“Regulation by Shaming:”
Deterrence Effects of Publicizing Violations of Workplace Safety
Laws

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Why Should Enforcement Agencies Publicize Violations?

“Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants, electric light the most efficient policemen.”

–Justice Louis Brandeis (1913)
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Economic theory: do it because of incomplete information:
- Employers might be unaware they could face fines for violations
- Employers less motivated to invest in compliance if unobservable to workers, customers, etc.

Agency standpoint: do it because it's:
- Low-cost
- Not "command and control"

Why only publicize the bad actors (i.e., "shaming")?
- Increase salience, potential media-take-up
- Ripple effects: activate broader employer reputational concerns (general deterrence)
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OSHA’s experiment in “Regulation by Shaming”

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OSHA News Release - Region 5

Region 5 News Release: 11-966-CHI
June 29, 2011
Contact: Scott Allen Rhonda Burke
Phone: 312-353-6976 312-353-4807
Email: allen.scott@dol.gov burke.rhonda@dol.gov

CLEVELAND – The U.S. Department of Labor’s Occupational Safety and Health Administration has cited Quality Stamping Products for alleged safety and health violations, including failing to report amputations, which occurred at the company’s facility in Parma. The company is placed in OSHA’s severe violator program.

Two employees received the injuries while operating mechanical power presses at the plant prior to OSHA’s January inspection. As a result, the company was cited for a total of nine willful safety violations, which also included failing to train press operators in safe work methods, ensure the flywheels on the mechanical power presses were adequately guarded, and ensure pullout devices were properly adjusted for press operators. Three of the nine willful safety violations require that OSHA develop and utilize machine-specific procedures to control hazardous energy, train workers in authorized worker lockouts, and train. A willful violation is one committed with intentional knowing or voluntary disregard for the

Violation...for lack of proper chemical hazard communication and training

$426,000 in penalties

Two amputations

"blatant disregard for the safety of its workers"
Local News Often Covered OSHA’s Press Releases

OSHA News Release - Region 4

U.S. Department of Labor

Please note: As of January 20, 2017, information in some news releases may be out of date or not reflect current policies.

Region 4 News Release: 09-369-ATL (109)
April 16, 2009
Contact: Michael Wald
Phone: 404-562-2078

U.S. Department of Labor’s OSHA cites Gainesville, Ga., poultry processor with 22 workplace safety and health violations

ATLANTA -- The U.S. Department of Labor’s Occupational Safety and Health Administration (OSHA) is proposing 22 safety and health violations with fines of $73,276 against Fieldale Farms Poultry LLC.

A January inspection of the company’s processing plant in Gainesville, Ga., has resulted in the agency proposing two repeat violations with $27,500 in proposed penalties, 18 serious violations with $45,775 in proposed penalties, and two other-than-serious violations with no monetary penalties.

“With workplace injuries, companies must incorporate good safety practices into their culture and not leave safety to chance,” said Gel-Thae Briesley, director of OSHA’s Atlanta-East Area Office.

The two repeat violations are for the company’s failure to provide standard guardrails for open-sided platforms, and using flexible cords and cables as a substitute for fixed wiring. OSHA issues repeat violations when it finds, following an initial violation, a substantially similar violation of any standard, regulation, rule or order at any other of a company’s facilities in federal enforcement states.

Serious violations alleged include the company’s failure to annually train employees on hazards related to bloodborne pathogens and to make the Hepatitis B vaccine available to employees exposed to bloodborne pathogens. Safety training was not provided to all employees, exit routes were obstructed, and workers were exposed to noise and electrical hazards. The company failed to provide personal safety equipment and did not have machine guards on equipment. A serious citation is issued when there is substantial probability that death or serious physical harm could result from a hazard about which the employer knew or should have known.

The two other-than-serious citations were for the company’s failure to certify that all hazards of the permit required confined space had been eliminated, bloodborne pathogen training had been conducted and employees who declined the Hepatitis B vaccine had signed a declination form. An other-than-serious violation is one that has a direct relationship to job safety and health, but probably would not cause death or serious physical harm.

OSHA cites Fieldale Farms for safety violations

By Harris Blackwood
harrisblackwood@gmail.com
POSTED: April 15, 2009 10:56 p.m.

Federal officials are proposing a $73,276 fine against Fieldale Farms Corp. following a January inspection that turned up 22 violations.

The U.S. Department of Labor’s Occupational Safety and Health Administration announced Thursday that the Hall County poultry processing company was being cited for two repeat violations and 18 new violations that were determined to be serious. There were two other violations that did not carry any monetary penalties.

“With workplace injuries, companies must incorporate good safety practices into their culture and not leave safety to chance,” Gel-Thae Briesley, director of OSHA’s Atlanta-East Area Office, said in a statement.

Gus Amendarla, an executive vice president of Fieldale, said the company was working to correct any violations.

The two repeat violations are for the company’s failure to provide standard guardrails for open-sided platforms, and using flexible cords and cables as a substitute for fixed wiring. The agency has proposed fines of $27,500 for the repeat offenses.

Serious violations alleged include the company’s failure to annually train employees on hazards related to bloodborne pathogens and to make the Hepatitis B vaccine available to employees exposed to bloodborne pathogens.

Safety training was not provided to all employees, exit routes were obstructed, and workers were exposed to noise and electrical hazards.
Did OSHA’s press releases improve employers’ compliance?
How Can We Find Out?

- OSHA did not publicly announce the policy change to issue press releases.
- A press release was likely seen by other facilities in the same region (local news) and in the same industry (trade pubs).
- Can measure outcomes with OSHA's administrative data on inspections.
- Ideal experiment: have OSHA randomly assign press releases to subset of violators.
- $40,000 cutoff rule → some press releases “as good as” randomly assigned.
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Getting Penalized More than $40,000 Raised the Probability OSHA Would Write a Press Release
When OSHA issued a press release, did other facilities in same area and industry subsequently improve compliance?
"Focal" Penalty ($) - $40,000

Same sector and within 5km radius of focal facility
Press Releases Improved Compliance of Peer Employers

Total Violations

Same sector and within 5km radius of focal facility

"Focal" Penalty ($) - $40,000
Press Releases Improve Compliance for Employers up to 50 km Away
Press Releases Had a Really Big Impact!

- A press release leads peer facilities within 50 km to improve 75% as much as if OSHA inspected each one

- One press release deters as many violations as > 200 inspections
Final Thoughts

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- Larger effects on compliance in areas with robust local newspapers
  - Local newspapers more likely to cover press releases than the *New York Times*
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- Much larger effect on compliance in areas with higher labor union presence
  - Workers can leverage publicity when have power to act on it

Thank you!

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