



LABOUR ADMINISTRATION

# FUNCTIONS OF LABOUR ADMINISTRATION

FROM CORE MANDATES TO THE PROMOTION  
OF FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK (FPRW)

*Module 1*



International  
Labour  
Organization



International Training Centre

## ▶ **Module on functions: main trends, including role of labour administration in the promotion and realization of fundamental principles and rights at work**

### **Summary**

This module introduces the concept, scope and functions of labour administration, as defined by international labour standards, in particular the Labour Administration Convention, 1978 (No. 150), and the Labour Administration Recommendation, 1978 (No. 158). It examines labour administration as a system of public administration activities responsible for the preparation, implementation, coordination, review and enforcement of national labour policy, carried out with the active participation of employers' and workers' organizations. The module reviews the main functional areas of labour administration, including labour standards, labour relations, employment, research and statistics, international labour affairs, social security, occupational safety and health, minimum wage fixing, and emerging areas such as the informal economy, labour migration and global supply chains. Particular attention is given to the role of labour administration systems in promoting and realizing fundamental principles and rights at work in a changing world of work.

### **Objectives of the module**

- Further clarify the concept of labour administration and labour administration systems as defined by Convention No. 150 and Recommendation No. 158
- Identify the main functions and fields of activity of labour administration systems
- Examine the role of labour administration in the formulation, implementation and coordination of national labour policy
- Analyse how labour administration contributes to labour standards, labour relations and employment policies
- Explore the responsibilities of labour administration in areas such as labour inspection, public employment services, research and statistics, social security, OSH and minimum wage fixing
- Assess the evolving role of labour administration in addressing informality, labour migration and global supply chains
- Understand the contribution of labour administration to the promotion and realization of fundamental principles and rights at work.



## A. International Labour Standards on labour administration

### Key points

- ▶ Labour administration is an **essential tool at the disposal of governments to fulfil their duties towards society**. International labour standards are usually applied through national law and policy.
- ▶ It is therefore vital that each country **maintain a viable and active labour administration system** responsible for all aspects of national labour policy formulation and implementation.

Although labour ministries were created as far back as the 1920s, half a century went by before a Convention on labour administration was adopted. Debates on the need to define the role of the overall system of labour administration took place regularly since the 1950s, culminating in 1978 with the adoption of Convention No. 150 and its accompanying Recommendation (No. 158):

Convention No. 150 and Recommendation No. 158 are the only international instruments providing for the establishment of an institutional framework within which national labour policy is developed, implemented, coordinated, checked and reviewed. They define the concept of labour administration and its characteristics; a coherent national labour policy; a coordinated system of competent public bodies; an institutional structure integrating the active participation of workers, employers and their respective organizations; and adequate human, financial and material resources for the provision of effective and efficient services. In the preamble, the Convention clearly recognizes that specific areas of labour administration such as labour inspection, employment services, employment policy and human resources development are dealt with in several other instruments.

The scope and diversity of social policy regulation and implementation, the complexity and the variety of the matters to be addressed and the number of services to be provided, call for a systemic approach to labour administration. Creating an integrated overall system in which all tripartite partners – government, workers and employers – may play roles in partnership with each other and in a coordinated manner is the best way to establish regulatory mechanisms that are dynamic and to guarantee a flexible and adaptable labour administration.<sup>1</sup>

<sup>1</sup> The fundamentals of labour administration. Giuseppe Cásale and A. Sivananthiran, ILO, 2010.

<sup>1</sup> Lecuyer, N., Courdouan, J. (2002), Actors in Development, New Forms of Labour Administration, ILO, Geneva.



## **B. What is labour administration?**

The Labour Administration Convention, 1978 (No. 150), and the Labour Administration Recommendation, 1978 (No. 158), state the role, functions and organization of labour administration and lay down an international framework within which the preparation, implementation, coordination and evaluation of national labour policies must be carried out.

In those international instruments, the concept of labour administration is defined as a coordinated system of activities aimed at implementing a national labour policy, conducted by public administration bodies with the active participation of employers' and workers' organizations and endowed with appropriate human, financial and material resources to provide effective and efficient services.

It follows from this definition that the main features of labour administration are:

- ▶ a coherent national labour policy;
- ▶ a coordinated system of competent public bodies;
- ▶ an institutional structure allowing for the active participation of workers, employers and their respective organizations; and
- ▶ adequate human, financial and material resources for the provision of effective and efficient services.



### C. Labour administration and labour administration systems

The activities referred to in the definition cover three main areas: policy shaping, policy formulation, and policy implementation:

- ▶ policy shaping refers to undertaking research on policy initiatives.
- ▶ policy formulation mainly consists in the drafting of labour policy documents; and
- ▶ policy implementation concerns the enforcement of labour laws.

Convention No. 150, Article 1, in addition to defining “Labour Administration”, has also conceptualized the notion of “national system of labour administration”.

The term “labour administration” refers to public administration activities, in the broadest sense of the term, in the field of national labour policies.

The term “**system of labour administration**” refers to all public administration bodies, 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.

▶ This module looks at the functions of labour administration while labour administration as a system will be addressed in the module on the organization, structure and coordination of labour administrations systems.



## **D. Main fields of activity of labour administration**

The areas of activity of the labour administration system can be grouped as follows:

- (i) national labour policy;
- (ii) labour standards;
- (iii) labour relations;
- (iv) employment, vocational guidance and vocational training;
- (v) research and
- (vi) international labour affairs.

Labour administrations traditionally perform other activities relating to labour protection, such as

- (vii) establishment of minimum wage fixing machinery,
- (viii) social security, and
- (ix) occupational safety and health.

After having analysed the above functions, this module will address the need for labour administrations

- (x) to promote progressively the extension of labour administration functions to cover the informal economy.

Finally, the module will look at the activities carried out by labour administrations concerning

- (xi) labour migration and
- (xii) global supply chains.

### **1- Role of labour administration systems regarding national labour policy**

The Labour Administration Convention, 1978 (No. 150) and the Labour Administration Recommendation, 1978 (No. 158) characterize national labour policy as the function of labour administration, defining the latter as “public administration activities in the field of national labour policy”<sup>2</sup> These instruments also note that the national labour policy should

<sup>2</sup> Article 1(a) of Convention No. 150 and paragraph 1(a) of Recommendation No. 158



be prepared, administered, coordinated, checked, and reviewed by the competent bodies within the labour administration system, in consultation with employers' and workers' organizations<sup>3</sup>, and may include activities that are regulated through direct negotiations between these organizations .

The lack of a precise definition of “national labour policy” in Convention No. 150 and Recommendation No. 158 is not accidental. When these instruments were developed, constituents determined that the term "labour policy" should be interpreted in the widest sense, and that there was no need to list its specific components. This was intended to allow flexibility for adaptation to national context by individual states. Employing the broadest definition of national labour policy also allows for the concept to evolve in response to country-specific social and economic shifts.

Nevertheless, it is widely understood that the national labour policy encompasses all national labour related matters. Convention No. 150 outlines the essential functions that the national system should perform in the fields of labour protection, employment, industrial relations, and the provision of services and technical advice to employers, workers, and their representatives. In this way, it establishes a minimum content and meaning for the term “national labour policy”. Recommendation No. 158 also highlights functions which should be taken into consideration by individual states when formulating national labour policy, namely labour standards, labour relations, employment, and research in labour matters.

Recent years have witnessed some countries undertaking efforts to develop national labour policy documents with support from the ILO. The role of these documents as envisaged by Convention No. 150, is to provide a guiding framework for all labour related matters at the national level, enhancing coherence, visibility, efficiency, and synergies in sectoral policies and promoting good governance and social well-being. These national labour policies typically outline medium-to-long term priorities for labour administrations and may stipulate parameters for evaluating their effectiveness.

A comprehensive national labour policy, which can take varied forms depending on national circumstances, serves as a vital instrument for enhancing labour governance and promoting the significance of labour concerns within the wider governmental framework.

It is imperative for governments to articulate and set labour aims that can accommodate growing demands, arising not just from the rapid pace of technological, societal, and economic transformations, but also from the need to secure decent work for all. Policy

<sup>3</sup> Article 6(1) Convention No. 150 and paragraph 5(1) of Recommendation No. 158.

Article 3 of Convention No. 150 and paragraph 3 of Recommendation No. 158.



development, as per Article 6(1) of Convention No. 150, is not synonymous with legislative drafting. Policymaking produces a non-binding roadmap for subsequent actions, while laws and regulations, which translate policy into action, establish binding legal rights and duties.

Ministries of labour, or their functional equivalent, should hold a pivotal position in shaping the government's policy direction. The ministry should possess a solid understanding of the trends and challenges in its domain in order to identify opportunities for policy innovations. National strategies should be crafted, implemented, and reassessed in collaboration with social partners and in alignment with other public, semi-public, or private bodies that might hold an interest in or be impacted by particular issues addressed in the policy.

Most governments have developed and adopted national policies in various areas such as education and public health. By contrast, comprehensive national labour policies – drafted and approved by the ministry of labour or its functional equivalent – are relatively rare.

National labour policy is a cyclical process comprising several phases – planning, execution, coordination, verification and revision – to be implemented at recurring intervals. The process for developing a national labour policy should be comprehensive and participatory, and it is usually spearheaded by the ministry of labour or its functional equivalent in conjunction with any other ministries covering labour issues. It requires engaging ministry staff, stakeholders, and social partners, using tools like surveys to gather diverse inputs. In-depth organizational analyses, incorporating methodologies like SWOT and PESTEL, may be carried out alongside documentary reviews.

Structured interviews can also help to understand the dynamics, achievements, and challenges associated with the ministry's mandate. These insights are then discussed in deliberative forums, such as a Strategic Thinking Workshop, which provide a platform for candid brainstorming, stakeholder analysis, and team-building exercises, aimed at fine-tuning the strategic vision. As the policy takes shape, it is informed by both internal and external environmental considerations, ensuring it remains resilient to various influencing factors.

Consultations with workers' and employers' organizations are also critical to ensure that the policy encapsulates a shared vision, strengthening its potential for successful implementation. There is no prescribed requirement as to the form of the final policy and it can be formalized or labelled in various ways, as for example, the Ministry of Labour and Social Security Strategic Plan in Eswatini, or the Sectoral Programme for Labour and Social Security in Mexico.



The labour policy agenda is shaped by various factors, including national economic and social climates, political agendas, the organizational strength of employers, unions, and civil society, and their contribution to consultative bodies. There are also potential external influences, which may include events in foreign countries, such as conflicts or political upheaval, or a country's obligations to global or regional organizations. For instance, governments might be required to enact policies compliant with the standards set by international bodies, such as the International Monetary Fund or the European Union.

The design and implementation of the national labour policy is also shaped by the relations between the institutions involved in labour administration and their capacity to function cohesively, and to avoid duplication, inconsistencies, and wasted resources. The COVID-19 pandemic demonstrated the importance of coordination in crafting timely and relevant policy responses. Though typically spearheaded by the ministry responsible for labour, labour policies often see multiple agencies and bodies taking charge of specific facets. For example, in Georgia the process of developing the National Strategy 2019–23 for Labour and Employment Policy involved “relevant authorities, agencies, social partners and experts” in the field of labour, consultation meetings with members of the Trilateral Commission for consultation, and support from the International Labour Organization<sup>4</sup>. Further, the successful implementation of the National Strategy 2019–23 in Georgia involved different ministries, agencies, civil society, and social partners.

In decentralized systems, these duties often fall to sub-national entities necessitating coordination. Labour inspection effectiveness, under Conventions Nos 81 and 129, can be amplified through coordination between different inspection bodies and both public and private entities with analogous functions.

A comprehensive national labour policy plays a pivotal role in shaping the economic and social development of a country and must be intertwined with the nation's broader economic development and growth. This policy serves as a cornerstone for creating a balanced relationship between employers and workers and is instrumental for safeguarding fundamental principles and rights at work, promoting employment opportunities for all, and fostering social cohesion. A well-crafted national labour policy will bolster the visibility, coherence, efficiency, and synergies in the promotion of good governance, to advance both economic prosperity and social justice.

Additionally, national labour policy can shape development by outlining functions and time-bound priorities for labour administrations. For example, in Nepal the formulation and enforcement of the National Labour Policy enhanced coherence and organization among the labour sectors.

<sup>4</sup> Georgia, National Strategy 2019-2023 for Labour and Employment Policy, 2019



Having dealt with the design and review of the national labour policy in this section, in the remaining ones, the other key functions of the labour administration systems will be considered.

## **2- Functions relating to labour standards**

The ministry of labour, or other competent bodies within the labour administration, should prepare, develop, adopt, apply, and review national labour standards. The drafting of national labour standards or amendment of existing laws may include consultation with social partners through existing bipartite and tripartite social dialogue systems.

Labour legislation is widely used to both regulate individual employment relationships and to establish the framework within which workers and employers can determine their own relations on a collective basis.

The legislative regulation of the individual employment relationship typically entails the enactment of provisions governing the formation and termination of the relationship, that is, the conclusion of contracts of employment, their suspension and termination. It also establishes the rights and obligations relating to the different aspects of the relationship, such as the minimum age for admission to employment, the protection of young workers, equality at work, hours of work, paid holidays, the payment of wages, occupational safety and health and maternity protection.

Regulation of the collective relations of workers and employers typically includes laying down legal guarantees of the right of workers and employers to organize in occupational organizations, to bargain collectively as well as for workers to strike. It also usually includes mechanisms for worker participation at the enterprise level and for preventing and resolving disputes through conciliation, mediation or arbitration.

Finally, provisions shall be adopted to establish procedures and institutions in charge of enforcing the law, such as labour inspection services and labour courts or tribunals.

Labour inspection is an essential function of any labour administration which addresses various labour related issues and promotes decent work. Article 6(2)(b) and (d) of Convention No. 150 note that activities performed by the labour inspectorate should include (1) supervision and enforcement, as well as bringing attention to abuses and shortcomings concerning conditions of work and terms of employment and proposing avenues to address these conditions, and (2) providing technical guidance to employers, workers, and their respective organizations upon request.

A central labour inspection authority is usually designated within the labour administration system to ensure coordination and compliance. This labour inspectorate is often placed under the Ministry of Labour or its functional equivalent and requires the allocation of adequate financial and human resources. It is critical that the labour inspection system is

organized efficiently, involves coordination with public and private agencies, and receives assistance from social partners to ensure the implementation of national labour standards. Notably, in recent years several countries have established central labour inspection systems or strengthened collaboration between labour inspection bodies with the aim of improving the role of the labour inspectorate. For example, in 2015, Italy consolidated the inspection services of the Ministry of Labour and Social Policies, the National Social Security Institute, and the National Occupational Accident Insurance Institute, into one autonomous public agency – the National Labour Inspectorate – under the purview of the Ministry of Labour and Social Policies.

The interplay between regulation, compliance, competitiveness and productivity is often not well understood. Too often, it is, incorrectly, considered that deregulation will automatically lead to economic growth, increased productivity and competitiveness, as well as job growth. This has led a number of countries to carry out reforms that substantially undermine the inherent functioning of labour inspection systems, contrary to the provisions of international labour standards in the domain of labour inspection.

### **3- Functions relating to labour relations**

Given the vital importance of social dialogue for good labour governance, a separate module has been devoted to it. This section, therefore, will only outline labour administration main responsibilities in this domain.

As noted in section 1 above, social partners should play an active role in the formulation and implementation of the national labour policy, which in practice means, they should be consulted throughout the process of developing, reviewing and applying national labour policy. But this is not the only way or context in which the national labour administration and the social partners interact.

One way in which labour administrations take responsibility for labour relations is by reviewing labour and employment laws regularly to ensure their continued relevance to both employers and employees and by monitoring that such legislation is applied effectively. Furthermore, they are expected to create an environment that enables social partners to organize, in full freedom and independence. Thirdly, they are supposed to help avoid labour-management conflict through a system for the prevention and resolution of labour disputes. To achieve these three objectives, in many countries industrial relations departments, units or branches have been set up.

In some countries, among the specific duties of these industrial departments one may find the registration and provision of advisory services to workers' organizations. It is also the



case that these departments provide training on labour law to the social partners or the public at large. Training on labour law and awareness raising on basic labour rights can be an effective measure in preventing labour disputes and has proved very effective in strengthening the capacities of the social partners and in stimulating a participatory approach in labour law making and enforcing.

A special context for labour relations is the public sector, where the government plays a double role. On the one side, it is called to promote sound labour relations by establishing a conducive environment, as mentioned above. On the other side, the government is an employer and plays the active role of a key social partner in negotiations. While the development of labour relations in the public sector is undeniably moving towards the increased participation of employees and their organizations in the determination of conditions of work, it is nevertheless true that public employees are among the categories of workers whose right to organize and to bargain collectively is still most frequently restricted.

#### **4- Functions relating to employment**

Article 6(2)(a) of Convention No. 150 indicates that national employment policy is a component of the national labour policy and is the responsibility of the competent bodies of the labour administration. Labour administration systems use varied strategies and frameworks to manage employment policies and involve numerous stakeholders in the process. Institutions within the system play a pivotal role in providing continuous oversight, assessment, and modification of policies as needed to address evolving priorities.

National employment policies are materialized through the administration of programmes and measures, including programmes for employment creation and promotion, which are regularly managed by the ministry of labour or by other specialized agencies. For example, in Japan national measures for job referral and planning of employment security are managed by the Employment Security Bureau of the Ministry of Health, Labour, and Welfare.

It is also critical for labour administrations to develop specialized units and programmes to support vulnerable workers and promote inclusivity and equal opportunity. For instance, to support groups of workers that may be vulnerable to decent work deficits countries may establish measures or programmes which promote employment of these groups. In the Philippines, for example, Services and Programming under the Public Employment Service Office aims to provide assistance for groups of disadvantaged workers, including persons with disabilities and displaced workers, enhancing their ability to secure decent work opportunities.

In some circumstances, collaboration between the public and private sectors in the management of employment services (PES) may be advantageous. Where private

employment agencies are engaged, there is a need for clearly distinguished roles, duties, and remits of public and private participants.

In the majority of countries, the national labour administration system includes a free PES. The rationale for the PES role is that, on the one hand, it improves labour market transparency, and, on the other hand, it offers special help to those who might otherwise be disadvantaged in the labour market. Institutionally, the PES may either be part of a government department or be autonomous. In the latter case, employers' and workers' representatives are often involved in its supervisory board.

The main functions associated with the PES are:

- ▶ intermediation in the labour market,
- ▶ producing labour market information,
- ▶ administering labour market adjustment programmes,
- ▶ supporting skills training and
- ▶ providing unemployment benefits

The new technologies (databanks, networks, the internet and so on) facilitate communication, improve PES services and increase flexibility in response to citizens' needs. This presupposes a highly developed computer culture among the population, the availability of the required tools and the establishment of employment services so that all citizens may benefit from such information. Most countries, in a way or another, are moving towards a wider use of modern technology, even if the progress is slow and quite uneven among developing countries.

#### **5- Functions relating to studies, research and statistics**

Article 6(2)(b) of Convention No. 150 indicates that the competent bodies of the labour administration should monitor and study the condition of employed, unemployed, and underemployed persons while considering national labour laws, regulations, and conditions of work, with a view to bringing attention to abuses or shortcomings and proposing avenues to address these conditions.

This function includes collecting information or conducting research on several labour related matters, and publishing and circulating results and statistics with a view to promoting additional research by external stakeholders and institutions.



The labour statistics available in most labour administrations broadly relate to:

- ▶ Labour Force, Employment, Underemployment and Unemployment by industries, occupations, age and sex
- ▶ Workers in the rural areas and in the informal sector
- ▶ Emigration/Migration of workers
- ▶ Registration and placement by Public Employment Services
- ▶ Classification of occupations by industries, age, sex...
- ▶ Wage structure and distribution
- ▶ Average earnings and hours of work
- ▶ Equal remuneration
- ▶ Labour cost
- ▶ Productivity indices
- ▶ Working and Living Conditions in specific areas or industries
- ▶ Unionization by industries, regions, occupations, sex, age...
- ▶ Industrial disputes and workdays lost by strikes or lockouts
- ▶ Nature of disputes
- ▶ Social Security
- ▶ Provident fund and pension funds
- ▶ Occupational accidents and diseases
- ▶ Annual report on the working of Labour Acts

## **6- Functions relating to international labour affairs**

Labour administration systems are central to ensuring that international labour standards are not only agreed upon but also effectively implemented and enforced at the national level, but they play a crucial role in the governance and regulation of labour markets also at the international level.

Labour administration functions in relation to international labour affairs are reflected in article 11 of the ILO Constitution. This provision establishes that the government departments of any of the Member States which deal with questions of industry and employment may communicate directly with the Director-General through the



representative of their government in the Governing Body of the International Labour Office or, failing any such representative, through such other qualified official as the government may nominate for the purpose.

Labour ministries are the main interlocutors and partners of the ILO on the government side. The participation of labour administrations in international labour affairs and their contribution to them take place in different ways. With regard to international labour standards, labour administrations, in consultation and coordination with the other relevant ministries and social partners, normally take the lead in activities related to the ratification of ILO Conventions and the provision of periodic reports to the ILO. In addition, labour ministries are generally responsible for representing the government in international labour forums such as the ILO Conference and Governing Body. This participation is sometimes shared with foreign ministries.

Regional integration and its direct effects on the world of work, such as free movement of labour and standardization of labour legislation, has created the need to harmonize some aspects of labour regulation and to improve horizontal cooperation among national labour administrations. For example, in order to become a Member State of the EU, candidate countries are required to address numerous issues related to labour policy. National labour administrations are generally involved in labour matters dealt with by regional organizations such as the Arab League, the African Union, the Association of Southeast Asian Nations (ASEAN), the European Union (EU) and the Organization of American States (OAS). In a number of regions, labour ministers meet at regular intervals.

National labour administrations, particularly in developing countries are also called upon to draw up requests for projects involving international cooperation and to supervise their execution and assess their outcomes, if launched. The involvement of labour ministries, together with the social partners, in the preparation and conclusion of ILO Decent Work Country Programmes is an example of labour administration activities in this field.

In a world of work that is increasingly interconnected and with many labour issues transcending national borders, bilateral and multilateral cooperation on labour matters has become progressively more important. For example, a number of countries have concluded bilateral labour migration agreements to establish a cooperation framework between countries of origin and destination to ensure that labour migration is regulated according to agreed principles and procedures. Another example includes bilateral social security agreements which ensure that social security rights acquired in a particular country of employment are maintained when moving to another country. In addition, bilateral and regional trade agreements have been adopted in all regions of the world. While the negotiation and conclusion of free trade agreements is normally the responsibility of ministries of economic affairs, trade and foreign affairs, ministries of labour are sometimes

involved in the process providing inputs concerning labour matters. In fact, an increasing number of these agreements contain labour provisions, in particular with regard to compliance with international and national labour standards, and this has induced changes in ministries' policies and practices, particularly in relation to labour inspection.

To accomplish these functions in the international sphere, which involves the national labour administration system at its highest levels, many labour administrations have established dedicated units or departments dealing with international labour affairs.

A number of regional labour administration networks have been established around the world to serve as platforms for cooperation, training and information-sharing among national labour administrations. For example, the Inter-American Network for Labor Administration is the mechanism for cooperation among the ministries of labour of the Americas that seeks to build their human and institutional capacities. All its activities and priorities are defined by the ministries of labour of the region through the OAS Inter-American Conference of Ministers of Labour. The African Regional Labour Administration Centre (ARLAC) was jointly formed by the ILO and the United Nations Development Programme in 1974 as a project for the development of labour administration matters. The mandate of ARLAC is to strengthen labour administration systems in English-speaking African member countries through training, research, consultancy and advisory services.

### 7- Minimum wage fixing

The methods used at the national level for fixing the minimum wage may be divided into four categories based on the degree of participation of the social partners:

- ▶ by the public authorities without the requirement of prior consultation of employers' and workers' organizations.
- ▶ by the government after consultation with the social partners.
- ▶ in a tripartite process; and
- ▶ by collective bargaining.

In a time of rising inflation, which has a disproportionate impact on the most vulnerable and low-income workers, strong labour market and social dialogue institutions, including collective bargaining, can be instrumental in achieving wage adjustments during a crisis. The prerequisite for this is adequate representation of employers' and workers' voices.



From a policymaking point of view, robust and detailed empirical evidence is required to guide the social partners and labour market institutions in the process of defining and regularly revising the minimum wage. The research and study activities of labour administrations in this field are therefore an important contribution to the functioning of sound minimum wage fixing machinery. The importance of the collection of statistics and other data for analytical studies is emphasized in Recommendation No. 135 and the Labour Statistics Convention, 1985 (No. 160).

Although minimum wage fixing is always the result of a political process, including, in principle, the full consultation of social partners, the setting of the minimum wage should be evidence-based. However, prior to any specific instance of minimum wage establishment or review, the government and the social partners ideally should agree on the basic criteria that they intend to use for it.

## **8- Social security**

Access to social security is essentially a responsibility for, and is typically provided by, public institutions, financed from either contributions or taxes or both. However, the delivery of social security can often be assigned to private entities. Moreover, many privately run institutions exist – insurance, self-help, community-based or mutual entities – which can partially assume certain roles usually performed by social security (such as the operation of occupational pension schemes), thereby complementing or even largely replacing elements of public social security schemes.

The coexistence of a dual social security system, both public and private, is not in itself incompatible with Convention No. 102 as long as the principles relating to the administration, financing and functioning of social security schemes are respected. Representatives of the persons protected shall participate in the management of the social security schemes or be associated with them in all cases where the administration is not entrusted to an institution regulated by the public authorities or a government department. The State must accept general responsibility for the due provision of benefits and for the proper administration of the institutions and services concerned.

Labour administrations have embraced and implemented an array of social security responses as part of the national labour policy and in response to crisis-induced vulnerabilities. Measures for recovery include: the introduction of new social security benefits; increase of benefits and their duration; special allocations; loosening qualifying conditions; health coverage extensions for the unemployed; and tax reductions.



A challenge recently taken up by an increasing number of countries is the extension of social security services to informal sector workers. According to the ILO, over 60 per cent of the world's employed population are employed informally, meaning they are not covered or are insufficiently covered – in law or in practice – by formal arrangements. As such, these workers are outside the formal reach of the law or the law is not enforced. To address decent work deficits in the informal sector, some countries have initiated programmes to guarantee the extension of social security services to informal workers.

### **9- Occupational safety and health**

As designated fundamental Conventions, the Occupational Safety and Health Convention, 1981 (No. 155) and the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) require all Member States to promote and realize the principles concerning the fundamental right to a safe and healthy working environment. Accordingly, occupational safety and health (OSH) should be a key aspect of any national labour policy.

Labour administrations should assume a central role in establishing national systems for OSH, and this is what appears to be the case, as in the vast majority of ILO Member States, the bodies responsible for OSH are housed in the Ministry of Labour.

These national systems for OSH include laws and collective agreements; entities tasked with workplace safety and health; systems for upholding national laws and regulations; structures for fostering cooperation of workers, employers, and their representatives in the prevention of workplace health and safety risks.

Governance of OSH is complex in any country and requires a whole-of-government approach and coordinated action. ILO standards are clear in calling upon Member States to establish a central body as the main responsible authority for implementing the national OSH policy and programme, and ensuring coordination between the different authorities and bodies involved in the complex web of interdependencies.

But ILO standards leave flexibility to Member States in how they design national OSH systems and how they define the distribution of responsibilities between different authorities. Consequently, we find different realities at country level: the main OSH body may be part of the Ministry of Labour, the Ministry of Health, an independent agency, or a combination of these. Similarly, some OSH functions, such as providing advisory services to companies and conducting technical inspection of equipment and machinery, are performed by public bodies in some countries while in others the government delegates authority to the private sector.



Employers and workers also play an important role. No less than 79 per cent of ILO Member States have a national tripartite body addressing OSH issues, particularly in Europe, Central Asia, Africa, and the Americas.

### **10- Gradual extension of the labour administration functions**

Article 7 of Convention No. 150, which is concerned with the extension of the scope of labour administration activities, provides as follows: “When national conditions so require, with a view to meeting the needs of the largest possible number of workers, and in so far as such activities are not already covered, each Member State which ratifies the Convention shall promote the extension, by gradual stages if necessary, of the functions of the system of labour administration to include activities, to be carried out in cooperation with other competent bodies, relating to the conditions of work and working life of appropriate categories of workers who are not, in law, employed persons ...”.

This provision of the Convention is a response to the enduring need to ensure the protection of those workers who are not engaged under formal contracts of employment and/or are not working within the regular wage economy. This includes in particular workers in the informal economy, who are expressly mentioned in Article 7, and those employed in non-standard forms of employment, such as temporary contracts, part-time and on-call work, temporary agency work, working from home, and multiparty employment relationships. Non-standard forms of employment feature prominently on digital labour platforms. Extending labour administration activities to these workers is necessary if labour administration is to be more viable, meaningful and credible.

According to ILO data, more than 2 billion people or more than 60 per cent of the world’s employed population work informally. The term “informal economy” refers to all economic activities by workers and economic units that are – in law or in practice – not covered or insufficiently covered by formal arrangements and does not cover illicit activities.

Ministries of labour have a decisive role to play in addressing the decent work deficits associated with these forms of employment by adapting regulations and policies to extend their coverage to all workers and in ensuring the effective functioning of labour administration structures which are responsible for the application of labour laws and regulations.

There is no single solution to the question of how the labour administration system can effectively reach the informal economy, as it covers so many different types of employment and affects several fundamental rights and manifests itself differently within a country or region.



A number of countries have created dedicated bodies or ministerial departments to address the challenges related to informality or have extended the mandate of existing bodies to cover those matters. For example, in the Philippines, the Bureau of Workers with Special Concerns at the Department of Labor and Employment develops policies, programmes, projects and systems to advance and protect workers with special concerns, including informal workers. In Colombia, the Ministry of Labour has a specific unit for the formalization and protection of employment.

A few countries have adopted policy documents or action plans which comprehensively address matters relating to the informal economy and the transition to formality. Some countries are in the process of adopting or have already passed legislation with the aim of preventing informality and/or extending labour protection to workers in the informal economy.

Several countries have taken steps, at the central and local level, to improve the labour protection of workers in the digital platform economy. One of the main questions that labour administrations are faced with while dealing with platform work is the classification of the employment relationship and the possible creation of new statutory definitions that would include non-standard employment. In recent years, several countries have introduced legislative measures to regulate this aspect. In Spain, Act 12/2021 revised the text of the Workers' Statute to guarantee the labour rights of people dedicated to distribution on digital platforms by providing a legal presumption of a dependent employment relationship for digital platform workers in the delivery sector. In some cases, collective agreements have been effective in improving working conditions for non-standard workers. For example, in Norway, under the Industry Agreement 2020–2022, employees in manpower or temporary work agencies shall have the same wages and working conditions that apply in the enterprise leasing their labour.

### **11- International labour migration**

Migrant workers are particularly vulnerable to discrimination, exploitation and abuse; many of them work on the margins of safety and health protection, where labour standards, including minimum wage laws, are either not applicable or not respected. Women migrant workers and migrant workers in an irregular situation are particularly vulnerable to decent work deficits and abusive situations like trafficking, exploitation, discrimination, and other human rights violations. At the same time, through their labour, migrant workers contribute to growth and development in their countries of employment, and countries of origin greatly benefit from their remittances and the skills acquired during their migration experience.



An effective interplay of international, regional, bilateral and national level governance arrangements is essential to address the topic of international migration for employment. Both countries of destination and countries of origin for labour migration should develop labour administration structures to deal with the matter. The overall responsibility usually rests with the ministry of labour and in some countries of origin a separate ministry has been created for overseas affairs. Ministries of interior or home affairs and ministries of foreign affairs are also generally responsible for certain aspects of labour migration, such as the issuing of relevant documents and inter-State cooperation. In order to ensure effective governance of labour migration, cooperation between all stakeholders and their active participation is essential. A few countries indicate that, under recent reforms, issues pertaining to migrant workers have been assigned to or grouped together under a single agency or body.

Labour administrations, together with social partners and other stakeholders, should establish integrated approaches which include migrant workers in national social protection responses, in line with international labour standards on the matter, including the principles of equality of treatment and non-discrimination. Such approaches play an important role in supporting economic and social recovery and building resilience for responding to future crises.

### **12- Global supply chains**

Global supply chains have profoundly transformed the nature of cross-border production, investment, trade and employment. While they have made important contributions to economic growth and development, as well as having a positive impact on job creation, deficits related to complex, diverse and fragmented global supply chains have contributed to governance gaps.

With the expansion of global supply chains, an increasing number of suppliers must comply with local laws and fulfil their contractual obligations to meet order requirements and implement private production standards promulgated by lead firms operating globally, which often leads to suppliers being unable or unwilling to provide adequate working conditions to the workers. These workers' conditions cannot get any better or their rights be upheld if governments of the countries hosting these suppliers lack the institutional capacities or political will to fully regulate labour standards.

Indeed, a regulatory deficit, whether due to the national government's weak capability or its unwillingness to enforce labour standards, can create a race to the bottom by driving down labour conditions in many developing countries.



In response to this lack of attention and protection towards workers in the supply chain, many different programmes and structures have evolved to govern particular aspects of global supply chain operations. This includes public governance, with its labour administration and inspection functions; private governance, led by enterprises, employers' organizations or industry associations, including corporate social responsibility programmes or private compliance initiatives; social governance, encompassing social dialogue, collective bargaining and global framework agreements; and multilateral governance, which includes initiatives undertaken by international organizations such as the ILO, the World Bank, the World Trade Organization and the OECD.

With regard to the role of labour administrations, in an effort to eliminate forced labour and other social and environmental abuses from the supply chain, a number of countries have undertaken regulatory initiatives aimed at improving transparency and due diligence

Regarding supervision and enforcement, the complexity of multinational enterprises and the supplier and subcontractor networks make monitoring and enforcing decent working conditions particularly challenging. Each component of a global supply chain is somehow covered by the mandate of a specific national labour inspectorate. Labour inspectors therefore have a direct and essential role in protecting the rights of workers in global supply chains.

### **13- Labour administration role in the promotion and realization of FPRW**

The ILO Declaration on Fundamental Principles and Rights at Work, adopted in 1998 and amended in 2022, is an expression of commitment by governments, employers' and workers' organizations to uphold basic human values – values that are vital to our social and economic lives. This original Declaration, in light of a decision at the 110th International Labour Conference in June 2022 was amended to include “a safe and healthy working environment” as a fundamental principle and right at work.

The ILO Declaration on Fundamental Principles and Rights at Work originally adopted in 1998 sets out principles and rights contained in the ILO Constitution and in the Declaration of Philadelphia, and “declares that all Members, even if they have not ratified the Conventions in question, have an obligation to respect, to promote, and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions”.

With this decision the ILO Declaration now includes five categories of fundamental principles and rights at work, namely:

- ▶ freedom of association and the effective recognition of the right to collective bargaining



- ▶ the elimination of all forms of forced or compulsory labour
- ▶ the effective abolition of child labour
- ▶ the elimination of discrimination in respect of employment and occupation
- ▶ a safe and healthy working environment

While international labour standards on labour administration do not refer specifically to these matters, Paragraph 25 of Recommendation No. 158 indicates that there might be units within the labour administration system for matters relating to specific categories of workers. In addressing these matters, labour administrations are called upon to uphold fundamental principles and rights at work and promote decent work for all.

Labour administration and its services should play a vital role in ensuring the promotion and respect of fundamental principles and rights at work and a conducive environment in which sustainable enterprises can operate.

Regarding Freedom of Association and Collective Bargaining, labour administration systems enforce laws that protect workers' rights to form and join trade unions and to bargain collectively with employers. This includes mediating disputes and facilitating negotiations between workers and employers.

Regarding the elimination of Forced or Compulsory Labour, these systems work to identify and eliminate forced labour practices. This involves inspections, legal actions against violators, and providing support to victims of forced labour.

As regards child labour, administrations enforce minimum age laws and regulations to prevent child labour. They conduct inspections and collaborate with other agencies to ensure children are not employed in hazardous conditions.

In relation to the Elimination of Discrimination in Employment and Occupation they ensure that employment practices are free from discrimination based on race, gender, religion, or other protected characteristics. This includes investigating complaints and promoting equal opportunity policies.

Regarding the promotion of Safe and Healthy Working Conditions, labour administrations enforce occupational safety and health standards to prevent workplace injuries and illnesses. They conduct regular inspections and provide guidance to employers on maintaining safe work environments.

This being said, in some of the areas where the worst violations of FPRW occur, labour administration is largely absent. Take freedom of association and collective bargaining, where the role of labour administration is concentrated on the assistance and settlement of disputes, while violations of those rights are usually submitted to labour courts. Another



example are some instances of forced labour, which fall outside the mandate of the labour inspection.

It must be noted that these limitations do not entail that such violations go unaddressed, but rather that they are they fall under the remit of the bodies and agencies of other ministries. By contrast, weak governance, erosion of the rule of law and civil liberties, restrictions on freedom of association and on the effective recognition of the right to collective bargaining, inadequate enabling environments for sustainable enterprises, inadequate regulation, under-resourced and ineffective labour administrations and inspectorates, and other relevant labour authorities, and ineffective labour migration governance, among other causes, have impeded progress to respect, promote and realize FPRW.



## **Exercise – Mapping the institutional architecture of labour administration**

### **Goal**

Enable participants to identify the institutions that make up their national labour administration system, the functions they perform, and the initial gaps. This mapping will provide the foundation for deeper analysis in subsequent modules.

### **Suggested time**

One to one and a half hours.

### **Method**

Small-group mapping activity using flip charts or cards, followed by plenary presentations and discussion.

### **Preparation**

- Prepare a template with the following columns:
  1. Institutions/bodies (ministries, agencies, inspectorates, parastatal entities, regional/local structures).
  2. Main functions they carry out (national labour policy, labour standards, labour relations, employment and training, research/statistics, international labour affairs, labour protection such as OSH, wages, social security).
  3. Gaps/overlaps observed.
- Provide examples of functions from Convention No. 150 and Recommendation No. 158 as a reference handout.
- Include references to the role of labour administrations in promoting and realizing fundamental principles and rights at work (FPRW): freedom of association and collective bargaining, elimination of forced labour, abolition of child labour, elimination of discrimination, and a safe and healthy working environment.
- Materials: flip charts, markers, coloured sticky notes/cards.

### **During the exercise**

- Divide participants into small groups (ideally by country/region).
- Ask each group to map their national institutional architecture:
  - List all public institutions and bodies involved in labour administration (central, regional, local).
  - Assign functions to each body (using sticky notes/cards on a flip chart).
  - Identify where functions are missing, duplicated, or unclear.
- Groups prepare a simple diagram or table that shows their institutional architecture and gaps/overlaps.



- Rapporteurs present in plenary. Facilitator summarizes common challenges and prepares the ground for deeper exploration in Module 2.

### Sample guiding questions for the discussion

- Which public bodies are responsible for national labour policy?
- Which institutions are in charge of labour standards, labour relations, employment services, research, or international labour affairs?
- Which institutions cover areas such as OSH, minimum wage fixing or social security?
- How are industrial relations and dispute resolution supported?
- What research and statistical capacities exist?
- Do any key functions appear to be missing?
- Are there areas where responsibilities seem to overlap or be fragmented?
- Which areas are least visible or least resourced at first glance?

### Expected outcome

Participants produce a visual “map” of the institutional architecture of their national labour administration system, highlighting initial gaps and overlaps. This mapping will serve as the baseline for the progressive integrated exercise in later modules.

### Tips for trainers

While this exercise is conducted as part of **Module 1**, it should be seen as the first building block for the integrated exercise. Encourage participants to focus only on identifying institutions and gaps at this stage, without going into organization (**Module 2**), resources (**Modules 3–4**), performance (**Module 5**) or stakeholder engagement (**Module 6**). The facilitator should guide the discussion from listing institutions and functions to recognizing missing links or overlaps and emphasize the importance of aligning the mapping with ILO standards (C150, R158) and the FPRW framework.



Institutions/Bodies	Functions (policy, standards, relations, employment, research, FPRW, OSH, social security, migration, etc.)	Identified Gaps/Overlaps
Example: Ministry of Labour	National labour policy, labour inspection, OSH	Lack of resources for OSH enforcement
Example: Public Employment Service	Job matching, training, unemployment benefits	Weak coverage in rural areas

► Refer to ILO Convention No. 150 and Recommendation No. 158 for the main functions of labour administration, and ensure that FPRW (freedom of association, elimination of forced labour, child labour, discrimination, safe and healthy work) are considered.



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