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Policy Development Section  
*Social Dialogue Segment*

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### FOURTH ITEM ON THE AGENDA

## Outcome 7: Promoting workplace compliance through labour inspection

#### Purpose of the document

This document provides an overview of the strategy on promotion of workplace compliance through labour inspection and its main areas of focus and presents specific examples of progress made in its implementation in the current biennium. The Governing Body is invited to provide guidance on the strategy, its implementation and the way forward (see draft decision in paragraph 53).

**Relevant strategic objective:** All.

**Main relevant outcome/cross-cutting policy driver:** Outcome 7: Promoting workplace compliance through labour inspection.

**Policy implications:** The guidance by the Governing Body will inform the final phase of implementation of outcome 7 in the current biennium and the future strategic orientation of activities on workplace compliance.

**Legal implications:** None.

**Financial implications:** None.

**Follow-up action required:** Implementation of activities under outcome 7.

**Author unit:** Governance and Tripartism Department (GOVERNANCE).

**Related documents:** Programme and Budget for the biennium 2016–17 and Programme and Budget for the biennium 2018–19.



## I. Introduction

1. The object of this outcome is that member States enhance the compliance of all workplaces within their territory with labour laws and regulations, including those based on ratified international labour standards, as well as collective agreements where they exist. Lack of adequate implementation and enforcement by some governments and the failure to comply with the relevant rules on the part of some enterprises contribute to poor working conditions where the rights of workers are not respected and their health and safety is put at risk. The failure to comply also has an adverse impact on the economic development of the country and undermines compliant businesses.
2. Appropriate legal and policy frameworks combined with sufficient labour administration and labour inspection capacity to implement, and access to judicial remedies, are needed to ensure workplace compliance. Robust social dialogue and improved industrial relations also provide important foundations for workplace compliance but their benefits cannot be fully realized if employers' and workers' organizations lack adequate capacity and opportunity to participate.
3. To address these challenges, the ILO Programme and Budget for 2016–17 identified the “Promoting workplace compliance through labour inspection” as one of the ten policy outcomes for the ILO in the biennium.
4. The Office strategy for this outcome was developed on the basis of experience gained in the previous biennium in the Area of Critical Importance (ACI) No. 7 on workplace compliance and the feedback received from the Governing Body on its implementation.

## II. Overview of the strategy

5. The strategy focused on achieving three key changes:
  - (a) strengthened capacity of labour inspectorates, other national authorities and employers' and workers' organizations leading to measurable improvements in workplace compliance;
  - (b) improved national institutional, legal and policy frameworks for workplace compliance, with a focus on high-risk sectors and in line with relevant international labour standards; and
  - (c) effective collaboration and partnerships between labour administrations, other public institutions and employers' and workers' organizations to achieve comprehensive workplace compliance.
6. The strategy was premised on the understanding that the public institution of labour inspection is central to an overall strategy to promote workplace compliance. Appropriate legal frameworks, while critically important, are not sufficient to achieve workplace compliance. Labour inspection institutions must have sufficient capacity and resources, effective compliance strategies and collaborate with other government entities, employers' and workers' organizations and the wider public.
7. A comprehensive and systematic approach requires collaboration within the broader system of labour administration with social security and health authorities, the judiciary and the police. The role of actors needed clarity as several public and private actors have a role in

awareness raising, prevention, training and providing advice on labour law implementation, while labour law enforcement is exclusively a public function which cannot be delegated.

8. The strategy also emphasized the need for consultation and collaboration with the social partners in the design, implementation and monitoring of compliance initiatives. Compliance is strengthened through having in place effective advocacy and preventive measures and adequate training for workers and employers.
9. Yet, a differentiated and pragmatic approach was needed in response to the distinctive set of compliance needs of each member State and in recognition of resource constraints faced by labour administrations generally.
10. The implementation of the strategy was guided by the conclusions on labour administration and labour inspection adopted by the International Labour Conference at its 100th Session (2011). On the normative side, the focus was put on the promotion of the fundamental Conventions, the Labour Inspection Convention, 1947 (No. 81), the Labour Inspection (Agriculture) Convention, 1969 (No. 129), the Labour Administration Convention, 1978 (No. 150), and all relevant Conventions on occupational safety and health (OSH).

### **III. Main areas of intervention**

11. The following sections describe the main areas of intervention, means of action and results achieved in the current biennium to improve legal and policy frameworks, build institutional capacities and strengthen social dialogue and industrial relations to promote workplace compliance.

#### **Labour law reform and policy development**

12. The ILO provided significant technical assistance and policy advice to countries and territories engaged in reform of their laws on occupational safety and health, labour administration and inspection, and labour dispute resolution. Many of these are laws that establish the functions and authority of their labour administration and inspection institutions. Others are engaged in updating outdated OSH laws. Expert advice was provided to constituents on the requirements of ILO Conventions, legislative and regulatory good practices and underlying policy for labour law reforms.
13. Countries and territories receiving ILO assistance at various stages of the reform process included Argentina, China, Costa Rica, Georgia, Guatemala, Honduras, India, Jamaica, Kyrgyzstan, Lao People's Democratic Republic, Myanmar, Ukraine, Viet Nam and Occupied Palestinian Territory. ILO advice in almost every instance included a thorough review of draft text, provision of detailed comments and suggested revisions. In most cases where a new law was adopted, various forms of technical assistance were provided to support its implementation.
14. A variety of results were achieved. For example, Ukraine's engagement of the ILO in the reform of its labour inspection law resulted in repeal of provisions that limited the labour inspectorate's inspection authority to only responding to complaints and the inclusion of provisions that allow the inspectorate to conduct proactive inspections without prior notice. In the Occupied Palestinian Territory, the ILO provided expert advice on the development of a new OSH law followed by technical assistance to implement the new law, which required support for the creation of enterprise committees and development of new inspection checklists. In Serbia, in response to a request made by the tripartite constituents, the ILO provided expert advice on new legislation addressing settlement of labour disputes

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and improving the effectiveness of conciliation services in line with the Voluntary Conciliation and Arbitration Recommendation, 1951 (No. 92).

15. Expert advice was also provided to countries preparing for ratification of ILO Conventions. China was assisted with its consideration of the ratification of Conventions Nos 81, 174 and 187 and a gap analysis of its current laws was conducted. ILO advice resulted in the Government of Kyrgyzstan postponing a decision to repeal the national OSH law and to allow for consultations with the social partners. In response to the needs expressed, a meeting of labour inspectorates from CIS countries and Mongolia was organized to discuss the sustainable development case for improving OSH legislation, the critical role of labour inspectorates in improving OSH performance and the effective use of labour inspection compliance strategies and tools to improve OSH performance.
16. Assistance in the form of expert advice was also requested by constituents when implementing OSH Conventions Nos 155 and 187. The ILO assisted countries in the development of national OSH policies as required by these Conventions in, among others, Saint Lucia, Senegal and Tajikistan.

### **Translating laws and policies into action**

17. Operationalizing policies and laws is a process conditioned by a country's capacity and driven by its compliance priorities. Examples are provided in this section on results achieved through ILO assistance.

### ***Building capacity***

18. The assessment of current capacity, needed capacity and opportunities to improve is a first step in this step-by-step process. Drawing from international labour standards and comparative good practices, the ILO has developed a labour inspection assessment tool which contributes to strengthening the administration and operation of labour inspectorate services through a comprehensive assessment of its functions, procedures, legal and regulatory authority, training tools and practices, human, financial and technical resources, data collection and analysis capacity. A similar tool is being developed for labour administration systems. The ILO assisted with assessments of the capacity of labour inspection services and labour administration systems in China, Democratic Republic of the Congo, Costa Rica, Georgia, Honduras, Kuwait, Malaysia, Mauritania, Mongolia and United Arab Emirates.
19. New organizational structures and functions have directly resulted from assessments in several countries. In Costa Rica the assessment process supported the design and organization of a new labour conciliation and arbitration service and a labour inspection service. In Greece, the assessment resulted in recommendations validated by the social partners for a new organization of the labour administration system reflecting the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204).
20. The ILO also contributed to the development or updating of national OSH profiles which assess 22 elements of a national OSH system in China, Côte d'Ivoire, Kyrgyzstan, Nigeria, Tajikistan and Turkey in line with the Promotional Framework for Occupational Safety and Health Recommendation, 2006 (No. 197). In all instances the social partners were fully engaged in the process. Assistance was also provided to improve the institutional capacity of labour administration systems in several countries, including Armenia, Central African Republic, Lao People's Democratic Republic, Lesotho, Madagascar and South Africa. New institutions for dispute settlement were also built in countries such as the former Yugoslav Republic of Macedonia and Montenegro with ILO technical support.

21. The ILO supported the introduction of new tablet-based technologies for the labour inspection services in Sri Lanka, the piloting of e-inspection services in China, the development and implementation of a compliance officers' information management system in the Philippines and the introduction of a labour inspection case management system in Colombia. In Bangladesh, to improve building and fire safety, the ILO provided needed technical assistance to harmonize standards and procedures and to develop a common system for reporting factory inspections.
22. The ILO supported the creation of a comprehensive database called SmartLab by Brazil's Labour Prosecutor's Office, which provides the prosecutors with integrated data on human rights, OSH, social security, labour relations, vocational training and others, compiled from different government authorities and agencies. In Central and Eastern European countries, in addition to building the capacity of labour ministries and inspectorates, a subregional practical guide for professional conciliators has also been developed as a resource to support the ILO's technical assistance on dispute prevention and resolution.

### ***Developing knowledge***

23. To assist countries in response to their priority compliance challenges, the ILO has compiled research and good practices and developed a suite of new practical tools that are currently being piloted in Burkina Faso, Chile, Colombia, Greece, Haiti, Indonesia, Lesotho, Madagascar and Malaysia. The new tools are:
  - **Strategic compliance planning toolkit:** Offers methods, strategies, and processes to prioritize compliance issues and targets, and build a strategic compliance plan to tackle those priorities, by engaging varied stakeholders and leveraging multifaceted interventions, specifically tailored to enhance drivers and overcome constraints to compliance.
  - **Value chain analysis for global supply chains:** Provides a roadmap of the drivers and constraints for OSH, fundamental principles and rights at work and general working conditions in supply chains and possible compliance interventions.
  - **Labour inspection and OSH information management system(s) assessment tool:** Improves capacity of labour inspectorates to collect and analyse data related to enterprises, workers, compliance history and information necessary to promote compliance. The tool assesses inspectorate data collection and analysis resources, effectiveness, efficiency, quality, and coherence with the *Guide on the Harmonization of Labour Inspection Statistics*.
  - **Labour inspection participatory methodology for the informal economy:** Improves the technical capacity of labour inspectorates to tackle the challenges of the informal economy with a comprehensive set of guidance materials.
  - **Technical toolkit for labour inspectorates specific to the construction sector:** Improves the technical capacity of labour inspectorates with sector specific guidance, training and awareness-raising materials and best practices.
24. Other policy tools have been prepared in the biennium on labour inspection and self-assessment, monitoring of child labour, labour inspection and freedom of association, and labour inspection careers and incentives.
25. The *safeyouth@work* project is preparing a report on the knowledge, attitude and behaviours of young workers towards OSH, based on surveys conducted in the Philippines, Indonesia and Myanmar. Results will inform communications and awareness-raising strategies

targeting young workers. The ILO OSH Global Action for Prevention (OSH–GAP) flagship programme has developed a research methodology that identifies OSH vulnerabilities and the drivers and constraints for OSH improvements in global supply chains. It includes a qualitative assessment of factors influencing the safety and health of workers and the identification of priority areas, key actors and entry points for responsive interventions. Case studies were completed in agricultural supply chains of coffee in Colombia, lychees in Madagascar and palm oil in Indonesia. This methodology and the strategic compliance planning training are being incorporated into the Vision Zero Fund projects administered by the ILO.

### ***Meeting training needs***

26. Direct training of ILO constituents on workplace compliance occurred throughout the biennium. Participants included labour inspectors, staff of labour ministries, conciliators/mediators and arbitrators, trade union members and employers, OSH committee members, as well as judges and magistrates. Training was provided in training “academies” in Turin and training workshops tailored to specific country and constituent needs in countries including Botswana, Cameroun, Colombia, Haiti, Lesotho, Mauritius, Russian Federation, South Africa and Turkey.
27. Specific programmes have also been developed for the training of labour inspectors, training related to the implementation of labour administration systems and the SOLVE platform for distance learning, which focuses on psychosocial hazards and the promotion of health in workplaces. Another academy on Workplace Compliance through Labour Inspection will be conducted at the International Training Centre of the ILO (Turin Centre) in December.
28. For the Russian Federation, for example, the ILO contributed to the preparation of 15 training modules, training of new labour inspectors and the Russian translation of two guides on labour inspection for both employers and workers. In Colombia, technical tools and modules were designed to improve the knowledge and technical skills of 1,173 employees of the Ministry of Labour for effective enforcement of national laws and for the training of more than 10,000 workers from 500 unions to improve knowledge of their rights and their access to remedies. Employers were also supported with the design and implementation of a training program to promote formalization of disguised employment relationships in priority sectors. Several OSH training modules were also reviewed and adapted to better fit the training needs of the Syrian refugees in Turkey.
29. The findings of recent ILO research on mechanisms for the resolution of labour disputes were presented to practitioners and dispute resolution agencies in national and subregional workshops and in the annual courses at the Turin Centre on building effective dispute prevention and resolution. The Better Work academy was launched offering e-learning, coaching, and in-person training to brands and other actors in the supply chains with the goal of scaling-up impacts beyond where Better Work programmes operate.

### ***Collecting, analysing and disseminating data and information***

30. A guide was produced on the harmonization of labour inspection statistics, as well as a short guide on collection and use of labour inspection statistics. A toolbox and factsheets to optimize the collection and use of OSH data were developed and a new knowledge and information exchange platform (OSH-Forum) has been integrated into the ILO Encyclopaedia on Occupational Health and Safety portal. Under the OSH–GAP flagship programme, a global study has been completed of OSH knowledge agencies, institutions and organizations, documenting their mandate, scope of work, and functioning as part of national

OSH systems. Case studies of six regional OSH networks, including a cross-cutting analysis of selected topics of relevance are concluded.

31. Better Work has launched the Transparency Portal which provides public disclosure of compliance results of their registered apparel factories on core labour standards and on OSH, worker compensation, contracts and working time. Independent research published by Tufts University into the impact of Better Work in five countries over seven years also draws on surveys including more than 15,000 workers and 2,000 managers to demonstrate new evidence of the relationship between stronger workplace compliance, worker well-being, firm performance and positive development outcomes.
32. A study was launched into challenges related to the introduction of information and communication technologies in national labour administration systems. The findings were validated at a global expert workshop and a policy brief is being drafted.
33. A Central and Eastern European Labour Legislation database (CEELex) has been developed, containing labour, social dialogue and industrial relations related legal texts and covering 13 countries as a policy tool for both the ILO specialists and the national policy-makers in those countries. So far, CEELex data has been used to inform national tripartite discussions on the Labour Code in Ukraine and the Republic of Moldova and to facilitate tripartite negotiations on a new law on the right to strike and peaceful settlement of labour disputes in Serbia.

### **Strengthening social dialogue and industrial relations**

34. Bipartite dialogue at the enterprise level and institutionalized tripartite social dialogue at sectoral and national level, as well as effective industrial relations, contribute significantly to the enhancement of workplace compliance. Mobilization of national social dialogue institutions in the promotion of safe and productive workplaces and sound industrial relations including within global supply chains was the focus of many ILO activities, including the organization of the following events and training sessions:
  - international conference on workplace compliance and cooperation through social dialogue, bringing together social partners and government members of economic and social councils and similar institutions from 32 countries;
  - tripartite international conference on post-crisis social dialogue and industrial relations in EU countries;
  - African subregional workshop for 11 francophone countries and a Pacific subregional workshop for nine countries held to strengthen the capacity of national social dialogue institutions;
  - training academy on social dialogue and industrial relations held at the Turin Centre with sessions on workplace compliance, dispute resolution, access to justice, and the informal economy.
35. The ILO also contributed to the establishment of tripartite commissions in Azerbaijan, Burkina Faso, Benin and Tunisia. In Benin, representatives of the Government and employers' and workers' organizations adopted a social charter that promotes good governance in the public administration for prevention and resolution of labour disputes. The Office promoted national tripartite social dialogue in several countries through national studies, technical assistance and training, including in Albania, Cameroon, Chad, Georgia, Jordan, the former Yugoslav Republic of Macedonia, South Africa and Tanzania.



36. Development of legal and policy frameworks and capacity building on social dialogue also benefited from the new ILO publications such as: *Multinational enterprises and inclusive development: Harnessing national social dialogue institutions to address the governance gap*; *Tripartisme et dialogue social territorial*; *Transition to formality – The critical role of social dialogue*; *Promoting social dialogue in the rural economy*; *Social dialogue as a driver and governance instrument for sustainable development* (ILO–ITUC issue paper); and *Working together: State intervention and social partner involvement*.

#### IV. Development of flagship programmes

37. The ILO OSH–GAP flagship programme responds to the growing demand by the Governments and social partners for assistance to strengthen national and enterprise-level OSH systems, as prescribed by key OSH Conventions Nos 155 and 187. It addresses critical building blocks that are foundational to improving the safety and health of work and workplaces and addresses specific challenges as regards small and medium-sized enterprises, hazardous sectors of construction and agriculture, global supply chains, and workers with increased vulnerability to injuries and illnesses – young workers aged 16–24, women and migrant workers.
38. Current initiatives include the development of tools to assist countries in assessing their current OSH capacities and opportunities for improvement; mainstreaming OSH into technical and vocational education curricula; development of an OSH National Performance Index and a Confidence Level Index to assess the reliability of national OSH notification and recording systems.
39. As an integral part of the OSH–GAP, the Vision Zero Fund has a particular strategic focus – to realize the goal of zero work-related fatalities and severe injuries and diseases by improving OSH practices and conditions in sectors linked to global supply chains and to strengthen key OSH capacities including labour inspection services and employment injury insurance schemes in countries linked to global supply chains.
40. The Better Work flagship programme improved compliance with core labour standards and national legislation in 1,500 firms in the global garment industry. It has also developed a new strategy to meet the growing demand for its services in the garment sector and beyond. The programme aims to expand and scale up impacts significantly through partnerships in the supply chain and by synergizing with other ILO programmes at sectoral and national levels.

#### V. Building partnerships

41. ILO work was promoted at international level, including the UN Committee of Experts for Public Administration (CEPA) and through research conferences such as the annual conferences of the Association for Public Policy Management and Analysis (APPAM). Networking of experts on labour administration, comprising labour practitioners, scholars and experts from the UN Department for Economic and Social Affairs, the OECD and the ILO is being actively promoted to better capture knowledge on recent trends in labour administration and on modern public sector management methods.
42. Better Work also developed closer working relations with labour inspectorates to maintain the distinction and complementarity between its efforts and the enforcement mandate of the labour inspectorate. New protocols have been introduced to strengthen cooperation and accountability between the two parties on the handling of the most serious non-compliance issues.

43. The ILO has enhanced its partnerships with the Fair Work Commission of Australia, the Labour Relations Agency (Northern Ireland), the Workplace Relations Commission of Ireland, the Commission for Conciliation, Mediation and Arbitration of South Africa and many other similar institutions, and offered them a platform for sharing practical knowledge and experiences and innovations through the Turin Centre course on Building effective labour dispute prevention and resolution systems.
44. Finally, the ILO is working with key partners to develop the idea of a global OSH coalition to support the development of solutions to global OSH challenges, including collection of reliable and comparable OSH data, the safety and health of migrant workers, OSH in global supply chains and OSH and the future of work.

## **VI. Workplace compliance and the UN Sustainable Development Goals (SDGs)**

45. Good governance, which is central to outcome 7, is critical for the implementation of the UN Development Agenda 2030. ILO work under outcome 7 contributes directly to SDG No. 16 “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”, which calls for the rule of law and equal access to justice for all; effective, accountable and transparent institutions at all levels; and responsive, inclusive, participatory and representative decision-making at all levels. outcome 7 also directly contributes to the achievement of SDG No. 8 “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all” which calls for the protection of labour rights and promotion of safe and secure working environments for all workers and to SDG No. 3 “Ensure healthy lives and promote well-being for all at all ages” which seeks to reduce deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination through improved occupational safety and health.

## **VII. Lessons learned and challenges**

46. In this biennium significant results have been achieved under outcome 7. Yet, a reflection on the following challenges should lead to improved planning and further results in the coming biennium.
47. Experience has shown that results can be achieved if the ILO action is based on a pragmatic approach to the actual needs and specific circumstances of each country concerned, as expressed by the tripartite constituents. Therefore assistance on workplace compliance needs to be well integrated into Decent Work Country Programmes and follow a needs assessment validated by the constituents.
48. ILO intervention needs to be comprehensive and systematic, sustained over a number of years, where different necessary legal, administrative and practical aspects of workplace compliance are considered at the same time in the actual national context. The cooperation developed in this biennium with Mauritania and the results achieved demonstrate the value of this comprehensive approach.
49. A major challenge in the implementation of this outcome is the limited capacity of many labour administrations to deliver on their mandate. Workplace compliance cannot be adequately ensured if labour administrations lack the necessary human and financial resources. Development cooperation projects for large-scale capacity building should be pursued.

50. It is also important to include sustainability aspects up front, as ILO activities should partner with national expertise, provide training of trainers and transfer the management and planning skills to the constituents. Greater effort needs to be made to tap into technology solutions. Current methods for providing training are resource intensive and have limited flexibility to respond to the diversity of ILO constituents.
51. As ILO resources are limited, the ILO should continue to synergize and achieve results through continued cooperation among different technical units and policy outcomes. In the case of outcome 7, cooperation with other policy outcomes has proved valuable, in particular with outcomes 3, 5, 6 and 8 respectively, on the extension of social protection floors, decent work in the rural economy, formalization of the informal economy, and protection of workers from unacceptable forms of work. Joint planning of activities under different projects in the same country has proved to be very useful in this regard. Cooperation is also being developed among flagship programmes.
52. Based on the Office's experience over this biennium, the indicators and targets for the next biennium are revised as presented in the Programme and Budget for 2018–19. The major elements of the strategy are however retained subject to the guidance received from the Governing Body. The aim continues to be promoting workplace compliance through strong social dialogue, appropriate legal and policy frameworks and public institutions with sufficient capacity to perform their roles and functions.

## **Draft decision**

53. *The Governing Body requests the Director-General to take account of its guidance in developing and implementing the strategy for outcome 7 of the Programme and Budget for 2018–19 on “Promoting safe work and workplace compliance including in global supply chains”.*