

# Labor inspectors see job as pointless

They rarely visited the Sarajevo food store where she worked for five years as an unregistered worker. When they did, they usually ended up at a nearby hotel being treated to lunch by the store owner.

Tasić said she took the job knowing she would not be registered but the boss promised her for months that he would make her official soon and would begin paying contributions toward her health insurance and pension.

Labor inspectors are supposed to help workers like Tasić, one of more than 240,000 people who are part of an informal and unprotected black market of labor in Bosnia and Herzegovina. But the inspectors say they don't have the equipment, the power or the trust of workers to do much.

They describe their jobs as impossible and without much purpose.

## Too few inspectors

Inspectors agree with Tasić that their visits are rare. To do their job right, they should be inspecting every company in their jurisdiction at least once a year, matching worker ID's against company records on leaves, benefits and insurance. In reality some companies have not been checked in three or four years.



In the Republika Srpska (RS), 38 labor inspectors oversee more than 57,000 firms. Each would have to make 1,500 site visits a year to visit them all. The other entity, Federation BiH (FBiH), has more than 100,000 registered companies and 40 inspectors, meaning each would have to go to about 11

businesses every working day. The average inspection visit lasts two hours.

But those 40 inspectors are spread unevenly through 10 cantons and responsible only for set areas. Bosnian Podrinje Canton has no labor inspector so companies there are unmonitored. Hercegovina-Neretva Canton has four inspectors, down from eight at the beginning of last year. Goran Bilić, deputy labor minister in that canton, said that it was hard with eight people to monitor 8,000 firms, with four, impossible.

He said personnel cuts were made to cut costs without a thought to how labor inspectors enforcing the law could help bring money into the treasury. In Slovenia, for example, fines imposed on employers violating labor laws go toward payment of judges' salaries, which helps the budget and acts as an incentive to enforce the law.

### **Too little trust**

It doesn't help over-burdened inspectors that the workers they are supposed to be protecting don't trust them.

Most inspectors do not act upon tips that come in anonymously, so workers inclined to report a dishonest boss must come forward and put their job on the line. Worse, a new inspections law passed in 2007, calls for punishment of workers found to be working illegally.

Azra Šehbajraktarević, president of the retail union in BiH, said workers don't cooperate even with inspectors acting on good tips about labor abuse. They will hide when inspectors come, she said, or lie about working informally because they don't want to be fired. When inspectors come, she said, shops are closed or unofficial workers sent out.



Jagoda Smajoš,  
chief of labor

inspection in Sarajevo Canton, said that there are too few inspectors with too little equipment to make a dent against informal labor.

But inspectors laugh at suggestions from suspicious workers that they take bribes or favors from employers. Inspectors, they say, pose no threat to employers.

Danijela Orkić, a labor inspector in Posavina Canton said that in eight years no employer has threatened her or offered money for a clean report. Jagoda Smajoš, chief of labor inspection in Sarajevo Canton, said she would fire inspectors she found to be corrupt, but there's little cause for her to worry. Paying a bribe, she said, bluntly, would be more costly to employers than paying any fine her inspectors' reports might – possibly – cause a judge to levy.

If inspectors portray themselves as too powerless to be worth bribing, the new inspections law could change that. It allows inspectors to seek the closure of companies they find to be violating labor laws. But no one is writing the regulations that could make such a law work – what procedures would have to be followed when shops are being sealed. Inspectors are passive and skeptical about the possibility of meaningful change.

Branislava Džuričić, labor inspector in Central Bosnia Canton, said inspectors never meet with colleagues to plot strategies or joint actions. They hold no training sessions. They just follow orders.

'Nobody asks us anything. We just work by orders that our director sends us. Our comments or remarks that something can be changed, or a suggestion I give is never accepted or looked at. The whole system doesn't function well.'

Last winter, she said, inspectors got a directive to go look for lumberjacks working illegally and so they went into the woods braving frigid winds and snow up to their knees. They didn't find a single worker because, as they knew beforehand but did not protest, loggers don't work in those conditions.



Labor inspectors making a routine annual check of the Camelija Insurance Company introduce themselves, and then collect ID's from everyone present. These will be matched against contracts, registrations for pension and health insurance and other documents.

Politicians, the inspectors say, don't want to risk unpopularity with businessmen or with workers who could lose jobs because of a crack down on unofficial work.

Many labor inspectors feel the lack of government support in the old cars and faulty computers they are equipped with. In Sarajevo, seven inspectors share one computer, and it has no Internet hookup.

Amnar Muratagić, a labor inspector in Una-Sana Canton, said more efficient labor inspections is such a low priority there that he's been without a car for two months. He is in charge of 8,000 companies that are supposed to be visited yearly.

'It seems like it's not in the government's interest to prevent informal work' he said. 'And later they claim that the inspectors should be blamed...The authorities don't want to be in charge.' Head inspector Džemal Hrustić in Tuzla Canton, where six inspectors monitor 18,000 companies, said 'I will tell you that the politics is pussyfooting: veterans, handicapped, people on the dole. Politicians want to keep the social peace.'

### **Powerless, inspectors try to persuade**

In the RS, Gordana Jugović, the head inspector, said inspectors can be sure that in most facilities they check, they will find that about one-third of the employees are unregistered. When that happens, she said, inspectors try to persuade employers to comply with the law. If they still don't register workers, they file a misdemeanor complaint.



Labor inspectors,  
in conversation  
with company  
manager.

Inspectors think  
that employers  
should be  
educated, and  
persuaded to  
register workers  
rather than  
punished.

For example, in Sarajevo Canton last year inspectors discovered 571 workers not on the books as of October. They

gave employers a chance to comply and 407 were registered. Misdemeanor complaints were filed against owners who didn't take the hint to act first.

Once a complaint is filed, inspectors then wait for courts or the ministries of labor to act. Usually they don't.

Until 2004, said Janjoš, up to 80 percent of the inspectors' complaints evaporated when the statute of limitations on them expired before any action had been taken. She said the situation has only slightly improved after inspectors complained to the ministry.

Džuričić called it unacceptable to let employers go unpunished. She said that if employers were fully aware of how easy it is to wait out a complaint, they might be even more bold about exploiting workers.

'We are threatening with an empty gun is how I see it' she said.

## **Easy to complain**

Federation inspectors repeatedly blamed Lidija Karan-Žigić, chief of the Department for Misdemeanor Proceedings in the entity Labor Ministry, for letting complaints against employers expire in the past.

Karan-Žigić said action against employers was sluggish because she had so many complaints – 3,000 – to deal with.



Labor inspectors from Sarajevo Canton checking a company, think that misdemeanor reports against employers don't have much effect.

They say it is better to try to persuade employers to register workers.

A new procedure this January bypasses Karan-Žigić's department and sends complaints directly to the court, like has always been done in some of the cantons and in the RS. Karan-Žigić will transfer her backlog to the court as well.

'Inspectors can complain' she said. 'The easiest thing to do is to value your work and criticize other people's whose (work) you're not familiar with.'

RS Labor Minister Boško Tomić also threw the problem back at inspectors and said those who are tired and have problems should get another job. 'That job is responsible and diligent and it costs a lot if it isn't done with quality.'

Karan-Žigić said: 'We've been working to the best of our abilities to prevent the phenomenon of informal work and how much we have succeeded in that, I cannot really tell.' The chief said there are no statistical data on employers who are charged with offenses and the outcome of those complaints.

## **Lenient treatment**

The few employers held to account for labor violations are treated leniently.

The law provides for fines of up to 10,000 KM for not registering workers. But mostly, minimum fines of 1,000 KM are meted out, regardless of how many unofficial workers are found in a business.

Too often employers can get out of even those fines, said Tomislav Ćužić, the secretary of the government of West Herzegovina Canton.

'The fine is 1,000 KM, but at the court the judge, for this or that reason, the bad economic situation and likewise, lowers it to 100 KM' he said. 'So, it pays off for the boss to pay that rather than to register employees.'

The economics favor disobeying the law. Livno Canton labor inspector Romana Duran said a worker getting a minimum salary requires a monthly contribution of 200 KM toward benefits. That is 2,400 KM a year or more than twice the penalty for not registering him.

Midhat Hadžiomerović, chief of the Bosnian Podrinje Canton inspectorate has had no labor inspector for a year.

'Whether workers are protected or not, frankly I don't know' he said. 'What I do know is that we are powerless at the moment.'

Tasić knows that feeling. For five years she kept her mouth shut, afraid of risking her 350 KM salary. She didn't turn in her boss, she worked seven 10-hour days a week, including through pregnancy when she carried stock from the storeroom as usual. She prayed for continued health. Her salvation came not from inspectors or from an employer who changed his ways, but from a new job in a driving school. She is now properly registered.