

Safety and health in micro and small firms in construction and agriculture: Relevance of the findings of the SESAME project

David Walters
Cardiff University

A conference organised by the European Agency for Safety and Health at Work (EU-OSHA)

16 October 2019



What this presentation is about

- Introduces the background to the approach we will take today
- Outlines the origins and findings of the SESAME study
- What works in helping MSEs improve arrangements for safety and health ?
- A general presentation of the research background but with a focus on some of its key messages for stakeholders in agriculture and construction
- Introduces the more detailed presentation of more practical approaches in the sector

The SESAME study in brief

- **Comprehensive, wide-ranging study of OSH in MSEs in the member states of the EU.**
- **Four elements:**
 - Major review of current knowledge, including a profile of MSE in the EU, OSH outcomes, arrangements and their contexts, forms of support for OSH and ‘what works’ etc.... Based on its findings:
 - A study of the experience of owners and workers in MSEs in selected countries
 - A study of stakeholders perceptions concerning ‘what works’ in OSH in MSEs
 - Final report — synthesising the above.

Some relevant findings

- Greater risks in MSEs, proportionally poorer outcomes, but prevention strategies much harder to operationalise than in larger organisations
- For a substantial proportion — ‘General and multifaceted lack of resources’ determined poor OSH.
- This is determined by wider social, economic, regulatory and labour relations frames in which MSEs are embedded and which current structural changes in EU economies exacerbate
- Substantial proportion of work in MSEs takes place in firms that typically pursue ‘low road survival strategies’ in high risk industries — such as agriculture and construction:
 - 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 industries
- **These are the ones that are hardest to reach, but which are frequent in both agriculture and construction!**

Typologies of OSH in MSEs

- Owner-managers in MSEs generally show poor understanding of OSH; have little time; rely on 'common sense'; place considerable responsibility on workers to 'look after themselves' etc...
- Compliance behaviours of respondents in MSEs can be characterised generically with features of 'learners' 'reactors' or 'avoiders'
- In our study most common were typically 'reactors' or 'avoiders' – as in previous typologies
- Owner managers and workers in such enterprises are either likely to react to being made aware of OSH requirements or try to avoid such scrutiny...
- Research also suggests a greater prevalence of avoiders and reactors along with 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.
- They are likely to be found in substantial proportions in construction and agriculture.

What works?

- Widespread consensus that the majority of businesses and their workers want to do ‘the right thing right’ on OSH
- But many do not know how to do this or feel they cannot afford the resources to do so
- Hence also widespread consensus that they need support
- Support for OSH in MSEs is prominent in EU policy statements and those of most national authorities
- The Sesame project explored the nature and practice of such support including from for example:
 - National authorities
 - Regulatory agencies
 - OSH services
 - Insurance funded schemes (Germany, France, USA and others)
 - Small business & entrepreneur advisory services
 - Particular sector activities
 - Bipartite structures and collective agreements

Regulation and inspection

- Standards established by regulation, backed by enforcement through inspections, remain key
- Despite reservations about ‘interference’, owner-managers often like to know ‘what to do’
- Regulation is the foundation for the activities of other actors eg social partners, peer organisations, advisory services
- Frequent and personal (although costly), tangible and respectful inspections work best
- But many MSEs remain ‘hard to reach’

Innovative regulatory control

- Innovative approaches exist but practiced in few countries, mostly piecemeal, many gaps & little coordinated strategy. They include:
 - Organisational and policy responses
 - Enforcement and compliance practices
 - Efforts to extend the reach and influence of the regulatory authority
 - Greater efforts to achieve transnational co-operation
- **Some especially relevant to MSEs eg:**
 - supply chain regulation,
 - greater focus on reaching persons responsible for business undertakings (PCBU),
 - coordination and harmonization approaches,
 - innovative inspection practices
- Tensions remain between a need for innovationand the adoption of practices to offset the effects of reduced resourcing and political demands for reduced/re-orientated regulatory inspection

Smarter regulation for MSEs - examples

- Strategies to raise profile of inspection – eg, inspect all enterprises at least once
- Leading and coordinating the preventive activities of other intermediaries
- Using sector or regional meetings to provide advice, information and contact for and with MSE
- Greater use of IT to provide advice, guidance and co-ordination
- Surveillance of responsibilities at higher levels in supply chains in some sectors
- Sharing information on inspection strategies between inspectorates in different member states and co-ordination of focused inspection activities between member states

But —

- Most inspectorates in our study facing significant budgetary constraints as well as political pressure to adopt more ‘business friendly role’ alongside pressures to be seen to be more ‘effective’
- Tensions between ‘advice’ and ‘enforcement’
- Major differences between inspectorates – in style, resourcing and priorities

State OSH regulators not alone —

- **Insurance funded schemes (Germany, France, USA and others)**
 - Reduction in insurance premiums
 - Inspections integrated with advice
 - Health service
 - Preventive advisory services
 - Secure funding
- **Small business & entrepreneur advisory services**
- **Particular sector activities**
 - Food inspection, integrated municipal inspections (UK)
- **Bipartite structures and collective agreements**
 - Regional safety representatives (Sweden, also Italy and elsewhere)
 - Shared advisory services in construction (Denmark)
 - Generally applicable (sectoral/regional) collective agreements.

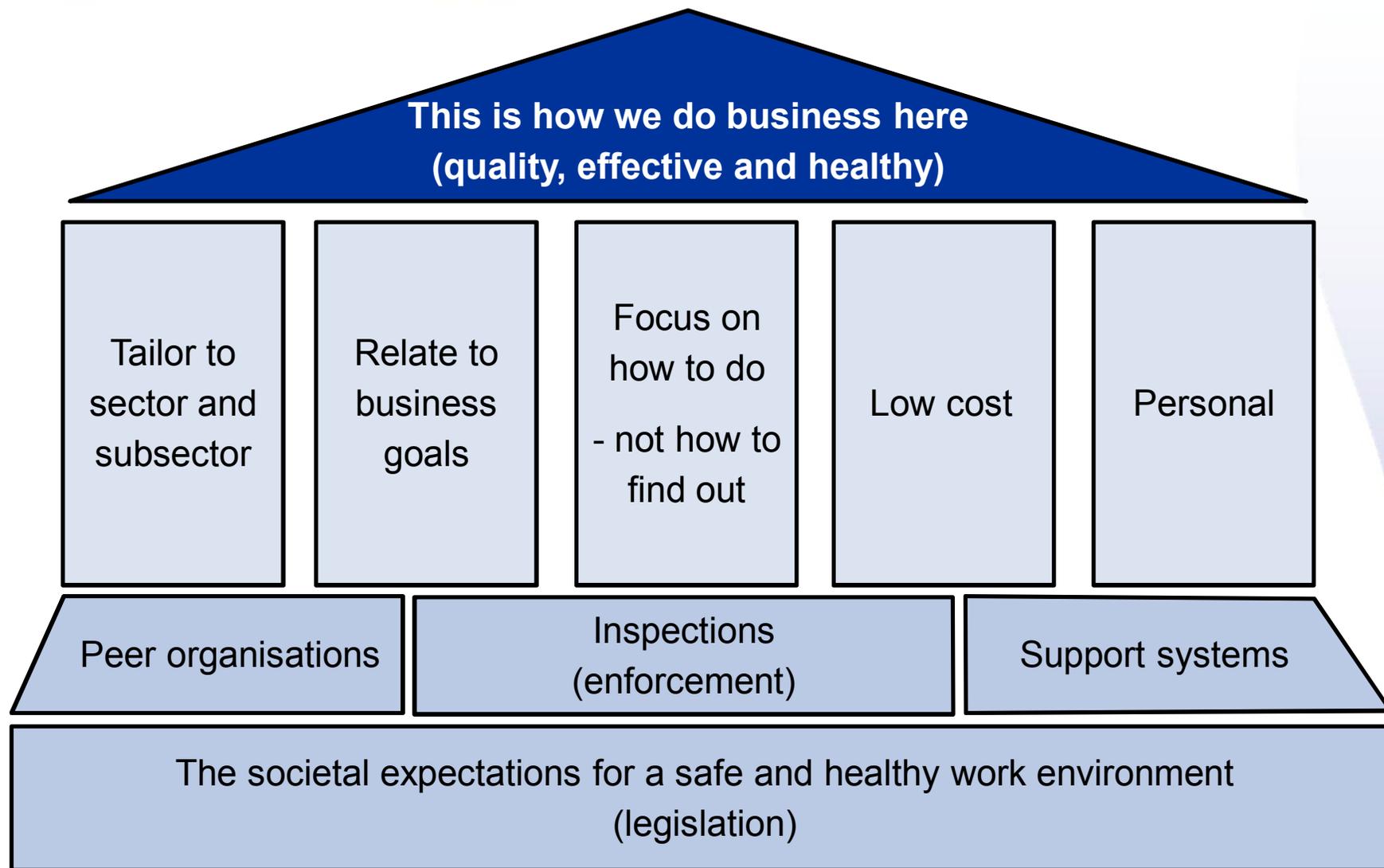
Peer organisations (intermediaries)

- **Research on what works best in MSEs has long established the importance of intermediary actors and organisations in securing improved OSH —**
 - Owner-managers look to peers to assess what is both acceptable and doable
 - Employers associations, craft guilds and business chambers have access and trust from small business
 - Unions have access and trust of workers and have a strong regulatory impact through representation (although their presence in MSEs is limited)
 - Advice and recommendations from peers are considered legitimate
 - Network groups and training activities (co)organised by peers are more likely to be considered relevant
- **But a significant challenge whether peer organisations have the necessary funding and interest?**
 - In some countries peer organisations have low membership in MSE and give priority to larger enterprises

Support systems (intermediaries)

- **Different countries have a wide variety of support systems**
 - But in most countries they only reach a small fraction of small businesses
 - Best reach often associated with secure funding such as from insurance schemes and structures
- **Advisory & occupational health services**
 - Vary from compulsory affiliation to market-based and voluntary
 - Often difficulties in reaching small businesses as too expensive
 - Often substandard quality to fit funding possibilities
- **Support works when it is low cost, tangible, tailored and personal**

A policy strategy for OSH improvements in micro and small enterprises



Overall findings of policy analysis

- **Many examples of what works well**
 - In terms of regulation, enforcement and support
 - Mainly voluntary programmes and tools mainly used by the small group of ‘learning MSE’
 - Often pilot programmes terminated due lack of sustainable funding
- **But action is necessary to increase effectiveness and reach — for the hard-to-reach and most vulnerable MSEs**
- **The resources available for what works well in all studied countries are too limited to reach out and make a difference for the great majority of MSE**
 - And most MSEs do not by themselves seek out information and take action on OSH
- **Within these limited resources, efficiency could be improved by development and better co-ordination of strategies but more resources still needed to achieve a widespread impact**

Orchestration (co-ordination and leadership) needs development

- **Who to initiate coordination?**
 - Most often authorities or sector organisations
- **Who to involve?**
 - Authorities, employers associations, business organisations, labour unions, insurance companies, advisory bodies
 - Most often in a sector approach
- **Shared messages and coordinated actions key to influence**
 - Trust, legitimacy and raising of risk-awareness in MSE
 - The opposite results in paralysis of MSE
- **Need to secure stable funding**
 - Move from pilot projects to sustainable policies and support.

Linkages to strategies to address wider current problems associated with the structure, organisation and control of work

- Change in both traditional employment and business structures, organisation and relations require new approaches
- Such as:
 - ‘Employers’ v ‘Persons controlling business undertakings’(PCBU)?
 - Regulation of the supply chain
 - Where regulatory responsibility matches economic power and accounts for changes in the importance of the legal nexus around the contract of employment
 - Combined with improved basic rights for vulnerable/precarious workers
- **Questions of course remain:**
 - How to achieve compliance?
 - How to extend collective agreements to effectively cover OSH in MSEs ?
 - Greater role for community based advisory systems?
- **Overarching conclusions therefore acknowledge heterogeneity among MSEs — implying multifaceted solutions — but stress that leadership and properly resourced, coordinated actions are important.**