Investment in improved working conditions pays back

The Committee on Labour of Leningrad Region and ILO Moscow have developed a new technique of assessing actual costs and losses caused by occupational accidents at enterprises. The method has been tested and approved by enterprises. As many as 11 regional enterprises took part in this project and in general 58 occupational accidents were analyzed with the help of the new technique. Before using this technique the employers believed that they had incurred direct losses only in 4 out of 58 cases, since the equipment damage took place there. However, the new technique takes into account not only direct but also indirect losses that are four times as high as the direct ones.

The losses incurred by the enterprises were registered in as many as 33 cases despite of high level of occupational safety activity observed at these 11 enterprises. Sure, it is needless to say that in the majority of middle-size and small companies the situation is even worse.

The conclusion is clear – the employer certainly benefits from investing into occupational safety and accident prevention activities as it makes it possible for an enterprise to avoid incurring severe material losses in future.

The results of practical approval have showed that the technique can be recommended for wide application at enterprises. In order to popularize the technique the booklet “Reduce risks – cut costs” (figure 1) and the book “Occupational Safety and Business” (figure 2) have been published within the framework of the project. All materials are created especially to be used by both employers and employees.
Occupational traumatism in Northwest Russia

For today, situation with occupational safety and health is still alarming in the North-West federal district, despite the recent reduction of occupational traumatism at enterprises. It is the facts by the Russian Federal State Statistics Service that confirms the situation.

During several years the rate of occupational accidents per 1000 workers (frequency coefficient) in the North-West federal district has been higher than the respective rate in the rest of Russia (figure 1).

The North-West federal district was the “leader” in the occupational accident rate among all federal districts of the Russian Federation in 2006 (figure 2).

The largest number of occupational injuries was registered in St. Petersburg and in Vologda, Arkhangelsk and Leningrad Regions (figure 3). The highest occupational accident rates per 1000 workers were registered in Vologda and Arkhangelsk Regions, the Republic of Karelia, and the Komi Republic (figure 4).

The main activities under the Project in 2007-2009 will take place on the above mentioned territories of the Russian Federation.
Figure 2. Occupational accident rate (per 1000 workers) in the Federal Districts (FD) in 2006.

Figure 3. Total number of occupational accidents victims in 2006.

Figure 4. Occupational accident rate (per 1000 workers) in the regions of Russia, which belong to the Northwest Federal District of Russian Federation.
New prospects in Leningrad region.

Leningrad region is one of the four regions in the North-West federal district with the highest average number of workers employed in different spheres of economy. Thus, the issues of improving working conditions and occupational safety are of high importance.

In 2006 and 2007 specific activities focused on improvement of occupational safety and health took place under the Plan of cooperation between the ILO Moscow and the Committee on labour and social protection of population in Leningrad Region.

11 enterprises took part in the Project. In the course of work the prospects of implementing ILO-OSH-2001 at enterprises and the experience of practical risk assessment in ZAO “Phillip Morris Izhora” and ZAO “Spetshimmontazh” were carefully considered. As a result, a technique of financial cost estimation related to occupational accidents at an enterprise was elaborated. It was tested at "pilot" entities of the region and recommended for wider application.

The practice of having “Occupational Safety Days” in the municipalities of the Leningrad Region should be especially noted. Such actions make it possible for employers and workers to get information on the ILO activity in Russia and in the North-West federal district in particular. The participants are also updated on the vital occupational safety issues. Interest to such events is growing both on the part of the employers and employees. For example, on November 21, 2007 representatives of more than 70 enterprises took part in the “Occupational Safety Day” in the Lodemyopolsky district. Two organizations volunteered to be partners under the Project in implementing a modern OSH management system according to GOST 12.0.230-2007.

The following prospects of further cooperation under the project should be noted:
- introduction of the modern OSH management systems in a wider range of companies of the region;
- implementation of the ILO risk assessment training module into the practical activity of the regional OSH training centers;
- use of the ILO materials in the training of small business managers (under the Regional program “Development and State Support for Small and Middle Size Businesses in Leningrad Region”).

During 2006-2007 11 organizations have taken part in the project.
Jukka Takala’s visit to the Republic of Karelia

On July 3, 2006, Alexander Mukhin, Karelian Labor and Employment Minister, met Jukka Takala, director of the ILO SafeWork Program. Takala gave a high assessment to the republic’s active efforts to improve its occupational safety and health (OSH) system and develop cooperation with the ILO.

Practical work in the Republic of Karelia under the ILO Project to improve OSH management systems in northwest Russia was of great interest for him and for the ILO SafeWork Program, he said. Mr. Takala spoke of the ILO global occupational safety and health strategy and of adoption of the ILO Promotional Framework Convention for Occupational Safety and Health, which regulates a systematic approach to occupational safety and health and development of the occupational safety culture and promotes the principle of prevention. The convention was adopted by an absolute majority of votes by the ILO member states at the 95th annual session of the International Labor Organization that closed in June 2006 in Geneva. The goals outlined in the Convention will be achieved by making occupational safety and health issues a national priority, by carrying out national occupational safety and health programs and taking preventive steps to ensure safer and healthier work conditions, Mr. Takala said. Karelia’s approach to the introduction of the ILO-OSH 2001 system on the regional level, launched on individual enterprises, is unique and is of great interest for other Russian regions, for the CIS member states and for other countries, he said. He underlined that a common systematic approach to occupational safety and health issues based on ILO recommendations was the crucial part of the globalization process and a guarantee of successful economic development.

Alexander Mukhin said he was willing to further cooperate with the ILO on programs that sought to ensure proper work conditions in the republic and to apply a modern systematic approach to creating occupational safety and health systems on all levels. The parties agreed to start issuing the republic’s regional analytical occupational safety and health review and outlined further steps to develop practical cooperation between the ILO and the Karelian Labor Ministry.
Beginning of the way

The preliminary stage of the project included extensive search for partners, organizations and institutions interested to cooperate in major areas of work. A visit to Finland helped to establish business contacts and reach agreements with many organizations and institutions that had an extensive experience and important achievements in the project’s key areas. For example, the Finnish Health and Social Affairs Ministry, the Finnish Institute of Occupational Health and the NIVA agreed to participate in creation, promotion and development of modern occupational safety and health systems based on ILO-OSH 2001.

In the Leningrad region, the labor and social protection committee became the project's key partner. Work to provide ILO-OSH 2001 was later included in the joint plan of work of the project and the committee.

During a study trip to the Republic of Karelia in June 2005, working meetings were held at the Union of the Republic's Trade Unions, the Employers' Union and the Labor and Social Protection Ministry. All organizations of trilateral partners expressed their great interest in cooperation in some areas.

The Karelian Labor and Social Protection Ministry pays great attention to improving occupational safety and health in the republic. After the 2004 administrative reform, occupational safety and health experts remained in the ministry. The newly set up ministry together with trade unions and employers drafted a new program to improve occupational safety and health and looked for new ways to achieve its goals. So it endorsed the proposal on cooperation with the ILO on practical introduction of the ILO-OSH 2001 system on local enterprises as a potential area of interaction.

In October 2005, the republic’s trilateral partners had a broad meeting at the Karelian Healthcare, Social Development and Sports Ministry involving the ILO Project. The meeting discussed the outlook for ILO-OSH 2001 in Russia and the situation at the national level. The parties decided to launch joint practical efforts to set up and implement in the republic’s organizations OSH management systems based on the ILO-OSH 2001 guidelines. To implement this decision, an initiative group was set up comprising representatives of the tripartite partners and an ILO Project coordinator. The Ministry was responsible for general coordination of work in the republic. The priority goals were set as follows: to select pilot enterprises interested in participating in the project and holding the first seminar in Petrozavodsk to present the ILO-OSH 2001 system and consider prospects of implementing it at pilot enterprises.


So Karelia became the first Russian region to endorse the implementation of ILO-OSH 2001 at the legislative level.
Given the sweeping growth of the market economy and globalization, the most important issue for Russian companies is sustainable development. Even if a company is successful today, it needs to consider opportunities to improve its work in the future. Such opportunities include analysis of ways to improve the existing systems and processes and of how new technological achievements can be used to everyone's benefit. The most efficient and stable is sustainable development taking into account proposals made by a company's employees of all levels. Yet a company's efficient development is impossible unless it ensures occupational safety and health.

A systematic approach to solving occupational safety and health issues at a company level, as developed by the ILO Guidelines on occupational safety and health management systems (ILO-OSH 2001), is an important basis for ensuring sustainable development. The ILO considers them a corner stone of the global OSH strategy designed to shape and support a national preventive occupational safety culture and to implement a systematic approach in the sphere.

The ILO advocates integration of OSH with other management systems and maintains that occupational safety and health issues should be an integral part of business management. Guaranteed and reliable occupational safety and health is of much greater importance than formal integration. The ILO-OSH also puts an emphasis on the fact that responsibility for ensuring occupational safety and health lies with a company's management.

The key provision of ILO-OSH 2001 is that it includes elements of danger identification, risk assessment, issues of prevention and control based on results of continuous assessment, efficient control, audit system and continuous efforts to improve the system. These moves should be in line with the clearly defined policy. A most important condition for carrying out this policy and for the system's efficient functioning is involvement and interest of employees and top management.

The importance of employees' involvement is specifically noted in the ILO Guidelines. This is the main difference between ILO-OSH 2001 and other existing standards and guidelines on OSH management systems, such as OHSAS 18000. Employees' involvement is the key condition for efficient planning and implementation of the system. Consultations with and participation of employees should be present at all stages of the system implementation, including policy shaping. The uniqueness of ILO-OSH 2001 is that it can be implemented at virtually any company, both large, small and medium-sized. One of the areas of the ILO Project to improve the occupational safety and health system in North-West Russia is practical implementation of the ILO OSH management system at individual companies. Information in this bulletin is devoted to some of the Project's result in this respect.
Risk management and assessment

On October 4-7, 2005, the Severnaya hotel in Petrozavodsk hosted Russia's first training course by the NIVA, the famous Scandinavian institute. It was organized in cooperation with the ILO Project and was attended by 29 participants from Russia and the Baltic states, including representatives of the Federal Labor and Employment Service and labor inspectors from North-West Russia. The course was devoted to one of the most important and crucial elements of the ILO-OSH 2001 system, risk assessment and management. The notion of risk management as applied to occupational safety is fairly new and is not always understood by specialists. At the course, the participants studied the fundamental notions of risk assessment, some results of research by their Finnish colleagues, and examples of practical application of risk assessment and management methods.

One of the seminar’s topics was comparison of the current system of job attestation that is in place in Russia and approaches based on continuous monitoring and risk assessment and management that are in use in the European Union. Representatives of the Baltic states shared their experience of organizing new OSH management systems.

The participants were offered to hold practical classes at individual workplaces. The seminar was of great interest to all participants, which was proved by numerous questions, discussions and debates at the seminar.

ILO-OSH 2001 in regions

Other Russian regions besides the Republic of Karelia also showed interest in ILO-OSH 2001. The first seminar to present ILO-OSH 2001 as part of cooperation between the Project and the Leningrad region’s labor and social protection committee is scheduled for November 2006. As many as 11 regional enterprises are willing to take part in the Project. The seminar will discuss in detail the outlook for implementing ILO-OSH 2001 at the Leningrad region’s enterprises and practical experience of risk management at one of the region’s companies that has a great experience in this area. On October 23-27, 2006, the NIVA will deliver its second training course in Russia. It is organized in cooperation with the Project. Its theme is Modern Trends and Goals of Occupational Safety in Russia. The course will discuss prospects of practical implementation in Russia of approaches outlined in the new ILO Promotional Framework Convention for Occupational Safety and Health and the ILO-OSH 2001 Guidelines as a tool for practical implementation of major principles of systematic approach in the sphere. There are also plans to consider similarities and differences of Russian and EU occupational safety systems and major principles of risk assessment and management.

Within cooperation with the EuropeAid project, possibilities are discussed for the ILO Project's participation in EuropeAid events devoted to the creation of modern OSH management systems. The ILO Project is expected to share its experience of promoting ILO-OSH 2001 in North-West Russian and in other Russian regions to demonstrate real practical positive examples of the system's implementation in Russia.
Seminar in Petrozavodsk

Within the cooperation program of the Project and the Karelian Healthcare, Social Development and Sports Ministry, the first seminar to present the ILO OSH 2001 System and the European OSH model was held in Petrozavodsk on March 21-22, 2006. The seminar was attended by representatives of the Federal Labor and Employment Service, the Federal Labor Inspection, the Karelian Healthcare, Social Development and Sports Ministry, the EuropeAid, the Finnish Health and Social Affairs Ministry, representatives of trade unions, employers, and occupational safety experts from Karelian companies that were involved in the project.

Natalia Toritsina, Karelian Deputy Healthcare, Social Development and Sports Minister, in her welcoming address emphasized the importance of efforts to implement the ILO OSH 2001 system at the republic’s enterprises to improve work conditions and reduce occupational traumatism in the republic. Nina Gubina, head of supervision and control over guarantees, compensations and work condition expertise of the Federal Labor and Employment Service of the Russian Healthcare and Social Development Ministry, spoke on aspects of joint work between the ILO and the Service. The Service’s involvement in the Project’s events has become traditional, she said, and the fact that the seminar is discussing practical issues of implementing the international ILO OSH 2001 system at Russian enterprises proves that change is under way, that there is a positive trend in the approach to OSH problems in Russia in general. Ms. Gubina underlined that it was important to involve top management of small and medium-sized businesses in the process as they were beginning to show interest in improving the efficiency of OSH, because a systematic approach helped to reduce spending on different types of insurance, to attract highly skilled personnel, to improve relations with authorities, including bodies of state control and supervision, as well as to enter the international market. The Federal Labor and Employment Service is willing to further cooperate in the sphere, she said.

Project coordinator Roman Litvyakov presented the ILO global goals and strategies, the situation with occupational safety in Russia and the demographic situation according to statistics and expert assessments. He spoke in detail on the ILO OSH 2001 Guidelines as a tool to carry out the systematic approach to occupational safety, their key principles and experience of their implementation in global practice. Hannu Alen, chief engineer of the Finnish Health and Social Affairs Ministry, spoke on the history of OSH development in Finland beginning in the 1960s, when the situation in his country was extremely unfavorable. He also dwelled on modern OSH organization in Finland, and its organization at the national level and at enterprises. Mr. Alen spoke on the role of state OSH bodies, their functions, the role of inspections and a practical dialog and voluntary interaction between social partners. He also mentioned the OSH

“Over 30 people are lost at enterprises every year. Implementation of the modern OSH management systems such as ILO-OSH 2001 will improve the situation. This is exceedingly important for the Republic.”

Hannu Alen, Senior engineer of the Ministry of Health and Social affairs of Finland is talking about risk assessment issues.
preventive strategy and the key role of risk assessment in its work. Jan Sleipin, an international expert, presented the European Union’s major requirements and approaches to occupational safety and health. An important role in organizing occupational safety in the EU countries belongs to a profound policy that envisages employees’ involvement in the management process and an approach based on preventive principles, he said. Tools to implement this approach are risk assessment, risk management events, regular medical examinations and training. His report also touched upon the main EU guidelines that regulate the rights and responsibilities of employees and employers related to occupational safety.

Alexander Petrovsky, director of the Center for Occupational Safety and Health, Moscow, spoke on the progress of consideration and adoption of a new inter-state CIS standard on OSH management systems that would be fully streamlined with ILO OSH 2001 and on advantages of system implementation at enterprises. He dwelled on major provisions of the law on technical regulations, which regulates major technical issues related to standardization, as well as issues of voluntary and mandatory application of standards in Russia under the new law. Among other things, he emphasized that the new law stipulated that Russian national standards were to be developed with international standards as a model.

Sergei Kulikov, head of occupational safety and state expertise of work conditions with the Karelian Healthcare, Social Development and Sports Ministry, said that over 30 people died at the republic’s enterprises annually. Implementation of modern OSH management systems, such as ILO OSH 2001, will improve the situation and is very topical for the republic, he said.

The second day of the seminar was devoted to practical methods of risk identification and assessment. In the first part, Mr. Alen told the participants about practical examples of how the OSH management system functioned at Finnish enterprises and on the great importance of occupational safety culture. He also dwelled on practical tools used to assess risks and their role in the continuous management process. Mr. Sleipin spoke on practical work of the Dutch Labor Inspection and its role in the national occupational safety system.

Later on, enterprise representatives spoke on the existing OSH management systems at their companies and the situation with occupational safety. Towards the end of the day, a discussion on the outlook for implementing ILO OSH 2001 at enterprises was held.

The discussion brought to light different problems of direct implementation of the ILO OSH 2001 system at Russian enterprises and its integration with the existing European systems at foreign companies working in Russia. Participants of the discussion decided on holding the next event within the Project. It will be a practical training at workplaces. Given companies’ location, the city of Kostomuksha was chosen as the place for the event.
Karelia`s pilot enterprises

Selection of enterprises was subject to long debates and work of the initiative group. Main selection criteria were determined as follows: an enterprise had to be willing to participate in improving the existing OSH management system and to have this system, as well as an occupational safety committee and a social dialog inside the company. Also, their industry, size and development level were taken into account.

As a result, four enterprises were selected to take part in the Project. Two of them are Russian, one is Finnish and one Swedish, all working in Karelia.

The two Russian companies have been operating in Karelia for a long time and are large businesses. One company has only started developing and is adjusting facilities to launch production. Another one was built not long ago, but has recently reached the projected capacity and is developing successfully.

These are ZAO Petrozavodskmash (machine building), AEK Ltd (electronics), Swedwood Karelia Ltd (timber and timber processing) and Firma Tecom (metalwork). Representatives of trade unions, occupational safety experts and technical specialists took part in the Project’s events.

All of the enterprises have an occupational safety system, set up either under Russian standards or after a foreign model.

The choice was also caused by the need to ensure opportunities to analyze specific features of implementing ILO-OSH 2001 at different types of companies and its integration with the existing systems in order to draft further practical recommendations on spreading the experience to other companies.
Kostomuksha: Russia’s first testing ground for ILO-OSH 2001

In compliance with the plan of cooperation between the Project and the Ministry of Labour and employment of Karelia, Kostomuksha hosted a practical seminar for pilot enterprises on practical implementation of ILO OSH 2001 on July 4-6. The seminar continued the one that presented and studied ILO OSH 2001 in Petrozavodsk in March 2006. Its key goal was to implement in practice risk assessment methods used in the European Union and to analyze the existing occupational safety systems at pilot enterprises in order to work out ways to improve them in line with ILO OSH 2001 approaches.

The seminar was attended by Jukka Takala, director of the ILO SafeWork Program, senior specialist on occupational safety of the ILO subregional office for Eastern Europe and Central Asia Viking Husberg, ILO project coordinator Roman Litvyakov, Karelian Deputy Labor and Employment Minister Natalia Toritsina, head of the Ministry’s department for occupational safety and work conditions expertise Sergei Kulikov, the Ministry’s representative in Kostomuksha Lyubov Inchina, executives and specialists, representatives of occupational safety services and trade unions.

Dr. Jukka Takala told the participants about new documents adopted by the ILO, the ILO Promotional Framework Convention for Occupational Safety and Health, its key provisions and development of the ILO strategy to ensure universal occupational safety and health. He specifically pointed out that implementation of modern approaches to OSH management systems was a precondition for a company’s successful integration in global production, which was especially important for companies working with foreign partners.

In the introductory party of the seminar, Mr. Husberg spoke on key aspects that should be taken into account when assessing risks and on the role of risk assessment in the entire structure of the systematic approach to occupational safety. He emphasized the opportunity for efficient application of the tool in current Russian conditions as a means supplementing methods and approaches envisaged by the current Russian legislation on occupational safety.

The seminar lasted for three days; every day the participants worked at one of the Kostomuksha-based enterprises. Before beginning work, ILO representatives held working meetings with the enterprises’ management to discuss the goals and tasks of the project, the enterprise’s functioning and coordinated workplaces to hold practical classes in risk assessment. All these meetings were held with full understanding and support on the part of the management. Afterwards, the participants worked in two working groups, one of which analyzed the existing occupational safety system together with Mr. Takala and the other dealt with risk assessment at workplaces using practical methods that are in use in Finland. Pictures were taken of some workplaces during work. Then the groups changed places and at the end of the day they discussed their conclusions. Pictures that had been taken when assessing risks were used in discussions.

At the beginning of work, ILO representatives analyzed the situation and presented their
conclusions on risks at workplaces. During work, initiative was passed on to Russian specialists and on the last day of the seminar it was they that presented their conclusions based on acquired experience. At the end of each day, a final meeting with the enterprise management was held to discuss the results of OSH management system analysis and ways to improve it. The seminar showed that approaches regulated by the ILO OSH 2001 Guidelines could be applied in Russia. Some companies already have many of the necessary elements. Notably, foreign companies have developed and are encouraging one of the key elements of ILO OSH 2001, employees’ involvement.

The term “occupational safety policy” is rather difficult to understand, as it is absent in official Russian documents. Under the current Russian legislation, all enterprises have occupational safety provisions that have somewhat different goals and contents. Difference of the documents and the policy’s role were among topics for discussion at the seminar. After the seminar, it was decided to conduct a systematic analysis of conditions for implementing the ILO OSH 2001 system at enterprises together with the Project. One of the tasks set is working out specific methods to encourage this work. The next seminar to analyze what has been done to implement ILO OSH 2001 is scheduled for 2007.

New ILO Standard

GENEVA (ILO News) - The 95th annual Conference of the International Labour Organization (ILO) has adopted a series of standards and measures addressing health and safety of workers and flexible working arrangements.

Delegates to the annual meeting overwhelmingly adopted a new Promotional Framework Convention on Occupational Safety and Health and accompanying Recommendation.

The ILO estimates that some 6,000 workers die each day as a result of work-related accidents or illness. The new measures will promote the development of a "preventative safety and health culture" through the elevation of occupational safety and health high on national agendas by launching national occupational safety and health programmes, as well as the promotion of safer and healthier working environments through preventive measures.

The Convention passed by a vote of 455 for and 2 against, with 5 abstentions. The accompanying Recommendation was also adopted by a vote of 458 for and 3 against and 6 abstentions.

The measures are based on the ILO's
Global Strategy on Occupational Safety and Health adopted by the 2003 International Labour Conference which emphasized the importance of building and maintenance of a national preventative safety and health culture, and a systems approach to safety and health.

Delegates also adopted an international labour Recommendation on the Employment Relationship. The new standard proposes to member States the formulation and adoption, in consultation with workers and employers, of national policies on effectively establishing the existence of an employment relationship and on the distinction between employed and self-employed workers; combating disguised employment relationships and ensuring standards applicable to all forms of contractual arrangements. The measure was approved by a vote of 329 for and 94 against, with 40 abstentions.

The Conference also adopted a Resolution on Wednesday concerning exposure to asbestos which causes some 100,000 deaths worldwide per year. The Resolution declares that the elimination of the future use of asbestos and the identification and proper management of asbestos currently in place are the most effective means to protect workers from asbestos exposure and to prevent future asbestos-related diseases and deaths. It also resolves that the ILO's Asbestos Convention 1986 (No. 162) should not be used to provide a justification for, or endorsement of, the continued use of asbestos.

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