

The Regulatory Framework and the Informal Economy

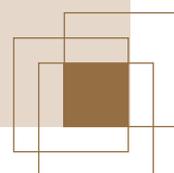


Boy selling cigarettes, Kosovo.

Labour Administration

4.c2 LABOUR INSPECTION AND THE INFORMAL ECONOMY: INNOVATIONS IN OUTREACH

■ Labour inspectorates have a key role to play in enabling those in the informal economy to be effectively protected by labour law where laws exist. Labour inspectorates confront huge challenges in reaching the informal economy. The myriad of micro and small enterprises; the complex layers of subcontracting characteristic of many global value chains; an increasing variety of employment contracts and relationships; the sheer geographical scale of rural work, the clandestine nature of forced labour and child labour; and the ‘invisible’ forms of work in female dominated sectors such as domestic work and homework that take place in private homes, are just some of the difficulties faced by labour inspectorates. They may also be plagued by internal problems including limited numbers of inspectors, poorly paid staff, lack of training and capacity, lack of resources and vulnerability to corruption. Despite these challenges countries have been exploring ways in which labour inspectorates can reach the informal economy. Education and advisory services, participatory approaches and partnerships have been amongst the measures which have been particularly effective.



KEY CHALLENGES

- Labour inspection and informal work
- Basic challenges
- Clarifying the law
- Responding to specific difficulties

A major contributing factor to the rights deficit in the informal economy is the constraints on labour inspection. In many countries labour inspectorates are not adequately staffed, trained or equipped to enforce standards in the informal economy. Moreover the dispersed, hidden and diverse nature of work in the informal economy poses enormous challenges for labour inspectorates.

● The dispersed, hidden and diverse nature of work in the informal economy poses serious challenges for labour inspectorates

The work of labour inspectors and their responsibilities have become even more complex with changes in the labour landscape entailing the coexistence of different types of enterprises, complex production systems, subcontracting, and an increasing variety of contracts and employment relationships. These factors have of course also brought about increased informality.

Labour inspection: What does it involve?

A well functioning labour inspectorate is required to ensure effective compliance with the law and is thus an essential part of labour regulation. Labour inspection is certainly as complex an activity as labour standards are broad, often incorporated in numerous legal instruments, and their application is spread out throughout the state's territory and concern numerous issues. It is also labour intensive and, without being expensive, does need resources as it requires many well trained inspectors in order to function optimally. Inspection doesn't only involve the application of the law but its interpretation.

Labour inspection contributes unquestionably to the effective application of the law, and is as such a fundamental and essential part of labour regulation. As former ILO Director General Francis Blanchard stated, "labour legislation without inspection is an exercise in ethics, but not a binding social discipline".¹ This has been verified by empirical studies concluding that inspections have a positive influence on compliance.² For many, labour inspection is the pillar of social reform.

Labour inspection has always had three core aspects:

- it seeks to provide education and information on the requirements of the legislation,
- it seeks to prevent violations of labour standards by providing advice, technical information, training and warnings, and
- it seeks to punish these violations.

The balance between these aspects varies from one country to the other, but greater emphasis is now placed on encouraging compliance rather than sanctioning non-compliance.³ This being said, labour inspection alone cannot be successful at tackling the root causes of non-compliance with the law, but it plays, or has the potential to play, an important role.

1 Reproduced in von Richthofen, 2002, p.8.

2 For more details see Resources section to access: Chacaltana, 2003, pp.40-43.

3 Casale and Sivananthiran, 2010, p.45.

● Labour inspection is of great importance to the informal economy when rights that should be applied to a certain situation are not – for example, when an employment relationship is disguised or a worker in a formal enterprise is unregistered or under-registered.

■ **Labour inspection and informal work.** A particularity of labour inspection is that it is limited by the law and does not extend to all those who work but only to the workers and enterprises covered by the law – there needs to be a legal obligation for inspectors to intervene.⁴ Labour inspection is therefore of huge importance in relation to the informal economy when rights that should be applied to a certain situation are not – for example, when an employment relationship is disguised or a worker in a formal enterprise is unregistered or under-registered. Non-application of the law may sometimes be explained by the ignorance of the law and/or of its content, or by an unwillingness to comply because of the perceived costs of compliance. Because labour inspectors disseminate the content of the law and provide guidance to employers as to the different ways to comply, they may reach informal workers. Informal workers' ignorance of their rights, or else that of employers about their legal obligations, can be widespread, and labour inspectors have a key role in raising awareness on such issues as how to obtain a work permit, how to avoid abuse in the recruitment process, how to make a complaint, how to treat migrant workers fairly, or how to avoid forced labour in the supply chain.⁵

Labour inspection and the law

The ILO Declaration on Social Justice for a Fair Globalization, adopted by the International Labour Conference (ILC) in 2008, recognises the need for “the building of effective labour inspection systems”.

Labour inspection has in fact been a concern for the ILO and its constituents since its inception. Indeed, labour inspection is mentioned in the 1919 Treaty of Versailles, a recommendation on the topic was adopted at the first ILC, and another followed in 1923. In 1947, the *Labour Inspection Convention (No. 81)* was adopted with two accompanying recommendations,⁶ and most of the following labour standards on working conditions and workers' protection mention the necessity of labour inspection as a means of enforcement. The *Labour inspection (Agriculture) Convention 1969 (No. 129)* completes Convention No. 81 and both conventions are considered priority conventions by the ILO's Governing Body and the ILC (see the 2008 Declaration on Social Justice). Neither convention excludes workers from its scope on the basis of irregular employment and, as Convention No. 129 specifically states regarding agriculture, labour inspection in agriculture applies to “work employees or apprentices, however they may be remunerated and whatever the type, form or duration of their contract” (Article 4). Convention No. 81 does permit exclusions concerning mining and transport undertakings.

Inspection in the informal economy is particularly difficult as workers are often invisible or unorganised. Moreover, informal workers are often not covered by the law and are therefore excluded from the mandate of inspectors since they often visit only registered businesses. At the same time, however, it is not enough to promulgate better and more inclusive legislation if more funds are not allocated to inspection – the result is de facto deregulation.

4 The Committee of Experts has noted for example, that, “in India, under section 2 of the Factories Act, 1948, labour legislation applies only to enterprises with at least ten employees; in Zimbabwe, the threshold under section 3 of the Factories and Works Act, 1996, is five employees; in Nigeria, under section 87 of the Factories Act, 1987, ten employees” (ILO, 2006a, Para. 23).

5 For more details see Resources section to access: Andrees, 2008, p.33.

6 These are: Labour Inspection Recommendation, 1947 (No. 81) and the Labour Inspection (Mining and Transport) Recommendation, 1947 (No. 82).

■ **Basic challenges.** Labour inspection faces important basic challenges. These are not confined to informal work but certainly impede its ability to operate in the informal economy. In many countries, the labour inspection system is critically underfinanced and understaffed, resulting in an impossible task for inspectors. Some developing countries allocate less than 1% of their budget to labour administration, a fraction of which goes to labour inspection.⁷ While there is no universal definition of sufficient numbers of inspectors (this depends, inter alia, on the total size of the workforce), the ILO has specified, as a reasonable indicative benchmark, that the number of inspectors in relation to workers should reach 1/10,000 in industrial market economies; 1/15,000 in industrializing economies; 1/20,000 in transition economies; and 1/40,000 in less developed countries;⁸ most countries do not reach those numbers. Moreover, labour inspectors are often underpaid - which puts their independence at risk - and undertrained - labour inspectors need training in order to be aware of the different types of enterprises and workers, and to be able to identify employers.

● Some developing countries allocate less than 1% of their budget to labour administration, a fraction of which goes to labour inspection

These are not the only obstacles to efficient labour inspection. Labour inspection also has to deal with high levels of corruption and deliberate action by employers to avoid or undermine the authority of labour inspectors,⁹ which may be exacerbated if the informality arises from the employer's will.

The scope of labour inspection

The mandate of labour inspectors is broadly defined under Convention No. 81 and covers conditions of work and the protection of workers. At the national level, the scope of the mandate of labour inspectors is usually established in several legislative texts. In many countries, the powers of labour inspectors extend to all areas covered by labour legislation, in others they are restricted to some areas of the legislation or to some sectors. Some countries for example exclude, completely or partially, agricultural workers.¹⁰ Others limit the scope of labour law to enterprises of a certain size or turnover.¹¹

Labour inspectors' main concerns are with hygiene, welfare and health, and safety at work, but also with non-discrimination in the workplace, freedom of association or social security. They are increasingly concerned with issues such as migration and child labour. Inspectors are however often granted authority in a large variety of domains: dealing with individual and collective disputes, advising on health and safety measures, registration of employers' and workers' organisations, training, calculating severance pay, issuing work permits, or controlling the legality of employment – often working in this regard with other administrative bodies – for example. It has been noted by the Committee of experts that all duties not directly related to working conditions should not interfere with the latter. In particular, the Committee of experts has stressed that no duties related to combating illegal immigration should be imposed on labour inspectors as these duties may not be compatible with the duty to control working conditions.¹²

7 von Richthofen. 2002. p.146.

8 For further details see Resources section to Access: ILO, 2006 Strategies and practice for labour inspection, Para.13.

9 Fenwick, C.; J. Howe; S. Marshall; I. Landau, 2007, p.39.

10 ILO, 2006a, pp.16 and 18.

11 ILO. 2006a. p.9.

12 ILO. 2008. Report III(1A), Report of the Committee of Experts on the Application of Conventions and Recommendations, ILC 97th Session, Geneva: ILO, Convention No. 81, Observation, France. On this topic, see Chapter on undeclared work in the EU and ILO, 2010, Labour Inspection in Europe: Undeclared Work, Migration, Trafficking, Labour Administration and Inspection Programme, Working Document Number 7, (Geneva).

● A fundamental challenge concerns clarifying the law - when the law is incomplete, inconsistent, too vague, out-of-date, or when there are no definitions

● Work in private homes, in agriculture, in MSEs, in cases of child labour and forced labour pose specific difficulties for labour inspectorates

■ **Clarifying the law.** A fundamental challenge for governments concerns clarifying the law. Labour inspectors need to be able to understand the law in order to explain it and enforce it, and this may be difficult, even impossible, when the law is incomplete, inconsistent, too vague, out-of-date, or when there are no definitions.¹³ Inspectors also need to have clear instructions from the government and social partners as to where to focus inspections, and what action should be taken in case of violations, insofar as a balance needs to be found between deterrence and not putting workers at greater risk.¹⁴ While it is well accepted that inspectors need to favour dialogue and the exchange of information rather than sanctions,¹⁵ effective and dissuasive sanctions are essential to give credibility to the labour inspection system. Most countries provide for fines and imprisonment for violations of legislation enforceable by inspectors and these should be sufficient to act as deterrence. In many countries, however, these penalties are not enforced.¹⁶

■ **Responding to specific difficulties.** It is often said that non-compliance with labour regulation, and the consequent presence of informal work, is particularly acute in domestic work, home work, rural work and in MSEs.¹⁷ At the same time, these are domains that suffer from the fact that labour inspection within them is quite challenging. Labour inspection is particularly difficult when the workplace is private - which is the case for domestic work or home work - because it conflicts with the right to privacy, for example. In the case of agriculture work, inspection can become very expensive and time consuming if workers are spread out, and there can also be difficulties when workers are seasonal or temporary. Some countries have stated that ratification of Convention No. 129 was not appropriate because agriculture activity mainly takes place in the informal economy.¹⁸ Labour inspection is also difficult in MSEs, as such enterprises are often unregistered and are not easy to detect (see briefs on MSEs and labour law and on informal enterprises). It is also difficult with regards to forced labour¹⁹ and child labour, in particular in its worst forms, which take place clandestinely. Trafficking, prostitution, and pornography that all call for inspection in places such as streets, airports, and borders, are difficult and dangerous to monitor, solely by labour inspectors.

Tackling Child Labour through labour inspection

International labour law gives labour inspectors a clear mandate to inspect and enforce labour laws with respect to children. For example, Article 3(a) of Convention No. 81 includes among the primary functions of the system of labour inspection "to secure the enforcement of the legal provisions relating to conditions of work and the protection of workers while engaged in their work, such as provisions relating to (...) the employment of children and young persons." IPEC has published material concerning inspection and child labour, including a handbook for labour inspectors on combating child labour (2002), a training guide for labour inspectors (2005), and a set of technical sheets (2005). Moreover, conscious of the difficulties faced by inspectors in the informal economy, IPEC has developed "child labour monitoring systems" (CLM) which "extend the eyes and ears" of inspectors through local teams of monitors who can better identify incidence of child labour (see ILO, 2005).

13 For more details see Resources section to access: ILO 2002, Decent Work and the Informal Economy p.13.

14 Daza. 2005, p.20.

15 Casale, Sivananthiran, Daza, and Mar (eds.). 2006, p.11.

16 ILO, 2006a, Paras.292-306.

17 See for example, Casale, Sivananthiran, Daza and Mar. 2006, p. 3.

18 See ILO. 2006a, Para. 357 - the case of Indonesia is cited.

19 For more details see Resources section to access: ILO's handbook for labour inspection concerning forced labour and trafficking (Andrees, 2008).

Cooperation between labour ministries and the civil society, employers, and trade unions is necessary, especially when inspection by governmental bodies is not sufficient. Moreover, collaboration at the regional and international levels is also desirable in order to offer a coherent and collective response to an increasingly vulnerable transnational workforce that often finds itself in employment relationships that are not covered by the legal systems.²⁰

A good system of labour inspection is undoubtedly dependent, however, on political will to finance it and improve it, and the basic steps to take included in Convention No. 81 remain very much applicable (see box below).

ILO Labour Inspection Convention, 1947 (No. 81)

Benchmarks for effective labour inspection

- Labour inspection should be organized as a system (Article 1) applying to all workplaces in respect of which legal provisions relating to conditions of work and the protection of workers are enforceable (Article 2).
- It should cover a basic set of functions, such as hours of work, wages, safety, health and welfare, the employment of children and young persons, and other connected matters (Article 3.1).
- Inspectors should supply information and advice to employers and workers on how to comply with the law, and alert the competent authorities on any defects or abuses not covered by existing legal provisions (Article 3.1).
- Labour inspection should be placed under the supervision and control of a central authority (Article 4.1).
- Effective cooperation with other government services and private institutions (NGOs) engaged in labour protection, as well as with employers and workers and their organizations must be promoted (Article 5).
- Inspectors must be public officials assured of stability of employment and independent of changes of government and improper external influences (Article 6).
- They must be recruited with sole regard to their qualifications and adequately trained for the performance of their duties (Article 7).
- Their number must be sufficient to secure the effective discharge of these duties in regard to inter alia the number, nature, size and situation of workplaces, the number of workers employed, and the number and complexity of the legal provisions to be enforced (Article 10).
- They must be properly equipped with local offices and transport facilities (Article 11).
- They must be provided with proper credentials and properly empowered (Articles 12 and 13).
- Workplaces must be inspected as often and as thoroughly as is necessary to ensure the effective application of relevant legal provisions (Article 16).
- Adequate penalties for violations of legal provisions enforceable by labour inspectors and for obstructing labour inspectors in the performance of their duties must be provided for by national laws and regulations and effectively enforced (Article 18).

Source: ILO, 2002, p. 12

²⁰ ILO, 2006b, Para.11.



Construction workers, Cairo, Egypt.

- **Increasing the size of inspectorates**
- **Developing partnerships**
- **New outreach mechanisms**
- **Tripartite teams**
- **Varying criteria for fines**
- **Harnessing technologies**
- **Targeted campaigns**
- **Capacity building and education**

Bringing the large numbers of workers and economic units in the informal economy within the scope and protection of labour inspection presents enormous challenges, yet countries have been responding to this in many ways.

■ **Increasing the size inspectorates.** Some countries have been able to respond by increasing their inspectorates. Several Latin American countries including Guatemala and El Salvador have doubled or tripled in the case of Dominican Republic and Honduras the size of their inspectorates over a decade and a half.²¹

In Europe, France, for example, has announced an increase of the numbers and a reinforcement of the qualifications of inspection officials with an additional 240 inspectors, 420 controllers and 40 engineers and physicians planned between 2006 and 2010.²²

In South Africa, a major drive, involving the recruitment of over 100 new inspectors, was recently launched to reduce multiple inspections, each of limited scope with a more consolidated and less time-consuming approach. This strategy eliminates the need for several officers visiting the same enterprise, one after the other, often unaware of each other's activities, sometimes even giving conflicting advice. Its implementation requires close collaboration with employers and trade unions.²³

■ **Developing partnerships.** In other case many countries have been exploring innovative approaches of reaching the informal economy. Developing partnerships with a wide range of stakeholders is a key strategy to extend coverage. These include partnerships with health, agricultural and other government ministries with strong community outreach; mobilising communities as monitoring partners; working through voluntary codes of conduct and establishing tripartite partnerships for monitoring.

● **Developing partnerships with a wide range of stakeholders is a key strategy to extend coverage**

21 For more details see Resources section to access: Schrank and Piore, 2007, p.21.

22 For more details see: ILO, 2008, Report III(1A), Report of the Committee of Experts on the Application of Conventions and Recommendations, ILC 97th Session, Geneva: ILO, Convention No. 81, Observation, France. There were 72 additional inspectors in 2007 and 2008, 204 controllers, and 84 administrative officers (Ministère du travail, des relations sociales, de la famille, de la solidarité et de la ville, Direction générale du travail, 2009, L'inspection du travail en France en 2008, http://www.travail-solidarite.gouv.fr/IMG/pdf/Rap_WEB_BIT_2008_19_11_09.pdf).

23 Challenges Facing Labour Inspection In Asia and Middle East Sivvananthiram

● Special outreach mechanisms may be needed to address child labour

Brazil has developed a Special mobile unit to investigate forced labour on rural farms

● Tripartite teams have been used to reach remote workplaces

■ **New outreach mechanisms.** Addressing child labour through new outreach has been successful in a number of countries. In Turkey for example, a new inspection system was introduced, with support from IPEC, aimed at improving cooperation between inspectors on the one hand, and working children, managers and employers, on the other. In an effort to ensure safer workplaces 108 inspectors were trained and worked full time on child labour issues, reaching some 10,000 children. Labour inspectors collected information providing a detailed picture of risks and hazards faced by children²⁴. While in Tanzania, in coordination with IPEC, labour inspectors received training in persuading commercial agriculture employers to remove children from plantations and provide educational facilities for them. Together with union representatives and employers representatives, the labour inspectors worked for a successful outcome²⁵.

Forced labour is another area where, despite its clandestine nature, countries are making inroads. In Brazil for example a Special Mobile Inspection Unit was introduced in 1995, consisting of a flying squad of labour inspectors and federal police officers who investigate allegations of forced labour on rural farm estates. Although facing funding problems, this initiative has proven successful, freeing more than 32,000 enslaved workers.²⁶ In several countries including Mexico labour inspectorates have developed awareness raising materials targeted to communities vulnerable to forced labour, with information provided on rights, laws and where to seek help.

In Italy the Carabinieri Command for the Protection of Labour, operating under the Ministry of Labour, is in charge of monitoring the application of labour law and social security regulations. Its role is to fight against illegal and disguised employment, exploitation of workers in “sweatshops”, trafficking, and the elimination of inhuman working conditions. It also detects fraud and the illegal deduction of social contributions. Its personnel are qualified as labour inspectors and police officers. In 2005, the Command carried out more than 24,500 inspections covering 128,000 workers, and denounced more than 10,000 persons to the judicial authorities, of which 188 were arrested.²⁷

■ **Tripartite teams.** In some cases labour inspectorates have teamed up with trade unions and employers to form tripartite teams to reach remote workplaces. In the Philippines for example, the labour department has designed a three tier inspection system where very large enterprises self audit, medium and small enterprises are visited by labour inspectors and micro enterprises are advised by tripartite teams²⁸.

In Poland the labour inspectorate has partnered with the Polish Border Guards in cases of cases of undeclared work carried out by foreigners. The district labour inspectors informs the head of the local administration of the province about cases of undeclared or under-declared work.²⁹ Similarly, collaboration agreements have been concluded by the labour inspectorate with other authorities. As a result, in 2008, 662 inspections were conducted

24 For more details see Resources section to access: ILO, 2006a, p.16.

25 For more details see Resources section to access: ILO 2002b Report VI Decent Work and the Informal Economy

26 For more details see Resources section to access: Andrees, 2008 Forced labour and Human Trafficking: Handbook for Labour Inspectors, p. 22; Costa, 2009, pp.79-83.

27 *ibid*, p.30.

28 For more details see Resources section to access: ILO, The informal economy : enabling transition to formalization, Tripartite interregional Symposium on the Informal Economy.

29 For more details see Resources section to access: ILO, 2010, Labour Inspection in Europe: Undeclared Work, Migration, Trafficking, Labour Administration and Inspection Programme p. 24.

based on requests from, for example, county employment offices (180), the police (99), province employment offices (87) and tax authorities (76).³⁰

■ **Varying criteria for fines.** Some countries have established varying criteria for penalties. In Chile for example, the Chilean Labour Code has different fines according to the size of the enterprise – the higher the number of workers affected, the higher the fine.³¹

Chile has established varying criteria for penalties

■ **Harnessing technology.** An initiative in the Indian State of Maharashtra, which is about to enter its pilot phase in Thane district, aims at extending coverage of the labour protection to the unorganised sector, comprising nearly 93 percent of the labour force in the state. The main innovation centres around a computerised labour management system, which will create an interface between businesses, employees, banks and the Labour Department. This system benefits employers since it enables them to access online all the forms necessary to obtain and renew licences, thus eliminating several bureaucratic hurdles while also promoting respect of the law. For workers, the system creates financial inclusion since they are issued with bank cards and accounts for the payment of their wages. Moreover, information on wages paid and earned can be tracked and monitored by the Labour Department. This system will provide information to labour inspectors, through a generation of automatic alerts, on possible non-compliant business which may be targeted with warnings, inspections, and prosecution. It is hoped that this system will extend to workers not covered by the Factories Act.

■ **Targeted campaigns.** Targeted campaigns are very effective. In Argentina a 2003 national plan for the regularisation of workers was launched which combined data collected by inspectors with available data on social contributions. If workers in irregular situations are regularised, the fine imposed on the enterprise is reduced. This resulted in 24% of the workers visited being regularised.³² Enterprises that are inspected are selected according to their capacity to pay social contributions however, in order not to penalise formal enterprises in financial difficulty.³³ This is nevertheless step in the right direction.

● The role of labour inspectors extends to supplying information and giving advice to employers and workers on how to respect the legislation

■ **Capacity building and education.** The role of labour inspectors is often believed to be only concerned with sanctioning. While sanctions are important because they send a clear message that certain conducts are not tolerated, the role of labour inspectors extends to supplying information and giving advice to employers and workers on how to respect the legislation, as stated in the 1947 Convention No. 81. A graduated approach is needed and well trained labour inspectors as well as a clear legal framework are therefore essential. Labour inspectors need to be able to judge, in each situation that arises, the best way to ensure compliance with the objectives of the legislation.

Several countries are using labour inspection approaches that are educational, persuasive, transparent and participatory

³⁰ *ibid*, p. 15.

³¹ For more details see Resources section to access: *Codigó del Trabajo*, 2002, http://www.dt.gob.cl/legislacion/1611/articles-59096_recurso_2.pdf. See as well, Reinecke and White, 2004, p.138.

³² For more details see, Vega Ruiz, 2009, p. 30.

³³ For more details see: <http://www.trabajo.gov.ar/>

Approaches that are educational, persuasive, transparent and participatory are often particularly successful in reaching the informal economy. In Finland, France and the Netherlands for example labour inspection campaigns include education and awareness-raising activities for farmers, their employees and their families, focusing on the most serious occupational hazards.³⁴ In 2001, Chile introduced the possibility for enterprises of less than 9 workers to substitute fines with free training. The employer, who cannot exercise this option more than once a year, must request the substitution of the fine and correct the situation which gave rise to it. If the employer fails to attend the course, s/he is liable to pay the fine with a 100 percent surcharge.³⁵ While in Peru - Section 5 of Legislative Decree No. 910 of 16 March 2001 to promulgate the general Act on labour inspection and the defence of the worker, provides that inspectors must give preventive technical guidance to employers and workers in the informal sector.³⁶



Match making industry, India.

34 For more details see Resources section to access: ILO, 2006a, Para. 260.

35 For more details see: <http://www.dt.gob.cl/1601/article-60629.html>

36 For more details see Resources section to access: ILO, 2006a, Para. 87.

This section provides a list of resources which can enable the reader to delve deeper into the issue. Details of the good practices cited above can be accessed here. The section comprises international instruments, International Labour Conference conclusions, relevant publications and training tools. A bibliography of references in the text is further below. There may be some overlap between the two.

ILO instruments

Labour Inspection Convention, 1947 (No. 81)

Labour inspection (Agriculture) Convention, 1969 (No. 129)
<http://www.ilo.org/ilolex/english/convdisp1.htm>

Labour Inspection Recommendation, 1947 (No. 81)

Labour Inspection (Mining and Transport) Recommendation, 1947 (No. 82).
<http://www.ilo.org/ilolex/english/recdisp1.htm>

Declaration on Social Justice for a Fair Globalization, 2008
http://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_099766.pdf

Relevant Publications

Andrees, B. 2008. Forced labour and Human Trafficking: Handbook for Labour Inspectors, (Geneva, ILO).
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_097835.pdf

Casale, G., A.; Sivananthiran; J.L. Daza; C. Mar (eds). 2006, Showcasing tools and experiences in labour administration and the informal economy, (Geneva, ILO/IIRA).
 Chacaltana, J. 2003. Public policy and employment in micro and small enterprises in Peru, SEED Working Paper No. 56, (Geneva, ILO).
http://www.ilo.org/empent/Whatwedo/Publications/lang--en/docName--WCMS_100896/index.htm

Costa, P.T.M. 2009. Fighting forced labour: the example of Brazil, Special Action Programme to Combat Forced Labour, (Geneva, ILO).
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_111297.pdf

Daza, J.L. 2005. "Labour inspection and the informal economy", Labour Education, Vol. 3-4, No. 140-141, pp. 15-21.

Fenwick, C.; J. Howe; S. Marshall; I. Landau. 2007. Labour and Labour-Related Laws in Micro and Small Enterprises: Innovative Regulatory Approaches, SEED Working Paper No. 81, (Geneva, ILO).
http://www.ilo.org/empent/Whatwedo/Publications/lang--en/docName--WCMS_093618/index.htm

Hirose, K.; B.C. Vitasa. 2007. Implementation of the Labour Standards Enforcement Framework in the Philippines, Working Paper no. 14, ILO Subregional Office for South-East Asia and the Pacific, (Manila, Philippines, ILO).

ILO 2006. Report III (Part IB), General Survey of the reports concerning the Labour Inspection Convention, 1947 (No. 81), and the Protocol of 1995 to the Labour Inspection Convention, 1947, and the Labour Inspection Recommendation, 1947 (No. 81), the Labour Inspection (Mining and Transport) Recommendation, 1947 (No. 82), the Labour Inspection (Agriculture)

Convention, 1969 (No. 129), and the Labour Inspection (Agriculture) Recommendation, 1969 (No. 133), International Labour Conference (ILC), 95th Session, (Geneva).

<http://www.ilo.org/public/english/standards/relm/ilc/ilc95/pdf/rep-iii-1b.pdf>

ILO 2006b. Strategies and practice for labour inspection, Governing Body, 297th session, GB.297/ESP/3, (Geneva).

<http://www.ilo.org/public/english/standards/relm/gb/docs/gb297/pdf/esp-3.pdf>

ILO 2010. Labour Inspection in Europe: Undeclared Work, Migration, Trafficking, Labour Administration and Inspection Programme, Labour Administration and Labour Inspection Programme (Lab/Admin), Working Document Number 7, (Geneva: ILO).

http://www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---lab_admin/documents/publication/wcms_120319.pdf

Ministère du travail, des relations sociales, de la famille, de la solidarité et de la ville, Direction générale du travail. 2009. L'inspection du travail en France en 2008

http://www.travail-solidarite.gouv.fr/IMG/pdf/Rap_WEB_BIT_2008_19_11_09.pdf

Reinecke, G.; S. White. 2004. Policies for small enterprises: creating the right environment for good jobs, (Geneva).

Schrank, A.; M. Piore. 2007. Norms, Regulations, and Labor Standards in Central America, Estudios y Perspectivas, United Nations and CEPAL, (Mexico: United Nations).

<http://www.eclac.cl/publicaciones/xml/3/28113/Serie%2077.pdf>

Vega Ruiz, M. L. 2009. Administración del Trabajo: Asegurar la gobernanza a través de la aplicación de la ley en América Latina : el papel central de la inspección del trabajo, Lab/admin, Working Document Number 1, (Geneva: ILO).

Tools

Andrees, B. 2008. Forced labour and Human Trafficking: Handbook for Labour Inspectors, (Geneva, ILO).

http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_097835.pdf

International Labour Office (ILO). 2002. Combating child labour: A handbook for labour inspectors, (Geneva).

<http://www.ilo.org/ipeinfo/product/viewProduct.do?productId=2619>

--. 2005. Guidelines for developing child labour monitoring (CLM) processes, (Geneva).

<http://www.ilo.org/ipeinfo/product/viewProduct.do?productId=1500>

von Richthofen, W. 2002. Labour Inspection: A guide to the profession, (Geneva: ILO).

http://www.ilo.org/public/libdoc/ilo/2002/102B09_103_engl.pdf

For further information see the ILO's Labour Administration and Labour Inspection Department website <http://www.ilo.org/labadmin/lang--en/index.htm>

References

- Andrees, B. 2008. Forced labour and Human Trafficking: Handbook for Labour Inspectors, (Geneva, ILO).
http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_097835.pdf
- Casale, G., A.; Sivananthiran; J.L. Daza; C. Mar (eds). 2006, Showcasing tools and experiences in labour administration and the informal economy, (Geneva, ILO/IIRA).
- Chacaltana, J. 2003. Public policy and employment in micro and small enterprises in Peru, SEED Working Paper No. 56, (Geneva, ILO).
http://www.ilo.org/empent/Whatwedo/Publications/lang--en/docName--WCMS_100896/index.htm
- Daza, J.L. 2005. "Labour inspection and the informal economy", Labour Education, Vol. 3-4, No. 140-141, pp. 15-21
- Fenwick, C.; J. Howe; S. Marshall; I. Landau. 2007. Labour and Labour-Related Laws in Micro and Small Enterprises: Innovative Regulatory Approaches, SEED Working Paper No. 81, (Geneva, ILO).
http://www.ilo.org/empent/Whatwedo/Publications/lang--en/docName--WCMS_093618/index.htm
- International Labour Office (ILO). 2002. Combating child labour: A handbook for labour inspectors, (Geneva).
<http://www.ilo.org/ipecinfor/product/viewProduct.do?productId=2619>
- ILO 2002b Report VI Decent Work and the Informal Economy, ILC, 90th Session, (Geneva)
- ILO 2006. Report III (Part IB), General Survey of the reports concerning the Labour Inspection Convention, 1947 (No. 81), and the Protocol of 1995 to the Labour Inspection Convention, 1947, and the Labour Inspection Recommendation, 1947 (No. 81), the Labour Inspection (Mining and Transport) Recommendation, 1947 (No. 82), the Labour Inspection (Agriculture) Convention, 1969 (No. 129), and the Labour Inspection (Agriculture) Recommendation, 1969 (No. 133), International Labour Conference (ILC), 95th Session, (Geneva).
- ILO 2006b. Strategies and practice for labour inspection, Governing Body, 297th session, GB.297/ESP/3, (Geneva).
- ILO 2007, The informal economy : enabling transition to formalization, Tripartite interregional Symposium on the Informal Economy
2008. Report III(1A), Report of the Committee of Experts on the Application of Conventions and Recommendations, ILC, 97th Session, (Geneva).
- Schrank, A.; M. Piore. 2007. Norms, Regulations, and Labor Standards in Central America, Estudios y Perspectivas, United Nations and CEPAL, (Mexico: United Nations).
<http://www.eclac.cl/publicaciones/xml/3/28113/Serie%2077.pdf>
- Reinecke, G.; S. White. 2004. Policies for small enterprises: creating the right environment for good jobs, (Geneva).
- Sivananthiram, A, Challenges Facing Labour Inspection In Asia and Middle East
- Vega Ruiz, M. L. 2009. Administración del Trabajo: Asegurar la gobernanza a través de la aplicación de la ley en América Latina: el papel central de la inspección del trabajo, Lab/admin, Working Document Number 1, (Geneva: ILO).
- von Richthofen, W. 2002. Labour Inspection: A guide to the profession, (Geneva: ILO).
http://www.ilo.org/public/libdoc/ilo/2002/102B09_103_engl.pdf



Making footballs, Sialkot, Pakistan.

Contents:

Acknowledgments / Foreword / Preface / How to use the Guide / Acronyms

PART I: Key concepts

1. Decent Work and the Informal Economy

1.1 Key conceptual issues

2. Measurement of the Informal Economy

2.1 Addressing statistical challenges

PART II: Policies to support transitions to formality

3. Growth Strategies and Quality Employment Generation

3.1 Patterns of economic growth and the informal economy

4. The Regulatory Framework and the Informal Economy

(A) International Labour Standards

4.a1 The Regulatory Environment and the informal economy: setting a social floor for all who work

4.a2 International Labour Standards (ILS): bringing the unprotected under the law

4.a3 Understanding the employment relationship and its impact on informality

(B) Specific Groups

4.b1 Domestic Workers: strategies for overcoming poor regulation

4.b2 Homeworkers: reducing vulnerabilities through extending and applying the law

4.b3 Street vendors: innovations in regulatory support

4.b4 Micro and Small Enterprises (MSEs), informality and labour law: reducing gaps in protection

4.b5 Strategies for transforming undeclared work into regulated work

(C) Labour Administration

4.c1 Labour administration: overcoming challenges in reaching the informal economy

4.c2 Labour inspection and the informal economy: innovations in outreach

5. Organization, Representation and Dialogue

5.1 Social dialogue: promoting good governance in policy making on the informal economy

5.2 The role of Employers' organizations and small business associations

5.3 Trade unions: reaching the marginalized and excluded

5.4 Cooperatives: a stepping stone out of informality

6. Promoting Equality and Addressing Discrimination

6.1 Promoting women's empowerment: a gendered pathway out of informality

6.2 Migrant workers: policy frameworks for regulated and formal migration

6.3 Disability: inclusive approaches for productive work

7. Entrepreneurship, Skills Development, Finance

7.1 Informal enterprises: policy supports for encouraging formalization and upgrading

7.2 Enhancing skills and employability: facilitating access to the formal economy

7.3 Microfinance: targeted strategies to move out of informality

8. Extension of Social Protection

8.1 Extending social security coverage to the informal economy

8.2 HIV/AIDs: overcoming discrimination and economic exclusion

8.3 Extending maternity protection to the informal economy

8.4 Childcare: an essential support for better incomes

9. Local Development Strategies

9.1 Local development: opportunities for integrated strategies for moving out of informality