

## **OCCUPATIONAL SAFETY AND HEALTH SYSTEM IN SMALL BUSINESS ENTERPRISES IN UZBEKISTAN**

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### **Annotation**

Paper analyses the situation of occupational safety and health in small business enterprises. As well as, explains socio-economic essence of occupational safety and health in small business enterprises and reveals concerning conclusions.

**Key words:** small business enterprises, occupational safety and health, labor conditions, occupational accidents in production, injuries, professional illnesses.

### **Research methods.**

The research paper used comparative and statistical analysis, structural and functional approach, grouping, comparison, generalization and other methods.

### **Introduction**

One of the most important priorities for the conservation of high and sustainable growth, further strengthening the macroeconomic stability of the country is the all-round development of small business and entrepreneurship.

A fundamental principle of state policy in the field of occupational safety and health proclaimed by the national legislation is the priority of life and health of workers in relation to the results of production activities, as well as the coordination of labor protection with other economic and social policies.

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Economic reforms carried out in Uzbekistan, along with the expansion of the rights of enterprises, organizations and institutions, led to the creation of new forms of economic entities - today the subjects of labor relations, along with the state becoming employers representing different forms of ownership and organization of production.

Along with further capacity building of small businesses, the full support of the sector, providing its resources, increasing export opportunities, provision of credit, tax and other benefits of great importance is the improvement of working conditions, especially the improvement of occupational safety and health of workers of these businesses.

Occupational safety and health(OSH) - a complex system of socio-economic, organizational, technical and sanitary measures aimed at ensuring the safety, health and labor capacity of employees at work.

In a number of business organizations in the pursuit of short-term profit, they don't give attention to the rights of citizens for occupational safety and health. As result, this allowed to breach the law on occupational safety and health and recruitment of workers is carried out without official registration, employment contract, and other negative phenomena, which leads to the denial of their social and legal interests.

In general, many small businesses` occupational safety and health system does not meet the requirements of today, as a result, remains relatively high level of industrial accidents and occupational diseases.

In the market economy, because of the changes in the functions of all the participants of labor relations requires new approaches to the management of occupational safety and health by the State. However, it is necessary and greater use of market mechanisms of regulation.

All of the above leads to the relevance of this research are the study of the system of occupational safety and health in small businesses and to develop evidence-based recommendations for its improvement.

**Literature review.** Occupational safety and health system encompasses all factors of production environment by organization of labor process. Therefore, it is closely related to economics, medicine, ecology, mathematics, psychology, sociology, anthropology, engineering and other sciences. As these sciences develop, scientists, researchers and practitioners in the field of occupational safety and health have become increasingly aware of factors affecting their work safety.

This knowledge helped them to adopt a new approach to the problem of OSH.

According to S.P.Kakaulin, "Occupational safety and health is a system that encompasses the legal, social, economic, organizational, technical, hygiene, health and other occupational safety measures that are taken to protect the health of the workers in their labor activity, ensuring their safety, health and work capacity." [1]

Another Russian scientist - N.K. Kulbovsckaya's definition is: " Occupational safety and health is to ensure the safety and hygiene of the worker for the purpose of life and health during the labor activity." [2]

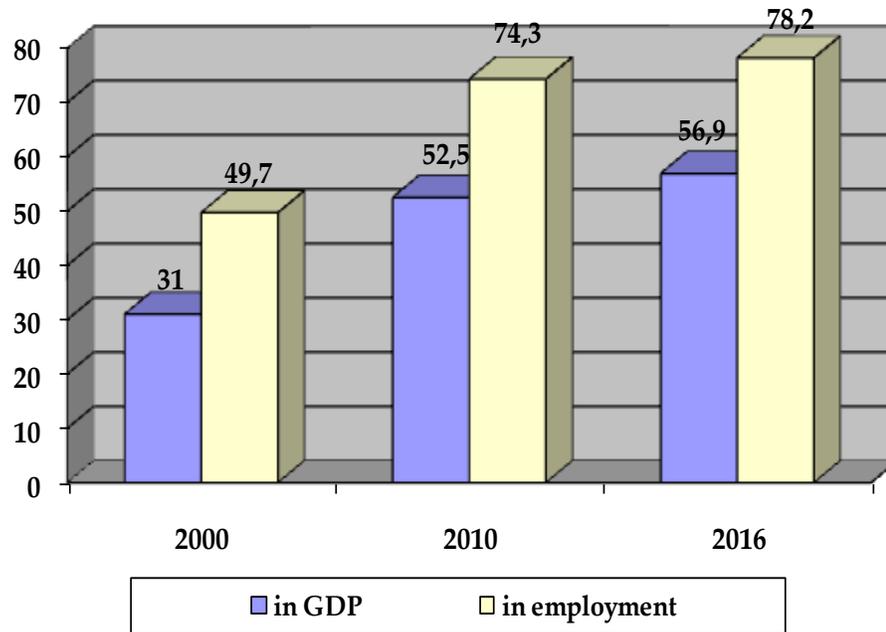
Doctor of Economic Sciences O.Q.Abdurakhmanov noted that "The main principle of the state policy in the area of occupational safety and health is the priority of the life and health of the employee in relation to the results of the production activities published in national legislation and coordination of OSH activities with other directions of economic and social policy." [3]

Summarizing the aforementioned definitions, we propose the following root causes of the term "Occupational safety and health": "Occupational safety and health is a system of preventive and hygiene, legal, socioeconomic, organizational and technical measures that are convenient for the worker to effectively and safely carry out his labor activity and not endanger his life and health".

**Main part.** In determining the intensive development of small business in Uzbekistan as the highest priority directions of economic policy were taken into account national traditions and experience of developed countries, the ability of this sector to the rapid adaptation to market

conditions, their role in providing employment and increasing incomes of the population, as well as their importance in ensuring socio-economic stability.

Thanks to the full support of the sphere by the government, for the years 2000-2017 the number of registered small businesses increased more than two-fold.



**Figure 1. The share of small business in the economy of the Republic of Uzbekistan (in% of total). [4]**

In 2016, the share of small business in the country's GDP reached 56.9 % and compared to 2000 increased by 25.7 %. If in 2000 the share of this sector in employment accounted for 49.7 %, in 2016 it reached 78.2 %. (Figure 1).

The leading position of small business in the economy suggests the need for further improvement of labor protection in enterprises of the sector.

Occupational safety and health system is interconnected with various aspects of labor. They mainly include the following:

-Economic: employment, pay and incentives, labor productivity; organization and regulation of labor;

- Technical and technological: the technical equipment of production; technology work processes, safety advice;
- Social: the content and attractiveness of labor, labor motivation, relationship members of the personnel, the respective interests;
- Psycho-physiological: the severity and intensity of labor, sanitary conditions;
- Legal: legal regulation of labor relations, including occupational safety and health;
- Organizational and management: the formation of government work, the regulation of mutual relations of workers, employers and the state.

In the condition of market economy, the organization of occupational safety and health in small businesses rests with the employer.

Thus, in the current legislation contains a provision that "Private enterprise is obliged to provide to their employees safe working conditions, social protection measures and is responsible for the harm caused to their life or health, in the manner prescribed by law." [5]

Service occupational safety and health in enterprises is a subdivision of the economic entity established to ensure compliance with occupational safety and health requirements. It ensures compliance by small businesses of labor protection rules, registers and analyzes the causes of occupational injuries and diseases, study and disseminates best practices in the field of occupational safety and health, advises employees and employers on safety, to improving the conditions and other issues.

In enterprises employing fewer than 50 people the employer may conclude an agreement with an external organization, specialized labor protection or introduce specialist staff with special training on occupational safety and health, or one of its members may be appointed as a responsible for the occupational safety and health.

In the case of appointment of the employee responsible for occupational safety and health in small businesses he/she should be specially trained. After that an order will be issued designating the employee responsible for occupational safety and health.

In small businesses enterprises, it is recommended to create a commission on occupational safety

and health.

It consists of representatives of employers and trade unions obtained on the basis of equality.

This commission organizes ensuring the implementation of organizational and preventive, socio-economic, sanitary and other measures aimed at protecting the lives and health of workers at work.

Despite the fact that the enterprises of the country take certain measures for the protection of labor, the state of affairs in this area can not be considered relevant to today's requirements.

For example, the proportion of workers working in conditions that do not fully comply with sanitary requirements was 27.8% and increased by 5.6%. The share of workers employed in heavy physical labor in the industry, for the period increased by 0.5% to 3.0%.

**Table-1**

**The proportion of workers in industries of economy of Uzbekistan, working in adverse working conditions (% of total employment in the industry) [6]**

Sectors	The overall proportion of employees working in unfavorable conditions
Industry	27,8
Construction	7,6
Transport	12,5
Communication	6,0

At present, if SBE's provide 77.9 % of formal employment, it becomes apparent that main part of the population working in unfavorable conditions accounted for this sector.

The analysis shows that accidents in small businesses occur for the following reasons:

- Low economic incentives for employers to provide safe working conditions;
- Low technological and production discipline;
- Lack of control on ensuring safe working conditions there;
- Insufficient allocation of funds for the purchase of special clothing, footwear and other personal protective equipment for employees of small businesses;
- Depreciation of fixed assets;

- Lack of knowledge and skills on occupational safety and health for employers and employees of small businesses;
- Poor preventive measures to prevent violations of laws and regulations on the part of employers and employees.

Conducting of attestation in order to identify harmful and dangerous industrial factors affecting the health and lives of employees of small businesses in the labor process is part of the OSH management.

Evaluation results are the basis for issuance of the certificate (security certificate) according to the working conditions of small businesses with labor protection requirements. There are three types of certificates:

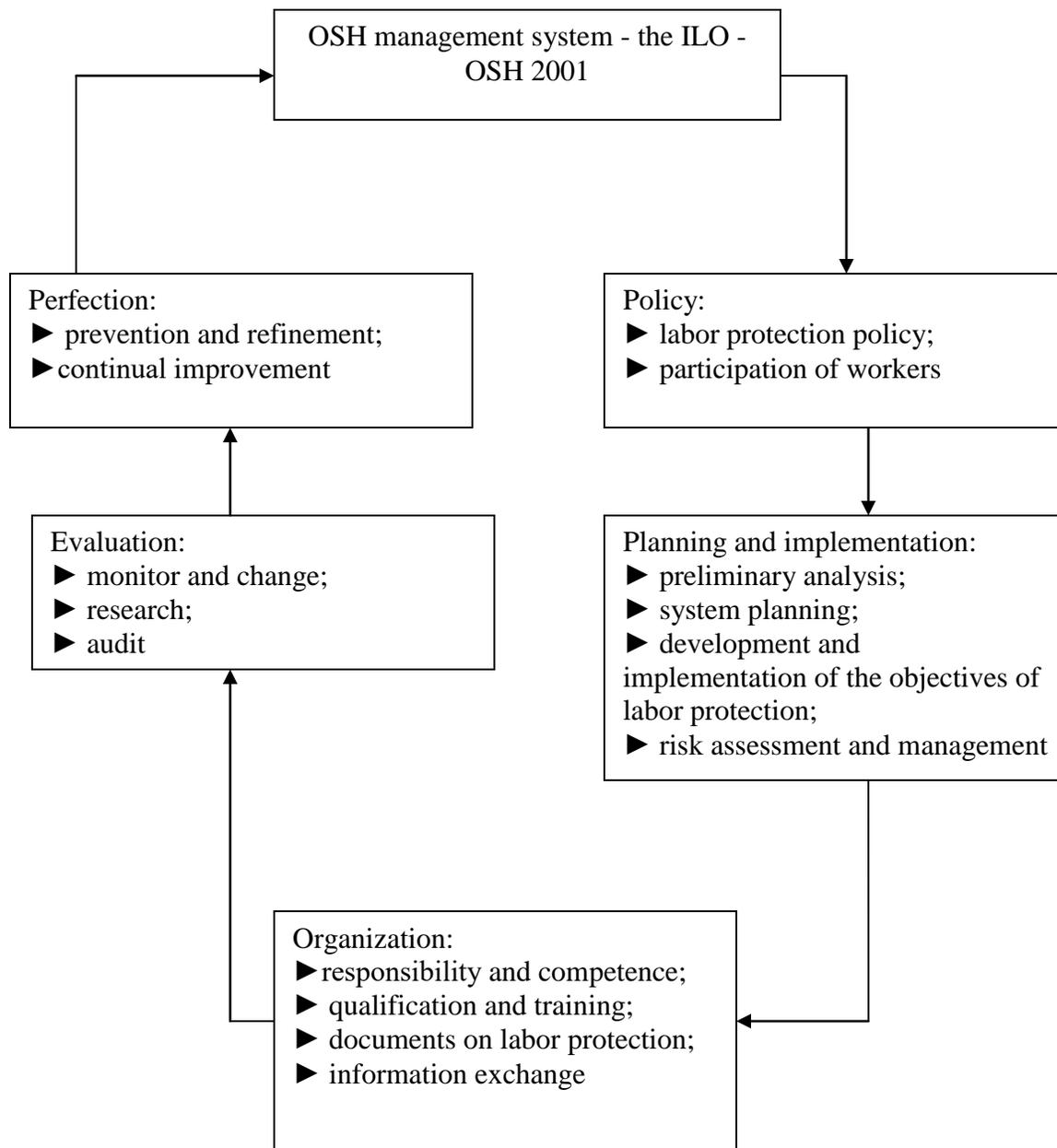
- First - it is not less than 90.0% of the jobs to be certified, and for the rest you must submit the documents for the implementation of organizational and technical measures. Implementation of these measures within no more than six months after the issuance of the certificate will allow them before the attestation;
- the second - for no less 75.0% of jobs must be certified, and for other documents must be submitted on the implementation of organizational and technical measures. Implementation of these measures within no more than one year after the issuance of the certificate will allow them before the attestation;
- third - for no less 50.0% of jobs must be certified, and for other documents must be submitted on the implementation of organizational and technical measures. Implementation of these measures within no more than two years after the issuance of the certificate will allow them before the attestation.

When replacing equipment, process changes, repairs collective means of protection, etc. according to the requirement of the State examination of working conditions jobs are subject to re-evaluation.

Under the socio-economic efficiency of labor protection measures for small businesses means the positive (improvement of working conditions and safety) costs of labor protection. Employer, given the scale of production and financial capabilities of small businesses, it is advisable to use the funds for the protection of labor, primarily on activities that contribute to a reduction of production risks.

There is natural and value indicators of economic efficiency. Natural indicators denote the required tools to achieve this goal, such as reducing the number of industrial accidents and occupational diseases. Cost figures reflect the cost efficiency of funds for health and safety. This cost-effectiveness is reflected in the reduction of the costs of workers' compensation for the damage they have suffered as a result of accidents at work, on established contributions to social insurance against accidents at work, as well as reducing employee turnover, productivity growth and other positive results.

In world practice, a system of OSH management was developed directly in the sphere of small business, which has been successfully applied in many developed countries. It was developed by the International Labor Organization (ILO) methods “Improving working conditions in small enterprises” (WISE) and intended for agricultural production “Work Improvement in Neighborhood Development” (WIND).



**Fig.2. OSH management system - the ILO - OSH 2001[7]**

In 1984, 155-convention and 164-recommendation of the International Labor Organization have created the basis for a systematic approach to managing occupational safety and health. The ILO in 2001 published a “Handbook on occupational safety and health management systems” (ILO - OSH 2001) (Figure 2). This handbook serves as methodical basis for the development of national standards in the field of occupational and health.

The purpose of occupational safety and health management system through effective risk management in the workplace is to assess occupational accidents and diseases and to achieve improvement of these indicators in prevention.

According to available statistics, in the industry of Uzbekistan every fourth person works under conditions that do not meet sanitary standards. The share of workers employed in heavy physical labor is 3.0% of all employees, and the share of workers who use technical equipment that do not meet safety requirements is 2.3%. Because of occupational injuries, occupational diseases lost 10 working days (in the European Union this figure is 7.9 working days).

It should be emphasized that the failure to comply with occupational safety and health harms not only the health and lives of workers. Because of this, employers have a big loss. This is reflected in the increase of production costs, reducing profits and profitability.

To solve these problems, first of all, it must be changed dramatically the price of labor force. The work performed in adverse working conditions, must be assessed much higher than the work performed in normal working conditions. In these circumstances the employer should be profitable to undertake significant additional payments to workers for poor working conditions. Therefore, they should be interested in finding real ways of radically improving the working conditions, refusing to use labor-intensive techniques and technology.

Secondly, one of the first places the employee should be motivated self-protection of labor, people should not agree to work in conditions that are hazardous to their health and life. Socio-psychological self-protection factor should be more important than the economic factor determining the possibility of additional payments for poor working conditions. Then workers will strive to improve their skills to fill the jobs that involve more meaningful and high-quality work.

Third, at the state level such OSH management system should be designed, which corresponds to a market economy and the emphasis which should be placed on a system of legal and economic regulation of these issues.

Fourth, in small businesses the system of incentives must be created corresponding to improve working conditions (for example, through a system of penalties for breach of the security of employees, for the consequences of accidents at work and occupational diseases).

The International Labour Organization is of the view that labor laws should be the same for large, medium and small enterprises. Although it is recognized that is not always possible to comply fully with labor standards in small businesses, especially in the micro. In such exceptional conditions, it is recommended in consultation with trade union bodies of the application of more flexible approaches to labor standards.

The Labour Code of the Republic of Uzbekistan provided for collectively-contractual regulation of labor relations, which allows on the basis of cooperation and compromise to agree with the mediation of the state interests of the main subjects of economic actors - employers and employees.

In order to regulate labor relations and coordination of socio-economic interests of workers and employers to the Labour Code of the Republic of Uzbekistan provides for collective bargaining and collective agreements, in which space is allocated and the regulation of working conditions and safety.

Local authorities can also help to improve working conditions for small businesses by assisting in the acquisition of personal protective equipment, to provide various benefits to employers at the expense of its budget. All of this will ultimately serve to further enhance their contribution to a stable high growth of the economy, in ensuring safe working population jobs and increase their income..

## **Conclusion**

Analysis of the occupational safety and health system in small business enterprises has enabled us to formulate the following research findings:

1. Occupational safety and health at work provides for the adoption of measures aimed at providing employees with a safe and effective working environment. The term of occupational

safety and health is a more generalized and higher than the working conditions, it brings together legal, socio-economic, organizational and technical, sanitary and hygienic, medical and preventive, rehabilitation and other measures.

2. Uzbekistan has created the legal framework and target system of labor protection. The Constitution of the Republic of Uzbekistan, the current legislation in this area ensures the right of everyone to work in decent working conditions. The state's role in the regulation of occupational safety and health is reflected in the improvement of the legal framework in this sphere, financing of occupational safety and health measures from state and local budgets, in the creation of safe and harmless jobs, encouraging employers to create a comfortable working environment, etc.

3. Existing problems in the system of occupational safety and health in small businesses are explained as follows:

- Liquidation or reduction of occupational health services at the initial stage of market reforms;
- Reducing the volume of scientific research aimed at the development and application of safe production processes, equipment, control and protection;
- Reduction on training for occupational safety and health, relatively low wages specialists decline prestige of the profession;
- Reduction of low quality of health care workers at work, irregular conduct medical exams;
- Unprepared employers and owners to perform their functions to ensure safety, they are not aware of elementary requirements of labor legislation, including legislation in the field of occupational safety and health.

4. Despite the fact that every year in the country, about 1.0 million jobs are created, only 100 thousand of them are certified for compliance with occupational safety requirements. As a result, not enough attention is paid to compliance with the standards of new jobs and occupational safety.

We have developed the following practical suggestions to improve the efficiency of occupational safety and health system for small businesses:

1. Support proposals on the feasibility of establishing a system of controls the Interagency Council with the participation of trade unions, social partners - representatives of employers and workers and other interested parties.

2. For small businesses:

- introduce direct benefits in the form of tax exemption funds allocated for the improvement of occupational safety and health;
  - provide appropriate incentives to small businesses that produce the means of labor protection;
  - Cooperation of the local authorities in the acquisition of personal protective equipment, providing a variety of benefits at the expense of their budgets;
  - introduce the procedure for changing the insurance rates for small businesses depending on the degree of industrial accidents, temporary disability;
3. In all curricula of secondary schools, secondary vocational and higher education institutions should make the subject of occupational safety and health as a mandatory.
  4. Ensure that employers are engaged in business activities in the field of small businesses possess the necessary knowledge for the protection of labor.
  5. Allow employers a certain part of the funds allocated to be used by insurance companies in the implementation of measures to improve working conditions and increase its security, including the acquisition of additional protective clothing, footwear and other personal protective equipment, without additional taxation.

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