

Economic incentives in OSH

Key results of the policy report

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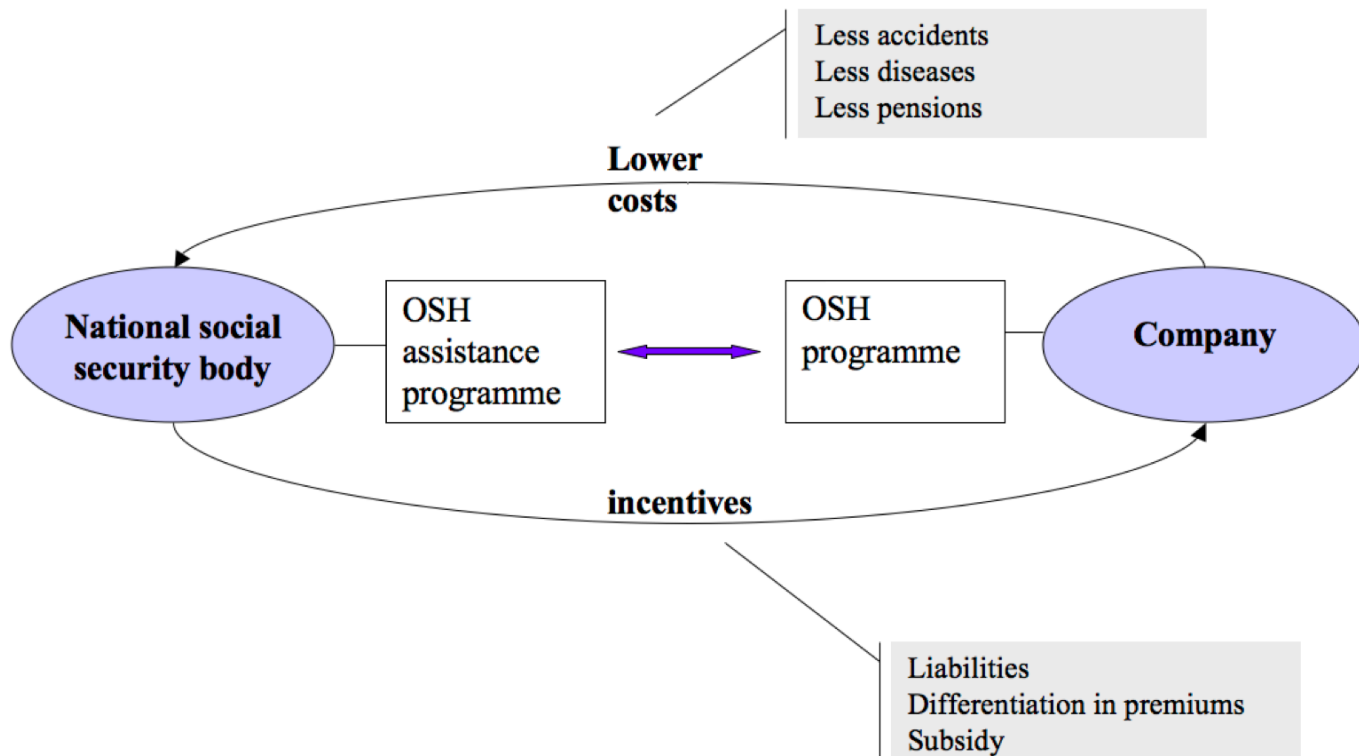
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Introduction

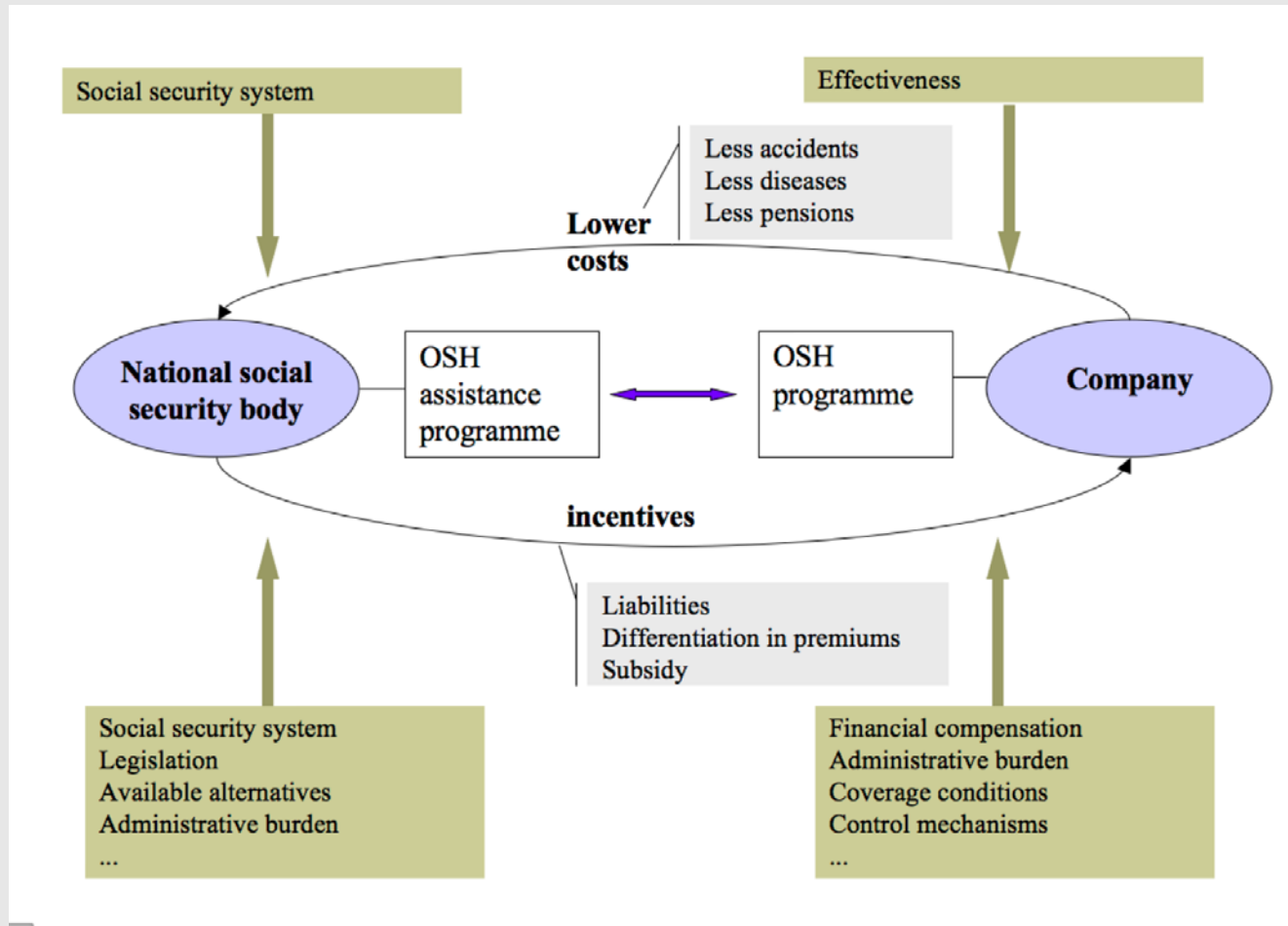
Aim & scope

- Aim
 - Overview of the policy context of economic incentives in OSH, within the 27 EU Member States
 - Define which incentives in OSH are / can be applied under which national conditions
- Scope
 - Financial incentives (insurance-related, tax and funding schemes)
 - Non-financial incentives
 - Not: legal incentives (e.g. fines, penalties) and incentives for the self-employed

Incentive model (1)



Incentive model (2)



Methodology

- Information collection
 - Focal Point questionnaire survey
 - Policy overview by TCWE partners (based on template)
- Information analysis
 - Policy classification, incl. development of matrix: characteristics of welfare and social insurance system + existing economic incentives in OSH
 - Conclusions

2 Policy classification

Policy classification (1)

- Type of welfare-state regime
 - Liberal (Anglo-Saxon countries)
 - Corporatist (Central-European countries)
 - Social-democratic (Scandinavian countries)
 - Mediterrenean (South-European countries)
 - Post-communist (Eastern-European countries)
 - Hybrid: The Netherlands
- Financing source of social security system
 - Beveridgian: tax financed
 - Bismarkian: funded by social insurance (contributions)

Policy classification (2)

- Workers' compensation (WC) system
 - Public (state-runned) versus private WC
 - Monopolistic versus competitive insurance market
 - Insurance of occupational accidents (OA) and diseases (OD): overall versus separate approach
- Economic incentives for OSH
 - Insurance-related incentives (incentives via premium setting)
 - Tax schemes
 - Funding schemes
 - Non-financial incentives

Geographical	Welfare-state model	Social insurance system		Workers' compensation system (WC)
		Predominantly Beveridge	Predominantly Bismarckian	S (State-run) P (Private) M (Monopolistic) C (Competitive) OA OD: distinctive systems for WC occupational accidents and diseases
Baltic	Post-communist		Estonia	SM
			Latvia	SM
			Lithuania	SM
Central European/ Continental	Corporatist		Belgium	PC (OA OD)
			Germany	SM
			France	SM
			Luxembourg	SM
			The Netherlands	PC
			Austria	SM
Eastern European	Post-communist		Bulgaria	SM
			Czech Republic	SM
			Hungary	SM
			Poland	SM
			Romania	SM
			Slovenia	SM
			Slovak Republic	SM
Anglo-Saxon	Liberal	United Kingdom		PC
		Ireland		SM
Southern European/ Mediterranean	Mediterranean	Greece		SM
		Spain		SC (OA OD)
		Italy		SM
		Cyprus		SM
		Malta		SM
		Portugal		PC (OA OD)
Nordic/ Scandinavian	Social-democratic	Denmark		PC (OA OD)
		Finland		PC
		Sweden		SM

Matrix (1)

Country	Geographical	Welfare-state model	Financing of social security system	Insurance scheme		Tax schemes	Funding schemes	Non-financial incentives
				Public or private / Monop olistic or compet itive	Insurance-related incentives			
			<i>Predomina ntly BE (Beveridge) or BI (Bismarcki an)</i>	<i>S/P M/C</i>	<i>Information available on used rating system and application of insurance-related incentives</i>	<i>Information available on tax schemes in OSH</i>	<i>Information available on funding schemes in OSH</i>	<i>Information available on recognition schemes regarding OSH</i>
Belgium	Central European/ Continental	Corporatist	BI	PC	System of premium differentiation: premium calculation based on experience rating, occupational risk (loss statistic), and company size.		<ul style="list-style-type: none"> - Occupational Diseases Fund: Programme for early rehabilitation of low back pain workers, Reimbursement of hepatitis B vaccine or combined hepatitis A/B vaccine - Experience Fund - Safety Coach project (Prevent/Experience Fund) - Diversity Plans 	Pro-Safe Award
Bulgaria	Eastern European	Post-communist	BI	SM	Bonus-malus system: premium calculation based on experience rating.		Working Conditions Fund	
Czech Republic	Eastern European	Post-communist	BI	SM	Malus system.			
Denmark	Nordic/ Scandinavian	Social-democratic	BE	PC	Premium calculation based on risk category. No specific premium variation system.		<ul style="list-style-type: none"> - Prevention Fund - Subsidy for OSH consulting - Work Environment Research Fund Former initiatives: <ul style="list-style-type: none"> - Fund for monotonous repetitive work - A lifting instruction scheme - State subsidies to enterprises with OSH certificates 	Red, yellow, green and crowned Smileys

Matrix (2)

Germany	Central European/ Continental	Corporatist	BI	SM	<p>Premiums vary between the different sectoral BGs and even between the member companies of one BG. In addition to a bonus-malus, certain BGs have established a system giving a premium reduction for certain prevention efforts:</p> <ul style="list-style-type: none"> - Incentive scheme of the Statutory Accident Insurance of the Butchery Industry (Fleischerei Berufsgenossenschaft, FBG) - Incentive scheme of the Statutory Accident Insurance of the Health Care Sector (BG Gesundheitsdienst und Wohlfahrtspflege-BGW) - Enterprise for Health: Promoting health management among companies in Lower Saxony (AOK Niedersachsen, Allgemeine Ortskrankenkasse Niedersachsen) 	<p>Tax incentives for occupational health promotion start in 2009. Employers can write off up to € 500 per worker each year from tax.</p>	<p>Promotion of OSH management systems by the Bavarian Business Inspectorate</p>	<ul style="list-style-type: none"> - Incentive scheme of the Statutory Accident Insurance of the Health Care Sector (BG Gesundheitsdienst und Wohlfahrtspflege-BGW): BGW Health Prize - OSH partnership programme Hamburg: awards - Statutory Accident Insurance of Trade and Goods Distribution (Berufsgenossenschaft Handel und Warendistribution, BHGW): awards for 'Innovations in Prevention' and 'Healthy Employees-Healthy Company' - Steinbruchs-Berufsgenossenschaft (StBG): Seal of Approval - Systematic Safety
Estonia	Baltic	Post-communist	BI	SM				
Greece	Southern/ Mediterranean	Mediterranean	BE	SM				
Spain	Southern/ Mediterranean	Mediterranean	BE	SC	<p>Premium calculation based on to risk category. No specific premium variation system.</p>		<ul style="list-style-type: none"> - Grants to improve safety in traditional coastal fishing vessels - Grants to replace unsafe equipment for SMEs in the construction sector - Subsidies for employees' training in health and safety and for measures to improve health and safety in 2004 - ... 	
France	Central European/ Continental	Corporatist	BI	SM	<p>Premium calculation based on company size: premiums of large companies (>200) vary according to OA/OD rates; for smaller companies, premiums vary according to sector.</p>		<ul style="list-style-type: none"> - Prevention contracts , advances and grants (CNAM/CRAM) - 'Safer tools' campaigns (CNAM) - Plan Health at Work 2005-2009 (Plan Santé au Travail 2005-2009, PST 2005-2009) 	
Ireland	Anglo-Saxon	Liberal	BE	SM	...			

Matrix (3)

Italy	Southern/ Mediterranean	Mediterranean	BE	SM	Premium calculation based on sector/activities; premium may be reduced based on compliance with OSH standards and individual claims experience.		<ul style="list-style-type: none"> - Business financing for programmes and projects in OSH - Loans for SMEs for technological innovations resulting in accidents reduction - Grants for SMEs for programmes aiming at accident reduction 	
Cyprus	Southern/ Mediterranean	Mediterranean	BE	SM	Premium calculation based on individual risk.			
Latvia	Baltic	Post-communist	BI	SM		Tax-exemption of general expenditure on labour protection measures		
Lithuania	Baltic	Post-communist	BI	SM	Premium calculation based on risk category (three groups).		Prevention fund	Conditions for enterprises participating in public tendering
Luxembourg	Central European/ Continental	Corporatist	BI	SM	Premium calculation based on risk category. Premium can be increased due to individual claim experience.		Grants by Insurance Association against Accidents (AAA, Association d'Assurance contre les Accidents) for various financial support to companies: installation of safety management systems, acquisition of the software 'Maitrisk', various training courses	
Hungary	Eastern European	Post-communist	BI	SM	A bonus-malus system is being elaborated.			
Malta	Southern/ Mediterranean	Mediterranean	BE	SM				
The Netherlands	Central European/ Continental	Hybrid	BI	PC	Specific insurance-related incentives such as premium variations or bonus systems for specific prevention activities, occur within the framework of contracts between employers and the private insurers and safety and health services.	(Farbo Sheme)	<ul style="list-style-type: none"> - Farbo Sheme - Education & Development Funds (O&O fondsen) 	
Austria	Central European/ Continental	Corporatist	BI	SM	...		<ul style="list-style-type: none"> - Low cost consultancy for safety and health management for SMEs (AUVA) - Funding of Health Promotion Activities (FGÖ) - Funding of IMS implementation 	

Matrix (4)

Poland	Eastern European	Post-communist	BI	SM	Premium differentiation system: premium calculation based on company size, risk category, and experience rating.		<ul style="list-style-type: none"> - Polish Agency for Enterprise Development and Polish Chamber of Commerce: grants for SMEs and trainings - CIOP-PIB and National Labour Inspectorate: promotion of a systematic OSH approach (training, consulting, audits) 	<ul style="list-style-type: none"> - Diploma of the National Labour Inspectorate 'Safety at work in small enterprises' - Safe Work Leaders' Forum
Portugal	Southern/Mediterranean	Mediterranean	BE	PC	Premium calculation based on risk category or individual rating. Bonus system based on risk analysis, quality of risk information, claims experience, and minimum premiums for particular sectors.			
Romania	Eastern European	Post-communist	BI	SM	Premium calculation based on risk category.			
Finland	Nordic/Scandinavian	Social-democratic	BE	PC	Two systems for premium calculation: 'risk per mill' system for SMEs, and special rating system for larger companies.		<ul style="list-style-type: none"> - The Finnish Work Environment Fund - TYKES program for the development of working life - TYTA model 	<ul style="list-style-type: none"> - Zero Accidents Forum - Working safety price for the road transport sector
Slovenia	Eastern European	Post-communist	BI	SM				
Slovak Republic	Eastern European	Post-communist	BI	SM	Premiums will vary according to risk category from 1 January 2010.		Safe Enterprise Programme	
Sweden	Nordic/Scandinavian	Social-democratic	BE	SM				
United Kingdom	Anglo-Saxon	Liberal	BE	PC	<ul style="list-style-type: none"> - SME Safety and Health Performance Index - Corporate Health and Safety Performance Index (CHaSPI). 			

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Incentive schemes

Insurance-related incentives (1)

- No real incentives via premium setting in several countries
 - Estonia, Greece, Ireland, Latvia, Hungary, Malta, Slovenia, Slovak Republic, Sweden, UK
 - Insurance premium setting based on risk category system: e.g. Denmark, Spain, Lithuania, Romania
- Incentives through experience rating
 - Both in countries with Public/Monopolistic (SM) and private/competitive (PC) WC schemes
 - SM: Bulgaria, Czech Republic, Germany, France, Italy, Cyprus, Luxembourg, Poland
 - PC: Belgium, The Netherlands, Portugal, Finland

Insurance-related incentives (2)

- Introduction/change of premium variation system discussed/planned in
 - Belgium, Denmark, Estonia, Spain, France, Hungary, Slovak Republic
- Premium variation based on (amongst others) company size:
 - Belgium, France, Poland, Finland
 - France and Finland: different approach for larger and smaller companies
- Germany: specific sectorial approach (by social insurance companies: BGs, ...) (see presentation FBG)

Tax schemes

- Latvia: tax-exemption on general expenditure on labour protection measures
- The Netherlands: Farbo scheme (initially developed as a tax system; in 2005 changed into funding; abolished in 2009)
- Germany: tax incentives for occupational health promotion starts in 2009 (employers can deduct from tax up to € 500 per worker per year for activities that promote occupational health)

Funding schemes

- Reported in nearly every country
 - Beveridgian (tax funded) as well as Bismarckian (contributions)
 - Public/Monopolistic as well as Private/Competitive
- Mainly established by public bodies
- Funds/subsidies/grants for a wide range of topics
 - Implementation of training in OSH
 - Purchase of didactic material
 - Implementation of OSH management systems
 - Set up of specific plans and projects (rehabilitation of persons with chronic low back disorders, prevention of MSD, ergonomic programmes, diversity-oriented plans, etc.)
 - Purchase, adaptation, renewal, replacement of unsafe equipment and tools; reimbursement of vaccines
 - Etc.

Non-financial incentives

- Aimed at recognition of companies that invest in safer and healthier workplaces
- No substantial financial implications
- Examples in Belgium, Denmark, Germany, Poland, Finland, etc.
- Germany: strong role of social insurance companies (BGs) favours insurance-related incentives and recognition schemes

4

Conclusions

Conclusions

- Every country has its own approach (relating to its specific economic, political, legislative and social structures)
- Premium differentiation is mostly limited to experience rating
- Discussions/plans on introduction/reform of premium variation system are taking place in several countries
- Tax schemes are very rare
- Funding schemes are very common, but usually voluntary (reach mostly companies that have already a certain OSH level)

Questions

- Can clusters of countries with similar approaches be identified?
- Can incentive schemes be transferred?
- Are the incentive schemes:
 - voluntary or compulsory?
 - Supported by legislation?
 - Part of an general strategy?
- Can the Agency have an added value in disseminating incentive schemes and models of good practice

Thank you !

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