

Introduction to labour administration

What is labour administration?

For the ILO, *labour administration* is defined as public administration activities in the field of national labour policy. By *labour administration system* is meant all public administration bodies responsible for and/or engaged in labour administration – whether they are ministerial departments or public agencies, including parastatal and regional or local agencies, or any other form of decentralized administration – and any institutional framework for the coordination of the activities of such bodies, and for consultation with and participation by employers and workers and their organizations. Although the Labour Administration Convention, 1978 (No. 150) does not define a national labour policy, it is commonly accepted that such a policy includes all labour-related matters, such as protection of employment and working conditions, the promotion of equal opportunity, and fundamental principles and rights at work.

It is clear that a wide range of activities are covered, but not all these activities come under the direct or immediate supervision of the ministry of labour, and so proper coordination within the overall administrative system is needed. In general, the ministry of labour (or employment, or welfare, or social affairs) often has to coordinate its work with that of other ministries. When developing initiatives in respect of persons working illegally, for example, the ministry of labour will coordinate with the ministry of finance, which has competency in this area in respect of people who are not paying taxes. Similarly, when developing initiatives that affect women, the ministry of labour will coordinate with the ministry for family affairs (or women), and so on.

Within the realm of public administration, labour administration is a relatively new arrival. It was only in the late nineteenth century that governments accepted the need for a permanent system of labour administration to regulate labour market forces and improve working conditions. With the passage of time, the responsibility for labour administration was vested in fully fledged ministries concerned with labour and social matters. During the past century, there has been increasing recognition of the importance of labour administration to national development. Initially, this became apparent in the creation of special labour units attached to ministries of the interior or ministries responsible for economic affairs empowered to draft, apply and

enforce labour laws. The creation of the ILO in 1919 marked a clear watershed, with many labour ministries coming into being after this date. A concomitant trend was the formation of national labour inspection systems, with powers to enforce the law, which were set up in countries including Brazil, France, India, Italy, Malaysia, Spain, Sri Lanka and the United Kingdom.

Since those early years of the twentieth century, most countries have maintained a viable and active labour administration system responsible for all aspects of national labour policy formulation and implementation. In addition, labour administrations in ILO member States have contributed to compliance with international labour standards by means including the collection of labour statistics, which are invaluable in identifying needs and formulating labour policy at both national and international levels.

Globally, public administration has attracted criticism from various quarters as embodying the stranglehold of the State, blocking the operation of free markets and being marred by bureaucratic inefficiency, rigidity and high costs. These arguments were based on two fundamental assumptions about free markets: first, that they were sufficient to achieve economic growth; second, that they were sufficient to achieve social stability and political democracy. From the mid-1990s onwards, however, confidence in the view that markets would adjust better and faster with minimal state involvement started to diminish. This increasing doubt was prompted by recession in the transition economies of Central and Eastern Europe and financial crises in Asia and Latin America, as well as the failure to stimulate growth in Africa. Concern about social inequality within and among countries has also re-emerged, especially in the wake of the most recent financial global crisis in late 2008.¹

At the global level, poverty reduction, the fostering of social cohesion and job creation made their way back on to the political agenda after the 1995 World Summit for Social Development in Copenhagen and were prominent in discussions at the Millennium Summit of 2000 and the World Summit in 2005 that marked the 60th anniversary of the United Nations. Throughout all these deliberations a growing concern became evident on the part of many countries, enterprises and civil society

¹ See ILO, 2008c.

groups to promote the principle of “decent work” – a focus that gave fresh impetus to the role of labour administration.

Decent work, labour administration and the ILO

The phrase “decent work” sums up the aspirations of people in their working lives – aspirations for opportunity and income; rights, voice and recognition; family stability and personal development; fairness and equality. Ultimately, these various dimensions of decent work underpin social peace in communities and society at large. “Decent work” also reflects the concerns of governments, workers and employers to provide the foundations for growth and equity. In the ILO’s analysis, the concept of Decent Work is captured in four strategic objectives: fundamental principles and rights at work; employment and income opportunities; social protection and social security; and social dialogue and tripartism. These objectives hold for all, women and men, in both formal and informal economies. The primary goal of the ILO today is therefore to promote opportunities for all to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.

The State, through its labour administration system, bears a heavy responsibility in the social field, most importantly to safeguard the fundamental human rights of workers and, in particular, to ensure respect of the minimum age for admission to employment, abolition of forced labour, freedom of association, the right to collective bargaining, non-discrimination, and equal remuneration for work of equal value.

Labour administration is a tool at the disposal of governments to achieve the ILO’s Decent Work objectives, to enforce labour legislation, and to offer solutions to the various and complex problems the world of work faces. To have the maximum impact, labour administration must act in consultation and cooperation with workers, employers and their respective organizations, in order to foster social dialogue. A better knowledge of the role, functions and organization of labour administration will enable the public to understand the relationship between social policy and economic policy, and to identify the vast array of services to which most people have access during their working lives.

The report of the World Commission on the Social Dimension of Globalization, entitled *A fair globalization*, underlined the importance of developing national labour administration:

We strongly believe in the fundamental importance of good governance in all countries at all levels of development, for effective and equitable participation in the global economy. The basic principles, which we believe must guide globalization, are democracy, social equity, respect for human rights and the rule of law. These need to be reflected in institutions, rules and political systems within countries, and respected by all sectors of society.²

Within this broad framework of promoting good governance at national level, labour ministries have a pivotal role to play, as they can influence governance from the level of the individual workplace to that of the whole national labour market.

Labour administration today operates in a very rapidly changing environment characterized by dramatic economic, institutional and political transformations, including changing patterns of production, work organization and employment structures, increased labour migration, delocalization of production sites and the expansion of informal economy, to mention just a few factors. At the same time, governments are under increased pressure both to reduce public spending and to improve public service delivery. At the same time as these changes are adding to the challenges with which labour administration has to deal, the demand for its services is on the increase. The effectiveness and quality of those services depend on the means available, on the organization and functioning of the system and on the coherence of the national labour policy.

There are, of course, different labour administration practices around the world, reflecting different historical, political and administrative backgrounds and governance systems. The variety of labour administration practices are reflected to some extent in the Labour Administration Convention, 1978 (No. 150), and its accompanying Labour Administration Recommendation, 1978 (No. 158).

The ILO is committed to strengthening labour ministries with a view to developing labour administration based on international labour standards, as embodied in the ILO Conventions and Recommendations. This it does through the practical means of projects and programmes aimed at enabling labour administration to perform its functions better at all levels: at the local level, to be sensitive to the

² See World Commission on the Social Dimension of Globalization, 2004, p. 4.

changing needs of its users; at the national level, to be capable of adapting to the contextual environment and anticipating changes; and at the international level, to meet the challenges resulting from changes by forecasting long-term developments and devising strategies for the future. Technical cooperation activities, involving training and retraining, are also undertaken to improve the quality and skills of labour administration staff. The ILO's tripartite principle has a significant influence on the development of labour administration by acknowledging workers and employers as equal partners with governments on labour and economic issues.