



The Interaction of Private and Public Labour Regulation: A Case Study of Better Work Indonesia

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Project overview

- Institutional motivation
- Choice of BWI as case study
- Choice of analytical model(s)
- Research methodology
- Purpose:
 - map interaction of private and public actors;
 - identify how regulatory institutions can optimise efficiencies and profit from complementarities
 - Examine
 - *mechanics* and *qualities* of interaction;
 - NOT *effect* of interactions on labour conditions;
 - OR how rules and norms develop and change over time



Theoretical framework

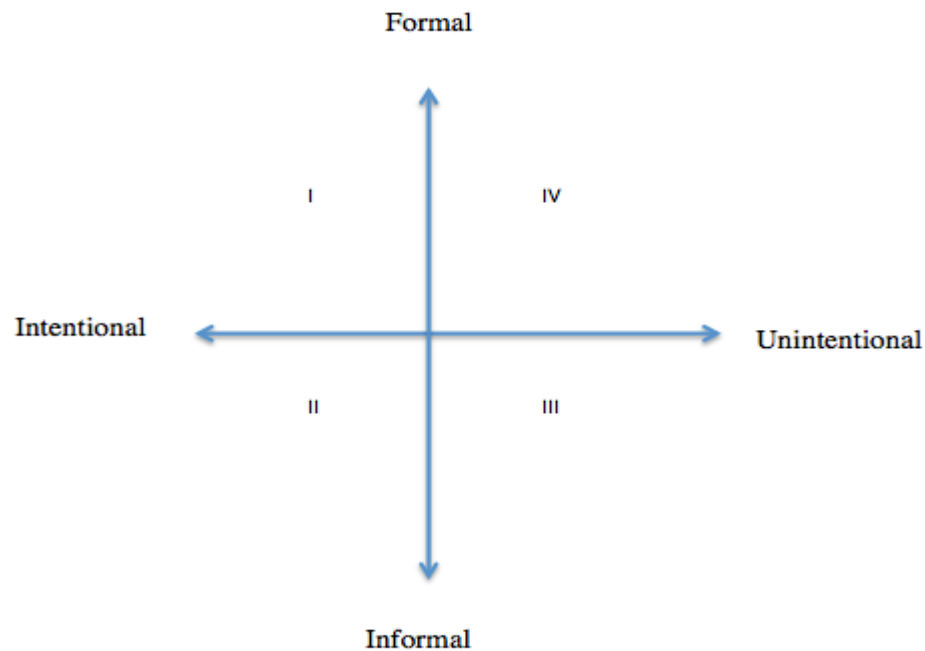
- Theories of regulation
- Decentered regulation in practice: how do PCIs interact with state-based regulatory action?
 - *Qualities and character of interaction*
 - *Mechanisms and mechanics of the interaction*
- Kolben’s “regulatory dialogism”

Regulatory dialogism



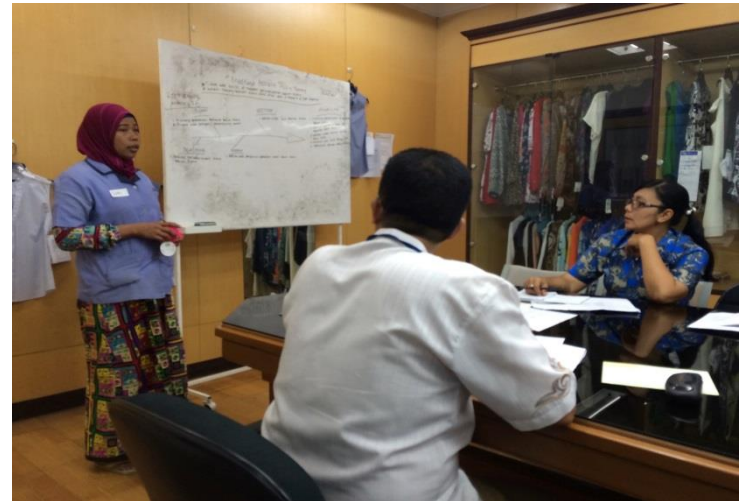
Source: Kevin Kolben, “Dialogic Labor Regulation in the Global Supply Chain,” forthcoming *Michigan Journal of International Law* (2015)

Y Axis = Institutional formality; X Axis = Subjectivity and Practice



Background: Better Work Indonesia

- Service model
 - Assessments
 - Advisory services
 - Training
- BWI
 - Established in July 2011
 - 137 factories (PEs)
 - Indonesian textile industry
 - 90% located in Java
 - 55% in West Java alone
 - BWI has presence in 15 of 500+ districts





Background: Labour inspection in Indonesia

- **Structure**

- Directorate-General of Labour Inspection Development (*Ditjen Binwasnaker*)
- Inspectorate decentralized
- NB: Proposed recentralization

- **Characteristics**

- Resource constraints:
 - 300 / 508 districts have inspectors
 - <1% of enterprises serviced by labour inspectors (ILO, 2013)
 - Ratio of inspectors to workers: 1/47,000 (even below ILO ideal for less-developed countries – 1/40,000)
- Low motivation; high turnover (60%); limited accountability
- Inadequate training and technical capacity
- Corruption

- **Innovation: 'Labour Norm Cadres'**



FORMAL AND INTENTIONAL

- PAC
- Secondment of inspectorate officials
- Bipartite ad hoc committee
- Enforcement and training

FORMAL AND UNINTENTIONAL

- Little evidence
- MoMT has facilitated some formal contact between BWI and *dinas*

INFORMAL AND INTENTIONAL

- Bipartite ad hoc committee
- BWI / *dinas*

INFORMAL AND UNINTENTIONAL

- Displacement
 - Relative scope of influence
 - Methodology
- (Uncoordinated) complementarity
 - Free up state resources?
 - Comparative advantage?
 - Indirect strengthening



Some preliminary conclusions

- Interaction altered & shaped how labour inspection conceptualised / managed in practice
- BWI has *strengthened* the inspectorate (even if mostly ad hoc)
- Displacement not a risk (but may well be elsewhere)
- Findings reinforce other empirical studies on public / private compliance
 - Empirical reality more complex than theoretical arguments would accommodate
 - What 'works' vary significantly according to country and context
 - What 'works' may often be discovered through trial and error and persistence of interaction
- More field work needed to verify
- Possible replication in other BW countries