

**Expanding the outreach and impact of occupational safety and health standards
in micro and small enterprises**

*Concept note for the Informal Meeting of Ministers of Labour and Social Affairs hosted by the Latvian
EU Presidency during the 104th Session of the International Labour Conference*

Geneva, 10 June 2015

Introduction

Small and microenterprises (MSEs) represent the majority of businesses around the world and employ a very large share of the global workforce. In the OECD countries they represent more than 95 per cent of all firms and account for around 46 per cent of total employment.¹ In the EU, legally registered micro and small enterprises contribute to about 50 per cent of total employment.²

More and more countries emphasize the economic and social relevance of MSEs as engine for growth and employment, and, hence, acknowledge the need to address the major difficulties affecting them. The interest in working conditions and in particular in Occupational Safety and Health (OSH) issues in small enterprises has grown in the last decade, as they are characterized by a much higher rate of accidents than larger establishments. Moreover, the harsh competition among an increasing number of MSEs integrated into global supply chains and the dire economic effects of the financial crisis have put additional pressure on investments in safety and health.

The Latvian Government has identified the issue of OSH in MSEs as of fundamental relevance, in line with its program for the Presidency of the Council of the European Union, which explicitly stresses “the need to improve health and safety at work and to reduce the number of accidents in the workplace”. Furthermore, the centrality of this issue is widely recognized also in several national OSH strategies, including the Latvian one. The plea for higher job quality, adequate social protection systems and sustainability of small businesses also reflects the priorities outlined in *The Oslo Declaration: Restoring confidence in jobs and growth*, adopted in April 2013 by government, worker and employer delegates from 51 European and Central Asian ILO member States.

Also in the context of the ILO’s Oslo Declaration, the Informal Ministerial Meeting organized by the Latvian government and its European Presidency will offer to participants an interactive platform for sharing experiences and good practices, including the use of new information and communication technologies, in order to raise awareness on safety issues and promote a preventive culture in MSEs. The involvement of different stakeholders at the national and local level will be given special consideration, as they are essential to guarantee the effective implementation of any possible action. Finally, the Meeting will represent an important input for the preparation of the General discussion for the 105th Session (2016) of the International Labour Conference on “Decent Work in global supply chains”.

Strategic framework for OSH in micro and small enterprises

Several international declarations and strategies express the high relevance of safety and health in smaller enterprises at the global and regional level.

There are more than 40 ILO International Labour Standards related to OSH and workplace compliance,³ many of which directly or indirectly address the specific challenges posed by smaller

¹OECD (2000), *Small and Medium-sized Enterprises: Local Strength*, Global Research, OECD Policy Brief, Paris.

² De Kok J., et al., *Do SMEs create more and better jobs?*, EIM Business & Policy Research, 2011.

³These include the Occupational Safety and Health Convention, 1981 (No.155), the Protocol of 2002 to the Occupational Safety and Health Convention, 1981, the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) and the Promotional Framework for Occupational Safety and Health

enterprises. The importance of a culture of prevention in small firms and the promotion of an OSH culture in the process of transition from informal to formal economy have been recognised as some of the fundamental strategic goals of the *Plan of Action 2010-2016 to achieve widespread ratification and effective implementation of the occupational safety and health instruments*, adopted by the Governing Body of the ILO at its 307th session in 2010. Workplace safety and health in small enterprises is thus a frequent and cross-cutting item in the agenda of the Organization and it is regularly emphasized in a number of ILC thematic discussions such as those on global supply chains, informal economy, non-standard forms of employment, sustainable SMEs, etc.⁴

On the other hand, the *G20 Statement on Safer and Healthier Workplaces*, endorsed by the G20 Labour and Employment Ministerial Declaration in Melbourne on 10-11 September 2014 and building upon the commitments made in Moscow in July 2013, clearly underscores – among other the pledges – the participating states’ commitment to “raise awareness, particularly among small and medium enterprises, about the importance of OSH and the positive impact that safer and healthier workplaces have on productivity, workforce participation economic growth, and sustainable development.”

At the EU level, and following consultations with social partners, a new *Strategic Framework on Health and Safety at Work 2014-2020* was adopted by the European Commission in June 2014. The Framework identifies among its three major challenges the enhancement of micro and small enterprises’ capacity to put in place effective and efficient risk prevention strategies.

Sharing good practices: Some examples

During the last decade, national governments, regional institutions and international organizations have been developing different strategies, including information campaigns and practical tools, in order to support compliance in MSEs. Checklists, guides and other general preventive programmes such as simplified forms for risk-assessment are of great assistance in facilitating compliance with law and regulations. Corporate codes of conduct, as well as international standards such as ISO standards, have been around for decades with the intent of preventing the problems related to working conditions in supply chains. The ILO and the European Commission have identified nearly 300 transnational and international company agreements concluded by multinational enterprises and global union federations in order to promote safe working conditions across corporate operations worldwide.

However, effectively matching the needs and the supply of OSH resources remains a main challenge, thus a more concentrated effort is needed at the national and international level. Best practices that emerged in recent years appear to be tailored, action-oriented, timely and low-cost approaches, combining health and safety with other management goals. This requires simplifying legislation where appropriate, and providing guidance and support to MSEs in order to facilitate risk

Recommendation, 2006 (No. 197), the Labour Inspection Convention, 1947 (No.81), the Labour Inspection (Agriculture) Convention, 1969 (No.129), the Labour Administration Convention, 1978 (No. 150).

⁴ Among others, the standard setting on facilitating the transitions from the informal to the formal economy, the general discussion on SMEs and decent and productive employment creation, the tripartite meeting of experts on Non-Standard Forms of Employment,

assessment in a consensual, creative and a more focused way. In this context, promoting an exchange of good practises, developing awareness-raising campaigns and improving the use of new technology, as well as exploring new forms of social partners cooperation in the area of compliance assistance will be key steps.

Some example serves to illustrate these new trends. The already mentioned EU *Strategic Framework on Health and Safety at Work 2014-2020* proposes the deployment of specific technical assistance and practical tools, such as the [Online Interactive Risk Assessment](#) (OiRA). The EU-OSHA also organizes bi-yearly Healthy Workplaces Campaigns, for which the Agency developed a wide range of digital tools and campaigning materials conveying simple and clear messages tailored for all relevant stakeholders.⁵ A “Good Practices Award” further contributes to the dissemination of best practices from all across the continent.

Experience has shown that institutional cooperation initiatives – such as the project “Improving safety and health at work through a Decent Work Agenda” implemented by the ILO and the European Commission between 2010 and 2012 in five pilot countries,⁶ or the different technical cooperation projects undertaken for instance in Bangladesh and Turkey – can effectively contribute to the streamlining of OSH issues in national political agendas, while at the same time assisting in developing a pool of resource persons at the enterprise level with appropriate risk assessment and risk management competences.

At the national level there are also several examples of innovative practices. These include for instance the use of creative media such as cinema in Latvia or theatre in Turkey, eTools and free on-site consultations as in the United States, crowd sourcing and social networks campaigns as in Finland, online sector-specific evaluation tools and multimedia as in France and Luxembourg, free online courses and an online risk assessment tool for small business as in Ireland, quizzes, radio and TV spots as in Tunisia, or the creation of small businesses’ safety networks as in the Netherlands.

OSH initiatives are more successful when part of a coordinated effort, as in the case of New Zealand, which developed a comprehensive series of initiatives specifically targeting small business, combining information campaigns, mentoring programs and incentive structures that reward financially firms that register substantive improvements in prevention and safety.

Several regulatory and legislative initiatives have been also undertaken to improve health and safety. Turkey, for instance, passed in 2012 a law on OSH, according to which micro enterprises carrying out hazardous economic activities are entitled to receive financial aid in order to allow them to access OSH support services. OSH-specific statutory requirements on procurement introduced in some European countries such as Belgium,⁷ the Australian provisions in the clothing industry, and the EU’s REACH regulatory regime⁸ aim at improving standards in supply chains.

The ILO has also issued numerous capacity building instruments and training materials to foster sustainable OSH management practices in MSEs around the world. These are all the more effective

⁵ For more information, see <http://toolkit.osha.europa.eu/>

⁶ Honduras, Malawi, Republic of Moldova, Ukraine and Zambia.

⁷ EU-OSHA, *Occupational health and safety in marketing and procurement*, 2000.

⁸ REACH obliges all the companies in a supply chain to exchange information about substances and mixtures and their safe use.

when taking advantage of new mobile technologies, which greatly enhance their outreach capacity, transparency and quality of delivery, while allowing for substantial cost savings. For instance, the ILO has developed an OSH Checkpoints app series allowing users to create interactive checklists tailored to their workplace, while similar applications have been developed by several OSH Agencies, labour inspectorates and other agencies worldwide.

Facing needs and challenges

MSEs are characterized by shorter communication lines, simpler structure, and less formalised management. As a result, they often lack a structured approach to OSH management. The absence of directly available guidance and expertise, as well as low awareness about risks and obligations, are the main factors behind deficient OSH enforcement in MSEs. Micro and small enterprises are often faced with high resource constraints and operate under strong financial pressure, which means higher compliance costs in relative terms. Moreover, the growing use of temporary contracts, bogus self-employment, and contractual arrangements involving multiple parties such as subcontracting have added new challenges to the prevention of physical and psychosocial hazards.

For these reasons, occupational risks in micro and small enterprises are much higher compared to large firms: in MSEs the fatal accident rate is nearly double that of larger companies.⁹ Smaller establishments tend also to show lower levels of compliance with national and international legislations, and report fewer OSH management measures as compared with larger ones.¹⁰

In developing countries in particular, the intensified competition among small firms integrated into supply chains has been accompanied by major incidents, injuries and fatalities.¹¹ The increasing internationalization and complexity of decentralized production systems raise entirely new questions in terms of workplace safety and health, placing the need for an effective culture of prevention at the forefront in the efforts to guarantee safe and healthy workplaces.

The economic and social challenges experimented by numerous countries in the last decade have introduced new potential hazards, the causes of which are to be found beyond the lack of safety measures and prevention plans. The diffusion of new technologies and production processes such as the use of nanotechnology or biotechnology has greatly benefited productivity growth and investment levels in developing and developed economies. At the same time, it has generated new concerns and needs for innovative OSH strategies, in particular for small enterprises. In fact, some of the new work organisation processes, as well as the problems related to job security, are sources of occupational stress, psychosocial risks and musculoskeletal disorders.

Governments and social partners should consider the particular circumstances and limitations of MSEs when setting out and putting in place OSH regulatory measures. In order to keep pace with a

⁹EU- OSHA, *Promoting Health and Safety in European Small and Medium-sized Enterprises (SMEs)*, 2005.

¹⁰ In the EU. i.e. the size of the establishment, the industry and the country are the strongest determinants of the scale of OSH management in establishments, according to the 2012 Enterprise Survey on New and Emerging Risks (ESENER) report

¹¹ Dramatic cases such as the Rana Plaza collapse in Bangladesh in April 2013 (where 1,132 garment workers lost their lives) are a clear illustration of the potentially catastrophic consequences of poor working conditions and safety measures.

fast-changing world of work, new and more effective tools, awareness-raising campaigns and guidance for small and micro businesses need to be developed, taking advantage of the opportunities opened up by new communication technologies and social media platforms. This can only be achieved through the involvement of and collaboration with both traditional and non-traditional stakeholders in the world of work, and in particular by strengthening the voice of worker and employer representatives.

Discussion points

1. *Sharing experiences*: What initiatives and measures have governments and social partners in the participating countries taken – or plan to take – to effectively deliver information on safety standards at the workplace to MSEs?
2. *New technologies and innovative tools to improve compliance*: Are there examples of successful awareness-raising and outreach campaigns at the national level involving the use of new communication technologies to promote a culture of safety in MSEs? What were the main elements of their success? What is the role of social partners in the development of new tools to improve compliance?
- 3 *Promoting collaboration and social dialogue*: what are the main opportunities and challenges for a greater involvement of relevant stakeholders, in particular workers and employers representatives, in micro and small enterprises (both within and outside supply chains)?
4. *The way forward*: How can the ILO better support Member states' initiatives to improve OSH in MSEs?