

Labour Administration: Trends, Challenges and Lessons

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Arab Conference on Labour Market Governance in the Context of Changing Arab Societies
Sharm El Sheikh, Egypt

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ILO Concept of Labour Administration

- All public bodies responsible for or engaged in elaboration, implementation, control and evaluation of labour policy
- In other terms, all ministerial departments and public agencies which have been set up by national laws and regulations to deal with labour matters
- The term of labour policy is not defined by the ILO Labour Administration Convention No. 150, but in most countries it includes protection of labour, employment, industrial relations and social protection
- The national systems vary: see the ILO working document No. 27

Trends, developments and impacts of the crisis

- Long term trend towards increased involvement in national development
- Higher portion of national budgets devoted to labour policy. However, a huge gap between developed and developing countries.
- As consequence, changes in the mandate of labour ministries and in their supposed mission: from protective and regulatory role towards active economic role
- Increased focus on efficiency : implementation of administrative reforms and adopting of private sector management methods
- Economic crisis: initial period of high expectations and increased budgets followed by austerity and budgetary cuts, also in labour affairs

Major challenges identified by ILO audits

- Labour administration needs assessments (institutional audits) elaborated in dozens of ILO member States at the request of national governments
- They serve double purpose: a unique source of comparative knowledge and the basis for future action by the ILO as well as by national governments
- Major challenges revealed in labour administration systems, for example weakening of labour ministry's mandate, low impact on national policies, poor management practices, inadequate internal structures, weak coordination, insufficient cooperation with social partners.
- As a result, major errors in labour policy may occur, further undermining labour administration's capacity to manage labour matters as well as its reputation.
- What are the lessons learned?

1. Labour administrations needs an ambitious, but realistic mandate

- Mandate embracing key roles of labour administration: labour, employment, industrial relations and social protection
- Mandate, but also vision and mission focused on core labour matters
- Mandate underpinned by appropriate budget, legal and organizational framework, staff and know how
- Employment mandate requires inter-ministerial collaboration
- Leading role in areas such as vocational training, labour migration, etc

2. Labour administration should be properly coordinated at all levels

- Senior management of the ministry: specific role of the Minister and of senior civil servants in securing hierarchical command. Clear relationship between political appointees and civil servants
- Growing specialization (fragmentation) increases the need for horizontal coordination (eg. between different components of labour inspection)
- Coordination of policies (eg between employment and social security)
- Cooperation with other Ministries and public authorities
- Coordination between headquarters and field offices

3. Internal structures should be clear and logical

- One size fits all is normally not a successful reform strategy
- Public sector bodies are multi-functional entities trying to balance partly contradictory goals and considerations (increased efficiency, higher user attention, better quality of services, employment versus protection, productivity versus security, etc)
- Reforms done either through strong hierarchical control by top executive leaders or through negotiation processes leading to compromises
- Some basic principles: simplicity, transparency, clear reporting lines, concentration of key professionals, especially in general support services, division between technical units and support units.

4. Rigorous planning, evaluation and reporting is necessary to enhance accountability

- The Ministry must be accountable for implementation of its legal mandate, so the objectives must be clearly stated, as well as personal responsibility for outputs and outcomes
- Quality planning, policy evaluation and reporting is also vital for better communication with parliamentarians, media and large public
- Strategic planning, covering period of 3 – 5 (or more) years, is an extension of ministry's mission and vision and should be based on some kind of policy agreement
- Yearly plan must be budgeted, realistic and based on measurable indicators
- Yearly report should mirror the yearly plan and should also provide a narrative part
- Crucial importance of reliable statistical and administrative data

5. Human resources are essential asset

- Sufficient, highly trained and motivated staff is essential for implementation of labour administration's tasks
- Most countries complain about insufficient staff, but the issue is not just sheer numbers, but the way how staff is managed.
- Career development starts with fair selection procedures, that must be impartial and based on objective criteria. Ideally, the candidates should opt themselves for a particular career within the labour administration
- Efficient career management should provide incentives for better performance
- Stability combined with flexibility and mobility among across units and agencies
- Training plans should provide for continuous training (legislation, IT, etc) as well as more academic education

6. Labour administration cannot work without essential material equipment and new technologies

- Insufficient budget allocations or poor management result in lack of essential material equipment such as communication means and transport
- It is critical to provide vehicles or to transport allowances to those categories of labour officers who work in the field, especially labour inspectors
- Very often, there are unjustified bureaucratic obstacles or available equipment is not efficiently used and shared between services
- New technologies, while extremely useful, require certain conditions to be helpful (training of the staff, continuous funding, etc)

7. Modern management methods to be considered, but implemented cautiously

- Learning from the private sector organisations (New Public Management): empowerment combined with greater accountability for results. Less hierarchical structures and bigger autonomy of middle management counterbalanced by performance management systems
- For example, in many countries, performance contracts are signed with all managerial staff
- However, these management methods require existence of a well run and disciplined administration with history of good planning at all levels
- Result based management is efficient if implanted in administration that is based on public administration values, such as accountability, transparency, equal treatment, objectivity and strong work discipline

8. Administration should provide quality services

- A reasonable balance should exist between policy making, regulation, enforcement and provision of services
- The *raison d'être* of labour administration is elaboration and implementation of labour policies
- However, labour administration is often judged according to the quality of services provided to the large public through job centres, vocational schools, social security administration, etc
- Another type of service is promotion of healthy industrial relations through technical advice provided to social partners, assistance to tripartite bodies or dispute settlement as well as active promotion of collective bargaining. Balance between promotion and intervention.

9. Outsourcing to public agencies is not a universal solution

- Trends towards outsourcing of labour agenda on public agencies (agencification)
- Justified by hope for better management, less political influences, involvement of non state actors, better motivation of staff, etc
- Particularly justified in social security administration and dispute settlement agencies. Both need strong ownership by stakeholders and certain independence on policy making
- Less obvious in employment agencies.
- Advantages, but also risks, such as weakening of influence of labour ministries, unclear relationship with policy making bodies, imbalance between employment conditions in public administration and parastatal bodies

10. International cooperation in labour matters to be further promoted

- Usually quite a high priority in many labour ministries (also in terms of the budget), but what are the benefits?
- The priority objectives should be learning from good practice, engaging in cooperation on labour matter (especially with neighbours and important trading partners) to facilitate labour migration and protect migrant workers, and to promote decent labour standards at the international level
- Sometimes the international units are not well organised, do not serve the whole ministry and lack any analytical capacity. Research institutes can also be involved in international matters.
- ILO's objective is to increase its own analytical and technical capacity to help its constituents. The needs assessment exercises (labour administration and inspection units) are the best point of departure.

Conclusions

- There is a broad scope of measures that could be taken to enhance the role of the labour ministry (and the labour administration as a whole) and to make it more efficient
- International cooperation can be extremely useful in exchange of good practice
- The ILO, through its Governance Department, is ready to provide necessary support in areas such as modernization of management of labour administration institutions (including labour inspection), but also in the connected fields of labour legislation and social dialogue
- To be successful, we need a strong commitment and support by senior management of labour ministries as well as interest and involvement of social partners