

Occupational Safety & Health in Russia

Past

Present

Future

By **FOSTER C. RINEFORT,**
JOSEPH A. PETRICK
and **VADIM SCHUKIN**

Once heralded as the worker paradise, Russia now risks becoming the worker pariah (Freeland 25; Petrick and Rinefort 417). One major source of disillusionment among contemporary Russian workers is the disconcerting fact that the Commonwealth of Independent States (CIS), of which Russia is the largest state, has the highest percentage of reported occupational fatalities per 100,000 workers among major world powers. Paradoxically, it also has (by far) the lowest percentage of reported lost workdays due to injuries among major world powers.

Since multiple disincentives impact the reporting of lost workdays due to injuries in CIS, suspicion about underreporting appears to be warranted. The scope of occupational fatalities and injuries is so extensive that on average, it costs Russian employers 10 to 15 percent of their payrolls—up to 35 percent in some high-hazard industries (Roik(a) 40).

To address this urgent issue, this article examines past CIS occupational safety and health (OSH) concerns and current OSH findings; analyzes current findings; and offers constructive action steps.

PAST OSH CONCERNS

In the former USSR, trade unions were responsible for OSH activities (Dabars and Vokhmina 22). One political party controlled the government—the Communist Party of the Soviet Union. Similarly, one comprehensive trade union, the All Union (AU) Central Council of Trade Unions, controlled most aspects of labor relations and labor conditions not covered by specific industry-wide unions. Some 98 percent of the workforce were members of the appropriate industry-wide trade union. The AU Central Council of Trade Unions and the industry-wide unions were responsible for all aspects of worker safety and health.

With the collapse of the Soviet Union, however, the one “legal” political party—the Communist Party—lost its monopoly on political power as provided for by Article Six of the 1922 Soviet Constitution (Freeze 48). The AU Central Congress of Trade Unions also lost its right to be the country’s comprehensive labor organization.

Its successor, the General Confederation of Trade Unions, is headquartered in Moscow; it is a clearinghouse organization that loosely coordinates the activities of the former official Soviet trade unions in Russia and the independent states.

In Russia, successors to the official Soviet trade unions have formed the Federation of Independent Trade Unions. Like its predecessor, this organization continues to be structured by industry and geographic territory and has a similar property and membership base. However, because the power of unions is now based on their ability to provide value to members rather than monopoly power, it is significantly weaker than its predecessor.

Responsibility for OSH was officially transferred from the trade unions to the Ministry of Labor and Social Affairs by the Yeltsin government in 1992 (Yeltsin 68). In 1990, the USSR had drafted a state law on safety that was never implemented due to political developments (Vincoli(a) 17). This legislation was later modified and adapted by the Yeltsin government. Entitled the "Basis for Legislation," it assigns the right to regulate safety and health to the Ministry of Labor and Social Affairs, and requires state, cooperative and private organizations to be accountable for employee safety.

Under this law, the Ministry has the right to certify equipment, machinery and facilities; investigate serious accidents; inspect and fine organizations; and gather data on injuries and occupational diseases. Employers must allow the government to inspect locations; promptly pay fines; take proper preventive measures; and submit required reports about safety to the government.

However, the legislation did not specify whether traditional government social insurance would continue for state enterprises or how the enforcement of safety standards would occur. Sorokin reviewed this legislation and concluded that the government should use its expertise to certify machinery, equipment and facilities, and that the cost of this certification activity would be covered by reduced work injuries (1+).

Revisions to the legislation were recommended in a 1994 report prepared by the Committee of Specialists and Scientists (Committee 19). This group concluded that work injury rates had remained low in recent years largely because many state enterprises had slowed, temporarily stopped production or permanently closed (meaning less short-term workplace stress). The committee's report estimated that work injuries and occupational diseases cost eight percent of the national income, and concluded that 80 percent of this cost was for compensation and 20 percent for prevention.

Based on these findings, the committee recommended that 1) safety education be continued at all educational levels and in the workplace; 2) safety research continue at some 900 government safety research institutes; and 3) enterprises

TABLE 1 CIS Work Fatalities & Lost Workday Cases & Rate (1991)

CIS Countries	Work Fatalities		Lost-Workday Cases	
	Number	Rate*	Number	Rate**
Armenia	92	7.7	1,400	.12
Azerbaijan	120	5.0	1,200	.06
Belams	404	8.7	21,600	.47
Estonia	73	7.3	3,500	.35
Georgia	NA	NA	NA	NA
Kazakhstan	925	14.0	36,200	.56
Kyrgyzstan	139	10.2	3,500	.26
Latvia	107	9.0	7,000	.59
Lithuania	NA	NA	NA	NA
Moldova	229	13.0	6,600	.38
Russia	8,032	12.8	405,600	.65
Tajikistan	148	10.4	2,700	.19
Turkmenistan	132	11.0	1,400	.12
Ukraine	2,538	11.6	138,300	.62
Uzbekistan	375	6.0	6,000	.09
TOTAL	13,657	10.6	635,000	.50

*Rate per 100,000 workers

**Rate per 100 workers

NA=No data available

Source: "Statistical Data About Work Accidents." *Okhrana Truda*. April 1992: 4.

with fewer work injuries be taxed at lower rates, be able to obtain lower interest rates on loans and receive customs' privileges (Vincoli(b) 27).

Economic realities in a country undergoing drastic macroeconomic and political changes have provided different answers to these problems, however. According to Nevsky and Solovyou, most state enterprise cooperatives and private firms provide extremely low levels of benefits, including limited permanent pensions for those injured or disabled at work (22+). They recommend that the government use economic stimuli such as taxes and fines to reduce work injuries, and that mandatory insurance be provided for all injured workers.

However, these authors acknowledge that many private-firm workers who are hurt on the job receive little compensation and often lose their jobs because of the injury; this further hinders efforts to acknowledge or accurately report lost-workday cases.

Roik provides an overview of the current situation, concluding that in contrast to other important problems in health-care, ecology and social life, the Russian government and public do not yet appreciate the importance of industrial safety and safe working conditions ((b) 21+). He estimates that every fourth pension goes to a person injured at work—accounting for nearly 22 million pensioners.

He further suggests that employers pay 39 percent of social insurance for those injured and that employees pay 60 percent

by means of a one-percent salary deduction; the government pays the remaining one percent for program administration. This costs the average Russian employer 10 to 15 percent of its payroll—35 percent in high-hazard industries.

The severe impact of poor past OSH practices on Russian business and society is evident and requires urgent attention.

CURRENT OSH FINDINGS

Multiple data sources were accessed to obtain reliable current information on CIS or Russian Federation work fatalities and reported lost-workday cases and place them in historical and comparative context. The authors relied on official international and national statistical reports, onsite Russian researcher reports, and first-hand empirical data.

The leading cause of premature mortality in the Russian Federation today is injury and poisoning (Roik(a) 41). It accounts for 47 percent of all such losses of career work potential and is 4.5 times higher than the second leading cause of death, circulatory diseases. This is largely because the average age of death from such injuries is 30 years lower than those who die of circulatory diseases. An estimated 39 percent of injuries and poisonings—18 percent of the total—are caused by work injuries, including travel to and from the place of work (Nevsky and Solovyou 23).

Table 1 provides information about reported work fatalities and lost workday cases and rates for CIS states, including

the Russian Federation. Data are based on reported incidents; in the authors' opinion, there appears to be a significant underreporting of lost-workday cases.

The total rates of 10.6 percent for worker fatalities and 0.50 for lost-workday cases are both shockingly high and shockingly low, respectively, in the authors' opinion. The extent of worker fatalities is high, yet lost-workday rates are unrealistically low compared to those of other international powers (Table 2). The data in Table 1 should provoke alarm among stakeholders in CIS occupational safety and health circles.

Table 2 provides estimates of work injury experience among the five great powers: U.S., Germany (EU surrogate), Japan, China and CIS. It should be noted that it is difficult to obtain approximate data from China and accurate data from the former Soviet Union. Nevertheless, these statistics show that CIS has the highest rate of work fatalities yet very low rates for lost-workday cases and lost-workday injuries.

Table 3 provides further historical information about lost-workday case rates in the former Soviet Union compared with U.S. data. These trends show that after problems resulting from the rapid industrialization of Russia, lost-workday injury rates declined greatly in the former Soviet Union, and that recent rates are unrealistically low, quite possibly because of systemic underreporting.

Statistically significant differences between USSR and U.S. lost-workday rates from 1975 to the present suggests another area of concern. Given the high percentage of heavy industry and high-risk jobs in CIS and the absence of documented investment in new safety technologies, the variance is difficult to explain. The possibility of underreporting appears more likely when multinational comparisons are considered (Table 2).

ANALYSIS OF CURRENT FINDINGS

Causal factors that have contributed to the severity of CIS occupational safety and health problems can be categorized as macro and micro causes (Petrick and Rinefort 426; Puffer(b) 29).

Macro Causes

Disrespect for Law. In the authors' opinion, the remarkable persistence of the Stalin cult reflects the extent to which CIS citizens have respect for power, not law. Most citizens respect an authoritarian, powerful leader in public and private enterprises, regardless of legal and regulatory constraints. Many see the cure for every crisis as autocratic leadership.

The centralized despotism that has historically been Russia's answer to the fear of chaos lacks checks and balances. Many Russians in power positions con-

TABLE 2 Comparative OSH Trends Among World Powers

	U.S.	Germany	Japan	PR China	CIS
GDP (billion \$)	6,500	1,600	3,200	559	774
Population (million)	250	62	125	1,321	280
GDP Per Capita (\$)	26,923	25,800	25,600	423	2,657
Labor Force (millions)	119	30	61	544	129
Work Fatalities	9,100	2,272	2,550	56,000	13,657
Work Fatalities Per 100,000 Workers	9.0	7.6	4.2	10.3	10.6
Lost Workday Injuries (thousands)	4,992	1,860	181	9,000	665
Lost Workday Rate Per 100 Workers	3.9	6.2	4.2	10.3	.50

Sources: Hoskin, A. *International Accident Facts*. Itasca, IL: National Safety Council, 1994. Rinefort, F. "Safety and Health in the People's Republic of China." *Proceedings of Midwest Society for Human Relations/Industrial Relations*. Chicago: MSHR/IR, 1990. 57-64. "Statistical Data About Work Accidents." *Okhrana Truda*. April 1992.

sider themselves to be above the rule of law and often act accordingly. These "leaders" disdain the judicial system.

The judiciary as an independent body has been a foreign concept to Russian rulers. They have viewed the law as existing to protect the state, not the individual. Such a point of view has disastrous consequences for worker safety and health. In addition, it makes people distrustful of (and, at times, disobedient to) the law, especially when the lives of loved ones are at risk.

Authoritarian Political/Economic Infrastructure. CIS—and the Russian Federation in particular—are experiencing infrastructure conflict between past authoritarian, centralized command economy policies/practices and the new democratic, decentralized, free market policies/practices. The temptation to revert to past ways is strong, thereby depriving employees of the critical political and economic voice they need to improve their working conditions.

The desire for strong leadership has greatly influenced organizational life in Russia. Typically, power and control in any Russian organization come from the top (Puffer(b) 66). Organizations are centrally controlled, vastly hierarchical and extremely bureaucratic; their authoritarian management is characterized by obedience to authority, distrust of outsiders, use of coercion, and emphasis on rank and status.

Because people in lower-level positions feel helpless, they project power onto those above them. Those at senior levels, pleased to be credited with both omniscience and omnipotence, act accordingly. Because Russians take comfort in this sort of relationship, they are more willing to accept unequal distribution of power.

Those lower in the institutional hierarchy are generally reluctant to report OSH problems to superiors. Confrontation about important issues tends to be avoid-

TABLE 3 Historical Comparison of Lost-Workday Injury Rates Per 100 Workers

Year	USSR	U.S.
1929	18.3	8.4
1937	11.0	4.6
1942	8.5	4.9
1943	5.4	4.8
1944	5.0	4.8
1945	4.6	4.5
1946	4.8	4.7
1947	5.1	4.4
1948	5.4	3.8
1949	5.1	3.3
1950	3.6	3.1
1955	3.8	2.3
1960	3.0	2.0
1965	2.0	2.1
1970	1.1	2.9
1975	0.8	3.3
1980	0.6	4.0
1985	0.5	3.6
1990	0.5	3.8
1992	0.5	3.9

Sources: A. Hoskin. *International Accident Facts*. Itasca, IL: National Safety Council, 1994. Y. Sorokin, Personal Correspondence, Nov. 12, 1992.

ed. Due to the strong fear component in these relationships, subordinates often shun difficult issues and suppress conflict. If a problem cannot be ignored, subordinates raise the issue in an indirect manner. The Soviet-era view that independent thinkers are anti-social troublemakers—so-called enemies of the people—still holds force.

Micro Causes

The Oblomovian Mindset. Irresponsible worker behavior patterns, such as inertia and laziness (*oblomovshchina* in

Many private-firm workers who are hurt on the job in Russia receive little compensation and often lose their jobs. This further hinders efforts to acknowledge or accurately report lost-workday cases.

Russian), perpetuate business incompetence and poor work conditions in CIS. In the Russian novel, *Oblomov*, the hero is estranged from nature, society, business and himself, and engaged in a regressive search for an economic Paradise Lost. In this tale of passivity and apathy—which epitomizes the futility of 19th-century Russian society—resentful daydreaming and vodka-induced escapism are substitutes for responsible action.

Although this novel caricatures a bygone epoch, it speaks to the contemporary Russian Federation as well. The sad consequence of the lingering Oblomovian mindset is the absence of a strong national work ethic. To fill that void, Russia has become a nation of bureaucrats who tend to make life difficult for others. This problem must be addressed so that workers can acknowledge and

assume some degree of personal responsibility for OSH.

Lack of Leadership Performance Accountability. Under the Soviet system, most senior leaders were not accountable; rather, they were masters at twisting facts and shifting responsibilities. These talents flourished in the absence of political boundaries for appropriate behavior or economic bottom-line concerns. Now, however, accountability—particularly for entrepreneurial innovation rather than bureaucratic overcontrol—must become an essential part of management leadership expectations.

However, the effective use of informal political connections is the claim to fame of the older Russian elite (Freeland 34). These people became powerful because they possessed the political skills needed to climb the ladder of the Soviet bureaucracy—they knew how to play the system, manipulate and control employees, and evade accountability. Many within this subgroup have no desire to implement power sharing, entrepreneurial support or world-class human resource leadership. They subscribe to the command-and-control mentality of the past, and work to ensure their survival by avoiding responsibility and finding scapegoats.

FUTURE CONSTRUCTIVE ACTION STEPS

Several improvement measures must be taken to improve OSH conditions in CIS (Petrick and Rinefort 429; Puffer(a) 18).

Macro Constructive Action Steps

Legal Perestroika. A restructured, honest, well-run legal system would restore respect for the rule of law. Banks must service industry rather than money launderers. An overhauled tax system would provide incentives for employers to take OSH seriously. Laws must be enacted—and enforced—to protect emerging entrepreneurs and worker safety and health. Employees who work productively must be assured that they will get paid what they are owed without having to incur unnecessary risks.

Perhaps the most essential step is restoration of the sociocultural respect for the rule of law. If worker safety and private enterprise are to endure, a coherent, stable commercial legal system is essential. The cur-

rent lack of adequate legal safeguards is a serious impediment to commercial insurance coverage of safe working conditions. Although some groundwork has been done—such as the 1986 Law of Individual Labor Activity (legalizing the establishment of private enterprise) and the centralization of administrative regulatory authority to the Ministry of Labor and Social Affairs—much remains to be done. No comprehensive worker safety legislation is in place, nor is a legally supported system of insurance covering work injuries and occupational diseases (similar to plans in Western countries). Both are needed to restore respect for law with regard to OSH in the CIS.

Substantive Power Sharing and Initiative Building. Decision making in the CIS is often colored by the so-called democratic centralism that lay at the heart of Communism. With roots in the participatory democracy of the agricultural village, this approach to political and economic decision making linked democracy and centralism in dynamic tension. Under democratic centralism, all members participated in discussions of issues and policies, and all members cast a vote for leadership. Once the leader was in place, however, his ideas faced little opposition. The leader was accorded the legitimacy to execute chosen policies in an autocratic manner.

Democratic centralism can be adapted to free market capitalism and corporate governance. If the concept were reframed to fit the business world, it would allow employees to provide feedback regarding continuous economic improvement and to express constructive challenges to superiors. If employees are allowed to provide input and express themselves, they will more likely deal with emerging concerns—such as reporting injury-causing incidents—rather than suppress them. This would increase employee job interest and involvement, and it would allow superiors to delegate responsibility, which would free them to focus on strategic issues.

This shift in responsibility is a two-way street, however. Employers must be willing to relinquish a measure of power, but employees must be willing to take it on. They need to move from passivity to initiative, gradually learning proactivity. Rather than wait for instructions, employees must learn to speak up about OSH issues in decision-making meetings. They will do so gladly—reversing the

Meeting the Management Challenge

Russian management education has traditionally been limited in both availability and scope. Focused on running a centrally planned economy, it has devoted little attention to forms of management practiced in other countries (seeing them as irrelevant to the Russian experience) and bypassed such key functional areas as quality production management, human resource management, and occupational safety and health improvement systems.

Generally, only top-level decision-makers under Communism were familiar with Western forms of management, and they typically had been exposed only to classic contributors of management thought. Furthermore, most Russian executives lacked basic economic training and were unfamiliar with fundamental psychological concepts. They treated employees like robots and had little respect for each as an individual. As a result, individual wishes, desires and needs simply were not part of the agenda. Because the technocratic imperative ruled, the human factor was not included in the productivity and performance improvement equation.

sense of powerlessness so prevalent during the Communist regime—if given the authority to act on their judgments.

Micro Constructive Action Steps

Building Business Competencies. The tradition of negative attitudes toward entrepreneurs and businesspeople needs to change (Puffer(a) 56). Russians must recognize that entrepreneurs and businesspeople are critical in building a new society. They should be viewed as a parasitic class (as in the Communist vision) but as creators of employment and wealth. Such individuals must be viewed with respect and given legitimacy so that with time they become role models. Only when this occurs will business organizations attract the “best and the brightest.”

Fortunately, with the advent of glasnost and perestroika, many entrepreneurs have emerged. However, many executives who have the will to change lack the skill to change. In the new market economy, people at all levels must be exposed to a spectrum of business competencies. This spectrum encompasses management techniques as applied in other cultures, to remedy CIS’s limited cross-cultural exposure.

The learning process can be accelerated via the exchange of “best practices”—benchmarking with successful companies, both nationally and internationally. While there is no tradition of benchmarking in Russia—given the Communist era’s legacy of secrecy and information-hoarding, and the fact that lateral relationships between economic units were uncommon—it is another tool that holds great promise.

Empowering Human Resource Leadership. The entire human resource management system—selection, socialization, performance appraisal, compensation and leadership development—should be overhauled. Better selection processes can help ambitious companies identify people who can function in a market economy. Socialization to market values rather than those of the Communist system can change performance expectations in the workplace. New performance appraisal systems can reinforce links between performance and compensation. Leadership development programs can advance business competencies and prepare workers for empowered team leadership.

Under the Communist system, people were selected for their positions because of their ties to the Communist Party or the military. A loose relationship existed between performance and compensation; instead, compensation (often supplemented with perks such as cars, housing or medical services) was linked to job hierarchy. Thus, work hard (or harder) meant nothing. Furthermore, job security was the norm; just as there was no possibility of exceptional reward in case of excellence, there was no threat of severance for low

performance. This is no longer the case. The “psychological contract” of the past has been broken. Jobs are now less secure, and individual contributions to success are becoming more important factors in accountability, assessment and reward.

True leadership—that based on trust and accountability—is essential to success in any environment. CIS needs to rebalance the trust equation as well. It needs a more-positive identification with people in positions of power and authority, and it needs innovative, accountable leaders worthy of that identification. It needs leaders and followers who distinguish between trust and dependence, so that leaders recognize the limits to paternalism and followers become empowered and independent as their competence grows.

CIS faces a serious international OSH issue—it has the highest percentage of reported work fatalities per 100,000 workers, yet the lowest percentage of reported lost workdays due to injuries among major world powers. Various historical, political and economic influences impact these issues and point to actions that can be taken to improve the conditions in Russian workplaces. ■

REFERENCES

- Committee of Specialists and Scientists. “Report to the Confederation of Trade Unions: Safety Conditions in the CIS.” *Okhrana Truda*. January 1994: 10-89.
- Dabars, Z. and L. Vokhmina. *The Russian Way*. Lincolnwood, IL: Passport Books, 1995.
- Freeland, C. *The Sale of the Century*. New York: Crown Publishers, 2000.
- Freeze, G., ed. *Russia: A History*. New York: Oxford University Press, 1998.
- Nevsky, A. and A. Solovyov. “How Much Do Accidental Work Injuries Cost: Government Regulation of Work Conditions.” *Okhrana Truda*. January 1994: 22-24.
- Petrick, J. and F. Rinefort. “Occupational Health and Safety in Russia and the Commonwealth of Independent States.” *Business and Society Review*. 104(1999): 417-438.
- Puffer, S. (a), ed. *The Russian Management Revolution: Preparing Managers for the Market Economy*. New York: Armonk, 1992.
- Puffer, S. (b), ed. *Business and Management in Russia*. Cheltenham, England: Edward Elgar, 1996.
- Roik, V. (a). “A Damaging Question About the Urgent Problems of Safety and Worker Protection.” *Okhrana Truda*. March 1994: 38-43.
- Roik, V. (b). “How to Defend Yourself From Occupational Risks.” *Okhrana Truda*. July 1994: 21-27.
- Sorokin, Y. “Occupational Safety Statistical Data of the Former Soviet Union.” *Personal Correspondence*. Nov. 12, 1992: 1-3.

Future Research in CIS

What will be the direction of future OSH research in the Commonwealth of Independent States (CIS)? The authors suggest 1) controlled studies on OSH results comparing CIS firms that adopt the recommended micro constructive steps with those that do not; and 2) longitudinal, benchmarked controlled studies of OSH statistics in the CIS that adopt the recommended macro constructive action steps.

The first direction would help CIS pilot micro steps in targeted domestic companies so that their performance would serve as a basis of “corporate CIS best practices” for other domestic firms. The second initiative would develop the international benchmarking link with global industry best practices, so that CIS-reported OSH statistics would be driven more by global ranges of acceptable variation rather than domestic fear of reporting work injuries.

Vincoli, J. (a). “Safety and Health: Soviet Style: Part I.” *Professional Safety*. April 1992: 15-23.

Vincoli, J. (b). “Safety and Health: Soviet Style: Part II.” *Professional Safety*. May 1992: 25-33.

Yeltsin, B. *Midnight Diaries*. New York: Perseus Books, 2000.

Foster C. Rinefort, Ph.D., is professor emeritus of management at Eastern Illinois University and CEO of Rinefort Associates, an international consulting firm. He is a professional member of ASSE’s Central Illinois Chapter.

Joseph A. Petrick, Ph.D., SPHR, is an associate professor of management at Wright State University and CEO of Performance Leadership Associates, an international quality leadership consulting firm.

Vadim Schukin, M.B.A., is marketing manager for Scala Ltd. in Budapest, Hungary.

This article is based on Petrick and Rinefort’s article, “Occupational Health and Safety in Russia and the Commonwealth of Independent States,” published in Business and Society Review.

READER FEEDBACK

Did you find this article interesting and useful? Circle the corresponding number on the reader service card.

YES	30
SOMEWHAT	31
NO	32