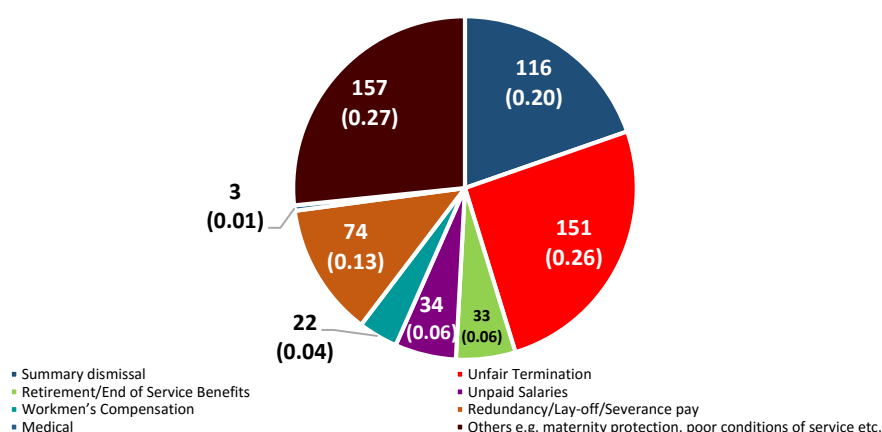


Figure 9: Breakdown of dispute cases by type received in year 2014

#### Settlement Record in 2014

A total of 287 complaints were fully settled during the period under review. This figure is made up of 46 of the complaints filed in 2014 and 124 of the complaints rolled over from previous years.

A total of 364 cases were rolled over from previous years, out of which 124 were settled, leaving 240 complaints rolled over to the following year.

#### Percentage Record

A total of 714 complaints were handled in 2014. The settlement record of 287 represents 40.2% settlement, a shortfall of 29.8% of the 70% target for 2014.

The challenge in meeting the percentage target was due to the number of complaints received, compared to the capacity of the Commission – part-time members of the



Commission, inadequate staff, obsolete equipment, poor funding and the un-cooperative attitude of some of the parties in dispute.

#### *Settlement Process*

The complaints were settled through the dispute settlement processes (intervention, facilitation, hearing, mediation and arbitration) under the Law.

**Table 11: Settlement through the dispute settlement procedures**

<b>Process</b>	<b>No. settled</b>
Members of the Commission	11
Arbitration – Voluntary and Compulsory	18
Mediation	16
Facilitation by Industrial Relations Dept.	195
Withdrawn	29
Dismissed/Struck Out	3
Lack of Jurisdiction	2
Settlement by parties upon the Commission's intervention	13
<b>Total Settlement</b>	<b>287</b>

#### *Outstanding Cases*

A total of 427 complaints were outstanding, pending settlement, as they were still undergoing the resolution process as at the end of the year under review. This figure represents 59.8% of outstanding cases pending settlement.

#### *Strikes and Lockouts*

**Strikes:** 11 strikes were recorded in 2014, one of which was an economic strike organized by the TUC. 7 of the strikes recorded were by public sector workers while 3 were by private sector workers.

**Lockout:** No employer lockouts were recorded during the year under review.

#### *Payment of Compensation to Beneficiaries*

The Commission received and paid compensation of **GHC678,789.40** to beneficiaries upon settlement of their cases at the end of 2014. The amount mentioned excludes payments made directly to beneficiaries and not through the Commission.

## **7.0 INSTITUTIONAL CHALLENGES**

The Departments/Agencies are trying their best to produce relevant data/statistics in the midst of several challenges, which pose limitations to the data collected, such as:

- mobility, which is a huge problem because many of the Regional and District officers do not have a means of transport;
- inadequate logistics, such as office furniture, stationery, computers, printers, etc.;
- inadequate training for staff;
- lack of office space;
- inadequate staff for the district and regional offices;
- difficulty in accessing data from Private Employment Agencies (PEAs); this is a major challenge for the Labour Department.

It is believed that once the above-listed issues are reduced to a minimum, the scope of the data generated by the Departments/Agencies would automatically widen, pending the roll-out of the Ghana Labour Market Information System (GLMIS).



## **8.0 RECOMMENDATION**

The Ministry and its Departments/Agencies are advised to provide adequate inputs for the development of subsequent Statistical Reports; and to endeavour to submit their inputs/data on time. They should be given the needed assistance from GoG or other sources, to enable them improve upon their work, thereby enhancing the data/statistics they generate.

## **9.0 CONCLUSION**

This report summarizes the statistical analysis of the data gathered by the Research, Statistics, and Information Management (RSIM) Directorate of the Ministry of Employment and Labour Relations, on the activities of the various Departments and Agencies under the Ministry, in relation to employment in the country.

The report seeks to provide an up-to-date analysis of the activities undertaken by the Ministry's Departments and Agencies, as well as their data collection functions.

The data in this report includes the most significant elements of the emerging findings extracted from Bank of Ghana and the Ghana Statistical Service (GSS) Reports as well as the 2014 Annual Performance Reports of the Ministry's Departments and Agencies.

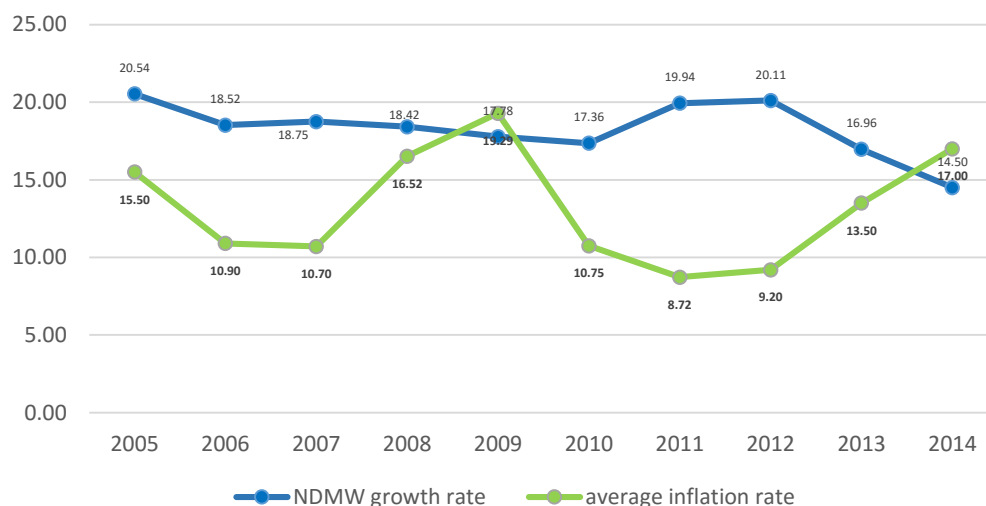
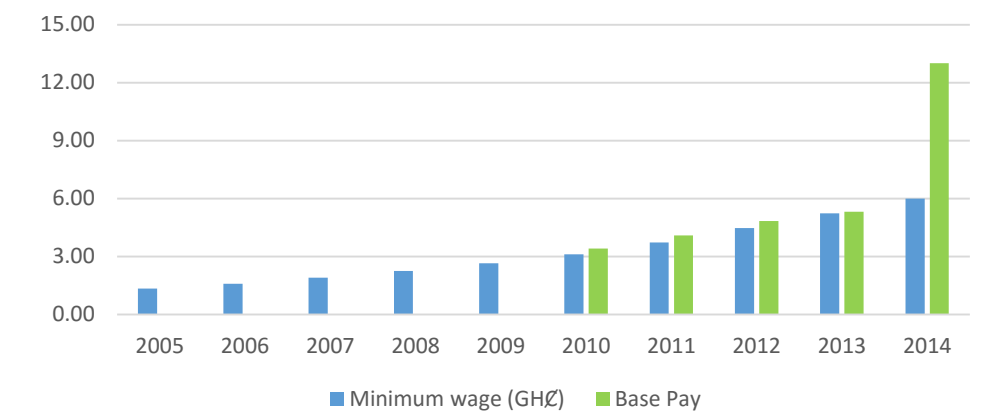
Further research, and more data, is required to better understand the activities of the various Departments and Agencies under the Ministry and how this can help to determine the employment and unemployment rate in the country. This will be possible if the data and results of data collections are made available in a more timely fashion and response rates from the various Departments and Agencies are improved and this could become the basis for which employment and unemployment rates can be determined.

Overall, the indices showed that there was marked improvement in the activities of the Ministry's Departments and Agencies, even though there is still room for improvement. The data/statistics should not be taken to be representative of the situation in the entire country as far as data on employment and labour related issues are concerned.



## APPENDICES

### Appendix 1: Minimum wage (GH¢) 2005-2014



### Appendix 2: 3-Tier Pension Scheme

The Scheme comprises two mandatory schemes and a voluntary scheme as follows:

- The Tier 1 scheme is the mandatory Basic National Social Security Scheme (BNSSS) for all employees in both the private and public sectors, which is managed by the Social Security and National Insurance Trust (SSNIT).
- The Tier 2 scheme is the occupational or work-based pension scheme and it is mandatory for all formal sector employees. However, this scheme is to be privately managed to give contributors higher lump sum benefits than previously available under the SSNIT pension scheme.
- The Tier 3 scheme is voluntary and is supported by tax incentives targeting workers in the informal sector. However, formal sector workers can also enrol in order to enhance their pension benefits.

The Authority works in collaboration with several stakeholders including Government, Employers, Employees, Service Providers, and Pensioners among others.





SSNIT remains an important player in the administration of the new 3-tier pension scheme. It manages the mandatory Tier 1 pension scheme. Until the recent amendment of Act 766 into Amendment Act 2014 (Act 883), SSNIT was to pay only monthly pensions to beneficiaries. After the settlement of persons affected by the amendment, the BNSSS would revert to its new role of providing monthly pensions under Act 766.

**a. Reduction in the Age Exemption**

Reduction in the Age exemption of Application of the National Pensions Act 2008, Act (766) from 55 years to 50 years from the commencement of Act 766. The effect of the reduction in age exemption is that all members of the Basic National Social Security Scheme (BNSSS) who were 50 years and above as at 1<sup>st</sup> January, 2010 are exempted and will continue to contribute 17.5% under the Social Security Act, 1991 (PNDC Law 247). They will also be paid the full benefits, namely, monthly pension and the 25% lump sum by SSNIT. All members of the BNSSS who were below 50 year as at 1<sup>st</sup> January, 2010 and all new entrants will continue to contribute under Act 766. They will pay the 18.5% contribution and receive their benefits under Act 766 – Tiers 1 and 2. The amendment has also provided that all members aged 50 years and above who are now exempted from Act 766, but who have contributed 5% to the 2<sup>nd</sup> Tier scheme shall have all their 5% contribution together with any other returns to SSNIT.

**b. Correction of the Formula for Computation of Pensions**

The Pensions Amendment Act, 2014 (Act 833) also corrected the formula for the computation of pensions by providing that the minimum 15 years or 180 months period of contribution entitles a member to 37.5% pension right and every additional twelve (12) months contribution entitles the member to 1.125% pension right up to a maximum of 60%.

**c. Emigration Benefits**

The amendment has introduced a new class of benefits called Emigration Benefit to be paid in the form of a lump sum to non-Ghanaian members of the Social Security Scheme under Act 766 who have retired and are leaving Ghana for good.

**Appendix 3: Growth Indicators of SSNIT Scheme, 2006-2014**

Year	New Members	Active Contributors	Establishments	Pensioners
2006	90,906	784,294	25,132	73,311
2007	102,567	803,583	27,980	80,952
2008	119,748	843,676	29,227	88,857
2009	116,625	880,760	32,034	98,658
2010	114,118	900,322	34,360	107,312
2011	131,409	963,619	36,534	112,522
2012	161,341	1,051,429	40,664	119,323
2013	187,189	1,120,512	42,946	128,504
2014	196,542	1,152,041	41,404	140,753



## GLOSSARY

**Corporate Trustees-** They register and administer the scheme in line with the Scheme Rules and Trust Deed of the Scheme, maintain investment policy statements, keep proper accounting records and member's register, prepare and lodge annual reports, etc.

**Employee/Worker** - A person employed under a contract of employment whether on a continuous, part-time, temporary or casual basis.

**Employer** - Any person who employs a worker under a contract of employment

**Health** - a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

**Industrial dispute** - Any dispute between an employer and one or more workers or between workers and workers which relates to the terms and conditions of employment, the physical condition in which workers are required to work, the employment and non-employment or termination or suspension of employment of one or more workers and the social and economic interests, of the workers but does not include any matter concerning the interpretation of this Act, a collective agreement or contract of employment or any matter which by agreement between the parties to a collective agreement or contract of employment does not give cause for industrial action or lockout.

**Labour inspection** – According to Section 122 of the Labour Act 2003 (Act 651), there shall be carried out inspection to (a) secure the enforcement of the provisions of this Act relating to conditions of work and the protection of workers at their workplaces, including the provisions relating to hours of work, wages, safety, health and welfare of the workers and the employment of young persons; (b) provide technical information and advice to employers and workers concerning the most effective means of complying with the provisions of this Act; (c) bring to the notice of the Labour Department or the Commission any defects of this Act; and (d) report to the Labour Department or the Commission other unfair labour practices or abuses not specifically provided for by this Act.

**Private Employment Agency** - Any body corporate which acts as an intermediary for the purpose of procuring employment for a worker or recruiting a worker for an employer.

**Public Employment Centre** - Established under section 2 of this Act

**Pension Fund Managers** - They play an advisory role to Trustees in the investment of Pension Funds and maintain books of accounts on transactions related to pension funds invested.

**Pension Fund Custodians** - They hold the Pension Fund assets in trust for members of the various Schemes.

**Safety** - the condition of being protected from or unlikely to cause danger, risk, or injury.

**Standing Joint Negotiation Committee** - A body consisting of representatives of two or more trade unions and one or more trade unions and employer's representatives established for



purposes of collective bargaining and is authorized by or on behalf of those trade unions and employers' representatives to enter into collective agreements on their behalf.

**Strike** - Any action by two or more workers acting in concert which is intended by them to restrict in any way the service they normally provide to the employer or diminish the output of such service with a view to applying coercive pressure upon the employer and includes sympathy strike and those activities commonly called a work-to-rule, a go slow or a sit down strike.

**Workplace** - includes any place where a worker needs to be or to go by reason of his or her work which is under the direct or indirect control of the worker;



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**One (1) Day Validation Workshop on MELR Draft Statistical Report for 2014 at the  
Forest Hotel, Dodowa on Tuesday 15<sup>th</sup> September, 2015**

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