



International
Labour
Office
Geneva

ILO workshop on labour administration reforms and innovations: efficiency and outreach

Thomas Hastings

July 2016

Governance
and Tripartism
Department

Technical Report n°2

**ILO workshop on labour administration
reforms and innovations: efficiency
and outreach**

Thomas Hastings

International Labour Organization
Geneva

July 2016

Copyright © International Labour Organization 2016

First published 2016

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to ILO Publications (Rights and Licensing), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: rights@ilo.org. The International Labour Office welcomes such applications.

Libraries, institutions and other users registered with a reproduction rights organization may make copies in accordance with the licences issued to them for this purpose. Visit www.ifro.org to find the reproduction rights organization in your country.

ILO workshop on labour administration reforms and innovations: efficiency and outreach / Thomas Hastings;
International Labour Office - Geneva: ILO, 2016
(Technical report; 2)

ISBN 978-92-2-131215-4 (print)
ISBN 978-92-2-131216-1 (web pdf)

Labour administration / administrative reform / technical cooperation / developing countries / role of ILO /
conference report

04.03.5

ILO Cataloguing in Publication Data

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications and digital products can be obtained through major booksellers and digital distribution platforms, or ordered directly from ilo@turpin-distribution.com. For more information, visit our website: www.ilo.org/publns or contact ilopubs@ilo.org.

Printed in Switzerland

Abstract

This report summarises the main findings and evaluations from the workshop ‘Labour Administration Reforms and Innovations: Efficiency and Outreach’ held in Prague between the 8th and the 10th of December, 2015. The workshop was designed to develop synergies between academia, labour practitioners and ILO specialists in order to enhance the ILO knowledge base. In addition, the workshop sought to explore practical tools that could be used in technical cooperation activities in the field of labour administration.

Contents

	<i>Page</i>
Abstract	iii
List of Abbreviations.....	vii
Opening and Introduction.....	1
Session 1: Reforms of labour administration (I)	3
Session 2: Reforms of labour administration (II).....	5
Session 3: ICT: Benefits, challenges and applications in labour administration (I)	7
Session 4: Application of ICT in labour administration/Benefits, challenges and applications in labour administration (II).....	10
Session 5: Performance management in labour administration	12
Session 6: Data, statistics and research.....	14
Session 7: Labour administration challenges and innovations in developing countries: Findings from the field	16
Session 8: Informal economy and unregistered work	18
Session 9: Tools for technical cooperation	20
Session 10: Report from the meeting and way forward.....	21

List of Abbreviations

ALMP	Active Labour Market Policy
APP	Annual Performance Plan (South Africa)
BCEA	Basic Conditions of Employment Act (South Africa)
CBO	Central Bank of Oman
DWP	Department for Work and Pensions (UK)
EAT	Employment Appeals Tribunal (Ireland)
EEA	Equality Employment Act (South Africa)
ETA	Employment and Training Administration (USA)
FÁS	Foras Aiseana Saothair / Training and Employment Authority (Ireland)
FOD	Field Operations Directorate (UK)
HRDF	Human Resources Development Fund (Saudi Arabia)
HSE	Health and Safety Executive (UK)
ICIMS	US software company
ICT	Information and Communication Technologies
IES	Inspection and Enforcement Services (South Africa)
JTPA	Job Training Partnership Act (USA)
LISA	Labour Inspection and System Application (Sri Lanka)
MOM	Ministry of Manpower (Oman)
MPAT	Management Performance Assessment Tests (South Africa)
MTSF	Medium Term Strategic Framework
NDP	National Development Plan (South Africa)
NERA	National Employment Rights Authority (Ireland)
NLG	National Labour Gateway (Saudi Arabia)
NMW	National Minimum Wage
NPM	New Public Management
NSLA	National System of Labour Administration
OHSA	Occupational Health and Safety Act (South Africa)

OSHA	Occupational Safety and Health Administration
PES	Public Employment Service
PPP	Public Private Partnership
PSA	Public Service Agreement (UK)
SEPE	State Public Employment Service (Spain)
SLIC	Committee of Senior Labour Inspectors
SMT	Senior Management Team (UK)
TEWA	The Employment of Workmen (Special Provisions) Act No. 45 of 1971 (Sri Lanka)
UI	Unemployment Insurance
USDOL	US Department of Labour (USA)
WELAN	Work, Employment and Labour Administration Network
WHD	Wage and Hour Division (USA)
WIA	Workforce Investment Act (USA)
WIOA	Workforce Innovation and Opportunity Act (USA)
WPS	Wage Protection System (Oman)
WRC	Workplace Relations Commission (Ireland)

Opening and Introduction

Moussa Oumarou (Director of the Governance and Tripartism Department at the ILO) opened the workshop on labour administration in Prague with an address to Michaela Marksová (the Czech Minister of Labour and Social Affairs) and all stakeholders in attendance. Three broad benefits to the workshop and the overall research project feeding this event were outlined as follows:

1. The need to continue and build on the coherent working relationship between the ILO, relevant practitioners and academics.
2. The need for ongoing research to bridge gaps in our knowledge of labour administration.
3. The need to provide useful services to ILO constituents, and to develop practical tools which will benefit labour administration systems in different parts of the world.

With respect to point three, Mr. Oumarou underlined the calls for assistance from ILO members who require support on a range of administrative areas. Governments throughout the world face a perennial challenge to maximise the efficiency and outreach of their national systems of labour administration. Challenges include those which are financial (i.e. relating to the availability of funds) and the need to maximise the efficiency of human resources. Issues relating to the management of staff, planning and the overall coordination of labour administration systems are also pertinent and further underline the need for the following workshop. In the context of the financial crisis and its aftermath many governments are also tasked with delivering ‘more for less’ due to ongoing budgetary cuts and fiscal constraints.

The workshop is designed to address several thematic areas and related debates of significance to labour administration. These include questions over the role of the private sector in labour administration, as well as ideas which emanate within this sphere (e.g. the rise of performance management techniques, possibilities for decentralisation of operations and the outsourcing of services). The workshop is also designed to address challenges to national systems of labour administration amid the general trend towards the weakening of social partnership, the rise of atypical forms of work, and political-temporal challenges in particular regions of the world (e.g. the refugee crisis currently ongoing across Europe).

Within this context labour administration is tasked with continual challenges when reaching out to workers. This is a particular concern for those working in the informal economy, and for governments investing efforts and resources to better regulate the informal sphere. The workshop is also intended to explore challenges and opportunities with reference to ICT developments and trends towards digitalization which may improve both efficiency and transparency in labour administration. With this in mind two sessions from the workshop are devoted to ICT-related topics, with examples ranging from Belgium to Oman.

Minister Michaela Marksová

In tandem with the above address, Minister Marksová echoed the importance of research on the theme of public and labour administration. This endorsement was underlined by a review of the Public Employment Services (PES) reforms in the Czech Republic in recent years, which involved the rescaling of institutional power from municipalities to labour offices (a transition which limited the institutional ability to harness local knowledge of benefit to PES). The Minister acknowledged the challenges of implementing effective PES and broader labour administration reforms, noting the mismatch in this case between supply and demand in the labour market despite the relatively low unemployment rates in the Czech Republic.

Ludek Rychly: Themes and Organisation of the Workshop

Ludek Rychly underlined the intention of the Prague 2015 workshop to uncover recent government reforms geared to enhancing the efficiency and outreach of national systems of labour administration. The workshop focussed specifically on national case study research into the effectiveness and coverage of labour administration and the impact of reforms on both workers and enterprises¹. The workshop was arranged into specific themes, drawing (in large part) on findings from 11 new national case studies together with a worldwide survey on ICT uptake in labour administration.

Thematic sessions were introduced as follows:

- Reforms of labour administration, with a focus on reasons for/drivers behind reforms, processes of preparation and implementation, and the sorts of institutional measures adopted for this purpose.
- ICT in labour administration, with a focus on the benefits, challenges and applications of ICT in a series of case study countries. This theme included a focus on findings from the ILO survey on ICT (Anna Galazka) and research from South Africa, USA, Belgium and Sri Lanka. Added to this, ICT developments in the Middle East (Oman and Saudi Arabia) were also included in this themed session.
- Performance management and evaluation: with a focus on practical aspects of performance management in different labour administration environments and institutions (findings from South Africa, the USA, the UK and Spain).
- Data, statistics and research, geared to uncovering the importance of data in improving the effectiveness of labour administration, including the value of academic involvement.
- The informal economy and unregistered work. This theme included a focus on experiences from ILO compliance projects within this area (Joaquim Pintado Nunes).
- Technical cooperation and new tools for engagement. The penultimate section was designed to outline various types of ILO assistance (e.g. specialised audits and training assistance) together with an overview of recent and forthcoming ILO tools and products of relevance to labour administration.

The final segment of the Prague workshop was positioned to signpost the legacy of this research and future related work on labour administration. A new labour administration research network is intended to add greater coherence to this project: the Work, Employment and Labour Administration Network (WELAN).

¹ Labour Administration is inherently linked to ILO Convention No. 150 http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0:NO:P12100_INSTRUMENT_ID:312295

Session 1: Reforms of labour administration (I)

Objective: To discuss and measure recent reforms concerning labour administration and to clarify what were the factors of their success or failure. Special attention given to: reasons and drivers of reforms; processes of preparation and implementation; and institutional measures adopted to this purpose.

- Dr. Christopher King: Reforms of workforce development programs in the USA;
- Prof. Timo Weishaupt: Implementation of the statutory minimum wage and measures to integrate migrants in the German labour market;
- Mr Tibor Szana: Lessons from creation of the enforcement and inspection sector in DoL, South Africa;
- Dr. Thomas Hastings: Restructuring of government departments and public agencies in Ireland.

Each speaker focussed on challenges/aspects of a specific national system of labour administration (NSLA) as reflected in the main findings from Sessions 1 and 2.

■ Reforms, their drivers and implementation.

Case study research from the United States (Chris King and Carolyn Heinrich) focussed on two US Department of Labour (USDOL) programmes: workforce development and wage and hour regulation. These programmes are underpinned by distinct institutional and governance arrangements. Since the 1960s workforce development has been encouraged on a decentralised basis, with state funding allocated via a formula system. Resources have been allocated to underwrite training and job search assistance specifically for marginalised jobseekers (chiefly the economically disadvantaged, young and dislocated workers). Since 2015 the development of the Workforce Innovation and Opportunities Act (2015) – which superseded the Workforce Investment Act of 1998 – has placed an emphasis on sector strategies and career pathways (integrated with adult basic education) with a continued emphasis on ‘one-stop shop’ job centres. These centres adopt a mix of mandatory and voluntary partners when accommodating claimants, and methods continue to include regional partnerships to ensure services are linked to expected industry growth and skill requirements.

Research from Germany focussed on two areas of labour administration: the implementation of the national minimum wage (NMW) and measures to integrate refugees following the 2015 migration crisis (mass movements of refugees from the middle-east to Europe). With respect to the NMW, Germany has shifted from a post-war regulatory position of union driven collective wage agreements, to one based on centralised state regulation and the imposition of a formal minimum wage. This began with the growth of sectoral minimum wage agreements (in particular in the mid-2000s), which ultimately culminated in the new statutory minimum wage of 2015 (€8.50, with few exemptions).

Discussions on the integration of refugees have helped to test the structural ability of the German NSLA to process vast numbers of migrants in a short space of time (around 1,000,000 arrived in Germany in 2015 from the Middle-East). The challenge of processing migrants within the NSLA has largely fallen on two ministries: the Ministry of the Interior (the Federal Agency for Migration and Refugees and immigration offices) and the Ministry of Labour and Social Affairs (involving the Public Employment Service). Relevant agencies have accordingly faced significant challenges administering such large numbers in a short space of time. Challenges relate to issues of registration, concerns relating to timeliness when processing large volume of applications (in particular through use of face-to-face interviews), and the state capacity to provide adequate shelter and language training.

Findings from South Africa (Tibor Szanza) focussed expressly on the national labour inspectorate. The inspectorate has benefited from a policy shift away from the ‘one-stop

shop' approach to labour inspection (i.e. with the inspectorate handling all areas of employer regulation) to the development of specialist inspectorate units linked to specific areas of legislation (e.g. OSHA; BCEA; EEA). In total the labour inspectorate now comprises 1,400 inspectors (approximately), with 1 in 8 operating as OSH inspectors (high numbers also work as Employment Equity inspectors). 340 workers are also employed as team leaders (a ratio of approximately 1 to every 4/5). These numbers and ratios contrast significantly to inspector rates in Ireland, where inspector numbers have contracted from a high of 90 to just 57 in recent years: a reduction which in large part reflects budgetary constraints imposed since the financial crisis. Numerous efficiency and cost-saving mandates have been implemented in Ireland in recent years. These include the imposition of 'one-stop-shop' centres designed to encourage efficiencies in both Public Employment Services (PES) and labour inspectorate functions.

Several institutional changes of relevance to Ireland's NSLA have taken place in recent years. In terms of PES, the previous training and employment authority (FÁS) in Ireland was broken up in 2011 and replaced by SOLAS. This shift involved a reduction of vocational education committees from 33 to 16 units. One-stop-shop job centres (Intreo centres) were also introduced in 2012; and in 2015 Ireland's labour inspectorate, the National Employment Rights Authority (NERA), was subsumed into the larger institutional body of the Workplace Relations Commission (WRC). This latter development has involved a transition/merger exercise, reducing 5 administrative structures into two. Within this restructuring the functions of NERA, the Employment Appeals Tribunal, the Equality Tribunal and the Labour Relations Commission have been subsumed into the Workplace Relations Commission and the Labour Court.

Factors behind success/failure

Numerous factors help to explain the success/failure of the administrative reforms in the above cases.

- In Germany the challenge of processing and accommodating migrant numbers has proved onerous, though the government benefited from strong political will which extended (in general) throughout 2015. Effective practical solutions have included the use of outsourced agencies/services vis-à-vis language training and communication services (e.g. useful in facilitating integration courses).
- Political will has also helped Ireland to instigate the new Workplace Relations Commission (stemming from the Act in the same name, 2015). The pressure to instigate cost-saving measures during the financial crisis helped to generate both political and public support to push through amendments geared to saving 20% in terms of staff efficiencies, and 10% in terms of the overall budget compared to the previous administrative arrangement.
- Future concerns and challenges in the U.S. context are likely to include questions over how to incentivise employers to provide (continued and greater) access to career pathways, whilst at the same time encouraging skill development for existing workers. Chris King has questioned whether the Workforce Development programme can succeed without renewed union representation as well as employer commitment. Future budget constraints at a local, state and federal level are also likely to play a restrictive role with regards to investment in future skills development. Despite these challenges Labour Secretary Tom Perez is pursuing a greater uptake of apprenticeships in the Workforce Development programme.

Session 2: Reforms of labour administration (II)

Objective: To discuss and measure recent reforms concerning labour administration and to clarify what were the factors of their success or failure. Special attention given to: reasons and drivers of reforms; processes of preparation and implementation; and institutional measures adopted to this purpose.

- Mr Jose Luis Daza Perez: Administrative reforms in Spain: Recent evolution of labour inspection structures;
- Prof. Jason Heyes: Recent labour administration reforms in the UK;
- Mgr Miriam Kotrusová: Restructuring of the public employment services in the Czech Republic;
- Mr Sarkar Kingshuk: Lessons from recent reforms in India. Challenges of coordination between the central and state governments.

Session Two discussed recent reforms from Spain, the UK, the Czech Republic and India. These countries again maintain distinct ministerial and institutional arrangements² which have undertaken (in many cases austerity-led) reform in recent years. Research from Spain focussed on the evolution of labour and social security inspection structures. The latest significant reform (the 2015 Law on L&SS Inspection) has led to the formation of an autonomous agency: the State Org. Labour and Social Security Inspection. Governance of this system is led by a Director (Central Authority), with administrative links to a Governing Council and (tripartite) General Council. These relations are designed to ensure a participative system geared to strong and effective coordination. A coherent mechanism for coordination also exists between state and regional tiers ('autonomous communities'). These are mediated by regional operational commissions of the labour and social security inspection unit³. In each autonomous community a Territorial Direction (SOL&SSI) has been established with a set number of inspectors/sub-inspectors. In general the inspectorate function has benefited from substantial financial supports (e.g. in contrast to Ireland; a total budget of approximately €128 million in the Spanish case) and is staffed by a workforce of 3,034 (December, 2014 – this includes 1,816 inspectors).

In the UK Jason Heyes focussed on developments in the Health and Safety Executive (HSE), which has suffered a funding cut of approximately 35% in recent years (i.e. between 2010 and 2015). More generally, the Civil Service in the UK has undertaken reforms geared to increasing productivity/operational delivery on a restricted budget, with a view to delivering improved services (notably this includes a focus on the administration of pensions/benefits). This has involved an increasing onus on the effective use of ICT, greater cross-department cooperation, and cross departmental transparency (see Session 3). This trend towards simplification and a reduction of red tape has also been echoed in India. Research by Kingshuk Sarkar focussed on reform initiatives in West Bengal, Karnataka and Rajasthan. Although reform decision-making has followed a process of tripartite social dialogue, failures here have included targeted (rather than universal) successes. Particular criticisms have included a lack of social security coverage despite enhanced coordination between the central and regional level tiers of government. These failures have been coupled with a lack of academic impact on the reform process (or at least evidence of impact).

By contrast research from the Czech Republic focussed on contemporary difficulties in transitioning from a decentralized/fragmented labour administration system (emanating

² The UK, for instances, does not maintain a unified ministry of labour and instead responsibilities for employment and other labour matters is distributed across different government departments.

³ In every Autonomous Community a Territorial Direction (SOL&SSI) is established with a set number of inspectors/sub-inspectors

from a two-tier system of labour administration in the 1990s). Research findings focussed on the development of modern day reforms (relating here in the case of PES) from 2011/2012⁴ Since 2012 the newly formed Labour Offices in the Czech Republic have been charged with administering social benefits (previously provided by municipal authorities). The labour office structure has central, regional and local tiers which offer work mediation and social benefits on the ground.

Factors behind successes and failures

- Success in the UK cost-saving initiatives may be linked to an improved use of available evidence and the use of impact analysis, and the use of cost-effective programmes within the reorganisation. For instance, the What Works initiative (developed as part of the Civil Service Reform Plan) was launched in March 2013 as a cost-effective means of improving information creation, sharing and use. Other economical means of ensuring social impact have included engagements with behavioural economics and 'nudging' practices which encourage changes in behaviour at relatively little cost. The UK government has also replaced the use of public service agreements (PSAs) with strategic reform plans which emphasis specific actions over broader targets⁵.
- Two significant factors help to explain the failure of the administrative reforms in the Czech Republic. Firstly, a divergence between the declared and actual objectives of the 2011 reform was highlighted. This relates to the merger of the social benefits function within the labour office, which was presented as a central plank of a cost saving initiative. In practice a 'hidden' (strategic) objective was to remove investment in active labour market programmes (ALMPs) associated with the labour office (thus placing emphasis on passive benefit support). Secondly, the reforms suffered from inadequate planning, a lack of consultation with stakeholders (including the social partners) and the ill-advised conflation of two policy goals within one reform.
- In India lessons learned have included an obvious need for greater social dialogue and consensus building infrastructure. Kingshuk Sarkar reiterated efficiency concerns related to the federal structure of governance. The central government and federal states maintain their own labour administration machinery. Although areas of jurisdiction are pre-defined, in situations of ambiguity/conflict the central government maintains primary authority.

⁴ Research from the Czech Republic focussed on three stages of reform: development in the 1990s (which included the introduction of a 2-tier labour administration system); the end of the 1990s to 2010 (a period of stagnation and bureaucratisation of the labour administration system); and developments in 2011. Research in this latest phase focussed on reform of the public employment services (PES) and the establishment of the Labour Office of the Czech Republic.

⁵ The impetus behind much reform in the UK reflects calls for greater simplification of regulation (this is true, for instance, in the red tape challenge and the one in/three out rule when implementing new rules and regulations). Policies based on basic cost-saving and efficiency logics have arguably proved popular with UK voters in relation to deficit reduction and the public acceptance of austerity programmes in exchange for (posited) future prosperity (such perspectives may explain the success of the Conservative government which won a majority in the election of 2015)

Session 3: ICT: Benefits, challenges and applications in labour administration (I)

Objective: To discuss general issues related to the increased use of new technologies in labour administration with special focus on the benefits and challenges. Information will be provided about the results of the ILO worldwide survey. National cases will discuss experiences with management of ICT (South Africa) and the use of ICT in two developed countries (USA and Spain).

- Ms Anna Galazka: Results of the ILO survey on ICT use in labour administration: Benefits, challenges and policy lessons of effective use of new technologies
- Prof. Robert Cameron: Experience with IT service providers in South Africa
- Dr. Christopher King: ICT in provision of services by US DoL, USA
- Mr Christian Pochet: IT tools used in investigation of social fraud in Belgium

Anna Galazka presented findings from the recent ILO survey on ICT use in labour administration⁶. The global survey into the use of ICT focussed on 101 Labour Administration institutions spanning 81 countries. A key remit of the survey and the subsequent report/working paper was to provide an overview of the multiple benefits, challenges and policy lessons for use by governments across the world.

Results from the ILO survey on ICT use in labour administration demonstrate a range of benefits and challenges associated with ICT uptake. Specific benefits include the potential to improve institutional communication and collaboration for knowledge sharing. Survey results reveal a particular benefit in terms of information flows between officials at different levels of the organizational hierarchy, facilitated by easier collection, presentation and provision of work-related information to employees.

Labour administration reach has increased in association with ICT advances, linked in particular to the use of websites, emails and social media. While awareness rates of the benefits of ICT use are strongly evident (92% globally showed awareness of benefits), subsequent adoption rates were shown to vary considerably. Despite an increase in the extent of ICT use in NSLAs, challenges have included a continued knowledge deficit in several countries, which explains a notable variation regarding rates of uptake in communication technologies throughout the world. This variability is well illustrated by the contrasting rates of uptake in terms of the computerization and digitization of processes (a rate of 69% globally; 75% in developed countries and 64% in those categorised as developing countries). There also remains considerable scope to mobilise social media, mobile applications and mobile devices globally (less than 50% uptake overall).

Presentations from South Africa, the USA and Belgium offered a qualitative insight into ICT developments within these countries. From a developing country perspective, research from South Africa provided a case in point with respect to cost risks associated with IT system development. In 2002 the S.A. Department of Labour entered a Public Private Partnership (PPP) agreement with Siemens (worth an initial R1.2 billion over 10 years), with the intention of improving IT efficiency, promoting e-government initiatives, and with a view to benefiting more generally from international knowledge transfer/best practice in relation to technological advancements. By 2011 a series of criticisms had emerged in relation to the PPP, including the unexpected (high) costs, and related irregularities and challenges associated with the partnership. Ultimately the IES was also undermined by a lack of

⁶ The report is also intended as a tool to assist policy makers and practitioners involved in labour administration at the national level to assess their own ICT practices and policies. See: Galazka, A. 2015. *Report on the global survey into the use of information and communication technologies in national labour administration systems*. ILO Working Paper No. 1, November 2015.

reliable/efficient technology despite the relationship with Siemens, which resulted in unreliable data and the poor management of cases (e.g. each province maintained its own inspection manual, IES performance standards in the absence of a common IT system). In a Treasury review criticism was also levelled on DoL monitoring and contract management, and the lack of IT knowledge transfer to DoL staff over the 10-year contract period. As noted by Robert Cameron, failure in ICT knowledge transfer and the issue of escalating costs is far from unique to this South African example (e.g. ICT systems difficulties have also emerged in Switzerland and the Czech Republic).

Recent ICT developments (i.e. related to labour administration) in the USA and Belgium are suggestive of greater success. Chris King focussed on two USDOL programmes – workforce development in the Employment and Training Administration (ETA) and the regulation of wages and hours within the Wage and Hour Division (WHD). Over the last two decades internet use in mediated unemployment insurance (UI) and dislocated worker programmes has increased substantially. Latest developments in the WHD (drawing on a new ‘data-driven culture’) have included a strong engagement with smartphone technology. For instance, USDOL’s Fair Labour Data Challenge (2013) encouraged the use of smartphone apps to integrate publically available enforcement data with information from numerous sources (e.g. such as state health agencies). Alternatively, in Belgium Christian Pochet illustrated the increasing use of IT tools in the investigation of social fraud, including analysis via Quaestor (a system which helps inspectors prepare/process investigations); EPV (a web application used to standardize the minutes from enquiries); and Ginaa (a system for logging administrative frauds). These systems support greater efficiency and faster responses to fraud. Benefits have included a systematic identification of recurring fraudsters and reductions in duplication (i.e. in terms of records used). The use of uniformed documents which may be exchanged between different administrations has also helped to realise time savings together with the automization of administrative tasks.

Challenges and Recommendations

- One significant challenge raised by Anna Galazka has been the relatively unproven cost reductions which emanate from ICT adoption (15% of respondents reported a cost reduction as a result of ICT engagement). Limited financial resources remain the biggest challenge to ICT adoption (73% of respondents). Galazka also underlined the presence of a digital divide associated with an overall lack of connectivity throughout countries (28% of respondents) together with high levels of technological illiteracy (30% of respondents). This remains a potentially long-term challenge associated with overall country development, though public internet access points offer a partial solution. Further challenges include insufficient levels of ICT skill/capabilities in labour administration officials themselves (44% of respondents). Solutions to this problem may require more financial investments, and investment into dedicated ICT departments (74% of respondents maintain such units). The area of Dispute Prevention and Resolution is typically the least computerized function within NSLAs, with a low rate of participants (35%) reporting the transfer of activities into the electronic domain.
- There remains considerable scope for ICT development and application within specific aspects of NSLAs (e.g. in fields of labour inspection, PES and dispute prevention/resolution). 56% of respondents reported the use of an integrated computerized inspection management system, 20% recorded the use of mobile inspection software, while under half of all respondents suggest that an aspect of the PES had been transferred online. In future Anna Galazka advised the need for careful identification of the needs for new technologies to enhance service delivery within country specific contexts. In terms of a targeted approach which is likely to benefit NSLA efficiency, Galazka suggested that investment in ICT infrastructure (i.e. physical infrastructure) is a priority in developing countries ⁷.
- Future recommendations (Galazka) in specific areas of the NSLA included the wider adoption of new ICIMS in labour inspection (and also the expansion of the functions of existing ICIMS). It was also advised that better efficiencies would arise from the cross-referencing of databases (e.g. on taxation, health and social security authorities), as well as greater use of ICT for the provision of interpretation/translation services. In terms of PES, the placement of employment information and services online would likely result in a greater general awareness of labour law (i.e. for both employers and employees). Finally, in terms of dispute prevention and resolution, recommendations included the greater use of computerized toolkits and programmes. In particular ICTs are of strong use in gathering and storing data on the resolution of workplace conflict, and for the monitoring of cases.
- Both Anna Galazka and Robert Cameron suggested the possibility of outsourcing as a solution to some of the above concerns. Robert Cameron's case study of South Africa illustrated the risks associated with outsourcing, in particular in terms of escalating costs, and the need to implement plans to ensure knowledge transfer of the ICT skills back into the host department.

⁷ In the developing country context many labour administration officials use their own personal mobile devices in the absence of ICT facilities/equipment.

Session 4: Application of ICT in labour administration/Benefits, challenges and applications in labour administration (II)

Objective: to discuss and evaluate practical examples of the use of new technologies in various areas of labour administration with a special focus on compliance and labour laws.

- Prof. Sunil Chandrasiri: Introduction of mobile devices in labour inspection in Sri Lanka;
- Mr Nicolas Levintow: ICT in US DoL management;
- Mr Abdulla M Al-Mullahi: Protection of wages and other IT applications in the Ministry of Manpower (Oman);
- Ms Aya Jaafar : National Labour Gateway (KSA) and similar applications in GCC countries.

Session Four drew on further evidence of ICT applications in the USA, in addition to Sri Lanka, Oman and Saudi Arabia. Based on support from the ILO and the US Department of Labour, labour inspection in Sri Lanka has benefited from the implementation of the Labour Inspection and System Application, implemented over a three-stage period (LISA⁸; main implementation took place in 2012). The LISA system utilises a recruitment model based on the hiring of individual consultants (i.e. as opposed to hiring a firm) and draws on a series of technologies. Training has benefited from the use of tablets and ICT applications in particular, with the help of 403 Android tablets which have been distributed across 329 Labour Offices⁹. By the end of February 2015 a total of 700 cases had been uploaded for use on the LISA system. This progress may be linked to the overall government support for e-governance, aided by technical assistance from the ILO.

In Saudi Arabia Labour Administration is primarily the responsibility of the Ministry of Labour and associated agencies; while in Oman the E-system developments are associated with the Ministry of Manpower (MOM)¹⁰. A recent assessment exercise confirmed the wide use of ICT in the Saudi's NSLA, including examples of the Ma'an portal, the Taqat (capabilities) programme and the E-Liqa'at.¹¹ In the case of Saudi Arabia, Aya Jaafar presented ICT developments in greater depth with reference to the Wages Protection Scheme (WPS), which utilises software to monitor wage payments to workers and so ensure timely/complete payments are made to staff¹². The initiative has proved particularly effective in monitoring wage payments for Saudi residents as well as guest workers in the

⁸ LISA received donor support from the ILO and the US Department of Labour.

⁹ In addition, tablets were distributed to 16 engineers; 40 ACLs; and 18 DCLs. These purchases were secured through the interest income accrued from EPF investments.

¹⁰ This includes the General Organization for Social Insurance (GOSI); the Human Resources Development Fund (HRDF) and the Technical and Vocational Training Corporation (TVTC).

¹¹ The Ma'an portal is a defacto policy vetting tool generated by the MoL. It represents an online platform that captures views of relevant actors/stakeholders in the Saudi Labour market (i.e. employers, workers, citizens, service providers) with respect to draft labour policies. As such the portal pools a wealth of experience and labour market knowledge, including the views of labour market experts, researchers and specialists. The Taqat programme is one of the key online programmes of the Human Resources Development Fund (HRDF) that aims to improve the skills and overall quality of jobseekers in the private sector via job matching interventions (e.g. soft-skills and professional training).

¹² Once a firm registers with the WPS files are exchanged with banks which allows for a thorough audit trail. The MoL can in turn monitor and determine the time/wage receipt is compatible with the specified firm's WPS registration.

private sector (necessary to ensure that wages are received in time/per contract). Whilst protecting the rights of guest workers, the longer term objective of this system is to encourage more Saudis to consider work in the private sector (e.g. by improving wage security).

Future Saudi developments in ICT are set to include the National Labour Gateway (NLG). The NLG will represent a one-stop shop for all career/labour related needs (e.g. publishing job vacancies, job matching facilities and financial advice and support for jobseekers). Subsequent phases are likely to include support for employers to improve retention rates for employees (i.e. via better information, career management system support) and more tailored support for companies and jobseekers. Similar research findings were also evident in the case of Oman, as showcased through the Wage Protection System (WPS). WPS supports an interconnected information chain linking worker data, wage and salary data and banking information to ensure that correct salary transfers are taking place. In addition Abdulla Al-Mullahi introduced the Namal Application system, designed to assist employers with accurate information on labour clearance status reports and information on the status of foreign/Omani workers. This system also helps workers and jobseekers to apply for jobs.

Turning to a Western context, Nicolas Levintow underlined the substantial investment (\$80 billion spent annually) by US Govt. on ICT. This discussion included the added examples of customer-facing web support – e.g. the Employee Benefit Security Administration (<http://www.dol.gov/ebsa/>) and the Employment and Training Administration web support sites (<https://www.doleta.gov/>).

Emerging challenges

- The main challenges experienced in Sri Lanka links to human capital constraints and inadequate infrastructure facilities. In large part staffing problems are also impacted by low morale associated with low salaries and limited prospects for promotion. The transition to ICT has also been hampered by 'classic' organisational problems associated with inertia, old work norms and difficulties transcending orthodox government cultures. This difficulty is exacerbated by inadequate training on the modern applications recently introduced. Future challenges for the LISA project include the ongoing difficulties associated with inadequate intra-organisational coordination, poor infrastructure facilities and the need to secure funds for future project phases (i.e. to achieve full-scale implementation; existing running costs are \$44,000/per annum).
- Despite the success of user-friendly web platforms in the e-governance era, ICT investments in the U.S. also remain high-risk (i.e. in both cost and scheduling terms). Project failures include notable Defence and Homeland Security investments (ultimately terminated after costs peaked at over \$1 billion); while smaller cost examples include the Office of Personnel Management's Retirement Systems Modernization Programme (cancelled in February 2011 after a net spend of \$231 million). Accordingly, ICT offers substantial rewards for labour administration, notably in terms of efficiency and transparency improvements. However, such benefits often require significant (and ongoing) investment in order to reach their full potential.

Session 5: Performance management in labour administration

Objective: To discuss practical aspects of performance management in different labour administration environments and institutions.

- Prof. Robert Cameron: Strength and weaknesses of PM system in South African DoL
- Dr. Christopher King: Lessons from four decades of performance measuring in workforce development programmes in the USA
- Prof. Jason Heyes: Performance management in HSE (UK)
- Mr José Luis Daza Perez: Performance management in Spanish labour administration

Drawing on research from the area of Workforce Development, Chris King outlined the distinction between forms of evaluation (used to assess program implementation and/or impacts) and performance management (the management of programme services, geared to achieving established objectives). Between 2000 and 2015 considerable change took place with regards to standard setting and performance management (i.e. the WIA era). For instance, the decision was made to focus only on those programmes who received substantive staff assistance in terms of service provision. A decision was also made to apply standards at the national state level rather than the local tier. USDOL/ETA also took back a greater degree of autonomy in terms of the setting of (expected) performance levels.

Latter developments in the form of WIOA Standards since 2015 are still unfolding within this aspect of the US NSLA (i.e. in terms of measurements and management), and have included the attempted creation of more universal measurements across WIOA, adult education and vocational rehabilitation programmes. These developments are still in process, though performance reporting requirements have been enhanced (e.g. the use of UI wage records across federal programmes). New initiatives have also included the creation of a new Workforce Information Advisory Council.

Institutionalised performance management has been evolving for several decades in the case of South Africa ¹³, which undertook a programme of New Public Management (NPM) in the late 1990s. This shift placed a greater onus on performance management as a means of maximising department efficiency and accountability (Robert Cameron here focussed on PES and IES). Performance is measured at both organisational and individual levels, with individual performance objectives/targets linked to teams, programme objectives and the DoL's Annual Performance Plan. The President assesses the technical review of Management Performance Assessment Tests (MPAT) in tandem with political assessments of performance (with feedback from parliament and parliamentary committees).

Distinct performance management systems exist across Spain's NSLA. Findings from Jose Luis Daza Perez focussed on the civil service, the Ministry of Employment and Social Security and the State PES (SEPE). SEPE is supported by numerous committees which help to monitor performance standards within the PES. The labour inspection system is supported

¹³ In South Africa the public service performance management system is headed by the Presidency, which in turn plays a supporting role establishing performance agreements with ministers (this includes sectoral delivery agreements). Ministers distribute results to senior officials, although the presidency retains primary responsibility for performance.

by an integrated programme of objectives¹⁴. Indicative of modern ICT developments, an information system (INTEGRA) helps to support all phases of the inspection activities. This programme also maintains follow-up, evaluation and control features associated with performance management. By contrast, findings from the UK focussed explicitly on the UK's Health and Safety Executive¹⁵ (HSE) – a non-departmental public body, sponsored by the Department for Work and Pensions (DWP). Like South Africa (see below) the HSE has suffered a major cut in resources (a staffing reduction and spending cut of 35% from 2010 to 2015)¹⁶. The largest operational inspectorate in the HSE – the Field Operations Directorate (FOD) – is tasked with implementing an Annual Business Plan which sets out the resources for activities, including details of workforce planning with attendant performance indicators. In 2012 this included targets for contact time (60 days); enforcement notices issues (20 per annum) and approved prosecutions (at least 2 per annum) – each measured against normal expectations associated with the FOD average.

Challenges, Advice and Improvements

- In South Africa funding cuts by the Treasury have undermined inspectorate resources. Despite this, branch requirements have increased as evidenced by a 30% workload rise. Performance management in South Africa has also been hampered by unreliable data from the provinces, despite the theoretical emphasis on a better verification of data (e.g. quarterly performance reviews are now undertaken, which benchmark indicators/targets achieved). If staff members do not achieve targets they are reported for non-performance; though this in itself has raised concerns over data manipulation with a view to preserving work.
- On the basis of past performance, the DoL in South Africa has targeted an improved link between the government's programme of action, the National Development Plan, the Medium Term Strategic Framework (MTSF), the Departmental Strategic Plan and the Annual Performance Plans (APPs). In the UK the shift from outcome targets to output focus has been identified as a positive development, together with the enhanced use of qualitative information sources. At the time of writing the impact of the shift to web-based reporting remains relatively uncertain¹⁷.
- In the US the effectiveness of performance management has improved over time (i.e. within the WIA era, 2000-2015, and into that of WIOA, 2015 onwards). In particular an emphasis has been placed on mixed measures (e.g. both labour market outcomes and skills attainment) which are important for capturing different dimensions of programme performance. Research findings also acknowledge that all programmes are likely to suffer from a 'gaming' of the system in one form or another, a feature which is likely to remain (in some form) irrespective of the PM system adopted¹⁸. The use of both sticks (i.e. sanctions) and carrots (rewards/incentives) is important in order to achieve a balanced performance management framework
- From a U.S. perspective Chris King also advised that PM systems which are joint, transparent, and consultative are likely to encourage worker 'buy in' and so improve the credibility of a PM system. Added to this, objective statistical models are particularly useful as a means of 'levelling the playing field' and encouraging best practice.

¹⁴ These include: the State Public Employment Service Quality Committee; the Central Services Quality Committee; the Provincial Quality Committees; the Improvement Groups (on the provincial scale); the Quality and Coordination Division; and the Quality Coordinators (provincial offices).

¹⁵ The HSE is responsible for regulating work-related health and safety, in accordance with the Health and Safety at Work Act (1974).

¹⁶ The HSE's annual Delivery Plan is developed by the SMT and delivered to the board for consideration. HSE individual performance agreements are determined for all staff at the start of each year.

¹⁷ Also in the UK further performance appraisals of staff in the FOD have included a peer review exercise based on a random sample of inspector notices, with staff scored against a series of set criteria. This initiative has remained relatively judgement free, and has been billed as a useful training exercise for improving less experienced inspectorates.

¹⁸ There remains a difficulty in measuring 'near-term' outcomes which may or may not lead to desired longer term program impacts (e.g. based on CETA, JTPA, and Job Corps experiences).

Session 6: Data, statistics and research

Objective: The session will discuss the importance of objectives and verifiable data as well as the role of academia in policy making.

- Mr Joaquim Pintado Nunes: Harmonization of Labour Inspection statistics (ILO project);
- Dr. Christopher King: Collaboration between academia and labour administration in the USA;
- Mgr Miriam Kotrusova: Social science and policy making in the Czech Republic;
- Mr Sarkar Kingshuk: Academic research in the field of labour in India.

Joaquim Pintado Nunes outlined the benefits of labour inspection statistics, in particular for planning, programming and reporting on labour inspectorate activities. Difficulties remain when comparing the success of inspectorates across countries due, in large part, to a variability in the concepts, criteria and requirements of different national inspectorates¹⁹. The presentation highlighted the need for different regions and countries to reach a consensus on common definitions, classifications and indicators vis-à-vis labour inspection. The Action Plan of the 312th Session of the GB (November 2011) encouraged a consistent statistical methodology based on a pilot of six countries (Costa Rica; Moldova; South Africa; Sri Lanka; Oman and Ukraine). Examples of harmonized indicators include a range of basic indicators of economic units (including numbers employed by set categories); inspection visits by set criteria (e.g. size of establishment, number of infringements detected), efficiency and quality indicators (e.g. reaction time of the labour inspection).

Numerous challenges remain with respect to data and statistics in developing countries, and many governments remain unable to deliver sophisticated IT solutions. Joaquim Pintado Nunes underlined the importance of planning models in tandem with ICT developments; notably a lack of coordination between related government departments can cause training difficulties (e.g. with respect to encouraging inspectors to generate the full range of statistics for analysis). Findings from India (Kingshuk Sarkar) also outlined potential difficulties in establishing a common consensus on labour issues. Here specific reference was made to the implementation of labour laws at different tiers of governance (e.g. central/state governments in India have concurrent jurisdiction in law making; policy changes at national level are often harder to achieve compared to grass roots implementation). Added to this, academic research has had limited traction in government policy making in India. This impasse between academia and government was also echoed in the case of the Czech Republic (Miriam Kotrusova), which lacks evidence-informed policy-making in general. This situation contrasts with the U.S. and its long-standing history of academic-government collaboration²⁰. Recent university-state partnerships have included the Administrative Data Research and Evaluation (ADARE) project, which prompted numerous university-state workforce agency partnerships/research initiatives.

Chris King underlined the longstanding history of academic-government collaboration in the USA, with examples dating back to the Agricultural Experiment Stations (a network of land

¹⁹ Added to this, there is no standard methodology applicable to labour inspection statistics at the international level. This in turn hinders comparisons and accurate interpretations of figures.

²⁰ This is evidenced, for example, in the longstanding Agricultural Experiment Stations (a network of land grant universities funded by the US Department of Agriculture since the late 1800s); and also the case of Regional Educational Laboratories (a network supported by the US Department of Education involving universities and research organizations).

grant universities funded by the US Dept. of Agriculture) since the late 1800s ²¹. More recent collaborations in the 1970s included the use of Manpower Institutional Grantees (MIGs), funded by USDOL, which supported workforce systems from the 1970s to 1982. MIGs were used to provide technical assistance and training for policy/program staff in different states. Research/evaluation projects were jointly agreed, and knowledge transfer formats included policy and research conferences. Further recent experiences have also included the Administrative Data Research and Evaluation (ADARE) Consortium (funded by USDOL/ETA), which effectively formed university-state workforce agency partnerships, conducting on-demand policy research as requested.

Of recent significance to contemporary evidence-based policymaking, in 2014 Professor David Weil (a former academic government advisor) took the role of Administrator of the Wage and Hour Division. Weil's leadership has instigated a new proactive approach to labour market regulation, with an onus on maintaining labour standards within 'fissured' workplaces through a programme of targeted labour inspections (i.e. in particular an emphasis on labour inspection in outsourced contexts).

Challenges and Lessons learned

- Numerous lessons were outlined in the above discussions. Notably, it was observed that the perfect balance between academic-agency partnerships is difficult to achieve, though collaborations are vital for intelligent and effective policymaking. Continued relations between academia and government agencies are vital for ensuring a 'pipeline' of knowledge is maintained with respect to the use of data, statistics and research. Different governments (e.g. see the contrast between the USA and India/the Czech Republic ²²) utilise academic support to varying degrees when implementing research in policy-making.
- Lessons drawn from the U.S. case study included the need for transparency in academic-government agency partnerships in order to deliver smart policymaking, capacity building and programme improvement. In the case of the Czech Republic, Miriam Kotrusova also underlined the need for strategic visions in order to maximise the value of academic research and the use of relevant data that may be generated.

²¹ In addition, Regional Educational Laboratories (a network supported by the US Department of Education) and the National Institution of Standards and Technology (a network funded by the US Department of Commerce) were cited as notable examples of US academic-government collaborations.

²² In the case of the Czech Republic, ministerial professional involved in strategic thinking and planning are understood to use some degree of academic (i.e. analytical) knowledge

Session 7: Labour administration challenges and innovations in developing countries: Findings from the field

Objective: The purpose is to provide a comprehensive information about recent labour administration developments in a number of developing countries and to discuss their challenges and needs.

Panelists: Mr Limpho Mandoro, Mr René Robert, Mr Amin Al Wreidat and Mr Fazal Ahmad Bahrami.

OSH and Labour Inspection Specialist Amin Al-Wreidat focussed on labour administration and labour inspection challenges in South-East Asia. This began with a contrast of ILO convention uptake, noting that India, Pakistan, Sri Lanka and Bangladesh have all ratified ILO convention 81 (on Labour Inspection; Nepal, Maldives and Afghanistan have not). Despite this progress the aforementioned countries are yet to ratify several other pertinent ILO conventions relevant to labour inspection and occupational health and safety (e.g. C129; C.150; C155; C161 and C187). Al-Wreidat observed that enforcement mechanisms in general remain weak and ineffective across the region of South-East Asia, due in part to a lack of human resources, high inspector turnover and inadequate training. These difficulties are also compounded by poor collaboration with other institutions, often ineffective and uncooperative judicial systems, and a climate in which the social partners lack knowledge and skills needed for involvement.

Similarly difficulties were also raised by Limpho Mandoro (ILO Decent Work Team / Pretoria) in a presentation covering 2 Regional Economic Communities in east and southern Africa. Although these communities involve 16 countries, only 9 have ratified Convention 150 on Labour Administration, though in this instance the majority had ratified Convention No. 81 (Labour Inspection). In addition to problems raised above, past decisions/policies relating to previous structural reform programmes are understood to have hampered the implementation of labour administration relevant policies. Concerns were also raised regarding the low political importance attributed to the Ministry of Labour function in many contexts, poor planning and performance management, and the limited use of information technology. More positive innovations have included (with ILO assistance) the introduction of labour inspection electronic management systems in several countries – although these are not yet operational in most cases.

Future areas relevant for assistance

Further technical assistance in east and southern Africa should include the production/dissemination of policy briefs and further evidence based research on the importance of a modern NSLA. With emphasis on addressing concerns and extending labour administration services to the informal economy, measures to improve the training of labour inspectorates and the provision of advisory services are also required. Policy briefs which focus on labour administration in a decentralised context are also particularly relevant for these regions. This recommendation was also reiterated in René Robert's presentation, which provided an overview of administration developments in South-East Asia (Robert is based in Bangkok). Major challenges in this region include the need to extend the scope of labour inspection to the informal economy (in particular Viet Nam, Mongolia and Myanmar). On this front mixed success has been realised with regards to the Better Work initiative²³ and public inspection schemes more generally. Difficulties have been particularly

²³ The Better Work initiative is a partnership between leading international organizations (including the ILO) which is geared to reducing poverty and increasing worker rights. It maintains a particular focus on improving work conditions in the production aspect of supply chains and in garment factories in particular. Rene Robert pointed to the use of publically available inspection reports which buyers

marked in the case of Indonesia, where the provincial government has been known to reposition labour inspectors and delimit the choice of factory inspections. Challenges in the region also include a mixed rate of ICT development and uptake, ranging from the highly advanced (Singapore), the variable (China, which in particular endures an urban/rural divide), and countries which are improving ICT developments (Philippines). Other nation states within the region exist with rudimentary ICT assistance. The protection of migrant labour (internal and external) also remains a key area of concern in certain countries – including China – where marginal worker groups face additional threats of exploitation.

Challenges and Lessons learned

- Pertinent challenges relate to the lack of resources in the developing world. This has been shown to create particular strains on human resources (e.g. a lack of training and remuneration concerns), which in turn contributes to high inspector turnover. A combination of financial constraints and the perceived lack of political importance attributed to labour ministries are factors which may explain the lack of uptake vis-à-vis key ILO Conventions in several developing countries.
- Robert Rene raised several significant challenges relating to the coordination of labour administration institutions, staff turnover and the issue of corruption. This region of the world also faces significant challenges associated with regulating the informal economy, including concerns over migrant labour (both internal and external) and the scope of legal coverage of labour laws (especially in Viet Nam, Mongolia and Myanmar). Responses to these problems are, again, likely to hinge in part on the financial/infrastructure resources available: Singapore and the Philippines appear better equipped to use ICT in labour inspection and related functions compared to Viet Nam, Myanmar and other developing countries in the region.
- Limpho Mandoro emphasised the importance of promoting the visibility of ministries of labour, and of underlining the vital role of evidence based research in labour administration systems. Publicity and research which is capable of communicating the contribution of NSLAs to socio-economic development is highly desirable. Mandoro also underlined the continued need to address the informal economy via NSLA enhancements, in part via the training of labour inspectors and the provision of advisory services. Other technical assistance needs included the suggested production of policy briefs geared to outlining the effectiveness of labour administration in a decentralised political environment. In line with the objectives of the workshop, Mandoro also echoed the need for greater support in developing countries with respect to performance management systems (e.g. in determining performance targets, indicators of achievements etc).

can observe. Where fundamental violations of worker rights are recorded, these should (in theory) be brought to the attention of the inspectorate. However, there is a danger that lower-end factories which are broadly complying with labour law currently face little incentive to undertake general work improvements irrespective of the scheme.

Session 8: Informal economy and unregistered work

Objective: To discuss challenges national labour administration systems are facing when dealing with informal workers and to highlight achievements of national policies and ILO projects.

- Mr Sarkar Kingshuk: Recent measures to extend labour administration to cover informal economy workers in India
- Dr. Ramani Gunatilaka: Formalizing informal workers in Sri Lanka
- Mr Joaquim Pintado Nunes: Experience from ILO compliance projects in selected countries
- Mr Jose Luis Daza Perez: Legal framework and practical measures towards undeclared workers in Spain

With respect to specific challenges relating to the informal economy and its workers, Pintado Nunes introduced a range of findings from ILO studies which detail specific country actions. To this end, Recommendation No. 204 (on the transition from the Informal to the Formal economy) was adopted during the 104th International Labour Conference in June of 2015. This presentation included an inquiry into what is meant by the term ‘informal’ in both developed and developing country contexts. The general consensus is that developing country governments tend to treat small scale operations/employment as outside the scope of formal regulatory bodies (i.e. in particular the labour inspectorate). Numerous ILO studies have focussed in this area (in particular see Labour Inspection and Undeclared Work in the EU, 2012), with work upcoming in Europe and Latin America. Overall, whilst acknowledging the presence of the informal economy and its lynchpin status in the developing world, the ILO does not view the informal economy as conducive to the four pillars of decent work:

- To promote jobs
- To guarantee rights at work
- To extend social protection
- To promote social dialogue

Specific case study research illustrated developments in Colombia and Viet Nam. In the former case, the ILO has assisted with training programmes (implemented to help strengthen the inspectorate and provide practical inspection tools), coupled with support to implement a checklist system to identify a range of compliance factors. This includes checklists on permanent mission activities; forms to identify ambiguous/disguised employment relationships and checklists to identify conduct which contravenes the Right of Freedom of Association. Virtual classrooms have also been implemented with ILO support to help encourage compliance and improve results which suggest an improvement in overall labour standards.

Findings from specific countries again bear testament to the varied informal and unregistered work challenges in different contexts. In Sri Lanka, the informal sector accounted for 60.8% of the total employment in 2013 – a marginal decline from a figure of 61.6% in 2006. Statutory labour law has arguably worked to encourage smaller enterprises as various laws apply only after certain employee thresholds (e.g. 15+ employees; though this varies across different sectors). The main area of redress in terms of inspection relates to follow-up/prosecution cases (official inspections in the first instance suggest moderate levels of inspection for SMEs with 5-70 employees). Future government priorities may benefit from prioritising particular laws (e.g. those related to social security and health and safety); though in general the Department of Labour requires an increased capacity and greater resources to effectively monitor and enforce laws. These difficulties are also reflected in the case of India, where the scale of informality varies within economic sector and geographic region (cases

presented here included initiatives in West Bengal and Karnataka). The NSLA in India would benefit substantially from enhancements in ICT and information dissemination.

In the case of Spain, Jose Luis Daza Perez presented a relatively tight definition of the informal economy, in which all kind of economic activities are subject to regulation (all categories of employers and workers should in theory be registered – failure to register creates a legal definition of ‘informal’). Accordingly, informal work in Spain is typically undeclared in nature, with the majority (76%) of instances in 2014 recorded in four sectors: hotels and restaurants, services, trade and construction. Positive steps have been taken to simplify the procedures needed to formalise the employment relation (e.g. establishments may now be opened by a simple declaration). The use of simplified forms for registration of companies and workers (and electronic versions of this when declaring employees) has generally been encouraged. An online system has also been supported by the Treasury of the Social Security in order to facilitate payroll/contribution declarations.

Challenges and Lessons learned

- Challenges vary considerably from one region to another. In Sri Lanka, complicated (and arguably outdated) labour laws may have worked to constrain formalization processes. For example, although TEWA, The Employment of Workmen (Special Provisions) Act No. 45 of 1971 has restrictive firing practices, it is hard to disentangle its effects on investment and employment growth in domestic firms from the effects of other laws. Nevertheless, while this law may have encouraged growth in the informal sector, its replacement with an Unemployment Benefit Insurance Scheme is necessary to provide more comprehensive protection to workers than TEWA offers. The reform of bad legislation can form a challenge in itself, which serves to underline the lack of ‘quick fix’ solutions. Lessons from India, conversely, focussed on the need to better implement existing labour laws within the informal sector (e.g. the Minimum Wage Act and the Inter-State Migrant Workers Act).
- Other barriers to compliance include the ‘classic’ labour inspection difficulty of identifying non-compliance of offenders due to ignorance (i.e. a lack of awareness) of labour laws, as opposed to cases of deliberate malpractice. The inspectorate in Sri Lanka also struggles with basic human resource management difficulties – including a lack of facilities, ineffective procedures and the persistence of poorly motivated staff.
- In India, Sarkar emphasised the need for a single database for administering different welfare schemes and a more universal approach for tackling the informal economy rather than one which focuses on sector specific approaches. These suggestions contrast with lessons communicated by Daza Perez (on Spain), which showcased the use of new inspection campaigns aimed at specific sectors where fraud has been detected. Further lessons from Spain included the benefit of collaboration across and between contrasting enforcement units: namely the Judiciary service, the Attorney General and the Police, with a view to tackling informal employment (in addition to collaboration between the labour authorities of Autonomous Communities and the State Agency for Tax Administration).

Session 9: Tools for technical cooperation

Objective: To exchange information about recent papers that are contributing to better knowledge of labour administration developments and to discuss further needs.

- Prof. Jason Heyes: Comparative developments in labour administration and Training toolkit for LI;
- Mr Ludek Rychly: Working paper on strategic planning and performance management, Guide to Ministries of labour and a new book on labour administration reforms and innovations;
- Ms Maria Luz Vega: ILO/EU joint tools, studies and perspectives of collaboration;
- Mr Joaquim Pintado Nunes: Perspectives of technical cooperation in the biennium 2016-2017.

The exchange of information on recent papers contributing to understandings of labour administration began with Ludek Rychly, who outlined a series of future contributions. Namely this includes a paper (to be finalized early in 2016) on planning and performance management in labour administration, with special emphasis on labour inspection. A second paper is also planned as a guide on labour administration (intended to be useful for training), akin to a 'Q and A' report which should answer numerous questions relevant to this area. This will include definitions on the remit/mandate of ministries of labour, internal organisation knowledge, and information on issues of coordination, human resources, planning and reporting and other matters which have featured prominently in these and other workshops on labour administration. A book is also due for publication by the end of the biennium.

Maria-Luz Vega outlined a series of ILO/EU collaborations involving joint tools and studies. Collaboration in labour administration has mainly focused on projects with DG employment, together with involvement with EU institutional agencies and information sources (including SLIC, Eurofound and OSHA). Projects which have recently finished have also included an OSH project (covering Moldova and Ukraine); a project on Albania (using IPA funds) and research on Turkey OSH/Soma on the subject of supply chains. Future research is set to include projects on employment platforms (Balkans) and undeclared work (Greece). Joaquim Pintado Nunes confirmed that such collaborative project work will continue to focus (and re-focus) on the informal economy and priority sectors. A focus on ensuring research is used to develop practical tools and policy guidance will be maintained. Finally, future policy briefs are set to focus on such matters as freedom of association, the extension of labour inspection to all sectors, and the importance of ICT (and ways of increasing efficiency based on likely national capacities). In regional terms, the ILO activity in Asia has built up an active presence in areas of OSH and labour inspection; while in Africa the ILO is preparing a new programme on governance and rights at work.

Challenges and Lessons learned

- The main 'takeaways' from the penultimate session on tools for technical cooperation focussed on the benefit of knowledge sharing and partnership between institutions which hold a natural remit to investigate labour administration issues. The case for this was made explicitly by Maria Luz Vega in terms of the longstanding cooperation between the ILO and the EU, and by Jason Heyes and Ludek Rychly with reference to the ongoing research between numerous academic institutions and the ILO.
- Research projects outlined include the current labour administration research (i.e. that featured in the workshop) and the toolkit on the informal economy developed by Jason Heyes and Thomas Hastings. Maria Luz Vega also outlined other small research projects/studies on the informal economy, supply chains and OSH in SMEs. Collaboration between the ILO and external agencies also includes a strong relationship with SLIC (as part of their study relationship the ILO/SLIC frequently meet in regular and technical meetings for example); while the ILO also maintains good relations with Eurofound. Links of this sort facilitate more impactful studies, thus aiding the communication of best practice on matters relevant to labour administration (e.g. on the informal economy). Given the important emphasis made throughout the workshop on knowledge and communication (see the need to promote the role of labour ministries), collaborations of this sort are of vital importance for the ILO in encouraging the uptake of higher labour standards globally.

Session 10: Report from the meeting and way forward


Objective: to summarise the main findings, discuss the elaboration of the workshop's report, and identify possible next steps.

- Prof. Jason Heyes: Labour administration as a sub-discipline of public administration: creation of a collaborative network;
- Dr. Thomas Hastings: Draft Report from the workshop;
- Mr Moussa Oumarou: Conclusions and follow-up.

In conclusion to the workshop, Jason Heyes outlined the intended legacy of various research outputs produced since the last Labour Administration workshop in December 2013. In addition to Anna Galazka's ICT report, this includes the creation of the toolkit extending labour inspection to the informal economy, formally unveiled in Prague. Subsequently a comparative report, which draws on research from numerous country studies (including those authored by several participants within the workshop), is due for delivery in early 2016.

Based on the success of the above collaborations, Jason Heyes outlined the intention to maintain and grow the legacy of research on labour administration through a new network based on a collaboration between academia and the ILO: the Work, Employment and Labour Administration Network (WELAN). It is intended that continued work together should help all stakeholders concerned to better understand what is meant by labour administration and systems associated with this.

This collaboration is of key strategic importance in the academic realm, as currently the field has limited traction as a coherent subject or sub-discipline in its own right (rather, the field is understood within the rubric of public administration). Accordingly, it is intended that WELAN should help to establish labour administration as a formal area of academic study. Jason Heyes also advised that several academic funding streams had been targeted with a view to financing the development of the network (i.e. in particular for funding travel and fieldwork expenses). In accordance with the above developments, and in reference to the toolkit in particular, Ludek Rychly advised that officials in the South African labour inspectorate are likely to benefit from the first delivery of the training toolkit.



International Labour Office (ILO)
GOVERNANCE
Route des Morillons 4
CH -1211 Geneva 22
Switzerland

www.ilo.org/governance

ISBN 978-92-2-131215-4



9 789221 312154