Occupational Health and Safety, Productivity and Integration in the Americas

Most development models oriented towards economic growth have been modified by the incorporation of factors such as globalization of the economy, regional integration processes, privatization processes, rapid technological changes, more flexible labor markets, and changes in social policy. Occupational structures have also been modified by these factors in ways that contribute to the preservation or exacerbation of existing inequities in the labor sector.

Workplaces around the world have been affected either positively or negatively by the impact of globalization and its process. Several positive effects such as growth on world trade, new employment opportunities and closer international collaboration are already visible. Nevertheless, a number of adverse consequences is also recognized. Globalization creates new ways of organizing work. It transfers the riskiest occupations to the poorest countries or to the emerging economies, which would do everything it takes to attract capital and be competitive in the globalized market. Moreover, there is fragmentation of enterprises and growing market of informal working people.

Sustainable development has shaped the traditional concepts of development. The importance of workers’ health as a key aspect of development and equitable social and economic well-being of human beings has emerged and has been discussed in international, regional, and country forums, where it is recognized that a workforce that has access to health and a well-being is an efficient contributor to economic and social development.

Recent studies have demonstrated that the most competitive countries are also the safest. Selecting a low safety, low-health and low-income survival strategy may not lead to high competitiveness or sustainability.
On the other hand, the belief among companies that invest in health and safety is an expense still exits. Managers and decision-makers often ignore the costs that accidents and occupational diseases represent to their companies. Not investing in occupational health and safety is an iceberg-situation: the direct costs represent the peak and the indirect costs are below. The ratio of the cost of the indirect expenditures vs. the direct expenditures is 4-6 times larger. However, some companies are making investment in workers’ safety and health to face their needs and increase their productivity through the well-being of the workers, for some entrepreneurs it is evident that investing in occupational health and security increases productivity, decreases operative costs and, furthermore, it favors the contracts fulfillment in quantity, quality and time. This takes the companies to more competitive markets.

Cost-benefit studies have been made in Central America related to the toolkit and they demonstrate that the implementation of workers’ health and security programs in some companies lead to the following benefits: Staff turnover decrease from 45% to 12% in a year. Absenteeism due to medical appointments or visits and incapacities decreased in 80%, operational costs reduced in 30% and the global efficiency soared from 48% to 80%, direct workforce raised 30%. Productivity increased in 350% and the investment return was 372%. Studies made by PAHO and CERSO show the same results.

The benefits of invest in workers’ health and safety are:
Workers: Increase of motivation at work, increase in income.
Employers: Reduce operational costs, increase on productivity levels, good public image, satisfaction in deliveries, permanence in the market with recurrent costumers, reduction of costs due to accidents, reduction of absenteeism.

WHO convened to a Commission of prominent economists and specialists to analyze the relation between health and economy. The results of this analysis

1Source: CERSO Auto evaluación del Coto-Beneficio, por la Inversión en la Seguridad y Salud Ocupacional en las Maquilas: Una metodología paso a paso.
show that allocated resources for health does not represent an expense but an investment in very high levels in investment returns. Great public health improvements and nutrition have been behind astonishing economic growths. It has been demonstrated that the increment of calories available for workers in countries like France and England in the last 200 years has made substantial input to the growth of the per capita gross product. Countries like Hong Kong, Mauritania, Malaysia, Singapore, and Taiwan have a history of economic success because they have strongly invested in public health. Their Domestic Product grew when infant mortality declined and life expectancy increased. Good public health levels are not a consequence but an important condition for an economy in order to grow. For a population with health problems, the educational performance decreases, several years of possible active life are lost and the productivity levels reduces. The investment return rate with the cost-benefit model is 6 to 1\(^2\).

Even though globalization has brought big changes in the world economy and Free Trade Agreements have been signed all over the world and the countries of the Americas are not the exception, Free Trade Agreements are primarily designed to lower trade barriers and most do not directly address social issues such as workers’ health and safety. Hence, it is imperative to incorporate in the agenda of these agreements direct address of the wide range of social issues related to Workers’ Health and Safety, Worker Dislocation, Unemployment and Migration, Job Health and Safety Standards, Enforcement Practices, Hazard Communication, Training and Human Resource Development, Data Collection, and Prevention.

The ongoing dynamic change in the world economies and integrated processes has not leveled off the differences but rather aggravated the inequalities in conditions of work, health and safety. There is an urgent need to strengthen the social aspect in the global world of work in order to balance the impact of growing global competition, in which the short-term economic aspects stipulate the priority setting and may lead to long-term losses in both health and economy.

Social dimension in the work life contains several special aspects, such as workers’ basic rights, working conditions, security, safety, health, and occupational health services as well. Time has come to transfer the vertical growth into horizontal development.