

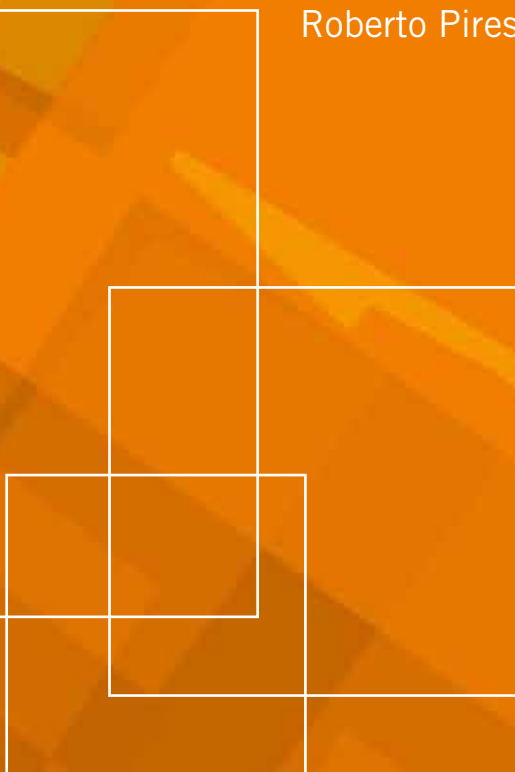


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Labour inspection and development: Some reflections

Roberto Pires



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**Labour Administration and Inspection Programme
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**Labour inspection and development:
Some reflections**

Roberto Pires

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Preface

Within the framework of the Norwegian funded project on “Strengthening labour inspection services in selected countries”, I am pleased to introduce this “Paper to concepts, experiences and evaluation techniques in labour inspection”.

Dr Roberto Rocha Pires of the Instituto de Pesquisa Economica (IPEA) of Brasilia has written a paper combining academic research (based on case studies that draw on empirical evidence) and a guidelines-themed promotional instrument. It is clear, succinct, well written and user-friendly. His main argument that a carefully designed labour inspection system can boost developmental targets is persuasive and supported by a series of case studies. The latter are carefully selected and cover multiple industries as well as innovative labour inspection practices.

Overall, the paper demonstrates that the field of labour inspection (too often described as a static one) can be a key developmental tool in the hands of labour administrations and could be viewed with empathy by all parties concerned.

With this paper, the key concepts and notions on labour inspection and development are brought to the attention of the reader and will prove useful when designing and implementing labour inspection policies.

Ms Maria Luz Vega Ruiz, Senior Labour Administration/Inspection Specialist, provided technical supervision in the preparation of this paper. I thank her for her continuous commitment to searching for innovative research areas in labour inspection. Many thanks also to Ms Angela Onikepe and Ms Caroline Augé for their editing and formatting of this working paper.

It is hoped that labour administrators and inspectors, governments, workers, employers and researchers will find this paper useful for their day-to-day work.

Giuseppe Casale
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Contents

Preface	iii
1. Introduction	1
2. Restoring the links between labour inspection and development: historical origins and current trends	2
3. Labour inspection and development: contemporary empirical evidence	8
3.1. The enforcement of wages and hours regulations in Brazil	8
3.2. The enforcement of health and safety regulations in Brazil	10
4. Assessing the impacts of labour inspection: moving beyond numbers and statistics	13
4.1. Data collection: how to document a case and its outcomes	14
4.2. Data analysis: making sense of data and exploring the links between interventions and outcome	16
4.3. Conclusions: making the case for the developmental impact of labour inspection... ..	17
4.4. Beyond the dissemination of findings: cases as an instrument for reflecting on good practices.....	18
5. Conclusion	19
References.....	21

1. Introduction

In the wake of the global financial crisis initiated in 2008, the role of the state in regulating market activities has been further reinforced. In the past two decades, government regulatory activity has been on the rise in regions as diverse as Southern Europe, North Africa and Latin America; all this in a movement that has been recently characterized as a “regulatory renaissance”, over the receding waters of neoliberalism (Piore and Schrank, 2006 and 2007). Policymakers in France, Spain, Morocco, Argentina, Brazil, Chile, the Dominican Republic and other Latin American countries have devoted new resources to the enforcement of their labour and employment laws, in some cases even doubling the size of their labour inspectorates (Piore and Schrank, 2008; Ruiz, 2009a; 2009b).

Even though labour inspectorates have been strengthened in so many countries with the recruitment of new inspectors and the professionalization of existing frameworks¹, a traditional perception of labour inspection work as excessively bureaucratic, legalistic and reminiscent of obsolete and inefficient forms of state control persists in the public imagery. This is due to two main reasons. First, more often than not, labour inspection administrations report their work through static output indicators (e.g. number of fines/citations issued, amount of money collected through fines, number of firms visited, etc.), rather than making public, the developmental impacts of their work. Second, researchers and other actors interested in labour regulation have made little progress in terms of developing the analytical framework and methodological tools for identifying and exploring the links between labour inspection and socio-economic development.²

In this context, the goal of this paper is to lay out an analytical perspective, rooted in historical and contemporary evidence, which illuminates the links between labour inspection and socio-economic development and suggests tools and techniques for their identification, analysis and reporting. This paper makes the point that the outcomes of labour inspection extend much beyond the traditional performance indicators – such as number of inspections, number of fines issued, number of workers assisted, etc. – and it describes the impacts of labour inspection on social and economic development. It provides the analytical lenses and investigative tools with which to examine the perception of when and how the interventions of labour inspectors promote positive changes in the mobilization and protection of workers, as well as in the reorganization of production and business practices, through the induction of legal, managerial and technological advancement.

This paper is a product of the Labour Administration and Inspection Programme (LAB/ADMIN), at the International Labour Organization (ILO), in its role of providing technical assistance, capacity development, and the rendering of Ministries of Labour and labour administration/inspection systems more effective in promoting the Decent Work Agenda throughout the world. We hope that managers of labour inspection

¹ It is important to note that, because of the financial crisis initiated in 2008, some European countries have shortly reduced their budget and personnel for labour inspection services, especially administrative staff (Ruiz, 2009b).

² There are few scholarly efforts to date that have attempted to document these links and disseminate the lessons learned from successful experiences (among the exceptions are, Pires, 2008a; Piore and Schrank, 2008; Coslovsky, Pires and Silbey, 2010; these sources are useful examples).

services will find this paper useful in building or strengthening the reputation and image of their programmes in their own countries, by effectively communicating to workers, employers and other actors, the positive impacts often associated with their work.

This paper has two main goals:

- (a) Raise awareness about the potential positive impacts and developmental outcomes associated with labour inspection (e.g. improvement of working conditions while at the same time creating conditions for the upgrading, productivity and competitiveness of firms); and
- (b) Provide labour inspectors and the managers of labour inspection systems with tools, techniques and methods for data collection, data analysis, and reporting on the positive impacts of their enforcement initiatives.

We consider that raising awareness about the potential developmental role of labour inspection and providing the managers of these services with the tools for communicating their achievements are important steps in educating workers, employers and society about the role of labour inspection. While the assessment and reporting of the positive impacts of labour inspection for social and economic development is relevant for building or strengthening the good reputation of labour inspection services with their constituencies, internally, the same measures should contribute considerably to improving the self-esteem and motivation of labour inspectors, as well as stimulating productive reflection on their own practices.

In order to achieve these purposes, this paper is structured as follows: in the first section, we focus on the historical origins, evolution of and current trends in labour inspection work and administration. By briefly reviewing historical accounts of the work performed by early labour inspectors (in Europe), our goal is to highlight the inextricable links between labour inspection and development and indicate why the perception of such links have become obscured in the contemporary thinking and practices in labour inspection administration. Next, we turn to contemporary empirical evidence that confirms the connection between the work of labour inspectors and the creation of conditions for socio-economic development. Drawing from concrete experiences and interventions of labour inspectors in countries as diverse as Brazil, Chile, Dominican Republic and the United States, this section describes how labour inspection can play a role in promoting both the protection of workers as well as the improvement of production processes, product quality and firms' competitiveness. The final section provides insights into and techniques for the assessment and reporting of developmental impacts of labour inspection. It describes techniques for data collection, analysis and reporting, which are useful in the elaboration of evidence-based cases on labour inspection interventions, serving the purpose of evaluating inspectors' performance and reflecting on their practices in search for corrections and continual improvement.

2. Restoring the links between labour inspection and development: historical origins and current trends

The origins of labour inspection in Europe and its dissemination across the globe are well-documented (Wilson, 1941; Wallin, 1969; Jatobá, 2002; Richthofen, 2002; Ruiz, 2009a; 2009b); and it is possible to say the literature on the topic agrees on two points. First, the emergence of state labour inspection services arose from a social push towards state regulation of economic forces. As described by Wallin (1969):

“[the] closing years of the nineteenth century had provided shattering evidence of the appalling and intolerable conditions to which workers were subject in the industrializing countries (...) to call a halt to the exploitation of women and children (...) [to] put an end to working days of twelve to sixteen hours, to raise wages above starvation level.” (p. 52);

Second, the need to protect exploited sections of the population and the resultant passage of legislation that provided regulatory powers for state intervention was clearly a great turning point in the history of social policy (Marvel, 1977). It inaugurated social protective legislation and the state’s administrative effort to enforce it.

Another common trait of such narratives about the origins of labour inspection is the emphasis on historical accounts of the emergence of new legal and administrative forms – i.e. the emergence of administrative law, social rights and administrative regulatory bodies for their enforcement (Arthurs, 1980; Field, 1990; Richthofen, 2002). These studies frequently indicate that by 1910, official bodies for supervising the application of labour law had been set up in 22 European countries (Wallin, 1969), in addition to similar developments in the Americas (Canada, Argentina, Chile and Uruguay), Japan and many more countries in the following decades (Jatobá, 2002; Ruiz, 2009a; 2009b)³. Not infrequently, these historical accounts portrayed the early inspectorates as pitifully understaffed offices with agents having limited powers and not doing much other than compiling and publishing more or less haphazardly statistical data about their narrowly repressive role in the regulation of labour relations.

As a consequence, by emphasizing legal and administrative forms, historical accounts of labour inspection more often than not, failed to provide evidence and details on the connections between labour inspection and development – that is, the more substantive content and implications of labour inspection work at each historical moment and their implications and connections to the improvement of social and economic conditions. In contrast, the historical studies that did pay attention to the observation of labour inspectors’ actual work, going beyond the description of their formal duties and their organizational capacities, provided interesting insights about the “genetic relationship” between labour inspection and socio-economic development, even in the face of the difficulties and limitations pointed out above (i.e. unprofessional and under-resourced inspectorates).

Reid’s investigation of the inspectors in Belle Époque France documents how “even in its earlier incarnation then, the inspectorate saw its job as something other than the relatively futile gesture of extracting token fines from offending employers” (1986, p. 69). In the late-nineteenth century, important advances such as the recruitment of paid unprofessional inspectors independent of employers coexisted with a variety of obstacles, ranging from legal impediments to the issuing of fines to crafty subcontracting practices adopted by employers, which hampered inspectors’ efforts to enforce minimum standards for all workers. The difficulties inherent in the job led the early inspectors to develop alternative ways of transcending their limited enforcement role. In Reid’s description, early French inspectors pursued three different strategies:

- (a) Participation in many social reform organizations founded in France before the First World War, which brought together a wide spectrum of individuals and

³ Ruiz (2009a; 2009b) provides a comprehensive description of the origins of labour inspection administration in European and Latin American countries, providing dates of creation, legislation and organizational structures.

included union leaders and representatives of owners' occupational safety associations. By participating in these organizations, labour inspectors sought to further these groups' search for legislative and administrative ways in which the state could alleviate social conflict.

- (b) Changing employers' mentality by showing the commercial and technical advantages of compliance, such as inspectors' extensive efforts to prove to employers that workers could produce as much or more in ten hours as they had previously done in twelve; promoting findings about new technical developments that allowed workers to do their jobs in safer and more hygienic conditions, while reducing unit production costs for the employer.
- (c) Transforming labour's view of industrial relations by developing a working relationship with local union leadership. As one divisional inspector commented in 1908, "it is more and more evident that workers consider the labour inspector as their natural counsellor. [In their dealings with him they] appear to attach a greater importance to economic questions than to purely regulatory ones." (Reid, 1986:81).

Similarly, Marvel (1977) provides a description of labour inspectors' developmental role in Great Britain. In his investigation of the British early inspectorate, he argued that the passage and implementation of Lord Althorp's Factory Act (1833), which regulated the employment of children in the textile factories of Great Britain, produced impacts beyond the protection of young labourers from the consequences of textile entrepreneurs' avarice. In effect, the activities of the inspectorate created by the Act placed a burden on the group of manufacturers employing the worse forms of exploitation, while rewarding the economic position of manufacturers who adopted relatively better labour practices, contributing for the wide dissemination of technologies and management practices that were associated with better working conditions and factory performance.

More than one hundred years later, Michel Wallin (then chief of the Labour Administration branch of the ILO), in an impressive retrospective of labour inspection origins and developments, synthesized what should constitute the four-point programme of labour administration: a) law enforcement; b) development of human resources; c) increased participation of employers and workers; and d) the investigation of the links between economic growth and social progress (Wallin, 1969). The same perception was widely shared by specialists on the topic, who envisioned the functions of labour administration systems which involved the laws and administrations responsible for implementing them, extending beyond the mere verification and imposition of the new laws. As labour inspection work involved the dual mission of strictly controlling business activities and actively observing and interfering in the social reality of workers and employers, it gradually evolved into a peculiar set of liberal legal institutions, as well as a fundamental pillar of social reform, bringing together economic and social development.

Even though these historical accounts make clear the "genetic relationship" between labour inspection and development, the perception of these connections seem to have been obscured by two different movements in the study and analysis of labour administrations in the last decades: a) given the traditional focus of the literature on legal and administrative forms, rather than on the actual work of labour inspectors, studies have emphasized the description of systems and models of labour inspection, rather than the practice and consequences for workers and firms; and b) dominant paradigms in public sector reform have emphasized the narrowing and specification of output indicators, excluding from public reporting and attention many of the activities performed by inspectors with serious implications for development.

A relevant body of literature about contemporary labour inspection has focused on understanding and explaining the variations in systems and models of inspection across countries and regions of the globe. There is some consensus today about the three main lines around which labour inspection systems take shape: generalist, specialized and integrated systems (Piore and Schrank, 2008; Richthofen, 2002; Gunningham, 2003; Coslovsky, Pires and Silbey, 2010). Generalist systems of labour inspection usually concentrate on the functions of controlling health and safety conditions, work environment, individual and collective labour relations, as well as (in some cases) functions related to employment promotion, professional training and social security. Specialized systems are characterized by the fragmentation of these functions into several independent agencies (e.g. involving the separation of health and safety from wages and hours inspections, as well as the constitution of inspectorates specialized in certain economic sectors – transportation, mining, etc.), sometimes under the control of different authorities (e.g. the Ministries of Labour, Health, or Commerce and Industry).⁴ Integrated systems are those that are organized as a set of fragmented agencies under a centralized coordination body, which houses the collective planning and implementation of programs and actions targeted at common goals.

While some labour inspection administrations in some countries fit well with these conceptual categories (such as France and Spain, in the form of generalized systems, and the United States and Britain, with specialized systems) in many countries, it is possible to find hybrid combinations of these systems because of their different political-institutional regimes. In federal countries, a combination of decentralization of functions under the coordination of central authorities is frequent. Countries with smaller territories have also experienced multidisciplinary, transversal teams bringing together professionals from different agencies in the solution of local problems.

These stark differences in the structure and organization of labour inspection administrations (i.e. specialized versus generalists systems) have deep historical, political and institutional roots. For example, variation in the organization of the systems reflects fundamental differences in conceptions of the state and its relationship to the society in each region and the tradition of political thinking (Kelman, 1984; Piore, 2004). Specialized labour inspection systems, or the Anglo-Saxon model (such as England and the United States) as defined by Piore (2004), are rooted in liberal societies. In these societies:

“...the basic social unit is the individual; society is essentially an aggregate of individuals. Neither the nation nor the state exist separate from or prior to the individual citizens. The nation is nothing more than a collection of individuals who happen to live in the same geographical territory. In discussing politics, we do not use the word ‘state’ at all, but speak rather of the ‘government’. The role of government is, first, to protect the autonomous individuals from interfering with each other. Only secondarily does this view recognize an active role of government

⁴ It is worth noting a recent tendency in specialized systems towards the enlargement of their competencies and the coordination of the different functions and agencies under the control of single authorities. In the past few years (further exacerbated by the recent economic crisis and the spread of regulatory problems such as undeclared work), the organizational structure of labour administrations has been reformed in many countries. Countries typically characterized by specialized systems, focused on occupational health and safety regulations, have been increasing the competencies of their labour inspectorates to cover problems related to employment relations issues. In countries such as Switzerland and Ireland, new legislation has been passed promoting the coordination between different agencies such as tax authorities, employment services, social security bodies and even the police, in order to fight undeclared work (Ruiz, 2010).

and when it does so, government is conceived as an alliance of individuals for accomplishing particular ends. Government agencies are thus rendered as instruments for achieving particular ends. *The government is then really the collection of such agencies*” (Piore, 2004, p. 9).

This liberal vision is haunted by the fear that government will interfere with the rights and freedom of individuals. This political-institutional ethos underlies the system of labour market regulation as a policing operation. The regulations are seen as many restraints upon the actions of employers designed to protect workers, as individuals, from particular harms. Responsibility of enforcing regulation is spread out among nearly a dozen administrative units⁵. The dispersion of the powers among so many different agencies reflects the desire to create checks and balances on government action by endowing entities with overlapping jurisdictions.

In contrast, the generalist system of labour inspection developed under Franco-Iberian institutional models, which then spread to Latin America. In this political-institutional tradition, the nation is seen as an organic whole and the role of the state is to insure the welfare of society (Dulles, 1974; Stepan, 1978). This understanding of society leads naturally to a system of labour market regulation that is less concerned with particular rules and regulations than with the more basic patterns of relationships, which generated them in the first place. It leads also to a conception of the role of the inspector as a representative of the state, as an educator or tutor, rather than as a police officer (Piore, 2004).

Therefore, if the Anglo-Saxon model encourages us to think of labour standards as a series of discrete regulations, in the Franco-Iberian model, the labour code is administered by a single agency. The code is enforced through periodic inspections by the line officers of that agency (the labour inspectors) and when the inspector visits a shop, he or she can, in principle, inspect for everything, from health and safety violations to violations of wage laws, union contracts, child labour laws and even immigration laws and cite the company for violation of any one of the code’s provisions (Piore, 2004; Piore and Schrank, 2008).

The ongoing debates about general patterns of administrative structure of labour inspection, as well as about their legal origins and traditions (e.g. civil versus common law; Kelman, 1984; Hawkins, 2002) have provided interesting schemas from which we can observe the variations in the evolution, organization and operation of labour inspectorates across different countries and regions of the globe. However, by calling attention to macro-structures, these explanations have failed to provide deeper descriptions of the actual work labour inspectors perform in their everyday routine (e.g. the different ways through which they interact, positively or negatively, with production processes and management practices). Thus, these explanations fail to explain variations within the same countries or regions (i.e. why some interventions are successful while others are not), or to point out the features of each model/system that are more adequate for each context.

⁵ For example, in the United States, these agencies include: the National Labor Relations Board, the Federal Mediation Service, the Office of Equal Employment Opportunity, the United States Citizenship and Immigration Service, the Wages and Hours Division of the Department of Labor, the Occupational Health and Safety Administration and the Employee Retirement Income and Security Administration (which regulates private pension funds). Many of these agencies have counterparts at the state and local levels that form totally separate and independent regulatory bodies.

In parallel to the debates about the legal and administrative forms of labour inspection, trends in public sector management, such as the new public management (NPM) reforms (which have swept government administrations in the developed and developing countries since the 1980s) have imposed conditions on the operation of labour inspectorates that further obscured the perception of the potential developmental impacts of inspection work.

Against the breakdown of administrative capacity in the previous decades and widespread discontent with government performance, NPM gave hope for improving administrative efficiency and responsiveness to political principals and citizens, with its orientation towards outcomes and the optimization of the public budget. The literature on the topic identifies three main characteristics of public sector reforms categorized under the rubric of NPM: a) decentralization, with the disaggregation of sub-national government actors, the splitting up of large hierarchical structures and the separation of core versus other functions of government; b) privatization and competition, with the deregulation, creation of quasi-markets for most public services and public-private partnerships (PPP); and c) performance management, with the institution of targets and output indicators to measure the performance of organizations and their officers and a strong emphasis on pecuniary-based, specific performance incentives such as pay-for-performance schemes (Osborne and Gaebler, 1992; Dunleavy and Hood, 1994; Pollit, 1995; Bresser-Pereira and Spink, 1999; Barzelay 2001).

NPM reforms emphasize the measurement of outputs as the main strategy for holding administrations accountable for their performance instead of the traditional form of control through legal and administrative procedures. Under this model, public sector organizations should define a short list of performance targets that can be narrowed, quantified and measured. Every officer is assigned a piece of the overall target. Supervisors are supposed to constantly monitor officers in terms of their performance in meeting these targets (in reference to quantitative output indicators). In order to provide the right incentives, managers administer bonuses (pay for performance schemes) to the salaries of only those workers who periodically meet the target.

Although some of these NPM-inspired reforms have produced important advances in the modernization of labour inspection management throughout the world, more often than not, such reforms have pushed labour inspection administrations away from fully realising their potential developmental impacts. In compliance with NPM recommendations, labour inspectorates have narrowed their goals and the expected outcomes of their operations that can be readily measured (such as number of inspections performed, number of sanctions (e.g. notifications, fines, suspensions, etc.), number of workers that have directly benefited from inspections and the amount of money collected through fines). By placing these measures at the level of the main goals to be achieved by the organization, NPM reforms have created important disincentives. These reforms have also reduced the necessary flexibility needed for labour inspectors to perform a varied course of actions that could produce impact (in terms of promoting workers' protections and firms' improvement, such as participation in meetings, mediation of conflicts, creating and managing networks of workers, firms and government organizations that search for technological, managerial, and legal solutions to problems emerging in the interface of workers' right and economic productivity). In contrast to the work performed by the early inspectors, which involved a varied set of strategies for engaging firms and workers, contemporary labour inspection administrations find themselves limited to demonstrating high levels of performance in a narrow set of goals, not necessarily those related to social and economic development.

3. Labour inspection and development: contemporary empirical evidence

Current trends in research (with the focus on legal and administrative forms) and in the practice of managing labour inspection organizations (performance management criteria) have contributed to obscuring our perception of the potential links between labour inspection and development. However, empirical data shows to an inextricable connection between the work of labour inspectors and the creation of conditions for socio-economic development. As argued before (Pires, 2008b), we believe labour inspectors occupy a “privileged position in the mediation of social protection and economic progress”, because through the act of imposing regulation in specific situations, they can overcome the deficiencies and anachronism of the written law as well as push firms towards necessary adaptations in management and production practices. In this section, we note insights from the work of the early labour inspectors and demonstrate the circumstances and practices involved in the contemporary promotion of development by labour inspectors. Drawing from concrete experiences and interventions of labour inspectors in Brazil, as well as other countries (Chile, Dominican Republic and the United States), this section describes how labour inspection can play a role in promoting both the protection of workers as well as the improvement of production processes, product quality and firm-competitiveness.

3.1. The enforcement of wages and hours regulations in Brazil

This subsection reports on two cases in Brazil, concerning the enforcement of wage and hour regulations. The first case concerns the temporary employment of low-skilled workers during Carnival in Salvador, Bahia. For six consecutive days in February or March of every year, an estimated 1.2 million people occupy 26 kilometres of streets in Salvador to celebrate Carnival. This activity generates US\$254 million in revenues and for the duration of the event, it creates 130,000 to 185,000 additional jobs in the city (Secult/Seplan-BA, 2007). Impressively, these numbers offset the city’s entire unemployment rate, which has ranged from 10 to 16 per cent over the past four years. To Salvador’s low skilled, marginal population, Carnival means full employment. Approximately 70,000 of these people act as ‘*cordeiros*’ (rope-holders). They are hired by one of the many roving bands (*trio elétrico*) to lock arms with each other around a thick rope and form a tightly-knit, compact human shield that encircles paying customers and separates them from the general audience. Not surprisingly, these jobs are mostly informal and employees are afforded none of the guarantees prescribed by Brazilian labour laws. The second case concerns the employment of rural workers harvesting grains and seeds in Minas Gerais. As a national average, agricultural activities account for 21 per cent of the occupied labour force and 70 per cent of all these workers have never signed a formal employment contract as required by law.

In both of these cases, employers operate in highly competitive markets and therefore are hard pressed to cut production costs. As one would expect, they view existing wages and hours regulations as inadequate and obsolete. They claim that existing rules concerning the formalization of contracts and the fulfilling of wages and hours regulations create nearly unbearable burdens to those who employ temporary, short-term workers and that these regulations seriously hinder the profitability and competitiveness of their businesses. Not surprisingly, actual work conditions tend to be precarious, the non-payment or underpayment of wages is widespread and employers do not provide workers with protective gloves, auditory protectors or food and water as required by law. Informal workers have no access to having their grievances addressed.

In both the Carnival and rural harvest cases, labour inspectors moved in and tried to notify or impose fines on each violator, but inspectors soon realized that infringements were so widespread and systemic that they could not be remedied, one firm at a time. Moreover, visited firms often pointed out that compliance was even riskier and more expensive when none of their competitors followed suit. Inspectors soon realized that to achieve results they would have to promote change in the entire sector at once. As a first step, they created a ‘coercive shock’. Inspectors started to visit rural producers during harvest time and Carnival promoters during the peak of the festivities. These inspectors also issued fines to a large number of violators at once. Through such a ‘coercive shock’, they forced a large proportion of local firms and their business associations to pay attention. Immediately, firms that previously ignored warnings or refused to talk about the charges were sitting around the proverbial table, ready to negotiate.

Negotiations and debates were heated, often hostile. Yet, these conversations exposed all parties to a multitude of arguments concerning the difficulties and obstacles for, as well as the potential benefits from, compliance with labour laws. For instance, inspectors discovered that Carnival promoters often had problems with ‘*cordeiros*’ who abandoned their post for better jobs, got drunk or high during their shifts, or even mugged or intimidated paying customers. Likewise, farmers complained about the difficulties of finding efficient and reliable workers every year.

As a result of these interactions, the discovery and exchange of relevant technical, legal and commercial information and debates about what compliance with regulations should be and how it plays out in the local context and the market, the actors involved in this process of enforcement devised two innovations: an individual “Service Provision Contract” (SPC) for Carnival workers in Bahia and the ‘Consortium of Rural Employers’ (CRE) in Minas Gerais.

In the first case, inspectors recognized that Carnival promoters faced insurmountable administrative and financial challenges to comply with all the proper regulations. It was unreasonable to require them to process all the paperwork to formally hire and then fire tens of thousands of workers within a single week. At the same time, employers recognized that they could not keep on avoiding all provisions of the labour laws and that workers merited certain minimal protections. Together, labour inspectors and representatives from these firms developed a standardized service contract that reproduced many of the mandatory provisions already included in Brazilian labour laws. More specifically, these contracts stipulated minimum daily wages, number of breaks during the shift and provision of food, gloves and other protective equipment and insurance against accidents. These contracts lapsed at the end of Carnival, but during their term, they established basic protection that satisfied workers and inspectors. Early adopters soon realized that they benefitted from better service from their employees and ultimately, all parties were better off. Since then, more than 25,000 of these contracts have been signed every year.

In the second case, farmers in Minas Gerais faced a similar problem; they had to hire large groups of rural workers for the short harvest season and dismiss them. In this case, labour inspectors devised a new institution called the “Consortium of Rural Employers”. A consortium aggregates several farms in a given geographical region, hires the workers and sends them to member farms as their respective crops mature. Once the crop in any given farm has been harvested, the consortium sends the crew to the next member farm, and so on. Consortium members plant their crops in a staggered manner to facilitate the rotation of workers. They also share administrative burdens and pay the mandatory workers’ benefits, including retirement benefits, unemployment insurance and others as mandated by Brazilian labour law. For the workers, these consortia offer the opportunity for long-term employment and a range of statutory benefits, including

minimum wages and vacation pay. In 2000 alone, the creation of these consortia allowed for the formalization of 22,000 workers (Miguel, 2004). In the following year, the numbers increased to approximately 3,500 rural producers organized in 103 consortia and employing 65,000 workers (Zylberstajn, 2003). Today, there are more than 150 consortia, including 46 in Minas Gerais, especially in irrigated areas or regions with diversified crops that allow for the staggering of harvests.

Both of these cases illustrate how labour inspection has concrete impacts on socio-economic development by reconciling workers' protection with firm productivity and competitiveness. In both cases, front-line regulatory enforcement officials (labour inspectors) played a central role in promoting compliance with the law and in stimulating firms to upgrade their products and production processes. This has led to a process of negotiation and exploration of solutions that make compliance affordable, in some cases even beneficial, to all those involved.

3.2. The enforcement of health and safety regulations in Brazil

This subsection examines two cases of enforcement of health and safety regulations in Brazil. The first case concerns the auto-parts industry and the second concerns the production of fireworks, both in Minas Gerais.

The wave of trade liberalization that swept Brazil –and the world– during the 1990s increased pressure on local manufacturers from all sectors to reduce costs and increase productivity. This trend was particularly acute in the auto-parts industry, which had undergone significant restructuring worldwide in previous decades, including the widespread adoption of 'non-inventory' and 'just-in-time strategies'. In Brazil, auto-parts manufacturers employ an estimated 310,000 workers and these firms have responded to liberalization by increasing production targets for their labour force (Tewari, 2006).

A lot of the work concerns the operation of punch presses, the equipment that stamps auto-parts on sheet metal. These machines can be very dangerous and pose occupational hazards. Indeed, such hazards as the laceration and amputation of fingers, hands and arms, soared to the point that they represented 48 per cent of all accidents involving machines in the country (Piancastelli, 2004). Largely, these accidents were due to the lack of safety devices on the punch presses in operation. Furthermore, these models had been rendered obsolete by newer models. A recent study found that none of the punch presses in the state of São Paulo (including both used and new machines) had adequate protection to minimize workplace accidents (Mendes, 2001). Manufacturers resisted upgrading their machines as mandated by applicable labour regulations for two reasons: fear of the large capital investment needed and the possibility of worker protection and safety devices reducing overall productivity.

Labour inspectors tried to crack down on this industry and to mediate a collective bargaining agreement that would replace obsolete punch presses. None of these attempts produced meaningful improvements. A team of labour inspectors joined forces with labour prosecutors and researchers from Fundacentro, the National Health and Safety Institute, to explore alternatives. Members of this task force soon realized that they knew nothing of the operation of punch presses, existing safety devices and how to improve workers' safety without compromising overall productivity. According to a labour inspector, "we studied the functioning of these machines, the catalogues of protective equipment producers, all in order to know the best alternatives to manage productivity loss".

Instead of pursuing the utopian goal of replacing all old machines with new ones, the members of this task force searched for more efficient and protective equipment, conducted ergonomic studies and started negotiating with public banks and monetary authorities for subsidized credit for the retrofitting of existing machines. They strove to develop or identify protective devices that would be effective and would not decrease the overall productivity of the machines. Ultimately, the task force developed comprehensive protection kits that effectively improved worker safety without compromising overall productivity. In 2003, the number of accidents recorded in the auto-parts industry fell by 66 per cent in comparison to 2001 figures. By 2005, 70 per cent of the 350 firms inspected in the Belo Horizonte metropolitan area had adopted adequate protection for their punch presses.

At around the same time, the Brazilian fireworks industry also fell under intense competitive pressure. Brazil is the world's second largest producer of fireworks, after China. Ninety per cent of the Brazilian production originates from five adjoining municipalities in the state of Minas Gerais and this sector creates an estimated 17,000 direct and indirect jobs in a region devoid of many economic opportunities. Because of the heightened international competition, many Brazilian producers had started to downsize their production capabilities and some had started to import and distribute fireworks from China instead of producing them domestically.

Largely, all of these firms were hard-pressed to cut corners to save money and increase productivity in an industry that has always been notorious for its unsafe practices. Until 1998, an average of six people died every year because of explosions in fireworks factories. Moreover, people associated with this sector often adopted an attitude of resignation. According to a labour inspector, accidents were viewed as part of the town's culture. People believed that accidents were unfortunate, but natural. They claimed that the fireworks activity was intrinsically risky; sometime someone will die". Even more striking was the observations made a labour prosecutor who noted that when they first arrived, they noticed little images of saints hanging on the wall in almost all of the factories. These figurines were located in the most dangerous stages of the production process within each plant. These were their protection and safety measures.

With the objective of changing perceptions and business practices in this industry, labour inspectors used their coercive power to create an atmosphere of uncertainty and to signal the need for change. Fireworks factories contested inspectors' enforcement actions and claimed that strict enforcement of labour regulations would drive them out of business. These initial interactions were quite contentious, but eventually inspectors re-evaluated their course of action and even backtracked on some demands. For instance, inspectors stopped requiring signs indicating evacuation routes in case of explosions ("an explosion is like a stampede, nobody looks for any signs") or firms acquiring specialized anti-static boots that are not available in the domestic market.

In addition to overlooking some legal requirements, labour inspectors developed ways for firms to upgrade both their product and manufacturing process. First, inspectors developed a compliance schedule for a set of basic health and safety requirements, varying by firm size, and they, increasingly instituted more severe penalties for non-compliance. Second, inspectors recruited a chemical engineer from the National Research Institute of Occupational Health and Safety to provide technical assistance to these firms. As a result of this initiative, fireworks producers replaced unstable and accident-prone potassium chlorate with more stable and equally effective potassium perchlorate. The inspectors and the chemical engineer guided firms through the process of adjusting previous formulae and mixtures in order to make fireworks safer without lowering product quality.

Even so, these measures increased costs and made these firms vulnerable to cheaper imports. To solve this problem and to make sure improvements in labour standards would not be rolled back or lead these firms to go bankrupt, labour inspectors helped fireworks producers create a quality certification scheme. Together, they convinced other government agencies, most notably the army, which regulates the use of explosives, to require that imports meet the same stringent quality and product-safety standards being imposed on (and met by) local manufacturers.

Thanks to these interventions, the number and severity of accidents decreased significantly from an average of six deaths per year to one death in 2005, while the quality of the final products and the competitiveness of local firms improved markedly. In the end, labour inspectors helped convert this industry's ongoing 'race-to-the-bottom' into its more desirable opposite, namely a 'race-to-the-top'.

Table 1. Summary of Cases, Brazil

Economic Activity/Sector	Initial Conditions	Outcomes
Carnival (service/tourism), Salvador – Bahia	Informality, poor working conditions (health and safety, and non-payment of wages), and problems with safety and organization of "blocos de trio"	Temporary labour contracts (formalizing 25,000 workers per year), improved working conditions (e.g. minimum daily wage), and better quality service offered by "blocos de trio".
Grain and seed Production (agriculture), Unaí and Paracatu – Minas Gerais	Informality, poor working conditions and illicit hiring arrangements (fraudulent labour cooperative and "gatos").	Development of alternative (and less costly to farmers) hiring arrangement for temporary harvest workers: consortium of rural employers, which formalized 65,000 workers in 2001.
Auto-parts (manufacturing), Belo Horizonte metro area, Minas Gerais	Non-compliance with health and safety norms (e.g. machinery protection) due to productivity loss.	Widespread adoption of machinery protection (approx. 250 firms in 2005), management (reduction) of productivity loss, and reduction of occupational accidents by 66% in 2003.
Fireworks production (manufacturing), Santo Antônio do Monte – Minas Gerais	Poor working conditions, high-rate of occupational accidents (6 deaths/year), and low-quality and low-safety products.	Compliance with health and safety norms, improved working conditions (with reduction of accidents to up to 1 death/year), and product upgrading (quality certification and technical trade barrier).

Source: Pires (2008a)

Together, these four cases illustrate how the work of labour inspectors may have important implications for equitable/sustainable development. In these two instances, they developed novel legal constructs and contractual forms, such as the "Service Provision Contract" (SPC) for rope-holders in Bahia and the 'Consortium of Rural Employers' (CRE) in Minas Gerais. In another instance, they helped sophisticated auto-parts firms develop safety devices that protected workers while preserving productivity. In another case, they helped fireworks firms upgrade their capabilities while creating larger regulatory mechanisms and institutions that protected these firms from being outcompeted by lower quality, cheaper and unsafe imports (see Table 1).

Evidence from other countries reinforce the perception that that these cases are not unique or isolated to Brazil. Similar processes and outcomes have already been observed and documented in countries as different as the Dominican Republic, Chile and the United States. For instance, Piore and Schrank (2006) have found that in the Dominican Republic, labour inspectors broker relationships between employers and publicly subsidized training and educational programs (INFOTEPA) mediating firms' demands for qualified labour and its supply in the different regions of the country. In addition, the work of Dominican inspectors has also been described as a sort of ad hoc consultancy to firms, beyond their law enforcement duties. As narrated by Schrank:

“[W]hile scofflaw employers frequently assert an inability to comply with the law and remain profitable, professional inspectors respond –at least occasionally– by pointing to their compliant neighbors and their organizational differences: What differentiates the compliant firms from their non-compliant neighbors? They train their managers. They use modular production. ... They pursue vertical integration. And sometimes they diversify ... into more remunerative activities. By distributing information on training and best practices ... the inspectors overcome an important market imperfection and thereby make compliance good for business” (2005a, p. 16-17).

In the Chilean case, the ministry of labour created a programme that offers firms that violate the law the opportunity to substitute training for fines (OIT 2006, p. 19). The “fines for training” programme has been heralded as a success by many sectors because it provides smaller employers with some needed wherewithal to comply with labour laws (Marzan, 2009).

Another example of how labour inspection organizations can potentially take advantage the complementarities between productive upgrading and worker protection is a United States sponsored opportunity, the Regional Center for Occupational Safety and Health (CERSSO), which has trained more than 600 auditors and technicians in eight different Central American and Caribbean countries in the past few years. CERSSO has also made safety and health investments in garment factories in El Salvador, Guatemala and Nicaragua, for example, which generated returns from four to eight times the cost of initial interventions (Piore and Schrank, 2008).

This evidence, from the intervention of labour inspectors in different economic activities in different countries, calls attention to the fact that labour inspectors have access to different instruments (sanctions, negotiation, guidance, training, etc.) that they can utilise for the creation of positive incentives, in addition to engendering a climate for change in business practices and working conditions (Pires, 2008b). By administering sanctions, negotiating compliance schedules and providing technical assistance and training, labour inspectors learn about the industry they inspect and stimulate firms to adapt and innovate in the search for solutions that bring together firms' productivity with the protection of workers (i.e. firms' compliance with labour regulations).

4. Assessing the impacts of labour inspection: moving beyond numbers and statistics

The previous section provided evidence and detailed examples of various ways through which labour inspection promotes social and economic development. However, more often than not, labour inspection administrations, hard pressed to show good performance on a narrow set of specific indicators and statistics (e.g. the number of

inspections per year, the number of fines, the number of worker reached, etc.), fail to pay adequate attention and document the evolution and consequences of their interventions. This section provides some insights and techniques, as well as concrete examples drawn from cases described in the previous section, for the assessment and reporting of developmental impacts of labour inspection. It emphasizes the development of cases, which constitute evidence-based stories about specific interventions (their motivations, organization and consequences) and serves both the purposes of documenting the links between labour inspection and development and evaluating inspectors' performance (i.e. reflecting on their own practices in search of corrections and continual improvement). The construction of these cases requires three different tasks, as described below, the collection, analysis and reporting of data (respectively).

4.1. Data collection: how to document a case and its outcomes

The elaboration of a case, that is, a coherent and evidence-based story about an intervention, requires a relatively large volume of quality information. In the context of labour inspection, there are three main sources of such information.

First, good cases demand the continuous monitoring of the economic activities and sectors that are the focus of intervention. This means inspectors should not only be concerned about the immediately legal and technical aspects of their work, but also pay close attention to information about the characteristics, specific contexts and trends in target economic activities. This type of information is often available in general and/or specialized newspapers and websites, sector-specific publications and journals, business and professional associations, government databases and statistics, among others.

The intervention in the fireworks industry in Brazil, described earlier, is a good example of how the monitoring of trends in economic activities is relevant to labour inspection. By looking at the official information about international trade on fireworks, labour inspectors were able to gain an important insight, namely that Brazilian firms were being forced to shift from production to the importation of cheap Chinese products. In this context, inspectors approached local firms by presenting a strategy for their survival in the market, which involved compliance and the improvement of product quality. In addition to presenting their enforcement effort as strategic for business, inspectors also studied the industry's production processes and took part in an international conference in Canada in order to learn about good practices on regulation, chemistry and engineering from explosives specialists.

In another instance, that of the case about punch presses in the auto parts sector, the team of inspectors learned a great deal about what could be done to improve conditions in the sector from manufacturer's catalogues of protective equipment, in addition to mapping out the chain of subcontracting relationships that links local small and medium-sized auto parts factories to the large and often internationalized auto assembling plants. These two examples indicate that acquiring and then later updating information about the characteristics and trends for targets of intervention is crucial in devising the adequate inspection strategies (e.g. identification of sensitive points in productive chains, important trends in the sector, etc.). In addition to providing contextual information and technological insights, the monitoring of activities and sectors also serves the purpose of constructing benchmarks or baselines (e.g. before versus after) for the evaluation of the intervention in achieving positive change.

Another important source of information for the documentation and elaboration of cases is the recording of every step taken during the intervention – the inspection

procedures, strategies and practices effectively implemented. A substantial part of the story narrated in a case will be directly derived from what has been done in each intervention. In this sense, inspection diaries can be useful instruments with which inspectors write the actions undertaken throughout the intervention process (and possibly the ones that were not undertaken). Whether formally required by management or informally recorded by individual inspectors, the collection of detailed information about the processes and strategies implemented and the reason why they were chosen is the key to tracing credible links between the inspection work performed and the developmental impacts observed.

Again, the case concerning the enforcement of health and safety norms for punch presses in the auto parts sector is illustrative. Over a period of three years, inspectors recorded all information related to their attempts to achieve compliance through a collective bargaining agreement, as well as the reasons why such attempts failed. Then, using the information about this process as a justification, they were able to build legitimacy for the “coercive shock” implemented in the auto parts sector in the Belo Horizonte metro area with the shutting down of dozens of punch presses that did not meet safety requirements. As this case illustrates, inspectors’ record keeping of their actions over time proved to be an essential source of information of the sequence and explains why specific actions were taken. Additionally, the sequence and reasons for the actions taken are vital in demonstrating the effects of labour inspection work on economic activities.

In addition to monitoring the dynamics of economic activities and keeping good record of the inspection process, another important source of information for the assessment of the potential developmental impacts of labour inspection is the perception of various actors and publics involved in each intervention (e.g. workers, labour unions, firms’ owners, managers and associations, government agencies, NGOs, etc). Given the usual scarcity of reliable statistics about the changes occurring in economic sectors and activities in relatively short periods of time, the identification of such occurrences require the attention of researchers to shifts in perceptions and behavioural changes of the involved actors. What is the opinion of these actors about problematic issues surrounding the enforcement of regulation prior to and after the intervention? Has their (e.g. business owners and workers) attitude, strategies and practices changed in any significant way? One way to obtain answers to these questions is through interviews with the actors⁶, attention to their public statements and observations of their actual behaviour, be it in the production process, in the management of their organizations, or in their relationship with each other.

The case involving the formalization of temporary carnival workers is a good example. Prior to the development of the service provision contract that allowed for the formalizations of thousands of *cordeiros* (rope-holders), the roving bands had very little capacity to manage this labour force, which directly affected their ability to offer quality service to their patrons (people who pay to play carnival inside the *blocos*). With formalization, firms were able to guide and monitor workers more closely and organize their routines in ways that offered clients new and better services during the party. These outcomes and the improvements perceived in business practices as a result of inspection

⁶ These interviews can be rich sources of information. However, in some situations, labour inspectors should avoid conducting these interviews by themselves, especially in cases in which they think their presence could intimidate or make interviewees uncomfortable. In these situations, these interviews could be conducted by partner organizations – e.g. NGOs, college students, etc.

work, would not be visible in any kind of official database, but only through face-to-face interactions and conversations (e.g. informal or structured/semi-structured interviews), as well as the systematic observation of firms in their routine operations.

4.2. Data analysis: making sense of data and exploring the links between interventions and outcome

Once sufficient data has been collected about inspection interventions and the dynamics of economic sectors and activities, the next challenge in the elaboration of a case involves the organization and analysis of the information produced. How can we make sense of the evidence found and explore the connections between labour inspectors' interventions and the outcomes observed? Below are three suggestions for managing such a task.

The first involves the definition of a unit of analysis for the case. Such definitions involve decisions about the level of aggregation and the specific investigative objects the case will focus on. Interesting cases are usually centred on specific regulatory problems (e.g. formalization of undocumented workers or incidences of silicosis amongst mining workers), or specific economic sectors or activities (e.g. construction, auto-parts manufacturing, or sugarcane cutting and processing), or even specific inspection operations/projects (e.g. a task force on forced labour or reducing child labour in domestic work). These are only suggestions (problem-, sector- and operation-based) that have proven successful in the past, but it is worth noting that cases could also be designed at different levels of aggregation. The important point is the definition of a reference level for the assemblage of information collected from various sources, such as the inspection diaries, specialized publications and interviews with actors involved.

By establishing the unit of analysis for the case and organizing the information collected with reference to it, it becomes possible to move our perception from the "trees" (i.e. one set of data; e.g. one inspection report) to the "forest" (a collection of different sets of information and positions about the dynamics of a sector, the evolution of a problem, etc.). Contrasting information about inspection procedures against information about market dynamics and the evolution of economic sectors and activities allows for the identification of patterns and the formulation of hypotheses about links between inspection actions and market/productive/management changes. In other words, bringing together these different pieces of information creates conditions for the emergence of patterns that make explicit the ways in which inspection interventions might be affecting business practices.

In practice, the analysis of data from different sources involves an exercise in triangulation. The rural harvest case, which culminated in the implementation of the Consortium of Rural Employers (CRE), is illustrative in that respect. If the investigator had focused only on one source of information or party involved, he or she would have had difficulties in seeing the innovative and developmental aspects of the experience. From the perspective of rural unions, the CRE was a means of improving their working conditions but was ultimately an option left for the employer to choose, therefore not guaranteeing the welfare of workers. For employers, the CRE created an alternative option to traditional intermediaries, but required a lot of cooperation from farmers in forming and managing the consortium (instead of simply leaving it in the hands of intermediaries). For the government, especially the social security administration, the CRE improved formalization in rural areas but did so through some tax exemptions offered to the CRE, as a stimulus for their dissemination. In sum, for all parties individually, the CRE did not constitute the best option to pushing forward their

particular interests. However, from the perspective of all the involved parties and actors, the CRE offered a second best solution that improved the situation of workers, farmers and the government, by increasing levels of formalization in rural areas. The realization of such aggregated benefit can only be achieved when we confront and complement the perspectives and narratives of different actors with the consequences of inspection interventions.

Finally, the identification and formulation of hypotheses about links between inspection actions and changes in management and production practices lead to the testing of such hypothetical connections. Comparisons are usually accessible strategies for testing hypotheses. These comparisons can take the shape of longitudinal analysis – that is, the same case is compared through time (e.g. T_0 versus T_1), such as when we observed the number of accidents involving punch presses before and after the intervention, or they can be comparisons amongst cases (e.g. compliance with health and safety norms in the construction industry in two different localities (Pires, 2010)). The rationale for these comparisons is to check whether the explanatory conditions, as established in the hypothesis (e.g. a certain approach or set of inspection practices, or sequences of inspection actions, etc.), are also present in other cases that exhibit similar results (e.g. similar changes in business behaviour) or absent from cases that do not sustain these observable outcomes. Longitudinal comparisons allow for the comparison of the same case before and after the intervention, that is, in the absence and presence of the explanatory conditions over time. Cross-case comparisons, in turn, allow for the comparison of different cases, which share important similarities (e.g. same sector, same compliance problem, in the same state/province, etc.) but differ in terms of the inspection strategies and practices implemented.

Other papers (Pires, 2008a; 2008b), have compared how different interventions in the enforcement of health and safety regulations in two fireworks clusters in Brazil (Santo Antonio do Monte, Minas Gerais and Santo Antonio de Jesus, Bahia) have led to very different outcomes. In Minas Gerais, inspectors adopted a “coercive shock” strategy, by issuing numerous fines to a large group of firms in order to bring these firms to the table and initiate negotiations. Contrarily, in Bahia, the intervention involved employing educational strategies towards the small firms in the cluster. While in Minas Gerais, the inspectors achieved compliance with basic health and safety norms and promoted the improvement of product quality in the industry (as described in the previous section), in Bahia, inspectors were not able to promote any perceptible change in business practices and in working conditions. These comparisons allow for the observance of how different inspection strategies implemented in different places affect similar economic activities and compliance problems. These comparisons serve as an analytical exercise that highlights the elements (e.g. characteristics of the intervention) that might explain why the observed outcomes did occur. Even though these comparisons should not be seen as a definitive test for causality, they serve to show that the links between labour inspection and development have become more apparent. Thus, we are able to construct solid descriptions about their operation.

4.3. Conclusions: making the case for the developmental impact of labour inspection

First, the findings and analytical process must be written up as a case. For each case, the story must successfully provide:

- (a) descriptions of the context of regulation and business operation – i.e. the current characteristics and trends in target economic activities, the types of firms

involved and the production processes and management practices they make use of, etc.;

- (b) Assessments of how these conditions and characteristics are associated with observable non-compliant behaviour and violations of the law – i.e. what are the operating incentives for non-compliance? How productive and market dynamics, as well as the current regulations, create opportunities for firms to violate the law;
- (c) Descriptions of which features and aspects of firms' environment, productive/managerial practices and even regulatory norms, have to be altered in order to make compliance feasible and more attractive;
- (d) Detailed narrative of the procedures and strategies implemented by labour inspectors during their intervention; and
- (e) Assessment of how these inspection practices resulted in some type of legal, managerial and/or technological innovation/solution. Assessment of the impacts of such innovations/solutions on working conditions, business practices and on the relationships between workers, firms and government, appropriately supported by the systematic analysis of empirical evidence (case studies and comparative analysis using secondary (e.g. databases, publications, etc.) as well as primary (e.g. interviews, observations, etc.) data.

The case might take the form of a detailed report, which is often useful for recording as much information as possible, or it might be written as a journal article, or brief memorandum. In each case, the document must present a credible argument regarding the developmental impacts of labour inspection; this requires that the available empirical evidence supports the findings.

In addition to writing up the case itself, it is advisable that the data and findings collected be made available to academic researchers, other government agencies, the press and the public. Publicizing this information has two benefits: first, it makes the research process behind the elaboration of the case transparent and contributes to the legitimacy and reliability of the findings achieved; second, making the data available expands the possibilities of dissemination and of positively changing the public image of labour inspectorates.

Finally, another useful strategy for reporting the findings about links between labour inspection and development is the production of press releases with concrete examples. This is common practice among large private corporations that constantly provide newspapers, specialized magazines and websites with stories and description about their projects, initiatives and practice, highlighting innovations and advancements.

4.4. Beyond the dissemination of findings: cases as an instrument for reflecting on good practices

In addition to collecting, analysing and disseminating information about the developmental impacts of labour inspection, the elaboration of cases, as previously described, holds great potential as an instrument of reflection. As these cases contain records of information and decisions taken by labour inspectors on what has been conducted in each intervention, they serve as important sources for identifying good practices. As described by Noonam, Sabel and Simon (2007),

“Review of these explanations [cases] in turn allows administrative superiors and outside oversight bodies to detect and begin considering how to correct misjudgments by individual case workers, systemic flaws in operating routines at the local office or program level, and even ambiguity or mistake in the agency’s own conception of its key commitments and plans for achieving them. Thus, the agency learns to improve while monitoring what it does, and the same process that makes customization of services effective makes it accountable as well” (p.3).

Accordingly, the case could serve the purpose of publicizing labour inspectors’ performances (through the provision of rich contextual information, beyond the static output indicators) and providing incentives for supervisors to identify problems and devise tactics for improvement in the service provided (Sabel, 2005). For these reasons, cases also serve as useful instruments in the training of new inspectors. Through these evidence-based examples, new recruits can gain a grounded perspective about what labour inspection work is and learn good practices and successful strategies in dealing with concrete problems and situations.

5. Conclusion

The aim of this paper was to present a perspective on the congenial relationship between labour inspection and social and economic development, by emphasizing the potential impacts of the former on the latter. This was accomplished through historical developments, conceptual language and analytical and investigative tools that serve to illustrate the full story.

In the context of a growing role for the state in regulating market activities, the perspectives advanced in this paper offer interesting insights into moving the debate about regulation beyond the question of its desirability. The application of the concepts and techniques described in this paper should stimulate a reflection on labour regulation and the types of environment that will engender the protection of workers and the improvement of business conditions (i.e. productivity and competitiveness, etc).

More specifically, this paper was conceived as tool for raising public awareness on the positive impacts associated with labour inspection work, by providing labour inspectors and the managers of labour inspection services with concrete examples from different countries, techniques and methods for data collection, data analysis and the reporting on the impacts of their enforcement initiatives.

We hope this paper can provide useful insights and tools for managers, labour inspectors and other interested actors, in dealing with the current challenges of strengthening labour administration and inspection programmes.

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