

Analysis of social framework & financial conditions

Brussels meeting:
Chapter 1 workteam
Coordinator: Christos Chatzigiannoglou

1.1 General

- Common legislation \neq common working conditions
- No common incentive scheme: efficient is the one that fits individual particularities.
- Parallel goals: health care and remuneration of the victims.

1.2 Financial & Sectoral Parameters

- Number & Type of accidents in total
- Number & Type of accidents by Sector
- Number & Type of occupational diseases
- Severity of occupation diseases & pensions paid

1.2 Financial & Sectoral Parameters

- Expenditure by Enterprise & Sector
- Cost of Labor per Sector and Elasticity of Wage of Labor Demand
- Sectoral Developments (Outsourcing)

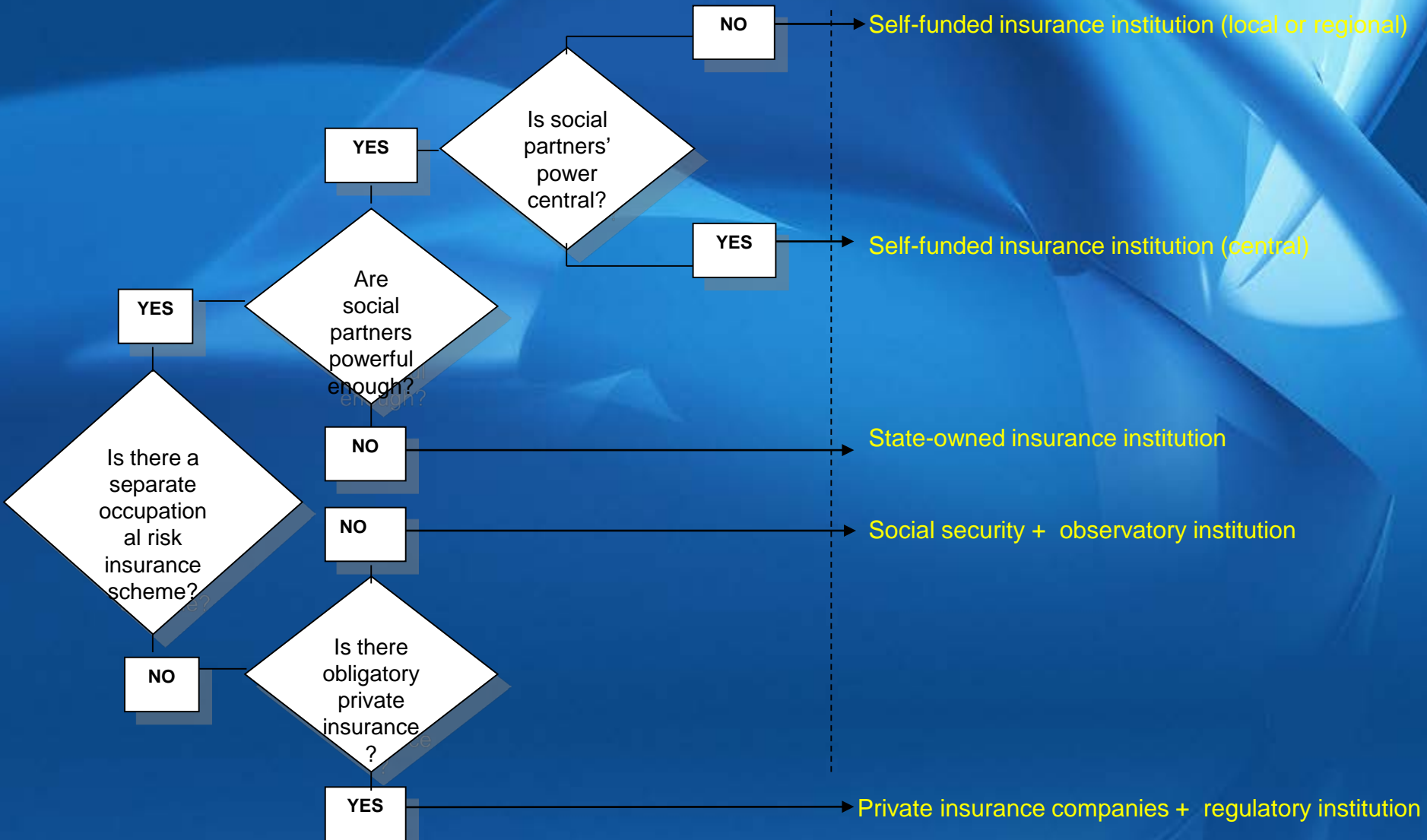
1.3 Main Sociological Parameters of an incentive scheme

- The existence and nature of an occupational risk insurance scheme.
- The structure and power of social partners.
- The structure of the State institutions

1.4 Potential structural schemes

- Not autonomous occupational risk insurance
 - Obligatory insurance in private agency (e.g. UK, Cyprus)
 - Risk insurance included in social security (e.g. Greece).
- Autonomous occupational risk insurance
 - State owned organization
 - Self-funded organization.
 - Mixed organization

1.5 Verification of structural schemes



1.5 Verification of structural schemes

CASE: Obligatory risk insurance at private agencies

Potential incentives are based on sectoral and/or experience rating (for accident number only). Insurance companies may calculate number of accidents and severity even at a sector level and provide incentives only at cases of minimization of accident declaration. For proper calculation of accidents necessary is a common database among insurance companies, otherwise potential registration may not be correct in long term, due to modification of involved insurance institutions.

Public sector inspection Authorities may empower system by applying or erasing fines from companies showing progressive improvement at H&S measured parameters

Sector expenditures, cost of labor & outsourced services do not play any important role in application of particular scheme

Social & Sectoral parameters	Degree of registration		
	Low	Medium	High
Number & type of accident		x	
Number & type of accidents by sector	x		
Number & type of diseases		x	
Number & type of diseases by sector	x		
Pensions paid			x
Expenditures by sector	x		
Cost of labour by sector	x		
Sectoral developments (outsourcing)	x		

1.5 Verification of structural schemes

CASE: Occupational Risk embedment in Social Security

Risk of shifting cost of occupational risk to social security. Great need for availability of Inspection Authorities. Number and type of accidents and occupational diseases are registered and evaluated by Social system Authorities. Social security Authorities have the advantage of continuous presence, so their track records may be accurate covering long periods. Especially, diseases, which need long time to be tracked may be registered with accuracy.

Evaluation of variable parameters such as sectoral development, expenditures by sector etc are nearly impossible, mainly due to the extensive organization of a Public Social Security Service and the applicable multilevel bureaucracy

Social & Sectoral parameters	Degree of registration		
	Low	Medium	High
Number & type of accident	x		
Number & type of accidents by sector	x		
Number & type of diseases			x
Number & type of diseases by sector		x	
Pensions paid			x
Expenditures by sector	x		
Cost of labour by sector	x		
Sectoral developments (outsourcing)	x		

1.5 Verification of structural schemes

CASE: Existence of a separate state owned occupational risk insurance institution

Great possibility to substitute or replace Public Inspection Authorities fully or to a certain extent. Better registration of risk parameters, better knowledge of factors playing role. Availability of specialized official Occupational Risk Management body provides more efficient handling of potential incentive plans
Bureaucracy may not be overcome easily. Parameters like outsourcing, size of companies is less likely to be applied, while massive high level separations are to be applied. Sectoral rating is more likely

Social & Sectoral parameters	Degree of registration		
	Low	Medium	High
Number & type of accident		x	
Number & type of accidents by sector		x	
Number & type of diseases		x	
Number & type of diseases by sector		x	
Pensions paid			x
Expenditures by sector	x		
Cost of labour by sector	x		
Sectoral developments (outsourcing)	x		

1.5 Verification of structural schemes

CASE: Social partner owned occupational risk insurance institution - Social partners centrally structured

Great possibility to substitute or replace Public Inspection Authorities fully or to a certain extent. Better registration of risk parameters, better knowledge of factors playing role.

Experience rating, sectoral rating or a mix of them as well as performance rating based on the results of safety audits may be applied. Disadvantage is shifting costs and risks from one sector to the other or from big enterprises to small and medium enterprises (outsourcing services).

Potentiality of lobbying between representatives of social partners. Higher attention or more aggressive and flexible incentive plans to the ones processing higher influence

Social & Sectoral parameters	Degree of registration		
	Low	Medium	High
Number & type of accident			x
Number & type of accidents by sector		x	
Number & type of diseases			x
Number & type of diseases by sector		x	
Pensions paid			x
Expeditures by sector		x	
Cost of labour by sector		x	
Sectoral developments (outsourcing)		x	

1.5 Verification of structural schemes

CASE: Social partner owned occupational risk insurance institution - Social partners sectorally structured

The best prospects for an effective and fair economic incentive through occupational risk insurance fees are in a sectoral independent institution operated by the social partners. However, such a system requires strong social partners in sectoral level and involves high overheads, which requires a large base by means of number of insured workers (a large country or potentially one institution for a set of countries in the future)

Social & Sectoral parameters	Degree of registration		
	Low	Medium	High
Number & type of accident			x
Number & type of accidents by sector			x
Number & type of diseases			x
Number & type of diseases by sector			x
Pensions paid			x
Expenditures by sector			x
Cost of labour by sector			x
Sectoral developments (outsourcing)			x