



FIFTH ITEM ON THE AGENDA

## **Agenda of the International Labour Conference**

### **Agendas of the 100th Session (2011) and of the 101st Session (2012) of the Conference**

#### *Addendum*

### **Labour administration and labour inspection: Trends and challenges**

#### **Summary**

1. The current economic crisis only emphasizes the importance of strong systems of labour administration and inspection. Together, they have helped countries monitor the impact of the crisis on workers and employers and design appropriate policies to mitigate job losses and find a sustainable path out of the crisis. Against this background, a Conference general discussion could be an opportunity to address the current trends, challenges and good practices in labour administration and inspection, and especially how they have helped countries respond to the effects of the global economic crisis. It would also be an occasion to discuss the cross-cutting role that labour administration and inspection play in ILO member States. In addition, it would provide an opportunity to discuss how the ILO has contributed and can continue to contribute towards reinforcing the relevance and impact of labour administration and inspection services based on international labour standards and principles.

#### **Background**

2. The General Survey on labour inspection along with the Governing Body decision in 2006 confirmed that labour inspection is one of the ILO priorities. They asked the ILO to “develop, evaluate and implement a strategy for the support of the modernization and reinvigoration of labour inspection”. Moreover, the Declaration on Social Justice for a Fair Globalization recognizes the need for “the building of effective labour inspection systems”. In addition, the Global Jobs Pact calls for strengthening capacities for labour administration and labour inspection.

3. As a reflection of this increased interest, a new programme on labour administration and inspection (LAB/ADMIN) was created in 2009 to lead the ILO's technical support and advisory services to strengthen labour administration and promote modern labour inspection. This new programme leads the relevant expertise across the Office and works through networks, technical sectors and regions to enhance its services to constituents.

### **Labour administration and inspection: Trends and challenges**

4. The current economic crisis has created multiple challenges for national systems of labour administration. The primary challenge has been the rapid increase in responsibilities entrusted to labour ministries and their agencies. The deteriorating economic conditions and resulting social disruption has led a majority of countries to adopt rescue programmes that represent a significant increase in traditional areas of labour policy, such as employment, training, and social security, protection of vulnerable groups and the enforcement of labour laws.
5. Labour administrations are also facing consequences of past decisions. In many cases, the institutional capacity of labour administrations was weakened through reduced staff and financial resources following structural adjustment policies and other austerity measures. The political importance of labour ministries suffered as did their voice in policy debates and their influence on budgetary allocations. As a result, in some countries labour administrations even lost their capacity to deliver traditional services. The growth of the informal economy and the undermining of traditional employment also narrowed the scope of action of labour administration. Moreover, the apparent discrepancy between growing needs and reduced resources is likely to worsen in the near future because of significant fiscal consolidation, which is being carried out today in many parts of the world. As the crisis has reduced the amount of resources available to all state administrations, the prioritization of choices will be of utmost importance.
6. A well coordinated and efficiently operating labour administration machinery includes a viable enforcement system. Properly performing labour inspectorates are indispensable as they are part (as recognized by Conventions Nos 81, 129 and 150) of the executive machinery of labour administration. At the same time, employers' and workers' organizations can make significant contributions towards improving compliance in the workplace, particularly through advocacy and awareness raising among their members. They can also contribute as strategic partners in shaping the priorities and activities of the labour inspectorate.
7. Labour inspectorates, particularly those in developing countries face numerous challenges in building and maintaining effective labour inspection systems. These challenges include inadequate financial resources to invest in inspection personnel and equipment; insufficient training for new recruits or to upgrade the skills of existing staff; conditions of service that do not assure stable civil servant careers for inspectors; and the lack of an appropriate regulatory framework.
8. As a consequence of changes in the labour market over the past decade, labour inspectorates face new trends and challenges in their work. One growing trend has been the enlargement of labour inspectorate competencies to cover other problems related to employment relations matters. While many countries take different approaches in organizing the structure of their labour inspection systems (e.g. specialized versus generalist), Convention No. 81 provides that labour inspection shall be placed under the supervision and control of a central authority. The lack of central coordination in some countries contributes to difficulties in effectively promoting labour law compliance

because of a duplication of effort, inadequate sharing of data and information and the absence of an overall integrated strategy for planning and evaluating inspection activities.

9. Labour inspectorates today face multiple substantive challenges in their efforts to secure decent working conditions. The forms and frameworks of employment relationships, production processes and technologies used at the workplace are changing rapidly. These changes present difficulties in some cases for labour inspectors trying to apply existing legal frameworks within a shifting labour landscape. Inspectors also face the challenge of promoting compliance when it comes to employment relationships that are intentionally hidden from view and therefore difficult to detect. Such is the case with undeclared work, the informal economy and in particular the agricultural sector, illegal migration, child labour and forced labour. Moreover, the increased participation of women in the labour market has led to greater awareness of the need to eliminate gender discrimination in pay and working conditions along with other forms of discrimination on grounds other than sex (e.g. HIV/AIDS). Occupational safety and health also remains a priority area. New psychosocial risks and the use of new technologies imply new skills and greater specialization. They also demand a new focus for inspection activities and new prevention methods that include dissemination of good practices.

## The way forward

10. The increasing number of demands on these matters requires a new way to respond to the challenges. There is a need to strengthen and modernize the labour enforcement machinery. Modern labour inspection can only function within a proper labour administration system. Therefore, a general discussion dealing with labour administration and labour inspection at the ILC could examine the following points.

## Points for discussion

- The role, mandate and budgetary resources of labour ministries: Long-term tendencies.
- Lessons from the economic crisis. How to make labour administration and inspection more relevant.
- Institutional capacity of labour administration and inspection.
- The range of services (such as employment services) provided by labour administration to employers and workers.
- Awareness raising and collaboration with the social partners including the development of new self-compliance tools and improving prevention strategies and collaboration.
- Labour administration and inspection needs assessments and other forms of ILO technical assistance.
- The elaboration of new gender-sensitive tools, procedures and guidelines for labour administrators and inspectors.
- Strengthening the collection of sex disaggregated data collection and information sharing.

- Strengthening the civil service and working conditions of labour administration and inspection officers.
- Strengthening capacity building of labour administrators and inspectors through appropriate national programmes with an emphasis on the ILO's fundamental principles and rights at work.
- Reinforcing the principles of ethical conduct and independence.
- Performance measurement and evaluation tools.

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