

Safety and Health in micro and small enterprises in the EU: Final report from the 3-year SESAME project

European Risk Observatory
Report

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Foreword

Micro and small enterprises (MSEs) form the backbone of the European Union economy and are seen as a key driver of economic growth, innovation, employment and social integration. About half of the European workforce is employed in MSEs, and effective occupational safety and health (OSH) management in MSEs is essential to ensure both the well-being of workers and the long-term economic survival of these enterprises. Statistics and studies show, however, that the safety and health of many workers employed in MSEs is poorly protected and that ensuring good OSH management in MSEs remains a significant challenge. This problem is acknowledged in the Strategic Framework on Health and Safety at Work 2014-2020, adopted by the European Commission, which identifies enhancing the capacity of MSEs to put in place effective and efficient risk prevention measures as one of the key strategic objectives for safety and health at work.

Responding to the existing gap in OSH requirements and workplace practice, EU-OSHA launched a wide-ranging, three-year project (2014-2017) with the overall aim of identifying key success factors in terms of policies, strategies and practical solutions to improve OSH in MSEs in Europe. The project, commissioned from a group of researchers constituting the Safe Small and Micro Enterprises (SESAME) consortium, aimed to provide support for policy recommendations, contributing to the current discussions on the regulation of OSH in Europe with regard to small enterprises. Moreover, it looked to identify workplace-level good practices in ensuring good OSH management, and to facilitate further development of existing or new practical tools, including the Online interactive Risk Assessment (OiRA) tool.

This report presents overall findings of the project, which have been analysed with a view to providing support for evidence-based recommendations for the development of more efficient policy programmes and interventions aimed at improving OSH in MSEs. The report seeks to answer some fundamental policy questions concerning what works and what does not, and under what circumstances, taking account of issues such as forms of governance and regulation, enforcement, advisory services, information and education, financial support, collective agreements and the involvement of social partners.



Christa Sedlatschek
Director

Executive summary

This report provides the final analysis from SESAME, a three-year (2014-2017), theoretically informed, policy-orientated and EU-comparative empirical research project on occupational safety and health (OSH) in micro and small enterprises (MSEs). A team of experienced researchers examined arrangements for OSH and their contexts in MSEs in nine EU Member States, and identified both the key challenges and success factors in terms of policies, strategies and practical solutions leading to improvements in OSH in these enterprises in Europe. The research provides a new, comparative and contextualised understanding of 'what works, for whom and in what circumstances', as well as evidence-based recommendations for the development of more efficient and effective policy programmes aimed at improving OSH in MSEs.

A comprehensive approach to researching OSH in MSEs

The project integrates a comprehensive review of existing knowledge with both secondary quantitative analysis of the Second European Survey of Enterprises on New and Emerging Risks (ESENER-2) and qualitative analysis of data from 162 case studies. It is carried out in four interrelated research phases:

1. In the first phase, 'State-of-play' (EU-OSHA, 2016), the current socio-economic and regulatory context in which MSEs operate was analysed, the state-of-the-art research on OSH in MSEs in the EU was critically reviewed and a focused analysis of the ESENER-2 survey was carried out. This combined approach demonstrates that a substantial proportion of MSEs develop organisational and business strategies that can be characterised as 'low road' — that is, bundles of organisational and business strategies adopted by MSEs in their fight for the survival of their business (a more detailed explanation of the use of this term in the literature and in the SESAME project is given in section 2.2). The limitations in resources, knowledge and recourse to protect workers associated with such low road strategies are among the key factors that explain why workers in MSEs face a greater risk of serious OSH problems than those who work in larger firms. The analysis also revealed clear gaps in understandings of the relationship between intervention, effectiveness, transferability and the wider socio-economic context and regulatory environment in which MSEs operate. These issues informed the approach to the next phases of the project.
2. In the second phase, 'View from the workplace' (EU-OSHA, 2018a), both owner-managers and workers from 162 MSEs in several sectors in nine EU Member States were interviewed to elicit their views on safety and health. The analyses of these qualitative data produced a contextualised and fine-grained understanding of OSH practices, processes and mechanisms in MSEs, acknowledging both the huge heterogeneity of MSEs in Europe and their commonalities. At the same time, they broadly supported the conclusions that emerged from the review of previous research and drew attention to broad categories from which can be drawn certain explanatory types that are useful in understanding key vulnerabilities of both owner-managers of MSEs and their workers. In this respect, it further confirmed how the 'workers' standpoint' is largely absent from OSH-specific research on MSEs and went some way to redress this imbalance.
3. In the third phase (EU-OSHA, 2017a,b), the focus was on the 'Policies, strategies, instruments and tools' used by intermediaries, authorities and OSH institutions to support good OSH practices in MSEs. A comparative analysis of 44 good practices from 12 countries representing different regulatory contexts, systems and approaches to OSH in MSEs was carried out. These practices highlight the variety of strategies, instruments and tools that can effectively improve OSH in MSEs, as well as the wide-ranging potential for impact and learning across borders. In addition, in dialogue workshops and interviews with intermediaries, including employers' representatives, workers' representatives, regulators and OSH advisors, approaches to OSH in MSEs were discussed, and barriers and enablers were identified in order to better understand mechanisms of regulation and governance of OSH in MSEs.
4. While the first three phases of the SESAME project resulted in stand-alone reports, the fourth phase, 'Final analysis', integrates their key findings and presents the overarching conclusions

from the project as a whole. The report describes what has been learned about the nature and context of OSH problems, experiences and practices in MSEs, and the factors that determine them. Taking account of the comparative analyses across the EU countries involved in the study, the concluding policy pointers: identify conditions for improving the effectiveness of regulation and policy programmes; formulate design recommendations for tools and instruments; and suggest possible roles for different stakeholders and intermediaries.

In addition to its systematic EU-comparative dimension, the SESAME project took two further conceptual and analytical perspectives, which distinguished it from much of the previous research on OSH in MSEs. First, the project considered the socio-economic and regulatory environments in which MSEs are situated, with a view to providing a contextualised understanding of OSH in these enterprises. Second, from the outset of the project, it was argued that the perspectives of workers are often missing from much mainstream OSH literature, which primarily addresses the experiences and needs of the owner-managers of MSEs. The project, therefore, also considered the views and experiences of workers in MSEs.

In this executive summary, the key research outcomes of this comprehensive research project are summarised, starting with the socio-economic environments and regulatory contexts in which MSEs are embedded and in which they develop their survival strategies. This is vital to contextualise the complex and diverse realities of MSE owner-managers and workers and to understand their daily experiences and practices related to OSH. This knowledge is in turn essential to carrying out an in-depth and informed assessment of what works, for whom and in what circumstances. Based on this assessment perspectives and recommendations are formulated on how OSH can be improved for workers in these companies.

Low road strategies in a context of fissured employment relations and deregulation

The main approach for this study is rooted in an acknowledgement of a changed socio-economic environment and general deregulatory (or re-regulatory) economic contexts for OSH in many EU Member States, where a large group of these firms are not reached and the new and fundamental challenges these represent to the transfer of sustainable strategies for improvements of OSH, especially for the workers in hard-to-reach MSEs.

Micro and small enterprises account for nearly 99 % of enterprises in the EU and employ nearly 50 % of EU workers. While their importance in economic and employment terms is widely recognised, the analysis set out in this report shows that a range of socio-economic developments has resulted in a growing structural vulnerability, forcing a large proportion of MSEs to take a low road organisational and business strategy in order to survive. One key trend is the lengthening of global value chains, where MSEs are prone to be situated in dependent and less powerful positions than their larger counterparts and to experience the consequent shift of risks and costs from larger operations on to their own. The related pressure on working conditions contributes to the growth of precarious work and a more vulnerable workforce in terms of unsecure contracts, loss of wage benefits, unpaid overtime and OSH risks. The increasing complexity of organisational interdependencies further implies a growing disconnection between the employment contract, employment regulation and managerial control, captured under the term of fissured employment relations. As a result of these developments, MSEs face a general lack of resources for OSH prevention and adequate OSH management, and the workers employed in these firms are likely to experience poorer working conditions, lower job quality and proportionally greater risks to their health, safety and well-being.

These trends pose new and fundamental challenges for regulators, in particular to reach the companies in the most vulnerable positions in the economy. The institutional differences between the structure, organisational operation and legal contexts of labour inspectorates in different countries are significant. Nevertheless, despite a general decline in resources for inspection in many Member States, as well as a political context that favours a lifting of the so-called regulatory burden on businesses, new initiatives have been deployed to improve their influence over MSEs, often in collaboration with the social partners or other stakeholders.

Understanding OSH workplace practices from the perspectives of owner-managers and workers

Case studies carried out in 162 MSEs operating in several sectors in nine EU countries provide a rich account of the practices and experiences of both owner-managers and workers. These data provide clear insights into both the complexity and heterogeneity of MSEs and their shared characteristics. The separate focus on the standpoints of workers, as well as of owner-managers, contributed to a better understanding of the complex mechanisms that explain why employers and workers often appear to share perceptions of OSH risks and the way these should be addressed. This is of particular importance in relation to both the smallest firms and those MSEs that are forced into low road business strategies.

Resource scarcity is a common feature of MSEs; it has many dimensions and affects both owner-managers and workers. Its extent is often dependent on the decisions on how production and service delivery are organised that are taken by more powerful actors in the wider economies and business relations in which MSEs are involved. For owner-managers in MSEs, however, it comprises a lack of managerial resources; a low level of general managerial knowledge; scarce access to financial resources; vulnerability in relation to their larger and stronger customers and suppliers; and limited technological resources. With respect specifically to OSH, it boils down to low levels of understanding concerning OSH requirements; limited time and attention paid to them; a lack of attention to learning how to improve arrangements; and a failure to regard such improvements as potentially efficient and cost effective. But workers in MSEs also have poor resources, matching those of their employers, which hinder risk control and impact on their own safety and health. For many these include more precarious labour market positions and employment contracts; comparatively lower education and skills; and, of course, poorer formal voice and representation structures and opportunities.

The importance of this matched resource scarcity is also apparent in a second common feature of MSEs: the shared assessment by workers and owner-managers of risks and preventive measures, making them prone to neglect even high accident risks, as they do not have the personal experience of accidents, and also less obvious risks, including psychosocial risks. In addition, they share a tendency to overestimate their knowledge and level of control of OSH risks. This shared assessment has multiple causes, including the spatial and social proximity and the informality that characterise these workplaces. The fact that owner-managers and workers often work side by side may open up possibilities for workers to be socialised into sharing the company perspective concerning OSH and other matters. This in turn leads to jointly held notions that reliance can be placed on 'common sense' as a way of dealing with risk. However, as the analysis presented here shows, this is likely to result in either underestimation of, or failure to identify, risks and means of effectively managing them. In addition, of course, it acts to shift the burden of responsibility for doing something to address workplace risk from the employer, who is legally responsible for this, to employees, who have to work with these risks. All of this occurs without any significant alteration in the balance of power between workers and their employers, leaving workers, who may already be in precarious employment relationships, with a sense of responsibility for their own safety at work but without the means to protect themselves effectively. Informality further results in an ad hoc approach dominating the organisation of work and arrangements for OSH, while current regulatory approaches to the latter arguably require a basic level of formalisation. Informality may also imply that formalisation of the relations between owner-managers and workers is deemed unnecessary (and even counter-productive), despite the understanding from much previous research that formal arrangements to represent workers on OSH are important in supporting more systematic OSH management. The findings presented in this report suggest that approaches to informal or formal workers' participation need to acknowledge these specificities in MSEs, both in the forms of participation advocated and in their content.

A third key feature impacting on OSH performance in MSEs is related to the lower institutional pressure under which these firms generally operate. This is the result of their lower visibility to, and level of contact with, regulatory enforcement; their lower vulnerability to public media attention; and their generally more limited governance contacts. Because coercive institutional pressure typically provides the point of departure for addressing OSH issues in MSEs, and also forms the basis for much of the action of the intermediaries working with them, the role of regulatory enforcement is fundamental, as discussed further below.

A final common element demonstrated in this report is the importance of understanding the specific 'identity' of the owner-manager in (especially the smaller) MSEs. An owner-manager is simultaneously an entrepreneur, craftsperson and family person. They identify themselves as a decent person taking care of their workers and also demonstrating this to their stakeholders. This strong identity may even act as one of the reasons for resistance to traditional risk assessment, as listing risks can be seen as an indirect criticism implying negligence of their employer responsibility.

Drivers and barriers in regulation and governance of OSH in MSEs

Throughout the different research phases, the aim was to identify and analyse the drivers and barriers for an effective OSH strategy in relation to MSEs, the difficulties of reaching these firms and the specific institutional and regulatory contexts in which they are embedded. To this end, a broad definition of regulation was adopted, including not only instruments and processes of public regulation, but also public-private regulatory mixes, supply chain regulation and new forms of work and employment processes, as well as the roles of various actors such as government and regulatory inspection, advisory services, social partners, collective agreements, insurance organisations and so on.

A first conclusion of this analysis is that, whatever regulatory mix is implemented, a well-developed and credible regime of public regulation is the essential foundation on which all other actors and processes build. The need to strengthen and sustain state systems for regulation and inspection in all Member States, ensuring the enforcement of regulatory requirements on OSH in all workplaces, is one of the key recommendations of this study. This recommendation is all the more important because there is reason for concern that this public regulatory foundation is at risk as a result of the decline in available resources and a general trend of deregulation.

The analysis of current policy and regulatory contexts presented here identifies some important and positive trends and developments that impact on the extent to which OSH can be effectively improved in MSEs. At the EU level, the importance of recent initiatives and statements that may support the specific structures of vulnerability of MSEs and their related poor OSH performance is highlighted. However, attention is also drawn to policy developments that are contradictory and difficult to reconcile with this explicit awareness of the situation in MSEs, such as the overall economic orthodoxy and deregulatory trend, and the decline of resources in regulatory inspection of MSEs in all Member States. Hence, MSEs generally still get low priority in terms of inspection and support.

Despite this observation on the somewhat ambiguous and even contradictory role of public regulation, the findings point to the important contributions of a variety of institutional actors to improving OSH in MSEs through the application of a host of programmes, interventions, advice, guidance and practical tools. In the third phase of the SESAME project, 44 examples of good practices were critically reviewed, and the specific contexts and conditions under which they were able to contribute to the improvement of OSH in MSEs were assessed. This identified a number of factors that contribute to the success of such initiatives, including their specificity, ease of use, access and availability to MSEs. However, their success, in terms of impact, transfer and sustainability, is strongly related to the ways in which such initiatives and interventions are framed by regulation and the regulatory enforcement strategies of national authorities. In this respect, the findings strongly emphasise the importance of the regulatory context of initiatives to support OSH in MSEs, especially in relation to their coordination or orchestration, sustainability and transfer, if effective and widespread impact is to be achieved.

Typologies and design recommendations to effectively improve OSH in MSEs

From an analysis of the nature and contexts of the problems of OSH in MSEs, several typologies were identified, which provide a basis from which to assess why strategies and instruments for supporting OSH in MSEs can be expected to work, as well as for whom and in what circumstances. While the heterogeneous experience of safety and health at work in MSEs is acknowledged, the aim of constructing typologies was to better reflect some elements of commonality within them that have implications for the design of programmes, actions and instruments with which to intervene effectively

in improving OSH in these firms. The typologies were constructed around four criteria: (1) national characteristics, (2) the business practices of the owner-managers of MSEs, (3) company size and (4) the sector in which MSEs operate.

This approach made it possible to classify MSEs, for example according to their business practices and reactions to OSH regulation and other forms of support. On that basis, 'avoiders,' 'reactors' and 'learners' were identified as distinct groups that differ substantially in terms of risk approach, OSH knowledge and relations to different OSH actors and regulators. All of this, of course, has implications for the tailored design of actions and strategies of support. It was found that many of the good practices identified in relation to OSH interventions succeeded in reaching out to MSEs that had a reactive approach (that is, reactors). This type of MSE rarely initiates preventive actions of its own accord and is unlikely to search for information or support; instead it is dependent on intermediaries, customers or peers suggesting actions. However, it was observed that avoiders can take an interest in improving their work environment, in particular if the timing of the intervention is right and the service or improvement is made attractive to them, such as when it is free of charge or where OSH improvements can be associated with improvements in productivity. More generic important aspects in terms of design criteria were also identified, such as dialogue-orientated approaches and working with trusted intermediaries and peers.

All three types of MSEs also react differently to institutional pressure. Here it was again confirmed that coercive mechanisms, which may come in the form of regulatory inspections or OSH requirements from customers in the supply chain, are especially important for the lowest OSH-performing enterprises (the avoiders). However, coordinated or orchestrated approaches, combining coercive pressure with normative pressure and so-called mimetic mechanisms (by peers) and practical, easy-to-transfer examples, are also important for MSEs in the longer term.

The research confirmed that sector specificities and physical and organisational characteristics are an important influence on both the OSH risks prevailing in a sector and the way in which such risks are managed. The key point here is that sector tailoring is much more important for MSEs than for larger firms because the latter will often have dedicated OSH staff who can translate general OSH regulations and information into the specific requirements of the firm, whereas MSEs are dependent on intermediaries to do so. Hence, it is necessary to use terminology and language appropriate to a particular sector, and quite often a particular subsector, for owner-managers and their workers to make sense of OSH support.

Critical discussion of policy options

The last part of this final analysis seeks to answer some fundamental questions for policy, concerning what works and what does not and under what circumstances, in relation to improving OSH outcomes in MSEs. It involves a discussion of the implications of the foregoing analysis for policy options that takes account of issues such as forms of governance and regulation, enforcement, advisory services, information and education, financial support, social dialogue, collective agreements/social partners and so on. The conclusions are as follows:

- From an analysis of policies and programmes practices were identified that seem to be particularly apt to respond to the recent socio-economic developments and the specific position MSEs occupy economically. These include strategies to exploit the relations identified within supply chains to benefit the support of arrangements for OSH in MSEs situated in their lower tiers as suppliers of services or goods, such as supplier certification, systems of joint liability, public procurement regulations, regulations to limit the number of subcontracting tiers and systems of embargo of non-compliant organisations.
- Institutional support for the drivers of good practice on arrangements for OSH in MSEs requires the engagement of constellations of regulatory actors present in the social and economic environment occupied by MSEs, rather than the initiatives of single actors. Regulatory inspectors, trade union representatives, professional practitioners, representatives of a trade, social insurance or sector-level organisation, the agents of both public and private regulation, and other actors can have a much stronger impact by a coordinated orchestration of their activities. This task is often initiated by the regulator.

- A strengthened emphasis on the regulatory inspection of MSEs is important not only to secure the enforcement of existing regulation and introduce improvement in the workplaces that are inspected, but also to help institutionalise required OSH standards, so that other private/public OSH actors have enforced regulation as a platform for their own activities.
- Successful intervention policies emphasise direct and personalised contact with MSEs, whether through labour inspections or other forms of inspection by public authorities addressing issues such as food safety or tax, or through engagement with the representatives of intermediaries from unions, trade organisations, insurance bodies or preventive services.
- Owner-managers and workers in MSEs favour easily applicable and transferable solutions, and can better implement sector-adapted solutions than approaches aimed at MSEs generically. Discussing businesses' and workers' needs in MSEs at the sector level, for example via tripartite institutions, may be a way to achieve this.
- Better integration of OSH into the sector-specific education system and labour market education is one way to increase knowledge and awareness.
- Programmes that are free of charge to MSEs have a broader reach and uptake. It is therefore vital to consider how to fund policies and secure stable and sustainable funding. In some countries, contributions-based insurance programmes are a means to achieve this.
- Stakeholders' acceptance of policies is an important aspect of the institutionalisation and efficiency of OSH standards. The involvement of trade unions and employers' organisations in the development of policies that can reach out to MSEs gives those policies a better chance of being widely accepted in society and thereby also within MSEs.
- Making the outcome of collective bargaining and tripartite regulation generally applicable or giving a legal status to collective bargaining are strong mechanisms to overcome underrepresentation of MSEs in social dialogue structures.
- The lengthening of value chains implies a growing need to reach further upwards in the value chain in order to engage with the actors and processes that contribute to fissured employment relations that occur at workplace levels. Effective representation of workers' interests in OSH may be beyond the capacities of institutions of representation situated at workplace levels in smaller firms, especially in lower tiers of supply chains, but it may not be beyond the capacity of representation at higher levels or at the sector level.

As a final conclusion, the importance is emphasised of the explicit acknowledgement in several EU initiatives and statements of an OSH policy that specifically targets MSEs and a recognition that it is important to also address the new trends in work (as defined earlier), even if the methods of effective implementation and monitoring of progress may remain unclear to date (see, for example, the Social Pillar, the EU Strategic Framework 2014-2020 and the EC Communications on the Social Pillar and safer and healthier work for all). It is acknowledged that the Senior Labour Inspectors' Committee (SLIC) provides a forum for the exchange of information and strategies on labour inspection in the EU and is actively engaged in doing this, with the challenges of securing improved OSH in MSEs high on its agenda. However, at present levels of investment both in SLIC and in the regulatory and enforcement capacities in many EU Member States, it is hard to see how regulators at the national level will be able to effectively implement the demands made of them in recent EU policies. Therefore, the further conclusion, which seems inescapable, is that in many Member States more resources need to be devoted to these challenges, as well as to support concerted actions at the EU level. It should be borne in mind that the size of investment is likely to be comparatively small. It is in fact dwarfed by the cost to productivity and the public purse resulting from current levels of preventable harm to workers in MSEs across the EU as a whole. Therefore, such investment would serve to reduce the present pattern of inequality in the distribution of workplace risk by enterprise size, while achieving savings to the economy through supporting more effective preventive strategies to manage OSH risks, regardless of enterprise size.

1 Rationale of the SESAME project

The SESAME project

- Almost 99% of EU enterprises are micro and small enterprises (MSEs), and they employ nearly half the working population.
- In general, these firms have limited resources and capacities, and poorer occupational safety and health (OSH) outcomes.
- There are gaps in the research on OSH in MSEs, including in relation to:
 - workers' perspectives;
 - evaluation of the effectiveness of supports ;
 - influence of (changing) socio-legal, regulatory, economic and policy contexts;
 - comparative and explanatory analysis of the determinants of OSH arrangements.
- The SESAME project was designed to begin to fill some of these gaps.

1.1 Introduction

The aim of this chapter is to provide an introduction to the final report of the SESAME project on safety and health in MSEs in the EU, undertaken for EU-OSHA between 2014 and the end of 2017. The project consisted of three separate but related studies, and this final report serves to draw together the main findings of the previous studies and reflect on their implications, in terms of both what they add to existing knowledge concerning safety and health in MSEs in the EU and their implications for future research and policy.

The first of the SESAME studies reviewed current research in order to establish an up-to-date understanding of the state of knowledge on contexts and arrangements for OSH in MSEs in the EU (EU-OSHA, 2016). The second study was an extensive investigation of the experience of safety and health in 162 MSEs in several of the same sectors in nine different EU Member States (EU-OSHA, 2018a). The third study provided an examination of the detailed experiences of policies, strategies, instruments and tools to support good practices in OSH in MSEs, through the analysis of the testimony of a substantial number of advocates and users of these approaches in the same sectors and countries on which the study of workplace experiences had focused (EU-OSHA, 2017a,b).

In the following pages, we first outline some background to the rationale for the project, its orientation and its coverage. From this, we then move to consider our analytical approach in a little more detail, indicating how we have built on the findings from our previous review of the research literature concerning OSH in MSEs to establish the research questions we have sought to address. Lastly, we outline how the remainder of this report is structured in presenting our analysis of the findings of the project overall.

1.2 Why another project on OSH in MSEs?

Much has been written about the challenges of securing good OSH conditions for the large numbers of workers who labour in MSEs in the EU. So much so, it begs the question of why yet another report on safety and health in these firms and what might be done about it is deemed necessary.

There are several ways to address this question. To begin with, there is the size of the problem. As is frequently acknowledged, MSEs account for almost 99 % of enterprises in the EU, and nearly half of the working population of the formal sector is employed in them (as well as a large part of the informal and undocumented sector). The balance of previous research evidence on OSH outcomes in these firms indicates that, while there are uncertainties concerning the details, overall there is a greater incidence

of serious and fatal injuries among smaller firms than in their larger counterparts (EU-OSHA, 2016). This outcome is linked to the limited resources and capacities of these firms.

Given the numbers involved, the importance of effective means to prevent harm to the safety and health of the millions of workers involved should be obvious. However, the diversity and obscurity of what might constitute the practices of safe and healthy work in MSEs are such that much remains unknown concerning effective strategies to achieve this. As we have made clear in our review of the existing literature in the first phase of this research project, there are significant gaps in the knowledge base concerning not only the practice of safety and health in small firms but also the contexts in which it takes place (EU-OSHA, 2016). Emerging from the extensive review that represented the first research task undertaken in this project was the conclusion that research on the role of intervention, concerning 'what works, for whom and in which contexts' (Pawson and Tilley, 1997) in relation to improving OSH arrangements and outcomes in MSEs, suggested some evidence of the effectiveness of specific interventions. Overall, however, the review showed that research in this area remained quite weak. This particularly emerged from the analysis of the contexts in which interventions took place and concerning their potential for transfer. It led to the conclusion that, despite a burgeoning literature addressing various specific interventions, there remains considerable room for evaluations that take better account of context and the implications for policies to improve conditions in MSEs. In reaching this conclusion, we also had in mind that our understanding of 'intervention' was considerably broader than that frequently used in both the practitioner and research literatures. That is, we found in our review that it was a term frequently used in relation to narrowly focused efforts to change behaviours in carefully controlled scenarios, rather than one with a wider meaning that might embrace, for example, sector, national and European strategies and resources directed at improving OSH arrangements and their outcomes in MSEs.

In addition, our review confirmed our initial impression (see EU-OSHA, 2016:16) that existing research on OSH in MSEs was heavily skewed towards the experiences, perspectives and needs of the owner-managers of MSEs, with far less focus on the experience of OSH for the millions of workers in these firms. As a result, we found that, while the managerial standpoint was evident in the literature, workers' experience of work and the social and economic contexts in which it takes place in these enterprises, including their labour relations, was comparatively absent. This meant that research of the sort that might be anticipated from conventional sociological analysis and which is acknowledged to help explain the effects of work on health and welfare, as well as the strengths and weaknesses of measures to prevent harm, was poorly represented in the literature on OSH in MSEs. It led to the identification of a need to better understand the many forces that shape the different perspectives of owner-managers and those of their workers in capitalist modes of economic activity. At the same time, the review acknowledged that it is necessary to avoid simply making relations between workers and owner-managers into a polarised duality. We aimed to bear all this in mind in the design of the fieldwork components of our subsequent studies, the findings of which form much of the material on which we reflect in the course of the present report.

Another area of neglect in the research on OSH in MSEs that was identified in the review concerned the relative absence of a detailed understanding of the socio-legal and regulatory contexts in which OSH arrangements are practised and the ways in which these contexts influence these arrangements and their outcomes. These issues inform some of the studies of social and economic relations in small firms that can be found in the wider MSE literature (such as those of Curran and Stanworth, 1979; Rainnie, 1989; Ram *et al.*, 2001). However, with a few notable exceptions (such as found in the work of Fairman and Yapp, 2005a; Baldock *et al.*, 2006; Hasle *et al.*, 2012a; Vickers *et al.*, 2005; Barrett, 2015), there has been little attempt to study OSH practice in MSEs from the perspective of compliance behaviour, despite the plethora of opinions expressed in both the grey and policy literatures. In our comparative analysis of the experiences of workers and owner-managers in MSEs in the different sectors and countries (EU-OSHA, 2018a), we therefore deliberately sought to contribute to filling this gap by situating our analysis in relation to these understandings, while at the same time taking account of more recent developments in thinking around the influence of regulatory contexts (for example Almond, 2015) in helping to explain our observations in a comparative way.

1.3 The comparative and explanatory analysis

The work that has been undertaken in this project has involved examining experiences in a number of different national contexts, since it is already well known that practices in OSH are not uniform across the Member States of the EU; this is likely to be the case in relation to MSEs as much as, if not more than, it is in relation to larger organisations. However, studying the effects of national contexts on OSH practice, or distinguishing them from other contextual influences, is not entirely straightforward (see, for example, EU-OSHA, 2013). In this study we sought to select countries that represent varying degrees of differences in terms of OSH regulations and systems, industrial relations regimes, economic environments, and so on, all of which may have a significant impact on how MSEs operate in relation to their arrangements and practices concerning safety and health at work. Our country typologies are related, but not identical, to those that have been the basis for academic discourse around welfare regimes in recent decades, and this discourse helped inform the original choice of countries studied in this research. Drawing from this, we have argued in previous reports that there is good reason to suppose that the interplay of economic, regulatory and labour relations practices, as well as of those providing for social welfare and insurance arrangements within EU Member States, helps determine differences between Member States in arrangements for OSH in MSEs. Comparative analysis of the determinants of OSH arrangements and outcomes is rare in the literature. We have, therefore, merged the outlines of the systems described in the national reports prepared by researchers from each country with the wider comparative literature concerning the economy and the structure of work, regulation and public administration in EU Member States, in ways similar to those found in previous studies (see, for example, EU-OSHA, 2013, 2016). The typology that results from this for the countries included in this study can be summarised as:

- Western EU: Belgium, Germany
- Scandinavian: Denmark, Sweden
- United Kingdom and Republic of Ireland: United Kingdom
- Southern/Latin EU: France, Italy
- Central and Eastern European countries: Estonia, Romania

We have been able to draw on some of the secondary analyses of EU-OSHA's ESENER-2 survey¹ to support this selection, which we outline in a subsequent section of this report. However, we need to be clear from the outset that our approach to explaining the effects of national contexts is preliminary and exploratory in nature. It is not an attempt to create a 'league table' of national practices or to make comparisons of performance outcomes between countries. To be meaningful, such comparison would require far more robust data on indicators of OSH performance than were available to us in the course of this study.

Finally, in terms of the content of this report, we need to acknowledge from the outset that in presenting the findings of a detailed study of OSH in MSEs in the EU, one of the most prominent leitmotifs evident in this field is the presence of rapid and continuing change in many of the factors we are seeking to examine. The business vulnerability of MSEs means that economic downturns affect their survival, and in this respect it is hardly surprising that the 2009 economic crisis resulted in a substantial number of closures and restructuring of the surviving population. At the same time, despite this profile of change, for a large proportion of MSEs, paradoxically, many of the basic and immediate conditions of their operation have not altered significantly. The owner-managers of these MSEs, therefore, continue to run their small businesses at the local level as they have done for years. Nevertheless, although they may not recognise it, the wider economy in which they do this *is* influenced by changes that contribute to making it increasingly difficult for them to function and make ends meet.

As is widely acknowledged in both current research and policy, these accelerating changes are felt in a variety of now well-documented ways in the structure and organisation of work as well as in the contexts in which it occurs (see, for example, Weil, 2014). Indeed, this process has been occurring for such a long period that the state of flux it has created is an embedded feature of the modern economy. New

¹ <https://osha.europa.eu/en/surveys-and-statistics-osh/esener>

forms of work are growing, as are, equally, new kinds of employment relationships. First, this is evident in terms of more part-time work, temporary work and other forms of so-called precarious employment. In 2016, 22 million European citizens held temporary employment contracts and 44 million workers worked part-time (Eurostat, 2016). It is also evident with respect to the growth of non-traditional forms of work and employment in which the contract of employment no longer provides the legal nexus around which the economic and social relations of work can be organised effectively.

A key problem is the blurring of boundaries between employment and self-employment and the increasing complexity and variability of forms of triangular relations between employers, workers and clients (see, for instance, Marchington *et al.*, 2005; Lopez, 2010; Eurofound, 2015). It creates dissociation between the organisation where people work and the notion of the legal employer. As a consequence of this dissociation, the 'in practice real' employer is not accessible (and may even not be legally liable) for any form of organised participation or collective bargaining to defend their workers' interests, including those with respect to safety and health at work. Many of these changes have been driven by both state and business practices in the search for greater competitive efficiencies in the global economy, and new dependencies, as well as new vulnerabilities, have been occasioned as a result of these shifts. They are also, of course, the result of the development and use of new technologies, in combination with changed work organisation and business practice, such as occasioned by ICT and digital technologies. Digital technologies, for example, have a strong influence on the way work is organised and, consequently, they also have an impact on OSH. In addition, completely new jobs and new types of MSEs (e.g. start-ups) have emerged from the use or production of digital technologies.

As well as creating new kinds of risks to the health, safety and well-being of workers within the EU, the changes also affect the distribution of risk within EU society and arguably add to inequalities in this distribution. This presents new challenges for institutional supports for both workers and their employers. Furthermore, in so doing, the changes create major issues for the visibility and surveillance of the effects of such support. All this takes place at a time when, in parallel with these changes, changes in the nature and extent of public services and the role of the state are continuing. Exploring these latter developments, which in many countries have involved a 'hollowing out' of state roles in societal welfare and regulation (Rhodes, 1994), is beyond the remit of the present inquiry. The changes are nevertheless widely acknowledged to pose further challenges for the protection of the safety, health and well-being of the EU workforce and are therefore relevant to the contexts in which the governance and regulation of OSH in MSEs operate.

Micro and small firms are involved in all of these developments in one way or another. Their very existence may itself represent a manifestation of the changes outlined above, or they may be among the recipients of their consequences. They are thereby both products of the change process and dependent for their survival on being able to negotiate a means of adapting to the consequence of these developments. Very few previous studies of OSH in MSEs have even acknowledged the existence or influence of such change. Even fewer attempt to take any account of it. There are some good reasons for this. Much of the change to which we have referred has created situations in which those scenarios most likely to increase risk to safety, health or well-being are the ones that are often the least visible and hardest for interventions to reach, whether they are conducted by researchers, regulators or OSH practitioners.

Fragmentation of long-established and previously relatively stable patterns and institutions of work has created the great difficulties currently experienced in conducting robust research in these areas of change. Unfortunately, this means that, in the fieldwork undertaken for the present research, we have also been prey to these same challenges. We have, as a result, been unable to identify cases that would allow us to undertake original field research in these most problematic areas. Arguably, this suggests that traditional approaches to both intervention and support may have to be re-thought in the light of these new scenarios. These are issues to which we will return later in this report. For the time being, it will suffice to acknowledge their existence and to remind ourselves that they need to be borne in mind as possible further dimensions to ways of understanding the experience of OSH in MSEs, its determinants and contexts as a part of this changing world of work. This is a prominent element in our analytical approach throughout this report.

In short, then, what follows in the remainder of this chapter is a brief outline of the EU-level policy contexts with which strategies on OSH in MSEs in the EU are framed, followed by the introduction of the research questions derived from our initial review of existing knowledge (EU-OSHA, 2016), which the field studies then sought to address with their collection and analysis of empirical data. Our purpose here is to provide an explanation of the link between the findings of our review of the research literature concerning OSH in MSEs, the research questions we derived from it, and the ways we have sought to address them through collection and analysis of new empirical data concerning the experience of work and intervention in OSH in MSEs.

1.4 Policy contexts

Returning to the issue of context, also absent from the existing literature on OSH in MSEs (EU-OSHA, 2016) was any significant analysis of the policy contexts surrounding practices in these firms. Such contexts include not only the immediate economic, social and labour relations processes within which the enterprise and its workers are embedded, but also regulatory frameworks and sector and national systems supporting safety and health at work, as well as the relevant institutional arrangements for health and welfare, including those addressing compensation and return to work. Practices and policies on all these matters are driven by actors, organisations and processes at both the Member State and EU level and their effects ultimately influence the attitudes and behaviours concerning approaches to safety and health in and around MSEs.

One institutional source of relevant policies in relation to arrangements for OSH in MSEs is the EU, a variety of policy initiatives in recent decades having had both direct and indirect influence on matters of safety and health at the national, sector and enterprise levels. Currently, some of these include explicit reference to safety and health matters in MSEs, while others deal with OSH more generally, but they nevertheless contain approaches that are relevant and influential in MSEs. Still others do not concern safety and health matters directly, but their effects may nevertheless strongly influence how safety and health are perceived, prioritised and operationalised within MSEs. One of the aims of the present research has been to inform the development of these policies, and some of its earlier findings (such as reported in EU-OSHA, 2016) are already cited in recent policy communications from the European Commission (EC) (see, for example, EC, 2017a: 6). It is therefore fitting that this final report acknowledges the current EU policy context within which OSH in MSEs is situated and examines what is so far evident in relation to their consequences. The most recent major policy developments at the EU level in which safety and health in small firms is explicitly addressed can be found in:

- the EU Strategic Framework on Health and Safety at Work 2014-2020;
- the establishment of the European Pillar of Social Rights, adopted in June 2017 and signed at the summit in Gothenburg in November 2017; and
- the Communication of the EC in January 2017 on Modernisation of the EU Occupational Safety and Health Legislation and Policy.

This triumvirate of policy statements acknowledge the need to take account of the changes to work and employment outlined in the previous section. For example, they discuss emergent risks associated with new forms of work, the need to be more responsive to the consequences of changing workforce demographics, the need to update the concept of 'workplace', problems with the use of the concept of 'self-employment' and the significance of supply chain relations in modern economies (see the extended discussion in section 2.2).

1.5 Framing the research questions

The research questions originated in a set of objectives that were developed to meet the requirements identified by EU-OSHA in its call for proposals to undertake the research described in this report. Essentially, they are threefold:

- What is the state of current knowledge concerning the experience of arrangements for OSH and their outcomes in MSEs in the Member States of the EU and what are the determinants and contexts of this experience?
- What is the current 'view from the workplace' concerning these arrangements and outcomes and the factors that determine them?
- What are the most effective means to improve these experiences and the most effective ways to promulgate and transfer such effective means — what works, for whom and in which contexts?

The content of these questions was broken down into detailed objectives for each of the three main component parts of the research and finally for this report. This began with the task of undertaking a critical review of current knowledge and research gaps with regard to OSH in MSEs. This was achieved through gathering and analysing already available data relevant to arrangements made for OSH in MSEs and their outcomes, identifying what the main determinants of these arrangements were and reviewing research concerning current strategies, resources and instruments for achieving and supporting their effectiveness and sustainable improvement. It was undertaken with the view that some of the gaps thus identified might be met with research that would be carried forward in subsequent parts of the present project.

We therefore constructed the subsequent studies with the key findings of the review in mind. In particular, we have striven to meet the review's conclusions concerning the need to improve the quality of empirical study with more analytical and theoretically informed research in relation to the wider policy contexts in which economic and regulatory approaches influence the experience of work for workers in MSEs. We have sought to do this by paying greater attention to the contextual determinants of both workplace experiences of OSH in MSEs and the use and outcomes of strategies, resources and instruments to improve this experience. We have furthermore sought to do this by paying more attention to the standpoint and experiences of workers alongside those of owner-managers, while having in mind both the socio-legal contexts associated with compliance behaviour among MSEs and the similarities and differences in the wider national economic, labour relations and regulatory environments.

In addition, one of the key findings of the review was its suggestion of a linkage between bundles of organisational and business strategies and the multifaceted limitations on resources that were observed to be available to a substantial proportion of MSEs, which caused them to employ 'low road strategies'² as a means of ensuring their economic and business survival. The review argued that the many workers employed in these enterprises are among those most likely to experience disproportionately poorer working conditions, lower job quality and greater risks to their health, safety and well-being. It therefore recommended that future research pay particular attention to exploring these linkages further, and ensure that they are borne in mind when evaluating both the experience of OSH and the strategies and instruments to improve it. This proved especially challenging because, as we have already indicated, MSEs are most commonly found among the so-called 'hard to reach' group, and therefore did not feature in large numbers among the cases studied. Nevertheless, some examples of enterprises that could be thus classified were included in the field studies, and we have therefore been able to say something about the experience of work within them based on our empirical findings, as well as taking account of the existence of these enterprises in our analysis of the usefulness of strategies and instruments to improve OSH arrangements and outcomes.

The review also found a particular need to further research the role and influence of regulation and regulatory inspection, as well as other means of influencing OSH arrangements in MSEs, in the context of the structural and organisational features of the economies in which they are embedded. This was also quite challenging for the fieldwork, since the field studies were focused not on regulators and the regulatory nexus but on experiences in selected MSEs. Given the statistics on the frequency of regulatory inspection visits to MSEs, it is not surprising that in the comparatively small number of cases we studied there was relatively little direct experience of regulatory inspection. We were able to take more account of the role of inspection and inspection strategies in the second part of the fieldwork, in which we examined selected strategies and instruments aimed at improving OSH in MSEs but, even here, regulators and regulatory inspection was only one focus for our inquiry. In the study of

² Low road strategies are bundles of organisational and business strategies adopted by MSEs in their fight for the survival of their business. For a more detailed explanation of the use of this term in the literature and in the SESAME project, see section 2.2.

intermediaries (EU-OSHA, 2017a), labour inspectors were included as a group, and many of the other intermediaries also provided reflections on the work and impact of labour inspectors in relation to OSH in MSEs. Nonetheless, while we have endeavoured to bear in mind the recommendations of the review in our analysis of empirical data, we acknowledge that to fully address its recommendations in this respect would require a more focused study of inspection and the modern regulatory nexus.

Finally, the review noted the need for research on MSEs to bear in mind their acknowledged heterogeneity. As is clear from the reports of the fieldwork on which we have drawn in writing this final report, such heterogeneity was a strong feature of the 162 cases that we studied in order to present ‘a view from the workplace’, as well as among the various policies, strategies, instruments and tools aimed at improving OSH in these enterprises. It has caused us to be very cautious when seeking to make generalised statements concerning the experience of OSH in these firms or when attempting to analyse the effectiveness of intervention strategies and instruments in improving it. Nevertheless, we think that some such generalisation is both supportable and useful in furthering understandings concerning ‘what works, for whom and in what context’.

1.6 The structure of the report

Taking account of the background, research questions and policy contexts, this report draws on the findings of the three previous SESAME studies in order to present an analytical overview addressing the research questions identified at the outset of the project.

The substantive analysis offered in this report begins in Chapter 2 with a profile of MSEs in the EU; it seeks to place MSEs in their social, economic and regulatory contexts at the national and EU levels. It poses the question of why OSH in these firms should be of significant concern and discusses a number of findings from the review of the literature in combination with those from the field studies and especially from the cases studied in different countries and sectors. In so doing, it seeks to identify and analyse the drivers and barriers that we have identified in these studies. This involves consideration of a range of issues evident in both the literature and our empirical findings, including difficulties of reaching MSEs; a discussion of institutional contexts, including the role of regulation, styles of regulation, public-private regulatory mixes, supply chain regulation, new forms of work and employment processes involved that are relevant to MSEs; and the roles of various actors, such as government and regulatory inspection, advisory services, social partners and collective agreements, insurance organisations and so on. Consideration of national and sector differences is also given in all of these matters. The chapter ends with a detailed consideration of the relevance of policies at the EU level to supporting OSH in MSEs in the Member States.

Chapters 3 and 4 are key analytical chapters that bring together research findings from the literature with those from the two field studies. They explore ways of understanding workplace practice on OSH in MSEs. They discuss and analyse the shared characteristics of MSEs found in the field research and situate them in relation to the literature. The chapters further seek to strike a balance between understanding the complexity and heterogeneity of MSEs and their contexts, while at the same time exploring ways to identify their shared characteristics, which may be useful in the development of more efficient policy programmes aimed at improving OSH in MSEs. In Chapter 3 we work with the different typologies that emerged in our previous analysis of the case studies and examine them in the light of the existing literature on MSEs. What emerges from this analysis enables us to consider, in Chapter 4, the strategies and instruments for supporting OSH in MSEs in a way that is informed by some of the workplace realities in MSEs.

Chapter 5 offers a further discussion of the policy implications of the analysis in preceding chapters. It seeks to answer some fundamental questions for policy, concerning what works and what does not, and under what circumstances, in relation to improving OSH outcomes in MSEs. It extracts elements from the analysis of the previous chapters and brings them together in a discussion of implications for policy options that take account of issues such as forms of governance and regulation, enforcement, advisory services, information and education, financial support, social dialogue collective agreements/social partners and so on. Moreover, it discusses how to secure viable programmes to support OSH in MSEs, taking into account issues of funding and policy. The final chapter presents the conclusions of the study.

2 Institutional contexts

What determines OSH in MSEs? External influences include:

- Economic and social structures and processes:
 - These increase the vulnerability of MSEs and their workers to interlinked risks to safety, health, economic security, employment and business success.
 - This results in an unequal distribution of risk in the economy.
- Regulatory arrangements:
 - The degree of pressure to reduce the regulatory burden, particularly for MSEs, varies across Member States.
 - MSEs and workers who are vulnerable because of their employment arrangements, working conditions and OSH risks are hard to reach.
 - So there may be less protection for those working in MSEs.
- Regulatory inspection:
 - Regulatory inspection is the cornerstone for the priority of OSH among MSEs, as well as for other actors' (social partners etc.) activities aimed at MSEs.
 - Regulatory inspection approaches and strategies in relation to MSEs vary across Member States.
 - However, most inspectorates are facing an increasing mismatch between their responsibilities and the resources available to fulfil them.
 - Consequently, many struggle to address the challenges of the new economy and the MSEs that are prominent within it.
- Other relevant institutions:
 - The emphasis on regulatory mixes is growing, with bodies such as employer organisations, trade unions, membership organisations (for OSH professionals, small firms, sectors, etc.), non-OSH actors (suppliers, business/financial advisors, etc.) increasingly prominent in OSH support.
 - However, coordinated, orchestrated actions involving all contributors to the regulatory mix are rare, so their potential is yet to be fully realised.
- EU policies:
 - There is a long-standing policy concern with protecting workers. However, the influence of business and market freedoms on policy reform (the concern with regulatory burden) is apparent.

2.1 Introduction

In this chapter, we draw on the findings from all three of the constituent studies of the SESAME project to help situate OSH in MSEs in the economies of the EU. In so doing, our concern lies with the location of MSEs in relation to the structural, procedural and institutional contexts that determine the arrangements made for the safety and health of the workers. This means positioning MSEs in relation to systems for the governance and regulation of OSH, as well as wider national systems and policies in which this governance and regulation is itself located. Given the poor uptake of arrangements for OSH that we have identified in a substantial proportion of MSEs, it is important to develop a clear understanding of what limits these systems in influencing the practice of MSEs.

To be clear, by 'regulation and governance' we mean something more than just the instruments of public regulation and the means of securing compliance with them, such as the regulatory instruments themselves, as well as regulatory inspection and enforcement, including penalties and sanctions. While these are important, they are only part of the picture of the regulation of OSH as it operates in advanced modern economies.

In addition to these institutions and procedures of public regulation, a host of other influences contribute to regulating practices involved in the work of delivering production and services, often covered by the concept of 'governance' (see, for example, Jessop, 1998; Rhodes, 2000; Klijn, 2008; Osborne, 2010). Such influences range from the social licence they provide for businesses to operate, through to the details of the controls they may (or may not) impose on the risks to the safety and health of the workers involved. We argue that together *all* these institutions and structures are important to understand because they all contribute to determining the extent to which arrangements for OSH are more or less effective in preventing harm to workers in MSEs.

A thorough understanding requires a particular focus on two aspects. First, there needs to be an understanding of how innovative approaches to regulatory policy and strategy can build on institutional arrangements and be best designed to contribute to improving OSH in MSEs. Second, there needs to be an understanding of the constraints on regulating OSH in MSEs that are imposed by limitations to the structure and organisation of regulation. For example, regulatory scholars have increasingly recognised the potential of regulatory mixes to play a beneficial role in supporting the improvement of working conditions among small firms operating at the distal end of multitiered relations that characterise production and services in many sectors of advanced market economies and elsewhere (Walters and James, 2011; Locke *et al.*, 2013). It is well understood that conventional arrangements for seeking compliance with public regulation find MSEs hard to reach. However, there is some evidence in the literature that, through exploitation of private and public coordinated policy programmes³, OSH improvements among otherwise hard-to-reach small suppliers can be sustained in some sectors (EU-OSHA, 2016).

We begin the chapter by exploring the formal institutional contexts in which OSH arrangements and outcomes are regulated in MSEs, that is, with the role of the state, its regulatory instruments and the means with which the state seeks to achieve compliance with such instruments from duty holders in MSEs. This includes, for example, consideration of the application of EU directives and national regulatory provisions to MSEs in the countries we have studied, and in particular the role of national inspection bodies in determining the extent to which MSEs adhere to these regulatory standards. In so doing, we also pay attention to trends in regulatory processes and the policies surrounding them. Moving beyond the formal instruments of public regulation, we extend our exploration of potentially supportive institutional contexts of MSEs to the role played by OSH practitioner advice and that of the institutions of organised labour and the business organisations to which MSEs sometimes belong. In addition, consideration is given to other bodies in the systems of support for OSH, such as insurance associations, small business and public advisory services, and chambers of trade and commerce, that are present to a greater or lesser extent in all countries. In all of this, our interest lies not in the institutions themselves, but in their role in supporting OSH in MSEs. Among the MSEs we studied, in nine countries, employers and workers related many examples of the provision of support for their OSH arrangements from these institutions. Often these experiences were found wanting by both workers and their employers. As a consequence, our inquiry will move beyond the formalised systems of regulation and support for OSH to explore the other elements of current business and employment relations that are brought to bear on OSH in MSEs.

The analysis presented in this chapter therefore focuses on the context of OSH in MSEs. In so doing, it also takes account of the survival strategies pursued by MSEs in their business affairs and the extent to which these are driven by their dependencies on the business relations in which they are embedded. Here, again, we draw on material gathered in the course of our three previous investigations. With this in mind, the aim is to provide an understanding of the relevant regulatory structures and processes within which MSEs are situated and their influences on the OSH activities within them. The details of how these influences work within the enterprises are the subject of Chapter 3. For the time being, we limit our scrutiny to the determinants of OSH in MSEs that are present within the external contexts within which their activities are framed and situated. As this is an EU-wide study, we also include national contexts in our examination of the regulatory and governance environment and, as far as it is possible to do so, we offer some comparative analysis.

³ That is, as we discuss in section 2.4, the incorporation of private bodies, actors or processes into the strategies and approaches of public regulation.

2.2 Risk and MSEs

Micro and small firms constitute a crucial part of the economy of the EU (EU-OSHA, 2016). Their importance to the EU can be measured directly, in terms of their numbers, their production and their significance as a source of work for a substantial part of the EU workforce. However, MSEs also contribute indirectly through their support for the business and productivity of larger organisations with which they are linked in value chains⁴, through various outsourced activities and in contracting and subcontracting relationships: linkages that have grown in importance in parallel with the economic developments of recent decades. At the same time, the literature makes it clear that, as a result of the connections between bundles of organisational and business strategies and the multifaceted limitations on resources available to them, a substantial proportion of these MSEs employ 'low road strategies' to their economic and business survival.

As elaborated in the first report of this study (EU-OSHA, 2016), the concept of 'low road' versus 'high road'⁵ survival strategies applied in the literature on this subject refers not only to the economic position, survival strategy and overall corporate approach of enterprises, but also to work organisation, investment in skills, job quality, wages, social dialogue, type of innovation, and so on. It may encompass market position (with, for example, 'low market entry', 'low added value' and 'low end' of the value chain indicating likely economic vulnerability), but it can also be used to characterise coherent bundles of corporate strategies related to different models of work organisation adopted by firms as well as industrial relations strategies, human resources (HR) management practices and, ultimately, job quality and type of workers hired. Throughout our research, we have adopted an understanding of the term 'low road' strategy as bundles of organisational and business strategies adopted by MSEs in their fight for the survival of their business. Our interest in doing so was to associate 'structures of vulnerability' (Nichols, 1997) and 'low road' survival strategies, as both are potentially associated with increased risks to the safety and health of workers in such enterprises (EU-OSHA, 2016: 28).

A contemporary understanding of such 'low road' bundles of organisational practices and business strategies refers to several key trends. First, there is a general trend of the lengthening of value chains (Ramioul and Huws, 2009). While there are conditions where MSEs may benefit from being embedded in broader networks (OECD, 2008), their limited amount of investment capital, their lack of competences to identify their competitive strengths within the value chain and their lack of adequate managerial and financial resources mean that MSEs are found mostly at the lower end of the global value chain (Caspari, 2003; OECD, 2008).

A related trend is what is referred to in the literature as the 'decomposition' of the small firm or, to use David Weil's term, 'the fissured workplace' (Weil, 2009). In his studies, Weil pointed to different sector patterns of interdependencies between firms resulting from corporate strategies such as different forms of franchising. Common in the types of value chains and interdependency relations thus created is that risks and costs are shifted in the chain (Flecker, 2010). This puts pressure on working conditions and leads to downward differentiation and more flexible labour. These interdependencies therefore contribute to the breakdown of the traditional employment relationship and result in a more vulnerable workforce in terms of contracts, wage benefits, unpaid overtime and OSH risks (Flecker, 2010: 418). Given that MSEs generally occupy precarious positions at the lower ends of value chains and face difficulties in moving up them, it seems likely that their workers will be particularly affected by such downward pressures. Further, the increasing complexity of interorganisational interdependencies implies a growing disconnection between the employment contract, employment regulation and managerial control. As noted in Chapter 1, this growing variability of such triangular employment relationships results in increasing confusion about who exactly is responsible for which aspects of the employment relationship (Marchington *et al.*, 2005; Lopez, 2010).

Meanwhile, more 'traditional' sources of worker vulnerability in MSEs, such as undeclared work, are still reason for serious concern. The latest figures show that the sectors with the highest levels of undeclared

⁴ 'Value chain' is a term that is often used interchangeably with 'supply chain' but, strictly speaking, it refers to the activities companies adopt within supply chains to create value exceeding the costs of the provision of goods.

⁵ 'High road' obviously implies the opposite of 'low road' and refers to those MSEs that enjoy high growth success, such as the so-called gazelle companies, but also, more generally, small businesses that invest in skills and innovation in ways that act to support their growth and business success.

work are those that are dominated by small companies, including construction; hotels, restaurants, catering and tourism; wholesale and retail; agriculture; and home-cleaning, other domestic work and personal services⁶ (Eurostat, 2016).

Although the evidence is partial and incomplete (EU-OSHA, 2016), it is sufficient to strongly suggest that the many workers who labour in MSEs that follow low road survival strategies are likely to experience poorer working conditions and proportionally greater risks to their health, safety and well-being than their counterparts employed elsewhere in the economy. As we noted in some detail in the first report of the project, these observations are further supported by good evidence in the analysis of previous research that the occurrence of serious injuries and fatalities is proportionally greater in smaller firms than in larger ones even after taking account of the undisputedly strong influence of sector on OSH outcomes. Although evidence of size effects is more difficult to evaluate concerning working conditions and work-related health effects, there are many examples of poor outcomes here too, and there is certainly nothing in the literature to suggest that, overall, work in MSEs is healthier or safer than in their larger counterparts.

Moreover, while there are acknowledged differences in overall performance in safety and health among Member States, the evidence with respect to size effects gives little reason for complacency, as MSEs show comparatively poorer performance in all countries. As we outlined in the review (EU-OSHA, 2016), and supported by our findings in the following two research stages (EU-OSHA, 2017a,b, 2018a), as well as by further evidence from ESENER-2 (EU-OSHA, 2014), smaller firms are less likely to have arrangements in place to manage risks than their larger counterparts. This pattern is ubiquitous in the EU regardless of the effects of national contexts.

This said, it is equally clear that this is not the case for *all* small firms and that many small and micro firms *do* address the health, safety and well-being of their workers with appropriate arrangements for their protection and promotion. As we noted in our review, many MSEs are engaged in high value-adding activities, and such firms are frequently presented as entrepreneurial success stories and significant players in the revitalisation of economic growth (EU-OSHA, 2016). Accounts of these 'success stories' also portray work in MSEs as highly rewarding, socially integrated, flexible and varied, undertaken through choice by individuals with strong skill sets and commanding not insignificant labour market power. Given the acknowledged heterogeneity among MSEs, such polarities are not surprising and should not detract from legitimate concerns about the large portion of MSEs in which OSH arrangements and their outcomes are below acceptable standards. The heterogeneity also implies the existence of a spectrum of experience where the realities of the arrangements made for OSH for a large proportion of MSEs will lie somewhere between the extremes represented by the pursuit of 'low road' survival strategies and those of the 'success stories' of which current economic policy-makers are so enamoured.

Among the cases we examined where there was an awareness of OSH, there was also an awareness that OSH might be 'good for business', which, in turn, was often related to customer quality demands or a desire to compete in 'high-end' markets (EU-OSHA, 2018a). This finding is supported by the literature, which points towards the idea that there are bundles of 'HR practices' that may support arrangements for OSH in MSEs. As Croucher *et al.* (2013) argue, there is some evidence in the international literature to support this conclusion. However, while their review revealed considerable evidence that these HR bundles were positively associated with outcomes such as high productivity, innovation, staff retention and customer satisfaction in small and medium-sized enterprises, they found few studies of their direct association with OSH improvements.

To be clear, whichever perspective we use to examine risk and work in the EU, we return repeatedly to conflicting findings in the relevant literature. On the one hand, work in many MSEs is embedded in economic and social structures and processes that in a variety of ways increase the vulnerability of both workers and those for whom they work to risks in which safety, health, economic security, employment, and business success are interlinked. On the other hand, however, the heterogeneity of MSEs means that there are also operations whose workers enjoy good working conditions and have relatively high levels of job satisfaction and whose owner-managers are concerned to maintain these standards, in part as a response to the economic and private regulatory contexts they inhabit. As some of our cases made

⁶ This, of course, was a further reason for including these sectors in our empirical investigation.

clear, while this does not always mean that workers in these firms enjoy high standards of OSH, or that their employers display high competencies in this respect, such things are more likely to be found among firms in this situation than among their 'low road' counterparts, for reasons that have largely to do with their awareness and their responsiveness to the influence of external contexts.

The employers and workers embedded within structures of vulnerability that help determine the low road strategies that they are often obliged to adopt for survival are not alone in this respect. The same structures and processes that determine these strategies also affect many other forms of work and ownership, especially those situated in weak, precarious and dependent positions within the economy and society more widely. There is increasing evidence that these workers occupy positions largely outside and beyond the reach of conventional approaches to regulation and support of OSH. Thus, understanding the experience of OSH in MSEs and what can be done to improve it cannot be complete without situating the work in MSEs that share the same bundles of practices we have characterised as 'low road' survival strategies in relation to these wider scenarios concerning inequality in the distribution of risk in the economy. This is primarily because it seems likely that they may be similarly responsive to means of addressing the challenges that these scenarios pose for OSH.

This situation begs questions concerning the relationship of MSEs to the various requirements, strategies and supports, both public and private, that are currently in place to protect workers' safety and health. We turn to these regulatory and governance contexts next.

2.3 National public regulatory contexts

Statutory provisions on OSH have a long history in all European jurisdictions, with origins in manufacturing, mining and heavy industries. Currently, the legislation is building on process-based requirements that aim to protect more or less all workers within an employment relationship by emphasising their employers' responsibilities to competently assess and control the risks of work in ways that normally also include the participation and cooperation of their workers.

Most EU Member States take as their starting point for regulating OSH the requirements of Framework Directive 89/391, which essentially reflects what legal scholars have referred to as the three 'pillars' of regulation: competent employer engagement with responsibility for evaluating and controlling risks; participation of workers both individually and through their representatives contributing practical know-how; and state regulation and its inspection and enforcement (see, for example, Gunningham and Johnstone, 1999; Coglianese *et al.*, 2002; Bluff and Gunningham, 2004). None of these general principles is meant to apply any less significantly to MSEs than to larger organisations. However, while frameworks for the protection of workers' safety and health in the EU Member States do not overtly discriminate against vulnerable workers⁷, it is questionable whether they always offer them adequate protection. This is apparent for many workers in MSEs in a number of different ways, as is shown by all three of our previous studies. As is detailed in the account of the cases we investigated of workplace arrangements in the nine countries (EU-OSHA, 2018a), as well as in the perspectives of stakeholders on strategies and tools to support OSH in MSEs (EU-OSHA, 2017a), in several of the EU Member States there are size-related exemptions to various details of the statutory requirements, such as those on worker representation and on written risk assessments. In addition, in some Member States there is an on-going policy discourse concerning the supposed 'burden' of regulatory requirements on smaller firms.

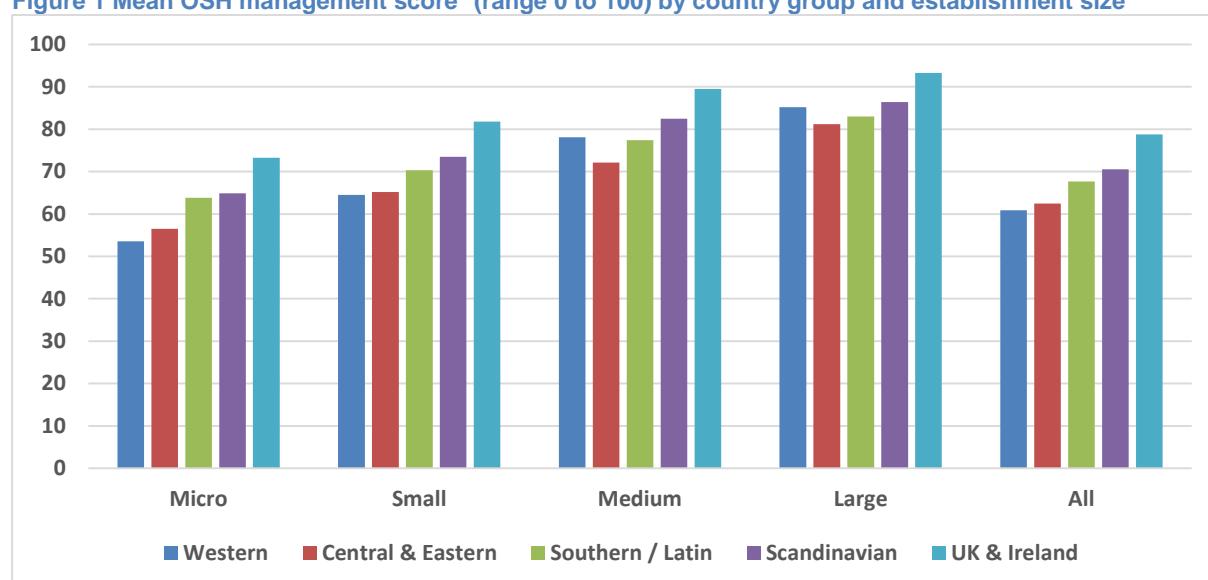
The detailed nature of these regulatory requirements and the extent to which they are operational in the nine countries included in our study have been documented in previous accounts (DG Employment, Social Affairs and Inclusion, 2017). For our purposes, it will suffice to say that, from a legal perspective, for the most part it is now accepted that all Member States have transposed the requirements of the directives. However, it is also clear that they have not done so in entirely identical ways and, moreover, there are national differences in the extent to which they make exemptions for the protection of the interests of workers in MSEs and in the features of the wider regulatory and economic systems in which

⁷ As elsewhere in this text, we use the term 'vulnerable' in a broad sociological sense to refer to, for example, the precarious work positions occupied by some workers brought about by insecure contracts, loss of wage benefits, unpaid overtime and OSH risks that are well established in the literature as consequent to these features, rather than to mean the personal features of the workers themselves, although of course the term may also embrace such features.

they are embedded, which of course influence differences in their operation (see EU-OSHA, 2016, 2018a).

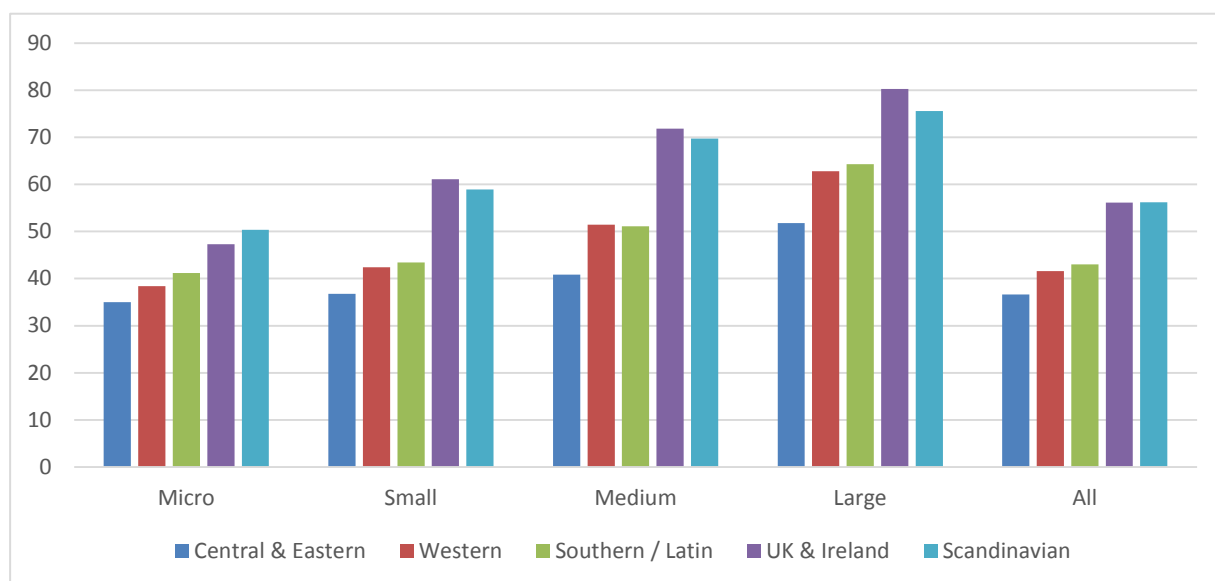
Previous studies undertaken on behalf of EU-OSHA have drawn attention to features of these differences and their operational outcomes. These have noted, for example, that, although trends in indicators of OSH management practices are broadly similar across EU Member States, there are some national differences in performance that may be related to variation in the extent to which process regulation has been embedded over time (see, for example, EU-OSHA, 2013, 2018b; Walters and Wadsworth, 2014). It was these findings that helped inform the national typology mentioned in Chapter 1, where we suggest that it is possible to cluster countries in accordance with these broad differences in ways that are similar, but not identical, to those that have been developed and debated in the discourse on welfare regimes. We chose the Member States included in the present study based, in part, on this knowledge. When we examined how the MSEs in ESENER-2 responded to questions concerning OSH management, the management of psychosocial risks and arrangements for worker representation, we found some of the patterns observed in these earlier studies (EU-OSHA, 2014) repeated and consistent across all size groups (Figures 1 to 3).

Figure 1 Mean OSH management score* (range 0 to 100) by country group and establishment size



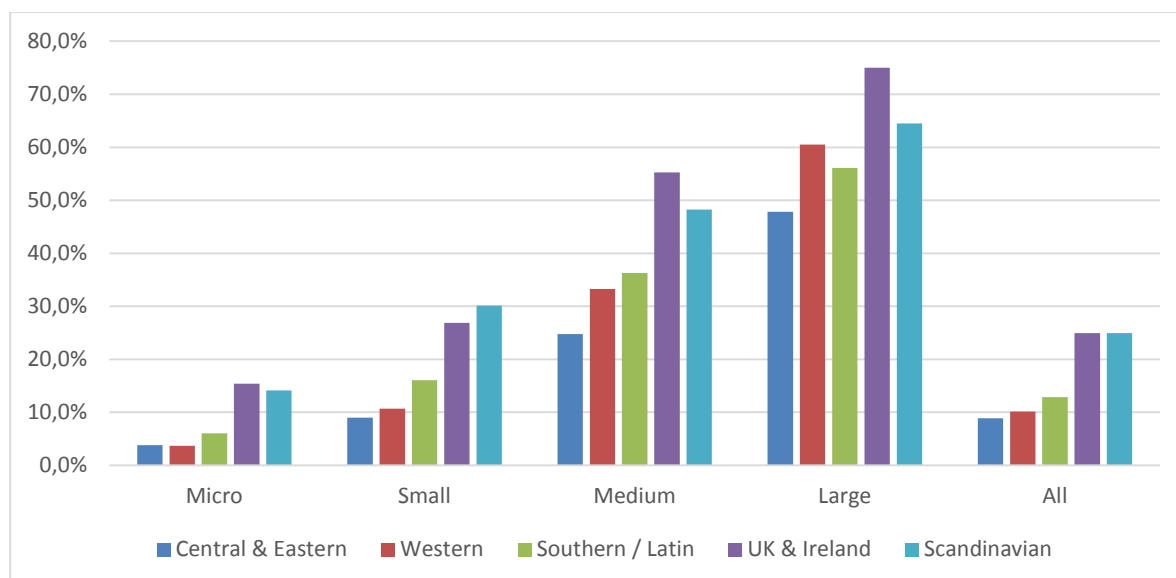
Source: EU-OSHA ESENER-2.

*The OSH management score is a composite comprising ESENER-2 measures related to OSH management. These include (where relevant) a safety and health document of responsibilities and procedures available to all; routine analysis of sickness absences with a view to improving working conditions; a procedure to support employees returning to work after a long-term sickness absence; regular workplace risk assessments; routine risk assessment of the safety of machines, equipment and installations; routine risk assessment of dangerous chemical or biological substances; routine risk assessment of work postures, physical working demands and repetitive movements; routine risk assessment of exposure to noise, vibrations, heat or cold; risk assessment of workplaces at home; risk assessment of indirectly employed workers; risk assessment in the previous year; documented risk assessment; employees usually involved in measures taken following a risk assessment; if no risk assessment, other measures taken; provision of equipment to help with lifting or moving; rotation of tasks to reduce repetitive movements; encouraging those working in uncomfortable positions to take regular breaks; provision of ergonomic equipment; training for employees on the proper use of their working equipment and furniture; training for employees on the use of dangerous substances; training for employees on how to lift and move heavy loads and people; training for employees on emergency procedures; and provision of training for employees in different languages. See EU-OSHA (2018b) for full details.

Figure 2 Mean psychosocial risk management score* (range 0 to 100) by country group and establishment size

Source: EU-OSHA ESENER-2.

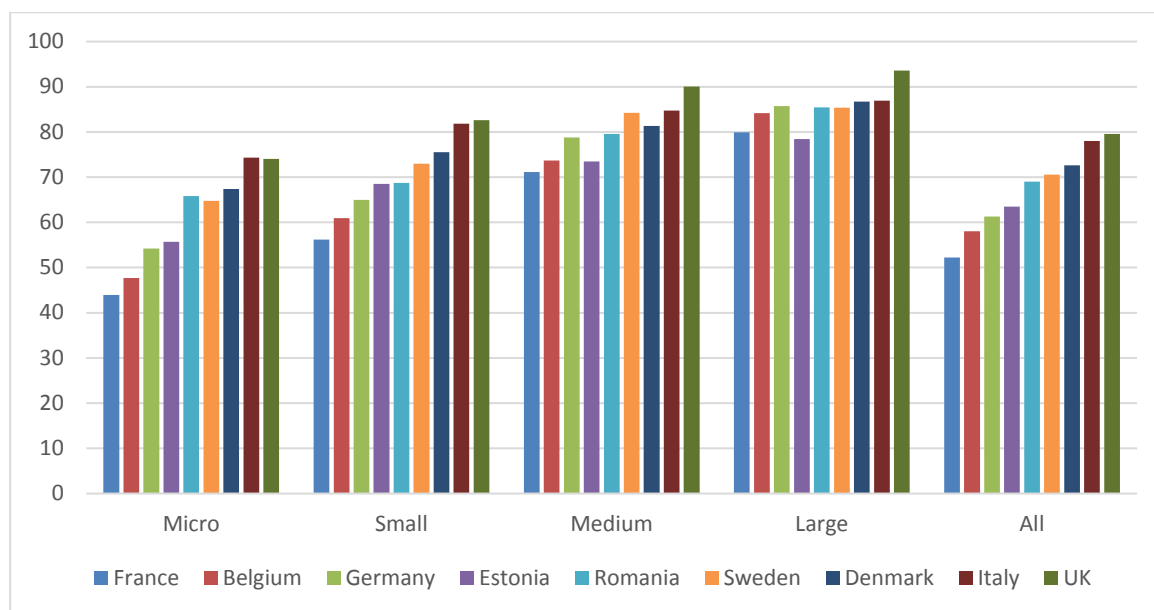
*The psychosocial risk management score is a composite comprising ESENER-2 measures related to psychosocial risk management. These include (where relevant): routine risk assessment of supervisor-employee relationships; routine risk assessment of organisational aspects such as work schedules, breaks or shifts; an action plan to prevent work-related stress; a procedure to deal with possible cases of bullying or harassment; a procedure to deal with possible cases of threats, abuse or assaults by clients, patients, pupils or other external persons; use of one or more measure to prevent psychosocial risks; involvement of employees in the design and set-up of measures; and training for employees on how to prevent psychosocial risks. See EU-OSHA (2018b) for full details.

Figure 3 Proportion (%) with both general and health and safety representation arrangements combined with high management commitment by country group and establishment size

Source: EU-OSHA ESENER-2.

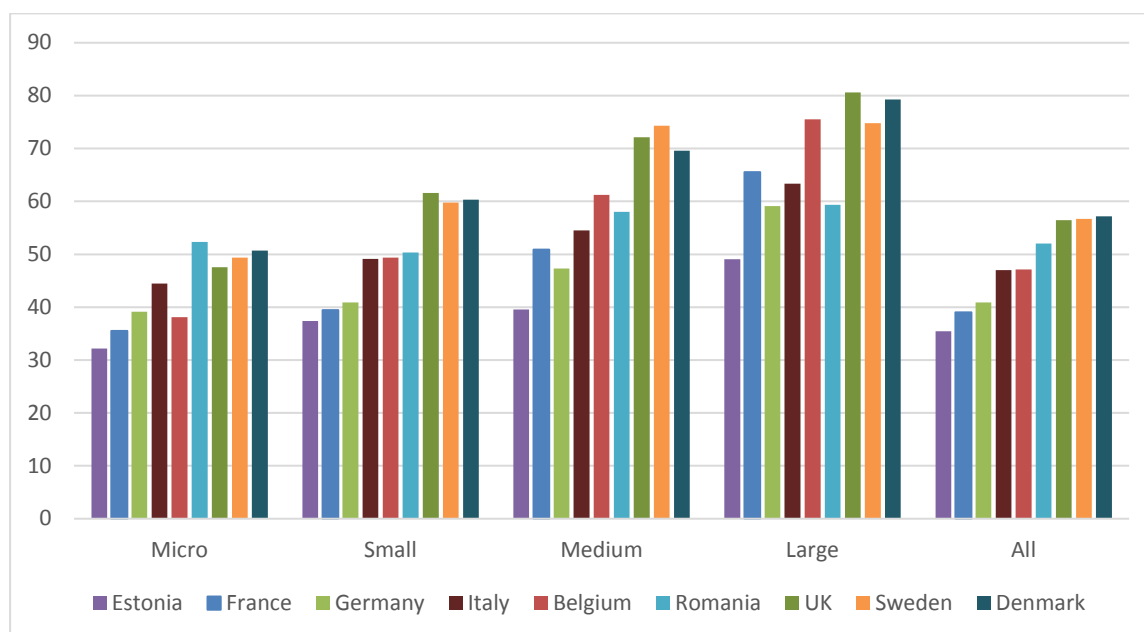
However, when the individual countries that were the focus of the present study were compared, a somewhat less consistent pattern emerged (Figures 4 to 6). Nevertheless, when all size ranges are combined, Sweden and the United Kingdom score relatively highly, as might be anticipated from their membership of the Scandinavian and United Kingdom and Ireland groups, respectively; and among the eastern European Member States, interestingly, Romania scores comparatively well while Estonia does less well. The anticipated effect of size is also consistent, with uptake of the combined arrangements increasing with increased establishment size, and this remains the case regardless of country.

Figure 4 Mean OSH management score (range 0 to 100) by SESAME project country and establishment size



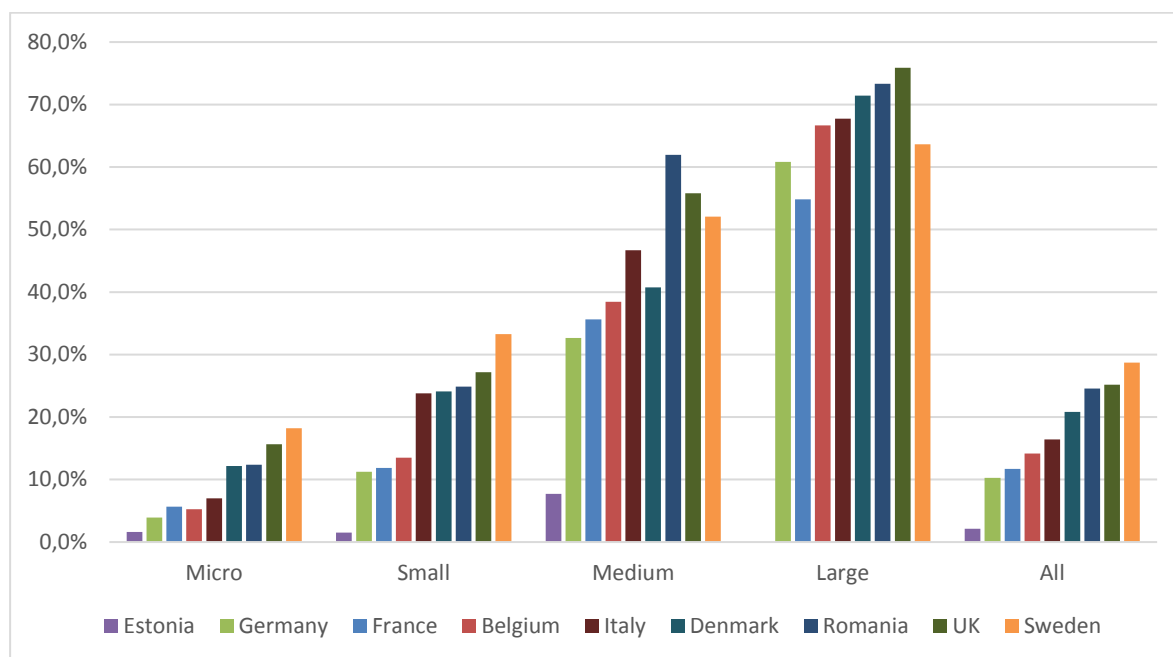
Source: EU-OSHA ESENER-2.

Figure 5 Mean psychosocial risk management score (range 0 to 100) by SESAME project country and establishment size



Source: EU-OSHA ESENER-2.

Figure 6 Proportion (%) with both general and health and safety representation arrangements combined with high management commitment by SESAME project country and establishment size



Source: EU-OSHA ESENER-2.

What these results seem to demonstrate, therefore, is that there is both a size effect and a country effect in evidence in the quantitative data on the uptake of arrangements for safety management in the EU. When size is taken into account, as we made clear in our previous review of the literature (EU-OSHA, 2016), there is a clear gradation from micro to large enterprises in relation to both the commitment of managers to OSH and worker representation in OSH. There is also a country effect that is consistent regardless of size and which follows patterns previously noted in relation to the results of ESENER-1. Explanations offered for these patterns include the extent to which process-based regulatory measures are embedded in different national regulatory systems for OSH and the fact that larger organisations are better resourced and positioned to provide for more commitment to both OSH management and worker representation in OSH (Walters and Wadsworth, 2014). It would seem that such explanations continue to apply in the case of the ESENER-2 data and size has little effect on this pattern. However, this said, in some of the countries in the present study there are minor deviations from the expected pattern, for which there would appear to be no obvious explanation in the data that we were able to collect and analyse.

2.4 Institutions of regulatory inspection and inspection strategies in relation to MSEs

Moving beyond these quite generic and macro-level perspectives on measures of OSH arrangements that are relevant to MSEs, we turn to the question of how understandings of regulating compliance help to explain them. All EU Member States have long-standing regulatory inspectorates charged with seeking compliance from duty holders (which for our purposes mostly means employers) with the relevant regulatory provisions on OSH. However, as the evidence from our field studies confirms, there is considerable variation between Member States in the ways in which they go about doing this and the extent to which they can be seen to be successful. This is not surprising when the history of inspection is examined. Originating in provisions made in a United Kingdom Factory Act in 1833, requirements specifying the nature and functions of regulatory inspection on OSH gradually developed in parallel with the spread of industrialisation throughout Europe during the 19th and early 20th centuries. Despite the ratification in most EU countries of International Labour Organization (ILO) Labour Inspection

Convention No. 81 (1947) outlining broad principles concerning the structure and functions of national inspection systems, there remain deeply embedded differences between Member States in both the institutions of inspection and their practice. A number of these differences are of particular relevance when considering the role of inspection in achieving sustainable arrangements for OSH in MSEs.

2.4.1 Structural and functional features of regulatory inspection

The importance of face-to-face contact with regulatory inspectors is a prominent finding of research concerning ‘what works’ in supporting MSEs’ compliance practices on OSH, as is evident from both our review of previous research (EU-OSHA, 2016) and our analysis of current practice (EU-OSHA, 2017a). It is therefore important that there is a proper understanding of the relevance of the role of regulatory inspection in order that its pertinence and limitations in relation to improving OSH arrangements in MSEs can be appropriately evaluated. This means giving some consideration both to the overall structure and function of inspection in relation to compliance with OSH and to the strategies of regulatory agencies that are explicitly aimed at achieving this in relation to OSH in MSEs.

Starting with this perspective, it is immediately apparent that the structure and function of the inspectorates in different EU Member States vary considerably. Inspectorates are usually regarded as either generalist or specialist, with the former having a broad mandate addressing elements of employment and industrial relations issues and conditions of work, as well as health, safety and welfare, and the latter being usually restricted to occupational health, safety and work environment (von Richthofen, 2002). However, while the structure and function of national inspection systems broadly fit this typology, they are not rigid, and in many countries the pattern is somewhat mixed. For example, while the overall system might be broadly ‘generalist’, at the same time it may contain elements that are more specialist or are administered in different ways.

In relation to the countries included in the present study, generalist inspectorates are typical of Latin European countries, such as France, and are also found in part in other countries, such as in Belgium and Estonia. Their responsibilities variously embrace working conditions and employment relations as well as health, safety and welfare. They tend to be managed centrally and be accountable to central government, although they often have regional structures. They are also sometimes separated into different divisions with different functions with, for example, one dealing with OSH, one with social security and another with employment and wage matters. In other countries in this study, specialist inspectorates, typically developed following an Anglo-Scandinavian pattern, are responsible for securing compliance with requirements solely concerning health, safety and welfare at work (and sometimes with some requirements on general conditions of work). They are also evident in elements of other systems, such as those found in the insurance-based *Berufsgenossenschaften* (statutory accident insurance institutions) in Germany (although these inspectorates are not state bodies but agents of bipartite insurance organisations). Further complications arise from differences between countries operating federal systems for public administration, such as Germany, and those with more centralised systems, such as the United Kingdom. Moreover, in many countries there are also smaller specialist or associated inspectorates with responsibility for securing compliance in relation to particular economic sectors or technologies. For example, in several of the Member States in the present study there are separate inspectorates for seafaring, fire safety, railways and mines, while in other countries some or all of these are incorporated within the overall labour inspectorate.

Further national differences occur in practice. For example, in Italy, until relatively recently, a centrally organised generalist labour inspectorate played a relatively minor role in the practical surveillance of safety and health at work compared with the regionally administered public health agencies — the ASL (*Aziende Sanitarie Locali*). In the United Kingdom, it is the practice to delegate enforcement powers in so-called ‘low-risk premises’ to local authority public health inspectors (environmental health officers). The consequence is that most small firms (and indeed most workplaces) are inspected not by the central specialist inspectors of the Health and Safety Executive (HSE) but by inspectors of local authorities. These also have many other public health functions, for example in the areas of food hygiene and sanitation. In Germany, the dual system of overlapping inspection responsibilities of the sector-based *Berufsgenossenschaften* and the geographically based labour inspectorates of the federal states (*Länder*) also makes for a very complex system.

The different functional combinations of regulatory inspection in different Member States also have a significant influence on the way in which labour inspectorates have been able to respond to change and address emergent trends and risks. For example, in many EU countries there is concern about undocumented/undeclared work, as there is clearly a set of risks to the health, safety and well-being of workers that arise largely from the undocumented/illegal nature of the work, the limited provision made by employers for safety and health management in such circumstances and the tendency for such work to include tasks and working conditions that would not be acceptable in properly documented employment. Much of this work takes place in MSEs. Two particular issues stand out. One is that in the highly competitive business environments that the outsourcing activities of large and powerful organisations have obliged many MSEs to occupy, competition from undeclared work may be among the low road business strategies that some of these firms adopt. If, at the same time, these enterprises are situated in positions that are 'hard to reach' for regulators, then there is little chance they will be prevented from exposing their workers to the increased risks to OSH that we have shown to be associated with these strategies (EU-OSHA, 2016).

The way in which these issues are addressed by labour inspectorates in different countries varies according to which aspect of such work falls within the remit of the national requirements for regulatory inspection. Thus, in countries in which multifunctional inspectorates operate, efforts to identify the extent of undocumented work and bring about action to reduce it are a significant feature of current labour inspection strategies. However, in Member States such as the United Kingdom, where such employment-related matters are beyond the jurisdiction of the inspectorate, interest in undocumented work is largely restricted to the extent to which it affects arrangements for the OSH of the workers involved. In contrast, in other countries, such as Denmark and Sweden, inspectorates traditionally did not supervise the legality of employment themselves, but alerted other state authorities, such as tax or immigration authorities, or the police, concerning these matters when they came across them. However, recent changes have extended the duties of the labour inspectorate to monitoring the registration of foreign companies in the Danish economy.

Differences between generalist and specialist inspectorates have led to suggestions that some inspectorates may be better equipped than others to respond to the consequences of structural economic and labour market change such as increases in undocumented work and migrant workers and their concentration in small workplaces in the informal/illegal economy. For example, Teague (2009) has argued that responses of labour inspection to change are circumscribed by the nature of their remit for inspection. He suggests that the narrow organisational pattern on which specialist inspectorates such as those in the United Kingdom are based make them less suited to address the consequences of such change than those inspectorates concerned more broadly with social and employment affairs. However, empirical research evidence in support of this argument is lacking. Moreover, at least as far as small firms are concerned, published inspection policies in the United Kingdom from the early 2000s acknowledged the problem of reaching small firms with OSH inspection and promoted alternative strategies to effect compliance among these firms (Cardiff University *et al.*, 2011; Walters, 2016). However, some observers argue that, since then, a combination of budgetary cuts and political pressure on the HSE (the United Kingdom labour inspectorate) has led the HSE to adopt strategies that are more in line with reduced enforcement than with innovative approaches to reaching hard-to-reach scenarios (see, for example, Tombs, 2017). However, the approach contains several elements now more widely adopted by the regulatory authorities of many EU Member States in relation to the attention paid to MSEs and hard-to-reach work scenarios at this time, including:

- greater attention to strategic coordination, stimulation and promotional activities increasing reach and 'buy-in';
- support for greater 'stakeholder' involvement in work environment issues by labour market actors and other interest groups;
- policy reorientation emphasising target setting and evaluation in relation to inspection practices;
- broadened surveillance for multi-employer arrangements, especially in construction;
- supervision of temporary/agency firms;
- going upstream in inspection/supervision of supply chains;

- greater focus on advice and guidance, cascading messages to ‘hard-to-reach’ duty holders such as MSEs, foreign firms and workers, subcontractors, migrant workers, etc.

The embedded institutional differences between the structure, organisational operation and legal contexts of labour inspectorates in different countries, such as those outlined above, make meaningful cross-national comparisons of practice very difficult indeed, and published research on these issues is scarce. However, while the examples cited above are clearly indications of changes in regulatory thinking at the level of institutional policy-making, the extent to which such policies have led to concrete changes in inspection practice or the support for it is far less clear. In the case of undeclared work, for example, it may be that Member States with generalist labour inspectorates are better prepared to develop joined-up approaches to address this issue in combination with strategies to deal with the challenges of reaching MSEs (where such work is often concentrated) than those Member States in which inspectorates for OSH and labour market matters are institutionally separated. Although there has been some theoretical discussion of this in the literature, there are, as yet, no empirical studies. Similarly, it could be argued that some institutional structures for inspection are better adapted for ‘going up-stream in inspection/supervision of supply chains’, but here again there are very few examples in the literature that demonstrate that this has been practised successfully, and others that suggest that inspectors on the ground may feel they lack sufficient authority to do this (see, for example, Quinlan *et al.*, 2009).

2.4.2 Resourcing and its effects on the operation of public regulation

Evidence from our study, as well as that from previous studies (see, for example, Vickers *et al.*, 2005), makes plain that face-to-face contact with inspectors is a major influence on good practice in relation to OSH in MSEs. However, it is widely accepted in current regulatory literature, as well as among regulatory policy-makers, that because of the imbalance between the resources available for inspection and the number of MSEs, there is little practical possibility that such contact will occur in more than a small proportion of cases. This is one reason why most inspectorates have nowadays developed organisational plans and strategies to focus attention where they believe it will have the biggest impact — also called risk-based regulation (Black and Baldwin, 2010). However, the extent to which the resources of inspectorates match the tasks they are obliged to perform is a critical issue and, as is clear from the national studies on the countries carried out in the framework of the present study, there has been growing concern about an increasing mismatch between the two. Such concern is reflected not only in critical research, but also in reports from international inspection bodies such as the Senior Labour Inspectors’ Committee (SLIC), which, for example, in its audit of the Work Environment Authority in Sweden in 2008:

*... found some indications that the recent cuts have resulted in a reduction in continuing professional development, in communication between specialists, and in training of established inspectors. ... There were also some indications that the necessary training of established inspectors is declining due to the cuts in financial resources (SLIC, 2008, cited in Cardiff University *et al.*, 2011).*

In the present study, we found a trend towards a reduction in public expenditure on regulatory inspection in several of the Member States we studied. In some cases, such as in the United Kingdom, these reductions occurred in tandem with the orientation of economic policy, in which reduction of ‘regulatory burdens on business’ was seen as a means to secure better competitive advantage for business in both national and global contexts, although, in keeping with the literature, we found little persuasive evidence that confirmed this supposed connection (see, for example, Kitching, 2006; Carter *et al.*, 2009; Kitching, 2016). In other cases, while significant reductions had occurred in the resourcing of inspection, such as in Germany and Sweden, less explicit linkage between these reductions and neo-liberal economic strategies to promote business freedoms is evident. In still further cases the resourcing of inspectorates has remained stable overall, although there may have been some shifts in the functional balance required of the labour inspectorate, such as in Italy in relation to the balance between the labour inspectorate and the public health services, or in countries where there is a perceived need for the labour inspectorate to address undeclared work.

While the critical literature provides compelling evidence that the deregulatory and resource-reductive trends of neo-liberalism offer little support for the preventive role of labour inspection in relation to OSH in MSEs, it also acknowledges that the situation is complex. Firstly, an advisory role for inspectors and increased emphasis on governance strategies are frequently, but not always, found together — for example in supply chain regulatory frameworks in construction. Secondly, while there is a general trend towards reduced resourcing of inspection, which goes hand in hand with a ‘lighter touch’ for inspection practice in some EU Member States such as the United Kingdom, as well as with policies on the removal of ‘burdens on business’ for MSEs in particular, not all labour inspectorates have experienced such reduction. Indeed, for a few (such as Estonia, France and Romania in this sample) it is claimed that they increased their resources during this period (EU-OSHA, 2017a). There are further indications that resourcing has favoured some elements of labour inspection activities but not others, with, for example, greater resources being devoted to employment and labour market related matters — reflecting concerns about undocumented work etc. (Walters, 2016).

Moreover, while labour inspection strategies that emphasise the provision of advice and information for MSEs are evident in most of the countries we studied, it is oversimplistic to interpret them solely as part of reduced formal regulation. They are, in part at least, a direct response to the challenges for regulatory reach presented by the restructuring of work and employment, in which alternative methods have been purposefully developed to reach the ‘hard to reach’ — with MSEs prominent among their targets. It is of course debatable whether ‘the provision of advice and information’ is actually the best way to reach and effect change among the ‘hard to reach’, and there has been little robust evaluation of the effects of this approach. In this respect, it is important to recognise that, while such strategies may help to cascade ‘the regulatory message’ in the form of general information from the regulatory agencies to the MSEs, they do not necessarily serve to increase the face-to-face contact between inspectors and owner-managers that research has found is important in changing the behaviour of the latter in terms of OSH compliance.

Overall, then, in the countries in this study, intervention in OSH in MSEs stretches the limited resources available to inspectorates. As a result, we conclude that current regulatory inspection policies and practice on safety and health have struggled to satisfy the acknowledged need to address the emergent challenges of the so-called new economy⁸, in which MSEs are a prominent feature, while at the same time making the best use of sometimes dwindling resources in a political environment often hostile to growth in state regulation of business. This remains the case even where there are regulatory policies aimed specifically at MSEs, as identified in some of the countries we studied (such as in France).

2.4.3 Smarter strategies to reach MSEs and ‘do more with less’

To meet these demands, therefore, some regulatory agencies have adopted strategies other than workplace inspections, which have declined along with the numbers of inspectors in a significant proportion of countries. In the United Kingdom, for example, an interest in using ‘multiple tools’ to achieve improvement in the ‘atypical work scenarios of the new economy’ has been prominent in policy documents for nearly 20 years. MSEs have been explicitly identified as among the targets of the strategies that have been put in place to deliver these policies, in which communication, using intermediaries with an interest in OSH in MSEs from among private and public actors, and identifying the business benefits of OSH for smaller firms, are advocated. Similar developments are evident in other EU countries, especially Denmark and Sweden, as well as at the European level through the activities of SLIC. As we will detail in later chapters, such an explicitly focused ‘coordinating or orchestrating role’ in relation to the activities of intermediary bodies was identified in the present study as a major success factor among the strategies and tools deployed to support OSH in MSEs (EU-OSHA, 2017a). In some cases, as well as coordinating the roles of unions, employers’ organisations, practitioner bodies and the like among private institutions of the economy, these approaches have also involved attempts to coordinate with the activities of other state regulatory bodies such as tax offices, building regulators, public health and social security administrators. However, evaluation of most of these initiatives either

⁸ New, high-growth and often internet-trading-based industries in the forefront of technology, typical of the transition from a traditional manufacturing and heavy industry-based economy to a service-based economy.

is non-existent or has been largely inconclusive concerning their success (but see Hasle *et al.*, 2017, for an exception in the case of Denmark).

In some cases legislation has been amended. For example, in construction, the duty of care has been extended to supply chain responsibilities, and inspectors now have a regulatory framework with which to guide their surveillance and their efforts to achieve compliance that is more appropriate to the organisation of the industry and its work activities. As the detailed report on strategies and tools describes (EU-OSHA, 2017a), attempts to achieve greater engagement with peak bodies in the economy, such as trade and employers' organisations, insurance associations and sometimes trade unions, also feature in the outreach strategies of some national inspection authorities. They thus seek to exploit the roles of organisations, individuals and processes in intermediary positions between the regulatory agencies and the small firms in an effort to 'do more with less': to reach more of the very many MSEs, including those which, as we have noted previously, are particularly inaccessible and where workers are likely to be especially vulnerable. The aim of these strategies is to 'cascade' good practices to situations that are difficult to access through conventional inspection. While belief in the success of these initiatives is strongly held by some regulatory authorities, such as those in Denmark, Germany, Sweden and the United Kingdom, critics of the trends in enforcement policies more generally argue that they are in fact a result of substantial cuts in resources to the inspectorate and political pressure for more 'business-friendly' inspection strategies (see, for example, Tombs and Whyte, 2013a,b on the United Kingdom). While this may also be true, it nevertheless was a clear finding of our research that these approaches — in several of the countries in which they were evident — were often the result of governance strategies within sectors in which other stakeholders already played important roles and where traditional inspection was still regarded as fundamental to the regulatory approach.

In parallel with these developments, as also noted in the previous report (EU-OSHA, 2017a), new public sector management initiatives have placed greater emphasis on 'evidence-based' strategies and require the evaluation of performance against targets, prompting a strategic interest among regulatory authorities in measurable outcomes. To some extent, this is also indicative of the overall trend towards 'risk-based regulation' or strategies that 'involve the targeting of enforcement resources on the basis of assessments of the risks that a regulated person or firm poses to the regulator's objectives' (Black and Baldwin, 2010). For inspection, this has meant an increased focus on surveillance in relation to measurable performance targets addressing, for example, the more prevalent forms of occupational injury or ill-health, high-risk sectors or particular activities within them. As a result, in many cases, regulatory authority strategies set quantitative targets for inspection of particular work activities. This sometimes leads inspectors to feel less able to act on the full range of risks they may encounter during an inspection. This is a feature remarked on in an investigation of these strategies in the United Kingdom (Risk Solutions, 2003), and one that field inspectors have expressed concerns about in other countries too (see, for example, Bruhn and Frick, 2011; Frick, 2014). This may also serve to increase a pragmatic focus of inspection on larger organisations for which there is better intelligence available concerning risks than in smaller and harder-to-reach MSEs. We found such targeted approaches to be strongly evident in the strategies of inspection bodies in Denmark, Sweden and the United Kingdom in the present study and to varying degrees in other countries too. However, here again, there is no strong evidence concerning their effects.

Overall, then, the evidence from both our own and other studies indicates that the public regulatory contexts inhabited by MSEs provide a statutory framework of OSH standards required of good practice, and regulation hence serves as the foundation for various other activities and actors, such as those of OSH advisers, occupational health services and preventive insurance systems. However, there is a significant problem of reaching and influencing all of the MSEs that experience such an institutional context. The evidence that emerged from our own fieldwork points towards a very mixed picture in the countries we studied concerning the extent to which 'smarter strategies' are part of the approaches taken by regulatory agencies in relation to MSEs. It shows a host of initiatives taken by regulators to improve the impact of their influence. However, it also indicates that, while these initiatives may have been conceived with the intention of augmenting and increasing the impact of regulatory inspection, they have been applied in some countries at the same time that resources for inspection have been reduced and political policies aimed at being more 'business friendly' have been introduced. In these situations, the new approaches have come to replace inspection as strategies for monitoring and improving compliance on OSH in MSEs. Given the shifting foci of these wider scenarios, it is difficult to

reliably measure the impact of change in state regulatory compliance strategies. One thing about them that is clear, however, is their increased reliance on, and incorporation of, what we have suggested can be regarded as forms of governance dependent on, among other things, private bodies. Or, at the very least, they incorporate actors and processes that are not part of public regulation into their strategies to help in the achievement of compliance from MSEs with public regulatory requirements. Nevertheless, it is important to be clear that the findings of the present study, in keeping with those of previous research, strongly indicate that public regulation and inspection remain important factors in determining the actions of owner-managers in MSEs in relation to OSH and as such, therefore, ideally they should also frame the policies of other institutions that contribute forms of private regulation to the current mix of regulatory strategies that apply influence on OSH in MSEs.

2.5 The institutions relevant for OSH arrangements in MSEs

As outlined in the previous section, the strategies used by governance and regulatory policy to achieve compliance from duty holders in the countries we studied place increased emphasis on regulatory mixes. This is in part an acknowledgement of the limits of conventional regulatory inspection in restructured business contexts, including in relation to MSEs, the numbers of which make it hard for conventional methods to reach more than a small proportion of them. It is also a pragmatic approach to exploiting business and other relationships to improve compliance with safety and health regulations in modern economies. In some countries, it is also a reflection of the traditions for corporate and industrial relations collaboration whereby social partners, insurance companies and others collaborate in order to reach out with support to MSEs.

In the previous report concerning strategies and tools that are effective in supporting OSH in MSEs (EU-OSHA, 2017a), we identified a number of institutions and actors that play prominent roles in the OSH infrastructures in the Member States we studied. These include employer organisations and those of organised labour that, in addition to representing the interests of their members in bipartite arrangements governing collective bargaining, play a significant role in the tripartite structures in which OSH is embedded to varying extents in all of the Member States studied. In addition, the findings of previous reports also focus attention on the contribution of membership organisations with a professional or policy interest in OSH, such as associations of practitioners, and voluntary and charitable organisations with an interest in OSH, as well as organisations representing the interests of owner-managers in small firms and larger consultancy-style organisations that provide OSH services. They further identify important bodies in public administration, such as non-profit insurance organisations and those addressing work-related elements of social welfare, which assume far greater importance in the infrastructure for OSH of some countries than others, depending on their national histories of the public administration of OSH. Finally, they highlight how non-OSH actors can have positive impacts on OSH in MSEs. All these institutions exist in the countries we studied, but their significance and importance in relation to OSH in MSEs vary considerably between countries, dependent on the character and operation of national OSH systems and the roles of representative institutions within them as well as on the institutions and procedures of the wider national economy. Thus, for example, there are differences between countries in the role of social insurance, determined by the nature of the historical balance between no-fault workers' compensation systems and the role of private litigation in compensating work-related harm; in the extent to which corporatism characterised historical and current approaches to the representation of employers, organised labour and the state in matters of employment and labour relations, as well as on OSH; and in the membership and role of professional bodies and practitioner organisations; and further differences evident in the form, functions and importance of small business organisations.

These actors, which play a role in the governance of matters relevant to OSH in MSEs, do so through processes that help facilitate voluntary action on OSH. Such processes may achieve this effect as part of their general engagement with small businesses, even without an explicit focus on OSH. For example, processes involved in business start-ups, taxation, employing and training workers, accounting and financial record-keeping, as well as dealing with suppliers and customers, all have elements that influence the arrangements an owner-manager might make for the safety, health and welfare of their workers.

Moreover, the relations workers have with their employers may also include processes in which they may have opportunities to influence their employers' provision and practices in relation to their OSH. These processes are relevant to the requirements that owner-managers perceive to be necessary to provide them with licence to operate, which gives their business both social and economic legitimacy. Their effects are mediated through internal processes within firms, which we discuss in Chapter 4, but our interest here is to acknowledge their presence in the external environment in which MSEs are situated and their *regulatory* influence on how things work in relation to OSH in MSEs.

2.5.1 Examples of initiatives

In particular, and in keeping with previous findings, field research conducted as part of the present study identified a host of examples of initiatives facilitated by institutional actors, some of which showed measurable impacts and were innovative and well designed, reaching an important proportion of MSEs, and helping improve OSH practice and procedures in these firms (EU-OSHA, 2017a,b). Simple tools offering direct support were also found to contribute to improving OSH standards. Among the lessons learned concerning 'what works' in relation to these initiatives were the extent of the direct face-to-face support they offered MSEs and the ease with which their proposed solutions could be implemented in MSEs. As is already well documented, since MSEs are often faced with immediate issues to which they need to react, owner-managers in these firms prefer solutions that are adapted to their specific settings and work processes. Such solutions are also better transferred through face-to-face communication with intermediaries than by leaving owner-managers to find or receive information via IT or other sources.

The report of the study of these initiatives (EU-OSHA, 2017a) concluded that in some contexts it was not necessarily a lack of initiatives that was the main barrier to MSEs improving their management of OSH, but rather the failure to coordinate these separate initiatives into a clear strategy and a straightforward message to MSEs. Such coordination and clarity requires the different stakeholders to cooperate and disseminate the same message in order to avoid fragmentation, confusion and overload. Good examples of attempts to achieve this were encountered considerably less frequently than single initiatives. Strategies and programmes that help in securing substantial OSH improvements are usually complex and use a range of different tools and actions. Long-lasting and far-reaching OSH improvements typically require process and organisational changes as well as technical ones. Nevertheless, the report describes some good examples, as we outline in the following subsections.

OSH intermediaries' initiatives

Compulsory OSH advisory services and insurance-based preventive systems play a significant role in the OSH systems of some countries, such as Belgium, Germany and France, where their take-up is greatest among MSEs, and, as our study showed, they have resources that enable them to play a positive role, for example by disseminating OSH knowledge, providing support and guidance for the MSEs, and facilitating various types of action. However, these support systems are often insufficiently tailored to the specific needs of MSEs, and resources are often diverted from preventive actions to other activities deemed to be important to these institutional actors — such as medical check-ups. Nor did the study find these services to be particularly effective in addressing the needs of workers with various aspects of work-related vulnerability — for example migrant workers, workers with a weak position in the labour market, those with low levels of education, skills and training and those who generally are not engaged in stable forms of employment, including in MSEs. While expanding the range of intermediaries who can deliver OSH messages to MSEs may help to extend coverage, these vulnerable groups remain the most difficult to reach and the study did not find any examples of clear and effective strategies to address this problem.

As the report of the findings of the fieldwork also makes clear, many effective interventions are voluntary and therefore often do not engage MSEs with little incentive to participating in voluntary schemes, or newly established companies. Indeed, the report concluded that such efforts need to be supported by schemes that can impose a strong element of obligation on the MSE — such as insurance contributions, collective agreements or other contribution-based policy schemes. Without this element, the coverage of such approaches is, in practice, limited.

These intermediaries also have a role in guiding MSEs, for example in translating regulatory demands into concrete actions. The proximity of the intermediaries to the economic and business contexts of MSEs is often a significant factor in their success, such as seen in the involvement of sector-based intermediaries, which helped build legitimacy for the support they provided.

Still, even with limited resources, it is possible to make a sustainable impact, as several of the examples illustrate. There may also be significant spin-off effects from one MSE to another. For example, MSEs implementing changes to improve OSH may also have an impact on OSH in other MSEs, such as in the case of subcontractor certificates or if there is an explicit learning outcome, where other MSEs can watch and learn. Such ‘learning by example’ and mimicking behaviours are also noted in the literature (EU-OSHA, 2016).

Previous research on buying and using external services other than those addressing OSH indicates that the application of external services to MSEs is often informal and reactive or conducted on a routine basis —as in the case of IT assistance (Viljamaa, 2011). Our findings suggest, however, that in several countries there is a need to further develop OSH advisory systems in order to better fit to the needs of MSEs. A consistent finding in many case companies (EU-OSHA, 2017a) that engage with external OSH service providers is that owner-managers are mainly interested in securing minimal compliance with the regulatory framework. External advisors are therefore often engaged on the basis of securing minimal arrangements for regulatory compliance — in essence to ensure that production runs smoothly without interference from the labour inspectorate or other regulatory authorities, rather than to improve the work environment and OSH performance. Some conflicting points of views also emerged during the dialogue workshops with stakeholders, between the external service providers, who in general are for-profit organisations, and other intermediaries, in terms of their agendas on OSH in MSEs. In some countries, the social partners expressed criticism of service providers who, in their experience, delivered substandard services (EU-OSHA, 2017a).

Trade union initiatives

One of the notable engagements of intermediary organisations with OSH in MSEs that is reported in the literature is that of trade union-appointed regional representatives in Sweden. These representatives, armed with a legal right of entry to smaller enterprises in which there is at least one trade union member, have made a significant contribution to improving and sustaining OSH in MSEs. This is well established in a number of evaluations undertaken since the 1970s (see, for example, Frick and Walters (1998) Walters (2002) and Frick (2009) for reviews). Research points out the mechanisms for their successful actions and what is required to support them, as well as indicating that numerically these representatives probably make a more significant contribution to providing the all-important face-to-face contact between owner-managers in MSEs and OSH change agents than either the labour inspectorate or the personnel of OSH services. Given the widely acknowledged success of this scheme, it is both surprising and disappointing to find few examples of similar approaches in other countries. In the field studies undertaken for the present research, there was little mention made of them by any of the participants. Yet examples of such initiatives are currently in place in several EU Member States, including Spain and Italy, as well as in Norway (see Walters, 2002), albeit on a much smaller scale than that of the Swedish scheme. The institutional basis for such schemes is usually a collective or tripartite agreement at the regional and/or sector level, such as in several regions of Spain and Italy. Sometimes, as in Asturias in Spain, for example, such initiatives are shared between employers and trade unions, and the representatives appointed to the task of visiting small firms in the sector/region are those of both unions and employers; in other cases such initiatives are implemented solely by trade union representatives.

In other countries, such as in Germany, France and the United Kingdom, there are regional (and sometimes sector) ‘observatories’. These are bipartite institutions or advice centres operated by trade unions or other social action groups, and funded by various means, including charitable donations, which offer free advice on OSH to workers and their organisations, including those in MSEs, and sometimes also to owner-managers in these firms. Evaluation of these initiatives is limited, but anecdotal evidence suggests that they perform a useful role as intermediary actors in support of workers’ OSH concerns in MSEs.

Historically, trade unions have been the single most important voice driving political debate leading to reforms of regulatory protections for labour. Such reforms have often served to protect workers, regardless of the size of the enterprise in which they have been employed, but as we have made clear throughout this report, for a host of reasons, achieving the arrangements for such protection in MSEs is much more difficult than in larger enterprises. This is especially so for trade unions because the organising principles around which they mobilise support in their traditional ways of achieving change are dependent on collective actions from their members. This is obviously something that is much harder to organise in the multiplicity of fragmented scenarios represented by work in smaller enterprises than it is in larger ones. It is clear that while trade unions remain the primary organisational voice for the collective interests of labour on safety and health, if they are to deliver this role effectively for the millions of workers employed in MSEs in the EU, they will need to find means other than traditional forms of organising to do so. From the perspective of policy, therefore, it would seem important to evaluate the contribution of these various initiatives tailored to meet the specific tasks of representing workers' interests in safety and health in MSEs, as the actors involved in them are often well placed to gain access to otherwise hard-to-reach workers. Some of these initiatives also offer considerable potential for expansion as part of trade union representation more generally, and it is important to better understand what the supports or barriers to achieving this in practice might be.

Initiatives supported by employers' and trade organisations

While there were fewer examples of initiatives originating from employers' associations and chambers of commerce, we did find some instances of these intermediaries directly engaging in initiatives aimed at improving OSH in MSEs (EU-OSHA, 2017a). These included, for example, the provision of guidance on OSH and work environment issues, as well as support with the interpretation of regulation and regulatory demands. Some employers' associations were particularly active in providing guidance on OSH, and in some cases even had a specific department for this purpose. For example, the Italian employers' association *Confartigianato* (General Federation of Italian Artisans and Craftsmen) takes an active role in supporting OSH development among its members by, for instance, carrying out company visits and providing information. Other examples are courses on handling various dangerous substances such as asbestos, nanomaterials or diesel fumes (in France), and organising more general courses on how to integrate OSH management into the broader management and planning of construction projects. There were also examples from Denmark and France of employers' associations offering courses in OSH management; indeed, some employers' associations in Denmark even provide the mandatory OSH workers' representative three-day training courses⁹. There were also examples of engagement via bipartite and tripartite institutions, in which the social partners established initiatives similar to the trade union initiatives described above. One such example, which has been highly successful, is the Danish bipartite OSH advisory service in construction, which was established in the collective agreements. This service provides on-site solutions and information on OSH topics and issues and is mainly aimed at small construction companies. Here, the regulatory context is also important since much of the information and advice evolve in response to regulatory demands and the areas addressed by labour inspections.

Non-OSH intermediaries' initiatives

The report of the fieldwork on strategies and actions undertaken to support OSH in MSEs in the nine countries studied further demonstrated that support is not provided solely by institutions and actors with a direct interest in OSH (EU-OSHA, 2017a). Rather, it can also be offered by others whose primary interest in MSEs is something other than OSH, but which could nevertheless have positive indirect effects on OSH; this would include, for example, small business start-up advisers, accountants, food safety inspectors, tax revenue collectors, agricultural advisors and suppliers. While we found numerous good examples of such engagement in the countries studied in our review, evaluation of them and their effects was limited (EU-OSHA, 2016). Moreover, as our previous review of the literature makes clear (EU-OSHA, 2016), in the majority of these cases, systematic approaches in which individual

⁹ Here, OSH representatives can choose the provider of the course themselves.

interventions are applied together and become part of wider coordinated strategies were usually missing. These findings were further borne out in our own field research among intermediary actors (EU-OSHA, 2017a). This demonstrated that issues of transfer and sustainability in relation to intervention that were identified in the previous review (EU-OSHA, 2016) remain a prominent concern. Similarly, the extent to which such interventions are able to reach out to MSEs pursuing low road survival strategies in high-risk work activities is of concern. Even though, as we have seen, these enterprises are arguably where a multifaceted lack of resources and workplace hazards combine to create exposures to disproportionate risk among their workers, they are also the enterprises least able to benefit from preventive interventions of a voluntary nature. One key reason for this may be, of course, the owner-manager's deliberate removal of themselves and their business from the purview of such intervention. It is well established that such owner-managers are not among those who join small business associations, that their workers are unlikely to be unionised and that their compliance strategies are those of avoidance rather than enablement. Therefore, as we also pointed out in the previous report, interventions that rely on the voluntary engagement of the MSEs on which they focus are likely to be limited in their capacity to reach them and are mostly confined to those organisations that already have sufficient will and capacity to recognise their value.

This suggests further reasons for the role of public regulation in supporting OSH improvement. Although there are many examples of good practices with interventions of both strategies and tools to support OSH arrangements in MSEs, without some element of regulatory coercion and coordinated strategy, it is unlikely that they will achieve maximum impact or extend to many of the workplaces in which both owner-managers and workers most need help. Such concerted actions have been seen in existing good practices to a limited degree, as the examples in the following section make clear.

2.6 Regulatory mixes and policies on sustainable interventions

As regulatory scholars make clear, current policies increasingly seek to exploit the synergies that might emerge from combinations of interventions, of which public regulation is only one element and may be merged with influences arising from the interests of economic and social actors and applied in concert to achieve desired outcomes more effectively than is possible through the application of such influences singly (Estlund, 2010; Flanagan *et al.*, 2011). This way of thinking about regulation does not polarise private and public regulation as opposites. Rather, it understands them to be elements of the same broad spectrum of means to achieve improved governance of arrangements and outcomes in which effects sought by constellations of actors may be obtained from the subjects to which these means are applied. In such approaches, interdependent regulatory mixes might be applied in a sequence of interventions that coordinate the regulatory instruments and actions of different actors with each other into a more or less integrated activity to achieve particular ends. A key point about this from the perspective of governance, however, is that it implies coordination that acts to join up the application of these disparate regulatory instruments in ways that will lead to achieving and sustaining their desired effects.

Regulating OSH in MSEs lends itself to this approach because, if the position of MSEs in the economies is considered even for a moment, it becomes abundantly clear that they rarely function as entirely independent entities and that they are not in complete control of their economic destiny. Rather, they are part of complex networks of economic, social and regulatory relations, upon which their survival and success are dependent and by which they are mediated. As we pointed out in the previous sections, there are some signs that regulatory agencies are increasingly aware of these issues and that, in at least some EU Member States, they are taking cognisance of them and using some of these relations to enhance the effectiveness of their regulatory compliance strategies. This was evident in, for example, Denmark, and has been further elaborated in a recent publication addressing the 'orchestrated approaches' referred to previously (Hasle *et al.*, 2017). Other examples of the apparent success of such orchestrated activities through sector-based institutions were reported in Belgium, France and Sweden, as well as to a limited extent in a few sectors in the United Kingdom. In the United Kingdom, it was also reported that, notably in construction, but also to some extent in retail and social care, well-developed approaches combining sector-based regulatory frameworks, business relations and the interventions of OSH prevention professionals, as well as engagement from trade union and employers' organisations, are used in concert to support the transfer of good practice through the tiers of supply chains. Similar

examples are also well established in some sectors in Belgium and Sweden. A number of these and other examples of apparent success in relation to coordinated regulatory mixes are described in detail in the report concerning the strategies and actions adopted by regulators and key stakeholders to support improved OSH in MSEs (EU-OSHA, 2017a).

To reiterate, it is clear that completely voluntary activities, such as paying for OSH advice, are likely to be limited to a small group of proactive companies. Furthermore, what is especially significant about these approaches is that mixed regulatory strategies take much wider perspectives of the economic context of the subjects of regulation (in this case the MSEs) and strive to embed their desired influence in a matrix of regulatory actions undertaken by different actors that already have roles in the spheres of influence in which the MSE is embedded and which can be applied to the support of a particular action. Thus, for example, while paying for OSH advice may be deemed prohibitively expensive by a large proportion of owner-managers of MSEs, the obligations of regulatory requirements to pay for insurance may be seen by the same MSEs as a more acceptable or inevitable part of the price of their 'licence to operate' the business. If this payment then allows the MSE subsequent 'free' or more affordable access to various forms of preventive support, it may be more likely that such support would improve the uptake and sustainability of advice from OSH prevention services among MSEs. Alternatively, if, as in the case of construction, the regulatory framework places OSH responsibilities on large operators who outsource labour to contractors and subcontractors, these larger and well-resourced organisations are likely to reflect their responsibilities both in the conditions of the contracts they agree with their contractors and in the arrangements they make for monitoring compliance. The contractors, in turn, will reflect the requirements in the contracts made with their subcontractors, and so on, thus creating a system for compliance and monitoring that, in theory, reaches down as far as the lowest tier in the labour supply chain. As noted above, similar approaches have been applied in other sectors in EU Member States and they are also evident in other countries in sectors such as road haulage, clothing and footwear (Nossar *et al.*, 2004; Nossar, 2006).

This said, the research study undertaken here also acknowledges that governance through the use of such regulatory mixes does not provide a complete panacea. As the previous report (EU-OSHA, 2017a) also makes clear, there may be serious obstacles to coordination in practice in some sectors or among competing institutions, as with all other regulatory strategies. Consequently, it is important to understand the preconditions necessary for its effective application.

In short, therefore, while both our field research and our literature review revealed a plethora of examples of strategies and tools that support good practices on OSH in MSEs, the transfer potential and sustainability of many of these initiatives is limited, suggesting that something more is required of them than mere attention to remedying particular limitations of OSH within an MSE to ensure their chances of on-going success. Such success, we have argued, is most likely to be achieved when policies acknowledge the embedded nature of MSEs in the social, economic and regulatory environments with which they are surrounded and seek to identify and exploit the supportive potential of processes, institutions and motivations within these environments to ensure the sustainability of initiatives applied to OSH in MSEs. However, the foundation for all policies is a coherent legislation and credible enforcement. These tell MSEs that legitimacy is dependent on a reasonable level of compliance, and provide other stakeholders, not least employers' associations and unions, with the authority, in the eyes of their members, to agree on concerted actions. As recounted above, we have identified some examples of both a growing awareness among regulators and other stakeholders of the need for such an approach and coordinated actions in some sectors that may offer a way forward. However, where we have sought to combine an analysis of workplace experience of OSH in MSEs with an analysis of what works in the application of strategies and tools to support good practice, we have found that in most cases there remains a large gap between knowledge and practice in terms of 'what works, for whom and under what conditions'. In the fissured and fractured economies that increasingly characterise EU Member States, perhaps one of the most significant gaps is the absence of a practical and workable linkage between policies at the EU, national and sector levels and the different stakeholders and intermediaries with OSH interests that potentially have a role in the regulatory mixes represented by the orchestrated/coordinated actions such as outlined above. We therefore turn to the question of policy at the EU level next.

2.7 Current EU policies and their relevance to OSH in MSEs

Two features of current EU policies in relation to OSH in MSEs are striking. First, as we have outlined in the introduction to this report, there is an obvious paradox evident in recent approaches to MSEs in the EU economy. On the one hand, the long-standing political commitment of the EU to some form of 'social Europe' means there is a policy concern with protecting workers and the conditions of their work to the same level in all the EU Member States. On the other hand, the neo-liberal orthodoxy that has dominated economic policy thinking within the EU and its Member States for several decades has created an environment in which the freedom of businesses and their markets to determine economic development has assumed paramount importance in driving policy reforms (Scharpf, 1996, 2010). In relation to OSH, this has resulted in tensions being manifested between policies with origins in social protection initiatives and those concerned with economic freedoms.

The most recent major policy developments at the EU level in which safety and health in small firms is explicitly addressed can be found in:

- the EU Strategic Framework on Health and Safety at Work 2014-2020, in which enhancing the capacity of MSEs to put in place effective and efficient risk prevention strategies is identified as one of three major challenges to be addressed;
- the establishment of the European Pillar of Social Rights, adopted in June 2017, and signed at the summit in Gothenburg in November 2017, in which particular mention is made of the need to have regard for micro, small and medium-sized firms when considering regulatory developments; and
- the Communication of the EC in January 2017 on Modernisation of the EU Occupational Safety and Health Legislation and Policy, which emphasises a need to refocus efforts on ensuring better and broader protection, compliance and enforcement of OSH standards and initiatives to support effective implementation of rules, notably in micro-enterprises and SMEs.

Arguably, these statements together encompass significant elements of current EU policy thinking on safety and health in MSEs, each repeating the same themes with slightly different emphases. Essentially, their message is two-fold. First, they recognise the existence of a problem with OSH outcomes in MSEs and acknowledge both the diversity among such organisations and the limitations of their managerial capacity and resources to address the requirements of modern process-based regulation. They therefore advocate the development of policies, strategies and tools at the national, sector and enterprise levels that acknowledge these limitations of MSEs and help them to meet realistic regulatory requirements, providing the same level of protection to workers in these firms as that afforded to those in larger organisations, but which are suitable and appropriate to the situation of MSEs. That is, these acknowledge that there is a problem of safety and health in MSEs that cannot be removed with deregulatory initiatives that aim to free owner-managers in these enterprises from so-called 'regulatory burdens'. Second, at the same time, however, they argue that increasing the detail of regulatory requirements on the owner-managers of these firms is not a solution either. They therefore advocate that policies should take into consideration the need for MSEs to conduct their business efficiently and effectively within the capacities and resources available to them, supporting them to achieve better understandings of the requirements to deliver good OSH practices and facilitating this delivery in ways that are least 'burdensome' in terms of the costs, competence and time of the duty-holding owners, while ensuring that both regulation and support are suitable and sufficient to protect the safety and health of the workers who labour in these enterprises.

Concern with 'regulatory burden', as noted in our first report (EU-OSHA, 2016) and above, is largely a product of wider EU economic policies in which, following the dictates of global neo-liberal economic orthodoxy, it is argued that the historical development of economic regulation has resulted in the market economy becoming enmeshed in an excessive body of regulation which serves to hinder the freedom of businesses to operate competitively. The policy solution to this perceived problem, expressed in simple terms, has been to advocate a reduction in the volume of this regulation, an updating and clarifying of its requirements and, arguably, a shift in its orientation towards supporting the creation of more self-regulating systems. In this process, which has been evident in many countries for some time, OSH has been singled out as a particular example of the historical accumulation of a body of regulation,

claimed to be onerous, out-dated and superfluous to the requirements of the modern economy. Such concerns, which were first aired in countries that were in the vanguard of embracing neo-liberal precepts, have gradually seeped into EU policies and resulted in a number of recent initiatives aimed at revising and re-regulating various elements of the economy, including OSH, for example the Regulatory Fitness and Performance Programme (REFIT) (EC, 2017b,c). These policy initiatives emphasise helping small firms succeed in business and a major strand of EU action in this respect is promulgated through, for example, the Small Businesses Act¹⁰, and the SME Performance Review¹¹. The latter is one of the main tools that the EC uses to monitor and assess countries' progress in implementing the Small Businesses Act, and it includes monitoring the removal of 'regulatory burdens' perceived to be obstructive to the business success of small firms.

At the same time, in a parallel institutional development also driven by austerity measures during the economic down-turn and neo-liberal political thinking, there have been enormous efforts to reduce public spending, resulting in a 'hollowing-out' of many state institutions and agencies charged with the task of administering the regulation of the economy. This is not the place to debate the merits of these policies, but rather to note that they continue to form the current and continuing policy contexts in which OSH in MSEs is practised.

In this respect, it is interesting, but perhaps not surprising, to observe that the recent policy pronouncements at the EU level, outlined above, attempt to reconcile two widely different standpoints that have characterised policy discourse around OSH in recent decades. On the one hand, as might be anticipated, they are situated firmly within the tenets of neo-liberal economic policies. They argue that the way forward lies in creating a supportive environment for the competitiveness of business. To this extent, regulatory initiatives need careful scrutiny to minimise unnecessarily deleterious economic consequences for duty holders, while greater efficiencies need to be achieved in their administration and practical supports developed to ensure understanding concerning compliance among duty holders.

On the other hand, the same policy statements explicitly acknowledge the argument that good OSH standards contribute to improved business efficiencies; therefore, the underlying logic is that greater business competitiveness requires that attention be paid to supporting good OSH practice. In so doing, they further acknowledge that this is best achieved not necessarily by the removal of regulatory requirements concerning safety and health matters in MSEs, but rather through their more effective application. For example, the Social Pillar acknowledges that workers in the EU have 'the right to a high level of protection of their safety and health at work'¹². These rights are provided through the framework of regulation made under the EC Directive 89/391. However¹³:

The Pillar goes beyond the current acquis by foreseeing a high level of protection for workers from risks to health and safety at work. It therefore urges Member States, but also employers, to go beyond the minimum requirements laid down in the current acquis and to get as close as possible to an accident-free and casualty-free working environment. This does not mean only applying the rules, but also establishing ever-improving health and safety policies with the help of tools such as web-based tools to facilitate risk assessments, dialogue with workers and workplace suppliers, all supported by guidance and feedback.

Similarly, the EU Strategic Framework indicates that among its key aims is¹⁴:

... to improve implementation of existing health and safety rules, in particular by enhancing the capacity of micro and small enterprises to put in place effective and efficient risk prevention strategies.

¹⁰ https://ec.europa.eu/growth/smes/business-friendly-environment/small-business-act_en

¹¹ https://ec.europa.eu/growth/smes/business-friendly-environment/performance-review_en

¹² European Pillar of Social Rights, available at: https://ec.europa.eu/commission/publications/european-pillar-social-rights-booklet_en.

¹³ EC Communication establishing a European Pillar of Social Rights, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52017SC0201>.

¹⁴ EU OSH Strategic Framework 2014-2020, available at: <http://ec.europa.eu/social/main.jsp?catId=151>.

A task that it indicates will be achieved by¹⁵, among other things:

Simplifying existing legislation where appropriate to eliminate unnecessary administrative burdens, while preserving a high level of protection for workers' health and safety. [Emphasis added.]

The Communication, *Safer and Healthier Work for All — Modernisation of the EU Occupational Safety and Health Legislation and Policy*¹⁶, is clearer:

Occupational safety and health measures should reach the widest number of people at work, no matter the type of working relationship they are in, and no matter the size of company they work for. Compliance with occupational safety and health rules should be manageable for businesses of all sizes and effectively monitored on the ground.

Moreover, this document is quite explicit concerning the questions of enforcement and the achievement of compliance¹⁷:

Given the importance of enforcement in occupational safety and health implementation, it is vital that Member States fulfil the obligation to ensure monitoring and enforcement on the ground and that they secure the necessary resources to do so. ... legal requirements combined with inspection are major reasons explaining why establishments develop occupational safety and health policies and take relevant action. Inspections can indeed contribute to a true prevention culture. ... And yet, the frequency of inspections varies significantly across the Member States and overall, at least 50 % of microenterprises and SMEs and 25 % of large enterprises have not had a single inspection in the last three years. [Emphasis added.]

Taking all these developments into consideration, it seems clear that policy-makers have prioritised the perceived needs of both workers in and owner-managers of MSEs in framing recent EU policy on OSH. It is also evident that this policy does not endorse neo-liberal economic philosophy and makes some concessions to the need for public regulation to protect the interests of workers. At the same time, these recent developments suggest that, although the policy documents do not offer much in the way of concrete strategic solutions, they at least demonstrate some awareness at the EU policy level of the implications of the changing world of work. In this respect, it is encouraging to note that approaches to protecting workers in MSEs acknowledge the changing nature of employment relationships and their implicit message to regulators is that they give consideration to regulatory mixes in the achievement of better protection for workers within these changing relationships. It is also noteworthy that they seek to encourage the engagement of other stakeholders in this respect. At the same time, it is further noteworthy that the current policies make explicit reference to the role of inspection and enforcement in ensuring improved outcomes for OSH in MSEs.

At the EU level, therefore, the current policy framework for OSH in MSEs is propitious. As we have detailed in the present chapter, despite considerable challenges, there is much in the business, regulatory and social contexts in which MSEs operate that demonstrates potential to support the improvement of OSH outcomes in these organisations. In addition, the strategic positions currently acknowledged by regulators concerning the application of regulatory mixes and smart regulation in a number of EU Member States go some way to address the challenges to conventional regulation that are implied by the current structure and organisation of work within the EU. There is, therefore, some cause for optimism that the EU policy aspirations to improve OSH in MSEs may be implemented appropriately in the Member States.

¹⁵ EU OSH Strategic Framework 2014-2020, available at: <http://ec.europa.eu/social/main.jsp?catId=151>.

¹⁶ EC Communication on Safer and Healthier Work for All, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2017:12:FIN>.

¹⁷ EC Communication on Safer and Healthier Work for All, available at: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2017:12:FIN>

2.8 Conclusions

The account of the institutional contexts of safety and health presented in this chapter has situated MSEs in relation to the structural, procedural and institutional influences that determine the arrangements made by their owner-managers for the safety and health of the workers within them. It has examined the outcomes of this positioning on the practice of making arrangements for safety and health in these enterprises in different EU Member States and how various actors and processes contribute to governing and regulating OSH arrangements and outcomes within MSEs. By *regulation* in this chapter we have meant not only the instruments and processes of public regulation but, since we have argued that they are only one part of regulation as it operates in modern advanced economies, also a host of other influences that contribute to the *governance and regulation* of work and the risks to the safety and health of the workers involved in MSEs. These include, for example, the role of economic actors and processes involved in determining how social and economic relations involved in businesses operate and the ways in which they act to influence OSH within these relations. They extend to embrace the actions of professional and practitioner bodies with interests in the provision of advice on OSH as well as the agencies of social insurance and welfare that are prominent actors in the OSH systems of some Member States. The analysis in the chapter has therefore taken into account arguments concerning the increasingly advocated constellations of public and private regulatory mixes that are seen by both policy-makers and regulatory scholars as particularly relevant to addressing the challenges of the restructured work and labour markets in which MSEs feature prominently. However, fundamental to the conclusions that have emerged from this analysis is that, whatever regulatory mix is implemented, and whichever actors and processes are involved, a prerequisite for success is the presence of a well-developed and credible regime of public regulation as a foundation and point of reference for all other activities. Trade union and employers' organisations, bipartite and tripartite bodies, occupational health services, preventive insurance systems and other actors all build on this regime. This is a key finding of the present study, and its significant implication for future policy is the consequent requirement that attention be paid to the need to strengthen and sustain state systems for regulation and inspection in all Member States. As the previous section made clear, the frequent reference in current EU policies to Member States ensuring the enforcement of regulatory requirements on OSH in *all* workplaces would seem to be in line with this conclusion.

The role of regulatory inspection is widely regarded as a critical influence on OSH in MSEs, and the challenges faced by inspection in current EU economies are increasingly recognised. This chapter showed that, while there is evidence of strategic responses to the challenges of reaching MSEs, there is also evidence of decline in the resources available to many national regulatory agencies to deliver these strategies effectively.

Public regulation is also to be understood in a wider conceptualisation of governance that includes both public and private regulation and regulatory mixes as well as a multiplicity of voluntary activities of agencies supplying an array of interventions on OSH in MSEs, including advice, guidance and practical tools. We have identified some of the more significant institutional actors adopting this role in relation to OSH in MSEs in the Member States studied. There exists a plethora of examples of good intervention practices on OSH in MSEs identified in our field research, which add to the list of many others already known from previous research. However, we also note significant challenges of coordination, sustainability and transfer that limit the effectiveness of many interventions and initiatives aimed at providing this support. Proper acknowledgement of these challenges would seem to be fundamental to understanding what supports improving OSH arrangements and their outcomes in MSEs. Yet it is precisely this acknowledgement that is missing from the majority of studies focusing on interventions in OSH in small firms and from most policies that claim to prioritise improving OSH in these workplaces. One consequence of this is the limited sustainability of many initiatives on OSH aimed at MSEs, which achieve a demonstrable immediate or short-term impact, but which prove difficult to transfer and to maintain over time because they are not sufficiently related to, and supported by, the wider social, economic, regulatory or policy contexts in which they are situated.

Linking this finding to the role of national regulatory inspection agencies points towards the use of regulatory mixes which present them with the opportunity to 'do more for less' in terms of the deployment of their limited resources. At the same time, it enables regulatory agencies to exploit opportunities to coordinate the combined efforts of several otherwise separate and disconnected private initiatives and

bring them to bear on achieving positive outcomes for OSH in MSEs. We have suggested that this combination presents a compelling case for regulatory agencies to prioritise their approaches to the challenge of improving OSH in MSEs through adopting a coordinating and conducting role in their orchestration of regulatory mixes. There are already good examples of such a strategy in some Member States, and it seems to be an approach that can fit well with the present EU policies on OSH in MSEs.

We have therefore concluded that, while there are many examples of successful interventions to support improved OSH in MSEs, transfer and sustainability of these initiatives remains problematic, and the good examples are typically resource demanding, which further adds to the problems of reaching all MSEs. Regulatory mixes may be helpful in this respect. However, caution is also warranted here, because our findings indicate that such approaches are not a panacea, and more needs to be learned about what determines their success. In the end it is clear that, however they are deployed, face-to-face interventions remain a more effective influence on the approach of owner-managers towards OSH in MSEs than arm's-length ones. Furthermore, within these approaches the role of regulatory inspection remains important. Reducing its resourcing is therefore likely to be counterproductive in terms of maintaining its effectiveness, and, while 'smarter' regulatory strategies are to be welcomed, they should not be regarded as a cheap solution. There is no evidence that these approaches operate effectively as a substitute for well-resourced and active regulatory inspectorates in any of the Member States we have studied.

In addition, the coordination of effective regulatory strategies operating at sector and Member State levels raises questions concerning policies and strategies at the EU level. The inclusion of OSH in MSEs in several recent key EU-level policy pronouncements constitutes a positive development. While the uneasy juxtaposition of neo-liberal economic orthodoxy and that of social protection remains a central paradox in EU policies, we have discerned something of a shift in the balance between these very different ways of understanding work and its consequences to be evident in recent statements. That is, there appears to be a consistent acknowledgement of the importance of regulation in the protection of workers' safety and health and of the responsibilities of Member States to ensure its delivery with particular reference to OSH in MSEs. This is propitious and useful and, we suggest, presents opportunities for further development and coordination of strategies to improve the governance of OSH in MSEs throughout the EU. However, we also note that achieving this in practice will require increased levels of resourcing and coordination of strategic actions from workplaces to the EU level. Despite the change in their orientation, and their listing of OSH actions to be initiated, the EU policy statements to which we have referred remain silent on how these actions are to be achieved in practice or how they will be resourced. These are important issues to be addressed, and it remains to be seen whether in this respect current EU policy will help deliver good practice or merely represent politically expedient rhetoric.

In this chapter we have taken an approach informed by understandings derived from, on the one hand, knowledge concerning the supports and constraints for OSH in MSEs and, on the other hand, that of the wider economic regulatory and labour market features, which together help determine 'what works, for whom, and with what effects' in MSEs. We have applied this approach to the analysis of our own empirical findings and situated them in relation to existing knowledge concerning the context of action on OSH in MSEs. We have done so in order to appreciate the challenges that the environments inhabited by MSEs present to the transfer and sustainability of strategies aimed at effecting improvements in the experience of OSH for their workers, within the nexus of regulation and support in which MSEs, like other workplaces, are to a greater or lesser extent embedded. However, effective actions on OSH within MSEs require owner-managers and workers to deliver and sustain them. It is therefore necessary to look within MSEs in order to fully understand these effects on actions at the enterprise level. This is the purpose of the following chapter.

3 Understanding workplace practices

What determines OSH in MSEs? Internal influences include:

- Resource poverty:
 - Multifaceted lack of resources in MSEs means that capacity (temporal, financial, managerial, knowledge) for OSH is often low (though 'knowledge' is frequently overestimated within MSEs).
- Spatial and social proximity:
 - Workers become socialised into the company perspective, and consequently ascribe responsibility for their own health and safety to themselves rather than to their employers.
- Informality:
 - An ad hoc and common-sense approach dominates in relation to work and OSH.
- Institutional pressure:
 - MSEs are less visible to regulatory enforcement and public media attention.
- Owner-managers:
 - The role, identity and characteristics of the owner-manager dominate, and OSH is rarely a core task.
- Autonomy:
 - Ownership structure and market and value chain position have important implications for risk profile and its management.
- Workers' voice:
 - Formal arrangements for workers' representation are rare and often impracticable, but informal representation and consultation are generally unsystematic and erratic and are very infrequently autonomous.

3.1 Introduction

It is obvious that policies, programmes and instruments to improve OSH in MSEs work through interacting with the people, processes and practices involved in the organisation and daily work in these enterprises. They are more likely to be successful if their design and implementation have paid regard to these matters as well as to external factors. Cognisant of this, the design of the present research included both detailed review of existing knowledge on the social and economic relations of work in these enterprises (EU-OSHA, 2016) and further empirical study in which investigation was undertaken of the experience of safety and health among 162 MSEs in seven sectors in nine different EU Member States (EU-OSHA, 2018a).

In order to understand workplace practices and perceptions of OSH in MSEs, it is important to situate them within the wider processes of work organisation, labour market and social relations in which they are embedded and which help to determine their nature. It is further important to situate this in relation to the structural influences of the wider systems, institutions and culture that also shape the perspectives and practices undertaken in relation to OSH in MSEs. The narrative in this chapter therefore begins with some features of work and business in MSEs and what influences them. It is based on the findings from both the case studies and literature review (EU-OSHA, 2016, 2018a). The chapter includes some reflection on the organisation of MSEs, the nature of power within these firms and the implications of the dominant role played by their owner-managers as well as the positions and perspectives of workers employed within them, including the difficult question of representing workers' OSH interests. Drawing on this material, it discusses attitudes to OSH engendered by the experiences of work and the conditions in which it is undertaken in MSEs, and considers their implications for approaches to addressing OSH in MSEs.

The first report of this study (EU-OSHA, 2016) undertook an extensive review of past literature on the features of work in small firms. While it drew attention to the dispersal, diversity and heterogeneity of these organisations in comparison with their larger counterparts, it also pointed out some features that are often prevalent — features that were also clearly in evidence in the MSEs that provided empirical data for the present research (EU-OSHA, 2018a). For example, often the same person both owns and manages the enterprise, and this person tends to dominate in decisions concerning the organisation's activities. Also widely acknowledged in the literature is the general position that the smaller companies are the more likely it is that owner-managers will engage in 'hands-on' production activities — a feature which was also found in the data from the present study. Similarly, it is widely accepted that there are broadly size-related patterns of difference in the way firms operate, with micro-firms (<10 employees) having the least recognisable forms of organisational management and the smaller of small firms (10-20 employees) still sharing many of the characteristics of micro-firms. However, as firm size increases towards the upper limits of definitions of size used in the present study (enterprises with fewer than 50 employees), so does their resemblance to medium-sized and larger firms in terms of their managerial arrangements. Firms of all sizes were represented among the 162 cases in the empirical study, and the arrangements made for the management of these enterprises broadly followed this pattern.

Furthermore, the firms that took part in the empirical study could be said to be fairly typical of what might be anticipated from the literature, in as far as few of the owner-managers reported having had a management education and each had their own personal history and preferences. Their management style built on their personalised experience and their belief in how a MSE was best managed. Many owner-managers interviewed for the project took great interest in the trade of their company but less interest in the more general managerial issues — including matters of OSH.

Moreover, previous research suggests that MSEs are subject to a lower institutional and regulatory pressure towards uniformity than larger firms. This may be among the features that help promote their diversity and individuality as expressions of the personalities of their owner-managers (Beck and Walgenbach, 2005). These features of pluralism and diversity also apply to OSH matters and lead to problems in applying standardised means with which to understand and intervene in them (Micheli and Cagno, 2010) and a consequent need for caution when generalising about them. Indeed, some researchers make the argument that differences between MSEs are too important to allow them to be meaningfully studied as though they are a uniform group because such a grouping masks important differences determined by particular characteristics and contextual influences, which tend to get overlooked (Torrès and Julien, 2005). However, in the present study our own interviews with participants indicated that, although diversity and context are important and need to be taken into account, the MSEs studied have a wide range of features in common. These relate not least to access to human, managerial and economic resources, and make studies of MSEs as a group with shared features relevant (see also Curran, 2006; Tsai *et al.*, 2007; Wapshott and Mallett, 2015). We also grouped the selection of firms along different dimensions, of which the national and sectoral were the most important. Hence, the research overall managed to capture both the commonalities and the variety of MSEs.

As noted in our review, there is now a substantial body of literature discussing the features of small firms, the way they operate and social relations within them (EU-OSHA, 2016). The research reported in this literature has reflected, among other things, on the role of small firm entrepreneurs in business systems (Scase and Goffee, 1980, 1982; Curran and Stanworth, 1982; Goffee and Scase, 1985; Curran, 1986) and on employment relations in small firms (Curran and Stanworth, 1981; Rainnie, 1985, 1989; Ram *et al.*, 2001). More recent HR management studies have shown an increasing interest in MSEs during the last decade or so (see, for example, Marlow, 2006; Mayson and Barrett, 2006; Lai *et al.*, 2016), with research reflecting findings from more recent entrepreneurial studies (Beaver, 2003; Down, 2006). A number of studies concerning OSH in MSEs also take a social and economic relations perspective (Walters, 2001; Vickers *et al.*, 2005; Hasle and Limborg, 2006; Hasle *et al.*, 2012a), while other research on small firms has highlighted the uncertainty these companies face and how this is a defining condition for how owner-managers manage their companies (Ram, 1994; Atherton, 2003).

This literature generally acknowledges the need to understand MSEs not only as a homogeneous group of organisations but also as influenced by the agency of both owner-managers and workers in the individual firms (Barrett and Rainnie, 2002).

In the present study, we have tried to contribute further to these understandings by more explicitly linking these insights into MSEs in general in relation to their outcomes for OSH in particular. For the present purposes, therefore, we think it is useful to start by organising the features of MSEs in a way informed by Wapshott and Mallet (2015), namely by acknowledging in particular their resource poverty, spatial and social proximity, and informality. In addition, we add some further dimensions we consider as relevant in the frame of this study, based both on our empirical findings and on additional literature: the institutional pressure to which they are subject, the autonomy and identity of the owner-manager and the challenges they present to the participation of workers.

3.1.1 Resource poverty

One consistent finding in the entire SESAME project is the multifaceted lack of resources in MSEs (see also Nichols, 1997). First of all, management resources are limited in micro and most small firms. The owner-manager often has to take care of all management functions, from marketing, sales and planning of work to billing and accounting. This is particularly the case in the smallest companies. The limited number of employees constitutes a constraint for delegating these tasks to others, in particular since the owner-manager is often the only one handling management tasks. The lack of managerial resources, which in our sample was compounded by the fact that only a few of the owner-managers had any kind of managerial education, results in a low level of general managerial knowledge. This contributes to a low level of OSH knowledge. In most of the MSEs investigated in the project, the owner-managers tended to overestimate their own knowledge and underestimate the need for specific knowledge on OSH. Many owner-managers did not even acknowledge or understand that there is a need for specific OSH knowledge and OSH management. Most often, OSH was perceived as something that did not merit specific attention. The very low level of OSH knowledge often found in MSEs is problematic, since it implies that the owner-managers and workers often do not even know there is a need to assess risks. While many of our interviewees could describe basic risks, the majority had little understanding of how to handle and redress them.

In addition, MSEs typically have scarce access to financial resources and are often in a vulnerable position in relation to their larger and stronger customers and suppliers, which can exploit their relationship to gain business advantages to the detriment of the MSE. Further, many MSEs also have limited technological resources, again because of lack of funds. This general resource poverty is one of the most important constraints for OSH management in MSEs, as OSH is only one (managerial) task among many and is generally not considered by owner-managers as a part of the running of the core business activities of the enterprise (Hasle *et al.*, 2012a). Empirically, we found that limited managerial resources were important for how workplace OSH practices played out in the companies we studied. OSH management was simply not something to which the owner-managers felt it necessary to devote more than minimum time and economic resources.

Secondly, the resources of workers are equally limited. The literature is ambivalent in the way and extent to which this is explored. On the one hand, there are arguments suggesting that for many workers, employment in MSEs is a preferred choice. Social relations in MSEs are said to be marked by the proximity and informality of the labour processes and work organisation. Owner-managers and workers meet every day, and often several times daily, they talk together, and in micro-firms they also often work side by side. This proximity requires both parties to find a way to deal with each other in a manner that makes the daily work endurable. Some owner-managers aim at a close and friendly relationship (Marlow and Patton, 2002; Down, 2006), which also results in shared humour (Mallett and Wapshott, 2014). Other writers, however, have pointed to quite a different scenario in which workers in MSEs are low-waged, highly vulnerable, precarious and fearful of their job security, exploited by their employers and without voice. As a result, they feel they have little choice but to do the bidding of the owner-manager. Such workers are often those with low labour market power, poor education and skills and employed insecurely in the firms we have characterised as employing 'low road' strategies to their survival, with the resource poverty of the workers being matched by that of their employers (EU-OSHA, 2016). In addition, as the literature reviewed in our previous report attests, represented among this group of highly vulnerable workers are a significant (but unknown) number of those whose employment status may be even more insecure because it is undocumented and who work in poor conditions in an assortment of often illegal employment arrangements in the grey area between legitimate and illegal business, which

is known to be heavily populated by MSEs operating on the margins of the formal economy. Resource poverty in such conditions is obviously extreme, but such firms are seldom the subject of sustained attention — except when they are revealed, often following tragedies in which a number of such workers have been killed or maimed as a consequence of the conditions under which they labour.

Not surprisingly, given the challenges of access to participants in research studies, it is reasonable to anticipate that firms with strained social relations and poor working conditions will be underrepresented in our sample, since such enterprises may not agree to participate in a study. We believe that this was indeed the case in the present study, and therefore it is equally unsurprising that in the cases we investigated most managers and workers expressed the view that social relations within their firms are good. The owner-managers and the workers thus seemed to adjust their mutual expectations of the social interactions and the 'do's and 'don't's for maintaining social relations and securing a daily work atmosphere in which both parties felt comfortable. Such an adjustment may cause workers to avoid any negative interactions with owner-managers, which could, for instance, involve pointing out problems in the work environment or contacting the labour inspectorate if an accident occurred. This was reflected in our data: few workers we interviewed articulated concerns about OSH and the work environment or described these as being subject to conflicting interests. However, it is important to bear in mind here that, for the most part, the workers who participated in the study were selected by their firms' owner-managers.

Nevertheless, despite the bias in our selection of cases towards comparatively high-end performers, resource poverty in relation to OSH was still most apparent where there were low levels of understanding concerning OSH requirements, limited time and attention paid to them by managers, a lack of attention to learning how to improve arrangements and a failure to regard such improvements as potentially efficient and cost-effective. Workers equally demonstrated their own resource poverty by acquiescing readily to these features of the culture of the firm.

3.1.2 Internal spatial and social proximity

In the micro-firms we investigated, owner-managers and workers generally shared the same working facilities, with the owner-manager often working alongside the workers and performing the same work tasks. This spatial proximity tends to imply a social proximity, which may be one important explanation for the tendency towards higher job satisfaction and better psychosocial work environments that is reported in some studies (Sørensen *et al.*, 2007; Tsai *et al.*, 2007). In our cases, in describing their experiences of work in the MSEs, some workers used terms such as 'extended family' when talking about the social relations in their company. This indicates how proximity may open up possibilities for workers to be integrated into a community by being socialised into the company perspective; however, an important consequence of this is that they also end up taking responsibility for their own safety at work. Workers in our study often ascribed the main responsibility for safety at work to themselves and their co-workers rather than to their employers. This has also been found in other studies (Eakin, 1992; Hasle *et al.*, 2012a). Social proximity may also enact close monitoring of workers (Eakin and MacEachen, 1998), on the one hand, and expose the (lack of) competence of the owner-managers, on the other (Mallett and Wapshott, 2014). Proximity of workers and owner-managers obviously varies with firm size; it is greater in micro-firms than in larger MSEs. However, the specific organisation of the company can also be influential. For example, in sectors such as manufacturing and hotels and restaurants, where owner-managers and workers work together in the same physical location, proximity may be at greater than in, for instance, the construction sector, where workers often work on different construction sites.

None of this should come as too much of a surprise, since the close social relations in the MSEs we studied clearly reinforced a status quo approach to OSH, in which it becomes difficult for anyone to ask for improvement of the work environment, as there is a somewhat shared understanding that conditions are at an acceptable level and risks are sufficiently controlled. Indeed, in most of our case studies, the workers shared the same assessment of risks and preventive measures as expressed by the owner-managers, resulting in neglect of less visible risks as well as psychosocial risks. Even in cases where serious accidents had happened, there were examples of both owner-managers and workers tending to agree that these could not have been avoided, and further agreeing that the main cause was stupidity on the part of the injured worker. In an Estonian case company, for example, a worker even abstained

from reporting a serious accident to the authorities in order not to harm the company. Similar findings have been reported in the literature (Hasle *et al.*, 2009).

3.1.3 Informality

Informality, or the lack of formal organisation, is a common feature of MSEs. In the companies participating in our study, both owner-managers and workers explained informality as a basic and positive way of managing the company. However, respondents from organisations in some sectors indicated a need for a stronger element of formality, such as pharmacies and manufacturing companies. However, even in these instances, formality is often limited to responses to specific external requirements, while matters such as the management of HR remain strongly marked by informality (Storey *et al.*, 2010; Wapshott and Mallett, 2015). Informality results in an ad hoc approach dominating the organisation of work, which has important implications for the way in which OSH is likely to be managed — an area that, at least in most common understandings, is considered to require a relatively high level of formalisation. While this informality may lead to low-productivity ad hoc solutions, it is seen as giving flexibility, which is a key business strategy for many MSEs (Verreynne *et al.*, 2013). Informality is also influenced by the resource poverty previously described, since there is a lack of HR to develop formalised procedures, as well as by spatial and social proximity, which is typically seen by both owner-managers and workers as sufficient to secure daily operations, as both parties are available for discussion at any given time. This experience is one of the important reasons for the difficulty of applying a systematic approach to OSH in MSEs, as both employers' and workers' experiences reinforce the idea that formalised procedures are unnecessary, on account of their close proximity to one another. This was strongly articulated by participants in some of our case study companies. For example, one Danish forestry company we studied does not have an OSH representative despite the fact that the number of employees it has makes it mandatory for it to do so. The reason workers gave for this was that formal representation would make things awkward, as they had such good social relations and daily interaction. Similar arguments have been reported concerning the experience of worker participation in smaller companies elsewhere in studies on worker representation (EU-OSHA, 2017c). Generally in our cases, while workers accepted that the owner-manager had the decision-making power in the end, many also expressed the view that they felt able to influence these decisions. However, workers could give only a few practical examples, creating the impression that in most cases it was more a theoretical possibility than a possibility that actually materialised. We will have reason to return to these lines of thinking more than once in the present chapter.

3.1.4 Additional important dimensions of the characteristics of MSEs

Institutional pressure

A slightly more abstract but equally important element of the way owner-managers and their workers understand OSH in MSEs is the effect of what can be termed institutional pressure to secure a social licence to operate (Scott, 2001). All firms — both large and small — need to be accepted as legitimate within the environment in which they function in order to be able to operate. Institutions, in this sense, constitute the social structures that regulate the relations between both individuals and organisations, and in this context especially the relations between firms and society. These structures are institutionalised when they have become generally accepted and, in principle, taken for granted. Everybody knows that they have to pay tax and follow traffic rules, even though individuals may decide to break such rules. In the same manner, owners and managers of firms know that they have to treat their customers in a reasonable manner and that they have to treat their workers properly, and they know that violation of such institutionalised rules may have severe consequences.

A prominent institutional mechanism pushing organisations to behave and organise the way other organisations do is what DiMaggio and Powell (1991) have termed 'isomorphism'. There are three types of isomorphism: (1) coercive, which mainly derives from the state and market, and forces organisations to act in a certain manner; (2) normative, which mainly originates from the professional beliefs in a certain field about what is right and wrong (doing what stakeholders believe is right); and (3) mimetic, which is copying what others are doing and is used by organisations that are uncertain about what the

right actions would be. It is pointed out in the literature that MSEs tend to experience a lower institutional pressure than larger firms (Beck and Walgenbach, 2005). Important reasons for such lower institutional pressure include MSEs being less visible to regulatory enforcement than larger firms, their lower vulnerability to public media attention, and their generally more limited governance contacts. Nevertheless, institutional pressure is important for understanding both how MSEs react and how they can be influenced in the future. In our interviews with owner-managers we found, for instance, strong normative expression about the need to take care of OSH, relatively independent of their actual OSH practice. As the overall findings in the research project strongly emphasise the importance of the regulatory element on MSEs' behaviour in relation to OSH, this also suggests that coercive institutional pressure is key. At least, coercive pressure forms the basis for much action of both owner-managers of MSEs and the intermediaries operating with them. We found many examples of owner-managers taking their understanding of regulatory demands as their point of departure for addressing OSH issues.

Owner-managers in MSEs: identity

The four dimensions previously described are helpful in providing something of an outline of the contexts that influence the nature and outcomes of arrangements for OSH in MSEs. It is clear that, for a host of reasons, they act in concert to promote the role of the owner-manager as the key player in decisions concerning the operation of the firm and, as such, in decisions that affect OSH arrangements and practice. Additionally, the central role of the owner-managers in MSEs is distinctive from the situation in larger firms where other forms of ownership are found and where the owner is rarely involved in daily operations. The key role of the owner-manager is, therefore, frequently highlighted in all types of research on MSEs, as most often these firms are characterised by having an owner, or sometimes a partner-owner, who is also the daily manager of the firm.

A further important element of previous research on MSEs is its focus on how being an owner-manager of an MSE helps form the identity of these individuals (Reynolds, 1991; Down, 2006; Hasle *et al.*, 2012a). The majority of owner-managers make their living from their small business and they devote all their working time to it. The business is also often closely integrated with their family lives, not least because family members may also work in the business. Their identity is therefore shaped by three core elements: (a) being an entrepreneur running a business; (b) the craft of being, for instance, a carpenter, a hairdresser or chef, with which the business originated and around which it developed; and (c) the family. The close spatial and social proximity of owner-managers to both work and family also encourages them to identify themselves as decent people taking care of their workers and also demonstrating this to the network of workers, customers and other stakeholders with which they are involved. Many of the owner-managers of the MSEs involved in our research in nine European countries expressed a generally positive attitude to maintaining a good work environment, although at the same time many also demonstrated low awareness of what this actually means in terms of understandings about requirements concerning OSH. While a positive identity of the owner-manager seemed important in the majority of the cases in the field research, it was not a given and it did vary significantly across countries and sectors. For example, identity and family bonds appeared to be particularly important in the agriculture sector, which still has a strong tradition-bound identity, but appeared to be less significant in other sectors.

As wider research makes clear, identity is not something that is necessarily achieved with any degree of permanence, but something that owner-managers, like other people, are constantly shaping in a process that has been termed 'identity work' (Sveningsson and Alvesson, 2003; Watson, 2009). With such a process, people construct their understandings of themselves and in so doing create a picture of themselves that is acceptable to them. In the case of owner-managers in MSEs, this picture is shaped by the social relations between their actions and how others react to these actions. Thus, identity and the reflected opinions that help form it are not necessarily consistent and may change according to expectations that emerge in different social relations, such as between owner-managers and their peers, family, workers or other stakeholders. This partly explains how, in relation to OSH, owner-managers might, in the same interview, argue for the need to maintain a high safety standard while at the same time downgrade the need to take action themselves or ascribe the main responsibility for such actions to their workers. Statements emphasising that workers need to look out for themselves because the owner-manager cannot watch them all the time occurred in different forms in many of our interviews.

Thus, the majority of owner-managers stated that they aimed to secure a good work environment with no accidents, but they also expressed an acceptance of the risk that accidents may eventually happen. They sought to avoid the risk of being blamed for causing harm to their workers, and so tended to place responsibility on their workers. Owner-managers, therefore, often responded in interviews by saying that workers need to 'look after themselves'.

They typically expressed the view that the workers could ask for improvements and changes in the work environment or for personal protective equipment (PPE) and, in such cases, the owner-managers claimed that they would grant the request, if it were within their economic capacity to do so. Not only does this show the ad hoc and reactive approach adopted by the majority of owner-managers, but it also confirms the low level of knowledge of OSH and related legal requirements of owner-managers, which they compounded by overestimating their understanding of both the OSH risks and the necessary measures for control. This is a tendency also reported in previous studies (Fairman and Yapp, 2005b; Olsen *et al.*, 2010). A further relevant factor that helps influence this attitude among owner-managers is related to their limited experience of accidents. Despite the higher risks that are statistically associated with work in MSEs as a whole, accidents remain a rare occurrence in any particular MSE (Hasle *et al.*, 2009, 2012a).

MSE autonomy and OSH

The majority of firms that made up the cases in the present research project are independent companies. This is an important distinction because earlier research has indicated that small organisational units/firms that are owned by larger corporations do not share the same high-risk profile as independent MSEs (Sørensen *et al.*, 2007). The field data analysed in the report on 'the view from the workplace' (EU-OSHA, 2018a) suggest a similar finding. Those MSEs that were part of a larger entity often had a more systematic approach to OSH management. However, this field study did not systematically access other newer organisational forms, such as franchises, a business model built on the outsourcing of risks and uncertainties to weaker parties, which are often MSEs. In the case of the few examples of MSEs included in the study that were owned by other companies or which were franchisees, the results showed that the larger owning companies often imposed more systematic OSH management on their MSE subsidiaries. For example, in some French cases there was an OSH organisation that covered several MSE subsidiaries within the same firm group. In this way, the subsidiaries accessed resources from the larger mother company. In another example, from the United Kingdom, a public house which had implemented an OSH programme did so because it was part of a chain of public houses belonging to a larger company. However, there were other franchisees in the dataset that did not report any positive effects of being part of a larger organisation, a finding that has also been reported in previous studies (see, for example, Mayhew and Quinlan, 2002). Indeed, in one case, the manager of a French hotel that was part of a larger organisation reported being unable to obtain approval from the firm's owner to invest in OSH improvements. It is clear that ownership structure has important implications for the risk profile and for its management, but that there may be more than one possible outcome as a result of this influence; what determines the direction it takes is a topic that needs more research.

3.2 Workers in MSEs: the problem of representation on OSH

Formal institutions for workers' representation are rare in MSEs. Indeed, in some EU Member States, micro-firms (and in certain cases firms with fewer than 20 workers) are exempted from statutory requirements to establish arrangements for workers' OSH representation. It is well known that the presence of collective representation on both general matters and OSH is proportional to size and is far more likely to be found in larger establishments than in smaller ones. This was certainly our finding: very few of the 162 case companies had any formal institutions or procedures for worker representation in place. In addition, the pattern of general decline in institutions of representation, along with that of trade unions generally, is now well established in the large majority of Member States of the EU. It is present even in those Member States in which, traditionally, the institutions of worker representation are especially strong (EU-OSHA, 2017c). While this slope of decline varies from country to country and from sector to sector and is not consistent over time, the general picture is one of a reducing presence of such institutions and the situation in smaller enterprises is more extreme than elsewhere.

In the cases of MSEs studied here, formal representation was most often entirely absent, but practices of informal representation and consultation with workers were also very unsystematic and erratic. This type of representation of workers' interests was reported to be present by owner-managers. However, often when such claims were probed during interviews, the 'informal representation' that was claimed, in the end, amounted to little more than the owner-manager stating that the workers could always address him or her with OSH issues if they wished. Among the workers who were interviewed, few gave examples of such informal representation of their interests, and even fewer gave any examples of this involving OSH issues. This picture of limited worker representation was further supported in the study of policies and programmes of intervention on OSH in MSEs, with the trade union officials and representatives of employers' organisations who participated in most countries reporting that formal worker representation in MSEs is very limited (EU-OSHA, 2017a). These results are similar to those reported in several previous studies (Gilman *et al.*, 2015; Wapshott and Mallett, 2015).

In several case companies, workers as well as managers suggested that they found it difficult to get workers to engage in OSH at the workplace level. At the same time, the workers interviewed tended to accept an extended responsibility for OSH and also expressed concerns that drawing attention to OSH problems should not challenge harmonious social relations, productivity or the management prerogatives of owner-managers.

These perceptions of their participation in processes in which safety and health may be implicated are related to the proximity of social relations in MSEs, which, as is well established, encourage both workers and their employers to regard formal representation as inappropriate to their circumstances. Another way of looking at the seemingly conflicting findings on communication, consultation, participation and representation of workers' interests in OSH is afforded by contradictory findings in relation to psychosocial issues in MSEs. Although it is well known that MSEs constitute a high-risk group of firms when it comes to accidents and physical risks, the situation regarding psychosocial risks and job satisfaction is more uncertain. As previously mentioned, there are some indications in the literature that psychosocial risks are lower in MSEs (Sørensen *et al.*, 2007) and that job satisfaction generally is good (Edwards *et al.*, 2009; Tsai *et al.*, 2007; Storey *et al.*, 2010). This was also indicated by many workers in our case companies. A plausible explanation for this experience may also be related to the close social relations and good communication present in these firms. However, it is not always the experience of the workers, as Eakin and McEachen (1998) demonstrate. Their results indicate that bullying and harassment appear as often in small as in larger enterprises (see also Lewis *et al.*, 2016), while others also find that the level of job stress is approximately the same in small and larger enterprises (Lai *et al.*, 2015).

In the cases studied in the present research, workers frequently talked about 'we' and often identified with the owner-manager's position, as also reported in previous work (EU-OSHA, 2016). This may be especially the case for core workers in MSEs, who have been employed for a relatively long period, are trusted by the owner-manager to share their values (Schlosser, 2015) and experience a sense of 'participation' as a result. In contrast, the more vulnerable workers with a less stable relationship may experience the situation differently. This finding is in accordance with the literature; Eakin (2010), for example, argues that workers' perceptions of, and responses to, issues of health and injury are closely tied to the social relations of the production in which they are embedded. She further argues that there are two features of these relations that have particular consequences in small workplace settings: personal relations of work and the social proximity of labour and management. She concludes that, when working 'normally', these features make for a supportive and central feature of workers' experience, noting, as in the empirical findings of the present study, that they were often cited by the workers in her own studies as the reasons for job satisfaction and a sense of shared interest with that of management and the enterprise generally. However, she further argues that this 'normality' masks the workers' perception of the conflict of interest inherent between them and the owner-managers of the organisations in which they work. She suggests that it is generally when things go wrong in matters of safety and health, such as when workers are injured or made ill by their work, that their sense of 'being treated like a person' disappears and the conflict inherent in the labour management relationship in small firms is unmasked.

The findings on the form and role of representation and consultation with workers on OSH in the empirical results of the case studies also resonate with those of a recent study that focused specifically on these arrangements by undertaking case studies in enterprises of different sizes, but in the same

range of sectors, in seven different EU Member States (EU-OSHA, 2017c). Included in the cases were a number of small establishments, and the findings on the arrangements and practices for worker representation and consultation on OSH in these establishments were quite similar to those reported here, but the analysis conducted was more detailed than was possible in the present study, so it is instructive to examine what was concluded.

The report (EU-OSHA, 2017c) concluded that, in small firms, size, organisation and operation, the accessibility of decision makers, shared experiences and the proximity of social relations all contribute to making formal arrangements for worker representation seem cumbersome and unnecessary to many of the participants who manage or work in such establishments. Participants from all of the countries in the study were able to furnish examples of situations in which they believed the direct participation of workers and managers achieved the desired effect of engagement with OSH issues. However, while these may have been examples of good communication on OSH problems and solutions in small firms, the study concluded that, when such participation occurred, it was not solely a function of establishment size but was also in part determined by the relations of production in these firms. What the findings also showed quite clearly was that, in most situations, features of what make arrangements for worker representation a useful contribution to successful outcomes in larger firms do not apply in the same ways in small firms as they do in larger ones. Such formal arrangements are neither practicable nor necessarily a useful strategy in small organisations. Nevertheless, there is a clear difference between representing the autonomous interests of workers¹⁸, which research shows are far from always identical to those of the business or its owner-manager, and getting workers to participate in schemes that serve only to further organisational and business interests. More effective OSH arrangements for small firms would therefore seem to require a means of autonomously representing the OSH interests of workers that is relevant to the structural determinants of economic and social relations within and around these firms. There were few signs of such means present in the cases from any of the countries included in the study, nor were they present in any of the company cases reported in the present study. This is an issue to which we will return in our discussions in Chapter 4 concerning appropriate programmes to support workers, and well as their employers, in improving OSH in MSEs.

3.3 An ad hoc and common sense approach to OSH

Turning to the operation of OSH within MSEs in which both employers and workers are involved, and how the daily organisational processes unfold, our field study (EU-OSHA, 2018a) highlighted how the informality of operation, spatial proximity and limited resources in many MSEs led to limited planning of work activity. This was particularly the case in relation to managerial tasks that were not perceived to be directly concerned with the basics of production, such as those addressing OSH. There were marked differences between sectors in the amount of planning of production that occurred, and in sectors such as manufacturing or transport, where substantial planning is required to properly organise production, while it might be theoretically possible to integrate OSH into this planning, this was not necessarily reported in our study. Although MSEs in the manufacturing and transport sectors appeared, in general, to be better at planning than most firms in the other sectors, OSH remained largely peripheral to this planning, even in these sectors.

Thus, the empirical findings indicate quite strongly that, since most owner-managers in MSEs do not consider OSH as part of their core tasks, they also do not consider it to be an issue that it is necessary for them to manage as an integral part of their core tasks. Instead, they had a reactive and ad hoc approach to OSH, which was further reinforced by their limited management resources, which were normally fully occupied by day-to-day operations. This applied in relation to both workplace practices and general OSH management. This has also been a consistent finding in the literature on MSEs (Walters, 2001; Baldock *et al.*, 2006; Hasle and Limborg, 2006). Such a reactive approach in MSEs is also found in other policy areas, such as food safety (Fairman and Yapp, 2005a) and the general

¹⁸ The research literature demonstrates that one of the preconditions for effective actions of representatives of workers on OSH is their capacity to understand OSH in ways that are autonomous from the normative arguments of their employers (EU-OSHA, 2017c). Such 'knowledge activism' (see Hall *et al.*, 2006, 2016) combines technical, political and representational understandings in ways that enable them to implement effective strategies on OSH matters during consultations with their workers (see also Walters and Frick, 2000; Walters and Nichols, 2007).

management of employees in MSEs (Marlow *et al.*, 2010; Ram, 1994; Kitching, 2016). In terms of OSH, therefore, these owner-managers mainly react to demands from labour inspectors, workers or the local community, or when an accident or near-accident occurs in their company. Their approach, in this respect, also leaves little room for more systematic and analytical ways of addressing OSH, since they tend not to initiate preventive actions or improvements in OSH on their own, but only if this is required by external pressure. This is further reinforced by the practical experience that 'we have not had any accidents, so we are doing things right'. Owner-managers usually believe that working conditions in their business are safe and that there is no need to do anything further. They therefore also tend to consider investment in OSH, the use of external knowledge and the involvement of workers in OSH as unnecessary (Bonafede *et al.*, 2016).

Both owner-managers and workers applied what we described (EU-OSHA, 2018a) as a 'common-sense' approach to their daily OSH routines. We used this term because it is the one frequently used by both owner-managers and their workers in the interviews, when they presented 'taken for granted' and 'self-evident' understandings of what were the 'best ways' of addressing OSH. As we explained in detail in our previous report (EU-OSHA, 2018a), these understandings referred to shared perceptions and judgements, appealed to as possessing authority and therefore not requiring debate. It was closely related to (but not the same as) the tacit knowledge ('tricks of the trade') necessary to do a 'good job' and also to the adoption of routines that are deployed in daily working procedures. However, as we point out in the report on the field study (EU-OSHA, 2018a), while routines are associated with actual operations and tacit knowledge refers to 'embodied' knowledge that is difficult to articulate, in 'common-sense', the emphasis is on more abstract and culturally determined perceptions, which anticipate (in this case safe or unsafe) behaviour and decisions. This implies a significant difference between tacit knowledge and 'common sense'. The former is based on knowledge learned in practice and from within communities of practice. Although the latter may include some of this, in addition it embraces socially constructed understandings received from a host of wider sources in the social milieu inhabited by workers and owner-managers both inside and beyond the enterprise. As Almond (2015) has pointed out and as we discussed more extensively in the previous report, such influences can lead to profound changes in the ways in which matters such as risk, safety and work are perceived by the public at large and the sources that inform it, which can also further alter perceptions within workplaces. Such ways of understanding are, of course, socially constructed, and as such they are prisms through which workplace experiences are processed and perceived and through which sense is made of these experiences. The consequences of this may be that the significance of risk and the actions deemed appropriate to address it are socially amplified or reduced.

One important effect that we generally found to be associated with the common-sense approach was that it appeared to give workers a high degree of discretion in choosing the solution they deemed appropriate in any given situation; this also implied a discretion to choose unsafe solutions, such as those that are perceived as time-saving or ones that increase production. Such solutions often become part of 'normal practice', even in situations in which workers are instructed by the company rules to do things in a specific manner. This is not so far removed from what Nichols and Armstrong (1973) observed nearly 50 years ago in their investigations of the reasons behind the occurrence of industrial accidents in a workshop that was part of a large manufacturing establishment. Their analysis focused on underlying sociological reasons why workers had performed the proximal unsafe acts that had led to their injuries. They showed that the explanation for these acts was to be found in the wider relations of production within which they occurred. Each accident had taken place when the victim and others had been trying to rectify faults that had interfered with the production process. They had done so by breaching safety rules not because they were ignorant of the rules, or apathetic or unconcerned about their safety, but because their actions were determined by stronger imperatives concerning production and profitability, which were prioritised by the company management and which permeated the ethos of social relations among managers and workers alike. To workers who, like those in small firms, saw safety as a matter of personal responsibility 'common-sense' understandings suggested that actions to ensure the continuity of production were more important and therefore to be placed before those addressing personal safety.

As we have already reported, several owner-managers, while acknowledging their overall responsibilities for the safety of their workers, said that they could not monitor workers all the time and therefore could not force workers to abide by existing regulations. For instance, they might require

workers to wear PPE, but they could not ensure this requirement was actually always met. Thus, because of what they perceived as limitations to their capacity to control workers' behaviour, they often stated that the workers were responsible for looking after themselves, and that they should 'use their common sense'. As we argue in the report on 'the view from the workplace', which was based on our fieldwork, this response is somewhat disingenuous, and a more sociologically informed perspective might interpret it as emblematic of a trend towards responsabilisation of workers in neo-liberal economies (see Gray, 2009), where responsibilities are, in practice, tacitly shifted from the legal duty holder (in this case the employer) and placed on the shoulders of those the duty was originally intended to protect (the worker). While this may be obvious in some situations, it was more ambiguous in many others, but overall these situations conspired to leave the ultimate responsibility for safety with workers.

Common sense may originate in part from training and socialising into trades and professions. However, it may also be acquired in the company itself and adopted from the pervasive effects of owner-managers' work opinions and practices. Like routines and tacit knowledge, common sense is reinforced over time and is ingrained through repetition and role-following while at work, and is influenced by colleagues and peers (see, for example, Knudsen, 2009). While, of course, the development of common sense may lay the ground for working safely through a shared perception and judgement of what is safe, it can also include socialisation into a failed understanding and underestimation of risks. Since the power relations that are implicit in MSEs will conspire to make it difficult for workers to refute the authority associated with common sense that is shared by the owner-manager or to debate its legitimacy, it is likely that it will tend to be persistent. As a result, the more ostensible advantages to 'risky' common sense mean that such unsafe common sense tends to be perpetuated. The fact that it is difficult to debate and refute 'common sense', combined with limited employment security, the individualisation of work and its increased responsabilisation under the influence of change in the wider neo-liberal political economy (see, for example, Gray, 2009), means that it is of some concern that not only might risks themselves be easily overlooked, but systematic approaches to risk management might also be replaced by so-called common-sense approaches. In such scenarios, a lack of appreciation of the usefulness of OSH management and a potential rejection of its application also occur in tandem with a shifting of responsibility for these matters to the worker.

3.4 Conclusions

This chapter has outlined some of the features of MSEs apparent both in previous research and in our own empirical studies, and which our analysis suggests are important determinants of approaches to OSH in these firms. In keeping with previous analyses, we have first grouped these features into those concerning the multifaceted limitations on the resources available to both employers and workers in these enterprises. We have further identified the spatial and social proximity within which work takes place and the informality of its organisation in MSEs as important determinants of the kind of arrangements made for OSH. We have also noted the limited and different role played by institutional pressures on these firms when compared with their larger counterparts, arguing that this too is important in influencing the extent to which effective arrangements are likely to be made to manage OSH. We have considered the effects of these factors in combination with, on the one hand, the important role played by individual owner-managers in MSEs determining the nature and extent of attention likely to be paid to OSH in the enterprises and, on the other, the limited and challenged role for conventional approaches to the representation of workers' interests in social and economic conditions that characterise work in these enterprises. All of this, we suggest, promotes what we have referred to as 'the common-sense approach' to arrangements for OSH in MSEs — even in those firms and among those owner-managers who consider themselves to be concerned with the safety and health of their workers. In this situation, 'common sense' is likely to either underestimate or wrongly diagnose both the nature of risk and the means of its effective management, while at the same time, and for the reasons we have explained, it also acts, in practice, to shift the burden of responsibility for doing something to address the risk from the employer to the worker.

We have further suggested there is nothing particularly new in the way that such burdens may be placed on workers rather than on the employers who often actually hold the legal responsibility to take preventive actions. As the literature makes plain, reasons for such practices are embedded in the wider relations of production within which they are situated and which help determine the dominant culture in

enterprises, which is in turn driven by a combination of ignorance and the economic survival strategies of owner-managers, with which workers are complicit in order to protect their livelihood (EU-OSHA, 2016: 76-79). What is, for our purposes, perhaps more significant is that, in the case of MSEs, the drivers of these relations are less often those determined by the employment relationship and more often the result of downward pressures, as a consequence of the weak and vulnerable positions occupied by many of these firms at the ends of long supply chains. In such circumstances, a multifaceted poverty of resources, along with the other broad features to which we have pointed, may act in concert to achieve this outcome in scenarios in which employers and workers are complicit and in which both employers and workers are left with little latitude to choose alternative courses of action. In making sense of their situation under such conditions, they adopt 'common-sense' understandings of matters with the potential to affect their safety and health. As Eakin (2010) pointed out, as long as things are going reasonably well for the business and its workers, in these situations such sense-making suffices for both workers and their employers, but when something goes wrong, such as when a worker sustains a serious injury or a damaging work-related health effect, these events are likely to change their victims' perceptions of reality and result in conflict.

As we have repeatedly made clear, the constraints of qualitative field research mean that participants in our study probably over-represented employers and workers in companies in which there was a perception that things are going well. Moreover, as noted previously, the workers who participated in the study were partly selected because of their experience of the firm and were often selected by owner-managers. Therefore, more established core employees, who were regarded favourably by managers, were probably also over-represented in the study population. Both factors probably contributed to the prevalence of such 'common-sense' understandings. Nevertheless, the testimony of this group supports this analysis and it seems most likely that it would be reflected even more in situations in which both the downward pressures of supply chains and competition with rival MSEs oblige owner-managers to adopt more 'low road strategies' towards the survival of their businesses.

There are important consequences for preventive strategies attached to these understandings that require some reflection. We take these reflections forward in the following chapter, beginning with a re-examination of the typologies of business practice, size and sector that emerged in the analysis of the 'view from the workplace' in our previous empirical study (EU-OSHA, 2018a).

4 The design of interventions

Designing supports for OSH in MSEs

- To be sustainable and transferable, supports need to be part of a comprehensive system with extensive reach among MSEs.
- They need to take account of the changing contexts (international, national, sectoral and internal) that are influential over OSH risk and its management in MSEs.
- Key elements include:
 - face-to-face contact with trusted intermediaries and dialogue-based, personalised approaches;
 - integration of OSH with other management priorities and keeping costs down;
 - awareness of differences between MSEs, and consequently how to try to reach out to avoiders and reactors as well as learners*;
 - inclusion of coercive (state and market), normative (professionally accepted standards) and mimetic (matching peers) mechanisms of institutional pressure;
 - consideration of the strong linkage between the owner-manager's identity and their business;
 - consideration of the workers' standpoint, including how (or if) they are involved in/consulted about OSH;
 - awareness of differences with size (e.g. in relation to management structure, business strategy, employee relations, and so on) within MSEs;
 - tailoring to sectors and even subsectors.

*Avoiders: those who neglect OSH and address it only if forced to do so; reactors: those who adopt a reactive approach to OSH, with minimal compliance; learners: those who are active in relation to OSH and aim for comprehensive compliance.

4.1 Introduction

The research undertaken in this project has examined the experience of OSH in MSEs as it is perceived by workers and owner-managers as well as the programmes and instruments that state and private actors (including intermediary actors) use in their efforts to improve this experience. Clearly, there are connections between these two fields of study, and these need to be taken into account in the design of interventions on OSH in MSEs if they are to be effective. In this chapter, we consider implications for the design of interventions that are inherent in findings on work and business practices referred to previously and which were also the detailed subject of the report on the view from the workplace (EU-OSHA, 2018a).

As discussed in Chapter 3, we have identified a set of determinants of workplace practices on OSH in MSEs. These include the multifaceted poverty of resources available to both managers and workers in MSEs, their spatial and social proximity and informality, as well as the nature and effects of institutional pressures on them. In the previous report, we further developed a set of typologies to describe key features of work in MSEs (EU-OSHA, 2018a). These were based on the business practices of the owner-managers of MSEs, as well as on the size of the firms and the sector to which they belong. In Chapter 2 of the present report, we added a fourth typology, taking account of similarities and differences in national profiles of OSH in MSEs. We argued previously that if we are to make sense of workplace experiences in ways that are useful for the development of effective programmes and instruments to improve OSH in MSEs, such broad typologies are a useful way of summarising the factors that programmes and instruments need to take into account if they are to have any chance of success.

The present chapter therefore presents an outline of the key elements of the typologies discussed in detail in the previous report (EU-OSHA, 2018a). Drawing on the analysis in Chapters 2 and 3 of the present report, it explores their implications for the design of programmes, actions and instruments with which to intervene effectively in improving OSH in MSEs. Bearing caveats of heterogeneity and diversity of MSEs in mind, and also recognising that by definition both typologies and attempts to categorise the determinants of workplace practices generalise rather than specify characteristics likely to be present in all individual cases, the chapter begins with a discussion of the approach to the design of supportive systems. We then proceed with a consideration of determinants and typologies before exploring their implications for the design of efficient programmes and instruments. We contribute by building on the typologies and pointing out how they can be used in the analysis of ‘what works, for whom and in what circumstances’. We conclude with a discussion of their implications for the sustainability and transfer of preventive actions.

4.2 Delivering support to MSEs

The results from the three studies that have constituted the research undertaken in the SESAME project clearly indicate that MSEs have a special need for support to secure safe and healthy workplaces. They have fewer resources to control OSH risks at the workplace level, they do so in an unsystematic and ad hoc manner, and they overestimate both their OSH knowledge and their level of control. As shown by the many examples of good practices we identified in this project (EU-OSHA, 2017a,b), it is therefore important that support and attempts to improve OSH in MSEs are tailored to the specific needs of MSEs in a manner that takes account of their heterogeneity. The design of supportive systems, therefore, needs to take into account the different typologies that are related to business practice, sector, size and other characteristics as discussed in this report.

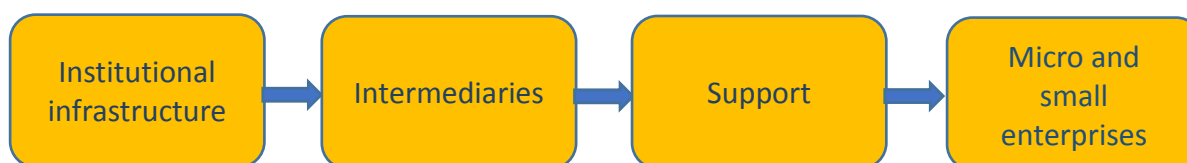
As demonstrated by the many good examples of these measures identified in the research (EU-OSHA, 2017a,b), there is a broad scope for assisting and targeting MSEs with supportive measures. and this is also the case in relation to the majority of MSEs, among which there is little evidence of a proactive approach to OSH. In our analysis of the results from the three research studies in the SESAME project, we have identified a broad range of these good examples of arrangements and applicable tools, which are sufficiently tailored to meet the needs of MSEs and thereby provide much needed support for improving OSH. As was well understood before this project was undertaken, a shortage of these instruments is not the main problem. More significant in our view is the position of these tools and other forms of support in relation to wider features of the regulation of OSH and indeed — even more widely — to their position in relation to the regulation of the economy generally. We think that this is particularly important because, as we have argued in all three of the research reports, in order to be effective, to ensure transferability and to be sustainable, programmes and instruments aimed at contributing to improving OSH in MSEs need to be part of a comprehensive supportive system that reaches a substantial proportion of MSEs, including what we have referred to as the ‘reactors’ and ‘avoiders’ among them (see section 4.4).

Moreover, it needs to be recognised that the economy of the EU and its Member States is far from static; indeed, its chief characteristic is frequently said to be its rapid and accelerating change. We have pointed out throughout this research that MSEs are central to such change, as they both contribute to its creation and pace and are affected by its consequences. We have pointed out that much of the nature and prevalence of poor OSH outcomes and precarious employment in these firms is, in one way or another, associated with the consequences of these changes from more traditional forms of work structure and organisation, and labour markets. It therefore follows that, if efforts to address these consequences in the form of initiatives to improve OSH arrangements and outcomes are not both cognisant of the causes of what they seek to remedy and sufficiently integrated into wider systems intended to address them, they are unlikely to enjoy significant success. In this chapter, we focus on how to design support that fits the typologies and the characteristics of MSEs and discuss the wider economic context and policy implications for support systems.

The conventional elements of such a system as it might apply to an MSE are represented in Figure 7. This illustrates the processes by which an MSE gets support in the form of, for example, inspection,

advice or an OSH tool, building on information or funding provided by or under the aegis of a wider institutional structure. Support typically needs to be initiated or communicated by an intermediary (in particular in the case of 'reactive' firms), which can be an inspector or some form of OSH advisor, whether they are a representative of an OSH professional organisation, an employers' organisation, a trade union or another organisation such as an insurance company. Whoever they are, face-to-face contact with intermediaries is found to be beneficial in this process. However, intermediaries ideally also need to be embedded in an institutional infrastructure that ensures that they have funding, a legal platform, the necessary qualifications and a governance structure providing strategic and organisational guidance — all of which are more likely if the strategies and policies of the institutional infrastructure prioritise such initiatives in relation to MSEs.

Figure 7 Delivering support to MSEs



Under these circumstances, intermediaries act as important conduits to an improved OSH setting in MSEs via various initiatives, as is shown by the good examples identified in the present research and documented in previous studies. These can include a variety of different forms of tools or strategies as well as forms of information, tailored to best support the needs of OSH practice in MSEs. In addition, there are occasional examples of supportive tools that are effective even in the absence of a direct connection with an intermediary. However, all of this is predicated on the capacity of the regulatory support network in which such intermediaries and the tools they facilitate are embedded to engage with the MSE. The problem, as we have repeatedly argued in this and previous reports, is that, within the current economic and labour market structures in which MSEs are embedded, the capacity of such a regulatory support network is so low that just a fraction of those MSEs that need such support are actually reached.

Despite these challenges presented by the 'hard to reach', the outline of these conventional support systems remains relevant for a large proportion of reactive MSEs as well as for those with the potential to become 'learners' (see section 4.4) in their approaches to addressing OSH arrangements. Therefore, in the following subsections, drawing on some of the good examples identified in our field studies, we briefly address design recommendations for these supportive systems, which can be developed on basis of the understanding of the characteristics of MSEs, their owner-managers and the typologies presented below. Reflecting earlier suggestions by Hasle *et al.* (2012b), this is ordered with reference to what we have previously identified to be important dimensions for the understanding of MSEs, thus taking account of their multifaceted poverty of resources, their spatial and social proximity and informality and the institutional pressures to which they are subject.

4.3 Designing interventions for MSEs with particular characteristics

In Chapter 3 we presented resource scarcity, physical and social proximity and informality as among the most important general characteristics of MSEs that affect their capacity to make suitable and sufficient arrangements for OSH. The same features can also be used to inform the design of programmes and instruments, which are tailored to the special conditions of MSEs.

4.3.1 Resource scarcity

For owner-managers in most MSEs, the scarcity of resources is an inevitable part of running their business. As such, it is also a major barrier for the designers of OSH support. Potential solutions need to aim to integrate OSH measures with other management priorities and to keep costs down (Table 1).

Table 1 Design recommendations based on resource scarcity

Characteristics	Description	Design recommendations
Limited management resources	The owner-manager often has to take care of all tasks, such as sale, billing, planning, personnel, safety and health, and purchase of equipment and materials	<ul style="list-style-type: none"> • Tools and policies with limited time use • Integration in other management priorities • Increasing workers' engagement with and participation in OSH-relevant activities
Limited economic resources	Limited cash flow and profit as well as difficult access to financing	<ul style="list-style-type: none"> • Low-cost improvements • Low- or no-cost OSH support • Utilise existing funding opportunities

We have identified a few examples of how this can be approached. One possibility may be through requirements for OSH management in the supply chain. These are currently found, for example, in regulatory requirements in the construction industry. OSH management is most often considered by MSEs to be excessive and bureaucratic, but the combination of a simplified model and supply chain requirements can make it work. We found several good examples that do so in the construction industry (two from Germany, one from each of Belgium and the Netherlands and one from the Olympic Park in the United Kingdom) where OSH is integrated in the general planning of construction processes (EU-OSHA, 2017a,b). A key element of these approaches is to ensure that the systematic management of OSH that they advocate is sufficiently simple and practice oriented to be understood and appreciated by owner-managers and workers in MSEs.

Another example of careful consideration of resource scarcity is the ILO programme WISE (Work Improvements in Small Enterprises) (ILO, 2013). This programme integrates OSH with lean production principles with a focus on low-cost solutions and positive achievements. It is thus an example of how business focus in the form of production efficiency can be designed in order to meet the special conditions of MSEs. A similar approach has recently been published in a case from the forestry and pulp industry in Quebec, Canada (Tremblay and Badri, 2017).

4.3.2 Spatial and social proximity and informality

The proximity and informality of work in MSEs, and in particular in the smallest companies, suggest that dialogue-oriented methods can be particularly successful in supporting change. As we have made clear, results from the study of programmes and instruments (EU-OSHA, 2017a,b) have shown that owner-managers of MSEs prefer personal and dialogue-based approaches. They tend to transfer their experience from the informal proximity of their work arrangements to externalised contacts. This has consequences for their engagement with labour inspectorates, as they prefer the direct conversation of face-to-face contact, including when it comes to the enforcement of regulation. In such a dialogue, however, it is important to acknowledge the business context and the challenges the company is facing (Table 2).

Table 2 Design recommendations based on physical and social proximity and informality

Characteristics	Description	Design recommendations
Underestimation of risk and overestimation of knowledge	Owner-managers as well as many workers believe that risk is controlled and low on account of the rare occurrence of injuries, and they therefore believe that they have the necessary knowledge to control risk	<ul style="list-style-type: none"> • Use of already accepted risks as a point of departure • Transfer of knowledge through trusted partners (e.g. other owner-managers or employees)
Ad hoc and retrospective approach	Risks are acted on when incidents bring them to the surface. Traditional systematic safety and health management is considered unnecessary and bureaucratic	<ul style="list-style-type: none"> • Integration of OSH practices in the daily dialogue between owner-managers and workers, achieving greater engagement of both. Examples can be planning/operational tools in the form of short, standing meetings such as toolbox talks and lean board meetings • Limit of the requirement for formalisation
Personalised external contacts	The personal dialogue experienced in daily operations is translated into a preference for personal contact with customers, suppliers, officials and advisors	<ul style="list-style-type: none"> • Support provided through trusted personal and qualified contacts • Networks of peers

As previously noted, low managerial resources in combination with proximity and informality make traditional concepts of OSH management problematic. Both owner-managers and workers believe that it is unnecessary and bureaucratic and therefore a waste of time. They believe that traditional risk assessment and control approaches are not necessary and, at the same time, they generally overestimate their knowledge and underestimate the degree of workplace risk in their undertaking. We came across few companies among our cases that devoted specific management effort to OSH and the work environment. The overwhelming majority did not see OSH as something that can or should be managed separately. In fact, many saw it not as a managerial topic at all, but rather as something that is inherent to the work processes and work organisation in the industry, with most MSEs seeing OSH as, at best, a peripheral issue.

The experience of most intermediaries, and among some of the most fruitful good examples collected in this project, is that most owner-managers prefer direct, trusted and personalised contact. Several good examples showed how this preference could be included in the design of supportive systems, both by including advisors and by personalised contact with inspectors, social partners and peers within the sector. One such example was the INQA (Initiative Neue Qualität der Arbeit, Initiative for a New Quality of Work) network 'Offensive Mittelstand' (Advance SMEs), a German network of experts providing OSH support to MSEs (EU-OSHA, 2017a,b). This showed how personalised contact can be developed both with expert advisors and with peers. Another example, building on the need for personalised contact, is the Danish Bambus case (EU-OSHA, 2017a,b), which is a construction sector OSH initiative managed jointly by trade unions and employers' organisations, mainly advising MSEs on OSH issues. The advisers operate from a vehicle, so they can easily reach construction worksites and provide direct and tangible support, which is highly appreciated. In fact, the personalised contact was in many cases found to be more important than the affiliation of the contact person giving the advice. Trade union regional representatives in Sweden, to which we referred in Chapter 2, provide further good examples of the effectiveness of personal contact. As we noted previously, there are more examples of similar 'regional representatives' in other countries functioning along similar lines to those in Sweden that are well documented and long-standing, including schemes in Italy, Norway and Spain (see, for example,

Walters, 2002). None, however, operates on quite the same scale as the Swedish scheme. Therefore, while such approaches have been shown to have enjoyed widespread success in some countries, such as Sweden, it is not clear that the preconditions for such success, such as relatively high levels of trade union membership in small firms, are experienced on a similar scale in other countries. This suggests that some degree of innovation is required in policy thinking about ways in which the evident strengths of successful schemes in which trade unions and union representatives have been involved can be made more transferable in the future.

As mentioned previously, owner-managers of MSEs also prefer personal contact with individual labour inspectors. This is perhaps unexpected, because of the typical enforcement-based duties of the labour inspectors, but many appreciate inspection visits as long as they feel that inspectors understand their situation and can provide tangible help. However, this type of personal contact is increasingly constrained by the limited resources of the labour inspectorates and the need for them to 'do more for less', which may act to cut back such hands-on approaches to MSEs.

With such limited resources and the growth of the internet, there has been an increase in web-based tools and advice. Many of these are carefully tailored to MSEs in specific sectors, for example the OiRA tool (Online interactive Risk Assessment, an e-tool developed by EU-OSHA)¹⁹. However, even the best tailoring cannot overcome the fact that the owner-managers of some MSEs believe that they possess the necessary knowledge and have control of risks and, as a result, do not search for such tools on the internet. In the case of OiRA, social partners or authorities in some countries, such as France, have made an effort to promote its use. Here, and in the case of other similar tools for which there is some evidence of a more widespread use, the role of more hands-on approaches to their promotion is important. In the case of forestry in Sweden (EU-OSHA, 2017a,b), for example, tools have been almost hand-delivered to MSEs by sector stakeholders (inspectors, regional safety representatives, unions and employers' associations) over many years. Their use is therefore also determined by these personalised contacts — at least at the peer level where the mimetic mechanism is also an influence in that potential users can see that other MSEs are already using the tools.

4.4 Designing for the typology of business practice

We classified MSEs according to the extent to which their owner-managers pay attention to OSH and OSH management in their business practice. Based on our findings (EU-OSHA, 2018a), and in line with those of previous literature (Vickers *et al.*, 2005; Lansdown *et al.*, 2007; Hasle *et al.*, 2012b), we suggested three different 'types' which can be distinguished by their business practices and reactions to OSH regulation and other forms of support aimed at improving OSH. We call them 'avoiders,' 'reactors' and 'learners'²⁰. Table 3 below summarises some of the important differences between the types as we identified them by the behaviour of owner-managers. Bearing in mind that these are intended to represent exemplar 'types', and no single MSE will necessarily fully fit just one type, features of each type will most often be present in a specific firm, with those of one type being dominant.

By far the largest group in our study could be classified as reactors. Avoiders seemed to be under-represented among the case companies, and there were also only a few examples of learners. This is not necessarily representative of the distribution found in the economy as a whole, since, as we have made clear in this and our other reports, our sample was not selected to be numerically representative in this way. However, the distribution was corroborated by the findings from the second fieldwork study on policies, programmes, action and support for OSH in MSEs (EU-OSHA, 2017a), in which participating stakeholders and intermediaries indicated that in their experience reactors were also in the majority among MSEs.

¹⁹ See <https://oiraproject.eu/en>.

²⁰ See EU-OSHA (2018a) for an elaborated discussion of the typology

Table 3 Differences in business practice in relation to OSH among avoiders, reactors and learners

	Avoiders	Reactors	Learners
Understanding of risk	Neglected or unavoidable part of the trade	Unavoidable part of the trade	Can be identified and controlled
Responsibility	Mainly with workers	Shared with workers	With the employer
Risk assessment	Carried out only if forced	Carried out but not actively used. Often outdated.	Carried out and actively used in risk prevention
External advisors	Avoid if possible	If legally required, used for securing minimal compliance	In some examples used to improve and secure OSH practice
Labour inspections	Hostile attitude, but takes action on minimal legal requirements or after incidents	Accepts and complies with inspectors proposals	Wants to stay compliant before visit by inspector and to develop OSH further
OSH knowledge/perception	Common sense Does not look for new knowledge	Common sense Used if required or proposed by peers, but does not actively seek out knowledge	Can be learned/systematic knowledge Actively looking for new knowledge

These characteristics have important consequences for how owner-managers handle workplace practices on OSH and therefore for actions and strategies to support them. Avoiders tend to neglect work environment issues, and many are forced to follow a low road survival strategy, typically utilising precarious contracts, low wages and often low-skilled labour in order to compete in low-quality or non-specialised markets. Some avoiders may also use low OSH standards as a competitive business advantage, for instance in construction, owner-managers may avoid spending money on scaffolding or similar preventive measures. Although most of the MSEs we investigated resemble the reactor type, many also shared some avoider-type features. Both types generally displayed a passive approach and understanding of OSH. OSH risks were typically seen as inherent in the industry and unavoidable. Owner-managers did not actively seek to improve or change the work environment and reacted only when an accident or serious incident occurred, or when OSH was brought to their attention in some other manner, such as through a visit from the labour inspectorate or interaction with other intermediaries.

Significantly for the present analysis, we found that many of the best practices in OSH interventions identified in the study also succeeded in reaching out to MSEs that had a reactive approach (EU-OSHA, 2017a).

Many of the intermediaries who participated in our study (EU-OSHA, 2017a) felt that avoiders could take an interest in improving their work environment. This happened in particular if the timing of their intervention was right, the service or improvement was made attractive to them, such as when it was provided free of charge or at very low cost, or where OSH improvements could be associated with improvements in productivity.

Our final group of MSEs, the learners, were more often associated with a high road strategy for their business, where they compete in high-quality or niche markets, emphasising product quality rather than pure price competition. These companies often hired highly skilled workers and emphasised on-the-job training and development. They might even be persuaded that better OSH conditions, or a sensitivity

towards considering OSH, might support the retention of employees. Owner-managers perceived OSH as something that can be controlled and improved, and they typically saw the improvements as part of an on-going development of their business. Learners actively used available OSH knowledge and external advisors and had a positive perception of labour inspectors as partners rather than opponents. Firms categorised as learners are obviously easier to address with various voluntary supportive strategies, while the avoiders and reactors are much more difficult to engage in voluntary initiatives. Therefore, we conclude that inspection and regulation are particularly important in reaching out to avoiders in particular, but also to reactors.

4.5 Institutional pressure

These three types are likely to react differently to institutional pressure to improve OSH at the company level, as summarised in Table 4, which shows the three dominating isomorphic mechanisms. At one end of the spectrum, avoiders deny or actively try to avoid following rules and norms, mimicking other companies pursuing low road strategies for the survival of their businesses, in the belief that non-compliance may provide them with a competitive advantage (at least in the short term). Learners, at the other end of the spectrum, in general attempt to be in proactive control of OSH risks, and seek to develop in the policy field as well as in terms of practical workplace solutions to OSH challenges.

Table 4 Institutional pressure and business practice typology

Isomorphic mechanisms	Avoiders	Reactors	Learners
Coercive	Often deny the need to follow rules — try actively to avoid rules that are seen as potentially limiting to their business. Often consider OSH regulation overly bureaucratic	Do as they are told, but often with minimal compliance	Try proactively to fulfil legal requirements
Normative	Do not per se share norms/have their own common sense approach. See risks as inherent to the industry	Try to read expectations from stakeholders. Take action when key stakeholders express explicit criticism	Try to ensure that conditions are at least as expected by stakeholders Try to affect the development of the field
Mimetic	Do as other companies in the same competitive position (including when this means not fulfilling legal requirements)	Do as most peers in the field	Try out new preventive possibilities

Even though MSEs are subject to a lower institutional pressure than larger firms (Beck and Walgenbach, 2005; EU-OSHA, 2017a), this is still an important area for consideration when designing support programmes and instruments for MSEs. Table 5 provides an overview and indicates that the design of support systems should take into consideration all three mechanisms. Avoiders will, in the short run, be more susceptible to coercive mechanisms, which may come in the form of inspections or OSH requirements from customers in the supply chain. However, they will, in the longer run, also react to the two other mechanisms, as norms become more broadly institutionalised in a particular sector and as

they find specific OSH solutions among their peers and they realise that these may be beneficial to their business. Learners will, in contrast, be the first movers who start the norm formation and will also be the ones trying out innovative solutions and proving that they can work in practice.

The need to develop support systems in which all three mechanisms are active is one of the important reasons for the development of the coordinated or orchestrated examples that we discuss further in the next chapter.

Table 5 Design recommendations based on isomorphism

Institutional mechanism	Description	Design recommendations
Coercive isomorphism	The pressure from inspectors and other stakeholders for maintaining a certain OSH standard	<ul style="list-style-type: none"> • Make the required OSH standard visible for MSEs through inspections or customers' demands
Normative isomorphism	The norms for what is acceptable, expressed by peers, customers, workers and others stakeholders	<ul style="list-style-type: none"> • Secure dialogue about OSH with peers and other stakeholders • Trusted stakeholders, such as employers' associations and other business associations, express the norms for the OSH standard
Mimetic isomorphism	The practice that other peer firms are following	<ul style="list-style-type: none"> • Develop good examples that show peers that the solutions can work in practice

Although isomorphic mechanisms might be regarded as overtly abstract and distant from practice, we found that practical examples can nevertheless be used to show how these mechanisms work. We have already discussed the importance of, in particular, avoiders and reactors meeting coercive mechanisms through, for instance, inspection, but both of the other mechanisms were also found in practice.

One particular example from Germany, referred to earlier, is a regional network that brings together experts to support OSH developments in MSEs (EU-OSHA, 2017a,b). This is a voluntary, free-of-charge network that provides support to improve OSH and general staff management. It promotes successful, staff-oriented corporate management through the development of up-to-date standards and practical instruments, and provides a forum where owner-managers and other staff can meet with OSH experts to discuss their experiences and supporting schemes and tools for OSH improvements. The network thereby also works with developing shared norms, and, while the main group of participants probably share characteristics with the 'learner' type, the development of shared norms among the participants is nevertheless a crucial part of developing new norms among MSEs at a broader level.

An example of an initiation of the mimetic mechanism can be found in Danish preventive packages, which introduced specific evidence-based solutions to OSH problems (Kvorning *et al.*, 2015; EU-OSHA, 2017a,b). In this case, the Danish state provided financial support to individual MSEs in high-risk sectors, such as construction, to implement good OSH solutions, such as using lifting aids. Although the solutions could work for the individual supported firm, the practical use of the solutions could also initiate mimetic mechanisms, as other firms observed that such solutions were working in practice.

4.6 The owner-manager's identity

In Chapter 3 we discussed the strong linkage between owner-managers' identity and their business. As both their working life and, to a great extent, their family life are integrated with the business, it becomes difficult for owner-managers to distinguish between themselves and their business. Understanding this strong bond is crucial for the design of supportive systems. It is one of the reasons for resistance to traditional risk assessment, as owner-managers may see listing many risks as an indirect criticism of their neglect of their employer responsibility. Consideration of this identity is therefore one important key to avoiding rejection of attempts from intermediaries to reach out to MSEs. The overall design recommendations are depicted in Table 6.

Table 6 Taking owner-manager identity into consideration

Characteristics	Description	Design recommendations
Identity from being an owner-manager	The owner-manager takes his or her identity from the business and it is important for the owner-manager to appear to be a decent person	<ul style="list-style-type: none"> • Application of methods that do not include direct or indirect criticism of the owner-manager • Low-cost solutions that support the owner-manager's identity
Immediate decision authority	Being the sole person with management authority makes it possible to take quick decisions and implement them immediately	<ul style="list-style-type: none"> • Make tangible suggestions for how to 'do' rather than for how to 'find out'

A key issue for all intermediaries is, therefore, as already stated, to develop a dialogue-based style that builds on respect for the business and for the challenges the owner-manager faces in the fight for the business's survival. It was made clear by the intermediaries in the study that even for inspectors, who by definition are looking for wrong-doing and thereby have a critical approach, the effect of an inspection would be greatly enhanced by such an approach. Possibilities could, for instance, be to show interest in the business, by asking about achievements and pointing out positive solutions in the workplace. In addition, owner-managers often ask about what to do in terms of tangible changes, whereas more general requirements for carrying out an overall risk assessment will be much less effective. The ILO WISE approach mentioned previously is another example of an approach that takes this characteristic into consideration. Its point of departure is a positive approach, pointing out achievement, and then involving owner-managers and workers in suggesting improvements (Hamed and Martino, 2013). Peer networks are further examples of supportive measures that do not threaten the identity of owner-managers, since they are sitting together with like-minded persons, who are in the same position and typically share many of the concerns related to their identity as an MSE owner-manager. Peers are therefore in a position where it may be easier to discuss matters that owner-managers find hard to discuss with other OSH actors.

4.7 Workers' voice and participation

While there is a strong focus on owner-managers, it is of no less importance to take account of the workers' standpoint when designing interventions to improve OSH in MSEs. As we have argued throughout this report, it is necessary to include the workers' perspective because OSH solutions are likely to work better when they address the concerns of workers and when they achieve the engagement and involvement of workers in their delivery (see Table 7).

Table 7 Design recommendations based on social relations and workers' voice

Characteristics	Description	Design recommendations
Social obligations	Close relations create psychological obligations towards each other. Both owner-manager and employees often use the term 'family' to describe the firm	<ul style="list-style-type: none"> ▪ Utilisation of personal dialogue ▪ Greater consideration of the needs, understandings and perspectives of workers
Autonomy	Workers have a relatively high level of autonomy in their daily operations	<ul style="list-style-type: none"> ▪ Seek greater engagement from workers through adopting more participative approaches to OSH tasks ▪ Integrate OSH into the autonomous tasks undertaken by workers ▪ Recognise and reward OSH responsibilities appropriately

Here two considerations are of particular prominence. First, the informal work organisation with low or no formal worker representation, which is the most common situation in MSEs and which implies that supportive strategies must take into consideration how workers are engaged, and in particular if the initiatives require particular forms of action for such workers. Owner-managers and their advisors often said that they found it somewhat difficult to engage workers in OSH initiatives in MSEs, whether these were formal or informal, and these challenges clearly need to be addressed. Few tools and strategies took this constraint into consideration. Second, the informality that typically characterises the MSE is important. For instance, written procedures describing how the work is done or organised are rare, and it would in many cases be unrealistic to suggest that supportive strategies should be based on written material. However, this is often the case for OSH management systems. There is also significant sector variation on these two dimensions, with, for example, manufacturing having in general more formalised work processes than, for instance, the construction, manufacturing and HORECA (hotels, restaurants and catering) sectors.

Although trade union membership and representation is acknowledged to be weak and often entirely absent in MSEs, it nevertheless occurs in some cases. One example of building on a trade union presence is found in the system we have already described for trade union regional safety and health representatives in Sweden (EU-OSHA, 2017a,b). These representatives are appointed by trade unions to cover multiple enterprises, especially MSEs, on the basis of there being at least one trade union member in such establishments that otherwise have no formal structure for worker representation. This system, established by law in Sweden generally since the 1970s, has been the subject of several evaluations since that time (see Frick and Walters, 1998; Frick, 2009, 2013), all of which have identified the strong positive outcomes of the scheme. Also significantly, while the scheme has been the subject of politically motivated objections from employers' organisations, individual owner-managers have been noted to find the support it offers them as well as their workers beneficial and have been, as a result, positive in their comments concerning it (Frick, 2009). Previous research has detailed the reasons behind the success of the programme, pointing out that the representatives are usually experienced union representatives from the particular sector, often having held safety representative positions in large companies. They have inside knowledge on the industry, are experienced in labour relations techniques, and are often viewed by owner-managers with respect, as peers rather than as external intermediaries. A particular challenge for this system currently, however, is its reducing resources (see Frick, 2011), as well as the recent resurgence of political opposition to it from employers' organisations, which are currently pressing for its abolition.

As we have also pointed out, such schemes are not limited to Sweden but are found, albeit on a much smaller scale, in other countries too, such as in Italy, Norway and Spain. Moreover, other examples of initiatives that have been tried on a voluntary basis in the past can be found in the United Kingdom and the Republic of Ireland (see Walters, 2002). All such approaches are widely perceived to be successful in supporting both workers and owner-managers of smaller firms to make more effective arrangements for safety and health. However, they are all predicated on the presence of trade union membership and/or agreement between employers' organisations, unions and often regulators that such initiatives — whether uni- or bilateral — are worth investing in.

The absence of such approaches does not mean that worker participation cannot play an important role in achieving improved OSH arrangements in MSEs. As many of our cases illustrated, spatial and social proximity between workers and owner-managers means that direct and individual participative approaches to the way in which work is organised, especially in microenterprises, is often the norm. Participation on OSH would simply be an extension of this. Several of the good examples we have identified also stressed the need for worker involvement (EU-OSHA, 2017a,b). One is the Danish example of a prevention package, which required workers to be directly involved in the changes occurring at the workplace, so that workers were, for instance, actively involved in the redesigning of their workplace.

The challenge in such situations, therefore, is not necessarily the question of informal participation itself, but rather what that participation is about. As we discussed in the previous chapter, when common-sense approaches are applied to OSH matters in these firms, all too often this is little more than the responsabilisation of workers as a consequence of poor understandings and inadequate preventive provision for OSH on the part of employers. The need to address this situation with effective strategies that encourage both owner-managers and workers to 'do the right things right' on OSH in MSEs is therefore a major task for governance and intervention at all levels.

4.8 Considering the size typology

As we have already made clear, we also found patterns in the empirical data, in which size matters in relation to how MSEs organise their activities and how OSH is handled at the firm level. We found important differences dependent on size within the range represented by MSEs, especially between micro-companies with only a few employees and the 'largest' small firms with nearer to 50 employees. As documented in the literature, these larger firms in our sample most often have more than one managerial layer. Typically, moving upwards from around 10 employees, owner-managers tend to move away from involvement in production activities and focus only on management tasks. With more employees, a second layer of management is likely to be included. This naturally differs across companies, where some owner-managers delegate managerial tasks despite having only a few employees, while others prefer to handle management themselves while still taking part in production in companies with a relatively large number of employees. The decision to form an additional management layer is typically a gradual transition and is influenced by sector, production process requirements and ownership structure.

It is not only in terms of management structure that size has an effect on how the MSEs are organised and behave. We also found patterns in relation to business strategy, employee relations, HR management and social relations. These differences are closely linked with the degree of informality, proximity and resource scarcity, which in general tend to decrease with growing firm size.

In Table 8, we summarise some of the main differences in relation to firm size within the group of MSEs studied. As with the other typologies, these differences are better understood as a continuum rather than a distinctive typology. Nevertheless, the table provides some useful inputs on how size also affects the characteristics that have implications for OSH outcomes. While Table 8 highlights only a few direct OSH characteristics, it is important to note that the other size-related characteristics also have important implications for how OSH is managed. As might be anticipated, while there are nuances, the level of OSH management improves with increased size, in keeping with management more generally.

Table 8 A typology of the influence of size for MSE

	Micro firms (<10)	Larger small firms (>20)
Business strategy	<ul style="list-style-type: none"> More reactive and low road (in the sectors of this study) Rarely growth ambitions 	<ul style="list-style-type: none"> More proactive and high road More often growth ambitions
Management	<ul style="list-style-type: none"> Only owner-manager who usually also participates in production 	<ul style="list-style-type: none"> Often at least one more level of management with supervisor taking care of the direct management of daily operations
Employees	<ul style="list-style-type: none"> Only one occupation related to running the business, which is quite often also the owner-manager's own occupation, sometimes outsourced support functions Low division of labour 	<ul style="list-style-type: none"> Often administrative and other supportive staff Also division of labour in production
Social relations	<ul style="list-style-type: none"> Close and personalised 	<ul style="list-style-type: none"> Owner-managers often relate to workers through supervisors
Worker organisation	<ul style="list-style-type: none"> Informal, unlikely to be through trade union membership 	<ul style="list-style-type: none"> Some evidence of union membership likely — may even be workplace organisation (depending on country regulations), although still not likely to be common
HR	<ul style="list-style-type: none"> No formalities, personalised 	<ul style="list-style-type: none"> More formalised procedures
OSH	<ul style="list-style-type: none"> Owner-manager takes care of OSH No OSH representatives Rarely any actions on OSH unless forced 	<ul style="list-style-type: none"> A staff member appointed as OSH officer, sometimes a committee and elected OSH representatives (depending on country regulations) The OSH officer and OSH representatives active on OSH matters

There are clear implications for the design of interventions that can be derived from these understandings, and again they were manifest in the experiences recounted by stakeholders pursuing such interventions. In designing for size, many of the features discussed above are particularly relevant for micro-firms, whereas some of the traditional OSH management approaches become more relevant as size moves towards the ceiling of 50 employees included in the definitions used in this study. For example, the threat to owner-manager identity is lower in a firm where there is an additional management layer and where, therefore, a supervisor has daily contact with workers. This is also the case in relation to resource scarcity, proximity and informality. With growing size, new possibilities arise. Many countries have, for instance, size limits for the election of OSH representatives (starting in many cases at 10 employees) and for the establishment of OSH committees. In these larger small firms, therefore, it becomes increasingly likely that both worker and management representatives, with some knowledge of OSH, may be present. Consequently, it is more likely that the small firms will utilise available resources for OSH, such as internet-based information, as well as undertaking OSH

procedures, such as systematic risk assessment. A reflection of this size effect was also demonstrated by the analysis of data from ESENER-2, which was presented in Chapter 2 and which showed a clear relationship between increased size and increased presence of a range of indicators of OSH management practice.

4.9 Designing for sectors

It is common practice for OSH professionals to fit interventions to particular sectors. However, even though the sector is generally acknowledged to be key to understanding the activities of firms of all sizes, it is nevertheless sometimes difficult to capture generic differences in OSH activities and approaches between sectors. This may, in part, be because predominant modes of production/service delivery are not identical between sectors in different countries, and also because these change over time (but often at different speeds between countries or regions). In addition, it can be difficult to turn general regulation into sector-specific programmes and instruments. This research project as a whole included a sector perspective in its design in order to help reveal these differences. For instance, the dialogue workshops conducted in the field research on programmes and instruments to support OSH in MSEs (EU-OSHA, 2017a) were designed for different sectors: construction, manufacturing and HORECA. Each sector has different physical and socio-economic characteristics, such as business setting, production and labour processes, and output (goods or services). These physical and organisational characteristics are important both in terms of the OSH risks prevailing in the sector and in influencing the way their management is approached. While the main differences between sectors relate to their specific characteristics, some less substantial differences originating from more cultural dimensions also emerged in both fieldwork studies. For instance, as noted previously, OSH culture in agriculture was found to be more rooted in a traditional and family-based understanding of the industry than in most other sectors. Similarly, in enterprises operating in the HORECA sector, OSH risks were often understood as inherent to the industry.

OSH programmes and instruments aiming at improving OSH at the sector level must therefore be tailored to the specific context and characteristics of that sector. Table 9 represents an attempt to compare each of the seven sectors included in the project across some of the key areas that may have implications for the OSH setting of enterprises operating within those sectors. Our intention here is not to be comprehensive or exhaustive, but rather to highlight the importance of considering multiple contexts, and their potential for wide-ranging differences between sectors, many of which may be subject to change over time. To this end, therefore, the table takes the data collected from the participants in our case studies as its starting point (EU-OSHA, 2018a). These data were illustrative of various aspects of workforces, regulatory and economic environments and risks that are characteristic of the sectors and branches that were the focus of our study; indeed, there was nothing in these data that deviated from the general patterns of such features that are widely attributed to these sectors. The table, therefore, presents some examples within each of these four areas across the seven sectors included in the project. It is not an attempt to detail all, or in some cases even what might perhaps be considered the most significant, of these characteristics within each of the sectors and branches included in the study. Rather, it is intended to be indicative of the multifaceted contexts in which MSEs are embedded and their variation with sector. In particular, the table highlights the myriad and fluid combinations of the range of aspects of these sectoral contexts that make up the 'worlds' that MSEs inhabit — and which, therefore, must be considered by those designing sector-specific interventions.

Table 9 A typology of the influence of sector for MSEs: examples of characteristics of workforces, regulatory and economic environments and risks across the sectors and branches in which the case study enterprises were operating

	Construction: construction of buildings and specialised activities	Accommodation and food service activities	Manufacturing: manufacture of metal, food, wood, chemical, paper and textile products	Agriculture: crop and animal production and forestry	Wholesale and retail trade: wholesale trade; maintenance and repair of motor vehicles; and retail sale of pharmaceutical and medical goods, and of new goods in specialised stores	Transport: haulage and freight	Human health and social work: care provision for adults and children, dental and other clinical provision, and provision of training and activities
Workers	Skilled and low skilled, many temporary, male dominated	Many unskilled, temporary, young, casual, family	Skilled and low skilled	Many unskilled, temporary, young, casual, family, male dominated	Skilled and low skilled	Skilled and low skilled, male dominated	Skilled and low skilled, female dominated
Sector-specific regulation	Emphasis on use of the supply chain to influence OSH standards; licensing and regular inspection for certain branches (e.g. asbestos)	Licensing and regular inspection	In particular in certain branches (e.g. those related to food and chemicals)	Use of particular substances, animal welfare etc.	Licensing and regular inspection, but only for certain branches (e.g. pharmacy)	In relation to goods and security, but particular emphasis on drivers, including licensing and monitoring (e.g. tachographs)	Licensing and regular inspection
Economic environment	Tendering and contracts; multi-employer relations	Seasonality	Many branches	Seasonality, traditional	Importance of image	Tendering and contracts; multi-tier/outourcing relationships	Reliance on public funding
Indicative risks	Working outdoors; on temporary/clients premises, falls (including from height), moving machinery/plant, lifting/carrying	Contact with public (can be unpredictable and potentially dangerous), long/irregular/unsociable working hours, repetitive work, kitchen work	Moving machinery/plant, lifting/carrying	Working outdoors, lone working, animals (can be unpredictable and potentially dangerous), moving machinery/plant, lifting/carrying	Contact with public, lifting/carrying	Working indoors/outdoors, lone working, moving vehicles (person-machine interface), lifting/carrying, long/irregular/unsociable working hours	Lone working, contact with clients and public (can be unpredictable and potentially dangerous), lifting/carrying

There is no space here to detail how to design for each sector — and, indeed, that was not the remit of this research — but we will highlight some of the important considerations that need to be taken into account in the design process. The key point we wish to emphasise is that sector tailoring is much more important for MSEs than for larger firms. This is because the latter will often have staff dedicated to OSH who can translate general OSH regulation and information into the specific requirements of the firm in the particular sector, whereas the MSE is dependent on intermediaries providing support by having already carried out this translation. Language is therefore crucial. Terminology and language specific to the particular sector, and quite often subsector, is needed for owner-managers and their workers to make sense of OSH support. In restaurants, for instance, information on general hazards related to accidents, dust and fumes is unlikely to be appreciated by owner-managers and their workers in MSEs, whereas the risk of knife cuts, burns from hot surfaces and exposure to flour dust and fumes from heated oil would probably mean much more to them.

Sometimes it is possible, by combining elements, to make instruments that would not be expected to fit sector-specific work. Construction owner-managers and workers are normally quite averse to systematic OSH management, but in the right context of simple systems and supply chain pressure it can be made to work, as the earlier mentioned examples of OSH management systems applied in Belgium, the Netherlands and the United Kingdom make clear. Another example identified in our study was Safe Forestry in Sweden. This is also an example of a sector where workers are used to working independently, in this case in a forest, and are often resistant to formalised rules. However, a combination of tools tailored to the special conditions of the sector, and agreements between the stakeholders about the need to improve safety in the forests, have created a system of certified forestry safety training, which is now widely applied.

The OiRA risk assessment tools are further examples of careful tailoring to sectors and in many cases subsectors (EU-OSHA, 2017a,b). Experience shows that their successful application is dependent on the strong involvement of social partners and other stakeholders, such as occurred in Belgium and more likely to be found where the benefits of using the tools are conveyed to MSEs by trusted intermediaries, particularly the employers' associations and unions to which they are affiliated, as was seen in the case of hairdressing.

4.10 Conclusions

The findings from the SESAME studies have provided us with a broad range of insights that should be taken into consideration when supportive measures for MSEs are designed. The insights discussed in this chapter could potentially increase the reach, uptake and efficiency of such supportive measures. Since the SESAME research has also confirmed that MSEs are, in general, less likely to seek out help themselves, it is of particular importance to improve the available support to secure as great an impact as possible.

In sum, the creation of these simple design recommendations based on our MSE typologies helps to highlight some general features of similarity and difference that emerge from the detailed analysis of the findings of both previous research and the fieldwork conducted in the present project. They are not intended to provide a rigid or exclusive script on how to design efficient programmes and instruments, nor do they necessarily reflect the full extent of experience of safety and health at work in any particular MSE. Nevertheless, we conclude that they are useful when reflecting on what needs to be taken into account when developing programmes and instruments to influence owner-managers and workers in MSEs to improve their arrangements for OSH.

However, while the design of appropriate interventions is crucial to their success and needs to take proper account of the realities of work and business as they are experienced in MSEs, it is equally important to bear in mind that the wider governance of societies in which MSEs are embedded also needs to provide a steer to ensure MSEs meet appropriate standards in their work environment. The implications for such policies have been highlighted in our research, and we will turn to these in the following chapter.

5 What have we learned about OSH in MSEs and what does this imply for their governance and regulation?

Implications for policy

- A strong emphasis on regulatory inspection of MSEs provides a strong foundation for achieving measurable OSH improvements, as well as for the activities of other intermediaries.
- Personalised contact and integration of OSH solutions with other managerial issues are more likely to be effective — whoever the intermediary.
- Adaptation to sector-specific settings, addressing particular (sub) sector OSH challenges, and responsiveness to specific problems when they arise, increase success in reaching MSEs.
- Most owner-managers and workers in MSEs overestimate their OSH knowledge and underestimate risks, so an emphasis on improved knowledge and awareness is important — though not sufficient to secure OSH improvement.
- Actions orchestrated and coordinated at the national or sector level and involving a range of means and intermediaries have better reach and influence.
- Secure and continuing funding is important, in particular as programmes free to MSEs have the broadest reach and uptake.
- Stakeholders' acceptance of policies is central to their legitimacy and the institutionalisation and normalisation of the OSH standards they aim to achieve, so the involvement of unions and employers' organisations in their development is important.
- Fragmentation and the fissured economy, in which MSEs are prominent, are particular challenges and need to be considered in OSH policy development.
- Integration of OSH considerations into EU-level support programmes could be particularly beneficial.
- The regulatory framework is the point of reference — for OSH advisors, unions, employers' organisations and owner-managers — and it needs to be supported with visible enforcement.

5.1 Introduction

At the start of this report the following question was posed: why undertake another study on the experience of OSH in small firms? The subsequent account has identified a combination of good reasons to do so, many of which are particularly apposite in the current economy.

Beginning with the scale of the problem represented by continuing poor OSH outcomes in such firms, which account for the employment of nearly half of the documented workforce of the EU, both the review of previous research and our own empirical field data confirmed that employers and workers in MSEs continue to struggle to address the proportionally higher risks of their workplaces. They suffer a multifaceted absence of the necessary means with which to properly control risks, including not only material resources but also those of knowledge, skills, attitudes and training. The consequence is that the decision-makers in these enterprises are often themselves largely unaware of the problem of elevated risks in their undertaking and the contexts in which it operates. They are also frequently remote from, and unresponsive to, conventional regulatory influences, while at the same time lacking both motivation and the knowledge necessary to initiate changes themselves, with the majority at best reactive to influences rather than actively seeking support or guidance to improve their arrangements for OSH. Thus, improving OSH arrangements represents a challenge not only to the will and capacities of those responsible in these firms, but also to regulators and other stakeholders, and makes the need for innovative strategies and policies to regulate and support OSH an important priority, at both the

national and EU levels. Moreover, the fact that none of this is new or unknown suggests that neither the plethora of examples of interventions that already exist and the research accompanying the implementation of some of them, nor the rhetoric of regulatory policies at the national and EU levels, have effectively addressed what appears to be a continuing problem.

This situation was therefore sufficient stimulus to prompt a review of what is known and what is new concerning what works, for whom and in what circumstances, in improving OSH arrangements in MSEs (EU-OSHA, 2016). This both confirmed the substantial level of existing understanding concerning the problem of OSH in MSEs and identified some significant gaps in the present knowledge. It further identified a worrying constellation of features of the ways in which MSEs were situated in the current economies of EU Member States that contributed to the adoption by their owner-managers of what we refer to as 'low road strategies' for their business survival. Furthermore, the report argued that it was among these firms that limited arrangements and consequent higher risks to workers' OSH were likely to be disproportionately found. This research project therefore undertook two empirical studies to explore some of the gaps that the review had identified. As will be recalled, the first of these focused on the experiences of owner-managers and workers in a range of MSEs in nine EU Member States (EU-OSHA, 2018a). The second examined programmes and instruments designed to support better operation of OSH arrangements and focused on evaluating both the experiences of stakeholders and intermediaries who implement such strategies and tools, as well as some of the tools themselves, in order to determine 'what works' in relation to effective support (EU-OSHA, 2017a,b).

Previous chapters in this report have discussed the findings of all three of these studies and offered a further level of analysis of the challenges for regulation and governance of OSH as well as other actions to improve OSH in MSEs. We have, for example, demonstrated that, despite the heterogeneity of MSEs, these firms nevertheless share features, which contribute to the elevated risks and poor OSH outcomes experienced by their workers. These typologies of business practice, size and sector as well as, to some extent, nationality are helpful in contributing to understandings of what needs to be addressed when establishing how best to support MSEs in making more effective arrangements for OSH. The studies concerning stakeholders' experiences and the evaluation of good practices in relation to actions and tools also produce more in-depth understandings concerning not only 'what works', but also the contexts in which it works. Taken together they thus further provide support for design considerations for intervention programmes and actions to be made more effective, transferable and sustainable in their influence and support for MSEs in making better arrangements for OSH.

However, this leads us back to the effects of economic contexts. All our findings on OSH arrangements and outcomes within MSEs indicate that these experiences are situated within social and economic features of their environments. The present report further demonstrates that the nature and extent of external influence on what takes place within MSEs is continuing to grow in significance for their business practices and OSH outcomes, and that it is also acting to substantially reduce decision latitude for those who manage and work within these enterprises. This is therefore a major issue that must be taken into account in understandings about what works, for whom and with what effects when determining how best to improve OSH in MSEs.

In this chapter, therefore, we discuss the implications of our findings for policies to regulate and support MSEs in improving their arrangements and outcomes for OSH. It is important to stress that we make a distinction between reflections on the implications of our findings for the operational consequences of existing and new policies, and making recommendations for policies themselves. As researchers, we see our role as mainly concerned with the former and we think policy-makers should decide how best, or appropriate it might be, to translate these reflections into policies, or to decide how to take account of them in the operational strategies they put in place to deliver policies. However, this has not prevented us from making a number of strong statements on the areas in which we think such actions are required.

We begin with some reflections on our own findings concerning the situation of OSH within MSEs and what they tell us concerning the features that require attention to improve OSH. We then go on to discuss how these findings are situated in relation to the structural, procedural and institutional contexts that govern and regulate the arrangements that owner-managers in MSEs are required to implement. In doing this, we position both MSEs and the strategies to effect improvement in their OSH in relation to systems for regulating OSH as well as to the wider systems, institutions, policies and procedures in which OSH is itself located. This leads to the identification of what we consider to be the key implications

for present and future policies concerning OSH in MSEs at both the EU and national levels. Finally, we offer some conclusions concerning these implications and the contribution of the SESAME project to the improvement of knowledge on OSH in MSEs in the current economies of the Member States of the EU.

5.2 The consequences for OSH in MSE of the wider economy

Among the significant findings of the present research was both confirmation of the heterogeneity of MSEs and, at the same time, a qualified identification of the existence of typologies that were suggestive of patterns of influence in terms of business practices, size and sector (as well as national differences). While stressing the need for caution in their application, we found such typologies helpful in informing ways in which approaches to influencing their actions on OSH might be constructed and focused. As we saw in the previous section, this has enabled the construction of a more strategic approach to understanding 'what works, for whom and in which contexts' in the design and implementation of preventive programmes aimed at improving OSH in MSEs. These are clearly important findings, with major implications both for the evaluation of present policies and for informing the development of future policy.

Although these typologies indicate that many MSEs are both desirous of 'doing the right things right' in terms of OSH and willing to respond to support to achieve this, they also point to the existence of a substantial portion of MSEs that could be best characterised as following 'low road strategies' to ensure their business survival. It is probably among these firms that the multifaceted dearth of resources for safety and health is likely to be at its most extreme and have the most negative effects in relation to OSH. We have suggested that it is also such firms that are most likely to avoid external regulatory pressures as part of their survival strategies. These firms are therefore among those presenting the biggest challenges for the development of policy programmes for the improvement of OSH in MSEs. At the same time, we suggest that perhaps a better understanding of such challenges could be gathered from exploring what the drivers are in the wider economy in which these firms are situated that push them towards 'low road' approaches to their business survival. In so doing, we have identified the emergence of several influential features of modern economies. Their effects are seen at the level of the MSE, but they are also significant determinants for national and European policy. We therefore outline their influence at both levels in the following subsections.

5.2.1 Effects of changed business strategies on work in MSEs

Suggestions that work is becoming more precarious in the economies of most EU Member States are now both well evidenced and widely accepted (Grimshaw *et al.*, 2016; Baccaro and Howell, 2017; Doellgast *et al.*, 2018). It is also acknowledged that such precariousness is, in part, the result of modern business responses to competitive pressures created by globalisation, in which techniques emphasising cost efficiencies and the outsourcing of risk are now normal business strategies. Increasingly, larger organisations in both the private and public sectors choose to place a greater emphasis on management by 'contracting out' rather than by relying on their own internal hierarchies (Marchington *et al.*, 2005; Doellgast and Greer, 2007; Drahokoupil, 2015). The available evidence suggests that, at the aggregate level, this trend has contributed to deterioration in working conditions. As David Weil (2011) has argued, the shift towards externalisation has led to the creation of 'fissured' employment relationships in many sectors in which a high proportion of low-paid workers are employed, not exclusively but substantially, in MSEs. In these scenarios, powerful lead firms shape service and product market conditions, while to a large extent separating themselves from the employment of the workers who produce the services and goods for them. He argues that in these situations, the direct employers of workers, often MSEs, operate with limited resources under increasingly competitive market conditions, and are confronted with downward pressures on terms and conditions for their workers. There is widespread evidence across several sectors that lends weight to Weil's thesis on the way in which processes of externalisation have served to generate adverse employment effects in supplier organisations. International research evidence on the OSH effects of these arrangements (EU-OSHA, 2016) shows that outsourcing has produced poorer OSH management and outcomes. The research literature is remarkably consistent in this respect and has also shown that most of this outsourcing is to smaller firms (Quinlan *et al.*, 2001;

Quinlan and Bohle, 2008). Further evidence of these effects can be found in the variety of sectors included in the empirical studies undertaken in the SESAME project, where similar business strategies play significant roles, although to varying degrees across sectors, supply chains and national settings.

For example, in construction, as we described in our empirical study of firms in the sector (EU-OSHA, 2018a), subcontracting to smaller firms, and the supply chains in which it is embedded, is a central feature of the way in which work and employment is organised in many EU Member States (Gieskens, 2012a,b; Ramioul *et al.*, 2016). It operates against the backdrop of employment that is often short-term and informal, in a sector dominated numerically by MSEs, but in which a substantial proportion of production is generated by a small number of large firms. This is furthermore supported by other published national sources. For example, in the United Kingdom it is estimated that approximately a quarter of the construction industry's output is generated by fewer than 125 large companies, each of which employ 600 or more people (HSE, 2009). Such features mean that structurally the industry strongly resembles Weil's description of 'fissured' employment contexts. It is of course a sector in which both low pay and job insecurity are prevalent, although with greater national variation than many other sectors (Refslund and Arnholtz, 2017). Meanwhile, many studies have identified the widespread use of subcontracting and its often poor management as important contributors in the occurrence of accidents and associated injuries (see, for instance, Dawson *et al.*, 1985; Rebitzer, 1995; Johnstone *et al.*, 2001; James *et al.*, 2015).

MSEs are also prominent in similar situations in public and private services, where a substantial body of evidence points to the way in which the growth of outsourcing of social care services to voluntary and for-profit organisations has been associated with a substantial deterioration in the employment conditions of those delivering such care against the background of downward pressures on contract prices (Rubery and Urwin, 2011; Besse *et al.*, 2013; Cunningham *et al.*, 2013; Pennycook, 2013; Holtgrewe *et al.*, 2015). This evidence shows, for example, that the pay levels of staff employed on such services, often in MSEs, have declined relative to those in the public sector. It also points to a substantial growth in the use of zero hours contracts, increases in work intensity, cuts to holiday and sick pay entitlements, reductions in overtime payments, sleepover and on-call allowances, pensions and the removal of pay for the time spent travelling between clients among these firms (Grimshaw *et al.*, 2014). While many of these practices are not restricted to the MSEs operating in social care, there is certainly plenty of evidence to indicate that they are not uncommon in this sector. It would be surprising indeed if this poor treatment of workers did not include limitations in the attention paid to appropriate arrangements for safety and health. Elsewhere, subcontracting has also grown considerably, for example in business services, where again there are many MSEs. Once again, available evidence from EU surveys identifies a link between such externalisation and the deterioration of employment conditions (Doellgast and Greer, 2007; Wills, 2008; Jaehrling *et al.*, 2015). Studies of the supply chain dynamics in food processing and production have similarly shown an association with adverse employment effects. For example, they have revealed how supply chain relationships between supermarkets and their often much smaller suppliers lead to increased casualisation, unstable patterns of work, and working time and work intensification (Equality and Human Rights Commission, 2010; Baud and Durand, 2012). Further studies have reported similar effects in a number of other sectors, including clothing manufacture, road haulage industry, the fast food industry, and others similarly characterised by extensive use of franchising of MSEs (Weil, 2009).

All this suggests that such practices are increasingly used by larger and powerful businesses to help to both create new networks of business dependencies and undermine the security of so-called 'permanent employment' among MSEs. It is frequently MSEs that are in the weakest position in these business dependencies, and in order to stay in business they are obliged to subordinate themselves and their workers to poor employment conditions. Thus, while the business strategies of more powerful firms act to restructure economic relations, they also serve to undermine or destructure existing ones, which may create more MSEs through outsourcing, but which at the same time ensure that they and those already existing are placed in weak business positions and are controlled by more powerful firms. Cost and delivery requirements in combination with these power imbalances help blur boundaries between the 'inside' and 'outside' of the MSE, leading to what some scholars have called 'increased porosity' (Marchington *et al.*, 2005), again embraced within Weil's somewhat wider conceptualisation of 'fissured workplaces' (Weil, 2014). In these scenarios, the control of work outputs and the pace of their delivery, conventionally influenced and organised under the aegis of the employment relationship, are

increasingly subject to more pervasive pressures sourced outside this relationship and the legal nexus in which it has traditionally been embedded. The research literature also points to a further element of these patterns in as much as the increasingly triangulated relations thus created between workers, their employers and the customers/clients and buyers act to alter the power dynamics of the conventional employment relationship (see, for example, Carré *et al.*, 2000; Leidner, 1996; Lopez, 2010). While such relations are not new, the number of new forms of employment status that are triangular has grown quickly in recent decades (Eurofound, 2015).

We find that many MSEs are especially susceptible to these changes because they have relatively little power at their disposal to direct the situation in which they find themselves at the distal ends of value chains, where they are obliged to follow dictates already established through the relations of other, more powerful, economic actors located in positions of greater influence, higher up the chains. As previous paragraphs make clear, both the literature and our own empirical findings indicate that this is likely to reduce decision latitude on the part of owner-managers in MSEs and intensify the competition for business to which they are subject. For many, this combined lack of resources and absence of competitive power leaves them with little choice but to adopt 'low road' survival strategies and to cut corners (including those on OSH) to ensure their survival, regardless of how much they might aspire to take the 'high road' in these respects.

The challenge for policy on OSH at the national and EU levels, therefore, becomes how to mobilise effective strategies for prevention in such scenarios. This requires the identification of structures, processes and actors through which leverage on good OSH practices can be achieved and which can help to extend the success of programmatic approaches, such as outlined in Chapter 4, to companies that are forced to follow low road strategies for their business survival. Before doing so, however, policy-makers need to recognise that the institutions and procedures of governance have also altered as a further effect of the same changes and we explore the consequences of this in the following subsection.

5.2.2 Consequences for strategies of governance and regulatory change

The problems for OSH in MSEs occur at a time when it is obvious that conventional strategies to regulate exposure to workplace risks to safety and health are increasingly out of step with the nature of structural change that has taken place in the wider economy. It is the acknowledgement of these wider changes among regulatory scholars and policy-makers alike that has been at least in part responsible for widespread reflection on the nature and effectiveness of governance and regulation of the work environment. Fundamental to these reflections are tensions between neo-liberal orthodoxies dominating economic policies, which seek to promote economic freedoms for business as a main means to increase economic efficiencies, and the obligations of the state to protect the safety, health and well-being of workers involved in production and services in society. OSH in MSEs lies at the heart of these tensions. On the one hand lies a powerful lobby arguing that freedoms from 'regulatory burdens' would aid the economic success of these businesses in an increasingly globalised economy, while, on the other hand lies the equally powerful evidence that, for many such enterprises, regulatory intervention is demonstrably the single most powerful means to persuade owner-managers of their need to pay attention to the arrangements they make for OSH.

Chapter 2 helped to situate these challenges for the safety and health of the workers within MSEs in relation to institutions of governance. We further made clear that the regulatory processes included in its purview were not limited solely to those of public regulation, but embraced the conceptualisation of governance, which covers a host of influences contributing to regulating the behaviours and practices involved in the work of delivering production and services by MSEs. They range from the informal but socially significant licence they provide for businesses to operate to the details of the controls they may (or may not) impose on the risks to the safety and health of the workers involved. In Chapter 2, we stressed that this broader conceptualisation of regulatory influence was especially important in framing the operational contexts for OSH in MSEs and understanding the range of possible means for its improvement and support.

Increasingly, both the makers and the observers of policies at the national and EU levels concerning social protection in relation to work and employment have acknowledged the necessity for broader approaches. However, the trend in policy has been the opposite — such as through deregulating labour markets and trade barriers while promoting business freedoms to be more competitive in globalised markets. As we have outlined, the effects of these changes have included the reduction or stagnation of resources available for state-enforced regulation in many jurisdictions and at the same time a more or less conscious search for alternative means of securing workers' protection in which private forms of regulation are prominent additions. Among these forms, acknowledgement of the market power of organisations that are in controlling positions in supply chains, and its potential to exert a positive influence on OSH conditions along the supply chain, have become increasingly prominent. In such situations, public-private regulatory mixes that utilise supply chain relations in ways that support the implementation of OSH arrangements among dependent suppliers are seen to be useful. Thus, for example, several strategies have been used to exploit the relations identified within supply chains ultimately to benefit the support of arrangements for OSH in MSEs situated in their lower tiers as suppliers of services or goods. Examples to which we have drawn attention in previous reports in this project include:

- using certification of suppliers to set standards within sectors, enabling lead firms to only sub-contract to organisations that have demonstrated that they comply with the rules — ideally enhanced with supportive regimes of public regulation that place responsibilities on those responsible for such undertakings to ensure it happens — such as are found in the coordination requirements of EU Directive 92/57/EEC on temporary or mobile worksites²¹;
- implementing measures to create joint liability to ensure that lead firms bear some responsibility for their supply chain, including that for OSH in MSEs situated in the lower tiers of the chain;
- utilising the well-established purchasing power of public procurement to enforce compliance in the private sector;
- limiting the number of layers in the supply chain;
- adopting systems of embargo in relation to goods and services produced or delivered by non-compliant organisations (so-called 'hot goods'), thus creating pressure on the ultimate purchaser to only use reputable contractors and suppliers.

Such methods are seldom panaceas. Nor are they likely to be effective when they are used to replace face-to-face contact with public regulators. Rather, they may be useful means of augmenting and supporting such methods of enforcement. They probably also require quite specific contexts in which to be effective. As we suggest in Chapter 2, institutional support for the drivers of good practice on arrangements for OSH in MSEs requires the engagement of constellations of regulatory actors present in the social and economic environment occupied by MSEs, rather than the initiatives of single actors. Our own findings related in Chapters 3 and 4 present clear examples of this effect. Taken together, they demonstrate that regulatory actors, including the agents of both public and private regulation, as well as other actors, are under certain circumstances able to orchestrate their activities and achieve sustainable approaches to intervention on OSH in MSEs. Our findings strongly indicate that support for OSH in MSEs works best when it involves some degree of face-to-face engagement between owner-managers and workers in MSEs and the change agent, and we found a large variety of such agents, including regulatory inspectors, trade union representatives, professional practitioners and representatives of a trade, social insurance or sector level organisation. The evidence also suggests that intervention works best and is most sustainable when it is subject to the coordinated actions of constellations of players facilitating its wider transfer and monitoring its continued application — such as the achievement of an exemplary safety record when building the Olympic Park in London, the 'self-regulation programme' in the Netherlands and the network coordinated OSH initiatives in both German and French construction discussed in the previous report of our empirical findings (EU-OSHA, 2017a,b).

A significant role for the agencies of public regulation identified in these findings is that of conducting the leadership, coordination or 'orchestration' of these processes, whereby such action can be linked to the wider policies of social protection in MSEs. However, in so doing, it is especially important that policy

²¹ See: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Ac11120>

gives consideration to ensuring an appropriate fit between regulatory regimes and the market situations to which they are to apply, such as is found in the examples in the construction industry referred to previously. Additionally, it is important that policies take into account the need for continued monitoring of the practices that the interventions are intended to promote and support.

There are cases in the literature we have reviewed (EU-OSHA, 2016) where, for example, procurement strategies require tenderers to show evidence of OSH arrangements to be in place in their companies, but which are not followed through in the practice of these companies once they have been awarded a contract. There is quite strong evidence both in the existing literature and in our own findings that sustainability is linked to arrangements for monitoring (see, for example, Jaerhling *et al.*, 2018). This carries resource implications in most situations, because undertaking such monitoring single-handedly is likely to be beyond the resources of agencies of public regulation. Regulatory scholars such as David Weil and others have argued for the engagement of other actors who see it to be in their interests to undertake such monitoring. Such public and private actors might include, for example, the purchasers of services, sector-level organisations, industry-funded audit and inspection services, social insurance bodies, professional standards agencies and OSH services, as well as scrutiny from trade unions and other social movement organisations. The key development that is required in such situations, however, is a reorientation of the regulatory framework in ways that place duties to take such coordinated action upon the shoulders of the undertakings that are responsible for creating the situations that make them necessary, while facilitating the leadership roles of state inspection bodies in relation to the orchestration of their coordinated actions. In other words, such regulatory mixes allow the regulator to guide the operation of strategies and practices to achieve improved OSH by coordinating and exploiting the interests and resources of multiple actors to achieve particular ends. Successful application of these approaches, with the support of an appropriate regulatory framework, can be seen in the coordinated activities of principal contractors on large construction sites that provide both procurement requirements and the monitoring of their application among contractors and subcontractors. This was the case in the example of the building of the Olympic Park in the United Kingdom, to which we have already referred. There, state regulatory inspectors used the requirements of national sector regulations made in pursuit of the EU Temporary Workplaces Directive to provide leadership and coordination of the design of the approach, and business partners fulfilled their obligations under these regulations by undertaking much of the hands-on monitoring of its application.

In this respect, it is important to have in mind that typically there are several paths to the same desired outcome when it comes to public regulatory policies, at both the EU and national levels (Goodin *et al.*, 2008; Dunlop *et al.*, 2012). Even though a specific policy may be successful in one setting, differences at the national or sector levels may create severe limitations to its transfer across national boundaries or between sectors. In thinking about such implications, it may be useful to understand them in terms of the theories of ‘functional equivalence’ that are found in the social science literature (Ragin, 2008). The point is to specify what different ‘functions’ or needs policies might aim to address in relation to improving OSH outcomes for workers in MSEs. These functions can then be achieved by adaptation to the different structural and institutional settings at the national, sector and firm levels. It is important to acknowledge the heterogeneity across the Member States of the EU and among the sectors in which their economic activities are conducted, and policy approaches informed by ‘functional equivalence’ may therefore be relevant. Such approaches may be helpful in taking into account realities experienced in different Member States and within different sectors when implementing EU-level policies that include reference to OSH in MSEs, such as described in Chapter 2, as we outline in the following section. However, it is also important to stress that the findings from our studies clearly support the need for overarching general policies applying across all national settings and contexts that provide more targeted and stronger approaches to address the needs of OSH in MSEs. They further indicate that implied in such ‘stronger approaches’ is the need for monitoring of their implementation and effects.

5.3 Features of the operation of MSE and consequences for support

Our research in this project has confirmed many of the features that distinguish MSEs from larger companies; these are features that in many cases had already been highlighted in the literature. We have discussed these in greater detail in previous reports as well as in the previous chapters of this report. In this section, we address the most important aspects of how MSEs are best supported in

addressing OSH issues and how to improve the work environment in general for the many European workers who work in MSEs. While emphasising shared features we have found across MSEs, we still need to have in mind their heterogeneity, which is greater than that found among medium-sized and larger companies. The typologies outlined in Chapter 4, therefore, help highlight the shared features, while at the same time emphasising the broad variation within MSEs. This somewhat contradictory position also reflects the dilemmas many MSEs face. For example, while we have, throughout this report and the wider research project, discussed notions of ‘low road’ and ‘high road’ companies, these terms are not exclusive. While many owner-managers may be keen to pursue a high road strategy, they are obliged by competitive pressures imposed by the value chain, larger firms or customers to keep their prices low, which in turn forces them to use a low road strategy. Therefore, the distinction between high road and low road can also be seen as illustrative of the dilemma and balancing act that MSEs have to manage to maintain a successful business.

The character and operations of MSEs that have been highlighted throughout this project, along with their economic, social and political contexts, have strong implications for OSH policies. A particularly important consideration is the resource poverty evident in many MSEs, especially among those embarked on a low road strategy towards the survival of their business. Owner-managers in these firms often do not have the resources to make OSH improvements easily or proactively. Their actions in relation to OSH are often characterised by a reactive approach to external demands. Without such demands, they do not take action. In addition, they require some level of support for their action to be effective. This suggests that regulatory strategies towards the improvement of OSH in these firms remain relevant, but also that requirements need translation and adaptation to the circumstances in which they are received by owner-managers and their workers in MSEs. This adaption can be facilitated by the design recommendations developed in Chapter 4. It also implies that such approaches have resource implications for regulatory agencies and others involved in their delivery. However, such implications are comparatively insignificant if the substantial role played by MSEs in wealth generation in the economies of all Member States of the EU is taken into account and if it is further borne in mind that improvements in OSH will amount to substantial savings in terms of treatment costs, the reduction of lost work time and compensation payments.

We found that, among the companies we investigated, many MSEs were actively trying to pursue a high road strategy. They did so by seeking out niche markets and developing stable business relations with a continuous customer base, and at the same time they were trying to adapt to changes in their current market. Some owner-managers had ambitions for growth, but many preferred to stay as an MSE, feeling that, if their company became too big it could become difficult for them to maintain control of daily operations. Many also actively sought to maintain committed and loyal workers, as well as others with possibilities for development. These approaches can be related to the close spatial and social proximity between owner-manager and workers in MSEs as well as to the identity of the owner-managers, as explained in Chapter 3. Hence, we found that many owner-managers were trying to embark on a high road strategy, but not all were successful, as they faced pressure from the market and competitors to adapt to the demands of customers, for example by working longer hours, often for reduced reward. This pressure forces them to reduce costs not directly related to their core business functions. The consequence is that they feel forced to squeeze their workers in terms of their wages, security of employment or working hours, as well as choosing not to devote time and resources to topics such as OSH, which they believe to be outside their core business. Thus, many owner-managers find themselves trapped between these two different positions — the desire to pursue a high road strategy and the mechanisms forcing them towards a low road strategy. The important message this situation conveys is that measures aimed at improving OSH in MSEs need to take proper account of this dilemma.

In short, then, for most owner-managers in MSEs, OSH is a minor issue compared with other issues that occupy their attention. For many, the most important consideration is that OSH should not interfere with the core business activities necessary to secure the survival of the firm. As such, it is typically not regarded as a key managerial issue or given much attention. In this respect it is similar to other issues that are often perceived to be secondary to core business activities in MSEs, such as training (Barrett, 2015) and HR management in general (Wapshott and Mallett, 2015). This has implications for designing policies for OSH solutions and suggests that to be successful, such solutions need to find ways in which they can integrate OSH with the other business needs of the MSE. One possibility is, of course, to emphasise the potentially positive connection between OSH and productivity. However, promotion of

this link in various information contexts does not change the reality of the fight for survival of the business. It is therefore necessary that, in addition, OSH arrangements be linked to other broader issues of cost and business strategies for the MSE, including labour costs, insurance costs and customer demand concerning quality.

We consider the implications of these findings for policies in the following section.

5.4 Implications for policy

In this section, we briefly recall some of the significant features of our findings that have a bearing on policy development. We begin with regulation and inspection, highlighting the importance of personal contact with MSEs in supporting effective actions, before also stressing the need for tailored solutions and knowledge development. We once again emphasise the importance of orchestration in supporting the sustainability of intervention on OSH in MSEs, acknowledging that there are resource implications that cannot be avoided. Finally, we offer a reminder of the important role of social dialogue in conferring legitimacy on policies, as well as pointing out the challenges for effective policies presented by the fissured economy. The implications of our findings are relevant at all levels from the firm from the sector to the national and EU levels and we therefore end with some reflections on their implications for the implementation of EU-level policy.

5.4.1 Inspections and regulation

While some of the literature tends to describe regulation as a burden for small business, the premise guiding this assumption has been criticised for not capturing positive outcomes of regulation. These include, for instance, the dynamic effects of market making and opportunities and innovations stemming from regulation (Kitching, 2006; Kitching *et al.*, 2015). In our field research, we found several firms where inspections (on OSH but also on other topics) had led to significant improvements in the work environment. While some owner-managers acknowledged this positive impact and had a positive perception of inspection and regulation, others did not make the connection. This reinforces the argument made by Kitching *et al.* (2015) that the positive implications of regulation are not always obvious for owner-managers, but that it is an effective tool nevertheless because owner-managers make the required changes even if they do not correctly identify the source of the influence that led them to make such changes. However, most of the MSEs we studied had never had a visit by an inspector and thereby had had no such chance to initiate improvements prompted by such visits.

At the national level, therefore, a strengthened emphasis on the regulatory inspection of MSEs is important in order to provide a stronger foundation for achieving measurable effects and improvements on OSH. This is not only in order to secure the enforcement of existing regulation and introduce improvement in the workplaces that are inspected, but also to help institutionalise required OSH standards and so that other private/public OSH actors have enforced regulation as a platform for their own activities.

5.4.2 Personalised contact

In line with this, earlier studies, as well as our own findings, indicate that OSH governance policies directed at MSEs are likely to be more effective if they emphasise personalised contact and attempt to integrate OSH solutions with other managerial issues, thus reducing the complexity of the tasks they require. Owner-managers in MSEs prefer simple and easily applicable solutions combined with personal and direct contact and it is well established that, for example, moving advice from face-to-face interactions to the internet diminishes the effect of advisory services to MSEs (Mole *et al.*, 2014). Successful intervention policies are therefore likely to be those that emphasise direct and personalised contact with MSEs, whether through labour inspections, or other forms of inspections by public authorities addressing issues such as food safety or tax, or through engagement with the representatives of non-statutory bodies such as intermediaries from unions, trade organisations, insurance bodies and preventive services. The need to secure possibilities and funding for such

personal encounters is thus one of the major challenges for the development of policies with measurable impacts on OSH in MSEs.

5.4.3 Tailored solutions

Dimensions of specificity versus generic applications also need to be taken into account in relation to policies to achieve improved outcomes in MSEs. In general, both owner-managers and workers in MSEs favour easily applicable and transferable solutions, and can better implement sector-adapted solutions than approaches aimed at MSEs generically. Therefore, solutions need to be designed with this in mind and directed at the concrete problems MSEs have at hand. Furthermore, in many instances there may be only a short 'window of opportunity', when the MSE is facing a specific problem it needs to solve, and policies that can generate solutions that are responsive to these needs have a greater chance of being accepted and implemented. Limited resources suggest that an approach to supporting MSEs by applying various policies simultaneously, as highlighted in a number of the examples in the present research project, is promising. This could, for instance, be through the integration of various types of inspection, which could be further explored in future policy initiatives.

The sector in which an MSE operates is important, and its general settings contribute to significant characteristics of MSEs, as the sector typology presented in Chapter 4 shows. Owner-managers and workers in MSEs often identify themselves as part of a construction company or a restaurant, for example, and are more inclined to consider regulation and policies directed towards their particular sector. It is therefore of importance that policies are adapted to sector-specific settings and address the particular OSH challenges faced at the sector level. Many of the most successful examples of policies found in our field studies were designed for specific demands and settings at the sector-level and often even at a subsector level — for example, for specific elements of manufacturing rather than the entire industry. One potential way to ensure better sector adaption is by including discussion of businesses' and workers' needs and suggestions in MSEs at the sector level, for example via tripartite institutions, which are often still dominated by the interests of larger organisations in countries where such bodies exist.

5.4.4 Development of OSH knowledge

The study has confirmed that most owner-managers and workers in MSEs have low levels of OSH knowledge. The general tendency is to overestimate knowledge and underestimate risks. One way to increase knowledge and awareness at the national level would be through better integration of OSH into the sector-specific education system and labour market education (although the educational level in some sectors, such as in cleaning, is generally low, which makes this difficult). However, there are examples, such as in Romania, where such integration proved to be possible (EU-OSHA, 2017a,b). Increasing information can also play an important role in light of the reactive approach of most MSEs towards OSH found in the research. Of course, OSH training needs to be adapted to sector specificities, and policies that develop OSH training at the sector level are therefore important. Knowledge and information can also be increased through regulation or regulatory bodies, as shown by the literature reviewed in the present project (Kagan *et al.*, 2011). This enhances motivation as well as the knowledge necessary for engaging in OSH improvements.

5.4.5 Orchestrated actions

Prevention policies also need to take into account the reactive approach of most MSE owner-managers to OSH. Reaching out with different means and different intermediaries increases the chance of being noticed in the first place, and then of being better placed to initiate changes. Thus, the coordinated/orchestrated actions discussed in previous chapters can be considered as a successful approach because the regulatory mixes they coordinate can potentially achieve a stronger influence on the actions of reactive owner-managers in MSEs.

Based on the findings from the overall research project, we have therefore argued that national policy solutions based on personalised contact, enforcement and simple and easily applicable solutions are most likely to be successful in MSEs. As acknowledged by the literature on ‘functional equivalence’ (Ragin, 2008) and discussed previously, there may be several ways of securing intended outcomes, and these need to be adapted to the local and national setting. One way to ensure that policies are viable is through the inclusion of various intermediaries, the important role of whom has been confirmed in this research project. As mentioned above, our findings further suggest that when various policies and initiatives from the broader range of actors are coordinated or ‘orchestrated’ at the national or sectoral level, there is the potential to achieve better results. This potential is currently not widely exploited. When coordinated actions are designed to address the general characteristics of MSEs found in the research project, the application of appropriately resourced policies at the national and sector level can result in integrative and easily accessible solutions, which achieve measurable effects on OSH in MSEs.

5.4.6 Funding

MSEs in general rarely set aside a specific budget for OSH activities and other measures aimed at OSH, such as paying for advisory services. It is therefore important to consider how to fund policies, since programmes free of costs to MSEs have a broader reach and uptake. In the light of the need for more contact and enforcement-based approaches to OSH in MSEs, it is important that policies secure stable and sustainable funding. In some countries, a potential source for such funding for OSH programmes and initiatives aimed at MSEs may be contributions-based insurance programmes. There are already several countries with such systems, where a part of the contributions to OSH insurance premiums is directed to fund OSH improvements in MSEs. We have outlined various examples in which this funding is invested in, for instance, upgrading equipment to make it safer, in OSH training or in organisational changes aimed at improving the work environment (EU-OSHA, 2017a,b). We have also pointed out that there is now quite strong evidence that investment in improving OSH has benefits. These are related to the resulting improved financial and business position of the small enterprises, to the economy, in terms of retention of an active workforce and to the public purse, through reduced spending on treatment and compensation costs of injuries and ill-health. However, to reap these rewards, there is generally a need to allocate additional funding to preventive policy programmes aimed at MSEs.

5.4.7 Social dialogue and legitimacy

Stakeholders’ acceptance of policies is an important aspect of the institutionalisation and efficiency of OSH standards, and the efficiency of a standard, activity or organisational body is increased when key stakeholders generally accept it. This is one of several important reasons for the involvement of trade unions and employers’ organisations in the development of policies that can reach out to MSEs. Policies initiated by the authorities and developed in collaboration with the representatives of workers and their employers have a better chance of getting wide acceptance in society and thereby also within MSEs. Therefore, inclusion of the representative institutions of workers and employers at the national and sector levels can increase the likelihood of policies being perceived as relevant (and hence ‘good’). In addition, policies can be qualified by building on the information that trade unions and employers’ organisations have about real-life challenges and the possibilities that they have from within their membership.

Overall, the role of social dialogue is important to foster institutionalisation and acceptance of OSH policies as well as to increase general OSH awareness. However, the impact of social dialogue and the reach and scope of the social partners on OSH regulation and policies varies significantly across the European countries we studied. Some countries have strong traditions of corporatist institutions and inclusion of social partners, including in the policy field of OSH, whereas their involvement in other countries is less developed. We found several examples of strong influence by unions and employers’ groups at the sector level. This was the case in several countries through the involvement of the sector-level parties in the insurance system, which is also used for funding preventive activities (in Belgium, Germany, France and Italy), as well as in the form of, for instance, OSH bipartite sector councils in Denmark, and in agreement about specific sector activities (in Denmark, Sweden and others). However,

this remains a challenge in several European countries, where trade unions and employers' organisations have only a limited membership base among MSEs. Furthermore, even where they have MSE members, we found several examples where social partners tended to focus far more on larger companies, since they still constitute the majority of their constituency (EU-OSHA, 2017a,b). One way to address representation of MSEs at these levels is, of course, through encouraging membership organisations directly representing MSEs in these bodies, and this already occurs in some countries. However, these organisations most frequently represent the employers' and business interests of these firms and not those of their workers. Therefore, policy measures should still aim to be inclusive of trade unions, and of employers' organisations, as much as possible in order to increase and ensure legitimacy. A crucial aspect of the effectiveness and impact on MSEs, which is typically largely underrepresented in corporatist industrial relations institutions, is the extent to which the outcome of collective bargaining and tripartite regulation is made generally applicable. Moreover, if collective agreements are given a legal status, they may be further applied to firms that do not participate in social dialogue.

5.4.8 Challenges from fissured economic structures and workplaces

Fragmented or fissured business development constitutes a particular challenge for policy development. Member States and the EU as a whole both lack regulatory strategies to improve the work environment in the parts of the labour markets that we have described in this report. This is also an issue in situations that for one reason or another have become hard to reach for conventional regulatory strategies and where there is a need to emphasise multiple approaches involving public and private mixes applied in concert. MSEs often feature prominently in these scenarios and, as we have pointed out repeatedly in this report, they are more likely to be receptive to the concerted application of regulatory mixes than they are to uncoordinated voluntary interventions or the action of market forces to improve their arrangements and outcomes on OSH.

Implications of the fissured economy also raise questions regarding the involvement of trade unions and employers' organisations. As we have already noted, the nature of modern business practice often has the effect of changing work relations while imposing increased demands on work activities from beyond the traditional employment relationship. Such effects are felt strongly among MSEs whose products and services are situated at the end of value chains. These new relations of production also pose significant challenges for the ways of representing the interests of workers that are traditionally focused on the employment relationship at the workplace. Their implications include the need to reach further upwards in the value chain in order to engage with the actors and processes that create the triangular employment relations that occur at workplace levels. Such representation may be beyond the capacities of institutions of representation situated at workplace levels in supply chains — even where such institutions exist, which itself is an uncommon occurrence in MSEs. However, it is not beyond the capacity of representation at sector level. Although we did not find such examples in the field studies conducted in the present study, there are some relevant cases reported in the literature, where in sectors such as construction and the maritime industry, trade unions have been using these strategies to achieve improved conditions at the workplace level for some time (Deakin and Koukiadaki, 2009). Other examples found in the literature relate to 'new coalitions' between trade unions and employer organisations that emerge in the wake of outsourcing and triangulation of the employment relationship. Such new coalitions emerge in, for instance, the cleaning industry (as well as in other service industries, such as catering and security), where employer organisations and trade unions have joint interests in negotiating better procurement contracts with client companies, which in turn enables better working conditions for the workers in the cleaning companies (Kirov and Ramioul, 2014).

5.4.9 EU-level policies

Finally, of course there are implications in all of this for the implementation of strategy derived from OSH policies at the EU level. In Chapter 2, we outlined the current policy profile of OSH at this level and observed that it contains repeated explicit mention of the implications for smaller firms, including MSEs. In addition, these policies made it abundantly clear that there is an expectation that national authorities will take responsibility for ensuring that there are appropriate levels of enforcement in place to deliver action at the level of the Member States. However, as we also indicated in Chapter 2, there is

considerable variation between Member States in the structure, extent and orientation of the arrangements made for OSH enforcement in relation to MSEs, and currently there is little in the way of a common approach to the challenges we have identified. There are, as we have seen, a range of relatively new approaches to reaching out to the multitude of MSEs in each Member State, and there are examples of good practice in this respect. But there is little in the way of evaluation concerning how extensively or effectively these are practised in different Member States. The SLIC provides a forum for the exchange of information and strategies on labour inspection in the EU and it is actively engaged in doing this, with the challenges of securing improved OSH in MSEs high on its agenda. However, SLIC is a non-executive body with quite limited resources and, while it has paid attention to these challenges in a number of initiatives in recent years, the scale of the task is large. At present levels of investment both in SLIC and in the regulatory and enforcement capacities in many EU Member States, it is hard to see how regulators at the national levels will be able to effectively implement the demands made of them in recent EU policies. The conclusion that more resources need to be devoted to these challenges in many Member States, as well as to supporting concerted actions at the EU level, would therefore seem to be inescapable.

There have been many previous initiatives to support OSH in MSEs at all levels from the sector to the EU. Utilising and learning from the experience in previous initiatives is important. For example, the Commission supported programmes aimed at MSEs through EU-OSHA in 2001-2002 (EU-OSHA, 2003). Such programmes help to provide the seed money needed to test innovative solutions at the level of Member States and sectors and thereby suggest solutions that, through careful evaluation, could inspire further activities. Integration could also be developed with other EU support programmes such as the Innovative Productivity Centres in Germany (McGovern *et al.*, 2017). On the whole, integration of OSH considerations into various EU business support programmes, such as the regional funds, could also be beneficial both for OSH and for business development.

5.5 Conclusions

Regulatory provisions remain the essential regulatory instrument for national policies on OSH in the EU. Beginning at the level of the EU with Framework Directive 1989/391, extending to national regulatory provisions in each Member State, and even to provisions specific to certain sectors, such as construction, legislative provisions provide the process-based structure of norms concerning accepted OSH practice within which specific policies focused on MSEs are framed. Although national regulation in some cases contains certain exemptions for MSEs, our research on programmes, actions and instruments (EU-OSHA, 2017a,b) clearly shows that legal requirements are the platform on which these actions and the actors responsible for them build their efforts. That is, it confirms what regulatory scholars have already made clear, namely that the regulatory framework is the point of reference for OSH intervention. OSH advisors refer to legal requirements as part of their reasoning with MSEs regarding the necessity of implementing preventive measures. In a similar vein, trade unions and employers' organisations refer to legal requirements as a basis for making agreements about how to, for example, develop advisory services, information systems or OSH training. Of course, for the majority of owner-managers and workers in MSEs there exists some level of awareness of the existence of regulatory requirements, compliance with which provides them and their business with the social licence they require to operate in society.

However, as the involvement of these actors implies, regulatory requirements need to be supported with the means to achieve compliance with them from duty holders. The starting point for doing so in all EU Member States is with the responsibility of the state to organise regulatory inspection. Nevertheless, most countries provide comparatively limited resources to undertake this task. As a result, there is widespread recognition that while face-to-face contact between regulatory inspectors and duty holders in MSEs may be ideal in terms of incentivisation to achieve adequate compliance with regulatory standards, it is a rare occurrence everywhere (and considerably more rare in some countries than in others). The consequence is that coercive or normative institutional pressure from this source is limited. In discourse on OSH, awareness of OSH is often pointed to as a key element in any preventive action, and it is acknowledged that this needs two elements to function — knowledge *and* acceptance.

Therefore, within this logic, it is only when duty holders in MSEs accept the need to take action that knowledge is helpful. Acceptance, to a large extent, depends on both the institutionalisation of norms for OSH as well as on the economic and business contexts of the company. In this respect, among the challenges for compliance is that MSEs experience lower institutional pressure than larger firms (Beck and Walgenbach, 2005) and thereby they are less likely to feel obligation from such sources driving them to follow regulatory requirements. However, pressure from other more informal sources may act to substitute for this, and therefore the informal network in which the MSE is embedded, in the form of family and friends, business associates and so on, is recognised to be an important source of influence on compliance behaviour (Kitching, 2016). The general acceptance of the legitimacy of legal requirements in society is therefore also important in order to influence the MSE. It is in this respect that the strong statements made by some prominent politicians in some Member States, such as the United Kingdom, aided by media support to trivialise and marginalise OSH regulation and appeal to so-called common sense, coupled with individual freedoms and the removal of burdens on business, which we have documented in previous reports (EU-OSHA, 2017a), become particularly disturbing developments. While best documented in the United Kingdom, their relevance extends to experiences of 'common sense' understandings in MSEs in all Member States.

We think it important to be clear about these fundamentals in this chapter, which has aimed to consider some of the implications of our findings for EU and national policies on OSH. Previous reports have commented on the broad nature of national policies concerning OSH in MSEs, and Chapter 2 further pointed out that problems of OSH compliance are widely acknowledged in relation to MSEs. Such problems have stimulated the current outreach strategies of regulatory agencies. While these strategies acknowledge the need for a range of approaches additional to inspection to reach MSEs, specific focus on OSH in MSEs remains relatively limited. In this respect, their repeated identification in recent EU-level policies along with the reminders to national authorities found in these policies concerning their responsibilities for enforcement is to be welcomed. Nonetheless, we should be under no illusions concerning the difficulties involved in the achievement of desired improvements in this respect.

In the present chapter, we have therefore tried to set these aspirations in the contexts of both the challenges presented by the multifaceted limitations of the resources available to owner-managers and workers in MSEs to develop good practice on OSH, and the equally formidable challenges presented to stakeholders who seek to help them. It is widely recognised that for a large number of owner-managers in MSEs, knowledge concerning the details of what exactly regulation requires them to do in relation to their arrangements for OSH is limited. A major strand of the various interventions practised by both public and private actors in helping facilitate the implementation and operation of such arrangements, therefore, concerns improving this knowledge and consequent competencies in one way or other to better ensure improved practices on OSH within MSEs. We have shown that there are many good examples of how this has been done in various interventions in the countries we have studied. We have also shown that while there are major challenges to the transfer and sustainability of many such interventions, these can be addressed through improved leadership, coordination and orchestration of these efforts, and herein lies a key future role for both public and private regulatory agents. However, current regulatory thinking also needs to address the challenges presented by the structures and contexts in which MSEs are situated in the economies of EU Member States. We have observed a growing awareness among regulatory scholars and policy advisers of the consequences of the 'fissured economy' and its deconstructive effects both on the boundaries of the firm and the traditional nexus of regulation based on the employment relationship. We have noted MSEs to be especially vulnerable in the face of such changes and this awareness is therefore encouraging. The significance of targeted policy approaches to address these changes and in so doing support improved OSH outcomes for the millions of workers within EU Member States who work in them cannot be overstated. However, neither can the challenges that confront the effective achievement of such targeting be overstated. Recent developments at both the EU and national levels suggest signs of positive actions to address these challenges, but it is clear that a lot more will need to be done to join up these initiatives in ways that are more effective at reaching across the full range of MSEs and including those pursuing low road strategies towards ensuring their business survival, which until now seems to have remained largely outside the nexus of both regulatory and stakeholder influence.

6 Conclusions

Conclusions

- Arrangements for and outcomes of OSH in MSEs are a continuing and serious cause for concern.
- Multifaceted resource poverty is a feature of the majority of MSEs and has substantial implications for their capacity to make appropriate and effective OSH arrangements.
 - This includes financial and management (time, knowledge, competencies, attention to OSH, investment) resources and the 'low road' bundles of organisational and business strategies and practices many are forced to adopt for business survival,
 - It is exacerbated by the prevailing characteristics of the fissured economy.
 - This also results in poorer working conditions and greater risks to workers' health, safety and well-being.
- Effective supports for OSH in MSEs understand and take account of its key contextual influences, but coordination and orchestration of successful initiatives to allow their transfer and sustainability is rare.
- Those involved in strategic policy development and delivery (regulators, social partners and others) need to take account of the implications of changes in modern EU economies for the protection of workers' safety and health.
- Strong EU and national leadership is needed, and there are encouraging signs at the EU level.
 - Recent statements make commitments to the protection of workers in MSEs and emphasise the importance of monitoring and enforcement.
 - However, strong national regulatory frameworks that are inclusive of MSEs are needed to provide the essential steer and reference point for all those involved in supporting OSH in MSEs.

6.1 Introduction

This wide-ranging study has examined existing knowledge and current practices on safety and health in MSEs in the Member States of the EU and the contexts in which this practice occurs. Through reviewing relevant literature and undertaking new field studies in nine EU Member States, it explored experiences of arrangements for OSH and their outcomes within MSEs, as well as experiences among public and private stakeholders who are engaged with the governance and support for OSH in these enterprises and who seek to improve their OSH practices. The study revealed a complex and heterogeneous situation, which is not surprising when the range and scale of the economic activity undertaken in MSEs are considered. However, it showed consistently and across a range of measures that arrangements for OSH in many MSEs fall far short of what could be considered to be good practice or compliance with the requirements of regulation. Evidence from interviews with owner-managers and workers (in the large number of cases of MSEs from different countries and sectors), in combination with an extensive review of previous literature, helped present a detailed understanding of why this is so. At the same time, it also identified much good practice in cases of interventions to support the implementation and operation of suitable OSH arrangements in these enterprises, as well as a number of explanations as to why this good practice did not extend more ubiquitously across MSEs in the EU.

Based on fresh evidence from the cases studied in the research, previous chapters have therefore been able to present an informed understanding of workplace and wider relations and practices that determine the nature and operation of arrangements for OSH in MSEs. They have been able to discuss the business and institutional contexts that influence these arrangements. Several important dimensions of the challenge for governance and support of OSH presented by work and its contexts in MSEs have

emerged from this detailed discussion and this report has considered their implications for the institutional contexts of OSH in MSEs and for better-informed approaches to the design of interventions. Chapter 5 presented a full reflection on the findings of the study and their implications for present and future policies on the governance and regulation of OSH in MSEs in the EU. It is not our intention to repeat that discussion in the present chapter; rather, the aim of this chapter is to draw on the findings of the study as a whole and present the key elements of its conclusions. Several main dimensions of the nature and contexts of OSH in MSEs have been elucidated in the course of the study, and in the following subsections we briefly outline our conclusions in relation to them and reflect on their implications for securing safer and healthier work for *all* workers involved in the economies of the Member States of the EU. We begin with the extent of the problem of OSH in MSEs, and follow this with some conclusions concerning the reasons for it. We then outline our main conclusions concerning the implications for both initiatives offering support for OSH in MSEs and for the strategies of governance and regulation that we conclude are important in framing this support. Finally, we reflect on the implications of our conclusions for ways forward in the governance of OSH in MSEs in the future.

6.2 The extent of the problem

Almost 99 % of enterprises in the EU are MSEs and between them they employ nearly half of the EU labour force in the formal sector. Current figures also indicate that the sectors where undeclared work is most reported are also those that are largely dominated by small companies. It is well-established that overall there is a greater incidence of serious and fatal injuries in smaller firms than in their larger counterparts. Evidence on the effects of workplace size on work-related health is less clear, but there is no reason to suppose that the health of workers in MSEs is any better than that of those in their larger counterparts and there is much to suggest that this is unlikely to be the case.

The first significant conclusion emerging from this study, therefore, is that the evidence would suggest that there has been no significant change to this situation and, as such, arrangements for, and outcomes of, OSH in MSEs remain a cause for concern. Seeking to understand why this is so, is, however, quite challenging, not least because enterprise size is not a proxy for uniformity and a very obvious feature of MSEs is their diversity, which makes generalisations concerning size effects both difficult and unreliable. Notwithstanding this, we have concluded that there are some general observations that apply concerning the extent of the problem of OSH in these firms.

Firstly, the scale of the presence of weak arrangements and poor outcomes for safety and health in MSEs in the EU is considerable. This is in part simply because of the sheer number of such enterprises in the economies of the Member States of the EU. However, it also reflects how and where many of these enterprises are situated within these economies and the challenges this poses for the governance and regulation of the safety and health of the workers in them. A simplified overview would suggest that MSEs are more likely than not to experience some degree of difficulty with making arrangements to meet the process-based requirements for OSH management that are typical of current EU OSH legislation — if for no other reason than because smaller organisations generally do not adopt the conventional approaches to OSH management implied by this legislation. This is because most small organisations lack the capacities to develop such approaches. Furthermore, among the heterogeneous mix that characterises these smaller enterprises are a substantial proportion where their weak capacity seriously limits the responses they are able to make to requirements on OSH. As a consequence, it appears that these companies develop a predominantly reactive approach to OSH and solve related problems when they actually occur or when they are forced to.

At the same time, however, this picture is not uniform. As we have pointed out in the present study, there are many MSEs whose resources and business positions are sufficient to ensure that they are well-placed to 'do the right things right' when it comes to making arrangements for OSH, even if such arrangements do not necessarily entirely follow the orthodoxies of management more familiar in larger organisations. Nevertheless, the overarching conclusion of this study is that, to varying but significant degrees, a broad experience of resource limitation impacts on the majority of MSEs in one way or another and poses challenges to their capacity to deliver arrangements for OSH that are in line with those required of all enterprises by current EU regulatory provisions and policies. We have further

concluded that this is a problem best addressed through improved understandings of the nature of these limitations being reflected in the strategies of governance and support for MSEs.

6.3 The multifaceted poverty of resources for OSH in MSEs

A second set of significant conclusions emerging from this study is that barriers to the development of awareness and appropriate actions on OSH in MSEs are, to a large extent, consequences of the multifaceted limitation of resources available to MSEs generally. This is in part the result of a limited capacity for financial investment in adequate OSH arrangements in MSEs. However, it is not solely a matter of the limited financial resources of these firms. Our evidence confirms that it is much broader than this, and the report has concluded that limitations are experienced in virtually all aspects of the range of resources necessary to make informed, engaged and competent responses to the requirements of good practice in managing risks to OSH. These include limited management resources in terms of time, knowledge, competencies, attention to OSH, as well as limited financial investment. The research has further concluded that, for some, this situation is considerably more serious than for others. The different studies undertaken indicated that, while many MSEs are engaged in highly competitive markets, some are forced by competitive pressures to pursue what we have termed low road strategies towards their business survival. Throughout the understandings presented in this research, we have used this term to characterise the bundles of organisational and business strategies and practices adopted by some MSEs in their fight for the survival of their business. Our interest in doing so was to associate the 'structures of vulnerability' (Nichols, 1997) that sociologists have identified as being inhabited by a significant proportion of both employers and workers in MSEs with the 'low road' strategies in approaches to their business survival that many of these firms are obliged to adopt. Although the evidence is partial and incomplete, it is sufficient to strongly suggest that an important consequence of this for the many workers that labour in these particular MSEs, is that their experience is likely to be of poorer working conditions and proportionally greater risks to their health, safety and well-being than those experienced by their counterparts employed elsewhere in the economy.

A third key conclusion that has emerged in this study is that these conditions are exacerbated by the business strategies that prevail in modern advanced market economies. In this respect, our findings are in line with the literature concerning relations within value chains, namely that addressing the increased porosity of the boundaries of firms and, especially, with the concept of the 'fissured workplace' (Weil, 2014). As this literature makes clear, many MSEs are situated in weak positions at the ends of increasingly lengthy value chains that are, to a large extent, created and dominated by the business strategies of the more powerful organisations that occupy key positions of control in value chains.

Such strategies tend to lead to approaches to the operation of business that have the effect of marginalising issues regarded as peripheral to the firm's survival, including that of making arrangements for OSH in MSEs. Low awareness among owner-managers and workers in these firms of the significance of risks to safety and health, combined with the limited impact of public regulation and its regulatory agencies on them, especially in comparison with the market pressures to which they are subject and to which they must respond if they wish to stay in business, help determine this inaction. These pressures on their survival, often exacerbated by features of the current structure and organisation of the business and labour markets in advanced market economies, effectively limit both the will and capacity of duty holders within such enterprises to ensure safe and healthy working environments for their workers.

Yet, we have also found that among the many paradoxes that beset understandings about OSH in MSEs, are features of their operation and the social relations of work within them that are potentially supportive of good OSH practice. For example, the informality and close social proximity with which work is often conducted in MSEs can promote shared understandings and responsibilities, a joint engagement for workers and owner-managers on many aspects their work, as well as a strong sense of personal responsibility among some owner-managers for the welfare of their workers, with whom they have close personal relations. Even the dependent position their businesses occupy at the ends of supply chains, which we have seen in many instances to be problematic for the effective operation of OSH arrangements, can, in certain cases, act to create requirements on MSEs that help to leverage good practice on OSH into their operating procedures. The study has concluded that what seems to be

important in understanding such paradoxes is the means with which positive benefits for OSH can accrue from them, rather than these features of work and business in MSEs contributing to driving poor OSH arrangements and outcomes. What determines the direction of influence in this respect, therefore, becomes the critical question, with significant implications for strategies of governance and support.

6.4 Strategies of support

There is awareness of these situations among the many institutional actors and organisations involved in the systems for protecting and promoting the safety and health of workers in the EU. The fourth set of significant conclusions that emerged from the analysis of our research findings concerns support provided by policy-makers, regulators, social partners and OSH practitioners and by the many others who contribute to improving the safety and health of work in MSEs in the EU. The research identified key features of owner-managers and workers in MSEs and the contexts in which they operate, and showed how interventions on OSH owe their success to the ways in which their authors and instigators are able to understand these features and address their consequences appropriately in programmes and instruments to support improvement in OSH arrangements and their outcomes.

We have suggested several typologies of business practice, size, national context and sector, as well as several further features, that characterise or influence the operation of MSEs. While we have been at pains to point out that such typologies and general characteristics are not intended to describe features found in their entirety in any single enterprise, we have nevertheless concluded that they are a useful device to indicate the kinds of features and determinants of attitudes and behaviours that it would be helpful to take into account in the design of interventions if they are to be effective in better supporting OSH in these enterprises. As an example of the implications of such conclusions, we might take the case of our typologies of business practice where our interpretation of our own field data, and its comparison with the analysis of other research we have reviewed, has suggested to us that MSEs could be broadly grouped into 'learners', 'reactors' and 'avoiders'. We have reasoned that each of these types is likely to respond differently to interventions on OSH according to the influences embedded in their business practices, and have therefore concluded that it would be useful to take note of such features when designing interventions. This is because, for example, while an intervention with features best understood by 'learners' will be effective in relation to MSEs with the features of this group, if it were applied to MSEs with characteristics more typical of those shared by 'avoiders', for example, it may be far less effective. Moreover, since we and other researchers and practitioners have found that the proportions of such types are not equally distributed in populations of MSEs, and there are generally more 'reactors' than other types, strategies designed to address the features of this group may have greater numerical impact and transferability among MSEs.

Many examples of good practices in supporting OSH in MSEs were identified in the field studies in the present research and they add to the many others that are already known. Indeed, we conclude that knowledge concerning how to intervene to improve and support good practices on OSH in MSEs is not lacking. However, our findings also show that while there is much in the way of good practice evident in individual examples of intervention on OSH in MSEs, coordination and orchestration of the delivery of such successful initiatives to allow their transfer and sustainability is much less common. The research has concluded that such coordination is essential if policies on the governance of the prevention of work-related harm in MSEs are to be really effective. The research has further concluded that, to achieve this more systematic and coordinated approach, it may be necessary for regulators, regulatory agencies, social partners and others involved in the strategic delivery of prevention policies to be aware of the nature of change in modern EU economies and the implications this has for the protection of workers' safety and health in MSEs. We suggest it is important that prevention strategies take account of these changes if they are to be effective. Here, we see parallels between addressing these challenges in relation to MSEs and efforts to address the regulatory challenges created by the prevalent business practices and so-called fissured workplaces of the modern economy in other areas of governance and regulation. Similar strategic mixes of public and private regulation and governance may also be appropriately applied in relation to OSH in MSEs, such as using value chain relations as a means of leveraging good practices to the MSE suppliers found in their lower tiers, or achieving more coordinated and orchestrated actions on OSH that involve MSEs on multi-employer worksites. We found much that was encouraging in the examples we identified of initiatives using such regulatory mixes to achieve

effects that were hard to achieve through traditional regulatory methods. However, we were also obliged to conclude that such examples, like those of coordinated/orchestrated actions (with which they are similar and often overlap), were in fact relatively uncommon in most of the countries and sectors we studied.

6.5 Governance and regulation

Emerging from the analysis of the present study, therefore, is a further significant conclusion concerning the role of governance and regulation. It follows from the observations outlined in previous sections that, for improved OSH arrangements in MSEs to be adopted and practised in ways that are more widespread than is currently the case, stronger leadership on these matters will be required from EU and national policies. There is no evidence in our study that suggests that matters will improve purely on a voluntary basis or that market forces will drive such improvement. It is therefore encouraging to observe that recent policies at the level of the EU appear to have eschewed neo-liberal recommendations to further deregulate OSH and exempt MSEs from regulatory requirements portrayed as burdensome for business. Instead, while acknowledging the need to have regard for the needs of business, policies such as those of the Social Pillar and the Commission's statements on the modernisation of EU OSH legislation and policy would seem to make a commitment to a strong and appropriate framework for regulation that includes the protection of workers in MSEs, and which refocuses efforts on ensuring better and broader protection, compliance and enforcement of OSH standards and initiatives to support effective implementation in these firms. Equally encouragingly, they also make explicit the importance of enforcement in OSH and remind Member States of their obligations to ensure monitoring and enforcement on the ground and to secure the necessary resources to do so. This is especially significant because one of our key conclusions concerns the need for a strong regulatory framework for OSH that is inclusive of MSEs in each Member State, and which provides a steer and reference point not only for the MSEs themselves, but also for the activities of all parties involved in supporting OSH in these enterprises.

While these may be encouraging signs, it is nevertheless important to acknowledge that they imply a need for strong and concerted action from governance and regulation at the Member State level too. Such action is long overdue and necessary to address many of the causes of the inequality in the social distribution of work-related risks in the economies of EU Member States, and not solely the situation of OSH in MSEs. This is both because the challenges for social protection in the fissured structures of work described above and in which MSEs feature prominently present scenarios that traditional methods of state-led regulation struggle to reach and because these scenarios have developed during a period in which both the costs and rationale for public regulation have become less acceptable within economies essentially informed by the precepts of neo-liberal economic orthodoxy. We have concluded that, despite the unpropitious scenarios created by recent trends in the structure and organisation of work and in the economic policies of Member States, strategies and tools that are effective in improving arrangements and outcomes for OSH in MSEs are already present among the many initiatives, from the individual workplace to the sector and national levels, reviewed in this research. If current OSH policies at the EU level signal change in relation to regulatory leadership, they may help stimulate improved leadership and coordination. This, we have concluded, will be necessary to shift the existing pattern of usage of programmes and tools for improving OSH in MSEs from that of a situation in which there is mainly a multiplicity of individual and uncoordinated interventions, towards the orchestrated action required to spread improvement more widely and to where it is most needed. Of course, such action is not without challenges. Not least among them is the need for greater investment. This will be required from both public and private actors to deliver these policy initiatives. Coordinated actions such as those we have concluded to be most effective in having the widest reach in improving OSH in MSEs may require engagement from regulators, enforcement agencies, institutional intermediaries, business partners and private actors alike, to deliver their potential, all of which is not without resource implications. However, if these resource inputs are measured against the economic gains that would be made possible by such concerted actions, we conclude that they would prove cost-effective in terms of improved economic performance, greater participation in the labour force and savings to the public purse from reducing the costs of the consequences of injuries and ill-health.

In this context, some reflection on the role and engagement of trade unions is also important, since they are a potentially powerful support for OSH in all work scenarios. However, as we have suggested, it is necessary to explore ways to increase and extend this support to protect the growing proportion of workers in MSEs for whom traditional approaches to organising labour are less relevant or effective. We have discussed how the visits of peripatetic worker representatives to MSEs to advise both workers and their employers are effective interventions experienced in several EU countries, such as Spain, Italy and Sweden. Engagement in the operation of joint structures to support workers and employers in small firms with advice, information and training is a further example of initiatives in which trade unions participate in several EU Member States. Interventions higher up supply chains have also been employed by trade unions in sectors such as transport, textiles and construction, both nationally and globally, to influence working conditions experienced by workers in the small firms that are often at their ends. All of these examples have been shown to be successful, but like many of the other successes we have reported in the present study, they are bounded by the isolation and limited coordination of their delivery, which reduces their transfer and sustainability. A key feature of trade unions, however, is that despite the reduction of their membership and power in recent decades, they remain a ubiquitous presence across most sectors of economic activity in the EU. They are, therefore, a potential conduit and support for the more concerted and coordinated actions around supporting OSH in MSEs that the present study suggests are required in the future. As such, in terms of the sustainability of actions to support OSH in MSEs, they are very important indeed, and it is crucial that their engagement in whatever public/private regulatory mixes employed by governance takes forward such improvement.

6.6 Ways forward

For many MSEs, their situation is determined by ways in which stronger actors operate in the business relations in which they are engaged. Downward pressures from these actors, who seek to maximise their business advantage by outsourcing their risks and controlling price and delivery requirements placed on smaller, less powerful businesses, such as MSEs, serve to significantly reduce the decision latitude of these firms and at the same time increase the horizontal pressure from their competitors. The results act to reduce the time and resources these firms have available for OSH and help explain why they experience difficulties with implementing arrangements for the safety and health of their workers.

Currently, over 90 % of enterprises employing nearly half of the EU's labour force operate in an economy that is heavily skewed in favour of larger and more powerful businesses that are able to dictate the nature and terms of their business preferences to the owner-managers and workers in organisations that exist in weaker and more vulnerable positions in the market. This is generally the case, albeit in a variety of different ways, in both the private and public sectors and, as we have argued in this report, it operates in ways in which the state throughout the EU permits the perpetuation of inequality in the management of risks to safety and health for millions of European workers.

To truly remedy this situation and empower those who are responsible for protecting the safety and health of these workers, along with the workers themselves, to make adequate arrangements to achieve this, would require a reconsideration of the responsibilities of production. It is difficult to argue that this is what is taking place in the reorientation of OSH policies at the EU level at the present time. Nevertheless, the signs of change that we have identified at this level suggest that some optimism may be justified in concluding that it is currently accepted that governance of OSH in *all* workplaces in the EU should be a priority. In making it such, there is also an acknowledgement that the importance of safe and healthy work is as valid for those working in smaller organisations as it is for those in larger ones. However, to make this a reality, efforts need to be directed at achieving a better understanding of 'what works, for whom and in which contexts', in both policy and practice in OSH in the EU. This report has shown that such improved understandings and their application in ways that reach all workers and workplaces are possible and that they could be achieved if the lessons learned about the governance of OSH in MSEs in the EU were acted on by both public and private actors throughout the EU in the future.

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