



## **WORKSHOP ON SUCCESSFUL LABOR INSPECTION MODELS**

Activity of the Inter-American Network for Labor Administration (RIAL)

May 19, 2009 – Washington, D.C.

### **EVENT SUMMARY: MAIN IDEAS AND LESSONS LEARNED**

(Preliminary version for participants' comments before [June 30, 2009](#))

#### **Introduction**

This Workshop was jointly organized by the Organization of American States (OAS) and Mexico's Secretariat of Labor and Social Welfare, under the aegis of the Inter-American Network for Labor Administration.

The specific objective of the workshop was to exchange information on the following topics:

1. Measures adopted to increase the effectiveness, impact, and coverage of labor inspection;
2. Actions to encourage compliance with standards and improve workers' conditions; and,
3. Strategies for optimizing oversight and supervision in labor inspection and for combating corruption.

The following paragraphs describe the main ideas that arose from the presentations and discussions at the event's three panel sessions and concluding session.

Complete information about the workshop, including presentations and audio recordings, is available at the RIAL's web site at [www.sedi.oas.org/ddse/rial](http://www.sedi.oas.org/ddse/rial).

#### **Panel 1 – Steps taken to attain greater effectiveness, impact, and coverage of labor inspection**

- The participants acknowledged that the impact and coverage of labor inspection depends on a wide range of issues relating to labor laws, human resource and civil service policies, and the way in which labor ministries operate and function.
- The geographical coverage of inspection depends on the territorial reach of the labor ministries. It was seen that inspectors who visit areas where their ministry has a low presence have little chance of impacting compliance with legislation.
- To attain increased coverage, partnerships must be forged with other public agencies with which offices or infrastructure can be shared (e.g., social development ministries, health ministries); partnerships can also be established with municipalities and local authorities. The intersectoral partnerships issue remains a great challenge, however.

- The professionalization of inspectors is still necessary and represents a key cause for concern. Inspectors should be qualified professionals with secure jobs, which is not currently the case in several of our countries. The professionalization and job stability of inspectors depends on the rules governing the civil service and the administrative career, and this must be supplemented with permanent training and updating efforts. Labor laws are one of the most dynamic types of legislation, and so noncompliance may arise from a lack of familiarity with new rules or from the emergence of new forms of fraud. Inspectors must be aware of situations of this kind and be able to deal with them.
- The professionalization of inspectors must take into account the fact that they play three roles: as public servants, as authorities, and as experts in the field.
- The 'ideal' number of inspectors is a hotly debated topic (as a proportion of the EAP or of the employed workforce, by number of companies, etc.); ILO's recommendation is to define it using ratios that combine the numbers of workers and of companies. In any event, the debate should focus on working methods that yield greater effectiveness and impact rather than on the number of inspectors. This is a topic more related to resource management than to resource availability.
- Workplace visits are the central component of inspection. A correct demarcation of territories and proper planning of visits is essential and can go a long way to compensate for shortages of resources.
- Inspection should assign priority to those industries, companies, and sectors with the highest numbers of breaches of the law, complaints, and accidents; analyses or records of such incidents are therefore important. Relevant in this regard is OSHA's experience with its Site-Specific Targeting Plan (SST) and Enhanced Enforcement Program (EEP).
- Inspectors should have the resources they need in sufficient amounts to enable them to perform their jobs, and they should make use of new information and communications technologies (ICTs) such as portable computers, records systems, etc. They should also have appropriate personal protection equipment.
- Informality and incomplete records were identified as key problems in noncompliance with labor laws. Peru's LM gave a presentation on its RETO (Obligatory Registration of Workers) program, the purpose of which is to regularize the situation of unregistered workers, raise social awareness about the problems of unregistered work, and check on working conditions.
- El Salvador spoke about its recent efforts to expand its inspector numbers and to increase their professionalization.

## **Panel 2 – Actions to ensure compliance with standards and improve working conditions**

- Ensuring compliance with the law requires a combination of preventive inspection and reactive (i.e., classical, involving the application of sanctions) inspection. Several valuable experiences with preventive work were seen: these are promoted by labor ministries, are voluntary, and are implemented jointly by employers and workers. Examples include Colombia's Agreements for

Improvements in Compliance, the Intervention Model in Canada (and some experiences at the provincial level in that country), and Mexico's OSH Self-Management Program.

- Balancing inspection for training and inspection for sanctions. Inspection appears to be evolving toward an approach that is more focused on training, but it must never abandon its ability to impose sanctions.
- Inspection must combine prevention, correction, and sanctions and, in this connection, the participants heard about the experience of the Ministry of Social Welfare of Colombia, which is strengthening its preventive inspection system.
- Prevention means acting before problems occur, focusing inspection on critical areas, providing persuasion and advice to ensure observance of the law, and encouraging actions that improve competitiveness. However, the preventive approach must not fail to address, on a timely basis, all cases of imminent danger.
- The session recognized that healthy and productive workplaces are a tripartite responsibility.
- Employers' and workers' organizations play an essential role in ensuring observance of the law and in defining actions and policies through national-level tripartite agencies and committees. That fact was acknowledged in the presentations given at this event by COSATE and CEATAL.
- The participants also recognized the importance of involving productive sectors in dealing with inspection problems, through forums for dialogue. Workers and their organizations can and must report failures to observe regulations. In turn, employers' organizations can help the authorities by reporting companies that, by failing to abide by the regulations, are guilty of unfair competition. The session acknowledged that it was necessary to strengthen reporting systems.

**Panel 3 – Strategies for optimizing oversight and supervision and for combating corruption in labor inspections**

- Argentina and the Dominican Republic gave presentations on their experiences as examples of strategies for optimizing oversight and following up on inspections.
- In both cases mechanisms for feedback and oversight of inspectors have been put in place, as part of the strategy for preventing possible diversions and corruption within inspection work. Worthy of note are the planning activities, which include the preparation of studies of the activities to be inspected and the analysis of inspection results, which then provide feedback for the planning efforts and create a virtuous circle.
- The aims of Argentina's National Work Regularization Plan include regularizing unregistered workers and eradicating the evasion of contributions and payments. This plan involves various areas that oversee all inspection work.
- The Dominican Republic's Integrated Work System (SIT) is an electronic case-management system that allows records of labor inspections to be kept and links the activities of the Inspection Department with other departments. The system is 90 percent complete and has already yielded valuable results.

### **Final thoughts on labor inspection challenges in the current economic climate**

- Emphasis was placed on the fact that ensuring compliance with labor laws was of particular importance in light of the current economic crisis and rising unemployment. Inspection work should place priority on actions that by seeking to reduce costs, could endanger the lives of workers or undermine their rights.
- Mexico gave a presentation on its strategic lines for labor inspection, involving: training inspectors; strengthening case recording and document verification; selecting companies to be inspected through complaints, law suits, and statistics for workplace accidents and illnesses; and promoting concrete improvements in workers' conditions that go beyond sanctions. Mexico explained that this approach has enabled a significant increase in the number of inspections in areas such as the country's coal mines, the payment of benefits, the conditions of such vulnerable groups as agricultural day-laborers and child labor, etc. The strategies also proved their effectiveness in ensuring compliance with the special measures implemented by the Mexican authorities to ensure health and safety in the workplace during the A(H1N1) virus epidemic.
- Mention was made of the importance of monitoring outsourcing companies which, in some of our countries, are by law jointly responsible for meeting obligations. CEATAL noted that a distinction had to be made between outsourcing companies that comply with legislation and those that do not.
- Finally, the need for sensitivity toward the asymmetries between large companies and MSMEs was noted.