INTRODUCTION: MAIN CHALLENGES

The challenges facing labour administration are multiple and frequently stem from a division of the key roles and responsibilities across different ministries within national government. For the ILO, labour administration is defined as public administration activities in the field of national labour policy. By labour administration system is meant all public administration bodies responsible for and/or engaged in labour administration – whether they are ministerial departments or public agencies, including parastatal and regional or local agencies, or any other form of decentralized administration – and any institutional framework for the coordination of the activities of such bodies, and for consultation with and participation by employers and workers and their organizations. Although the Labour Administration Convention, No. 150 of 1978 has been ratified by a good number of ILO Member States, at the same time there are concrete difficulties in its application.¹

While ministries of labour have their specific role to play (e.g. in the fields of labour legislation, employment, social security or industrial relations), labour administration often lacks appropriate political influence, budgetary, legal and organizational frameworks. Their employment promotion mandates are frequently undermined by inappropriate employment policies, insufficient funds and a lack of mandate to promote inter-ministerial collaboration. These problems are compounded by the fact the labour administration ‘system’ relies heavily on coordination and cooperation with other ministries and public authorities for effective policy implementation.

In addition to these structural difficulties, labour ministries face several pressing tensions which impact their ability to effectively perform administrative duties. The ILO needs assessment of Member States often reflects a lack of planning and evaluation which results in low accountability. Further to this, labour administration assessment audits are suggestive of multiple problems with respect to human resources (often a lack of sufficient, well trained/motivated staff) and a lack of essential material equipment and new technologies in administrative field offices. In recent years these concerns – which disproportionately impact transition economies – have been coupled with additional apprehension over modern management techniques designed to improve efficiency of administration, which nevertheless

¹ G. Casale, A. Sivananthiran, Fundamentals of labour administration, ILO, Geneva, 2010
entail their own risks and pitfalls: notably the rise of private agencies which sometimes maintain an unclear relationship with policy making bodies and a focus on quantitative objectives which may undermine the administrative focus to deliver service quality in line with traditional public service values.

RECENT TRENDS AND ISSUES

From a comparative point of view, ten themes come as priorities when discussing recent trends and issues faced by labour administration systems.

1. The mandate usually covers issues of labour, employment, industrial relations and social protection: Despite a good ratification rate of ILO Convention No. 150, labour administration mandates are often not based on appropriate budgets and are unsupported by adequate legal and organizational frameworks.

2. The labour administration system lacks coordination: There is often a lack of coordination (both horizontally and vertically) which impacts effective administration and cooperation with other ministries and public authorities.

3. Internal structures often overlap: The ILO does not impose a specific labour ministry model; and as such each institution reflects its own historical logic/trajectory. Public sector bodies are complex entities which attempt to balance (potentially contradictory) goals.

4. Lack of planning, evaluation and reporting: Quality planning, policy evaluation and reporting is vital for better performance, for better use of scarce resources as well as for better communication with MPs, media and the public. However, while strategic planning is an extension of the ministry’s mission/vision, yearly plans are sometimes not budgeted for and reports often lack reliable statistical/administrative data and subsequent analysis.

5. Human resources: ILO labour administration needs assessments suggest that well trained/motivated staff is essential for the implementation of labour’s administrative tasks. This is both a quantitative (i.e. number of staff) matter and also qualitative in terms of how staff are managed towards careers in labour administration.

6. Lack of equipment and new technologies: Insufficient or unreliable budget allocations or poor management can negatively affect implementation of labour policies but also provision of services as it undercuts communication means and transport (vehicles/transport allowances are critical to labour officers working at the local level). While new technologies are useful, these often require certain conditions to be helpful (e.g. training of the staff, continuous funding, access to the internet etc.).

7. Modern management methods are increasingly considered, but implemented cautiously: There is growing emphasis on New Public Management methods inspired from the private sector. This often involves the promotion of less hierarchical structures and greater autonomy for middle management, counterbalanced by performance management systems.

8. Emphasis on quality services: Labour administration should focus on elaboration/implementation of labour policies, which are often judged according to
the quality of services provided to the public via job centres, vocational training centres, social security administration, etc.

9. **Outsourcing is not the only solution**: There is a trend towards outsourcing of the labour agenda (i.e. ‘agencification’). Strong legal services as well as efficient supervision are required to implement effective contracts and ministries should be aware that outsourcing cannot be considered the solution.

10. **International cooperation in labour matters to be further promoted**: The priority here should be learning and exchanging good practices and engaging in cooperation on labour matters (in particular with neighbours and important trading partners).

These are the main topics/issues that any labour administration system is faced with across different regional contexts. In particular, the long-lasting problem of under-resourced labour ministries and lack of continuity/sustainability poses difficulties for an organization like the ILO in terms of knowledge transfer and support (e.g. capacity building and technical assistance).

**MAIN CHANGES IN ADMINISTRATIVE REFORMS**

What are the main drivers of change in the field of labour administration, and specifically on the principal factors (i.e. economic, political and cultural) that place labour administration under pressure to modernize methods and increase performance? We can focus our attention on three main drivers of administrative reforms: globalization (in particular economic integration and migration pressures on labour administration), the need to address unemployment through active labour market policies and the impact of New Public Management. In terms of this latter trend in public administration and the rise of ‘agencification’, one could see the experience of the so-called ‘Whole-of-Government’ as a holistic form of governing designed to overcome the integrative difficulties of competing ministries with different portfolios. While New Public Management has failed to address problems of horizontal coordination between ministries, ‘Whole of Government’ has also encountered problems of accountability (who is responsible in a network?) while coordination across organizations is seen as a resource demanding process. In this regard, the ministries should avoid the ‘quick fix’ use of external consultants in meeting short-term targets and try to build trust and commitment on an inter-organizational level. One example could be the Hartz reforms in Germany as a far-reaching labour market administration and

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2 This latter trend forms the response of government attempts to emulate private sector policies and may involve micro-management practices and the use of executive agencies operating along private sector lines. Drawing on case study examples of short time working in Germany – essentially the reduction of working time for staff supported by public funding - countries with strong Employment Protection Legislation are shown to have cushioned the impact of financial crisis on unemployment. In the wake of restricted budgets, the discussion concluded with the pressures on labour ministries to enact private-public partnership and voluntary solutions which provide an expanded role to outside agencies in managing labour administration.
welfare reform. The Hartz reforms involved alterations to the job placement system (acceleration/improvement of placements), reorganization of the federal labour office; and greater pressure on the unemployed (in particular to accept temporary work). These changes fuelled the wholesale reorganization of the German welfare regime by reforming unemployment support (especially support of old wage status through tax funding) and amalgamating unemployment and social welfare benefits within a single package. Despite the arguable success of the reforms in lowering unemployment rates, the controversy surrounding Hartz drew mass protest and ultimately led to the breakdown of the government.

This latter point on political vulnerability brings us to the paradox of administrative reform: i.e. even in ‘success’ politicians risk unfavourable reactions and political upheaval. This raises the question: should politicians fear the consequences of implementing necessary reform? In terms of the Hartz commission itself, it was suggested that reforms required slower implementation and greater consultation. However, it was noted that Germany avoids many of the new management ‘fads’ which are common (for example) in the UK. Discussions over New Public Management and related efficiency formats did not frame the reform debate in Germany. Rather, frustration at rising rates of unemployment, the length of long term unemployment rates and a series of administrative scandals generated a window for wide reaching administrative reforms. As such political context plays a strong role in determining the speed of change in which welfare and labour market reform may take place.

The same can be found also in the Nordic European countries. For example, in Norway after the introduction of a changing bureaucratic ‘mixture’, the government continues to seek ways of working across administrative levels and political sectors.

Administrative structures

Along with the drivers of change in labour administration, there are the processes and experiences of change to the structure of labour administration systems. In doing this, one should never forget the technical function of labour ministries and their role in policy making, legislation drafting, policy enforcement and provision of administration and support services. Administrative reforms are essentially geared to enhance the capacity of administrations in order to better achieve expected results, and as such reforms should address all aspects of management (including policy making, service delivery, monitoring and evaluation and accountability of managers etc.). Let’s look at three specific cases: Norway, Germany and Sri Lanka.

In the case of Norway, the reorganization of traditional divisions of labour in welfare administration and the replacement with a centralized ‘one organization’ model merging both employment and national insurance administrations into one new (and larger) welfare and
employment agency (NAV) \(^3\) seems not to have worked effectively. As part of this reorganization, collaboration was also enforced between local branches of welfare/employment agencies and the local government social service administration. Since the beginning, this move provoked serious tensions between central and local government, in particular relating to the merger of different cultures, tasks and professions of work and the implementation of one-stop shop in each municipality. The Norwegian case suggests that reforms have had little or no success in encouraging more people into work, despite improved efficiency/user-friendliness for multi-service users. As such there is still a largely negative reaction to the NAV reforms, a point also echoed by an examination of Hartz reforms in Germany after ten years of implementation. Here the merger of unemployment and welfare benefits created several controversial issues (e.g. surrounding the time frame of unemployment benefits, levels of unemployment benefit and the organization of job centres) and much publicised ‘winners’ and ‘losers’ stemming from the reforms. While low rates of unemployment in 2008 suggest a successful weathering of the economic crisis – which may be indicative of successful welfare reform - the political consequence of the restructuring have left few parties wishing to take credit for this (this includes Social Democrats, parties on the left together with Conservatives, Liberals and/or trade unions).

In particular, the German and Norwegian examples were criticised for the ‘top-down’ nature of these reforms and the shifting relationship between central government and government/administrative bodies at the local level (an issue separate from privatization in administrative reform). This shift has involved numerous conflicts between ministries and administrative departments at different scales, which may be necessary and sometimes healthy when pushing through important labour market reforms. For instance, one objective of the Hartz reforms was to strengthen labour market policy as an economic policy geared towards getting people into jobs. As such reforms involved an unavoidable conflict between the ministry of labour and economics which may not reflect inefficient administrative change \textit{per se}.

In the case of Sri Lanka, the labour ministry adopted a method of consultation by asking assistance to the ILO which was geared towards modernising labour inspection policy and optimizing labour administration and management processes at the headquarters and district offices\(^4\).

\(^3\) Prior to 2005 responsibilities for welfare administration had been split between multiple agencies operating at the national level (the Social Insurance Agency and National Employment Agency) and social assistance services available locally.

\(^4\) For example, through the use of automated inspection schedules and duty rosters for inspection staff.
PLANNING, EVALUATION AND REPORTING

When looking at the planning, evaluation and reporting process from a comparative viewpoint, two significant challenges emerge:

- **Unreliable funds:** In particular in transition economies, national budgets often fail to materialise. In helping to stem this shortfall bi- and multi-lateral donors were seen to impact the ministerial planning process in terms of ownership of plans and implementation. Many governments rely on external funding for support which may fail to materialise and as such ministries may need to adjust plans in ad hoc fashion.

- **Poor planning and management capacity:** The abilities/skills of labour officers responsible for planning, monitoring and evaluation are at times inappropriate for their task. This requires coordination between different constituents, field offices and relevant units in the ministry and it remains a weak point for many labour administrations.

Planning, monitoring and evaluation

When discussing matters of planning, monitoring and evaluation, the first question is: who should lead and participate in the planning process? In too many countries, national plans play a significant role in the formulation of labour policies and the planning itself is typically led by high level officials such as permanent secretaries and deputy ministers. Where a planning unit exists in the ministry, the unit is likely to perform a supportive rather than a leading role in policy formation. Labour policy plans vary from one country to another in accordance with the national plan and the involvement of additional actors (e.g. social partners) in planning and validation. Furthermore, the influence of ministries of finance may also impact labour policies (in particular the funding and scope of labour policies).

In terms of the monitoring and evaluation of labour policies, indicators and appraisal methods are typically developed as part of the planning process. However, experience shows that linkages between appraisal indicators and objectives of the labour policy are often inadequate, with a focus on more simple quantitative measures (e.g. number of visits of labour inspectors) as opposed to the broader objectives of policies (e.g. the overall reduction of workplace accidents or industrial disputes). In this regard, some countries have adopted the use of independent bodies to better monitor the performance of labour policies and labour ministries, with the body reporting directly to the President/Prime Minister as part of an appraisal of the ‘Whole of Government’.

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5 In South-East Asia there is reportedly limited involvement of social partners in policy development.

6 Departments should avoid appraising/reporting on their own performance, and leave it to an independent body.
In terms of statistical data, it is important to create an independent body/unit, in order to ensure the credibility of data (e.g. on rates of unemployment, inflation and GDP growth which impact policy making). All ministries would benefit from a statistical department which is capable of producing reliable data and analysis for sound designing, monitoring and evaluation of labour and employment policies and strategic decision-making. Ideally, this would also include data from labour inspectors operating in the field to provide feedback on the impact of labour policies.

**Internal and external coordination**

Coordination both within the labour ministry and between headquarters and field offices is crucial for any labour administration system. In terms of coordination, it is important to assess the government power structure and its impact on labour ministry autonomy: labour departments may have more or less freedom to produce objective/independent reports based on data, or else face pressures to ‘manufacture’ data for the ruling party. Labour inspectorates face challenges inspecting informal sectors and the rural economy in particular. This creates problems in terms of control, reporting and dissemination of overall findings. It is encouraging to see that in many Asian countries today there is a genuine effort to introduce more coordination between field offices and head office. In this regard, field level officers meet and discuss results with labour officers, assistant commissioners and officials from head office on a regular basis.

**Performance management**

Components of performance management include the shared vision of organizational objectives (often based on mission statements) and the use of performance targets to assess organizational performance on a scale ranging from department level down to that of individual employees. Through regular formal reviews, performance management may illuminate training and development needs while benchmarking may demonstrate the overall effectiveness of new initiatives. Despite the usefulness of this approach in many contexts, some researchers highlighted the drawbacks of performance management and its tendency to focus on actions rather than effects (i.e. overall consequences). Similarly, the matter of performance related pay (PRP) linked to performance management raises questions over desired work behaviours and the threat to teamwork in organizations (including government departments) which utilise such a model.

From a comparative point of view, several concerns have been raised as to how far performance management ‘can go’ amid uncertainties over the general ethos of this form of assessment. With this in mind parallels are drawn with private companies which utilise such

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7 One major concern is that workers may be growing ‘shallow’ through the use of quantitative assessment on pre-defined aspects of performance.
methods in order to maximise profits and the mismatch with labour ministry concerns for quality of life and work experience. Furthermore there are practical concerns with performance management in terms of attributing credit/failure to specific ministries or departments (e.g. on levels of employment), as labour market ‘results’ are complex and result from multiple factors – the responsibilities for which are split across several ministries/government departments - which are hard to pinpoint and assess. In other words, it is difficult to measure the ministries vis-à-vis factors outside of their control. For this reason certain governments are moving away from big impact measures (e.g. the employment rate) which are subject to multiple forces and not attributable to a single ministry. There is also a growing acknowledgement that qualitative measures are important, although governments often prefer investigations and assessments which are easily quantified.

A difference should also be made between performance management and organizational performance, with the latter traditionally associated with treasury departments and appraisals of business spending. For example, in a country like South Africa the treasury departments tend to draw on classical economist techniques of statistical appraisal which generally assess efficiency over practical effectiveness on the ground. This may create a problem of goal displacement, in which assessments are more focussed (for example) on factors such as money spent/inspections completed rather than the overall effectiveness of policies. In general, there is major concern against prescribed performance agreements which may curb incentives to perform outside (i.e. over and above) such criteria. Nonetheless, the qualitative values pertinent to public service (e.g. equal treatment of clients, user friendliness of services) remain difficult to measure. Performance data may be used more as a learning tool or peer review practice as it is the case, for example, in countries like Switzerland and Brazil.

HUMAN RESOURCES

We all know how important human resources are for labour administration (see Article 10 of ILO Convention No. 150). Labour ministries require qualified and well trained employees who operate independent of external influences. Whilst stressing the ideals of HR and public service, low-end positions in the ministry often reflect low remuneration prospects and limited career progression (there is often a lack of further training due to budget restraints). Appraisal systems were also understood to lack systems of reward for outstanding or good performance, focussing more on the negative implications of poor performance. In addition, there is the danger of political interference in relation to labour inspection, which in certain instances encourages favouritism towards particular enterprises: a point which clearly undermines the discretionary powers of inspectors. Moreover, the shortage in the number of labour inspectors relative to the task at hand in the Asian region, and also the lack of labour

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8 For example, the majority of countries in Southern Africa use the British traditional system of public service recruitment via an independent Public Service Commission (PSC) which interviews, scores and assesses processes of staff appointment.
inspection tools (e.g. checklists, guides, manuals on inspection), the gender imbalance in work (low rates of employment for female inspectors) and poor work conditions aggravate the situation.

There is a general perception about the failings of governments to adequately support labour inspection, and equally the failure of labour administration officers and inspectors (in particular in developing countries) to utilize the tools and resources provided to good effect\(^9\). Further concerns are also raised over inconsistencies of inspection practices within large states such as India, and the possibility for homogenising both labour laws and inspection norms across regions. It should be noted that most countries have ratified ILO Conventions 81 and 150, and as such they are required to provide suitable training for labour administration staff, transportation and adequate work conditions.

**COMPLIANCE WITH LABOUR LAWS**

One major challenge for labour administration is the compliance with labour laws as well as the functioning of the labour inspection system. Compliance essentially relates to conformity in fulfilling legal requirements. It is up to the labour inspection system and the threat of sanctions (in sum to the responsibility of government) to ensure that the rule of law is observed. In this regard, ILO Convention No. 81 should be considered as the first step in ensuring observance of the law and countries should be encouraged to adopt comprehensive laws concerning conditions of work, wages, occupational safety and health, employment, labour immigration and social security. In addition, the labour administration should be well equipped to make sure that national policies are designed with a view to encouraging compliance and enforcement, including the application of sanctions\(^{10}\).

Let’s take the example of a country like Bangladesh. In looking at the occupational safety and health (OSH) legislation of Bangladesh, it is evident the difficulties that labour inspectors encounter when enforcing the legislation, especially in protecting the rights of workers (in particular in the garment industry and those workers based in Export Processing Zones). In response to the recent high accident rates and safety problems, it was recommended greater investment in OSH management – e.g. the establishment of a national occupational safety and health institute – and autonomous OSH institutes for the provision of adequate services. In this country, the role of the ILO was and still is mainly to assist the reform of the labour inspection system: most notably through the introduction of a statistical department, a human resources and management department, a training centre (with library) and additional plans for labour inspection activities including the collection of data and a labour inspection

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\(^9\) For example, the ILO invests in the training of labour administrators and inspectors, especially through the programs of the International Training Centre of the ILO, Turin.

\(^{10}\) Sanctions should be used as part of deterrence based system that makes extensive use of prosecution and litigation in order to deter violations.
performance/monitoring system. In future this action plan may help Bangladesh to develop a national health and safety programme and to make sure that the same legislation is also applied in Export Processing Zones (EPZs).

A key means of improving worker rights in all industries is also the awareness raising with a view to outreaching workers unfamiliar with basic labour rights and safety standards and promotion of social dialogue, in particular in respect of Conventions No. 87 (freedom of association and protection of the right to organize) and No. 98 (with respect to the right to collective bargaining). In this way, it is likely that employers will find it harder to violate worker rights when these are well understood by those involved.

EXTENSION OF LABOUR ADMINISTRATION SERVICES TO THE INFORMAL ECONOMY

If labour administration focuses its efforts only on the formal economy, large numbers of both workers and employers will fall outside its protection and influence. Therefore, labour administration needs to move beyond its focus to adopt a much wider perspective that addresses the needs of all workers and employers in both formal and informal economy. In particular, one main challenge is how to extend labour administration services (and labour inspection in particular) to the informal economy. Key issues should be examined here.

First there is a problem of definition, namely the lack of proper definitions for the informal economy which covers all those activities not included in the law. This creates problems, for example, when establishing the subject of protection to pursue by labour ministries. The use of terminology is also likely to differ between developed and developing national contexts – in particular the use of the term ‘illegality’ which may be less useful in developing contexts given the scale of informal work - which impacts social protection. It should also be noted that the poor/selective enforcement of labour standards, the outsourcing of legislative liability and issues of bribery and corruption are factors hampering transitions away from informal work arrangements.

When dealing with the problem of definition, there are also two key issues with regard to the employment relationship: one deals with the scope of labour law to sectors and/or small businesses currently not covered by legal obligations, factory acts and so forth (e.g. agricultural work which remains unregulated in many contexts); the other deals with the enforcement ‘machinery’ and devise systems of protection for workers operating in unsafe environments.

In many contexts, it remains ambitious to expect enforcement machinery to cover all aspects of social protection, although systems of protection should prioritise the most important features of the labour relations (in particular those which impact upon worker’s health). With this in mind, one should advocate policies of extension as a means of gradually improving
rights and entitlements of workers within industry contexts currently not protected by legal mandates.

In Asia one could refer to the example of Thailand. This country has successfully extended social security to enterprises with 10-20 staff (1\textsuperscript{st} stage) and subsequently to 5-10 staff (2\textsuperscript{nd} stage), before reaching a final stage of legal coverage in organizations with 1-5 staff. Another example could be the formalization of the unorganised sector in India. The approval of the Unorganized Sector Workers (Conditions of Work and Livelihood Promotion) Bill of 2005 had the objective to improve working conditions of informal economy workers by providing basic minimum standards on working hours, minimum wages and adherence on child labour and bonded labour. The Bill recognized a minimum of workers’ entitlements, including the right to organize, non-discrimination in payment and conditions of work, safety at work and absence of sexual harassment. However, such a policy of extension may prove difficult to implement depending on the legal landscape of the country in question. In this context, legal progress may arise initially through voluntary social security agreements which may develop into formal compulsory arrangements reaching the lowest level.

BUILDING PARTNERSHIPS

Labour administration works better when it cooperates with social partners. There is a need for cooperation and collaboration, and for solid dialogue among the tripartite constituents on issues of mutual concern.

An important element that should be cultivated is the inter-ministerial coordination and the need for organizational culture which facilitates communication within and outside the labour ministry. The responsibility for labour administration in the area of social dialogue is stipulated in ILO Conventions No. 150 (on labour administration) and No. 144 (on tripartite consultation). Social partners should benefit from mechanisms and processes of social dialogue facilitated through the ministry of labour. While formal ministerial meetings have their users, coordination with other ministries, institutions and advisory bodies may yield different perspectives on matters of concern to the ministry of labour. For example, in tackling the issue of dangerous scaffolding in France a range of informal labour market boards helped nurture social dialogue and formulate alternative solutions to the problem. Following tripartite discussions at the local level, enterprises were informed not only of legal requirements relating to OSH but also about viable alternatives which emerged from that dialogue.

If inter-ministerial coordination is essential for a smooth functioning of the labour administration system, then the following questions should be asked:

\textit{Which ministries are key for the labour ministry?} The ministries of industry, trade, education (with vocational training aspects), planning and development, finance, health (occupational health), and the ministry of justice are all deemed to play a vital influencing
role on the policies and performance of labour ministries. Depending on the national context, ministries for migration and the interior ministry may be of strong relevance to the labour ministry. Related agencies responsible for matters of social security, finance, statistics, civil defence, and agencies responsible for key industrial sectors (e.g. agriculture or/and mining) may also be relevant in particular contexts.

**How should labour ministries engage them in cooperation?** The ministries of labour should meet and engage with these departments to co-formulate national policies. In certain instances there may be joint action plans on specific issues which may have positive and negative impacts on the power of the labour ministry. For instance, the case of health is one example in which health policies may be splintered into different categories (e.g. occupational health and public health) with corresponding plans and authority devolved to different ministries. The use of joint committees, knowledge sharing programmes and joint-action plans are useful means of engaging with different ministries.

**What are the potential benefits of such partnerships?** Primarily this amounts to the efficient use of resources, better consistency and improved policy coherence.

**Is the labour ministry the main partner of social partners?** The labour ministry is the main partner, but for certain issue other ministries (e.g. ministry of finance, ministry of planning) are requested to take part in the social dialogue.

**What kind of services (e.g. advice, training, data) do labour administrations provide to social partners?** This can differ, with the main function falling under ‘advice’ and ‘training’, and sufficient budgets are required. Financial arrangements are understood to vary: while some countries have little or no budget for service provision, others rely on legislation enforcement which requires employers to re-invest a set proportion of profits into training schemes for staff. It should be noted that there are some prerequisites to solid social dialogue, tripartism and partnership with social partners: namely the representativeness and technical/institutional capacities of the social partners to engage in negotiation.

**COLLECTION OF STATISTICAL DATA FOR EVIDENCE BASED POLICY MAKING**

One major problem faced today by all labour administrations is how to make labour administration policy more realistic and efficient by basing policy on reliable data and research. One should look at both the merits and drawbacks of evidence based policy making and in particular its value in the policy-making process. Notably it remains difficult to test the effectiveness of policy interventions brought about by changes to underlying causal processes. This is partially due to the fact that evidence based policy makes often ‘test policies’ through quantitative measures: this process may focus more on establishing patterns than in answering questions over ‘how’ and ‘why’. In order to strengthen evidence based policy-making ministries should ensure that all available data are reviewed and used to inform policy making/appraisal. At the same time, evaluation activities should go beyond the
strict preoccupation with measuring the impact of interventions and the extent to which goals have been achieved (i.e. there should be more emphasis given to explanation than is often the case).

When labour ministries do not have sufficient data, it is difficult to have evidence based policy making. This difficulty is compounded by the lack of analysis facilities in many administrations and by the lack of inter-departmental coordination between headquarters and local offices. For example, the introduction of online systems have helped to computerize and standardize labour market information system, drawing support and input from a range of actors contributing to the data bank (e.g. employers, statistical offices, national insurance groups). However, the poor capacity of many labour administrations to compile data and carry out in-depth analysis is an issue.

**ROLE OF LABOUR MINISTRIES IN THE EMPLOYMENT AREA**

Another major issue is the role of labour ministries in the field of employment, and the role of government – more generally - to promote work and lower rates unemployment. This issue includes a focus on the use of modern public employment services (PES). The changing nature of government and the development of a range of passive and active labour market policies in advanced state governments today have brought to the fore of discussion different issues. Today there are multiple actors that hold a stake in matters of employment – including a variety of ministries, tripartite groups and private providers – and this complexity creates a ‘wicked problem’ with contradictory interests beyond the control of government. As such, responsibility for unemployment as a matter of ‘territory’ may rest in multiple departments. As one means of exploring government intervention, PES represent a tool for matching job seekers with available vacancies (i.e. public employment services are facilitative in nature)\(^{11}\). With this in mind, also the use of private agencies has grown in order to provide useful facilitative functions for candidates engaging with the labour market. Private agencies often maintain strong labour market intelligence and links to certain sectors/types of employers, while NGO’s and other specialised organizations may represent a useful resource for certain segments of the workforce (e.g. disabled, younger and older segments) with particular working needs. Amid various examples, one could mention the subcontracted models of service delivery in Australia, where employability improvement functions are outsourced to an agency made up of several hundred service providers. This system helps to streamline jobseekers into four categories (e.g. according to skills and experience) and co-determines the amount of financial assistance they receive. This system also works to generate employment pathway plans designed to help maintain employment in

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\(^{11}\) Broadly speaking PES may draw on two alternative approaches to job filling. “Work first” approaches focus on increasing employment levels through pressure on support recipients to accept available opportunities. This is in contrast to “human capital development” approaches, which focus more on training and developing human capital in preparation for (more desired) forms of work.
the longer term. Similarly, in a country like the Netherlands there are various electronic services and innovative systems which incorporate temporary employment agencies as a means of pairing workers with employers. In tandem with more traditional (i.e. government centred) approaches to PES there are multiple models of service delivery and considerable scope for comparing systems across Europe in particular.

In this regard, ministries of labour are advised to play a strong coordination role to foster employment services. Despite difficulties matching jobseekers with enterprises – or sustaining workers within newly found roles - labour market programmes should not be measured in terms of the numbers of people employed through offices (in particular during difficult labour market periods or a jobs crisis). Improvements may involve adjustments to delivery models and collaboration with other labour market stakeholders – e.g. religious, non-profit and related civil society groups – who are performing labour market functions outside of government. It is also important to demonstrate to the ministry of finance the strategy for reaching target groups of job seekers (e.g. young people) in order to secure additional funding and collaboration. By providing incentives to key employers – such as tax holidays and/or reduced social insurance contributions – the government may also stimulate capital to create jobs and training programmes for these groups. Finally, where passive labour market measures are failing to encourage jobseekers into work there is the growing trend towards ‘workfare’ and ‘work first’ policies, to make sure those jobseekers do not refuse offered jobs.

CONCLUSIONS

From the above the main conclusions are:

*Coordination remains vital to ensure the best use of scarce resources and to encourage effective planning, evaluation and reporting*

Due to the variability in funding, labour administration systems (especially ministries of labour) are advised to adopt labour policies which will benefit from greater coordination between different stakeholders (including field offices and other relevant units to the labour ministry). In addition, the appraisal of labour policies may be better served by autonomous bodies which focus on overall objectives of administrative policy rather than on specific quantitative targets. While labour ministries would benefit from greater research capacity the use of independent research agencies may ensure more credible data.

*Administrators should maintain a focus on qualitative aspects of service delivery amid the growing trends towards quantitative assessment and appraisal*

Bearing in mind the growing trend towards performance management - and the onus on quantitative forms of appraisal - labour practitioners are concerned with qualitative aspects of work enhancement and life experience; factors which are often difficult to ‘measure’ and appraise. In many contexts there remains a lack of government support for labour administration and inspection and for this reason it is often hard to ensure that labour
administration officers and inspectors are granted the necessary tools and resources for completing tasks.

The compliance mandate remains the core concern, especially within the informal economy

Compliance with labour law does not follow automatically from legislation and the possible threat of sanctions; international labour standards also require coherent and robust systems of legal infrastructure to help observe the relevant labour laws. Particularly challenging case studies – such as the case of Bangladesh – illustrate the difficulties in promoting, regulating and protecting worker rights. In many contexts, it remains ambitious to expect enforcement machinery to cover all aspects of social protection, although systems of protection should prioritise the most important features of the labour relations and specifically those which impact upon worker’s health. The education of workers and partnerships with non-governmental partners are encouraged as a ‘first means’ approach to discouraging rights violations.

The continued importance of partnership building

Effective labour administration depends on tripartite cooperation and sound coordination with other ministerial bodies. Coordination with other ministries, institutions and advisory bodies may yield different perspectives on matters of concern affecting the ministry of labour. In particular the activities and interests of other ministries – such as ministries of industry, health and finance – may play a vital role on labour policies and related agencies responsible for matters of social security. As such, labour ministries should engage with these and other relevant departments to co-formulate national policies and joint action plans on specific labour issues.

The need to enhance methods for data collection and analysis and continued wariness of evidence based policy making

Practitioners encourage a greater use of evidence based policy making drawn from reliable data and research, whilst warning against the use of quantitative tests and measures which overlook qualitative concerns. In order to strengthen evidence based policy making, labour administrations are encouraged to review sources of evidence together with longer term evaluations of policy initiatives. Evaluation activities should develop beyond a preoccupation with measuring the impact of interventions and goal achievement, by focussing on analysis of the findings in question from which to build solutions.

The role of ministries in the field of employment

Government intervention in the labour market is continually evolving, as reflected by the range of passive and active labour market policies. This includes the promotion of facilitative public employment services (PES) which combine methods for supporting the unemployed and matching jobseekers with available work. Bearing in mind the breadth of PES formats available – and in particular the growing influence of private agencies and service providers which often maintain strong resources of labour market intelligence – labour ministries are
advised to explore and assess multiple models of service delivery which may be more or less suited to different labour market contexts.

The ILO technical assistance

To provide state-of-the-art assistance to its member States, the ILO should further develop its knowledge base, especially in the fields related to general developments of public administration and relevant management matters, information and feedback. It is also essential to extend cooperation with outside partners, especially the academic world, such as the International Society of Labour and Social Security Law.

Ultimately it remains the case that labour ministries require funding and government backing to maximise capacity building. Where possible labour ministries must further develop their training programmes and research oriented activities with a view to fulfilling the implementation of labour policies. Furthermore, ministries of labour should not only create the appropriate legislative framework, but also actively encourage sound industrial relations in terms of services to be provided to promote social dialogue and tripartism.

SELECTED BIBLIOGRAPHY


