



Contexts and arrangements for occupational safety and health in micro and small enterprises in the EU

A review of the research literature and Part 1 of the SESAME project

Presented by David Walters, Cardiff University; Ann-Beth Antonsson, IVL; and Jan Vang, Aalborg University, on behalf of the SESAME Consortium



What the presentation is about

Supporting the business of MSEs, while at the same time ensuring the health, safety and welfare of those who work in them is an important concern of both EU economic and OSH policy.

Providing such dual support requires a good understanding of:

- The role of MSEs in the EU economy
- The nature of OSH outcomes experienced in them
- The contexts in which these occur and the influences that determine them
- What works in supporting and improving arrangements and their outcomes for OSH in MSEs?

The aim of the review was therefore *to undertake a comprehensive review of recent research*, to better inform policies on supporting OSH in MSEs in the EU.

In addition we outline the further development of our work following the review

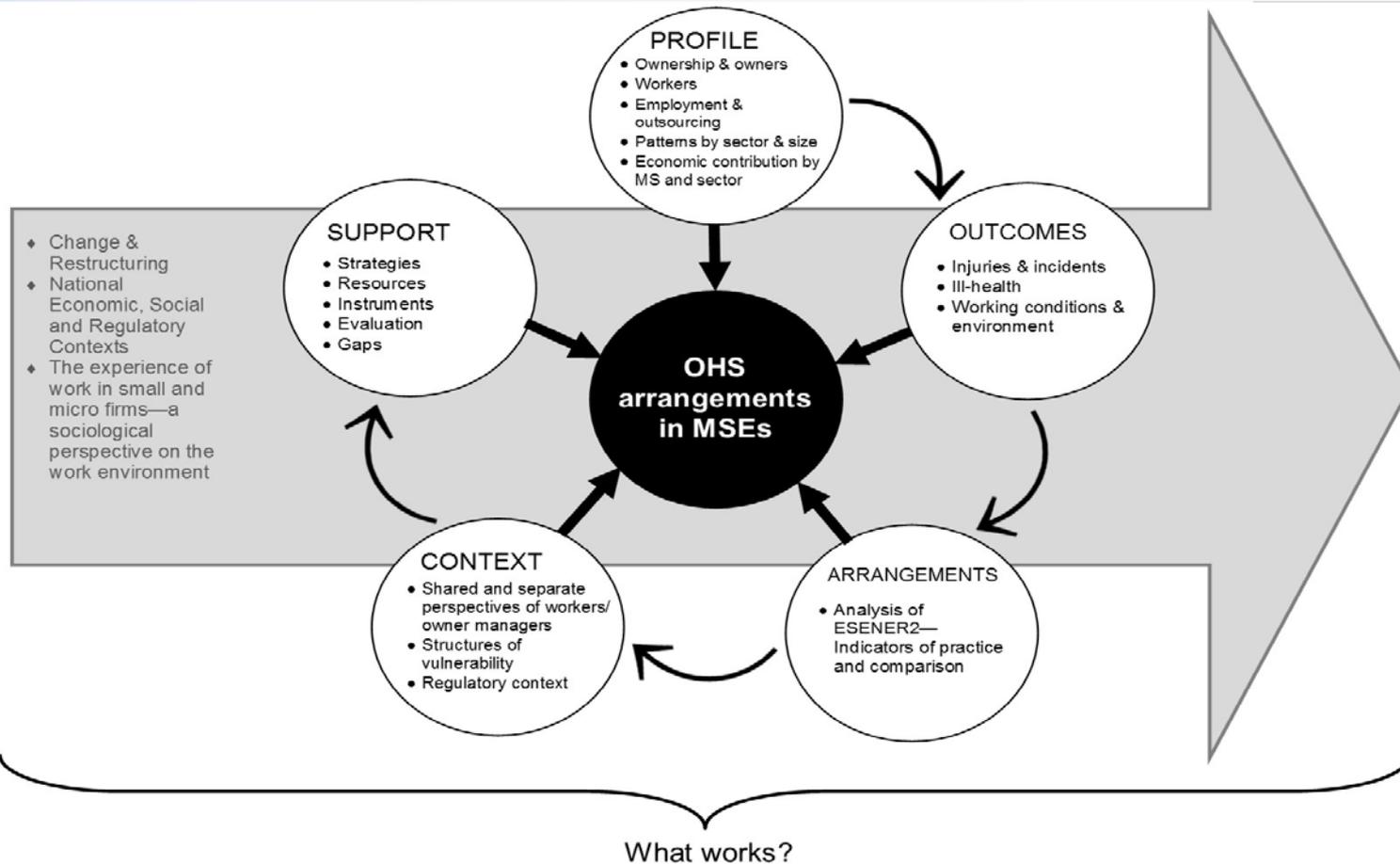
The review

- **A critical review of current research on OSH in MSEs, providing an account of the ‘state of play’**
- **Identify the main external and internal determinants of arrangements and outcomes for OSH in MSEs**
- **Review (research on) current strategies for achieving and supporting sustainable improvement in OSH in MSEs and the resources for achieving this**
- **To evaluate the contribution of this research to current knowledge and to identify gaps**
- **Stand alone, publishable, and also a backdrop with recommendations for the further work of this project**

Some special features

- **Situates support strategies, resources, instruments etc *within their wider economic, social and regulatory policy contexts***
- **Considers the influences of the economic/business situation of MSEs – eg the role of value chains, influences on decision latitude etc**
- **Pays attention to the extent of sensitivity in research to the ‘workers’ standpoint’ (after Eakin 2010)**
- **Also exploring the extent of relevant regulatory and socio-legal analysis in relation to MSEs**
- **Offers a realist evaluation of the effectiveness of strategies and instruments**

Elements of the research



What does the profile of MSEs in the EU look like?

- Profile in numbers — A massive presence in the EU. Growth in the last decade (now slowed — sectoral variations)
- They are less significant when other measures are used, such as value added, labour productivity, innovation etc.
- Employ around 50 per cent of the EU workforce
- Weakly unionised
- But don't forget - not just about the economy – MSEs also have a social value

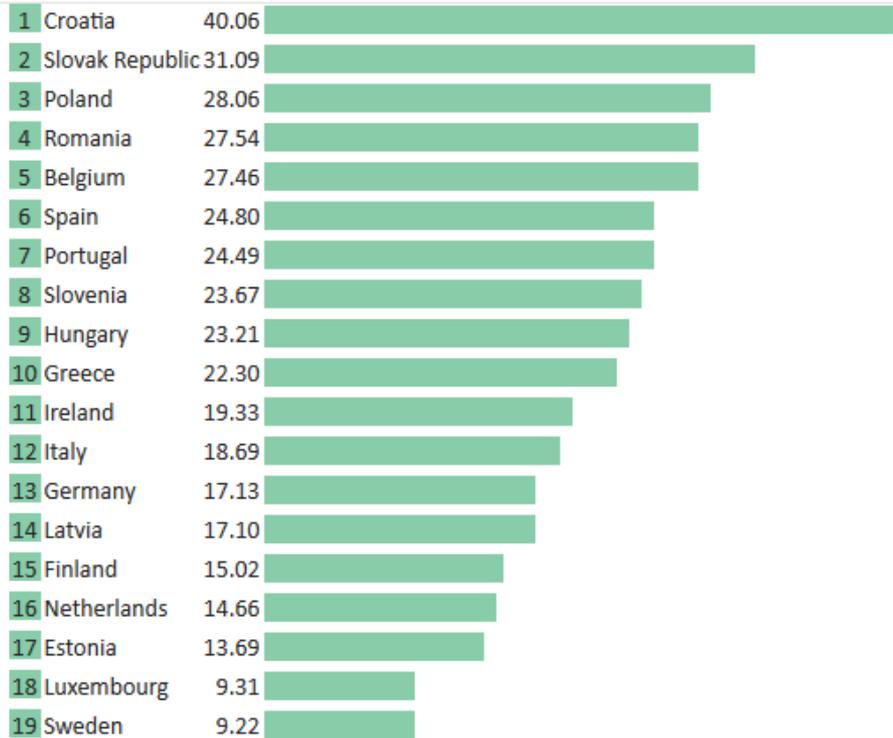
Stylized facts about the importance MSEs

Table 2.1: SMEs and large enterprises: number of enterprises, value added and employment in the non-financial business sector of the EU-28 in 2013

	Micro	Small	MSEs	Medium	Large	Total
Number of enterprises						
Number	19,969,338	1,378,374	21,347,712	223,648	43,517	21,614,908
%	92.4	6.4	98.8	1.0	0.2	100
Employment						
Number	38,629,012	27,353,660	65,982,672	22,860,792	44,053,576	132,897,040
%	29.1	20.6	49.7	17.2	33.1	100
Value added at factor costs						
Million euros	1,362,336	1,147,885	2,5102,221	1,156,558	2,643,795	6,310,557
%	21.6	18.2	39.8	18.3	41.9	100

Source: European Commission, Annual Report on European SMEs 2013/2014

MSE's and necessity-driven entrepreneurship



Policy context

- Multiple programs, sector specific, country specific
 - Cannot summarize them in a few slides
 - Instead an introduction to the stylized macro changes or change in policy paradigm
- MSE's are increasingly conceived as the drivers of growth, wealth and prosperity
- Shift away from seeing large companies as the driving engine
- Equals a shift from Fordism to flexible specialization
- Entailing a shift from demands-side policies to supply side policies
- Support and deregulation
- Increased market uncertainty for the MSEs and possible also a shorter time horizon in connection to their strategic planning
- MSEs also increasingly suppliers to larger companies, new problems in need of attention

Outcomes for health, safety and the work environment/conditions

- **Injuries and fatalities:**

A significant size effect on occupational fatalities and serious injuries — incidence greater in smaller establishments even after compositional effects are taken into account

- **Work related ill-health**

Global estimates suggests that while fatalities from occupational accidents may be decreasing, the same cannot be said for the far greater burden of mortality and morbidity caused by work related exposures. But there is no single reliable source of the proportion attributable to exposures in MSEs

- **Work environment working conditions**

Similar difficulties abound with measures of the quality of work environment and working conditions experienced in MSEs but indications of poorer work environment and working conditions in many

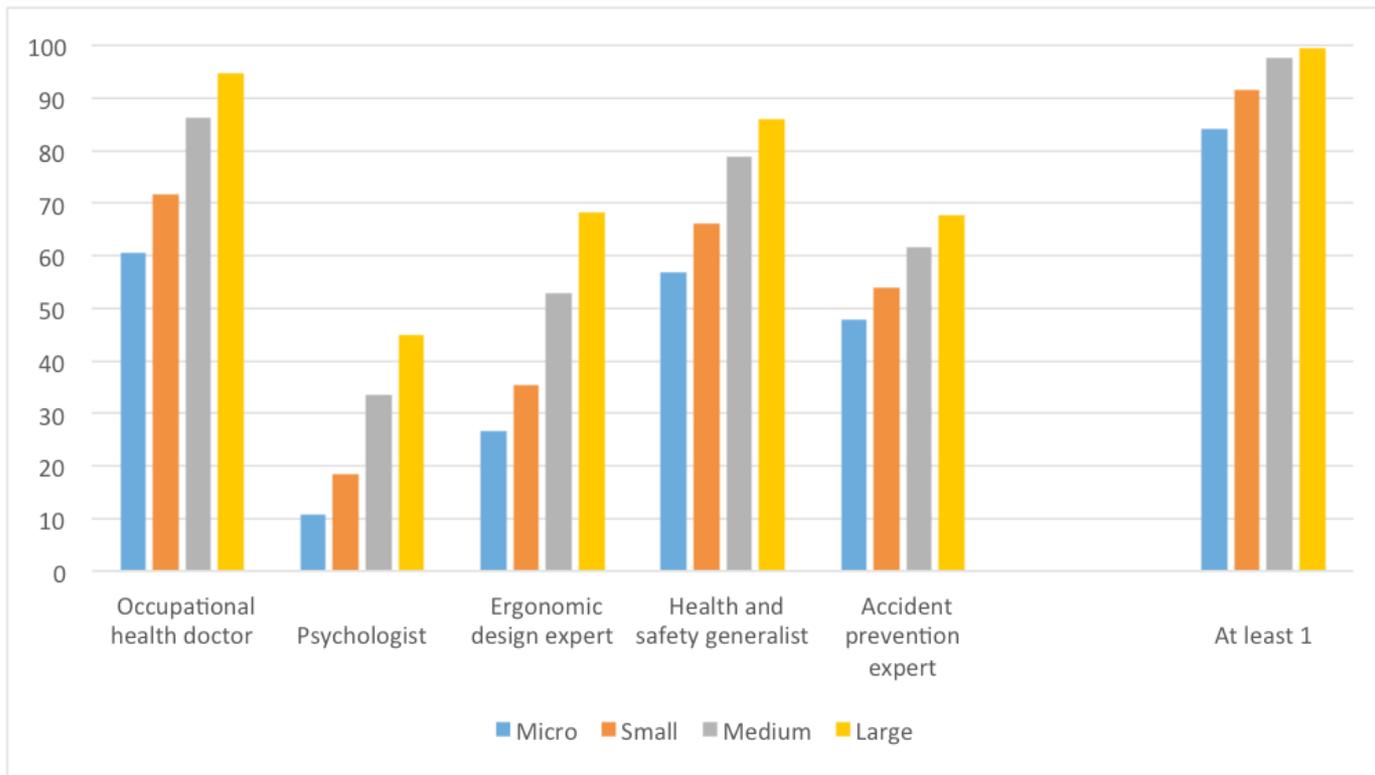
OHS outcomes, working conditions and work environment in SMEs

- Take home message —while the evidence is far from complete, there is sufficient indication of poorer OSH performance among smaller enterprises — with strong evidence from sophisticated secondary analysis of fatality and serious injury data combined with indications of poorer health outcomes, lower job quality, poor work environment and poor working conditions in a significant proportion of MSEs

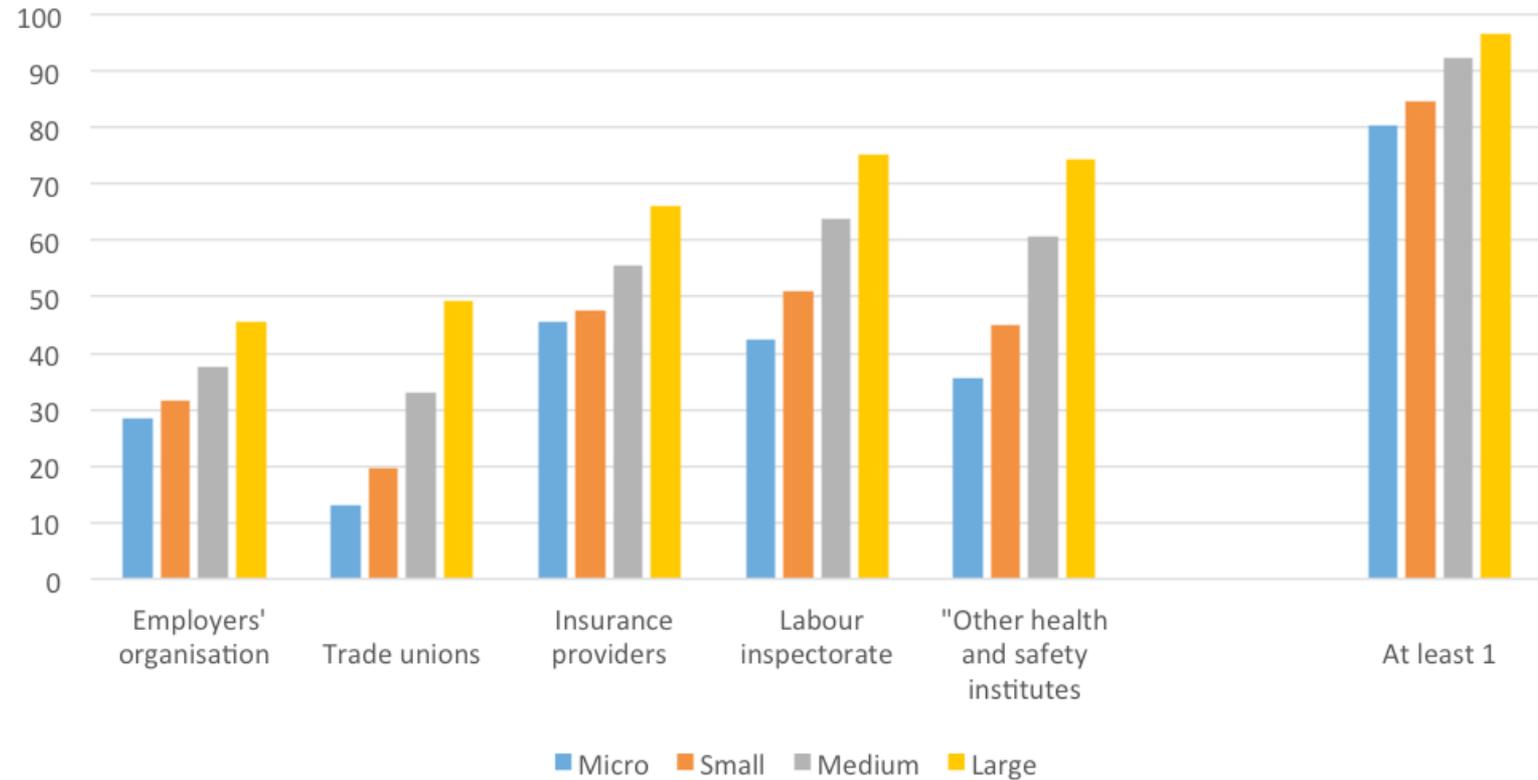
Arrangements for health and safety in micro and small firms

- One obvious reason for these proportionally poorer OSH outcomes in MSEs is they are the result of poorer arrangements for supporting OSH.
- There is substantial survey evidence as well as many individual studies to support this.
- For example: ESENER 2.

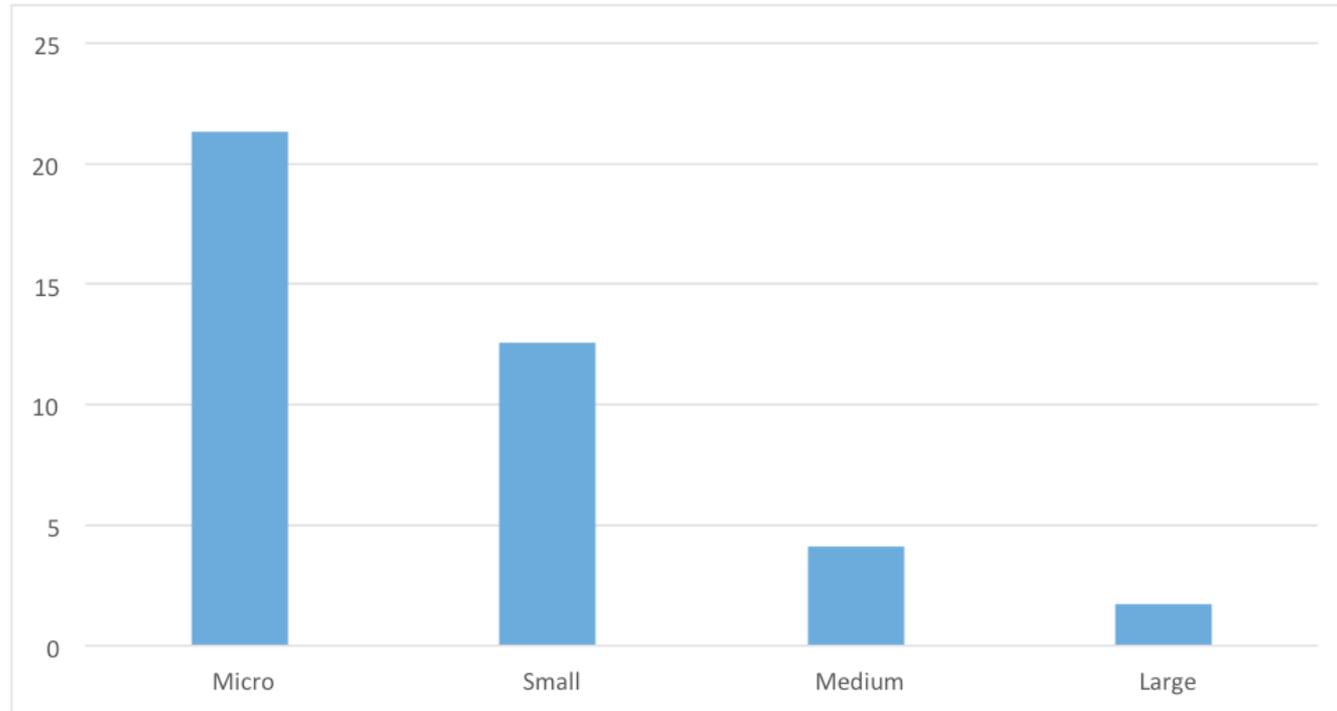
ESENER 2 % enterprises reporting use of OSH services, by enterprise size,



ESENER-2 % enterprises by size reporting use of OSH information from various sources

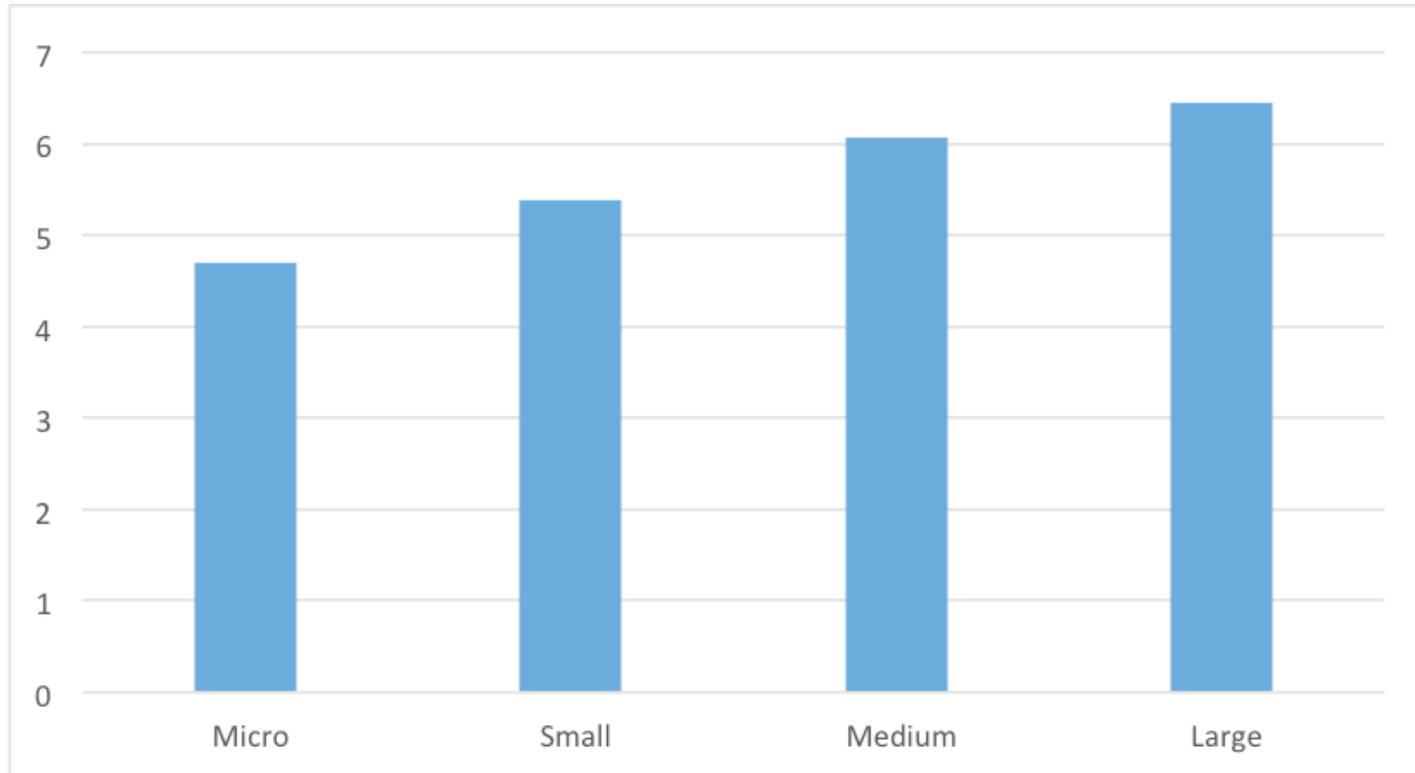


ESENER 2 — % enterprises that do not carry out regular risk assessment or other checks, by enterprise size



ESENER-2

a) Mean composite OSH management scores by size



OSH management and MSE – a word of caution?

- Analysis (such as of ESENER 2) consistently demonstrates that preventive arrangements are far less evident in smaller than larger workplaces
- Also shows national differences
- But there is a strong association between indicators of OSH management and the way ‘things are done’ in larger organisations
- Qualitative literature tells us MSEs don’t ‘manage’ their affairs in the same ways as larger concerns
- So there are some questions about what exactly is being measured in such surveys of OSH arrangements.
- We looked at the literature to explore this further

Reflections on the findings

- Mixed picture on OSH, with many paradoxes – partly explained by the heterogeneity of MSEs
- ‘General and multifaceted lack of resources’ determine poor OSH in MSEs. An aspect of wider social, economic, regulatory and labour relations issues within which they are embedded
- Combined evidence that a substantial proportion of work in MSEs takes place in firms which are typical of those pursuing ‘low road survival strategies’ in high risk industries —
 - a weak economic position, low investment in OSH, limited knowledge, awareness and competence of owner-managers, limited capacity to manage systematically, attitudes and priorities, concerns for economic survival ALL determine low uptake of preventive arrangements in substantial proportions of such firms in hazardous

Reflections on regulation and compliance

- Regulatory approaches to OSH may not be appropriate or effective in MSEs
- Research on regulation suggests limited engagement and weak compliance practices of owner-managers in MSEs, in which those on OSH are situated
- Typologies describe a range of compliance behaviours.
- Suggests greater prevalence of non-compliance behaviours among firms pursuing 'low road' survival strategies, among which harmful exposures for their workers' H&S are also likely to be disproportionately experienced.
- Emergent set of regulatory/compliance strategies with potential to address the challenges of MSEs – in which exploiting intermediaries, supply chain influence and public/private regulatory mixes may be effective - but evidence for success is scarce

So - what does the scientific literature say about how interventions work in MSEs?

- Growing scientific interest in interventions, but still few robust studies
- Different types of knowledge provided
 - Awareness raising
 - OSH management tools, incl. routines for risk assessment
 - Good practice, concrete technical and organisational advice on measures to improve OSH
 - Participatory approaches, workers involvement
 - Use of audits
- Good practice seems to work well in combination with:
 - Awareness of the problems
 - Some kind of personal support
 - Workers participation
 - OSH training
- But no general and scientific-based understanding of how interventions can be tailored to MSEs in order to successfully improve OSH arrangements

Strategies and tools to support OSH in MSEs – What works?

- Some reliable findings concerning ‘what works’, narrowly defined and generally only valid in relation to interventions *within a limited range of MSEs*.
- Far less known concerning contextual determinants of effectiveness.
- Knowledge concerning sustainability or transfer of interventions also quite limited, as is analysis of their supports and constraints in the wider social, economic and regulatory environment
- A large part of published work on interventions is descriptive rather than adequately analytical
- While heterogeneity among MSEs is often noted as a qualification to research findings, its implications are seldom addressed by research on MSEs

Strategies for support — Limitations of research focus

- Most research on OSH in MSEs is focused on the situation of their owner-managers. Limited consideration of experience of workers and what determines it.
- What does, suggests this experience may be different — casts doubt on assumptions of shared interest
- Such insights require research understandings from disciplines not commonly employed in specialist OSH research on MSEs
- Nor does previous research on intervention fully explore the regulatory or economic contexts in which the work in MSEs takes place, the influence of these contexts or that of structural changes in the economy contributing to both the prominence of MSEs and their OSH problems
- Little attempt has been made in research studies to evaluate or analyse national or EU policies in relation to OSH in MSEs

■ A strong case for:

- More informed comparative empirical analysis in which the determinants of health and safety arrangements in MSEs are understood in relation to their wider socio-economic, regulatory and policy contexts
- Need to address gaps in research findings at workplace, company, sector, national and European level
- Need for a more integrated overview matching policy analysis with macro level (national or sector) quantitative data analysis and micro level (company) qualitative analysis

Implications for future research (continued):

- Pay more balanced attention to workers and owner-managers and the economic, business and regulatory environments in which they are situated
- Add to knowledge concerning how workers and owner-managers understand what determines the nature of arrangements made for OSH and their outcomes in MSEs
- Explore: the experience of both workers and managers of the work environment in companies typically associated with higher OSH risks; how they experience risk and arrangements to manage it; what determines the nature of the arrangements both within and around establishments; and how they experience such determinants
- Further explore the precise nature of influence by 'going upstream' to understand the situated experience of OSH in MSEs

What we are doing now — to strands to field research

1. Exploring the ‘view from the workplace’ with owner-managers’ and workers’ experiences of OSH in MSEs

Our subjects’ experience is the result of everyday ‘business as usual’,— the actions of labour inspectorates, trade unions, trade associations, buyers etc., rather than the experience of a tailored intervention with a specific purpose, whether locally or nationally

2. Investigating examples of strategies and tools that are regarded as effective and presenting examples of good practice.

What is beginning to emerge in ‘the view from the workplace’

- The majority of our 160 cases in 9 countries are from the ‘better end of the MSE spectrum’ we anticipate them to show a greater than average interest and knowledge about OSH matters and to be more concerned with compliance as a ‘licence to operate’
- This is generally confirmed by our initial findings — but nevertheless our participants commonly display a reactive approach towards OSH — they, act when something happens or someone demands action

Some participants are more proactive, aiming at prevention of occupational injuries. Why? Personal values of owner/manager? External drivers such as inspections and regulation? Demands according to certification schemes and a licence to operate?

Strategies and support

- We will study the role and effectiveness of resources (interventions) specifically tailored to support OSH, to understand what makes them effective
- ‘Resources’ and ‘intervention’ are defined not only in terms of narrowly focused efforts to change behaviours in controlled scenarios, but also in terms of sector, national and European policies, strategies and resources, directed at improving or supporting OSH arrangements and their outcomes’ in MSEs
- Analysis will be within national frameworks and enable EU level comparative study of the influence of national contexts
- Collection of good examples of strategies, programmes, tools etc. – why do they work?
- Focus group discussions at sector level. What do key stakeholders think are the key success factors and major pitfalls in promoting effective OSH management and preventive action in MSE

Conclusions

The research has provided:

- Substantial review of existing knowledge
- Points to ways forward both for further research and for policy and practice
- Hopefully it will also stimulate further discussion and development which will leading to better support for the safety, health and well-being of millions of European workers

THANK YOU