Safety and health at work is everyone’s concern. It’s good for you. It’s good for business.

Outcome and good practices:
– what works for whom in what circumstances
Peter Hasle, Professor
Aalborg University, Denmark

Regulation, governance and orchestration:
– policy possibilities
David Walters, Professor
Cardiff University, UK

19 June 2018, Hotel Marivaux, Brussels

A high-level conference organised by the European Agency for Safety and Health at Work (EU-OSHA)
Is there a space for health and safety?

**The good news**
- Owner-managers want to be decent and take care of employees
- They listen to peers, customers and employees
- They are solution and action oriented
- Search for the common discourse on the acceptable work environment

**The bad news**
- OSH a minor task among many more important ones
- They underestimate risks and overestimate their knowledge and control
- They don’t like interference with their business
- They don’t do systematic risk assessment and OSH management

**Good reasons:**
- Higher risks and less resources for control
- Resulting in more accidents and diseases compared to bigger firms
Institutional pressure

Works through isomorphisms ("we do like others")

Three types:
- Coercive (state and market)
- Normative (professional beliefs, associations, …)
- Mimetic (peers)

MSE are looking for the acceptable level of risk control:
- How much do we have to do in order to be accepted by workers, customers, authorities, peers and the local community
- Need to secure a ‘licence to operate’
Regulation and isomorphism

- Regulation intentions
  - Legal deterrence
  - Social & ethical obligations
    - Norms & comprehension in society
    - The behaviour of peers
  - Micro and small enterprises
Regulation and governance

**Policy instruments**
- Stick (Regulation)
- Carrot (Incentives)
- Sermon (Information)

**Tangible programmes**
- Legislation
- Inspection
- Fines
- Insurance
- Subsidies
- Certificates
- Dissemination
- Training
- Advise

**Key mechanisms**
- Societal legitimacy
- Social accept
- Trust
- Knowledge about risks and solutions

**Context dependent**
- The standard pursued by small firms

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## Typology of micro and small enterprises

<table>
<thead>
<tr>
<th></th>
<th>Avoiders</th>
<th>Reactors</th>
<th>Learners</th>
</tr>
</thead>
<tbody>
<tr>
<td>OSH</td>
<td>Neglect</td>
<td>React to external pressure</td>
<td>Actively looking for knowledge</td>
</tr>
<tr>
<td>Risk</td>
<td>Unavoidable</td>
<td>Unavoidable, but react when made aware</td>
<td>Can be controlled</td>
</tr>
<tr>
<td>Responsibility</td>
<td>Mainly with workers</td>
<td>Share with workers</td>
<td>With the employer</td>
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### Design of policy programmes

- Compulsory
- Voluntary

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Design criteria 1: Tailor to sector and subsector

- Strongly identify with the craft (carpenter, cleaner, hairdresser)

- General advise on risk assessment and control which needs translation to the sector does not work

- Integrate in sector structure and culture – examples:
  - Supply chains in construction and cleaning
  - Safe handling of chain saws in professional training of forestry workers
  - Patient safety in homes for the elderly
  - Fashion and risky dyes in hairdressing
Design criteria 2: Relate to business goals

- Relate to the owner-manager’s drive to be a decent person
  - What do I have to do in order to secure that I and my business get a good reputation in the local community
  - What do peers say and do about OSH
  - Peer networks (both owner-managers and workers)

- Integration in other management priorities
  - Market requirements
  - Supply chain mechanisms
Design criteria 3: ‘how to’ - not ‘how to find out’

- **Risk assessment**
  - Possible in small enterprises – micro firms don’t do it

- **Tangible solutions**
  - Demonstration of solutions such as new technology and aids (lifting gear)
  - Recommendation of solutions which work in practice (preferable through visits or peers)
  - Digital solutions may be more helpful with new digital generations
    - E.g. tailored apps (how to carry out an actual piece of work)
Design criteria 4: Low cost

- **Simple, practical and low cost solutions**
  - Dissemination of tangible low cost solutions, e.g. ergonomic cleaning carts
  - Also through peer application proving it is cost-effective

- **Free or low cost support**
  - MSE don’t buy services – unless obliged
  - Compulsory funding through insurance
Design criteria 5: Personal

- **Personal outreach and support**
  - Personal inspection and advise which is tangible and respectful
  - Sector advisory systems eg. regional OSH reps in Sweden and shared service in Denmark
  - Trusted persons (peers, networks, voluntary organisations, accountants)

- **Personal identity**
  - Avoid direct criticism
  - Focus on future possibilities
A policy strategy for OSH improvements in micro and small enterprises

This is how we do business here
(quality, effective and healthy)

- Tailor to sector and subsector
- Relate to business goals
- Focus on how to do - not how to find out
- Low cost
- Personal

Peer organisations

Inspections (enforcement)

Support systems

The societal expectations for a safe and healthy work environment
(legislation)
The three pillars of regulation (FW Dir. 89/391): the prevention triangle

- Competent employer engagement for evaluating and controlling risks
- Effective OSH regulation
- Worker participation – individual and representative (practical knowhow)
- State regulation – inspection and enforcement

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Regulation and inspection

- Standards established by regulation, backed by enforcement through inspections, remain key

- Owner-managers look out for regulation
  - in spite of a traditional reservation towards authorities
  - they like to know what to do

- Regulation is the foundation for the activities of other actors
  - social partners, peer organisations, advisory services as well as other actors

- 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 include
  - Organisational and policy responses
  - Enforcement and compliance practices
  - Efforts to extend the and influence of the regulatory authority
  - Greater efforts to achieve transnational co-operation

- Some especially relevant to MSEs eg:
  - supply chain regulation,
  - persons responsible for business undertakings (PCBU),
  - coordination and harmonization approaches,
  - innovative inspection practices

- Tensions remain between a need for innovation ……and the adoption of practices to offset the effects of reduced resourcing and political demands for reduced/re-orientated regulatory inspection
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
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.
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

- The emergence of so-called ‘fissured workplaces’ with disintegration of both traditional employment and business 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.