

Alexandru GAMANJII

Harmonizing the labor safety and health at work issues to the European Union Standards

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Introduction

The importance of life and health insurance of the employees

Today, Republic of Moldova is one of the 16 countries, which are part of the European Union neighborhood policy. The new proposals of the European Commission come from the reports made on accomplishments of the EU partners within the Action Plans, which started in 2005. Meanwhile, the new initiatives in the framework of the European Union neighborhood policy bring new opportunities for our country to obtain some essential changes in the political and respective economic areas.

In this context, the “The issues related to harmonizing the labor safety and health at work issues to the European Union Standards” report studies the opportunities from the micro and macro point of view for improving the labor standards, applied by European Union and stipulated in the objective nr. 11 of the EURMAP – ensure that labor union rights and work condition standards are respected according to European standards and conventions of the International Organization for Migration (ILO).

Taking into account that during the production stage of an economic activity employees create added value (some working in noxious conditions), a higher attention is paid to ensuring secure and healthy working environment. The reason for this is the following: harming health can not be compensated with any material advantage. Therefore, health damage prevention should start when new technologies are designed. Severe protection measures have to be applied in order to avoid any risks related to these technologies.

Providing a high labor safety and health at work is one of the key objectives for the employers. This subject was always a central discussion topic on the international and European level. As a consequence, companies which provide healthy working conditions are the most competitive and respectively the most competitive on the market.

The change of the social and economic system of Republic of Moldova in conditions of accession to European Union implies the modernization of all aspects of the social life including labor security and healthy work conditions.

As of today, there are few responsible companies in the country, which are concerned for labor conditions of their employees. In several cases employers can not face the challenges for minimizing the risks related to work conditions, while implications of other social institutions such as state, labor union, civil society, speaks about the formal character of their work and inefficiency of the current mechanism for elaborating and implementing the national and international legal stipulations related to labor safety and health at work, which Republic of Moldova signed to.

The key problems which were identified and analyzed in this research are the following:

- The state can not achieve its basic objectives of the labor safety and health at work policies – ensure safe work conditions for employees in all branches of the national economy and providing social protection to the employees who were injured during work or affected by occupational diseases.
- The tolerance of employees against unsatisfactory organization of labor work, failure to comply with labor security rules, insufficient preparation of the employees working in the labor protection area. Having a big number of enterprises there is no Department for Labor Security and Health at work

Protection. If such a department exists, then it does not work in close contact with company administration. As a result, in most cases the labor health and security issues are underestimated during the production cycle of the economic agents, which affects the labor productivity level. In the meantime, the small and medium enterprises do not take measures for providing labor health and security conditions at work. The administration does not participate in solving the labor protection issues. The situation is more dramatic in the segments with strong competition, where companies avoid making investments in labor health and security conditions. The labor risk is one of the most important issues at the enterprises (for example: companies which produce furniture or construction companies).

- The need for increasing the efficiency of the labor health and security institutional framework by improving the informational, logistical and financial collaboration with ILO and European Agency for Safety and Health at work can be accomplished by having the Parliament of Republic of Moldova ratify the ILO Convention nr. 187, which stipulates continuous improvement of the duties of the institutions which supervise the labor security and health at work issues and the mechanism for their application. In the meantime this will be a strong impulse for elaborating and debating the National Program for developing the labor health and security system. Respectively this would contribute to elaborating governmental programs for supporting the companies which constantly improve the labor health and security conditions.

This report has the following structure: introduction, two chapters, conclusions and recommendations. The first chapter contains analysis and arguments for several problems concerning active and passive labor health and security policies. For making this analysis the following statistical data for 2001-2006 years was used:

- Evolution of investments made in labor health and security conditions;
- Evolution of work accidents and the structure of their cause;
- Tendencies of the noxious work conditions of the employees;
- The losses caused by work accidents and occupational diseases.

The second chapter contains an analysis of the state policies on labor health and security issues.

The final chapter formulates relevant conclusions and recommendations for improving the work health and security system from Republic of Moldova according to the European Standards.

1. Problem description: The analysis of the labor safety and health at work conditions

Today when production technologies are rapidly evolving, which modifies the labor intensity, organization and work conditions of the employees, an important consequence of these changes is the growing requirement for labor safety and health at work of the employees. According to the recent studies of the World Bank, 70% from the work period of the active population depends on the security and health at work conditions at the enterprise.

The direct economic losses caused by accidents at work and noxious working environment, as calculated by International Organization for Migration constitutes 2% from GDP in the industrial countries. This figure constitutes 4% from GDP of the world economy and 10% from GDP of the developing countries.

The growing role of labor safety and health at work in Republic of Moldova will constitute lasting tendency in the coming years, which will be influenced by following factors:

- Increasing role of the human factor in the production process (due to more sophisticated production technologies and application of international quality standards);
- Improving the methodology for evaluating the costs of work accidents and occupational diseases;
- Growing medical costs for treatment and rehabilitation of work accident and occupational disease victims.

The stipulations of the Labor Code of Republic of Moldova reflect the need to provide safety and labor health conditions. In order to implement these stipulations it is necessary to use programs, regulations and a common socio-economic strategy of all social institutions. Thus, there is much work to do in respect to preventing, combating the risks of the work conditions.

The ILO conventions, which were ratified by the Parliament of the Republic of Moldova, require elaborating a national policy aimed at labor safety and health at work (for example, convention N 155, art.4, p.1).

In order to study the issues concerning noxious work conditions and healthy labor environment, we will analyze several elements of the work security system.

1.1. The dynamics and investment sufficiency in labor safety and health (SSM)

From the economic point of view, the expenditures for accomplishing the security and health at work measures are investments which will permit to obtain certain considerable advantages in future. At the macroeconomic level, investments constitute the basic development factor. Investments have a greater value than it is perceived, because provide health and welfare of the employees by giving enterprises the possibility to implement innovations which increase product quality, reduce pollution and improve work conditions.

In conclusion, it is necessary that allocated financial resources correspond to decent work conditions which will not affect the security and health of the employee. So far, in Republic of Moldova, employers can not accept this regulation, because they perceive SSM as expenditures which have to be diminished. The rejection of the national companies to investment in improving work conditions of the employees is explained by low labor cost. The salaries in Republic of Moldova are highly reduced compared to other developed countries.

The analysis of the statistical data for 2001 – 2006 shows the share of the Salary Fund from the total value of the final production of the enterprises is 10-15%. In EU countries this share is 65-80%. As a result, the labor costs which include salaries, remunerations for noxious work conditions, insurance payments, and penalties are lower than investments for improving the labor safety and health at work of the employees.

The evolution of investments made in labor safety and health at work during 2001 – 2006 in Republic of Moldova is indicated in Table 1.

Table 1. Investments made in labor safety and health at work in Republic of Moldova during 2001 – 2006

Year s	De facto investments in labor safety and health at work			Investments in labor safety and health at work, calculated according to the legislation (2% from the Salary fund)			The share of investments in labor safety and health at work from in the salary fund, %
	mln. lei (in current prices)	Change, %		mln. lei (in current prices)	Change, %		
		Compared to 2001	Compared to previous year		Compared to 2001	Compared to previous year	
2001	47,45	100	X	78,35	100	X	1,21
2002	60,8	128,1	128,1	98,9	126,2	126,2	1,23
2003	79,6	167,8	131	126,7	161,7	128,1	1,25
2004	100,2	211,2	125,8	157,4	200,1	124,2	1,27
2005	124,7	262,8	124,5	186,7	238,3	118,6	1,33
2006	144,0	303,5	115,5	233,2	297,6	124,9	1,23

Source: Elaborated by the author, base don data from the reports on „Number of employees and their remuneration in 2001-2006” and „Labor protection during 2001 – 2006”, National Bureau of Statistics of Republic of Moldova.

The analysis of the data in this table reflects the continuous grow of investments in labor security and health at work by 303,5% compared to 2001. In the meantime, it can be noticed that this grow does not respect art. 26, Law nr. 625-XII from 02.07.1991 on Labor protection (updated by Law nr. 268-XVI from 28.07.2006), according to which annual investments in labor safety and health at work should not be less than 2% from the salary fund at the enterprises. The actual growing trend of the investments could have been done according to the legislation only starting in 2012 (figure 1).

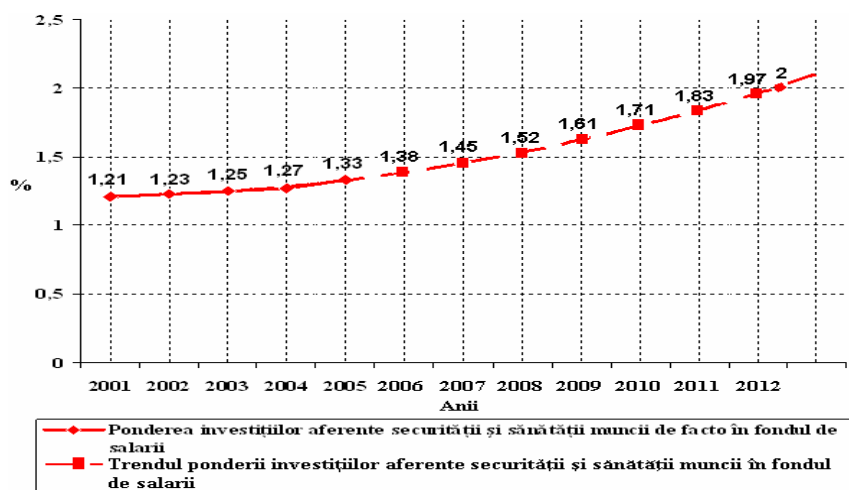


Figure 1. Period needed to execute the legislation on labor security and health at work, taking into account the rate of growth of investments by 2005.

However, in 2006 the share of the respective investments corresponded to year 2002, which explains a considerable relapse in executing the legislation.

The investments made in labor security and health at work conditions is not correctly calculated in the statistical reports from their composition point of view. In reality, these investments should not comprise financial resources allocated for protective nutrition and vitamins, because the latter serve as indemnity measure rather than preventive. Therefore, enterprises do not invest in improving work health conditions of the employees, but allocate indemnities such as nutrition and vitamins for employees working in noxious conditions. The result of our deductions is obvious: *de facto* the investment size is smaller compared to statistical data.

The sufficiency and efficiency of the use of investments directly impacts the probability of work accidents.

1.2. Evolution of work accidents during 2001-2006

During 2001 – 2006 the work accident rate in Republic of Moldova was constantly growing, being 10,4% higher than in 2001. The situation is worse with lethal accidents. In 2005 there were 27,7% more lethal accidents than in 2001.

The biggest number of accidents take place in power industry (134,3% change in 2005 compared to 2001), construction (126,1% change in 2005 compared to 2001), manufacturing industry (102,3% change in 2005 compared to 2001) and agriculture (100% change in 2005, compared to 2001). The situation is deplorable concerning the

number of death cases. In 2005, in the power industry, there were 4,6 times more lethal accidents than in 2001; construction – 2,57 times; agriculture – 1,27 times.

In 2006 the number of work accidents increased by 11% in the power industry compared to 2005, by 36% in constructions, by 40% in non metal production, by 46% in transport, store housing and communication etc.

Figure 2, shows the growth of number of work accidents in our country compared to Romania. It can be noticed that the number of work accidents in Moldova grew by 10,4%, while in Romania deceased by 22%. This can be explained by reforms accomplished in Romania in the security and health at work area for approaching the European standards.

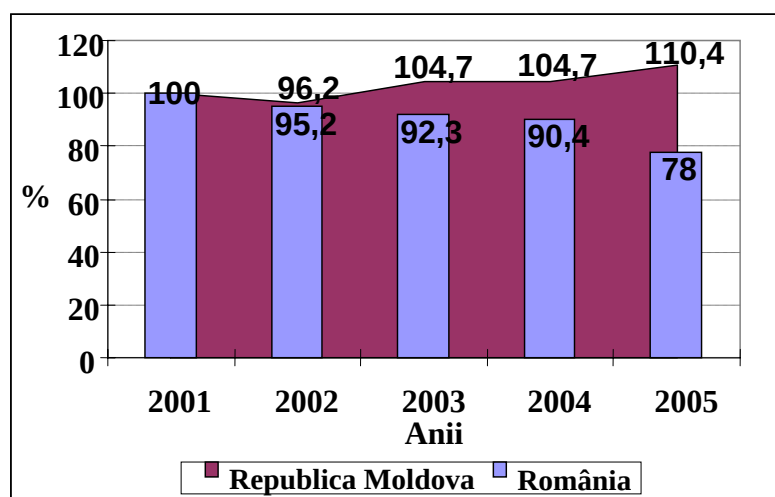


Figure 2. Evolution of work accidents in Republic of Moldova and Romania during 2001 – 2005.

Source:Elaborated by the author based on information of the „Labor protection during 2001 – 2005” reports, National Bureau of Statistics of Republic of Moldova and Annual Statistical Report of Romania, 2006.

In this context, it is important to outline the main cause of the work accidents. The analysis of data for 2001-2006 period shows that the majority of accidents in this period occurred due to human factor (75-76%), which demonstrates that safety requirements at work were not respected; employees are not trained in this area and top-managers do not take responsibility for these issues.

Situation will remain unchanged if corresponding institutions of all levels will not take measures for eliminating the above mentioned reasons.

1.3. Work conditions of the employees

Providing decent work conditions does not depend only on investments in security and health at work, but also on investments in fixed capital. Event though in recent years the volume of such investments grew 4 times during 2001 – 2006, the degree of noxious work conditions has also increased. As a result, this degree was not influenced by investments in fixed capital, because work conditions continued to worsen. Therefore, these investments did not contributed to reducing the noxious factors of the work environment, such as noise, strong vibrations, high concentration of noxious vapors and dust etc.

The analysis of the work conditions can be accomplished by tracing the evolution of the number of employees who worked in noxious conditions (figure 3):

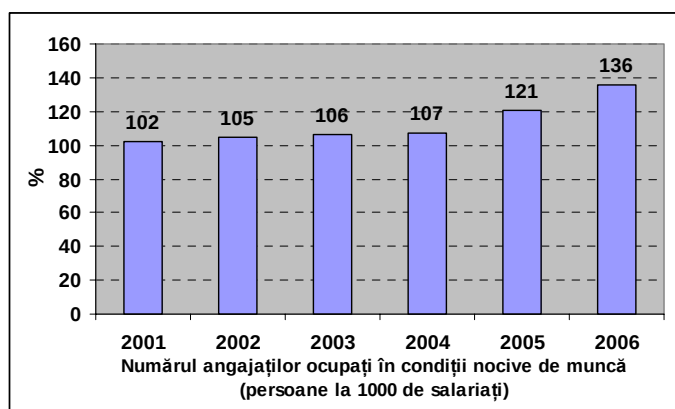


Figure 3. Evolution of the number of employees who work in noxious conditions during 2001-2006.

Source: Elaborated by author using data from reports on „Number of employees and their remuneration during 2001 – 2006” as well report on „Labor protection in 2001 – 2006”, National Bureau of Statistics of Republic of Moldova.

According to the above data, the number of employees working under influence of noxious factors per 1000 employees increased by 33%.

As a result, the noxious factors of the work environment will contribute to: disturbing normal work of the employees, increasing the risk of new work accidents and occupational diseases, reducing labor productivity etc. World practice demonstrates that reduction by 1 pp of the investments in security and health at work conditions increases by 3-4 times the indemnity expenditures.

1.4. The losses resulting from work accidents and occupational disease

The most important consequences are direct physical losses resulting during an accident, emotional personal and family stress etc. This is why the attempts to quantify these losses are inevitable, especially in court.

Obviously, during a work accident, different equipment or construction can be damaged. Also, people involved in the accident will not be able to active during a certain period of time. In this regard, the number of lost days/person by total number of accidents will be considered in the calculation.

However it is more important to take into account the number of lost days/person compared to number of harmed people. In this case, the basic source of losses will be the *lost volume (non manufactured) of production*, because of the work accidents and occupational diseases. The money value of the losses can be calculated using the Gross Domestic Product/employee (table 2).

Table 2. Monetary quantification of the number of lost days/person using GDP/employee in Republic of Moldova during 2001 – 2006

Nr.	Name	Years
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d/o			2001	2002	2003	2004	2005	2006
1.	GDP/employee	lei	12709	14986	20360	24340	28553	35059
		Change compared to 2001, %	100	117,9	160,2	191,5	224,7	275,9
2.	Lost days/person by total accidents	th. lei	1055,7	1292,3	1641,5	1920,1	2501,9	2934,8
		Change compared to 2001, %	100	122,4	155,5	181,9	237,0	278,0
3.	Lost days/person by one accident	lei	1644,4	2132,5	2479,6	2815,4	3668,5	4406,6
		Change compared to 2001, %	100	129,7	150,8	171,2	223,1	268,0

Source: Elaborated by author using data from reports on „Number of employees and their remuneration during 2001 – 2006” as well report on „Labor protection in 2001 – 2006”, National Bureau of Statistics of Republic of Moldova.

In particular it can be noticed that the number of lost days/person per accident increased during 2001-2006 2,68 times – from 1644,4 lei in 2001 to 4406,6 lei in 2006.

It is obvious that in each accident situation, there is an issue of compensating the losses caused by these accidents. From the security and work health point of view, employer makes the indemnity payments being personally responsible for work conditions.

The reality of Republic of Moldova, confirmed also by various studies demonstrates that expenditures for indemnity are divided among enterprise subdivisions based on labor remuneration factor in each subdivision and not on the basis of work, security and health conditions.

Having this in mind, it is necessary to analyze the indemnity for noxious work conditions during 2001 – 2006 (table 3).

Table 3. Indemnities for noxious work conditions in Republic of Moldova during 2001 – 2006

Years	Indemnities for noxious work conditions			Indemnities per one employee for noxious work conditions		
	th. lei	Change, in %		lei	Change, in %	
		Compared to 2001	Compared to previous year		Compared to 2001	Compared to previous year
2001	30,2	100	X	491	100	X
2002	33,6	111,3	111,3	552	112,4	112,4
2003	49,6	164,2	147,6	788	160,5	142,8

2004	69,9	231,5	140,9	1104	225,0	140,1
2005	91,2	302,0	130,4	1275	260,0	115,5
2006	110,5	365,9	121,2	1415	288,2	111,0

Source: Elaborated by author based on data from „Labor protection during 2001 – 2006” report, National Bureau of Statistics of Republic of Moldova.

The following conclusions can be drawn: the range of annual indemnities paid to an employee for noxious work conditions increased 2,9 times during 2001-2006. thus, an employee received 491 lei in 2001 and 1415 lei in 2006 for working under influence of noxious factors.

Obviously, to reduce the degree of noxious work conditions, it is better to invest in labor security and health at work and fixed capital. Otherwise, employer will have to increase the indemnities for having noxious work environment.

World practice demonstrates that the size of indemnities for noxious work conditions has to constitute 25-30% in money value from employees' monthly salaries.

In this regard in order to determine to what extent the indemnities compensate the noxious work conditions, we will calculate the share of indemnities in the average employees' monthly salary.

It can be stated that the share of indemnities for noxious work conditions in the monthly employees' salary is very small, remaining practically unchanged during the research period: 5-8%. In particular the indemnities for one employee constituted in 2006 only 5,5% from the salary (2,02% less than in 2001).

This situation reflects the difficult situation and the need for improving the system of indemnities for noxious work conditions, applied in Republic of Moldova.

According to the law on work accidents and occupational diseases nr. 756 – XIV from 24 December 1999, injured employees receive more insurance indemnities, out of which the most important are indemnities for temporary inability to work (table 4), for invalidity and death. These indemnities are paid from the Insurance Fund for work accidents and occupational diseases.

Table 4. Evolution of indemnities for temporary work inability caused by a work accident or occupational diseases in Republic of Moldova, during 2001 - 2006

Years	Indemnities for temporary inability to work caused by a work accident or occupational disease			The size of indemnities for temporary inability to work caused by a work accident or occupational disease		
	th. lei	Change, %		lei	Change, %	
		Compare d to 2001	Compare d to previous year		Compared to 2001	Compared to previous year
2001	518,5	100	X	881,83	100	X

2002	453,4	87,4	87,4	912,25	103,4	103,4
2003	598,0	115,3	131,9	956,81	108,5	104,9
2004	482,1	93,0	80,6	486,98	55,22	50,9
2005	499,2	96,3	103,5	660,92	74,94	135,7
2006	630,2	121,5	126,2	954,90	108,3	144,5

Source: Elaborated by the author, based on the information from the report on „Calculating, applying and transferring the state social insurance contributions during 2001 – 2006”, National Commission for Social Insurance from Republic of Moldova.

The number of disabled people has obviously increased as a result of work accidents and of occupational diseases. According to the data provided by the National Social Insurance Agency, during 2003-2006 this number has increased by 2,58 times (76 persons in 2003; 128 persons in 2004; 182 persons in 2005 and 196 persons in 2006). Thus, the payments and compensations for disabled people have increased by 6,26 times (from 11920 MDL in 2003 – to 74664 MDL in 2006).

Meanwhile, if we sum up all the direct and indirect losses related to the work accidents and occupational diseases (the latter are at least 4 times greater according to the international experience), including the compensations for employees' memorial service who died in accident, pensions for people with disabilities, costs for medical rehabilitation, then the share of total losses related to the work accidents and occupational disease represents at least 3% of the GDP.

The results of evaluations of the current problems in the security and health at work system

The perpetuation of negative trends or even stagnation in the evolution of the security and health at work system can be illustrated in the following SWOT table:

SWOT analysis of the security and health at work system

Strong points	Weak points
• Informing the staff during employment about the professional risks at the workplaces. • Conducting medical examination when hiring the personnel. • Employee's knowledge about the penalties for violating the safety and health rules at their workplaces. • Employee's participation in eliminating the risks of potential work accidents. • Employee's expectations regarding the solution of security and health issues.	• Lack of clear managerial purposes in the security and health at work policy of the enterprises. • Increased equipment depreciation rate, which increases the risk of work accidents • The insufficiency and the inefficiency of investments for reducing professional risks • The lack of qualified specialists in the security and health at work area. • Insufficient information of the employees about planning and implementing safety and health measures • Low employee awareness about the security

	and health at work issues. • Lack of a long term culture regarding the security and health at work • Lack of incentives for diminishing professional risks at workplaces. • Difficulties in controlling the security and health at work conditions.
Opportunities	Threats
▪ Government programs which would support the companies who improve the level of security and health at work conditions. ▪ Changing top managers' perception for optimizing the health and safety management. ▪ The capacity of mobilizing the employees for implementing the safety and health measures.	▪ Managers' opposition to changes. ▪ Lack of a long term strategy for health and safety at work issues. ▪ Difficulties in implementing changes in the management of health and safety at work.

Source: Elaborated by the author

As a conclusion, the results of the SWOT analysis demonstrate that:

1. Many enterprises do not offer public information regarding the work accidents and occupational disease. It is estimated that about 30-35% employees do not have an employment contract (informal). Thus, their statistic does not exist. Meanwhile, many employees are temporarily engaged in activities with harmful work conditions – in constructions, chemical industry etc. That is why the frequency of professional illnesses is much higher than in the case of official employment cases.
2. The majority of entrepreneurs do not provide access of the Labor Inspection Agency inside their companies (fact confirmed by the annual reports of this agency), which demonstrates the violation of the requirements and rules on health and safety at work. Besides, over 60% from the violations of the work standards, revealed by the labor inspectors are referred to the work professional.
3. The place of security and health at working on employers' priority list is insignificant. After analyzing 55 companies, it can be concluded that only for 2%, health and safety at the workplace occupies the first place in the priority list. This means that in the majority of cases this aspect, even if it is important for the management, has a secondary significance for top managers¹. The analysis of those 55 respondent companies' structure has revealed even more pessimistic conclusions. 38,9% companies have 101-500 employees, 14,8% have 501-1000 employees; 3,7% have 1001-1500 employees, while 7,4% have over 1500 employees. Thus, the medium and large companies have a 65% share, while only 1,3% of them place security and health at work on the first place in the list of priorities.

¹ Bîrcă A., Gamanjii A. Labor relations in the Republic of Moldova from the companies' perspective. Sectorial report in the framework of the project „Advancing Social Responsibility and Launching Global Compact in Republic of Moldova”, Expert Grup, 2007, pag 7.

2. Policy examples

2.1. Current rating

The state plays a significant role in reducing the professional risks, being obliged to respect the principles elaborated and recommended by the International Labor Organization (ILO) and reflected in the conventions signed by our country. Thus, the state was engaged in implementing these principles, which suppose a large implication in the process of assuring the health and safety at work. The example of Sweden, Norway, Austria and other EU countries is eloquent: employees' participation in tripartite activities at all levels has increased the long term culture of health and safety at work.

A significant importance for creating the legal framework of the security and health at work at the national level is stipulated in the ILO convention nr.187, adopted in June 2006, but not rectified by the Republic of Moldova. Its final purpose is that every state, member of ILO, which ratifies it, should contribute to the continuous improvement of the institutional framework of security and health at work (includes the current legislative acts, responsible state bodies and unions), using state policies and various programs.

The structure of the institutional framework is stipulated in the Republic of Moldova's Constitution, Republic of Moldova's Law on Government nr. 64-XII from 31.05.1990 (updated), Republic of Moldova's Labor Code from 28.03.2003 (updated), Labor Protection Law nr. 625-XII from 02.07.1991 (updated), Republic of Moldova's law on employers nr. 976-XIV from 11.05.2000 (updated), Republic of Moldova's law on unions nr. 1129-XIV from 07.07.2000 (updated), Republic of Moldova's law on common employment contract nr. 1303-XII from 25.02.1993 (updated), Republic of Moldova's law on Work Inspection nr. 140-XV from 10.05.2001 (updated), Law on work accidents and occupational disease insurance nr. 756-XIV from 24.12.99 (updated).

Fundamental principles of the state policy on security and health at work are reflected in the article 24, point 1 of the Republic of Moldova's Constitution, according to which „the state guarantees to each citizens the right for life and physical integrity”, art.43, p.1:”Every person has the right for equal and satisfactory work conditions” and art.43, p.2: The employees have the right to work protection – hygiene and the safety at work, work schedule for women and young men, setting a minimal salary per economy, weekly brake, paid holidays, work in difficult conditions and other specific situations”. The practical implementation of these principles serves as a methodological support for clarifying other basic principles of the state policy on health and safety at work, especially:

- Employee's life and health priority in against productions results of the enterprise;
- Ministries', departments', services', inspections', enterprises' and local administration bodies' unity of actions related to the improvement of work conditions, labor protection, preventing work accidents and occupational disease;
- Coordinating work protection measures with other economic and social policies, and environment protection;
- State's participation in financing the work protection and promoting a fiscal policy which would favor the creation of healthy and safe work conditions at enterprises;

- International collaboration in solving problems related to work protection.

According to the Republic of Moldova's law on Government nr. 64-XII from 31.05.1990 (updated), **The government has the following responsibilities concerning the security and health at work conditions:**

- takes measures related for creating a normal work and recreation conditions, social assistance (art. 11, p. 3);
- elaborates and presents to the Parliament projects of normative acts on economic and social development programs, which include HSW (health and safety at work) problems (art. 12, p. 7);
- organizes the elaboration and implementation of programs, concepts and national strategies, including the HSW framework (art. 12, p. 8);
- organizes and elaborates the implementation of technical regulations and other normative acts related to HSW, and monitors their conformation (art. 12, p. 14);
- takes measures for assuring employees' rights in the HSW framework (art. 16, p. 1).

For a successful realization of its responsibilities in the HSW framework and for improving the implementation of the current legislative provisions related to HSW, through the Government's Decision the following normative acts were adopted:

- The regulation providing activity authorizations for legal entities and individuals from the work protection point of view nr. 75 from 02.02.1999.
- Regulation on work accident and occupational disease investigations nr. 706 from 05.06.2002.
- Regulation on calculating the work disability compensation as a result of a work accident and occupational disease nr. 1101 from 17.10.2001.

Thus, it can be noticed that all the normative acts were elaborated with the participation of social partners, on the basis of the art. 14 of the Republic of Moldova's Law on Unions nr. 1129-XIV from 07.07.2000 (updated) and art. 10 of the Republic of Moldova's Law on patronage al Moldova nr. 976-XIV from 11.05.2000 (updated), fact confirmed in the point 15-21 of the Republic of Moldova's Government's Report on applying the Social European Card during 01.01.2002 - 31.12.2003, registered at Strasbourg on 15.04.2004.

Executing the Government's responsibilities supposes the division of functions related to security and health at work among various government structures.

Ministry of Economy and Trade:

- Coordinates with the responsible ministries the activities related to the implementation of the Concept on developing a social dialog system and collaboration with the social partners for developing the social tripartite in the HSW framework.
- Coordinates the activities on preparation, training and information of enterprise staff, institutions and organizations on HSW issues; improving the legislation regulating HSW and adjusting it to the international requirements.
- Takes actions for promoting the state policy on HSW, controls the conformation with the hygiene and safety at work normative.

- Participates at elaboration, conclusion and realization of the compartments related with HSW from the Common Conventions (at the national level) between the Government, Employers and Unions.
- Checks the conformation of the enterprises with the provisions related with the HSW from the common work contracts.

Particularly, the basic functions of the Labor Inspection are: issuing the work authorization on HSW; researching the work accidents; coordination of training and professional information for new employees on HSW issues; applying administrative penalties for not-respecting the legislation related to HSW. Thus, the Ministry of Economy and Trade through the Labor Inspection, executes the key-functions related to HSW, starting with planning and ending with control.

Ministry of Healthcare:

- o Performs the state sanitary-and-epidemiologic control and monitors the HSW sanitary legislation;
- o Elaborates and adopts the HSW sanitary-hygienic;
- o Assures the reduction of the morbidity index with temporary work disability, by providing periodical medical examinations and teachings on hygienic standards for people working in a noxious environment;
- o Implements measures for preventing the professional traumatism and disease;
- o Controls the conformation with the legislation on people with work disabilities for protecting their rights for social assistance and protection;
- o Contributes to the continuous improvement of the social insurance system against the work accidents and occupational diseases.

For executing these functions, the Ministry of Healthcare has issued: the order nr. 132 from 17.01.1996 „Regarding the mandatory medical examinations when hiring and periodic employee examination who are exposed to harmful and unfavorable work conditions”; Rules and hygienic standards regarding work conditions, organizing the work and recreation schedule of people working at video terminals, with electronic calculators, approved by the State Sanitary Doctor at 09.11.1999, nr. 06.5.3.30; Fundamental standards on radioprotection, approved by the State Sanitary Doctor at 27.02.2001, nr. 06.5.3.34.

Unfortunately, not all the above mentioned functions are executed by the state. Thus, currently, the medical-sanitary employees' service is not a priority. The main cause is the lack of information on their health conditions. In this context, a major social importance has the occupational illness. If the sanitary-and-epidemiologic specialists had more information on these diseases, their efficiency would increase in this sector. Still, up to the current moment no medical statistical certificate was elaborated to track the occupational diseases. The problems are also related to the quality of the medical examinations which depend on the existence of diagnostic equipment and qualified staff. There is a definite deficit of specialists in the labor medicine. As a result, the occupational diseases are revealed only as a result of the private control, which does not reflect the real number of occupational diseases. That is why many cases of temporary work disabilities remain not researched, which repeat periodically during the last years (3-15 years) as a result of working in harmful work conditions, which is characteristic to the occupational diseases.

Ministry of Social Protection, Family and Child, through the National House of pensions and other insurance rights, based on the law on work insuring work accidents and occupational diseases nr.756-XIV from 24.12.99:

- o Performs the mandatory social insurance of the employees against work accidents and occupational diseases;
- o Examines insurance cases for work accidents and occupational diseases;
- o Promotes and stimulates, through increasing or decreasing the insurance fees, prevention of work accidents and occupational diseases;
- o Elaborates the methodology and criteria for calculating the insurance fees for work accidents and occupational diseases, depending on the employees' work conditions and verifies the means for providing insurance measures;
- o Subsidizes the programs and national projects for preventing work accidents and occupational diseases.

For executing the above mentioned functions, the National House for Pensions and other insurance rights activates on the basis of the law on state social insurance budget. In 2005 and 2006 there were 26% of the mandatory social insurance fees were allocated for the work remuneration fund, and 0,1% were allocated for the insurance fund against work accidents and occupational diseases.

Unfortunately, at the moment many companies estimate artificially the harm of the work conditions, in order to reduce the insurance payments for work accidents and occupational diseases, thus violating the article 21, point 2, letter c) of the Law on insuring work accidents and occupational diseases. In the meantime the employees, even if they have to inform the insurance company about employer's violation of the prevention measures, do not use this right, being afraid of negative consequences. Because the National House on Pensions and other social insurance does not publish the annual Report on expenditures of the Insurance fund for work accidents and occupational diseases according to the regional principle, the calculation of the insurance amounts can not be considered objective. Also it can be enounced that the insurance objectives are not referred to the risks of producing work accidents and occupational diseases, especially the risk of working in harmful conditions, but to medical and professional rehabilitation of the employees, and providing them compensations for temporary work disability and death. This explains the inefficiency of the social insurance system for work accidents and occupational diseases.

Meanwhile, other government bodies participate in executing the state policy on security and health at work.

Agency for Standardization and Metrology, which activates on the basis of the Law on standardization nr. 590-XIII from 22.09.1995:

- o Elaborates, adopts and implements the national standards and normative regulating HSW;
- o Assures the harmonization of standards and normative acts with the European and international standards;
- o Verifies the documents related to the certification of the individual and work protection equipments;
- o Evaluates the technical-scientific level of the normative and standardization documents on HSW.

Thus the basic purpose of the Agency for Standardization and Metrology is to implement standards and normative acts for HSW which can assure the security, health protection and maintain work capacities of the employees. Currently, the most popular standard is STAS 12, which is used since the socialist period. In this context, the Agency for Standardization and Metrology should make certain efforts for the harmonization and modification of this standard and adjust it according to the international standards on HSW, learning from the international standard TLV (Threshold Limit Value), approved by ACGIN (American Conference of Governmental Industrial Hygienists).

National Bureau of Statistics:

- o Organizes and collects the statistical information on the number of work accidents and their repartition per environment and causes, work conditions and compensations provided for harmful work conditions;
- o Provides statistical information about HSW to all participants of the social partnership;
- o Forwards proposals and adopts decision on improving the statistical evidence related to HSW, on the basis of collaborations with the international statistical associations.

The statistical evidence does not take into account in all cases, the provisions of the legislation. For example, the art.26 of the Law on labor protection nr. 625-XII from 02.07.1991 (updated) stipulates annual allocations for accomplishing HSW measures which equal to at least 2% form the enterprise's salary fund. Still, in the compartment II of the 1-PM (labor protection) statistical the following information is not included: a) organization's annual salary fund and b) the share of the annual allocations for preventing work accidents, calculated from the annual salary fund. This makes it impossible to verify the conformation with the law on labor protection, specifically the amount of allocations for preventing work accidents at the level of an organizations and at the national economy in general.

Activating on the basis of the Republic of Moldova's Law on unions nr. 1129-XIV from 07.07.2000 (updated), **The Republic of Moldova's National Confederation of Unions** has the following functions related to occupational security:

- Participates in elaboration of state policy and normative acts on HSW, projects for improving work conditions and verifies their application;
- Verifies the conformation of work conditions at enterprises with the HSW requirements;
- Participate in negotiation of the collective employment contracts;
- Defends Union members' interests in HSW problems and requires the implementation of certain measures by the enterprise administrators or public authorities and the penalization of guilty persons for violating the HSW rules, for hiding the work accidents or professional illnesses, including their incorrect research.

It can be stated that the unions do not execute their functions related to these issues, at least those of a member in the National Commission for collective consultancies and negotiations at the regional and territorial level. Thus, the legislation stresses, especially, on the promotion of social partnership at all the levels, on maintaining the social cohesion and on sustaining the participation of the civil society in promoting the national policies, while the promotion of the long term culture of HSW, as

an instrument for achieving the basic purposes of the state policy from the sector is not stipulated.

The execution of other functions is also difficult, because the Republic of Moldova's unions are not sufficiently strong. For example, many employees do not consider that it is necessary to become a member of a union, while the union bodies of enterprises are more formal, representing the interests of the employer and not of the employees. In this context, it should be mentioned that the approval of the National Common Convention „Paying salaries to the employees who work on the basis of individual employment contract”, at 03.02.2004 and at 11.07.06, the unions did not determine the salary ratio for work in harmful conditions. As a result the ratio was adopted based on Government's Decision nr.1335 from 10.10.2002, constituting on average 112,5 MDL per month.

As a conclusion, the HSW legislation stipulates many rights and guarantees for employees. Thus, the state provides the right to have a workplace which corresponds to the work protection regulation and guarantees its enforcement through all the actors of the institutional framework. On the other hand, the realization of the legal provisions of HSW meets a series of difficulties because the policies are far from being efficient.

2.2. Potential policy examples for protecting labor safety and health at work

For optimizing and harmonizing the security and health at work policy to the European Union's standards, it is necessary to elaborate and implement a National Program in this area.

It should include: purposes, objectives and progress professional security progress indexes, which are to be implemented by local and central administration. This program can be improved on the basis of the analysis of the current HSW system and supplemented with other programs and national or regional plans.

Meanwhile, the measures of the National Program should bear preventing character, where all social partners have to participate, by:

- Performing periodical national campaigns on HSW;
- Employee professional, according to the basic and advanced professional programs;
- Providing companies with consulting and informational services related to HSW.

Program Mission is a result of having Republic of Moldova approaching to the European Union borders. It shall be defined by selecting the basic principles for conceptual and long term improvement of the current HSW system from the ILO Convention on HSW and from the legislation of the European Union in this area.

This improvement would reduce the negative consequences and economic losses caused by the work accidents and occupational diseases. The methodological base for the Program would be the recommendations of ILO and European Agency for HSW. The social objectives stipulated in the program will be coordinated with the economic scopes and subordinated to them, as it is at the moment

The purpose of the **National Program** is: to establish and reduce the frequency of accidents and of harmful conditions of the employees for the Republic of Moldova's national economy.

The program objectives are:

- Determining long term development indexes of the HSW system in the Republic of Moldova;

- Gradual implementation of the HSW technical standards, adopted in the Eastern Europe countries members EU;
- The implementation of mechanism for integrating the development Program in the national economic and organizational strategy;
- The implementation of a mechanism for stimulating employers and employees for implementing the Program at the national economy level;
- Approving a financing mechanism for implementing the Program;
- Implementing an evaluation mechanism of the Program at the level of national economy and of the organizations.

The Program functions are:

- Defining basic principles for elaborating, implementing and evaluating the program based on ILO and European Agency for HSW requirements;
- Assuring the integrity of the HSW system with other management systems at the level of organizations and national economy;
- Setting necessary resources for implementing the Program's objectives;
- Setting a clear vision, mission, objectives, functions and development indexes for the Republic of Moldova for a long term;
- Promoting employers' and employees' implication and training in the management of HSW problems;
- Setting the opportunities and threats of the external environment for HSW from the Republic of Moldova (at the level of organizations and of the national economy);
- Setting the way the representatives of the public bodies, employers and unions fulfill their social obligations in the HSW framework and the way they coordinate their activity in this framework;
- Setting a series of attitudes, intentions, orientations, mechanisms and major directions regarding the managerial practices in the HSW framework, approved already in the Eastern Europe countries, members of the EU;
- Long term forecast of the HSW development in the Republic of Moldova, monitoring the methodological recommendations of ILO and European Agency for HSW;
- Periodic analysis of the HSW efficiency in the republic of Moldova.

Structural Components of the Program reflects its key-elements, which are compared with the elements of the programs on HSW from Eastern European countries, members of the EU. As a result of the analysis there will be clear proposals for each component of the program for adjusting the current situation to the European and international standards.

Key-elements are the following:

- Project of the officially approved HSW Program for Republic of Moldova (mission, objectives, functions, basic indices, implementation and evaluation mechanisms etc.).
- HSW ILO Conventions and the EU legislation, which can be reported to the Republic of Moldova's legislation and the conditions of their harmonization;

selecting the basic principles which would serve for improving the Republic of Moldova's HSW legislation.

- The development trends of the HSW system in the Republic of Moldova in 2001-2006.
- Technical standards, recommended by ILO and the European Agency for HSW and their gradual implementation, taking into consideration the specific conditions of the Republic of Moldova.
- HSW management standards, recommended by ILO and the European Agency for HSW and their implementation mechanism, taking into consideration the specifics of the Republic of Moldova and requirements of the ILO „Directive principles on the HSW management system (ILO-OSH 2001)“.
- The current financing mechanism of the HSW in the Republic of Moldova at the level of organization and national economy.
- Moral and financial motivation mechanism of employers and employees, oriented on the active participation in HSW management.
- Current system for building public representative bodies, employers, unions, employees and specialists in the HSW framework.
- System for calculating the economic losses from work accidents and work in harmful conditions for Republic of Moldova, respectively, payment system of compensations for work damages, for the work in harmful conditions, mandatory life insurance and pensioning for work in harmful conditions from the republic of Moldova.
- Role of NGO-s the Republic of Moldova in HSW system.
- Integration mechanism of the Program in the management system at the level of organizations and national economy.
- Institutional system which deals with HSW issues at the national economic level of Republic of Moldova (functions and activity coordination in this area of the public bodies, ministries, unions, scientific institutions, NGOs, Department of Statistics and Sociology, Department of Standardization etc.).
- International collaboration system of institutions from Republic of Moldova working in the HSW area (including financial collaboration).
- Policy and practice of the Unions of Republic of Moldova related to HSW issues (reflected in the collective and individual employment contracts).
- System of qualitative and quantitative indicators for planning the HSW activity in Republic of Moldova.
- The system for administrative and civil infringements concerning the HSW legislation of Republic of Moldova.
- System of standards and procedures for evaluating the HSW system of Republic of Moldova.
- HSW efficiency calculation methods, including the HSW management efficiency estimation.
- The HSW advertising and awareness system in Republic of Moldova.

It can be stated that the comparative analysis of the mentioned elements will permit to elaborate and forward for approval a modern national HSW program for Republic of Moldova for 2007-2013, according to the ILO and EU requirements.

Before passing to specific measures in the health and work security measures, Ministry of health will need to obtain approval from Ministry of Economy and Commerce.

Ministry of Economy and Commerce together with Ministry of Health will constitute basic pillars for improving the security and health at work system.

The other governmental structures will have different functions.

Ministry of Education and Youth:

- Initiate professional training courses for employees working in the health and work security area;
- Introduce “Health and work security” subject in the university curriculum and professional schools;
- Introduce specialization in labor medicine (in order to increase in each year the number of resident doctors at this faculty, and collaborating with Ministry of Economy and Commerce).

Ministry of Transport and Road Management:

- Monitor the transport of dangerous products, making new proposals for improving the legislation, specifying the equipments necessary for endowing the respective transport means;
- Adopting adequate measures for public transport – bus, trolleybus, mini bus, concerning the passenger security.

Ministry of Ecology and Natural Resources:

- Promote introduction of the international standard ISO 14001 stipulating measures for environment protection, which from the structural point of view, resembles to the British health and work security quality management system OHSAS 18001:1999, which is the most widespread in EU. Therefore, this similarity facilitates the introduction of a new health and work security management system integrated in the environment protection management;
- Adopting corresponding measures for managing the wastes of different chemical enterprises which impacts employees' security and health at work.

Standardization and Metrology Department:

- Educate professional staff for work in the security and health at work management system;
- Introduce a national security and health at work management according to the international standard on „Guarding principles for implementing the security and health at work management systems– ILO-OSH 2001”, recommended by ILO and British model of the security and health at work management system OHSAS 18001:1999.

Conclusions and Recommendations

The following conclusions can be formulated at the end of this study:

1. Investments in health and labor security in Republic of Moldova are insufficient, and even smaller than the 2% margin from the salary fund stipulated by the legislation. Taking into consideration world practice, which demonstrates that a 1pp reduction in investments in HSW, increases by 3-4 times the indemnities to injured employees. It can be estimated that higher work accident rate can lead to: disturbing normal work, increase the risk of other accidents or occupational diseases, lower labor productivity, etc. Speaking of Republic of Moldova it can be noticed that small financing for diminishing the work accident risks leads to worse hygienic work conditions.
2. Statistical record of the health and security indicators does not reflect the reality. In spite of the requirements stipulated in the legislation of Republic of Moldova, the 1-PM report (labor protection) does not reflect the number, evolution and measures taken for treating the occupational diseases which harm more health than work accidents do. In the meantime there is no record of micro traumas, which according to the world practice constitutes approximately 1000-3000 per each lethal work accident and suppose medical implication.
3. By analyzing the institutional framework of the health and labor security in Republic of Moldova, we can distinguish 2 development perspectives of this framework: (1) preserving the current institutional framework and applying management mechanisms; as a consequence there will be growing trend of work accidents and occupational diseases as well as worse noxious work conditions; (2) reform and optimize this framework by redefining and optimizing the responsibilities of all of its subjects. In this context it is necessary to take into account the deficit of qualified specialists working in this area, who could work with employers on providing advise for evaluating and monitoring the work environment, for determining the work risk, their elimination or minimization. Respectively employers are poorly informed about the noxious factors of the work environment and their influence on staff.
4. Improving the health and work security does not constitute a task only for qualified specialists, but also for all social actors: public authorities, unions, patronage, civil society. So far, there is not sustainable partnership between these actors, which obstructs for an undetermined period of time the examination and redefinition of principles and mechanisms for modern health and work security management. At the same time, the state does not make enough efforts for starting a long term collaboration with private companies concerning the legislation which regulates the health and work security issues in the framework of acceding to EU (application of some interactive and transparent methodologies, based on practical application and open communication between parties).

The following recommendations result from these conclusions:

1. Active involvement of the unions and public authorities for undertaking regular and efficient actions for advertising the sustainable health and work security culture on all management levels, from employer to university teacher. This is the way to increase awareness of employers, employees and civil society about the healthy and secure work conditions. The finance of these measures can be accomplished from the state budget. The media instruments will be the following: annual world day of security and health at work day to be scheduled for April 28; movies, pictures, posters, etc. This will increase the methodological and logistic

role of the Labor Inspection, by delivering qualitative services for professional improvement in the HSW field. In the meantime the target group will be company managers, engineers for labor security, labor inspectors, specialists of the local and central administration bodies, doctors and teachers, union workers, journalists, etc. In particular it is necessary to stimulate the participation of managers, engineers and other specialists in various trainings and enhancement courses. In order to achieve this objective it is necessary to have a positive respond from administration and companies, which would lay a long term collaboration grounds with specialized agencies.

2. The need to reform the Labor Inspection, taking into consideration the experience of the new EU member states. Especially that in these countries Labor Inspectors are not specialized doctors and vice-versa. Speaking about Republic of Moldova, the State Sanitary and Epidemiologic doctors, deal with various analyses in the laboratories and do not fulfill the function of labor inspectors. Respectively they do not take measures for improving work conditions. For this reason in some countries, the Labor Inspections hires doctors and hygienists from specialized institutions. A viable instrument has to be the inquiry made by Labor Inspection that employers invite doctors or hygienists to perform the necessary analyses or test in order to adopt necessary decisions concerning work conditions. The reform elements of the Labor Inspection are stipulated in the art. 3 of the ILO Convention nr. 81.
3. Improving statistical rectors of the health and work security indicators. Therefore the section II of the 1-PM statistical report (labor protection) has to comprise 2 more indicators: a) annual salary fund of the organization and b) annual investment for work accidents preventive measures calculated annually from the salary fund. This will ease the control over law execution on labor protection concerning the volume of allocations for work accidents preventive measures at the level of national economy and organization. It is necessary to add in the table "Number of injured victims during work by economic activity" from the annual statistical record 2 new indicators: level of injury coefficient and level of occupational disease coefficient, both expressing the degree of harm. In order to calculate these coefficients on the national economic level, the "Number of man/day of work incapacity of accidents" from the III compartment of the 1-PM statistical report would be better to write as: a) number of man/day work incapacity of accidents; b) number of man/day of work incapacity of occupational disease.