

# A Guide to Organizing and Conducting Labor Inspections in the Republic of Armenia

Armenia Social Protection Systems Strengthening Project

USAID SO 3.4

111-C-00-06-000676-00

AECOM International Development  
July 17, 2007



**USAID**  
FROM THE AMERICAN PEOPLE



## TABLE OF CONTENTS

I. INTRODUCTION: LABOR PROTECTION AND THE INSPECTION PROCESS ....	2
II. LABOR INSPECTION: PRINCIPLES AND SKILLS .....	3
Principles of Labor Inspection .....	3
<i>One-Stop Inspection Services</i> .....	3
<i>Customer Service</i> .....	3
<i>Efficiency in Inspections</i> .....	4
<i>Productivity of the Inspectorate</i> .....	4
Required skills .....	5
III. PRE-INSPECTION PROCEDURES .....	8
Planning .....	8
<i>The Programming Process and Risk-based enforcement</i> .....	8
<i>Programmed versus Unprogrammed inspections</i> .....	10
<i>Final Prioritization in Planning</i> .....	11
Pre-inspection and Preparations for Inspection .....	12
<i>Collection of background information</i> .....	12
<i>Notification</i> .....	13
<i>Appropriate Attire and Equipment</i> .....	14
<i>Mobility</i> .....	15
IV. CONDUCTING THE INSPECTION .....	17
Arrival on-site .....	17
The Inspection Process: Conduct and Execution .....	18
The Walk-around: What to search for .....	19
Dealing with Problems in the Inspection .....	20
<i>Refusal of Entry or Inspection</i> .....	20
<i>Employer Interference</i> .....	21
Employee Interviews .....	21
Exit Briefing .....	22
V. POST-INSPECTION PROCEDURES .....	24
Follow-up with the Employer .....	24
<i>Abatement</i> .....	24
Complaints and concerns .....	24
<i>Complaints process</i> .....	25
Record-keeping and Reporting .....	26
<i>The Inspection Report</i> .....	26
<i>Storage of data</i> .....	28
<i>Analysis</i> .....	28
<i>Public Reporting</i> .....	28
VI. CONCLUSIONS .....	30
APPENDIX 1: A CHECKLIST FOR MINING INSPECTIONS .....	31

## I. INTRODUCTION: LABOR PROTECTION AND THE INSPECTION PROCESS

The Labor Code of the Republic of Armenia exists, in its own words, to “contribute to the creation of favorable labor conditions” and “protect the rights and interests of the employees and employers” of the country. In order to operationalize this protection, a further law was passed in 2005 to create an organization, the State Labor Inspectorate (LI), which would carry out verification of labor practices and ensure enforcement of the Labor Code among businesses within RA. As the authorizing environment for the Inspectorate, both the Law and Charter provide the LI with several tools to protect workers within the country, including the use of seminars and public information to inform employers about their obligations, provision of methodological assistance, and preparation of annual reports on the activities of the Inspectorate. In practice, however, the Labor Inspectorate’s main activity is the inspection process.

The process of labor inspection is acknowledged internationally as a tool to protect worker safety, rather than an end unto itself; the goal of an inspection is not to secure a violation or even give a clean bill of health. Rather, inspections are a means to verify compliance with applicable laws, answer questions employers may have on worker safety and labor laws, and provide assistance in ensuring protection of workers’ right to a safe and legal working environment. These multiple dimensions mean that inspections are more than just an on-site visit, but instead must consist of planning, monitoring and evaluation, and adjustment in order to be highly effective in protecting worker safety.

The purpose of this manual is to illustrate for the State Labor Inspectorate best practices and practical advice for conducting the inspection process within the Republic of Armenia. Meant to offer practical tips and illustrate international experience with inspection, the manual was developed through input of labor inspectors already working at the Inspectorate and experts in this field internationally. By no means comprehensive, this manual represents a “how-to” guide for the Inspectorate to draw upon and, as it develops and changes its internal organization, to also improve upon.

## II. LABOR INSPECTION: PRINCIPLES AND SKILLS

### a. Principles of Labor Inspection

The Labor Inspectorate of Armenia, like all inspectorates around the world, must be oriented towards and organized under the mission of protecting workers. To this end, the Inspectorate and its employees must both enforce the Labor Code and secondary regulation and inform and advise employers on the labor laws of Armenia. In undertaking these functions, the Labor Inspectorate should be guided in its daily business with the private sector in Armenia by several principles:

#### *One-Stop Inspection Services*

The Labor Inspectorate of Armenia will serve the people of the country through offering inspections that both ensure compliance with the Labor Code and protect health and safety.

In some countries, the functions of labor legislation enforcement (wages, unemployment, contracts) are kept distinct from occupational health issues. For example, in the United States safety issues are supervised by the Occupational Safety and Health Administration (OSHA), while wage issues are handled by the Wage and Hour Division, another unit of the US Department of Labor, and state Departments of Labor. In European countries and most transition economies, however, the Labor

Inspectorate is a unified organization that enforces wage and employment laws but also is responsible for inspections related to safety and health. In Armenia, the Charter of the Labor Inspectorate makes clear that the LI is to follow the European model; thus, the Inspectorate must become a repository of knowledge of both labor laws and occupational health. Inspectors must undertake their jobs with a view to both enforcing the Labor Code and enforcing occupational health and safety regulation, and inspections in Armenia will be predicated on a holistic view of worker protection.

#### *Customer Service*

The overriding principle of labor inspection, as in all government work, is that the Inspectorate exists to serve its customers: the businesses, workers, and individuals of the Republic of Armenia.

This concept is clearly laid out in the Charter of the Labor Inspectorate, with its emphasis on information, communication, and assistance: according to the Charter, the LI is to “organize methodological assistance to employers and trade unions in relation to maintaining labor security when complying with the labor legislation and other legal acts containing provisions of labor law.” This emphasis is contained in ILO Convention No. 81, which Armenia ratified in 2004, that inspectorates should “supply information and advice to employers and workers on how to comply with the law” as well as “alert competent authorities on any defects or abuses.”

Translating this principle into action means that the Inspectorate must become a bastion of knowledge within Armenia on all things related to the Labor Code. Inspectors must seek to educate employers on the necessity of workplace safety and

adherence to labor regulations, while working cooperatively with businesses to address concerns and sort out legal issues. This principle also means that the Inspectorate does not only exist to find violations, but more important, to **prevent** violations from occurring. By forging relationships with the business community and focusing on their concerns and reality, the Inspectorate will do a better job of preventing accidents and violations.

### *Efficiency in Inspections*

In addition to the broader ideal of customer service, the Inspectorate must also provide efficient service during its regular dealings with the public.

Inspections are often the only physical interaction the public has with the Inspectorate during the year, and as such must be organized in a manner to reduce the burden on businesses, while at the same time collecting all of the relevant information necessary to protect workers. In order to satisfy these requirements, work must be planned carefully, and data collection should be organized within the headquarters to properly utilize data when collected. Careful work needs to be done beforehand in preparation and afterwards in analysis to make certain that businesses are burdened by only a small slice of the work that an inspection entails.

### *Productivity of the Inspectorate*

The Inspectorate must also be productive as an organization, in addition to its efficiency in conducting individual inspections, and use its resources wisely in securing worker protection.

This does not necessarily mean increasing the number of inspections or increasing the number of violations issued from the Inspectorate. It does mean, however, that inspections must be targeted to make the best available use of resources and inspections themselves must yield useful data and inform policymaking. In order to track productivity, the Inspectorate must focus on both its **internal inspection** processes and **external results** of these inspections.

In the first instance, the Inspectorate must set clear metrics for the productivity of inspections (and thus, the organization), to determine if resources are being used in the best manner. Some metrics of internal productivity include:

- Number of inspections carried out by each inspector
- Average time to completion of an inspection
- Number of violations issued per year
- Number of repeat violations
- Average complaints per inspector
- Number of complaints resolved
- Average size of fine levied by LI (across all inspected firms and by industry)
- Amount of money collected in fines

However, these metrics in and of themselves will not determine productivity; for example, a high number of violations issues in a year may mean that inspectors are getting better at spotting infractions, or it may mean that employers are not informed about the Labor Code, or it might mean that inspectors are overzealous in giving citations, or it might mean that employers are willingly breaking the law in greater numbers. In conjunction with these internal metrics, external data must be utilized to ensure that the goals of the LI are bring met. These external indicators could include:

- Number of work-related accidents in the country
- Hours spent by businesses in filling out LI forms
- Perception of LI in business community (survey)
- Number of questions about the Labor Code answered
- Number of consultation events with employees and employers

Using internal and external metrics will give a clearer picture of the Inspectorate’s internal operations and how inspections affect labor relations and safety in Armenia. The final step would be to tie together these metrics in a strategic document that will guide the Inspectorate in its quest for quality (see Box 1).

b. Required skills

While processes are crucial within the Inspectorate, the actual work the organization undertakes is done by real people, and the staff of the Inspectorate can be the greatest asset for the organization. Rather than dealing with an impersonal organization or a far-away building, labor inspectors represent the human face of the Inspectorate to Armenian businesses, and are the first point of contact for the public. It is imperative thus that inspectors must above all be courteous, professional, and above reproach. As the ILO mentions in its “Training and Operations Manual,” “inspectors must... refrain from any unethical or corrupt behavior,” as well as “have no direct or indirect interest in the enterprises under their supervision.”

Beyond the need for professionalism, inspectors for labor and occupational safety may be from any educational background, but preference is given for inspectors to have a mechanical, scientific, or industry-specific training. Experience is also preferred in the specific industries that are to be inspected; someone who knows how mining is actually carried out or how cars are assembled is a better judge of their processes than someone with no experience. Given the status of the labor market in Armenia and that it is not always possible to find experts in every field (the size of the Inspectorate would grow out

## Box 1 - The Latvian Labor Inspectorate and Increased Productivity

The State Labor Inspectorate (SLI) of Latvia has undergone sweeping reforms over the past decade to improve its productivity and overhaul its inspections. In period of 1999-2001, the SLI developed a five-year Strategic Plan that defined goals and strategies and set an area of focus for the organization. The Strategic Plan is supplemented by an Annual Action Plan that consists of quantitative and qualitative performance indicators, priority areas for the year, and improvement of the SLI's performance. The indicators chosen in the Annual Plan change from year to year, depending on the focus of the Inspectorate: for example, in 2004 the strategic goal of the SLI was to decrease the number of occupational accidents by 5% and to promote the use of preventive measures in enterprises, while the strategic priority for 2005 was reduction of illegal employment. Concrete indicators were set for these goals, including a target of 10,000 on-site visits in 2004 and 200 consultation events for employees and employers.

Strategic planning and the Annual Plan were introduced to ensure regular overview of the institution's performance, and the effect was immediate. For example, while the number of enterprises under the supervision of the SLI in 2003 increased by 17% as compared to 2001, the number of actually inspected entities in the same period has increased by only 5%. At the same time the number of inspectors increased by only 2% (from 96 to 98 inspectors), but the number of repeat inspections decreased by 3% compared to 2001. With greater information and planning in the Inspectorate, the probability of imposition of fines from the SLI was reduced by 84% 2001 and 2003 and the actual number of penalties decreased (see Table 1). This reform coincided with decreased occupational injuries in the country – from 2001 to 2003, fatalities on the job decreased by 43% and injuries decreased by 5%.

Table 1 - Performance Improvement in the Latvia State Labor Inspectorate

Indicator	% Change, 2001-2003
# of administrative penalties awarded	-23%
Amounts of administrative penalties	-7%
# of issued warnings for suspension of activities	22%

of control if this were the case), there are broader skills that inspectors require to execute their job effectively:

- Knowledge of government rules and regulations

A labor inspector is expected to answer, correctly, any questions that may arise from the general public regarding the labor code, secondary legislation, or regulations that pertain to the industry being inspected. This knowledge does not only extend to face-to-face visits, but also to telephone and e-mail interaction and follow-up with businesses.

- Knowledge of the safety and health issues in the industry being examined

While direct knowledge may not be available through experience, it is the labor inspector's job to know as much as possible about the industry that they are covering. Consultations with experts in the field, formal instruction, and use of the internet will contribute to deepening the knowledge of the inspector in a specific industry. Where possible, inspectors should also reach out to industries to learn more about their processes, and take advantage of international assistance and instruction where available.

- Ability to communicate clearly

Knowledge of the laws and regulations of RA is useless if the inspector cannot communicate it to the employer or employee. While inspectors will have varying degrees of ability, interpersonal skills, and styles in interacting with employers, they must be able to give clear and direct answers and advice. More importantly, if there is a legal issue that needs clarification and it is outside of the purview of the inspector or relates to policy, the employer or business must be told so and referred to the Inspectorate headquarters. This is to avoid erroneous advice being given out or potentially misleading assertions presented as fact.

- Experience in data handling and analysis

The key function of an inspection is to amass data about workplace safety and enforcement of the Labor Code. Further information is collected from businesses annually as per statutory requirements. Through these processes, a wealth of raw data regarding the current state of health and safety within Armenia is generated, and it must be analyzed in order to determine the successes or weaknesses of labor enforcement, where resources within the organization should be targeted, and how workplace protection is progressing in the country. This analysis will fall to the Statistics Department of the Inspectorate, but every inspector needs to be well-versed in data handling and analysis to ensure the optimal collection of data. While many inspectors at the LI already have a quantitative background (economics, statistics, engineering, etc.), it is important to develop the statistical acumen of those without such a background; if an inspector has a grasp of what data will be used for, they will be more scrupulous and careful in finding this data.

This list is by no means exhaustive, and other traits may be desirable in inspectors depending on the annual work plan of the Inspectorate or the current vision of the leadership. But these traits form a minimum for a successful career at the LI, and are necessary to implement the work of the Inspectorate on a daily basis.

### III. PRE-INSPECTION PROCEDURES

The labor inspection process must follow an established procedure to eliminate uncertainty in both the view of businesses and in creating regular routines within the Inspectorate for data collection, analysis, and reporting.

The inspection process does not begin with the on-site visit, however; in reality, the actually site visit is only a small portion of the process that is preceded by careful planning and is followed by exchange of information between the public and the Inspectorate, follow-up, and careful data management procedures.

#### a. Planning

##### *The Programming Process and Risk-based enforcement*

The most common type of labor inspections around the world are programmed; that is, they are announced at the beginning of the year as part of the Inspectorate's annual operations and can be scheduled with the businesses involved. Programmed inspections should form a core, if small, number of inspections from the Inspectorate every year, as part of a routine check-up and a physical supplement to annual reporting required from businesses. While businesses may see planned inspections as burden, their predictability is desired within the private sector and they are accepted as a routine cost of doing business in a particular country. Programmed inspections also allow for ease of budgeting and allocation of resources within the Inspectorate.

#### Box 2 - Sample Criteria for Risk-Based Enforcement

A simple risk-based enforcement mechanism would encompass several metrics, including:

##### PRIOR ACCIDENTS

- Has this industry had a history of accidents or fatalities?
- Do specific firms have higher-than-average accidents, either annually or per capita?

##### CURRENT PRACTICE

- Does this industry involve the use of hazardous materials?
- Does this industry utilize high-risk processes that require specialized training?
- Is this industry recognized as high-risk internationally?

##### POLICY

- Has this industry already been designated as hazardous by the government of Armenia, i.e. through the use of privileged pensions?
- Does this industry employ a large number of workers relative to other industries in Armenia?

In order to program inspections, the planning process in Armenia should encompass what is known internationally as risk-based enforcement: the riskiest industries (i.e. mining) will be chosen for more stringent analysis and more frequent visits than relatively low-risk industries (such as book-binding or office work). A more stringent analysis of risk-based enforcement will be created by the SPSS project at the end of summer 2007, but for the moment, it is important to recognize that the annual programming process must follow risk-based planning. An example of ranking industries via risk-based enforcement is shown in Box 2.

Risk-based enforcement is undertaken in several ways in different countries; in the United States, the Occupational Safety and Health Administration (OSHA) undertakes an annual survey of approximately 80,000 employers across the country in high-hazard industries. OSHA then calculates injury and illness rates and identifies about 14,000 workplaces with the highest rates. These then become the sites in the programmed inspection list. Each of these sites receives a letter from the OSHA administrator alerting them that they are on the site-specific targeting list, and their names are even listed on the OSHA webpage. The individual states in America also tend to do this enforcement

in similar ways – an example of the state of Virginia’s ranking system is shown in Figure 1, based on the number of fatalities or illnesses per industry.

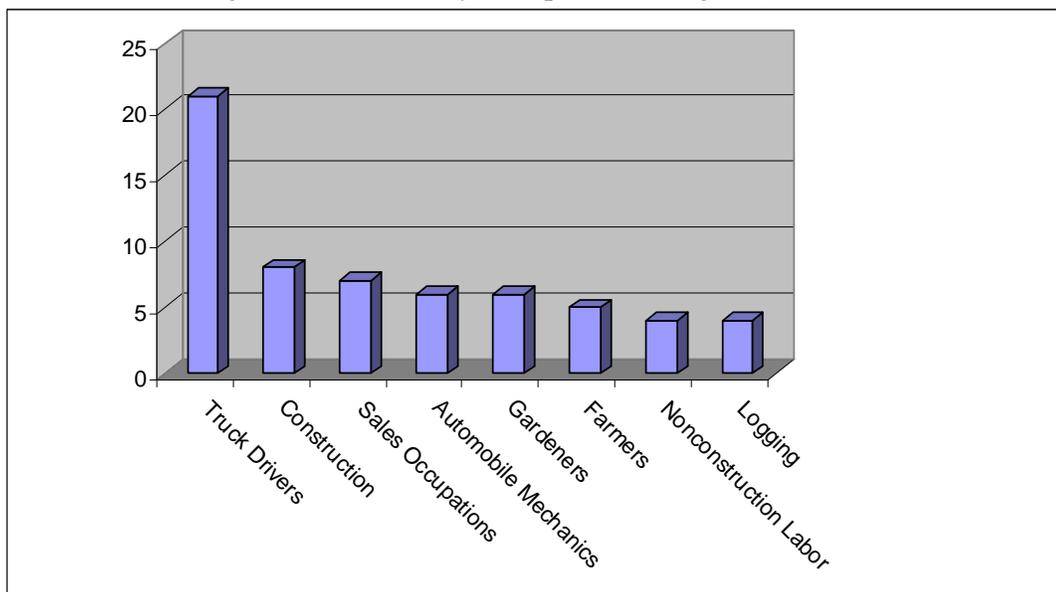
---

***“We’re obviously not going to concentrate on your local ice cream shop. We’re going to go to construction sites, plants with dangerous manufacturing processes, companies that store dangerous chemicals.”***

- Andrew McNeely  
North Carolina Department of Labor

---

Figure 1 - Fatalities by Occupation in Virginia, 2000



As part of planning programmed inspections, in addition to criteria generated by risk-based enforcement, there need to also be incentives offered to businesses to *avoid* programmed inspections. The purpose of inspection, as noted above, is to improve safety in Armenian businesses. This means that firms that are actively attempting to improve their processes and protect workers should not be penalized for their failure to live up to present standards (and given the limited resources of the LI, not every small firm can be targeted). In order to encourage smaller businesses to make safety and compliance part of their normal workings, several countries have instituted voluntary programs to both reach the goal of worker safety and conserve scarce LI

resources (see Box 3). A company's participation in such a program will also influence their chance of being programmed for an inspection in any given year.

Finally, programmed inspections should also take into account the transportation resources of a Labor Inspectorate. Wherever possible, inspections should be grouped geographically, to minimize the travel required for inspectors. While it most likely will not be possible or desirable to have all inspections rotate location by location through Armenia, scheduling blocs of inspections in nearby geographic locales will help to better utilize scarce transportation (see "Mobility" below).

### Box 3 - Voluntary Programs for Risk Abatement

Several countries, large and small have instituted rigorous, voluntary, and effective programs to involve the private sector in furthering for occupational safety. One such program is the US OSHA's Voluntary Protection Program (VPP), where management, labor, and OSHA establish cooperative relationships at workplaces that have implemented a comprehensive safety and health management system and already demonstrated their commitment to the goal of worker safety. As OSHA notes, "acceptance into the VPP is OSHA's official recognition of the outstanding efforts of employers and employees who have achieved exemplary occupational safety and health."

In practice, VPP sets performance-based criteria for a managed safety and health system, invites firms to apply, and then assesses applicants against these criteria. OSHA's verification process includes an application review and a rigorous onsite evaluation by a team of OSHA safety and health experts. Sites that make the grade must submit annual self-evaluations and undergo periodic onsite reevaluations to remain in the program, but these evaluations occur far less frequently than normal programmed inspections.

Statistical evidence for the success of the VPP shows that it is an approach that can conserve LI resources while protecting workers: in the United States, the average VPP worksite has a lost workday incidence rate 52 percent below the average for its industry. Moreover, this represents an improvement within the individual site, as VPP applicants typically do not start out with such low rates but only see reductions in injuries and illnesses once the site commits to the VPP approach to safety and health management and the challenging VPP application process. Employers undertake the process as fewer injuries and illnesses mean greater profits: workers' compensation premiums and other costs plummet, while entire industries benefit as VPP sites evolve into models of excellence and influence practices industry wide.

#### *Programmed versus Unprogrammed inspections*

The annual planning process also must allow for "unprogrammed" inspections as well: inspections that will be necessary for a myriad of reasons but are not foreseen during the annual planning process. Unprogrammed inspections can take many forms:

- Response to a specific complaint or referral
- Investigation following an accident
- Follow-up to a recorded violation
- Multi-employer worksites (where one or more may be programmed)
- Probable cause or observed transgression outside of a routine inspection

As this list makes clear, unprogrammed inspections often serve an investigative function and are reactive to events. In addition, many Inspectorates around the world use unprogrammed inspections to supplement programmed inspections in higher-risk industries (such as construction – see Box 4) and also to follow-up with businesses

that have been flagged for violations in the past. In both instances, unprogrammed inspections are reserved for potentially serious violations where worker safety is at risk, rather than as part of sting operations or catching minor offenders.

#### Box 4 - Unprogrammed Inspections and Construction

The construction sector is one of the most hazardous sectors in Armenia and around the world. According to Eurostat, around 1,300 workers are killed each year in the EU, at a rate more than twice the average of other sectors. In new EU members and transition economies, statistics regarding construction are even worse: figures from the International Labor Organization for the ten newest members of the EU estimate that construction accounted for 20% of all work-related accidents. Through their work, laborers in the construction industry may work with:

- special constructions (tunnels, underwater construction);
- hot tap work;
- welding/burning/grinding;
- entry into confined spaces (tanks, vessels, excavations, etc.);
- electrical installation work;
- lifting operations;
- scaffolding;
- work with toxic and noxious substances;
- high pressure jetting;
- opening of equipment/machinery;
- non-destructive examination by means of radio-active sources or X-ray equipment;

Given the high-risk nature of construction, and the fact that construction work occurs at all hours, most Labor Inspectorates visit work sites on an unprogrammed basis in order to form a clearer picture of working conditions. In Lithuania, for example, the State Labor Inspectorate created an intensive campaign targeting construction in Vilnius (where 40% of all construction in the country is located). The campaign notified employers in advance that their work site was to be inspected, but the LI did not actually divulge the exact timing of the inspection; the purpose of this uncertainty was to prompt construction managers to evaluate violations themselves without waiting for inspectors to be present. Inspectors would then arrive unannounced in a van specifically earmarked for these inspections, outfitted with slogans and radio facilities promoting safe work, and would offer on-site consulting and give warnings about violations to employers. To further highlight safety in this industry, inspectors were accompanied by journalists and radio correspondents to report on working conditions in Vilnius.

The results of this campaign have been impressive, as construction fatalities were halved during the campaign and have remained at a low level.

The most effective argument for unprogrammed inspections is that they may help capture more violations and are better for targeting egregious violators, who have incentive to make cosmetic changes for announced inspections but will be unprepared (and honest) if a surprise visit is conducted. However, over-reliance on unprogrammed inspections represents a more serious issue, in that compliance is not widespread and/or safety is less of a concern of businesses in a country. It is more important in this instance to increase public outreach than it is to increase unprogrammed inspections.

#### *Final Prioritization in Planning*

Nearly every Labor Inspectorate in the world has a system for prioritizing their inspections, a classification system that is connected with the annual planning process. In nearly every Inspectorate that uses such a classification, unprogrammed inspections take priority over programmed inspections, for the simple fact that, as

noted above, unprogrammed inspections tend to respond to more serious threats than routinely scheduled inspections. As an example of the priority system, most Inspectorates in the United States use a four point system:

Priority	Category
1	Imminent Danger
2	Fatality/Catastrophe Investigations
3	Complaints/Referrals Investigations
4	Programmed Inspections

This system places priority on occupational safety and health issues, and less on labor code issues, for the simple reason that Labor Code violations rarely result in illness or fatality. Within these priority categories, as well, there can be gradation; as noted above, for programmed inspections, risk-based enforcement will be utilize to determine the highest priority industries, leading to an even more concrete ranking such as:

Priority	Category	Industries
4	Programmed Inspections	
4a.	Highest Risk	
		Mining
		Explosive Atmospheres
		Chemicals
4b.	Medium Risk	
		Food processing
4c.	Low Risk	
		Publishing

With such criteria in place, encompassing programmed and unprogrammed inspections, with further breakdown into high and low-risk industries, a plan can be finalized and inspectors can go about the actual work of site visits.

b. Pre-inspection and Preparations for Inspection

With a work plan set and a list of firms available to be inspected during the year, the preparation for on-site visits can begin. Most of the work undertaken in preparation for a site visit occurs within the headquarters of the Labor Inspectorate and are a regular part of the duties of an inspector.

*Collection of background information*

The first step is for an inspector to familiarize themselves with the firms that are to be visited. This will require revisiting files and records that are held at the Inspectorate on the enterprise to be inspected. While the LI of Armenia is a young organization and might not have a long history of working with specific industries, at a minimum the following information should be collected:

- location of the enterprise and the name of the contact person;
- total number of workers, number of women workers, young workers, apprentices, and foreign workers, skill levels, etc;

- nature of the work process and its final products and services;
- raw materials and equipment used, particularly if chemicals are involved; and
- complaint letters from workers against management, and the action taken to address complaints.

As the Inspectorate continues its work and amasses information in coming years, it will be important for inspectors to gather historical data as well:

- previous violations of the law and the action taken;
- employer's general attitude to the inspectorate (hostile, indifferent, cooperative);
- work accidents and diseases over the last five years, and in particular fatalities; and
- existence of a trade union in the enterprise, and whether there is a collective agreement between the union and management.

The existence of this information will depend on effective data management and storage (see section II.f below), but it is imperative that the information, if available, be referenced in order to give a fuller picture of the site to be visited.

#### *Notification*

Once the inspector has a better idea of the site to be visited, the most important step to be done is the notification of the businesses that are to be inspected as part of the programmed activities (of course, unprogrammed inspections do not to be notified). In the United States, notification is prohibited unless specifically authorized, thus making all visits "surprise" visits. However, elsewhere in the world (see Box 5), notification is an integral part of risk-based enforcement, as companies with less risk also have less incentive to hide their operations. Thus, in order to forge cooperation with these businesses, visits should be scheduled in advance.

The notification process is simple: firms that are selected for programmed visits should be notified within 3 working days beforehand, via mail and/or phone call. Requests for delay of a reasonable nature should be accommodated, but as a rule firms should not be allowed to postpone more than a week from their scheduled inspection. The Head of the Labor Inspectorate may make a determination if a delay is unreasonable and schedule a surprise visit accordingly, or levy fines on firms that are suspected of undue delay.

#### Box 5 - Notification of Businesses in Mexico

Mexico's Labor Inspectorate has undergone sweeping reforms over the past decade and is now a much more efficient organization. The Federal Regulation for Occupational Safety and Sanitation and the Environment (Safety Regulation), promulgated by the Ministry of Labor and Social Welfare (STPS) in 1997, supplanted a complex of prior regulations and streamlined processes within the Inspectorate. One of the reforms introduced was changing both the frequency of inspections and the way in which a business was notified of upcoming inspections. The new notification process imposes a minimum one-day advance notice requirement for inspections and requires that this notice specify:

- what the inspection will address,
- what legal rules are implicated, and
- what documents must be produced.

In practice, a three-day advance notice is standard, to afford employers time to gather and arrange pertinent documents. This system has been welcomed by Mexican businesses as providing predictability while continuing oversight functions.

### *Appropriate Attire and Equipment*

Once notification has been finished, and the inspection day nears, the inspector should prepare for the actual inspection, including necessary attire. The inspector needs to ensure the selection of appropriate inspection materials and equipment, including personal protective equipment, based on anticipated exposures during a safety inspection. Training should be ensured during the Inspectorate's annual plan in the use of this equipment. Under no circumstances should inspectors enter into areas on-site for which they are not adequately protected.

Finally, all necessary equipment for the inspection of that specific industry should be packed up beforehand. In the case of labor inspections and investigations of violations of the Labor Code, this will only require necessary forms and notebooks; for occupational safety and health, however, it will require a much larger list of items specific to the industry. The mining industry, for example, via the United States Mine Safety and Health Administration, has noted the following list of supplies and equipment that are necessary to conduct an underground inspection:

- protective hat;
- safety-toed boots or shoes;
- safety glasses;
- hearing protection;
- dust respirator (fit-tested);
- snug-fitting clothing;
- lamp belt with identification tag attached and one extra identification tag for check-in/check-out;
- electric cap lamp and charger;
- draeger gas test kit with tubes;
- torque wrenches;
- oxygen indicator;
- anemometer and stop watch;
- aspirator bulb and smoke tubes;
- measuring tape and rule;
- camera;
- other specialized equipment as needed;
- previous inspection report with copy of Legal I.D.;
- safety and health standards book;
- A copy of the U.S. Mining Safety and Health Administration handbook;
- citation and continuation books;
- notebook and black ink pens; and
- other pertinent forms as needed.

For all labor inspections, however, there is a minimum level of equipment that is necessary in order for inspectors to effectively do their job. The ILO has provided a rough estimate of equipment that a Labor Inspectorate needs to provide its inspectors (according to the development level of the country):

#### **Minimum resources (least developed countries)**

Resource allocations for salaries and telephone bills; office equipment including stamps for sending letters; folders and shelves for archiving the data, one fax machine, one computer, printer, (internet access if possible for e-mail and OSH information on internet); reimbursements for travel on public transports, allocations for basic training needs.

**Standard resources (developed countries)**

Minimum resources plus: scooters or motorbikes for inspectors; 1-2 cars which are dedicated for inspection (cars should be used as working tool); a few computers; internet and e-mail access; photocopy machine; fax machine; reimbursement and insurance for inspectors using their own cars; money allocations for research; electronic database (excel sheets) and letters in word; inaugural training, refreshment training, specialized training; allocations for one training course a year per inspector; allocation for major conference representation by the director.

**High standard resources for high performing needs (developed countries)**

Standards resources plus: cars; portable computers; database with follow-up- inspection notices, ILO OSH-MS implemented, and other equipment to innovate state-of-the-art inspection techniques.

The equipment provided for inspectors may vary greatly, but, as noted in Section II, the most important piece of equipment for an inspector is their knowledge and ability to analyze the firm they are inspecting.

*Mobility*

A final note on preparation involves actually getting to the site to be inspected. Either official or non-official transportation may be used, depending on the circumstances of the Inspectorate. In many large countries that rely on a federal system of inspections, distances are cut down through delegation to local and regional authorities. In other instances, the size of the country assists in facilitating inspections as there is not long to drive to reach anywhere in the country (for example, in the Baltics).

In many countries, however, arranging transportation is a difficult task. In Mexico and in most countries of Central America, for example, inspectors do not have transportation of their own. The Mexican Federal Labor Inspectorate has about 30% of their workforce with their own cars that were use for inspection visits, with another percentage of the workforce sharing one-way rides. For those unable to share rides, public transportation was necessary to reach worksites, wasting a large portion of the inspector's day on transportation. Other labor inspectorates around the world have voiced similar complaints, from countries as disparate as Kenya and Egypt.

As noted above, one way to better utilize limited transportation resources is through better planning. Rather than having inspectors sent to all corners of the country, it may be more prudent to have some stretches of time where inspections are lumped together geographically. Failing this, the Inspectorate could enter into long-term contracts with private taxi firms for regular transportation, within the budgetary limits. Finally, the Inspectorate could move towards greater decentralization: ILO Labor Inspection Recommendation Number 20 states that inspectors should be localized in industrial districts in order to be in touch with the establishments which they inspect, and locating inspectors throughout the country may allow for the inspectors to spend more of their time actually visiting of establishments, rather than traveling to them. Such a solution would require adequate connections between the

center and the periphery, but is another possible way around transportation difficulties.

Despite problems in reaching destinations, inspectors should never accept the offer of rides or transportation from the firm to be inspected; this not only creates a potentially dangerous situation by leaving the inspector at the whim of the company, it also can create the appearance of influence or corruption.

#### **IV. CONDUCTING THE INSPECTION**

As noted earlier, the on-site inspection is likely to be the only physical contact that any employer has with the Labor Inspectorate during a given year (additional contact, in the form of information transmission, is mandated by Law and described elsewhere). Moreover, the field inspection is most likely to be the largest part of an inspector's job: time spent on inspections ranges from approximately 50-60% of the inspector's time in Greece to 90% of their time in Slovakia. Thus, the inspector needs to follow a standardized set of procedures that inspire confidence with businesses while best utilizing the inspector's scarce time; ad hoc inspections may appear more like "fishing expeditions" and give an opportunity for corruption while not completely covering everything that needs to be surveyed. For this reason, the inspection process needs to be the same for each employer (with only minor adjustments for differing industries).

##### **a. Arrival on-site**

Any inspection should begin with the arrival of the investigator who has the obligation to identify him or herself and present their credentials. The investigator will request to meet with the employer or a duly designated representative of the employer who is employed at the visited site. Once an inspection is set within the Inspectorate, programmed or unprogrammed, there can be no postponement, even if the employer or employer representative is absent from the premises (this creates too much of an incentive to be absent from the employer side, as well as tying up Inspectorate resources needlessly). Additionally, after presenting credentials, inspections may not be delayed for more than one hour (a standard limit): if neither the employer nor representative is present, the inspection may occur without them. If there is no one present to assist the inspectors and someone from the firm is necessary (for example, to unlock doors or gain entry to the premises), the inspection is effectively terminated but fines and violations may be levied against the offending firm. If the inspector is barred from entry, this is a special case that is dealt with below.

#### **Box 6 - Who Accompanies the Inspector?**

In most cases within Armenia, the Inspector will be alone or working as part of a two-person team. In other countries, however, such as Taiwan, inspectors are allowed by law to supplement their knowledge of an industry by bringing along specialists in their field. As the Taiwanese Law says, "a labor inspector may initiate invitation and be accompanied by related competent authorities, academic institutes, related organizations, specialists or physicians to make a joint inspection and assessment."

Under Armenian law, there is no such stipulation for accompaniment, but there is also no prohibition. Over the next several years, it will be up to individual inspectors if they need additional expertise to accompany them, but it is highly recommended. If this is the case, experts should be recruited from third-parties, such as research institutes, and not from directly interested competitors. Other private sector firms may also provide the service if they have not direct stake in the examined enterprise's success or failure.

After the inspector's arrival, the inspector should convene an opening meeting in which the employer is informed of the purpose of the inspection and the inspection process is explained. If need be, in case of unprogrammed inspections or inspections responding to a specific complaint or grievance, the employer can be presented with legal documentation authorizing the investigation and detailing the scope of the inspection. Additionally, during all inspections, employers should be provided with standards, regulations, and other informational materials to aid them during the visit, including contact information of the Labor Inspectorate in Yerevan.

b. The Inspection Process: Conduct and Execution

Once the employer has been made aware of their rights and obligations, the inspector may begin the actual inspection. This will entail the employer furnishing all required records, including personnel records, bookkeeping and accounting, payroll and time records, and other documentation as required. Where possible, photocopies of records should be made on-site; where this is not feasible (i.e. smaller offices in the regions), photocopies should be made wherever possible in the city/town/village or originals photographed for recordkeeping.

Employer records are examined in order to ascertain several issues, most of them regarding compliance with the Labor Code. In particular, it is advised to check whether:

- written contracts of employment have been issued;
- basic remuneration has been paid at the rates required by the law;
- payments have been made at proper intervals;
- deductions have been correctly calculated;
- benefits in kind have been paid and accurately calculated;
- all allowances have been paid, i.e. transport allowance, dependants' allowance, shift allowance, housing and clothing allowances, etc.;
- hours of work, rest periods, and holidays required by law for particular occupations or activities have been complied with;
- overtime worked has not exceeded the legal time limits; and
- overtime has been properly authorized.

While floor inspections provide inspectors with more information regarding occupational health protection (see below), employer records can also be scrutinized to update data on injury and illness rates. Given the low frequency of business

reporting to the Labor Inspectorate, on-site inspections can be used to fine-tune data on occupational health and safety and provide a clearer picture of the state of certain industries. Reviewing employer records regarding occupational injuries can also be a way to verify the veracity of forms submitted to the Inspectorate as part of businesses annual obligations.

c. The Walk-around: What to search for

In addition to scrutinizing written records, the inspector has a duty and obligation to visually inspect the workplace for violations of health and safety norms. The examination of layout of the facility is where the inspector will have to adjust their inspection depending on the firm and industry being inspected, the location, type of work done, and other factors (see Box 7 for an example of a mining inspection), but the walk-around represents the most important part of the inspection. Walk-arounds have two distinct purposes: to observe if health and safety is being protected through compliance with norms and to observe where a business may have potential issues in the future. The walk-around process also presents a perfect opportunity for the inspector to share information with the employer regarding health, safety and labor enforcement, including answering questions that the employer may have regarding specific issues.

Box 7 - Mining Industry Preparation and Inspections

As an example of specific inspection procedures, the mining industry, due to its high risk, is one of the most important industries to be inspected. Preparations for a mine inspection should include a review of

- 1) Prior mine inspection reports;
- 2) Outstanding citations or orders;
- 3) Mine ventilation plans;
- 4) Escape and evacuation plans;
- 5) Information concerning independent contractors at the mine; and
- 6) Any other significant information concerning safety and health at the mine to be inspected.

Inspectors should observe each phase of the mining cycle that occurs during each regular inspection of a mine or mill, including activities such as drilling, blasting (including hang-up blasting), mucking, timbering, scaling, and the transfer of ore. If a phase of the mining cycle, such as blasting, only occurs once somewhere in the mine during an inspection, the inspector must make every effort to observe the conditions and practices associated with the blast.

A complete list of items to be scrutinized during a mining inspection is listed in Appendix 1.

During a walk-around, apparent violations, if discovered, should be brought to the attention of employer and employee representatives at the time they are documented. Inspectors will record at a minimum the identity of any exposed employees, the hazard to which the employees were exposed, the employee's proximity to the hazard, the employer's knowledge of the condition, and the manner in which important measures were obtained. In minor cases, the employer may be able to rectify the violation immediately (such as moving items that emit harmful fumes to a storage

container or away from employees); in such a case, no formal violation will be issued. Other, more serious violations that cannot be immediately resolved will result in formal notices.

As part of the inspection, physical evidence may be collected in the form of samples, and photographs and/or videotapes may be taken whenever the inspector believes there is a need. Photographs that support violations shall be properly labeled, and may be attached to the inspection report completed by the inspector (see below). The inspectors shall ensure that any photographs relating to confidential or trade secret information are identified as such, and all film and photographs shall be retained in the case file. Videotapes or digital recordings will also be properly labeled and stored with the Labor Inspectorate as part of the file for the particular firm. This photographic evidence will also help to determine the extent of improvement that has occurred between the first inspection and follow-up inspections. The employer should be allowed to have access to any photographs or results of tests performed on samples that are taken at the work site.

#### Box 8 - Agricultural Inspections

Agricultural inspections present difficulties for every Labor Inspectorate worldwide, due to the fact that resources are inadequate to police every farm, and highly specialized training is required to oversee farm procedures and policies and determine whether a farm is “safe” or not. Despite these problems, agricultural work tends to have familiar hazards that inspectors must check for:

- noise from machinery
- dust and gas from certain operations
- exposure to pesticides and proper storage of poisons and fertilizer
- sanitary procedures associated with handling livestock
- roll-over danger from tractors
- protection while using heavy equipment (such as grain threshers)
- digging and earth movement near power lines
- adequately protected power take-off shafts on tractors and trailing equipment

Of these issues, power take-off shafts present the statistically greatest danger in terms of accidents and fatalities in most countries, leading to amputations or fractures, but all of these conditions should be checked during an inspection. In Armenia, the relatively small size of most farms may make inspections easier than elsewhere in the world, and it is in agriculture that successful worker protection may have a “demonstration effect”: having one farm adhere to safety requirements will show neighbors the value of safety to their own operations.

#### d. Dealing with Problems in the Inspection

In any inspection, it is possible that an inspector will come across employers that are uncooperative, unwilling to assist, or actively obstructing the investigation. The types of problems that an inspector will encounter can be broken into two separate groups: refusal of entry and employer interference.

##### *Refusal of Entry or Inspection*

When the employer refuses to permit entry upon being presented proper credentials or if a firm allows entry but then hinders the inspection in some way, a tactful attempt shall be made to obtain as much information as possible about the establishment from

outside the premises. After this cursory examination is complete, what occurs next depends upon the nature of the refusal:

1. If the employer refuses to allow an inspection of the establishment to proceed, the inspector shall leave the premises and immediately report the refusal to his/her Division Head.
2. If the employer raises no objection to inspection of certain portions of the workplace but objects to inspection of other portions, this needs to be documented. Normally, the inspector will continue the inspection, confining it only to those certain portions to which the employer has raised no objections.
3. In either case the inspector must advise the employer that the refusal will be reported to the Inspectorate headquarters and that the Inspectorate may take further action, which may include obtaining legal process (such as securing a warrant).
4. On multi-employer worksites, valid consent can be granted by the owner, or another co-occupier of the space, for site entry.

#### *Employer Interference*

Where the inspector's entry has been allowed but the employer interferes with or limits any important aspect of the inspection, the inspector will determine on-site whether or not to consider this action as a refusal. Examples of interference are refusals to permit: a walk-around, the examination of records essential to the inspection, the taking of essential photographs and/or videotapes, the inspection of a particular part of the premises, indispensable employee interviews, or the refusal to allow any technological surveying or measurement (such as sampling devices). All of these issues will be reported to the Inspectorate, and further legal measures may be brought to bear against the firm.

In all of these cases, the employer needs to be made aware of the next steps and told of the benefits of inspection and of increased safety. If the "carrot" approach does not work, the inspector is to proceed to the "stick" and inform the employer that legal proceedings can be brought against the business. In many cases this may encourage cooperation, but it may also harden resistance to the inspection. If the inspector has fully spelled out the consequences of a manager's actions and there is still no compliance, the inspector has done their job and will leave the premises until further action is taken.

#### e. Employee Interviews

One of the most important aspects of an inspection is the right to speak with employees in private about their working conditions (see Box 9). These interviews may be conducted on-site with the rest of the inspection, but they may also occur off-site via telephone, mail, or e-mail. If the interviews are to be conducted on-site, they must occur in a private area, and there must be a guarantee that the employer will not be present in order to avoid intimidation. Any charges brought up during employee interviews can be answered by an employer through legal processes detailed below, and thus there is no need for the employer to issue rebuttals on the spot.

Questions will be tailored to each inspection, and in the case of a complaint or imminent danger for safety inspections, the questions will naturally focus on the specific violation. Employee answers must be reflected accurately in the final report, and employees must be informed that they may follow-up on comments individually with the inspector after the inspection.

#### Box 9 – Employee Interviews in the Construction Industry

As part of overseeing the construction industry in Armenia, employee interviews are one of the most important components (perhaps more so than in other industries). Studies in other countries, such as Denmark, have shown that “the first signs of deterioration of the safety situation in construction may also lead to a growing incidence of occupational diseases.” No one is better situated to ascertain safety than the employees that work on a construction site day after day, for they are aware if work hours are too long, if hazards are present, or if necessary precautions are not taken. Interviews with former employees can also establish patterns of certain firms or companies and if their safety standards are up to adequate levels. Complaints from employees about procedures or, in worst-case scenarios, about health issues, can also point to the need for tighter regulation.

Finally, the high demand for construction workers in Armenia also means that confidentiality is necessary so that retribution is not taken by employers. In many cases, this may mean conducting

#### f. Exit Briefing

At the completion of the process, the employer and/or representative will be informed of the results of the inspection (see Box 10 for the ILO advice on conducting the exit briefing). The inspector shall describe the apparent violations found during the inspection in detail and all other pertinent issues as deemed necessary, and both the employer and the employee representatives shall be advised of their rights to participate in any subsequent conferences, meetings, or discussions. Any unusual circumstances noted during the closing conference shall be documented in the case file. In keeping with the emphasis on customer service, the exit briefing will also allow the employer to formally ask for advice and information regarding issues that the inspector has raised.

#### Box 10 - ILO Recommendations for Exit Briefings

“During the closing meeting, the inspector should address the key issues. For example:

- **summarize** the general standard of working conditions in the enterprise, including the state of housekeeping, emphasizing what is satisfactory, but clearly pointing out what needs improvement to ensure compliance with the law;
- **discuss** the unfair, unsafe, unhealthy or otherwise unlawful conditions observed, outlining all apparent violations and possible legal consequences;
- **propose** priorities for improving working conditions and the working environment by identifying three or four important issues;
- **state** those measures which have to be implemented without delay;
- **inform** the employer of the period allowed for implementing time-consuming measures;
- **inform** those present of the role and purpose of labour inspection, indicating the services it can provide to the employer and the workers; and
- **present** all findings in a balanced, impartial manner, highlighting also the good points.”

Since the inspector may not have all pertinent information at the time of the first closing conference, a second closing conference may be held by telephone or in person to inform the employer and the employee representatives whether the establishment is in compliance.

## V. POST-INSPECTION PROCEDURES

### a. Follow-up with the Employer

After an on-site inspection is conducted, the Inspectorate and the inspector should send a formal letter to the employer outlining the findings, including citations and proposed penalties. Copies of citations also must be posted by the employer at or near the site of the violation. This assures that all workers who might be exposed to a hazard are aware of it and understand the need to correct it and the schedule for correction. In the case of an unprogrammed inspection resulting from a complaint, copies of the findings must also be sent to the worker or worker representative who filed the complaint.

#### *Abatement*

The “abatement period” is the time in which an employer needs to correct any health or safety violations discovered during an on-site inspection – in most cases, violations of wages or hours will need to be corrected as soon as possible. Abatement is defined as the shortest interval within which the employer can **reasonably** be expected to correct the violation. An abatement date should be set forth in the citation as a specific date, not a number of days, and will rely on the best professional judgment of the inspector (only in rare circumstances, calling for extensive structural change, will abatement periods exceeding 30 days be used). When the abatement period is very short (i.e., 5 working days or less) and it is uncertain when the employer will receive the citation in time, the abatement date should be set so as to allow for a mail delay and the agreed-upon abatement time. When abatement has been witnessed by the Inspector during the inspection, the abatement period shall be "Corrected during Inspection" on the citation.

In situations where an employer contests either (1) the period set for abatement or (2) the citation itself, the abatement period generally shall be considered not to have begun until there has been an affirmation of the citation and abatement period via the legal process. Where an employer has contested only the proposed penalty, the abatement period continues to run unaffected by the contest. Whether contested or not, and depending on the severity of the violation, follow-up inspections may be necessary to verify the abatement.

In some exceedingly rare instance, the inspector will need to issue a citation which allows for long-term abatement, abatement which will be completed more than one year from the citation issuance date. In situations where it is difficult to set a specific abatement date when the citation is originally issued; e.g., because of extensive redesign requirements consequent upon the employer's decision to implement feasible engineering controls and uncertainty as to when the job can be finished, the inspector shall discuss the problem with the employer at the closing conference and, in appropriate cases, shall encourage the employer to seek an informal conference with the Head of Division. In all long-term cases, the employer is required to submit an abatement plan outlining the anticipated long-term abatement procedures. This plan can be produced with LI assistance.

### b. Complaints and concerns

### *Complaints process*

In addition to employers' rights in being informed of the inspection and being apprised of what is occurring during an inspection, employers must have the ability to 1) challenge any violations and 2) complain about inspectors and inspections without threat of harassment. In extreme cases, complaints may also be brought regarding corruption or attempted corruption during an inspection.

Complaints must be handled in an expeditious manner, in order to retain the trust of the Armenian people and the business community. In some cases, internal investigations or informal conferences are all that are necessary to address an employer's concerns. Where this is not acceptable to either party, a formal mechanism must be present within the Inspectorate to hear employers' viewpoints and consider their case against violations noted during inspections (a snapshot of how it is done in the US is shown in Box 11). Whether this mechanism is permanent or brought together on a case-by-case basis, it should have established rules regarding participation by members of the Inspectorate's management, the necessary presence of the inspector during the proceedings, and ability of the employer to present countering evidence. The right of businesses to challenge inspection findings argues, as noted below, even more strenuously for detailed record-keeping, as any observations the inspector makes can be admissible into this investigation.

#### Box 11 - Contesting Violations in the US

In the United States, an employer has 15 days to formally contest an OSHA violation notice via letter to the "Area Director" (the equivalent of a Division Head in Armenia). This letter is forwarded to the Occupational Safety and Health Review Commission (OSHRC), an independent and permanent body with no ties to OSHA or the US Department of Labor that oversees all challenges to violations handled by OSHA inspectors.

Once the notice to contest is forwarded to OSHRC, the complaint is effectively out of the hands of inspectors, and they are in fact prohibited by law from communicating with the Commission on the merits of a case. Instead, the lawyer that represents that region of the United States (the "regional solicitor") is the new point of contact for OSHA, and is the sole contact that the OSHRC has with the Agency (of course, the solicitor's case is prepared with input of the relevant inspector and the Area Director). Also, once a case is filed with OSHRC, OSHA may not conduct any further conferences with the employer until the matter is settled.

Once admitted to the Commission, the case is assigned to an administrative law judge. The judge may disallow the contest if it is found to be legally invalid, or a hearing may be scheduled for a public place near the employer's workplace. The employer and the employees have the right to participate in the hearing; the OSHRC does not require that they be represented by attorneys. From this point, the contest proceeds as a normal adjudication, and once the administrative law judge has ruled, any party to the case may request a further review by OSHRC. Any of the three OSHRC commissioners also may, at his or her motion, bring a case before the Commission for review. Commission rulings may be appealed to the appropriate U.S. Court of Appeals, but if found to be valid, the penalties will stand and the employer will have to abide by the decision of the Court.

With regards to complaints brought against the conduct of inspectors in the case of their investigations (and not regarding violations noted or penalties assessed), a purely internal investigation is required within the Inspectorate undertaken by the Legal and Control Department. During such an investigation, the inspector should be allowed to answer the charges brought against him or her. If the allegations are found to have merit, the case will be referred to the appropriate legal body in addition to any

penalties that may be assessed through the Inspectorate itself. In accordance with the Law on the Labor Inspectorate (Article 20), the employer may also be subject to compensation for the illegal actions of an inspector.

c. Record-keeping and Reporting

The effort that goes into inspections, including the inspectors' time, the transportation, the burden on businesses, and the effort spent in recording the results and following up on inspections represents a major investment for the government of the Republic of Armenia in acquiring data on businesses within the country. It is thus imperative that the data that is collected is organized in a systematic fashion and is readily available for inspectors and the annual planning process.

The first step in organization this data is the **completion of the inspection report**, the document that will remain on file within the Labor Inspectorate detailing the results of the inspection. This step is followed by the **collation of data** from the separate reports and **storage** of this data in proper systems, to allow the data to be utilized for **analysis**. Finally, data needs to be **publicly disseminated** for improved visibility of both the Inspectorate's activities and health and safety issues within Armenia.

*The Inspection Report*

The report that inspectors need to file after the inspection has been completed should reflect the outcomes of the inspection. The inspection report will be prepared for internal use only, with any conclusions drawn from the report sent to the enterprise in a separate letter.

At a minimum, the report should have a standard format to collect information as noted in Section I, including statistics on number of employees, safety and injuries, etc (see Box 12 for a complete list). This information needs to be supplemented with a narrative section, where the inspector can share his/her own experience and observations regarding the inspection. For first inspections, this entire list should be filled out and included in the report; for subsequent inspections, information that is still valid can be referenced and only new material updated.

The ILO recommends that this format be utilized for programmed and regular inspections; for inspections in response to a specific complaint or to follow-up on violations, only the following information should be presented:

- Name and address of the enterprise;
- Reason for inspection;
- Inspector's findings; and
- An account of the manner in which previous orders have been executed and any further steps which need to occur.

Box 12 - Contents of an Initial Inspection Report

***General information on the enterprise:***

- Name;
- Legal status (company, partnership);
- Relation to other entities and companies (e.g. subsidiaries);
- Nature and description of business;
- Location and address;
- Contact person, and telephone and fax numbers;
- Number of employees (disaggregated by gender, age, occupational categories);
- Special processes (e.g. use of chemicals);
- If it is a “special conditions” (high risk/hazardous) enterprise or not.

***Working conditions:***

- Hours of work;
- Minimum wages and allowances paid;
- Weekly rest periods and holidays;
- Other legal conditions of employment requirements;
- Safety conditions;
- Health conditions;
- Medical and welfare services;
- General state of “house keeping”;
- Rating of enterprise in terms of work hazards;
- Rating of enterprise management’s ability and willingness to at least maintain, if possible, improve, existing standards.

***Industrial relations:***

- Existence of a trade union;
- Collective agreement applicable or not;
- Number and function of workers’ representatives;
- Existence of a functioning consultative committee, such as: works council, workers’ committee, OSH committee or management system;
- Frequency of strikes, if any.

***Inspection details:***

- Nature of inspection (routine, special, follow-up, investigation);
- Name of inspector (including signature)
- Date of inspection
- Nature of all contraventions;
- Priority areas for attention;
- Action to be taken on each priority area.

Reports that are created for the investigation of occupational accidents should also include information on the causes of the accident, the consequences for workers, an assessment of the likelihood of similar accidents occurring, and preventative action to be taken by the business.

Given the need to store data in a compact format (see below), it is imperative that the reports not be overly long or complicated; 10-page reports may be meticulously crafted and contain all information regarding an inspection, but may not be useful for setting policy or providing a concise picture of occupational safety within an enterprise. Some Labor Inspectorates around have tight limits on length of reports, with one Inspectorate limiting inspectors to 85 words in completing their accident reports (several years worth of accidents can then be searched fairly rapidly via computer).

### *Storage of data*

Inspection reports represent the raw data that the Labor Inspectorate needs to carry out its mission; the information collected by inspectors over a year represents the organization's institutional memory, as well as providing a picture of Armenian businesses at one point in time. In order to make this information most useful, the Inspectorate must have an adequate system for storing the data collected and making it available for research and analysis within the LI. At a minimum, this system needs to be computerized and available as a database clearly linking firms to their inspections, but also searchable and able to be sorted by type of violation, size of fine, geographic area, and other indicators. Depending on the specific institutional capacity of the Inspectorate, the entry of this raw data should be performed either by the inspectors themselves onto a central database, or by the Statistics Department as the collection point for all inspection reports.

In addition to correctly processing the data gathered by inspectors, a key element in forging a relationship between the Labor Inspectorate and businesses is the respect for data when it is collected. In order to build this respect, the **confidentiality** of firms must be kept and data not released to the general public or competitors unless public interest warrants (for example, if judicial proceedings are undertaken or violations are committed that present an imminent danger). Confidentiality must be safeguarded through proper handling of data and through internal safeguards to prevent information being released publicly.

Confidentiality does not mean secrecy, however, and while there is a need for confidentiality of specific inspections, the record of a firms' inspection should be available to designated representatives of that firm upon request. Through this manner, both the privacy of the firm and the need for transparent governance is respected.

### *Analysis*

While gathering data on businesses in Armenia represents the major function of the Inspectorate, inspectors and the public at large will be served through careful analysis of the data within the LI. Inspectors will most likely not be tasked with analysis in their daily routines, and it is preferable that a separate division of the Inspectorate (such as the Statistics Department) issues analyses on trends and statistics on a regular, perhaps quarterly, basis. However, as noted in Section I, all inspectors need to be familiar with statistics to recognize trends in their own areas and realize the implications of aggregated data for the operations of the Inspectorate.

### *Public Reporting*

The ultimate customer of information that the Labor Inspectorate collects through its inspections is the Armenian citizen, and it is through regular reporting that citizens are kept aware of the performance of the Inspectorate and businesses in the country. A first step to institutionalize this outreach is annual reporting – the production of a report, much as a private company beholden to shareholders would produce. The obligation for an Inspectorate to produce such a report is given through ILO Convention No. 81 (Article 20) and Convention No. 129 (Article 26), and within Armenia is mandated by Article 12 of the Law on the Labour Inspectorate. According to these sources, the report should present such items as:

- vision of the leadership of the LI
- major activities for the year
- statistics on violations made and administrative punishments applied
- time spent within the LI on different tasks
- goals for upcoming years
- information for employers
- analysis of trends and statistics

The value of such a report is multifaceted, including: a tool for researchers looking for the state of the labor force in Armenia; a reference for entrepreneurs and employers searching for information about their industries; and as a roadmap for future challenges and concerns for the Inspectorate. But in a broader sense, the annual report is written to provide a comprehensive picture of the effectiveness and usefulness of the Inspectorate itself, and is thus a guide for internal management and concentration of resources.

An annual report would not be produced by individual inspectors, but rather would be collected from the individual reports by the management of the Inspectorate and issued from the Chief Labor Inspector's office. Given its annual nature, the production of the report should be institutionalized within the Inspectorate, with a single contact given priority for collecting the necessary information and formatting it; however, this task should be made easier through regular internal reporting and proper data storage. It is only natural to have the Statistics Department compile the necessary data while the narrative can be written from the Head of the Labor Inspectorate's office.

The annual report of the Labor Inspectorate of Armenia should be widely disseminated upon its creation, in hard copy and also on the website of the Labor Inspectorate. It should also be available to the press immediately, and the Labor Inspectorate should publicize the release of the report as to draw attention to the state of health and safety in Armenia. Given this need to reach several different audiences, the report needs to be written in a straightforward and concise manner, and it must be accessible to ordinary citizens as well as specialists in various fields.

In addition to its public outreach function, the annual report represents, in the words of the ILO, a "business card" for the Inspectorate *vis-à-vis* other public agencies within the government. In this manner, a well-tailored annual report provides a negotiation tool for increasing resources within government and can be utilized as an exhibit with the Ministry of Finance as to the efficacy of the Inspectorate.

## **VI. CONCLUSIONS**

This manual is intended to provide a concrete approach to organizing and conducting labor inspections within the Republic of Armenia. Protecting workers and employers in the country and fostering an atmosphere of safety requires collaboration between the Inspectorate and businesses and the dissemination of knowledge regarding occupational health issues. Inspectors are the first point of contact for the public and for employers in creating this atmosphere, and as such have an important duty to inform, to educate, and to assist. With a customer service ethic installed and a professional demeanor, inspectors from the Labor Inspectorate will remain a force for worker safety in years to come.

## APPENDIX 1: A CHECKLIST FOR MINING INSPECTIONS

### Examination and Inspection Standards as Recommended by US MSHA

- Examination of ground conditions
- Inspection of fire fighting equipment
- Blacksmith shops
- Work in shafts; raises, or winzes and other activities involving hazard areas
- Underground shops
- Loading and blasting
- Handling of misfires
- Drill area inspection
- Unstable Ground
- Inspection and maintenance procedures
- Inspection of compressed-air receivers and other unfired pressure vessels
- Boilers
- Safety defects; examination, correction, and records
- Examination of working places
- Shaft inspection and repair
- Procedures for inspection, testing, and maintenance
- Examination and tests at beginning of shift
- Hoist conveyance connections
- Safety Catches
- Main ventilation failures
- Changes in ventilation
- Weekly testing procedures
- Blasting from the surface
- Explosive materials and blasting units