Technical Report: Building Synergetic Linkage between Prevention, Compensation, Return to Work in Employment Injury Scheme in Asia and the Pacific Region[1]

Jooyung Kim[2]

(On secondment to ILO Decent Work Technical Support Team for East and South-East Asia and the Pacific

From Korea Workers' Compensation and Welfare Service)

Email: kimj@ilo.org or kimjy72@naver.com

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[2] The views expressed in this paper is solely the author's himself and does not necessarily represent the view of the organization to which the author belongs.

Executive Summary

This technical report was written for understanding logical and actual relations between prevention and compensation in employment injury scheme which covers occupational injury or disease. Also, return to work programme in employment injury insurance scheme is explained for going beyond compensation stage to facilitate invalid workers to retain previous work or start alternative one during medical rehabilitation period or after their invalidity condition get permanent.

Although there are several types of workers' compensation such as employer liability, social insurance, private insurance, social assistance, etc, this paper emphasizes the importance of social insurance type of workers' compensation, namely employment injury insurance in the perspective of linkage between prevention, compensation and return to work. In addition, it shows that this linkage contributes to the scheme's financial stability along with the benefits to employers and workers. It does not include technically detailed contents on how prevention and compensation schemes function but instead, centered on employment injury insurance, it shows how the coordination mechanism functions between prevention and compensation.

Considering that most of countries in Asia and the Pacific region have weak linkage between prevention and compensation and also are not familiar with the concept of return to work, the models for the linkage and finance method is shown firstly then the evidence of South Korea on the linkage's contribution to financial stability of employment injury insurance is given. Later, the global perspective on prevention, the linkage, return to work is dealt with. Also it shows developed countries' case on each area and change the scope into the regional level, which means examination of current status of countries in Asia and the Pacific region. Good cases of some countries in the region are suggested. In the end, for building the linkage between prevention, compensation and return to work, some suggestions are made. The outline of each chapter is made as follows.

1. Introduction

The general aspects of employment injury insurance scheme and the necessity of building linkage between prevention and compensation along with introduction of return to work programme are mentioned.

2. Related mandate of ILO

The ILO conventions and recommendations relevant with employment injury benefit, linkage between compensation and prevention, vocational rehabilitation and employment for return to work are summarized.

3. Preliminary analysis of employment injury scheme

This chapter is about the general explanation on employment injury scheme such as the historical background of workers' compensation, what programmes the scheme has, current policy trend in the scheme, etc.

4. Why is the linkage between OSH and workers' compensation scheme needed?

In this chapter, the specific reason for the necessity of coordination between prevention, compensation, return to work is mentioned. Also the brief model on the synergetic linkage is shown in figure 3. The data sharing between compensation and prevention, the allocation of some portion of workers' compensation fund for active prevention activities, the economic incentive on OSH for employers such as experience rating system are suggested in the model.

5. Relation between EII financial stability, prevention and return to work programme in theoretical and evidence-based perspective

Through providing theoretical explanation on financial method of employment injury insurance and evidence from South Korea, the linkage between prevention and compensation such as allocation of some portion of workers' compensation fund contributes to the scheme's financial stability. In addition, the return to work policy also does and enhances the beneficiaries' satisfaction.

6. The review of elements of prevention strategy in global context

The main strategies of prevention such as prevention through regulation, prevention through economic incentive, prevention through the works councils or health and safety committees, right to refuse unsafe work, training and expert advice are mentioned in globally comparative perspective.

7. The general view of employment injury scheme on a global level

In the compensation context of the scheme, global comparison and analysis are given on the type of the scheme, legal coverage scope by region, by selected country in actual coverage. In this, the fact that portion of employer liability is higher and coverage rate is lower compared to other regions. Also the migration issue related with employment injury scheme is examined briefly.

8. The advantage of employment injury insurance (EII) as a social security system

Considering there are several types of employment injury scheme such as employer liability, social insurance, private insurance, social assistance and the portion of employer liability in Asia and the Pacific is higher compared to other regions, the necessity and advantage of social insurance type scheme in the schemes' original and linkage contexts are mentioned compared to other types.

9. Case review of the linkage between EII and OSH of countries with long history of operating the scheme for employment injury

The case studies on the linkage perspective between EII and OSH are shown through examining the current cases of developed countries such as Germany, Canada, Australia, New Zealand, etc. It is found that the linkage between EII and OSH such as data sharing, allocation of some portion of EII fund for active OSH activities, experience rating are established in these countries.

10. Overview of employment injury scheme in Asia and the Pacific region

By examining the scheme type and contribution type of countries in Asia and the Pacific, it is found that there are still many countries with employer liability only and the case of experience rating system in employment injury insurance is few in the region.

11. Case review on reporting system in linkage perspective of selected nations

Given that reporting system and data on injury and compensation are important in making national OSH plans, the good practice of South Korea, Singapore, Malaysia on enhancing the reporting and data collection through linkage between prevention and compensation in employment injury scheme are suggested.

12. The case of countries in AP region needing establishment of the linkage between EII and OSH

While previous chapter shows good examples of the linkage, this chapter implies that building the linkage is needed in the Asia and Pacific region by showing cases of poor linkage situation of some countries in the region.

13. The global perspective on return to work in employment injury scheme

The compelling regions for introducing return to work in employment injury scheme, international efforts to build surroundings for return to work and disability management, cases of developed countries such as Germany and France, what meaning the programme has on developing country are suggested.

14. Examples of return to work programme in EII scheme in AP region

Even though return to work programme is still unfamiliar with countries in Asia and the Pacific, there are countries implementing return to work programme in their employment injury insurance such as South Korea and Malaysia, detailed cases of which are shown in this chapter, appendix 1 and appendix 2.

15. Conclusion

The recommendations on the linkage for the region are suggested in this chapter.

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List of Abbreviation

AGEFIPF	Fund management group for disabled person's profession unification
ALMP	Active Labour Market Policy
AP	Asia and the Pacific
CBDMA	Consensus Based Disability Management Audit
CDAPH	Commission for handicapped person's right and autonomy
CDMP	Certified Disability Management Professional
CIE	Contrat initiative employ
COMWEL	Korean Workers' Compensation and Welfare Service
COR	Certificate of Recognition
CRP	Center for professional re-education and preliminary orientation
CRTWC	Certified Return To Work Coordinator
CSS	Social Security Act
CSST	Commission of occupational health and safety
DM	Disability Management
DOSH	Department of Occupational Safety and Health
EII	Employment Injury Insurance
GDP	Growth Domestic Product
HSAs	Health and Safety Associations
HSE	Health and Safety Executive
IDMSC	International Disability Management Standard Council
ILO	International Labour Organization
ISCRR	Institute for Safety, Compensation and Recovery Research
ISSA	International Social Security Association
KOSHA	Korea Occupational Safety and Health Agency

MOM	Ministry of Manpower
MVA	Motor Vehicle Accident Insurance
NADOPOD	Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease
NHS	National Health System
NIHL	Noise-Induced Hearing Loss
OECD	Organization for Economic Cooperation and Development
OSH	Occupational Safety and Health
PAYG	Pay As You Go
PMG	Premium Mutual Groups
RFA	Rehabilitation and Functionality Assessment
RI	Rehabilitation International
RTW	Return To Work
SMEs	Small and Medium size Enterprises
SOCSO	Social Security Organization in Malaysia
TAC	Traffic Accident Commission
UI	Unemployment Insurance
UK	United Kingdom
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities
VWA	Victoria WorkCover Authority
WDMA	Workplace Disability Management Assessment
WICA	Work Injury Compensation Act
WorkSafeBC	Workers' Compensation Board of British Columbia
WSHA	Work Safety Health Act
WSIB	Workplace Safety and Insurance Board

1. Introduction

The ILO is committed to promote the goal of decent work for all. Decent work is where fundamental principles and rights at work are respected, where people can have productive employment, work in a protected environment and make their voices heard. Social protection, including occupational safety and health and social security, falls squarely within the concept of decent work.

The most powerful instruments for the ILO to promote decent work are international labour standards, that is, ILO Conventions and Recommendations. The International Labour Conference adopted in 2006 new OSH-related mandates such as Convention No.187 and Recommendation No.197 on "Promotional Framework for Occupational Safety and Health" aimed at placing OSH high on the national agenda and lowering the toll of work-related injuries and diseases, which cause some 2.2 million deaths each year. Besides a number of OSH Conventions, the ILO has the following Conventions related to protection against the contingencies due to industrial accident and occupational disease: Convention No.102 on Social Security (Minimum Standards), Convention No. 121 and Recommendation No.121 on Employment Injury Benefits.

Employment Injury Insurance (EII), or Workers' Compensation Insurance, is an important part of the social security system and was originated in Germany in 1884. It can be said to be the most popular social insurance scheme and now exists in about 165 countries in the world. It has been proven that EII schemes have played a positive role in protecting workers' safety and health, maintaining sound industrial relations and in pooling risks arising from occupational accidents and diseases among enterprises.

Even so, it is also realized that the EII scheme is still facing challenges for its further development and application, especially in developing countries. As, in most of the developing countries in Asia, coverage of the scheme is still insufficient, especially for small enterprises and the excluded groups; Secondly, benefit provisions need further improvements, for example, including commuting accidents in the covered contingencies, converting the lump sum payments of invalidity and survivors' benefits into periodical pensions with proper indexation and the introduction of physical and vocational rehabilitation benefits, and thirdly, synergies with injury prevention are weak and return to work programme in EII scheme is still unfamiliar concept in Asia and Pacific region .

However, the extension of coverage of EII and enhancement of EII benefits level is on an incremental basis affected mostly by the each country's situation in the perspective of GDP, political & historical development, informal economy portion, demography, etc. But different from these two challenges, coverage and benefits level, the synergetic linkage between EII and prevention policy(OSH) could be accomplished within each country's own situation through building efficient mechanisms such as a mechanism for the collection and analysis of data on occupational injuries and diseases, provisions for collaboration with relevant insurance or social security schemes, coordination with other related national programmes, introduction of merit system in EII contribution collection, etc. In addition, the return to work policy needs to be considered in EII scheme for facilitating injured workers to get back to work or society.

2. Related mandate of ILO

ILO adopted in 2006 new OSH-related mandates such as Convention No.187 and Recommendation No.197 on "Promotional Framework for Occupational Safety and Health" aimed at placing OSH high on the national agenda and lowering the toll of work-related injuries and diseases, which cause some 2.2 million deaths each year. In accordance with R.197, the national profile on OSH should include information on the provisions for collaboration with relevant insurance or social security schemes occupational injuries and diseases.

A framework for the notification, analysis and production of statistics on occupational accidents and diseases is an integral part of any national policy and system for occupational safety and health (OSH). This is also emphasized in the ILO's Promotional Framework for Occupational Safety and Health Convention, 2006 (C187) as well as in Occupational Safety and Health Convention, 1981 (C155).

The ILO Employment Injury Benefits Convention, 1964 (No. 121), provides for the competent authority to define occupational accidents and disease for which certain compensation benefits shall be provided. These benefits include payment for medical care and rehabilitation services for workers, income maintenance for the injured workers and their dependants during the period of temporary and permanent disability or in the case of death.

Paragraph 6(2) of the Employment Injury Benefits Recommendation, 1964 (no. 121) provides that "unless proof to the contrary is brought, there should be a presumption of the occupational origin of such disease" (under prescribed conditions)

Schedule I of the ILO Convention No. 121 partly addresses this by listing those diseases that are common and well recognized and the risk factors usually involved. Schedule I of the ILO Convention No. 121 on occupational diseases was updated in 1980 at the 66 Session of the International Labour Conference. By the end of February 2010, 24 countries have ratified this Convention.

It was considered that a more simple mechanism to update the ILO lit of occupational diseases would be necessary to keep pace with emerging trends to occupational disease and research into their causes. More importantly, this simplified mechanism should form the basis for the ILO to review and revise its list of occupational diseases in a timelier manner. This mechanism should allow the ILO to provide guidance to its member States and constituents on the adoption and revision of national lists of occupational disease for both compensation and recording and notification purposes.

Consequently, at the 90th Session of the International Labour Conference in 2002, a new Recommendation concerning the List of Occupational Diseases and the Recording and Notification of Occupational Accidents and Diseases (No. 194) was adopted. Paragraph 3 of this new Recommendation provides for a simplified mechanism for the updating of the ILO List of Occupational Diseases in its annex. The updating of the list will not be required to go through the International Labour Conference. The mechanism implies that the Office has to gather in systematic manner information from all member States on disease recognized for compensation, recording and notification purposes and the convening of meetings of experts on a more regular basis to examine the available information and propose revisions of the list.

Recommendation No. 194 encourages competent authority to establish its national list of occupational diseases which could be for the purpose of prevention, recording, notification and, if applicable, compensation, in consultation with the most representative organizations of employers and workers, by methods appropriate conditions and practice, and by stages as necessary. This list should:

a. For the purposes of prevention, recording, notification and compensation comprise, at the lease, the diseases enumerated in Schedule I of the Employment Injury Benefits Convention, 1964, as amended in 1980;
b. Comprise, to the extent possible, other diseases contained in the list of occupational diseases as annexed to this Recommendation; and
c. Comprise, to the extent possible, a section entitled “Suspected occupational disease”.

When it comes to return to work programme, Convention No. 121 requires member countries to provide rehabilitation services which are designed to prepare a disabled person for the resumption of his previous activity, or, if this is not possible, the most suitable alternative works, having regard to his aptitudes and capacity; and to take measures to further the placement of disabled persons in suitable employment.

Furthermore, Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159) and Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169) provide that “where possible and appropriate, social security schemes should provide, or contribute to the organization, development and financing of training, placement and employment including sheltered employment programmes and vocational rehabilitation services for disabled persons, including rehabilitation counseling.

3. Preliminary analysis of employment injury scheme

3.1 The historical background of workers' compensation

The historical background of workers' compensation is different according to countries because of their difference in cultural, historical, political and economic perspective. However, the theoretical backgrounds might be grouped into mostly three as follows[3].

The first is the social compromise theory. Employees are compensated by the EII on the condition that they give up legal procedures whereas employers are required to pay the EII benefits to employees who suffer from industrial injuries or diseases whether they are negligent or not. The payment of the EII benefits excludes employers from the process of the civil trials. The second one is the least social cost theory. The non-fault liability under the EII is much more efficient in time and cost than the judicial system which focuses on who is responsible for the accidents. The third background is the occupational risk theory. In a broad sense, industrial accidents are inevitable under capitalism system and should be compensated regardless of who is responsible for the accidents. Thus the expenditure for industrial accidents should be considered as a part of production cost.

3.2 Typology of employment injury scheme

In these backgrounds, many nations created schemes for it and established agencies which implement the schemes. The mandate of the institutions, in concert with workers and employers, is to:

- Promote the prevention of workplace injury, illness and disease
- Rehabilitate those who are injured and provide timely return to work
- Provide fair compensation to replace workers' loss of wages while recovering from injuries
- Ensure sound financial management for a viable workers' compensation system

Prevention

Workplace accidents do not need to happen. Yet everyday people get injured on the job. Preventing injuries at work is everyone's business: employers, workers, health care providers, and the relevant institution. By working together, they can prevent workplace injury and disease.

The scheme works to prevent injuries and diseases by:

- Providing health and safety information to industry, workers and the general public
- Establishing standards and guidelines for occupational health and safety
- Conducting educational presentations
- Conducting work site inspections
- Collaborating with provincial and federal agencies and ministries on matters of occupational health and safety
- Offering access to prevention resources to workers and employers

[3] The theoretical background frame was from the ILO feasibility study on employment injury insurance scheme for Sri Lanka.

Compensation

Although every effort is made for prevention of work injury and disease, it is inevitable to meet the workplace accidents or occupational disease in real life. Thus the EII scheme shall be prepared to compensate for injured workers and protect employers against liability in a fair and equitable way. In this regard, EII is funded by the employers through their assessments, known as premiums. Additional income is generated through investments. The revenue collected pays for the benefits and programmes of the workers' compensation system.

The scheme provides benefits in kind or in cash for workers at contingency caused by occupational injury and disease.

- Medical expenses and cost for medical rehabilitation
- Temporary incapacity cash benefits and nursing benefits
- Permanent incapacity cash benefits and constant attendance benefits
- Survivors benefits and funeral grants

Programme for return-to-work

Vocational rehabilitation scheme helps injured or sick workers return to work as soon as safely possible after a workplace injury or illness. The programmes are based on the philosophy that many workers can safely work as part of their recovery process. This benefits both the employer and the worker. Practically, for implementing return to work policy, both medical and vocational rehabilitation are provided for injured workers along with a variety of counseling method. This scheme is not established in most of developing countries in Asia and the Pacific. Based on the experience of developed nations, a return-to-work programme is facilitated by a team working together to help injured workers on their road to recovery. The team usually consists of the:

- Worker
- Medical professional / doctor
- Case manager in EII-implementing agency
- Employer
- Rehabilitation, transitional tasks, and whatever else is necessary for an injured worker to return safely to work may be part of a return-to-work programme.

There is a series of priorities for a successful return to work, which are:

- Doing the same job with current employer
- Doing a new job with current employer
- Doing a new job with a new employer
- If the first option is not possible, then turn to the second. If the second option is not possible, then turn to the third.

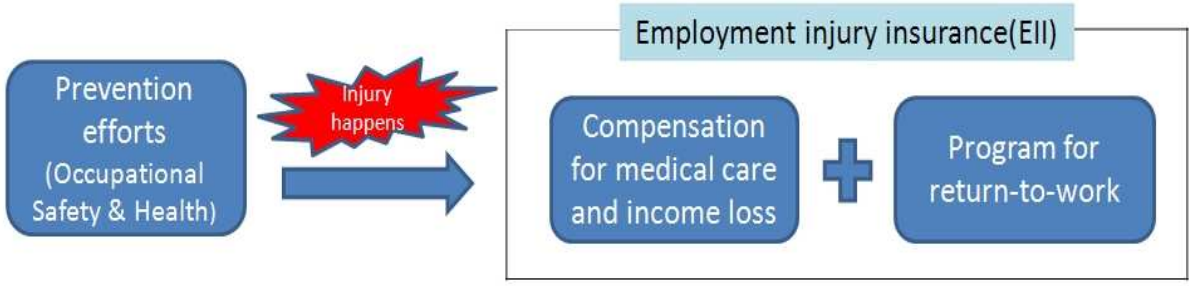
To facilitate the programme, developed countries have established vocational benefits in their own EII schemes as follows.

- Vocational training allowances and the cost of providing vocational training for those who need vocational training to be reemployed among those who have received permanent incapacity benefits or those who will obviously receive the benefits
- Return-to-work subsidy, work adaptation training costs, rehabilitation exercise costs which are paid if an employer retains, or carries out work adaptation training or a rehabilitation exercise programme for recipients of permanent incapacity benefits who returned to original business.

Outline of the employment injury scheme

To sum up the analysis of each component of the employment injury scheme, the whole picture of the system can be suggested in figure 1.

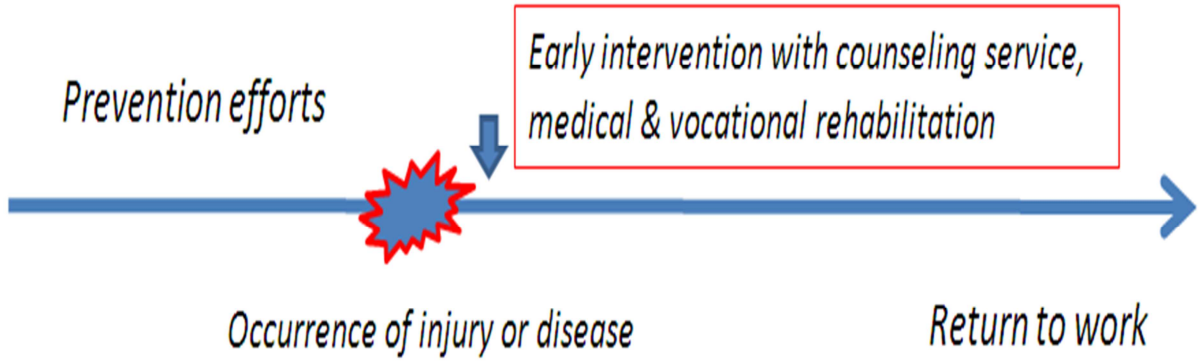
Figure 1. Social protection system for occupational injury and disease



3.3 Policy priority transition in current trend of employment injury scheme

Traditionally, EII was focused on compensation by in-kind benefits for medical treatment and in-cash benefits for income loss caused by occupational injury or disease. However, as operating experience was cumulated, the importance of prevention and rehabilitation has been felt. Prevention reduces the injury rate and medical rehabilitation reduces the invalidity degree. In addition, vocational rehabilitation facilitates return-to-work. These all efforts lead to contributing to financial stability of the scheme as well. Thus current trend of employment injury scheme can be showed in figure 2.

Figure 2. Current trend of employment injury scheme



4. Why is the linkage between OSH and workers' compensation scheme needed?

The necessity for coordination between EII and OSH

Compensation and prevention are logically inseparable. It is obvious, of course, that the most desirable way to reduce the cost of occupational injuries and disease is to reduce their incidence.

In the perspective of OSH, the collection and analysis of data on occupational accident and disease is very important. The result of them affects the directions of OSH-related activities such as providing health and safety information, education and offering prevention resources to stakeholders, establishing standard and guideline for OSH, conducting worksite inspections, etc. In accordance with reporting system from employers about their own workplace's occupational injury and disease, the number of them, the amount of compensation, the accident history, OSH-related department of institution could collect the data for OSH analysis. However, even though the reporting from employers is made on a periodical basis, it takes time to collect and analyze the data for OSH-related activities. In case reporting system does not function properly owing to employer's negligence, data is not enough to analyze and OSH institutions cannot access the data of workplaces not reporting. In addition, data from small and medium size enterprises (SMEs) is not easy to obtain.

From the view of EII, criteria for occupational disease is stipulated in its regulation but decision on whether each claim case is in the category of occupational disease covered by EII is not easy to make and takes long time to investigate in reality while accident cases are easier to identify as EII-covered category in comparison with the previous one. The data and expertise OSH agency has about correlation between exposed working conditions and worker's illness can provide EII agency with logical ground for determination on whether the case belongs to occupational disease which is also covered by EII scheme. Another thing is that the data will be helpful for making a plan for facilitating the injured workers to return to work. Considering his or her physical condition and each workplace's working surrounding, the case manager can provide appropriate service of return-to-work for the workers with incapacity. In addition, a merit system in premium-collection of EII can be an incentive for employers to give more attention to their own workplaces' safety.[4] Also the some portion of EII fund can be allocated for implementing OSH-related policies, which is found in the evidence of many EII-implementing countries.

Based on the necessities examined earlier, the linkage between EII and OSH can provide synergetic effect through coordination among relevant institutions, introduction of merit system in EII premium collection and allocation of some portion of EII fund for OSH policy. Coordination would be more facilitated in case EII and OSH are implemented in one single organization and data on both schemes are shared on a real time basis through the information technology network.

[4] There are many researches on merit rating system (experience rating system). However, the results are divided into pros and cons of the system. Some argued that decrease of injury rate affected by merit rate has no relevance with fatal injury claims and suppress claims for cases considered to be not severe. Other criticism is that they are mainly suitable for larger employers and a significant proportion of smaller employers are not affected and there is a large lag time between injury and financial penalty, which means that the employer probably does not heed the message of the penalty. Thus **instead of relying on merit rating system only, it is recommended to try to combine it with OSH efforts to achieve the increase of prevention of occupational accidents and disease and sound finance stability.**

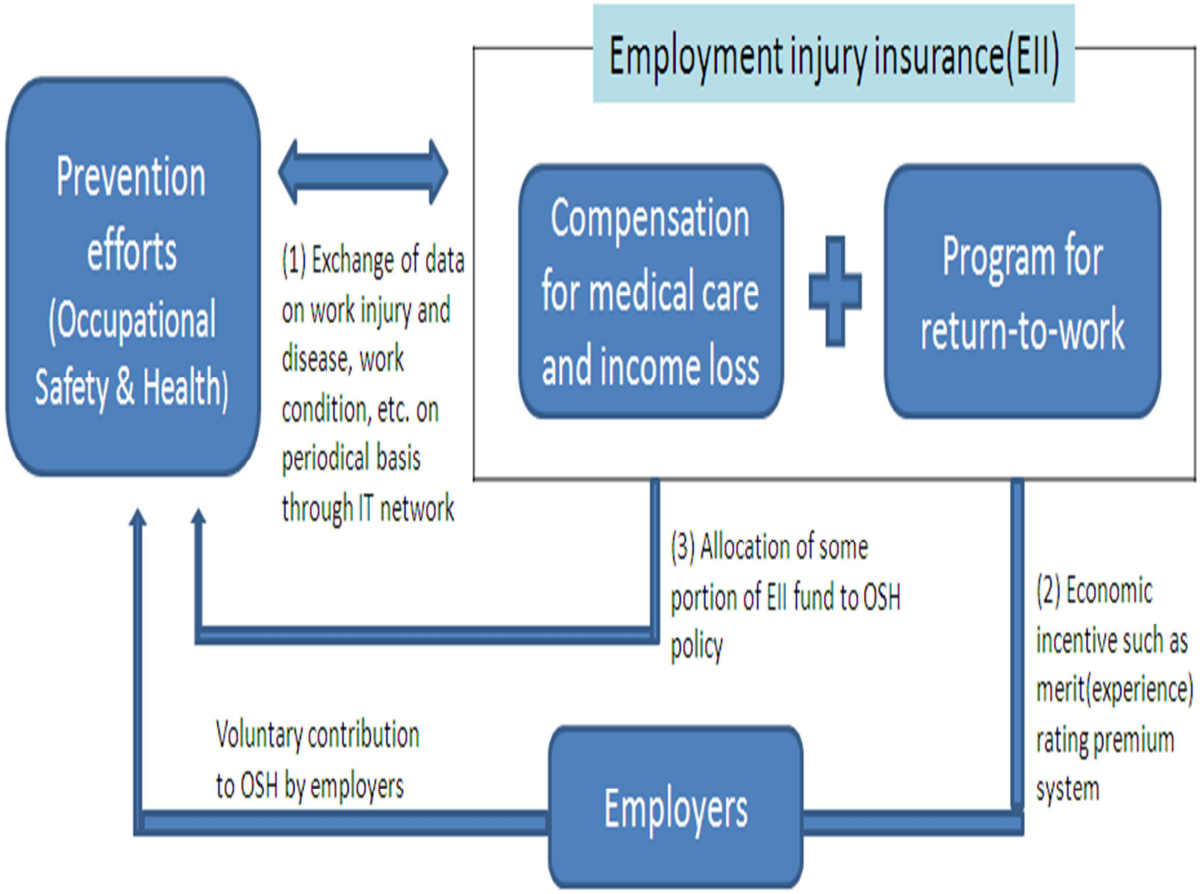
Through the linkage, OSH activities will enhance the level of each workplace's effort for safety and prevention of occupational accident and disease, which in result, contributes to the stable and sound management of EII fund by reducing the expenditure of the fund. In addition, this can lead to decrease of EII premium rate of the related industry in case of differential rating system and related workplace in case of merit rating system, which one of main stakeholders in EII, the employers are also satisfied with the result of the linkage between EII and OSH. It is needless to say that more employers will feel incentive to join the EII scheme and also pay more attention to prevention against occupational accident and disease in their own workplaces and safety of their workers.

In this regard, the linkage between the two will be finally helpful for employers and workers.

The outline of linkage between EII and OSH

The model for synergetic linkage between EII and OSH can be suggested in figure 3.

Figure 3. The model for synergetic linkage between EII and OSH



5. Relation between EII financial stability, prevention and return to work programme in theoretical and evidence-based perspective

The successful operation of EII somewhat relies on its financial management in that higher contribution rate caused by steeply increasing injury rate and increased benefits amount will be burdensome to employers paying the scheme by hindering cash flow in business operation and its poor management might lead to insolvency in paying benefits. In this context, it would be desirable to examine the relation among EII finance, prevention and return to work programmes in both theoretical and evidence-based perspective.

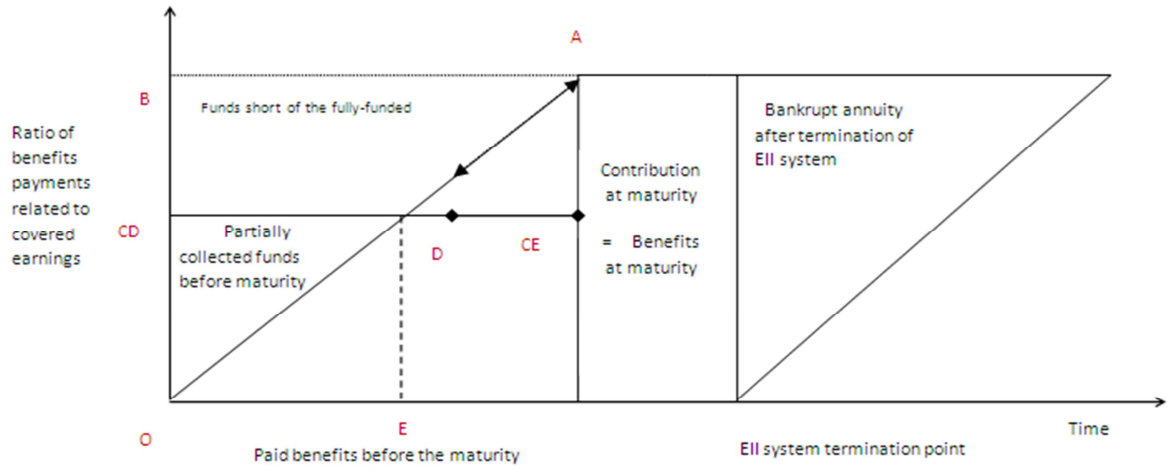
5.1 Theoretical perspective on EII finance, prevention and return to work

5.1.1 Financial management method of employment injury insurance[5]

The EII not only contains medical care benefits for industrial injuries and diseases but also cash benefits for partial or total economic loss. Basically, there are two ways to finance EII. One is the so-called “Pay-As-You-Go” or PAYG system and the other is the “funded system”. Thus, financing method of the EII is either "Pay-As-You-Go", which does not have a reserve fund, or a funded system, which has a large reserve fund. The two systems both have their pros and cons.

If the PAYG system is applied to operate EII, contribution rates have to be raised every year as expenditures increase. This might turn out to be a financial burden to the employers. However, contribution rate should be high from the beginning if the full funded system is adopted, which is also unrealistic in especially low and middle income countries. This is why it is thought to be appropriate to opt for the “half-funded system”, not the fully-funded system. The “half-funded system” takes advantages of both mitigating the financial burden of employers. As just mentioned, there are two ways to finance EII; the Pay-as-you-go (PAYG) system and the funded system. However, these two methods are two theoretical extremes and generally mixed schemes (half-funded system) are more common in reality. The mixed scheme allocates part of the payments in a reserve fund and has the merits of the PAYG and the funded systems.

Figure 4. Mized finance scheme of EII



[5] The theoretical background frame was based on the ILO feasibility study on employment injury insurance scheme for Sri Lanka.

First of all, the financial system of EII will be dealt with as depicted in Figure 4. When EII is introduced, the benefits expenditure is increased until the programme comes to mature assuming that there is no change in the rate of industrial accidents. If a pure PAYG system is introduced, the contribution revenue will be determined based on the expected expenditure meaning that it will increase until the program matures. On the other hand, the fully-funded scheme determines contribution revenue considering the expenditures at maturity from the beginning allowing for a constant revenue stream throughout. Therefore, if the fully-funded method is adopted, funds are accumulated as much as the triangle OBA having similar characteristics as a reserve fund. The existence of a large fund can be a cornerstone for the development of the system, but it can also have downsides as it may be a cause for disputes among the parties involved. This is why there are a large number of countries using the mixed system, instead of the PAYG or fully-funded systems. The mixed system can be set up in various ways, but in general, it is set up in one of the following two methods. The first method fixes the contribution rate at a level lower than the fully-funded method in the beginning and increases the rate at once when the programme matures (CE to A). The second method is the same as the first except that it increases the contribution rate annually (CD to D and finally to A). The former induces more shock to the system by raising the rates at once, but it is easier to implement administratively. The latter, on the other hand, causes less stress to the system while it requires administrative complexity of having to increase the rate every year.

5.1.2 Relation between EII financial stability, prevention and return to work programmes

Medical treatment and cash compensation for the occupational injured employees are not the only purpose of EII. EII consists of prevention, medical treatment and compensation, and rehabilitation for return to work. Accordingly, prevention and rehabilitation are as important as medical treatment and compensation. Most of countries which operate EII have recently expanded the proportion of prevention and rehabilitation. Prevention decreases the number of occupational injury itself, causing reduction in EII expenditure. Rehabilitation helps to mitigate the degree of disability of the injured employees, increasing their job return rate, which can help stabilize EII finance.

When it comes to introducing prevention and rehabilitation, it is important to choose the appropriate point of time to introduce them. To maximize their effect, both require humane and physical infrastructure above a certain degree and, otherwise, it would cause side effects. So considering the introduction of prevention and rehabilitation in EII scheme, it is necessary to consider additional financial sources. If we apply this justification in the figure 3, it is necessary to find time to introduce active prevention policy and rehabilitation within the period between O and E because there can be reserve cumulated as much as triangle O/D/CD. Some portion from the reserve can be used for prevention and rehabilitation. The result of investment on the both might not be recognized in the short term but will contribute to lower injury rate and benefits cost in the long term, which leads to EII financial stability and can be depicted as B moving closer to CD in Figure 3.

5.2 Evidence based relation between EII financial stability, prevention and return to work programme

Traditionally, EII was focused on providing occupationally injured and sick workers with compensation for loss income by in-cash benefits and medical treatment by in-kind benefits. Also survivors are entitled to benefits for loss income of dead worker in fatal cases. However, as the experience of scheme operation was cumulated, the importance of prevention and rehabilitation

has been felt. The prevention led to lowering injury rate and rehabilitation contributed to alleviating invalidity degree of injured workers on medical side and facilitating them to return to work or society. Without these efforts, EII is rather cash transfer scheme and is not the ultimate goal of the scheme. In addition, if injury rate gets higher and average period of medical treatment prolonged by year, it will deteriorate EII finance and lead to raising contribution rate, which causes mistrust in the scheme and resistance from employers. Furthermore, the more injured workers fail to return to work, the worse impact on the society it puts by instability of household, loss of skilled workers at enterprises and raising unemployment rate in national economy. In this context, many nations, especially developed countries, have experience in introducing active prevention and rehabilitation programmes in their own EII scheme and accomplishing the scheme financial stability, national trust in the EII scheme, etc. As one of the examples, Korean case will be given as evidence of the relation between EII financial stability, prevention and return to work programme as follows.

5.2.1 The evidence of South Korea on the relation among prevention, EII finance, RTW

5.2.1.1 History of development of employment injury scheme in South Korea

After Korea got independent from Japan in 1945, it has experienced a series of political turbulence such as under US trusteeship for three years(1945 to 1948), establishment of South Korean government in 1948, Korean civil war between north and south for three years(1950 to 1953), etc. During the trusteeship period, settling workers' compensation issue by collective bargaining has been encouraged. In 1953 during the period of Korean war, labour standard law was enacted and promulgated and employer liability on occupational accident or disease was stipulated. However, its actual implementation was different because of war situation, etc. In addition, regulation related with labour inspector who is needed for the law implementation was promulgated in 1961, eight years later. Thus the right for workers' compensation has not been secured during this period.

In early 1960s, the national reconstruction and economic development was given national priority and also establishment of social security system was examined. Although the necessity of unemployment insurance had more spotlight from the public opinion and there was opposition against introduction of EII on the ground that labour standard law already existed and national income per capital was lower than USD100, etc. EII was introduced in 1964. It was based on the background that employer liability only under labour standard law would not secure workers' compensation right which was expected to increase with industrialization. Since 1964, Korean EII has developed on each area including prevention. In addition, currently the Ministry of Employment and Labor supervises employment injury scheme as a whole and Korea Workers' Compensation & Welfare Service (COMWEL) implements employment injury insurance and Korea Occupational Safety & Health Agency (KOSHA) does prevention programmes excluding labour inspection. The historical development of each area is as follows.

On **coverage side**, it was applied to workplaces with more than 500 workers in mining and manufacturing sectors at the beginning but the legal coverage has been expanded incrementally as below table 1.

Table 1. Extension of legal coverage of EII in South Korea (until 2004)

Year	Extension of coverage

1964	-Mining, Manufacturing - Workplaces >=500 workers
1965	- Electricity, gas, transfortation, storage included - Workplaces >=200
1966-1969	- Workplaces >=150 in 1966 - Workplaces >=100 in 1967 - Workplaces >=50 in 1968 - Construction(>=20 million won), water, sanitary facility, commercial, communication, service included in 1969
1973	- Workplaces >=30 in 1972 - Workplaces >=16 in 1973 - Total construction cost>=10 million won in construction
1976	- Workplaces >=5 in chemical, refinery, coal, rubber, plastic industry of mining & manufacturing industry
1982	- Workplaces >=10 - Construction size >=40 million won
1983	- Logging size >= 1,700m2
1986	- Workplaces >=5 in 14 industries
1987	- Workplaces >=5 in 20 industries
1988	- Logging size >=800m2 - Workplaces >=5 in 16 industries
1991	- Workplaces >= 10 in some industries with low risk
1992	- Workplaces >= 5 in some industries with low risk
1996	- Workplaces >=5 in education service, health & social welfare service, research & development industry
1998	- Workplaces >=5 and finance & insurance industry included - Voluntary coverage to overseas dispatcher - Compulsory coverage to on-site practitioner in factory
2000	- Workplaces >=1 (>=5 in agriculture, forest(excluding logging), fishery, shooting) - Voluntary coverage to employers with less than 50 workers
2004	- Voluntary coverage to some self-employed

On the **benefit side**, the benefit level has been enhanced step by step since introduction of EII scheme. Instead of describing detailed history of benefit level improvement, distinctive parts in the development are summarized as table 2.

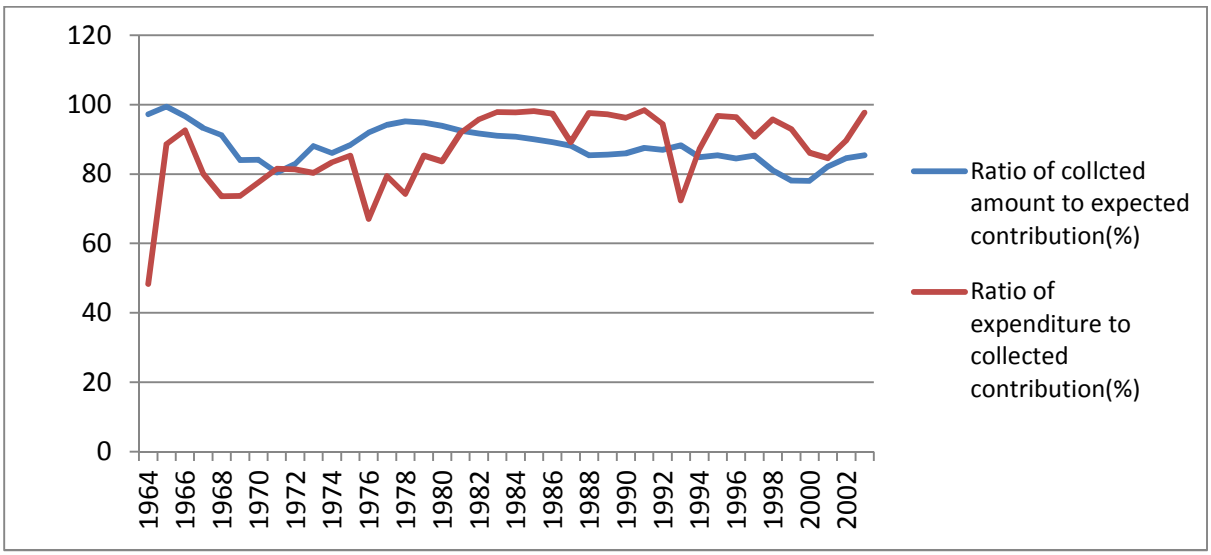
Table 2. The distinctive parts in benefits enhancement in EII of South Korea

Category	Year	Contents
Waiting period	1964	10 days
	1971	7 days
	1982	3 days
Replacement rate of temporary disability benefits	1964	60% of previous average income
	1989	70% of previous average income
Permanent disability benefits	1964	Disability degree was grouped into 10 and payment method was lump sum
	1971	Disability degree was grouped into 14 and disabled workers with 1st to 3rd invalidity degree could choose payment method among lump sum or pension(later it was changed into pension only)

	1981	Disabled workers with 4th to 7th invalidity degree could choose payment method among lump sum or pension
	1989	Disabled workers with 1st to 7th invalidity degree could receive advance payment in pension which is worth 1 to 4 year pension
Survivor benefits	1964	It was paid in lump sum of 1,000 days of previous average income of dead worker
	1971	Pension was introduced and it was proportional to the number of the number of dependants on the dead breadwinner(up to 4 survivors) Either pension or lump sum could be chosen(later it was changed into pension only)
	1986	The payment of difference between lump sum and pension in case of death of pensioner was introduced
	1989	The amount of lump sum was raised to 1,300 days of previous average income of dead worker

On the **financial side**, Korean EII scheme introduced differential rating system instead of uniform rating one. Contribution to the scheme is borne by employers only. In 1969, experience rating system was introduced as Bonus-Malus system with the rating adjustment rage from -30% to +30% then the adjustment range has been extended to 40% in 1986 and 50% in 1997. Also as shown in the figure 5, the financial status has been stable because red line has kept under 100% which means that expenditure has been constantly under collected contribution each year.

Figure 5. Ratio of expenditure to collected contribution by year in Korean EII



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

On the **prevention side**, current occupational safety and health policy originated from the stipulation of occupational safety and health act in December, 1981 and its decree and sub decree in 1983. Before the enactment and implementation of OSH act, decree and sub decree, Korean employment injury scheme has been focused on compensation after industrial accident or disease by EII act, etc. However, after OSH act implementation, active prevention policies have been planned and implemented. In 1960s and 1970s, OSH policy has been implemented mainly by labour inspection even though economic incentive measure such as experience rating system was introduced in 1969. Thus since 1980s, other active OSH policies for maintaining and improving the

safety and health conditions at work through the efficient implementation of projects such as research and development, promotion of industrial accident prevention technologies, provision of technical assistance and training on occupational safety and health, inspection on dangerous facilities and equipment, etc. was possible. In addition, what made it possible practically is attributed to allocation of some portion of EII fund into OSH policy since 1987 and establishment of Korea Occupational and Safety Agency (KOSHA) in 1987 and the Occupational Safety Bureau within the Ministry of Employment and Labor in January, 1989. The chronological summary of related events until 2004 is shown in table 3.

Table 3. History of prevention resource from EII fund in South Korea

Year	History of regulation revision relating to EII fund for prevention budget
1964	Enactment of EII special accounting law on 6 DEC 1963
1980	1st revision of EII special accounting law on 28 DEC 1979 - To keep more than 3% of preparatory budget for dealing with big scale accident rapidly
1982	2nd revision of EII special accounting law on 17 DEC 1981 - To transit reserve account into fund system - To be able to implement active prevention programme
1987	Establishment of KOSHA in 1987 3rd revision of EII special accounting law on 28 NOV 1987 -To be able to transfer a portion of the account to KOSHA operating budget, which means obtaining prevention activities budget for KOSHA
1989	2.1~2.9% of yearly expenditure of EII were transferred to KOSHA prevention budget from 1988 to 1990 Establishment of the Occupational Safety Bureau within the Ministry of Employment and Labor in January, 1989
1990	1st revision of OSH law on 13 JAN 1990 - To stipulate resource for OSH by establishing prevention fund(article 53) and transfer more than 5% of expenditure budget based on EII special accounting law for the resource
1991	Later, from 1991 to 2003 4.5~11.9% of expenditure budget of EII fund was transferred to OSH fund yearly
1992	The Occupational Health Research Institute and the Occupational Safety Research Institute were established within KOSHA, preparing the basic framework for the planning and implementation OSH policies in the 1990s.
1995	2nd revision of OSH law on 22 DEC 1994 - To transfer more than 5% of expenditure budget of EII to prevention fund for activities specified in article 81 of EII law and to set the transferred budget in expenditure balance within the range of 3% by government
1996	More than 10 % on prevention from EII during period from 1995 to 1997 was caused by the prevention special programme which was focused on decreasing occupational accidents in small and medium enterprises noticeably
2002	Revision of Fund management basic law, OSH law and EII law on 31 DEC 2001 - To incorporate two funds(OSH fund and EII fund) into "Workers' compensation and prevention fund" - To establish operating plan for "workers' compensation and prevention fund" inclusive of plan for resource and operation of prevention - To transfer more than 5% of expenditure budget of EII fund to prevention fund for activities specified in article 81 of EII law and to set the transferred budget in expenditure balance within the range of 3% by government
2004	Revision of EII law on 29 JAN 2004 - Arrange more than 8% of expenditure of "workers' compensation and prevention fund" for prevention resource in account

On the **return-to-work side**, the active rehabilitation programme for return to work started from 2001 after the importance of rehabilitation and return to work clearly stipulated in revision of EII act in 2000 through continuous investment on three rehabilitation areas such as medical, vocational and society rehabilitation even though there had existed rehabilitation programme before. This was motivated by the fact that in spite of continuous prevention effort, every year about 90 thousand workers are injured or sick occupationally and about 37 thousand workers get disabled and this tendency will affect EII financial stability and on individual side, injured workers who fail to return to work will face income decrease and family problems such as divorce. The development of rehabilitation for return to work is as follows.

Table 4. The development of rehabilitation for return to work in South Korea

2000	Revision of EII act to stipulate the rehabilitation and return to work for occupationally injured or sick workers was made in December 1999 and implemented in 2000
2001 - 2005	The five-year plan for rehabilitation in EII scheme was implemented
2006 - 2008	The first mid-term development plan for rehabilitation in EII scheme was implemented. The division of compensation team into three groups such as first investigation team of injury of disease, benefit payment team, medical & vocational service team was made on technical side. On-site counselling for patients was put an importance during the period.
2006	The role of EII hospitals in facilitating medical rehabilitation was examined
2008	Revision of EII act to stipulate conversion of rehabilitation therapy and vocational rehabilitation cost into legal benefit of EII in DEC 2007 and implemented in 2008
2009 - 2011	The second mid-term development plan for rehabilitation in EII scheme was implemented

What is noticeable is that vocational rehabilitation benefits such as vocational training allowance, the training cost, RTW subsidy, work adaptation costs, rehabilitation exercise costs have been changed to legal benefits as of 1 July 2008. It means these benefits had been provided within the available budget before. So the service had depended on the budget availability and had not secured sustainable service delivery to target groups. However from July 2008, the problem was solved. It was stipulated that vocational rehabilitation training cost is provided in kind and vocational training allowance (100% of minimum wage) is provided during the training and subsidy for return to work is provided for employers for maximum 12 months and cost for workplace adaptation training & sport rehabilitation is provided for employers for maximum 3 months. In addition, as rehabilitation therapy was included in medical benefits after the revision, medical treatment cost related medical rehabilitation such as physical therapy, psychological therapy, vocational therapy, language therapy, aqua sport therapy, etc. came to be reflected in medical cost evaluation in EII.

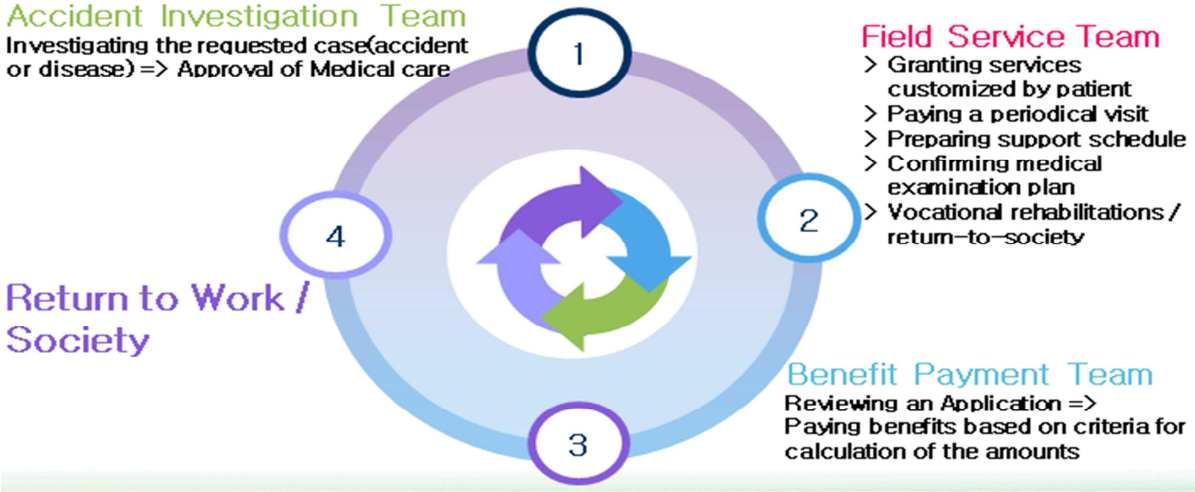
When we think about RTW in Korea, we should consider both rehabilitation and welfare service for stability of injured workers' lives. About welfare service, workers' compensation insurer (Korea Workers' Compensation and Welfare Service, COMWEL in abbreviation) provides loan programme, etc. for injured workers with invalidity. Also early intervention with counselling during medical treatment or rehabilitation is provided. Speaking more in detail, the rehabilitation and welfare services are summarized as follows.

COMWEL is providing various rehabilitation programs. Among them are psychological counseling services and rehabilitation planning suitable for each individual during medical care and vocational training, provision of job information and job placement services after the completion of medical care, all of which are aimed at facilitating the accident victims' earlier return to work. In addition,

financial support of up to 6 million KRW per trainee is provided to those participating in training by private training institutions. The leasing of shop space for up to 100 million KRW and free business consulting services for individuals wishing to start their own businesses are also provided as part of various support programs.

In the perspective of administrative organization, COMWEL started to hire staff specialized in vocational counseling from 2001. In addition, for the better delivery of service by coordinating compensation and rehabilitation for return to work, in the second half of 2005, COMWEL changed the organizational structure of compensation department in each field office and provided services as shown in figure 6. Later, it began to merge field service team and benefit payment team into medical & rehabilitation team and produce case managers for return to work and job coordinators by educating its staff through the relevant training contract with universities for provide individually tailored rehabilitation service.

Figure 6. The organizational reform in EII compensation department of branch office in 2005 in South Korea



COMWEL is also offering a wide-range of programs to injured workers and their children, including scholarships and loans for college education as well as the “Youth Camp” program for high school students from vulnerable families, such as families of deceased workers, workers with disability (Grades 1-7) and beneficiaries of the injury-disease compensation annuity, to help them improve performance in school and grow into sound adults.

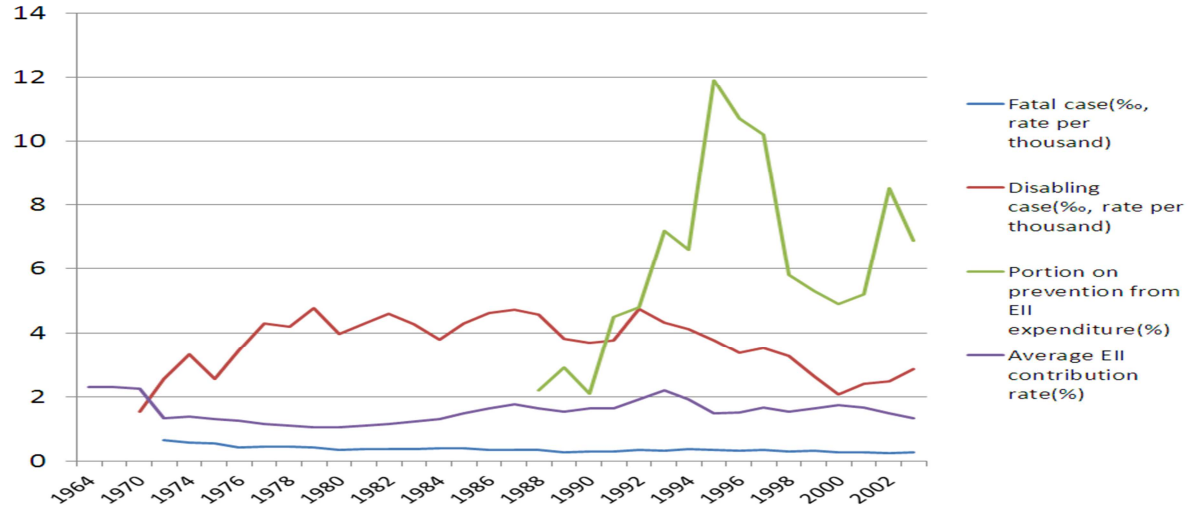
5.2.1.2 Evidence based relation between EII financial stability and prevention

As shown in table 3, continuous allocation of some portion of EII fund was made since 1988 after third revision of EII special accounting law on 28 NOV 1987 and establishment of KOSHA in 1987. Thus we can understand active prevention programme started from 1988. In this context, it is good to examine the changes of fatal case, disabling case, portion on prevention from EII expenditure and average EII contribution rate, especially from the year of 1988. The changes of the four indicators until 2004 are shown in figure 6.

As mentioned in table 3, KOSHA was established in 1987 and the third revision of EII special accounting law was made on 28 NOV 1987 to transfer a portion of the account to KOSHA operating budget, which means obtaining prevention activities budget for KOSHA. As a result, 2.1~2.9% of yearly expenditure of EII were transferred to KOSHA prevention budget from 1988 to 1990 as shown in figure 7. Later, first revision of OSH act was made on 13 JAN 1990 to stipulate resource for OSH by

establishing prevention fund(article 53) and transfer more than 5% of expenditure budget based on EII special accounting law for the resource. From 1991 to 2003, 4.5~11.9% of expenditure budget of EII fund was transferred to OSH fund yearly as shown in figure 6. In addition, more than 10 % on prevention from EII expenditure during period from 1995 to 1997 was caused by the prevention special programme which was focused on decreasing occupational accidents in small and medium enterprises noticeably.

Figure 7. Relations between injury rate, EII contribution rate and portion on prevention from EII expenditure by year in South Korea

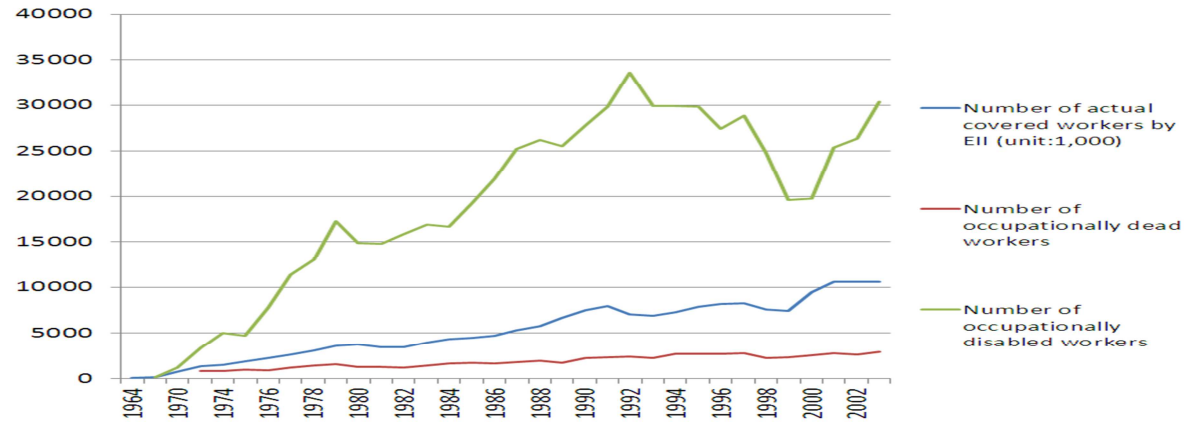


(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

In this backstops, we can figure out that from 1992, four years after investment on prevention from EII fund, the disabling case rate continued to decrease noticeably and fatal case rate has been under control in spite of comparatively not plummeting and average contribution rate has been within the limited range.

As shown in figure 8, compared to sharp increase of the number of actual covered workers by EII, the number of occupationally injured or dead workers has been steadily increasing. In figure 7, it is guessed that decrease of covered workers were due to Korean economic downturn around the period of financial crisis in 1998.

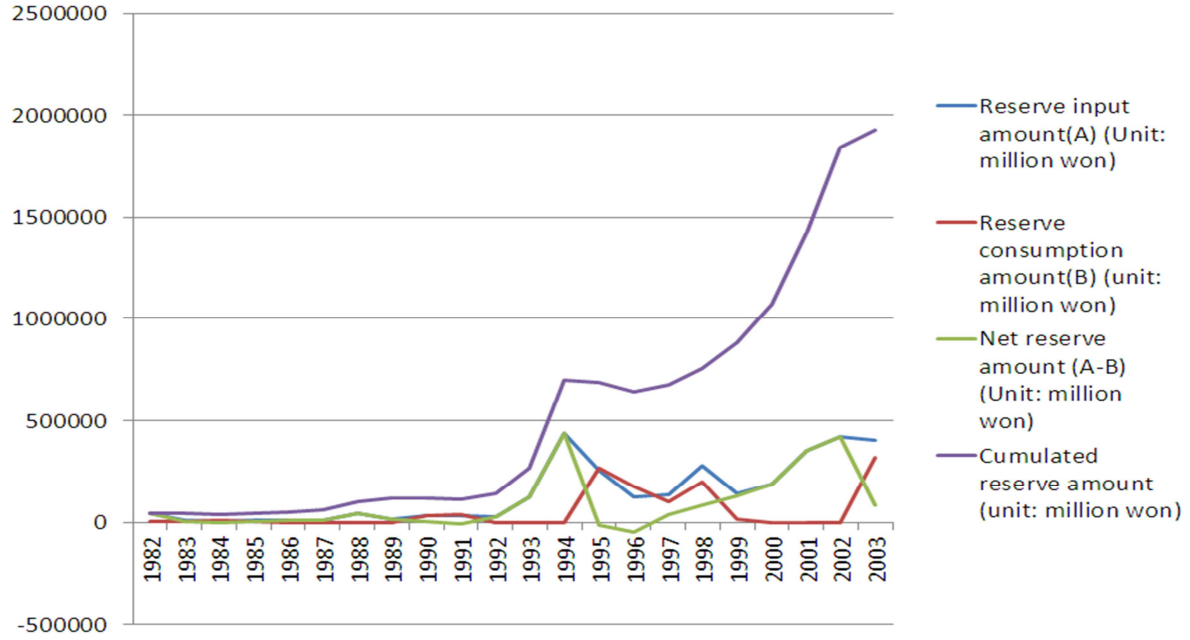
Figure 8. The number of actually covered worker by EII, occupationally injured or dead workers by year in South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

Also, shown in figure 9, the reserve increased sharply some years after active prevention policy started because net reserve, difference between reserve input and reserve consumption increased.

Figure 9. Changes in reserve of EII fund by year in South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

Reserve in EII fund plays positive role in financial stability in that it prevents fund insolvency for paying benefits for beneficiaries and especially in economic downturn, it controls the contribution rate by keeping its rate under certain rage, which alleviate employers financial burden of paying the contribution to EII fund. Also financial stability can be found in figure 5.

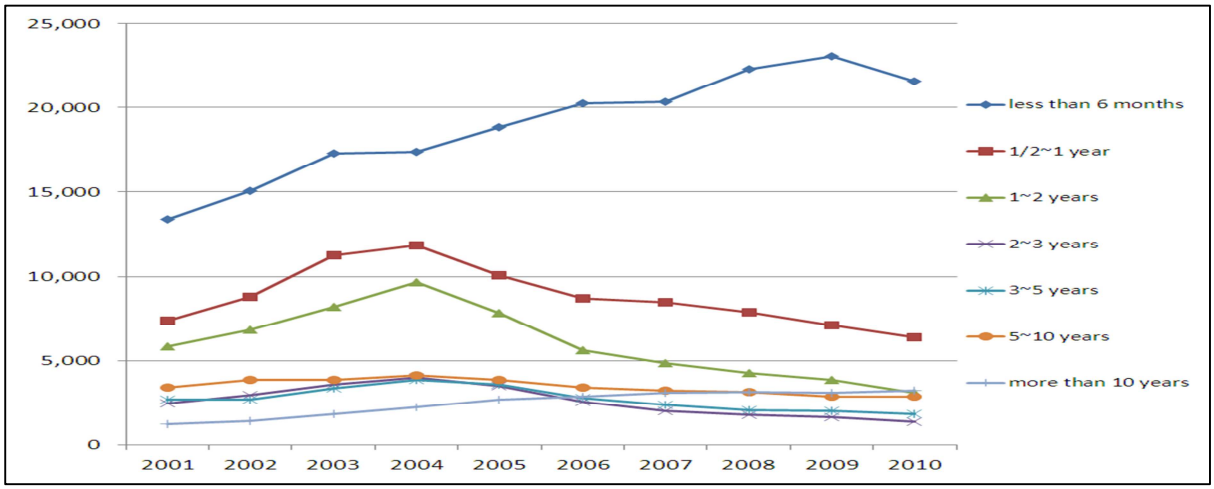
In conclusion, the investment on prevention from EII fund enabled active prevention programmes to be implemented and following active prevention efforts contributed to financial stability of EII fund by reducing injury rate, keeping EII contribution within certain rage, etc.

5.2.1.3 Evidence based relation between EII financial stability and return to work programme

In South Korea, the active policy for return to work started in 2001 as mentioned before. Theoretically, return to work programme is implemented by intervening in initial stage of medical treatment of injured workers, which means that the related service is provided from the starting point of rehabilitation just after intensive treatment such as operation and following intensive care. Better medical rehabilitation reduces the invalidity degree and medical treatment period. Counseling and vocation rehabilitation raise the motivation of injured workers to return to same job or different job at same workplaces or other workplaces, which contributed to raise the rate of return to work. As the result of these all efforts lead to EII financial stability by reducing cash benefits for temporary and permanent disability and in-kind benefits for medical treatment. In this context, it would be good to examine the average medical treatment period, average days for return to work, rate of return to work, degree of subjective satisfaction degree of EII beneficiaries, financial balance between revenue and expenditure in EII, etc.

As shown in figure 10, the patients with medical period 1/2 to 10 years have decreased since 2004. About the number of patients with medical period less than six months, it continued to increase and decreased in 2010 but it is thought to be natural because the newly injured workers happen every year. About patients more than 10 years are in some part ones needing continuous intensive medical care but its increase rate is very low. Thus the general decrease of other patients with medical period 1/2 to 10 years since 2004 is very noticeable and can be interpreted as an achievement of return to work programme starting since 2001.

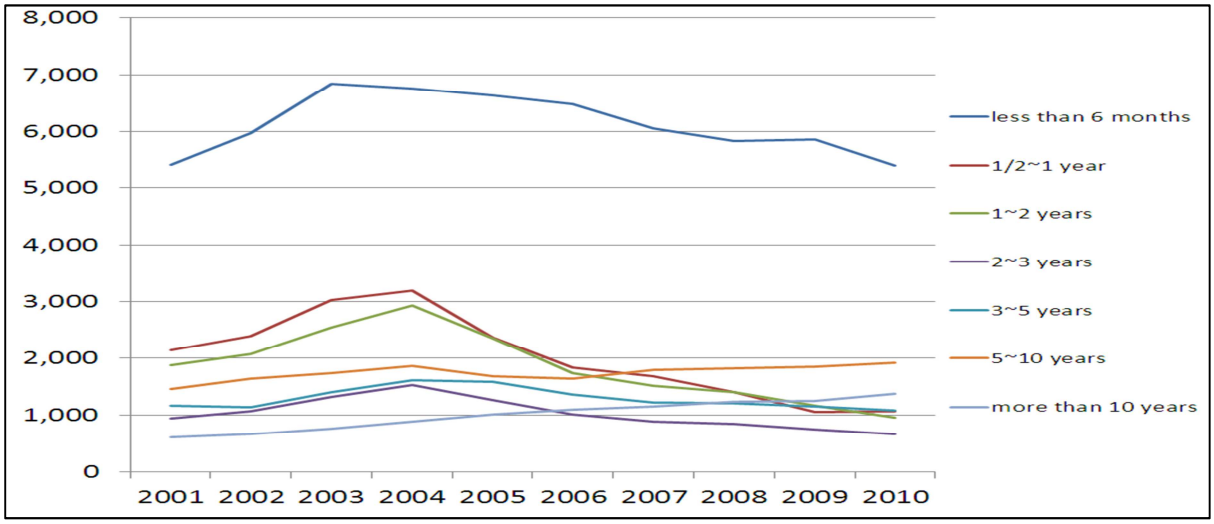
Figure 10. The total number of patients by year and medical period in EII of South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

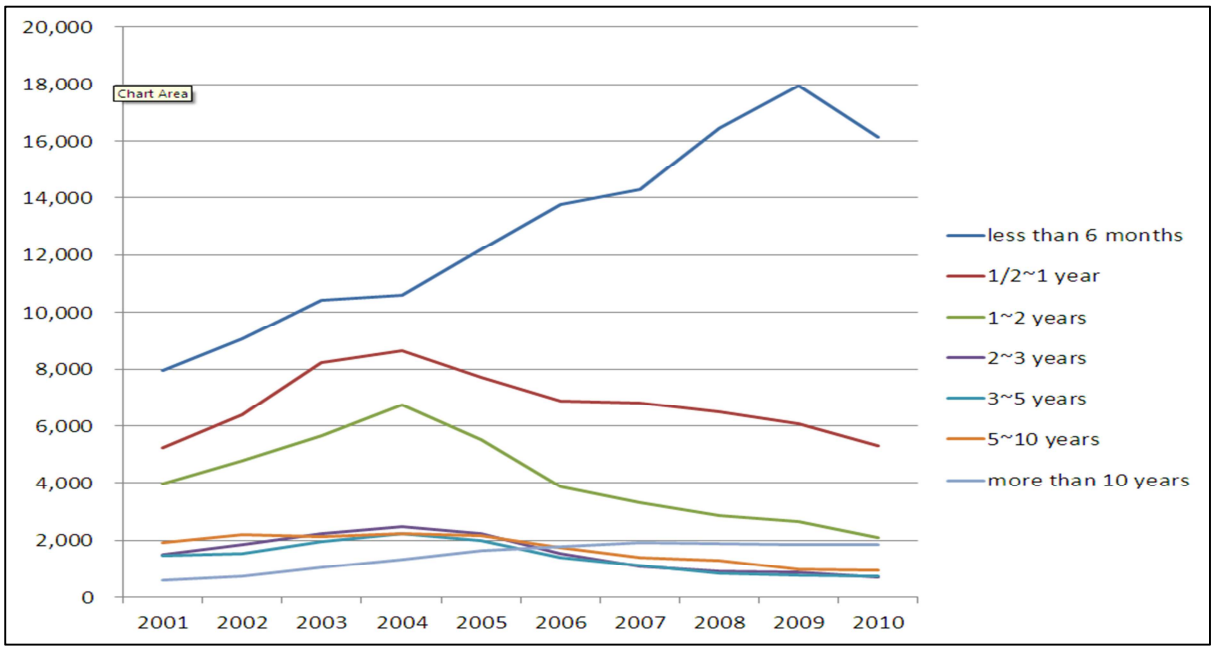
In addition, as shown in figure 11 and 12, the number of inpatients with medical period less than six months continued to decrease since 2003 while one of outpatients increased. This means that return to work programme might motivate more injured workers to think of their plan of restarting work by stopping unnecessary in-hospital treatment and carrying out outpatient treatment and pursuit of jobs. Also it can reduce the medical benefits because inpatients need more medical cost.

Figure 11. The number of inpatients by year and medical period in EII of South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

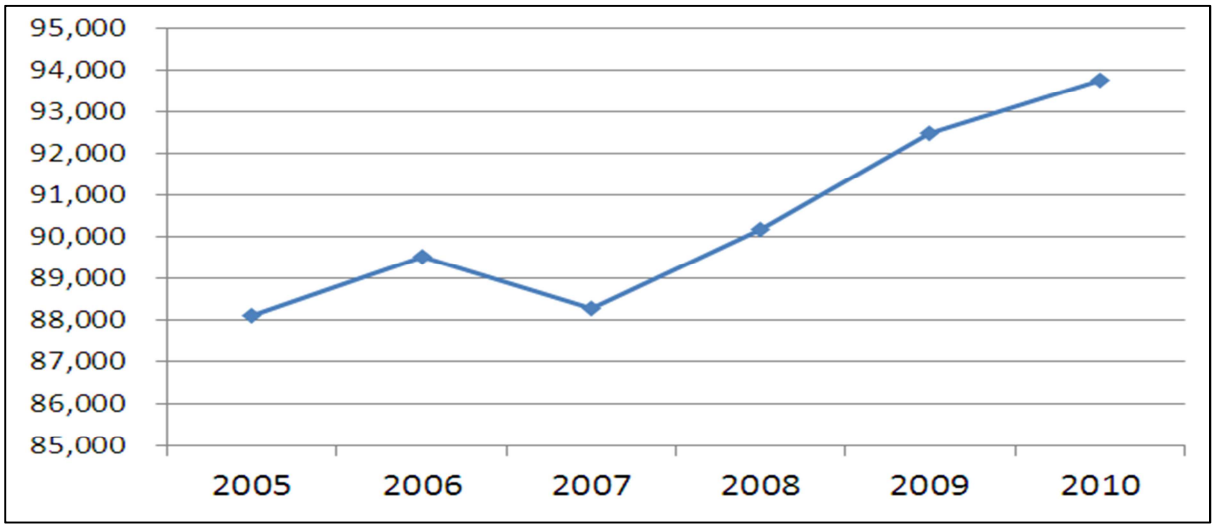
Figure 12. The number of outpatients by year and medical period in EII of South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

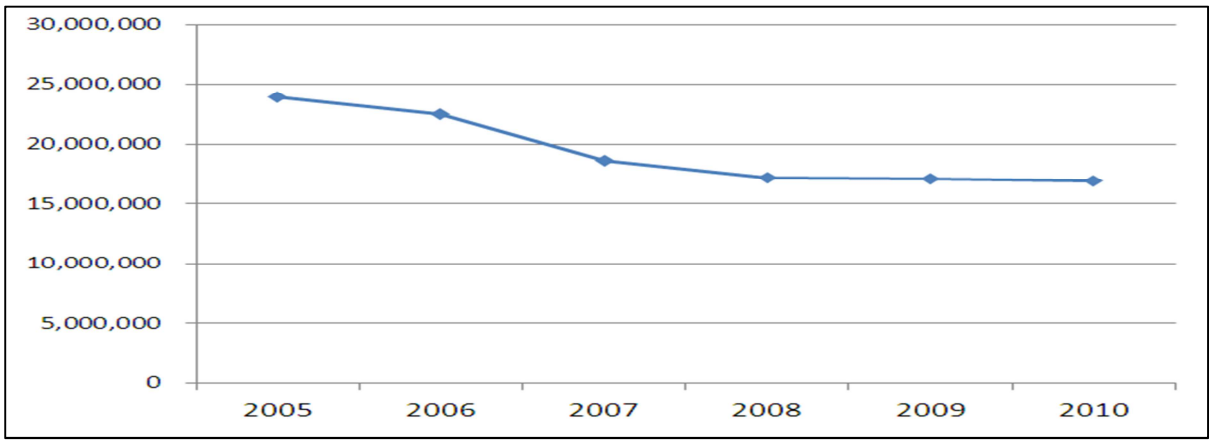
In figure 13 to 15, the number of patients finishing medical treatment continued to increase from 2005 to 2010 except in 2007 and the total days of medical treatment has declined from 2005 to 2010. When it comes to average days of return to work, it continued to decrease during the same period.

Figure 13. The number of patients finishing medical treatment in EII of South Korea



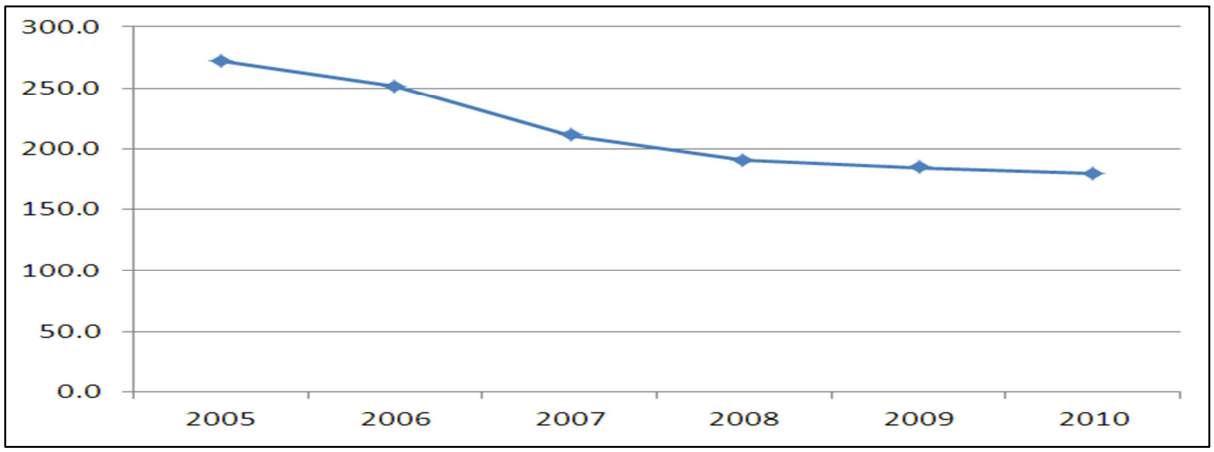
(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

Figure 14. The total days of medical treatment



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

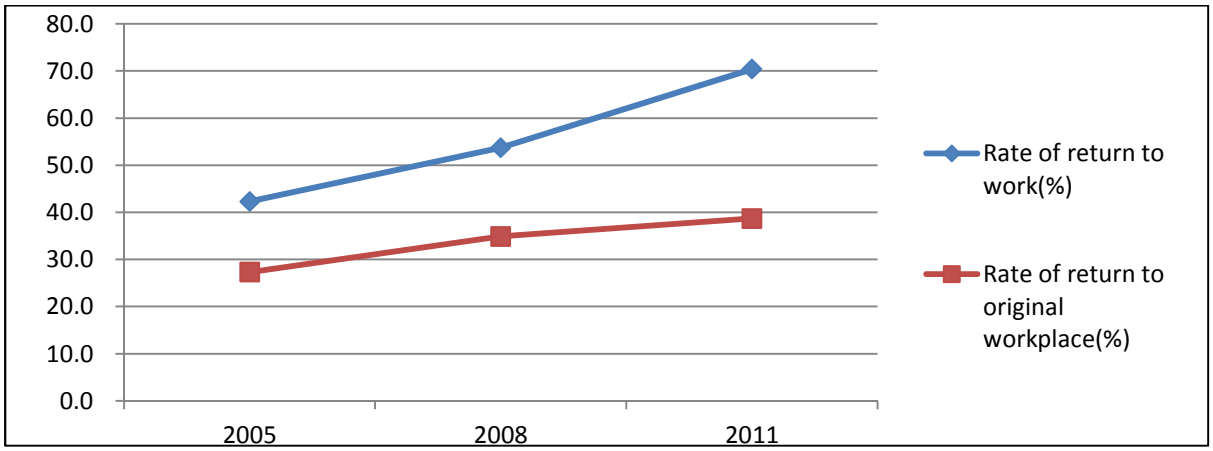
Figure 15. Average days of return to work by year in EII of South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

In addition, if we look at the return to work rate and return to original workplace in figure 16 in 2005, 2008, 2011, the each last year of three development plan-implementing period as in table 4, we can find the plans contributed to facilitating injure workers' return to work.

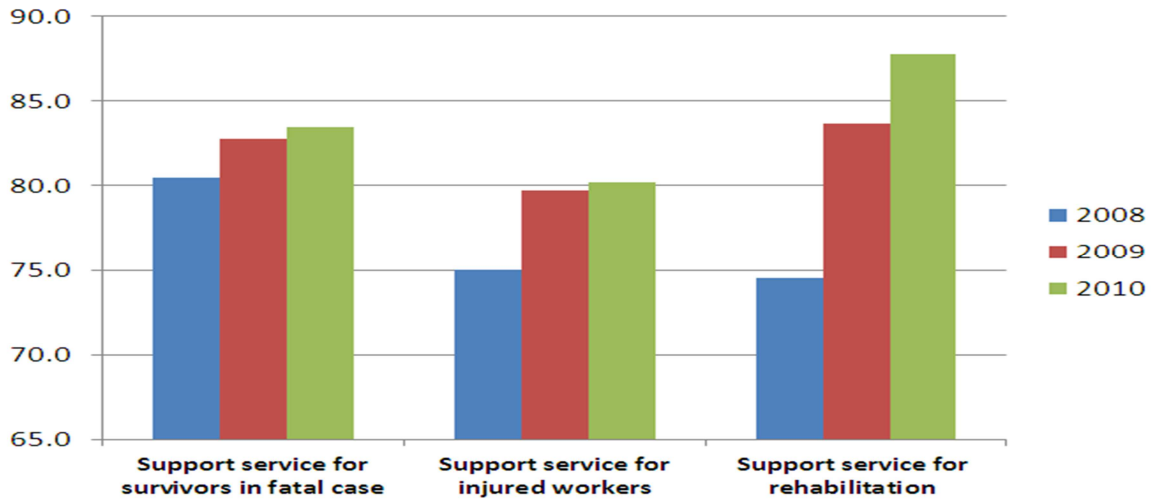
Figure 16. Rate of return to work and return to original workplace in EII of South Korea



(Data is shown in line graph based on the data of ministry of employment and labor in South Korea)

When it comes to EII beneficiaries' perspective, it would be better to examine the degree of their satisfaction of related service. As shown in figure 17, their satisfaction of return to work service has increased rapidly in comparison to the other two indicators.

Figure 17. The result of survey on satisfaction of EII beneficiaries in South Korea



The result of survey by government (PCSI)

On EII financial side, thanks to prevention and return to work programmes, EII scheme continue to keep financial stability as shown in figure 5 and 9 used when examining the relation between EII and OSH.

Additionally, the amount of payment for vocational rehabilitation benefits continued to increase like 1,976,595,540 KW in 2009, 4,474,206,820 KW in 2010 and 14,926,091,210 in 2011.

In conclusion, return to work programme starting from 2001 contributed to financial stability of Korean EII scheme along with active prevention efforts by reducing length of medical treatment period, average days of return to work, etc.

6. The review of elements of prevention strategy in global context[6]

If we think of the elements of prevention strategy, five distinct approaches to prevention can be identified as "through regulation", "through experience rating", "through the works councils or health and safety committee", "by legislating an individual worker's right to refuse unsafe work or right of a workers' representative to stop unsafe work", "through the provision of training and expert advice".

Prevention through regulation

First is prevention through regulation. It means setting minimum standards and policing those standards through inspectors. Regulation strategies based on inspectors are almost invariably undertaken by government bodies, not by compensation authorities. The Canadian province of British Columbia is a noticeable exception. The British Colombia workers' compensation board, WorkSafeBC, has consolidated responsibility for establishing OHS regulatory standards, operating a labour inspection service to ensure compliance with standards and the provision of wage replacement benefits and health care services for workers injured or disabled by a work-related injury or illness. As in all Canadian provinces, the federal government has jurisdiction over occupation health and safety regulatory standards and OSH inspection and enforcement services for industries regulated by the federal government.

Minimum standards and their enforcement by government-appointed inspectors is the underlying model in virtually all OSH legislation. In Germany – the home of workers' compensation – the tradition of high technical standards and regulation by Trade Supervisory Authorities has a very long history. Moreover, the distinct sectoral basis for German regulation and inspection is a source of particular strength in that system.

Prevention through economic incentive

Second is prevention through experience-rating of employers' contributions to workers' compensation. The purpose of experience-rating is to increase employers' investment in prevention by putting the cost of accidents squarely on the shoulders of those employers whose workplaces are associated with injuries and disease. It is one of economic incentives for facilitating prevention. There has been a trend to enterprise-specific experience rating of employers' contributions for worker for workers' compensation. There are two main types of financial incentives to stimulate employers to invest in making the workplace healthier and safer. The first type of incentive relates to insurance strategies, where employers receive some form of financial support from insurance bodies or reward for efforts to improve OSH and prevent occupational accidents and diseases. The second type relates to tax and funding schemes that are separate from insurance policies, but which aim to promote the same kind of attention to OSH management.

In general, the European compensation systems do not rely on employer-specific experience rating, although they do make some allowance for penalties and bonuses. The United States, however, is distinctive. In the United States, experience rating at the company level is widespread. In part, this reflects the dominant role of private insurer in providing workers compensation and also the

[6]For most of the part, I refer to Comparative Approaches in Prevention by John O'Grady

importance of self-insurance. There is a strong trend, at least outside of Continental Europe, towards experience-rating at the company level, for instance, Australia.

In the first half of the 1980's, researchers found only a weak relationship between experience rating and prevention. Later research is far more supportive of company-specific experience rating. However, there are some evidence-based researches that the impact of experience-rating falls significantly short of what the theory leads us to expect. Following might be how it can be explained.

For many employers, the first response to higher insurance costs is not to invest in prevention, but to invest in litigation to fight the compensation claims. This pattern has been clearly documented in Canada, the United States and Australia. It is called "litigation effect" and diverts resources – both money and managerial time – from prevention to litigation.

There are also problems in applying experience rating to small workplaces. In a small company, a single incident has a much greater impact on injury rates and insurance costs. Indeed, in many respects it runs against the whole logic of insurance, pooling of risk, in the first place.

Nor is experience-rating useful in dealing with occupational disease when multiple causation is involved or when there are long periods of latency. If we believe that our emphasis will increasingly shift to the prevention of occupational disease, as opposed to occupational accidents, then experience rating may not justify the central role that is now advocated for it, in some quarters.

Prevention through the works councils or health and safety committees

The purpose of these workplace institutions is to make management and workers jointly more responsible for prevention in the workplace. A Report that had considerable influence was the 1972 Robens Report in the U.K. That Report focused the spotlight on apathy in the workplace towards prevention. The Report did not believe that regulation alone could turn this apathy around. Consequently, the Report called for joint committees. The Robens Report and its emulators in Canada, Australia and New Zealand sought to adapt what were seen as positive aspects of the German works council model. This was also a central theme in the Scandinavian Work Environment laws of the same period. France went down this path when it legislated works committees and gave them a specific health and safety mandate (the Auroux Acts). As well, a few American states have also made committees mandatory, in at least some workplaces.

There is considerable variance in the rights of joint committees. In most jurisdictions, there is little – sometimes no – training or expert support for joint committees. It is not surprising. Therefore, that some of research finds only limited impact from joint committees. In the absence of legislated rights, training support and access to expertise, they are unlikely to have much effect. Yet the evidence from Germany, is that with such support, their impact can be significant.

Right to Refuse Unsafe Work

In most jurisdictions, the right of workers to refuse unsafe work is acknowledged, at least to some degree. In a few jurisdictions, workers' representatives can force unsafe operations to be shut down. In Canada, the right to refuse unsafe work is rarely exercised in the absence of a union. In Ontario, over 90% of refusals occur in unionized workplaces.

Training and Expert Advice

In the majority of jurisdictions, there is a serious deficit in the provision of training and expert advice at all three levels. There are, of course, notable exceptions. In Germany, there is extensive training for the members of works councils. The industry-based Mutual Indemnity Associations provide expert advice that is without parallel. In some Canadian provinces, the co-chairs ,though not the members of workplace committees must be trained. Several jurisdictions require workplace committees to engage expert advisors.

Almost all observers endorse calls for increased training. However, it matters profoundly what is taught, who teaches it and how long the training lasts. In some jurisdictions, the compensation authority either has or seeks responsibility for health and safety training. This goes to the heart of the governance question. A compensation authority will only be seen as an appropriate body to oversee the provision of training and expert advice, if it is governed in way that commands widespread support from employers and workers. Otherwise the compensation authority will be leaning in one direction.

Comparing Jurisdictions

The Australian system comparatively places primary emphasis on regulation and secondary emphasis on experience rating, joint committees and the right to refuse or stop work. The current thrust of policy in Australia appears to be to increase the emphasis on experience rating.

Canada is similar to Australia. Some of provinces place more emphasis than they did on building the capacity of joint committees through training and certification. The right to refuse unsafe work, though not the right to stop unsafe work, is part of health and safety legislation in most provinces. Experience rating is receiving significantly increased emphasis.

In France, regulation is central to prevention strategy. The Walters-Piotet sudy, however, identified under-resourcing of inspection as a serious weakness. France is also among the most important examples of a jurisdiction that has legislated workplace committees. France is similar to other European systems in the lower emphasis it places on experience rating at the company level.

The German system places the greatest emphasis on regulation, works councils and the provision of training and expertise. While there are bonuses and penalties at a company level, the overall role of experience rating strikes them as secondary to other prevention strategies.

The Scandinavian systems, if one can generalize across jurisdictions, are broadly comparable to the German system, except that compensation is administered on a unified basis rather than an industry basis. The provision of expertise appears to be less emphasized than in Germany.

The United States is so distinct as to warrant the term “American Model.” American prevention strategy relies almost entirely on regulation and experience rating, though some states require workplace committees in some industries.

Tentative conclusion of prevention strategy review

No jurisdiction, of course, relies on a single approach. If we ask, “what works,” the answer must be that given differences across jurisdictions is there no universally applicable prevention strategy.

In every jurisdiction, the shape of prevention strategy is profoundly affected by the prevailing balance between employers and workers. Consider the United States. Although there are exceptions, most American states have refused to infringe on management's rights by legislating joint committees or rights for individual worker. Perhaps, as a result, American prevention strategy relies much more heavily on what can be called regulation and experience rating. In contrast, we could look at any number of European jurisdictions where prevention strategies put substantial emphasis on mandatory works councils or committees.

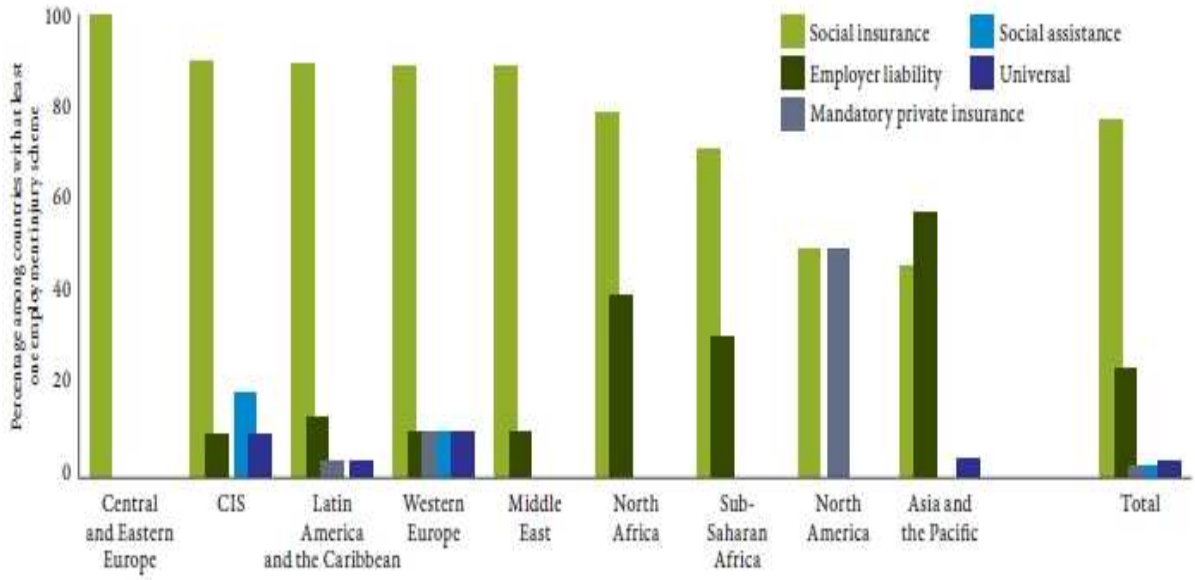
7. The general view of employment injury scheme on a global level[7]

Types of employment injury scheme

Figure 18 shows types of employment injury scheme by region and highlights the predominance of social insurance schemes. All countries where at least one employment injury scheme of any kind exists are included in the figure. Central and Eastern Europe is the only region where social insurance schemes represent the totality of employment injury coverage; in all other regions they are complemented by employer liability schemes, especially in Africa, Asia and the Pacific. In North America, Canada has a social insurance scheme, while in the United States private insurance is mandatory with a mixture of public carrier and private insurer in some states.

Thus it is found that compared with other regions, portion of employer liability meaning no EII scheme is relatively higher in AP region. It means social protection against employment injury and disease is weak, especially in countries with no EII scheme.

Figure 18. Types of scheme providing protection in case of employment injury, by region, 2008-09



Link: http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceId=15161

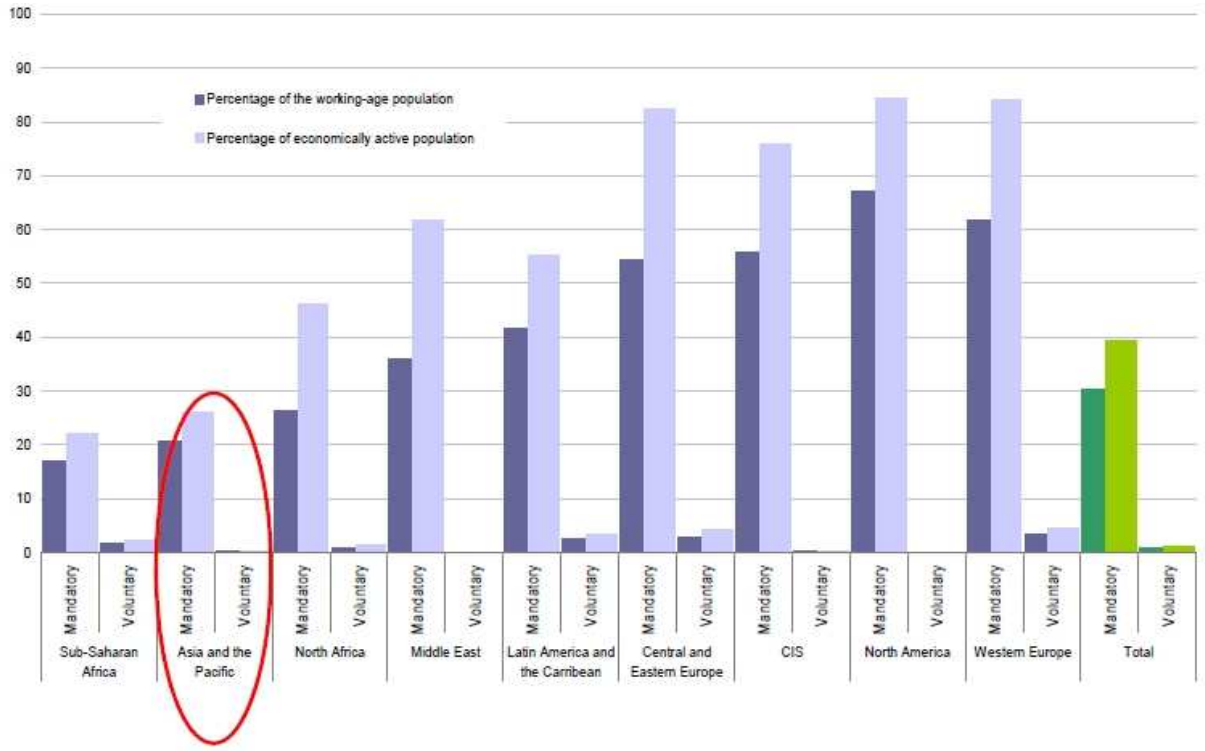
Source: ILO Social Security Department based on SSA/ISSA, 2008, 2009. See also ILO, GESS (ILO, 2009d).

Extent of legal coverage by employment injury scheme

Globally, estimated legal coverage represents less than 30 percent of the working-age population, which is less than 40 percent of the economically active. However, there are large regional differences in legal coverage (see figure 19). In Central, Eastern and Western Europe as well as the CIS region and North America, around three-quarters of the economically active population is covered by employment injury schemes, whereas in Africa and Asia only 20 percent of this target group is covered (mainly by employer liability schemes).

[7] Most of Data and analysis are from the ILO publication, social security report for 2010-2011.

Figure 19. Extent of legal coverage by employment injury scheme by region, 2008-09



Link: http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceId=15244

Sources: ILO Social Security Department based on SSA/ISSA, 2008, 2009; ILO, LABORSTA (ILO, 2009e); national legislative texts; national statistical data for estimates of legal coverage. See also ILO, GESS (ILO, 2009d).

Employment injury for migrant workers

The group most concerned by work occupational accidents and diseases, are migrants, both regular and irregular. In most of the receiving countries-be they high-, middle- or low-income – a majority of migrants work in the informal economy, which is globally the most important source of jobs for migrants. This situation pertains more in developing countries, such as in Egypt where some 70 percent of all migrants start working in the informal economy; less in Europe, where irregular migrants are estimated to represent at least 1 percent of the population(Romero-Ortuno, 2004).

Irregular migrants are vulnerable because they lack legal protection and face exclusion, very low incomes and exploitation. Work is most often in mining, construction, heavy manufacturing and agriculture, sectors with significant impacts on health; but among the most vulnerable are women working in private households. The majority of these workers have no social protection in case of employment-related disease or accident, and they have no money to pay for any treatment they might need(Scheil-Adlung, 2009).

In this context, it is important for receiving countries to establish social protection for employment injury and disease applicable to foreign migrant workers. The protection measures are different in reality. For example, South Korea covers migrant workers in its EII scheme applicable to its nationals.

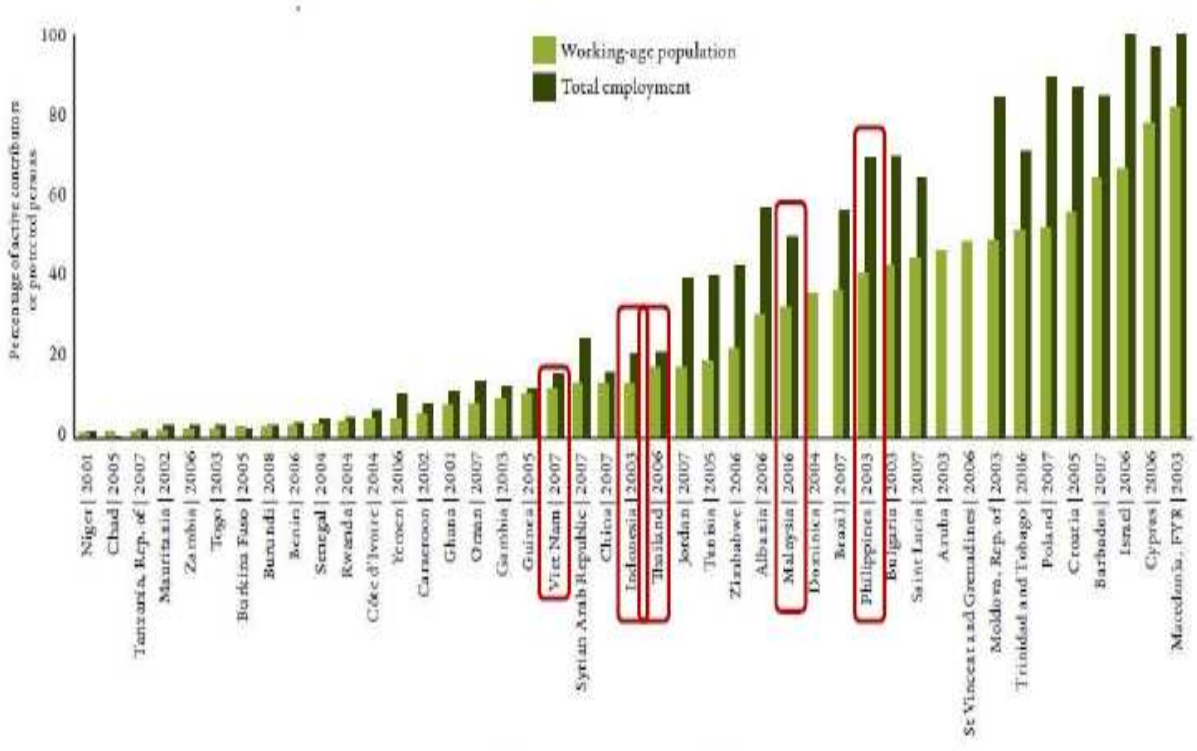
Malaysia covers migrant workers via private insurance separated from social insurance applied to its nationals. Thailand is seeking the way of covering illegal migrant workers.

Effective coverage of employment injury scheme

Data on effective coverage (including access to health services) exist only for selected countries – both in terms of numbers of employees effectively covered by contributions actually paid to various insurance schemes and in terms of beneficiaries of various benefits actually paid. Figure 6 presents the number of active contributors (or in some cases, of protected persons) as a percentage of total working-age population and total employment. Only selected countries is there also information available on types of employment injury benefits paid – such as sickness benefit and disability and survivors' pensions – and their levels.

Examining the effective coverage rate of five countries in Asia of figure 20, the rate is relatively low. It is related with compliance matter of employers' negligence of registration of EII scheme and based on low legal coverage rate. In this context, social insurance institutions in AP region need to enhance governance ability and their staff capacities.

Figure 20. Active contributors or protected persons as a percentage of working-age population and employment in selected countries in the world, latest available year



Link: http://www.socialsecurityextension.org/gimi/gess/RessFileDownload.do?ressourceId=15163

Sources: ILO Social Security Inquiry (ILO, 2009c); ILO, LABORSTA (ILO, 2009a) and KILM (ILO, 2009h) for total employment used as a denominator. See also ILO, GESS (ILO, 2009d).

8. The advantage of employment injury insurance(EII) as a social security system

The purpose of EII scheme

The purposes of the EII are as follow: first, it is to compensate employees for their industrial accidents rapidly and fairly. Secondly, it is to protect injured employees and their family by establishing and operating insurance facilities and carrying out activities relevant to the EII. Finally, it is also for employers to mitigate economical undue burden and to help them operate their companies.

The theoretical backgrounds of EII scheme

The EII has three theoretical backgrounds. The first is the social compromise theory. Employees are compensated by the EII on the condition that they give up legal procedures whereas employers are required to pay the EII benefits to employees who suffer from industrial injuries or diseases whether they are negligent or not. The payment of the EII benefits excludes employers from the process of civil trials. The second one is the least social cost theory. The non-fault liability under the EII is much more efficient in time and cost than the judicial system which focuses on who is responsible for the accidents. The third background is the occupational risk theory. In a broad sense, industrial accidents are inevitable under capitalism system and should be compensated regardless of who is responsible for the accidents. Thus the expenditure for industrial accidents should be considered as a part of production cost.

The inadequacy of employers' liability scheme as a social security

Article 71 of Convention No. 102 states that "the costs of the benefits…and administration…shall be borne collectively by way of insurance contributions or taxation or both". Therefore, direct employer liability for the cost of benefits would not be in conformity with ILO Conventions.

In figure 1, we can see that the second largest portion is employer liability scheme. However, under these system, workers are usually protected through labour codes that require employers, when liable, to provide specified payments or services directly to their employees. Specified payments or services can include the payment of lump-sum gratuities to the aged or disabled; the provision of medical care, paid sick leave, or both; the payment of maternity benefits or family allowances; the provision of temporary or long-term cash benefits and medical care in the case of a occupational injury; or the payment of severance indemnities in the case of dismissal. Employer-liability systems do not involve any direct pooling of risk, since the liability for payment is placed directly on each employer. Employers may insure themselves against liability, and in some jurisdictions such insurance is compulsory.

However, if employers are insolvent or there are disputes on level of compensation for employment injury or occupational disease, the injured workers cannot be compensated for their work-related injuries or it will be time-consuming until the disputes are settled, which leads them or their dependents to the vulnerable in case of severe injury or fatal. Also in small and medium size companies, fatal accidents and a number of industrial injuries made their employers stop their business because of the liability burden. Therefore, employer liability scheme is insufficient as a

social security net and needs to be transformed into social insurance type or supplemented with other guarantee service.

Many of the problems can be solved if only the employers join private insurances. The stability of compensation under private pensions tends to be high in that the cost and time for the trial can be saved because it does not consider who is responsible for the accidents if only the accidents prove to originate from industrial ones. However, under private insurance the redistributive effect amongst companies cannot be expected because private insurance companies are operated under the rule of the balance of revenue and expenditure. In other words, companies exposed to industrial accidents should pay high insurance premiums whereas companies that have had few disasters pay low premiums. If the EII is optional, actual protection cannot be achieved because companies that find the insurance premiums burdensome do not sign the insurance contract. Thus, private insurance companies are very likely to avoid high-risk workplaces and as a result, it would be difficult to join such workplaces.

The difference of EII from social assistance scheme

Social policies tend to reflect the socio-economic background of each country. Even though the social policies are various, their purposes which aim to protect people from poverty are found in common. The protection from poverty is politically divided in two aspects; one is policies to protect people who have already in poverty; the other is programmes to prevent people from falling into poverty. The latter, of course, includes policies to help people escape poverty.

The direct policy to protect people from poverty is social assistance. Social assistance is being operated in most countries because it is efficient to reduce poverty although it is administratively complicated because it should select the poor. Accordingly, in addition to social assistance, many countries prevent poverty through social insurance. Social insurance is a system to prevent the unexpected economical risk by means of insurance principle. The targets and risks responding to these are generally set; the old age, survivors and the disabled are protected by public pension; diseases by medical insurance; unemployment by unemployment insurance; and the elderly's long-term care risk by long-term care insurance.

The most crucial difference between social insurance and other systems originates from whether the finance is based on contribution or taxation. However, unlike medical service or pension, it is difficult to compensate employees, who are injured in the course or out of work, throughout tax. It is hardly justified to solve the employers' liability by using tax because the level of benefit provision throughout tax cannot exceed the level of minimum livelihood, the EII, which includes the liability issue, needs to focus on income maintenance rather than minimum livelihood. That is why the payment throughout taxation in the EII is difficult.

Criticism on mandatory private insurance as a suitable pattern of work injury [8]

[8] I want to ask for readers' understanding if your nation has mandatory private insurance scheme for employment injury or you are its supporter. Throughout this document, my purpose is to examine the linkage model between EII and OSH which is helpful for building nationally specific linkage model but focus on the assumption social insurance type compensation scheme would be better for the linkage.

Economists have conducted numerous studies over many years of the relative performance of the public and private sector for providing a number of services. Sectors studied include fire protection, urban transportation, railroads, airlines, postal services, electric utilities, water supply, and especially waste collection. A survey of this literature is contained in Dewees et al. (1993: 6.2 to 6.28). All of these sectors, like employment injury, have examples of public provision and examples of private provision, allowing some empirical comparison of performance.

However, there has been little study on these issues from the field of employment injury to date and scheme for employment injury differs from most other public sector in several important ways such as following reasons. It means work-related accident or disease should be compensated through social insurance scheme rather than mandatory private insurance scheme in which private sector is service provider.

First, it is compulsory in every jurisdiction. Employment injury scheme was intended to provide prompt administrative compensation to injured workers in place of the uncertain awards of the tort system. When workers gave up their right to sue, they had to be assured that they would receive the administrative compensation. Thus, it had to be available for all workers in industries with significant health and safety risks. This rationale is somewhat different from the rationale for compulsory automobile insurance, which is intended to ensure that motorists generally pay for the costs of accidents that they cause and to ensure that accident victims who are not at fault will be compensated.

Second, the legislature always sets both eligibility criteria and compensation levels. Employers gained freedom from tort liability, but in exchange they were required to pay for the employment injury insurance (EII). Since the employer purchases insurance to compensate the workers, there is a clear conflict of interest if the employer can shop for the policy that best suits the employer rather than the employees. In order to ensure that workers are adequately protected by EII, the government in every jurisdiction establishes, by legislation or by regulation, the conditions for eligibility and the benefits to be paid for various injuries.

Third, considering the relation between compensation, prevention and return to work, social insurance type of scheme could sustain the prevention and return to work policy. For example, in a competitive market it is even argued that experience rating could strengthen the competition between insurance companies, as they are forced to offer more individual premium rates. However, it becomes difficult for insurers in a competitive market to offer rewards for specific prevention activities, such as training, investment in OSH-friendly equipment or the certification of OSH management systems. Subsidizing these preventive activities can be regarded as an investment by the insurance company, which it hopes will pay off in future years when fewer claims should be received. However, in a competitive system, enterprises are able to change their insurance providers at short notice and an insurance company runs the risk that a subsidized client may change to another, possibly cheaper, competitor, after having enjoyed the incentives and consultancy provided by the original insurer. Given this circumstances of private insurers under competitive market, it is difficult for us to hope private insurers provide return to work programme for beneficiaries and insured enterprises.

9. Case review of the linkage between EII and OSH of countries with long history of operating the scheme for employment injury[9]

As shown in figure 3, we can make an outline of linkage between EII and OSH by sharing information on the relevant data, allocating some portion of EII fund to OSH policy, providing economic incentives such as experience rating, etc. This linkage model can be found in the current systems for employment injury in below developed countries. However, among below examples, UK is exception in allocating some portion of EII fund to OSH policy, providing economic incentives such as experience rating. It is because workers' compensation is in some part carried out by mandatory participation of employers in private insurance while it is also partly based on social insurance such as NHS(National Health System, free health through public hospital), sickness benefit(up to 18 months), national pension scheme. Also UK's OSH policy is resourced mostly from general revenue and based on the principle of risk assessment. But the other countries' cases are evidences to show the suggested linkage model work effectively and practically.

Germany's case of the linkage

The "dual OSH system", in which the OSH administrations of the sixteen regional governments in Germany and the accident insurance institutions hold joint responsibility for workplace safety and health, has existed in Germany for nearly 125 years. Germany was the first nation to establish a workers' compensation scheme (1884).

Work accident insurance funds, known as "Berufsgenossenschaft" (BGs) are organized by economic sector, operate nationally, and each is governed by the social partners (representatives of workers and employers). The former central federation of the BGs, HVGB, merged with the accident insurance funds covering public sector workers in 2007. The amalgamated federation is known as DGUV. The 13 BGs serving private sector employers are in the process of consolidating to 9 BGs by the end of 2010. A similar consolidation is in progress for the funds insuring public sector workers.

There are two levels of occupational health and safety regulation: legislation at the federal level, executed by regional state authorities (Laender) and internal accident prevention regulations established by the BGs.

The most recent significant reform of legislation was adopted in November 2008 (the *act for the modernization of the accident insurance system*). This reform included statutory provisions for a 'Joint German OSH Strategy', obligating the German federal government, the sixteen regional governments and the accident insurance institutions to hold joint and equal responsibility for a national OSH strategy.

Labour inspectors employed by the regional Laender authorities and the labour inspectors employed by the BGs are jointly responsible for the enforcement of federal OHS regulations and standards. Both types of inspectors have the power to perform worksite inspections. Inspectors employed by

[9] For most of the part, I refer to the "Description of the organization of the occupational health and safety system and the delivery of prevention services" by Institute for Work & Health in Canada, 2010.

the regional governments have broad enforcement responsibilities in public health, public safety and occupational health protection. DGUV estimates that approximately 10% of the regional government inspection workforce is devoted to occupational health and safety.

Prevention services provided by the regional Laender authorities are funded by government appropriation. Prevention services provided by the BGs are funded by employer insurance premium contributions. In 2008, total expenditures by the BGs on labour inspection, enforcement and compliance services was € 518 million and on education, training and workplace consulting was € 139 million (expenditures on occupational health services of € 88 million are excluded from the following table). Total prevention expenditures of € 892 million for prevention services represent 8.5% of total premium revenues of € 10,472 million. Prevention services expenditures represent € 24.6 per full-time worker (CAD $37 per worker, converting currency at 1 Euro to 1.5 CAD).

In 2008, total expenditures by the 16 regional governments on labour inspection, enforcement and compliance services (excluding inspection activities associated with public health and public safety is estimated to be approximately € 100 million.

The BGs comprising the member insurance funds of DGUV employ approximately 2,900 labour inspectors and technical consultants. BG inspectors performed 560,000 field visits and issued 900,000 orders or citations in 2008. A total of 3,200 labour inspectors are employed by the 16 regional governments in Germany. Regional government inspectors performed 332,000 field visits and issued 614,000 orders or citations in 2008, but mainly in other areas than typical OSH.

Training and consulting staff employed by BGs provided seminars for approximately 400,000 participants in 2008. The duration of seminars range from half a day up to a number of weeks.

Prevention services within the BGs are organized by economic sector. There is a regional administration of prevention services.

The Federal Institute for Occupational Safety and Health (BAuA) is government research institution that advises the Federal Ministry of Labour and Social Affairs in all matters of safety and health and of the design of working conditions. The operating budget for BAuA in 2007 was € 45 million. DGUV's expenditure on research is approximately € 45 million (W Eichendorf, 2010). Combining the investments represented by BAuA and DGUV, research expenditures in Germany represent 9.8% of total prevention services expenditures.

DGUV applies experience rating in establishing insurance premiums to be paid by individual employers within a rate group classification. The Germany system uses the terms ‘bonus’ to indicate a premium rebate and ‘malus’ to indicate a premium surcharge. The range of bonus/malus adjustments may be as high as 50% of the rate group base premium. All BGs apply experience rating, but some BGs only adjust premiums via bonus adjustments and other BGs only adjust premiums via a malus adjustment. The gross value of bonus and malus adjustments was €470 million in 2008).

DGUV makes moderate use of economic incentives to encourage the adoption of appropriate prevention practices. The total value of economic incentives (rebates or awards) provided to reward

OHS performance in 2008 was €66 million, exclusively awarded within the industry and trade sectors. Examples of the use of economic incentives include reimbursement of a portion of the costs of adopting a certified OHS management system, or subsidies to support the capital costs of investment in drivers´ assistance systems (e.g. lane keeping assistant, emergency brake assistants, speed and distance control assistants) in the road transportation industry.

The 'dual OSH' system in Germany presents an important requirement for operational coordination between the 16 regional governments and the services provided by the BGs and UKs. As noted earlier, DGUV prevention services are organized by national economic sector (BGs) and public prevention services according to regional responsibilities (UKs). Operationally, there is a regional administration of prevention services (six regional DGUV associations coordinating regional activities of BGs and UKs in the framework of the Joint German OSH Strategy).

The Joint Germany OSH Strategy has established common priorities for all parties to the Strategy. One consequence of the Joint German OSH Strategy has been to strengthen the priority given to operational coordination of the regional activities of the BGs and the Laender state labour inspections. The regional labour inspection services are piloting a joint operations database providing for the sharing of information on completed and planned inspections.

Case of New Zealand

New Zealand is classified as a parallel authority jurisdiction, with responsibilities for occupational health and safety held by two senior government agencies: the Department of Labour and the Accident Compensation Corporation. The Occupational Health and Safety Service(OHS), Department of Labour, administers the Health and Safety in Employment Act(HSE Act, 1992, amedned 2002) and legislation pertaining to ACC was amended in 2001 (Injury prevention, Rehabilitation, and Compensation Act 2001). The OHS offers a range of interventions and services to workplaces such as inspections, assessments and the provision of information and advice. ACC currently administers two voluntary economic incentive programmes such as the Accredited Employer Program since 1974 which was renamed the Partnership Program in 2000 and ACC Workplace Safety Management Practice which includes a levy discounts, to support employer OHS practices. ACC also provides information and guidance to workplaces. Prevention services provided by the Department of Labour are funded by a levy on employers' payrolls and the taxable earnings of self-employed workers. The levy is collected with and as part of accident compensation insurance premiums. In 2007, total expenditures by the Department of Labour on labour inspection, enforcement and compliance services was $36.4 million. In addition, ACC allocated expenditures in the amount of $ 16.3 million for prevention services in the work account. Total expenditures of $ 52.7 million for prevention services represent 7.7% of the total premium revenues of $683 million. Prevention services expenditures represent $24 per worker. Neither OHS nor ACC directly provide training services. ACC does not use experience rating in the setting of individual employer's insurance premiums in the work account. Insurance premium rates are established for 117 employer risk groups.

Case of Quebec in Canada

The Commission de la sante et de la securite du travail (CSST, Commission of occupational health and safety) was established in 1979, replacing the Commission des accidents du travail(Commission of work injury). CSST has a comprehensive mandate in occupational health, including workers' compensation insurance, the funding of occupational health services, the establishment of occupational health and safety standards, inspection and enforcement services, workplace education and training and research. The bipartite sectoral associations, funded by CSST, provide training, research, consulting and information to workers and employers in the sector. The prevention priorities identified by sectoral associations provide strategic direction to the CSST's prevention activities.

Of all Canadian provinces, Quebec has the strongest tradition of bipartite governance and management of occupational health and safety. The Ministry of education, recreation and sport has responsibility for the integration of occupational health and safety content in school curriculm. Prevention services provided by the CSST and the sectoral associations are funded by employer insurance premium contributions. In 2008, total expenditures by CSST on labour inspection, enforcement and compliance services was $63 million and on education, training and workplace consulting was $ 27.4 million. Total expenditure of $ 108.7 million for prevention services represents 4.8% of total premium revenues of $2,277 million. Prevention services expenditures represent $28 per worker. Under OSH current legislation, employers in Quebec are required to establish and implement a 'prevention program'. Workplace OHS committees are required in workplaces with more than 20 employees.

CSST makes extensive use of experience rating in establishing insurance premiums to be paid by individual employers. There are currently three programs:

1) the 'Personalized Plan', which applies to medium and large firms with annual premium assessments in the range of $5,000-$300,000. This is a prospective plan that applies surcharges and rebates (maximum surcharge of 200%, maximum rebate of 70%)

2) the "Retrospective Plan", which is compulsory for all employers with annual assessments greater than $300,000. Premium amounts are adjusted retrospectively and firms may select varying levels of self-insurance liability for individual claims.

3) Premium Mutual Groups. The PMG program is designed for small and medium sized employers. Employers voluntarily participating in a PMG are collectively insured taking into account the collective experience of all employers in the PMG. Small businesses (typically defined as annual assessments less than a few thousand dollars) are excluded from CSST's experience rating programs. Quebec does not have an economic incentive program that provides premium discounts or awards for OHS performance. OHS strategy also focuses on the preparation of young adults to have occupational health and safety skills when they enter the workforce. There is limited operational

coordination between the prevention activities directed by CSST and the prevention activities directed by Labour Canada in the province of Quebec.

Case of United Kingdom

The United Kingdom is classified as a 'parallel authority' jurisdiction, with responsibilities for occupational health and safety held by a national government agency, the Health and Safety Executive(HSE), and 400 local government authorities. The HSE is a non-departmental public body with Crown status, sponsored by the Department of Work & Pensions and accountable to the Secretary of State for Work & Pensions and enforces the law in workplaces ranging from health and safety in nuclear installations and mines, through to factories, farms, hospitals and schools, offshore gas and oil installations, the safety of the gas grid and the electricity distribution system, the movement of dangerous goods and substances and many other aspects of the protection both of workers and the public. In addition, over 400 local authorities are responsible for enforcement in a wide range of other activities, including the retail and finance sectors, and other parts of the service sector, particularly leisure.

There are two sources of disability income security available to a worker in the UK. One is the social security benefit system administered by the Department for Work and Pensions, and the second is the employers' liability insurance. Any employee who is injured or made ill at work is entitled to claim benefits under the social security system and to receive health care services from the National Health Service. Statutory sick pay coverage is provided for a period up to 28 weeks. Durations of disability longer than 28 weeks are entitled to an incapacity benefit under the Industrial Injuries Scheme administered by the Department of Work & Pensions.

Employers' liability insurance is compulsory, enabling employers to meet the cost of employees' injuries or illnesses, whether they are caused on or off site. Injuries or illnesses relating to motor accidents that occur while employees are working are usually covered separately by motor insurance. State benefits do not involve fault being established. By contrast, employers' liability insurance requires the courts to establish the negligence of an employer. This is done through actual or threatened litigation. Employees in the UK who are injured or made ill at work are entitled to sue their employer for compensation in the civil courts within a three-year period.

The Health and Safety at Work Act (1974) sets out the general duties that employers have towards employees and members of the public, and employees have to themselves and to each other. These duties are qualified in the Act by the principle of "so far as is reasonably practicable", which means that an employer does not have to take measures to avoid or reduce the risk if they are technically impossible or if the time, trouble or cost of the measures would be grossly disproportionate to the risk. The main requirement on employers is to carry out a risk assessment. Employers with five or more employees need to record the significant findings of the risk assessment.

The majority of total HSE budget is provided by a vote of the national parliament. UK health and safety law is based on the principle of risk assessment. Economic incentives targeted to employers are not a significant OHS policy instrument in the UK. While providers of Employers' Liability Insurance may provide discounts or apply surcharges based on the experience of an individual

employer, there is no workers' compensation benefit scheme funded by employer premium contributions. The HSE, as the national regulatory authority, does not have an economic incentive program.

Case of Victoria in Australia

Victoria is classified as a 'single authority' jurisdiction. As in the case in Canada, jurisdiction for occupational health and safety resides at the sub-national level in Australia. The Victoria WorkCover Authority (VWA) is an agency of the Victoria State government and operates under the trade brand WorkSafe Victoria. WorkSafe Victoria has the responsibility for the administration of workers' compensation and the enforcement of occupational health and safety laws. The statutory authority to establish the regulatory framework is held by the Minister of Water, Finance, WorkSafe Victoria and the Transport Accident Commission, Tourism and Major Events (Government of Victoria). OHS services and workers' compensation for employees of the federal government and agencies is provided by Comcare. Approximately 85,000 federal employees are covered by Comcare in the State of Victoria. Australia has ten OHS jurisdictions.

The general Australian OHS laws in each jurisdiction are broadly based on the 'Robens model'. The recommendations made by Robens' Committee in the UK resulted in widespread legislative reform in OHS across the UK and other countries whereby OHS laws shifted from detailed, prescriptive standards to a more self-regulatory and performance-based approach. The Robens model includes two principal elements: a single umbrella statute containing broad 'general duties' based on the common law duty of care; and the incorporation of 'self-regulation' by empowering duty holders, in consultation with employees, to determine how they will comply with the general duties. Prescriptive requirements were replaced with a three tiered approach involving regulations and codes of practice designed to support the general duties in the Act. Robens also recommended the use of improvement and prohibition notices in compliance activities as new administrative sanctions to enable regulators to contribute to the self-regulatory culture.

The Occupational Health and Safety Act 2004 is characteristic of provisions to hold company officers personally liable for a breach of the Act, moderate strengthening of provisions for worker representation in workplace OHS decision-making and increased penalties. Also it requires employers to provide such training to employees as is necessary to enable the employees to perform their work in a manner that is safe and without risks to health. The Victorian WorkCover Authority does not directly provide or fund education and training services. VWA has the sole authority to approve providers of OHS training courses. There are currently approximately 50 licensed OHS training providers. The Authority currently approves 6 types of courses such as Initial Level OHS Course For HSRs, Refresher OHS Course For HSRs, OHS Act, Seciton 69 Courses, Initial Level 5 Day Course for HSRs, Managers and Supervisors, Manager and Supervisor 6 day OHS Training course, Manager and Supervisor 1 Day OHS Extension Course. WorkSafe Victoria's annual investment in research related to the prevention of work-related injury and illness is estimated in in the range of $3 million representing 5.8% of total prevention services expenditures of $51.2 million. In 2009, the Boards of Directors of WorkSafe and the Traffic Accident Commission (TAC) committed to reserve funds to support a research center named the Institute for Safety, Compensation and Recovery

Research. ISCRR has been established as a unit of Monash University and will operate with annual revenues of approximately $5 million.

Prevention services provided by WorkSafe Victoria are funded by employer insurance premium contributions. In 2008, total expenditures by WorkSafe Victoria on labour inspection, enforcement and compliance services was $35.9 million. Total direct expenditures administered by Health and Safety was &51.2 million, excluding expenditures on social media and marketing, operation of the administrative component of the licensing scheme and operation of the centralized health and safety advisory service. Total expenditures of $51.2 million for prevention services represent 3.09% of total premium revenues of $1,655 million. Prevention services expenditures represent $51.50 AUD per worker.

WorkSafe Victoria makes use of experience rating in establishing insurance premiums to be paid by individual employers. A prospective experience rating program is applied to employers with annual assessable payroll in excess of $200,000. Reforms of the experience rating program have been introduced over the past five years. In 2009, there were 37 employers licensed to self-insure for workers' compensation liabilities, representing approximately 7% of all remuneration in the State of Victoria. Self-insured employers have been monitored across a range of occupational health and safety measures over the past three years under an 'Employer Performance Management' program. WorkSafe Victoria does not have an economic incentive program that provides premium discounts or awards for OHS performance. WorkSafe dose administer a grant program aimed at addressing barriers to improved OHS performance and to build capacity (the Performance Fund). Annual WorkSafe prevention grants are in excess of $4 million.

Case of Ontario in Canada

Ontario is classified as a 'parallel authority' jurisdiction, with responsibilities for occupational health and safety held by two senior government agencies: the Ministry of Labour and the Workplace Safety & Insurance Board. The Ministry of Labour's mandate is to set, communicate and enforce workplace standards for occupational health and safety while encouraging greater workplace self-reliance. The Workplace Safety and Insurance Board(WSIB) is an arm's length agency of the Ministry of Labour. The Board is funded by premiums collected from employers. The WSIB compensates injured workers and the survivors of deceased workers. The Board assists injured workers in the early and safe return to work. The WSIB funds the province's occupational health and safety system and oversees the province's occupational health and safety education and training programs and services. As of January 1, 2010, there are six health and safety associations (HSAs) in Ontario, enabled under the Workplace Safety and Insurance Act. This provides a range of occupational health and safety support services to employers and workers. Funding for these organizations is provided in part by the WSIB from premiums collected from employers. As in all Canadian provinces, the federal government has jurisdiction over occupational health and safety regulatory standards and OHS inspection and enforcement services for industries regulated by the federal government. Approximately 10% of the Ontario labour force is under the jurisdiction of federal labour legislation.

The Operations Division, Ministry of Labour, administers the Occupational Health and Safety Act and its regulations. Ministry inspectors inspect workplaces to determine compliance with the Act and its regulations. WSIB has the responsibility of promoting public awareness of occupational health and safety, educating employers, workers and other persons about it, developing certification standards for the purpose of the Occupational Health and Safety Act and to certify persons who meet the standards, developing standards for the accrediation of employers and to accredit employers who meet the standards, to designate safe workplace associations and oversee their operation and provide funds to them and funding occupational health and safety research. Also the Workplace Safety and Insurance Act authorizes the Board to establish experience and merit rating programs and to increase or decrease the premiums payable by a particular employer.

Prevention services in Ontario are funded by employer insurance premium contributions. In 2007, total expenditures on prevention services were $193.6 million, representing 5.8% of total premium revenues of $3,313 million. Prevention services expenditures represent $33 per worker.

Expenditures on labour inspection, enforcement and compliance services is estimated to represent $90 million, expenditures on education, training and workplace consulting services was $103.6 million (this estimate excludes approximately $30 million in revenues generated from service fees). The WSIB invested an estimated $5.6 million in 2007 on research related to the prevention of work-related injury and illness. Research investments represented 2.9 % of total prevention services expenditures. The WSIB has authority to issue administrative penalties for violations of the WSIA.

A workplace must have a joint health and safety committee if there are 20 or more workers employed on a regular basis (and in the case of construction, if the project is expected to last three months or longer) or in any workplace (other than a construction project) where a designated substance regulation applies. If fewer than 20 workers (and more than five workers) are regularly employed, a workplace must have a health and safety representative. The employer has a duty to ensure that a Joint Health and Safety Committee is established.

The WSIB has the mandate to use financial incentives in the form of premium rebates or surcharges to encourage employers to improve their health and safety performance. The WSIB makes extensive use of experience rating in establishing insurance premiums to be paid by individual employers. Experience-rated adjustments to insurance premiums are established retrospectively. The gross value of rebates and surcharges estimated for 2007 was $523 million. Since 2000, the WSIB has operated a voluntary incentive program, known as 'Safety Groups'. Typically members of similar rate groups, firms participate in Safety Groups over a five year period with the expectation that individual firms will benefit from the opportunity to communicate and share best practices concerning the implementation and management of injury and illness prevention programs with peer employers. Firms participating in a Safety Group are eligible to receive a maximum of 6% group premium rebate. Two thirds of this potential maximum rebate is determined by the attainment of injury prevention program goals (and as of 2008, attainment of return to the frequency and severity of lost-time injury claims. In 2008, there were approximately 3,200 firms participating in 50 Safety Groups. Approximately one fifth of the labour force insured by the WSIB is employed by a firm participating in the Safety Group program. A total of $32.6 million in premium rebates were awarded to Safety Groups in 2007.

Case of British Columbia of Canada

Dating from legislation establishing a workers' compensation scheme in British Columbia in 1917, the BC workers' compensation board, WorkSafeBC, has consolidated responsibility for establishing OHS regulatory standards, operating a labour inspection service to ensure compliance with standards and the provision of wage replacement benefits and health care services for workers injured or disabled by a work-related injury or illness. As in all Canadian provinces, the federal government has jurisdiction over occupation health and safety regulatory standards and OHS inspection and enforcement services for industries regulated by the federal government. The Workers Compensation Act provides the purpose of the legislation such as promoting a culture, preventing work related accidents, injuries and illnesses, encouraging the education, ensuring an occupational environment, sharing the responsibility to the extent of each party's authority and ability to do so, fostering cooperative and consultative relationships between employers, workers and others, promoting worker participation and minimizing the social and economic costs of work related accidents, injuries and illnesses. The legislation provides the Board with the authority to make regulations. This regulation-making authority is unique among workers' compensation systems in Canada (although the compensation boards in Quebec and Prince Edward Island have similar if more constrained authority). The Lieutenant Governor in Council may also make regulation. Prevention services provided by WorkSafeBC are funded by employer insurance premium contributions. In 2007, total expenditures by WorkSafeBC on prevention services were &64,486,000, representing 5.7% of total premium revenues of $1,140 million. Expenditures on labour inspection, enforcement and compliance services is estimated to represent $39.9 million (including $8.2 million on Investigation Division services), expenditures on education, training and workplace consulting services was $ 10.6 million and expenditures on employer injury reduction initiatives represented $ 13.9 million. Prevention services expenditures represent $3.80 per worker. In 2007, WorkSafeBC invested $1,196,722 on research projects related to the prevention of work-related injury and illness. Research investments represented 1.6% of total prevention services expenditures.

Section 125 of the WCA requires an employer to establish and maintain a joint health and safety committee in each workplace where 20 or more workers of the employer are regularly employed, and in any other workplace for which a joint committee is required by order. Section 139 requires a worker health and safety representative in each workplace where there are more than 9 but fewer than 20 workers of the employer regularly employed, and in any other workplace for which a worker health and safety representative is required by order of the Board. Section 3.23 of the Regulation imposes a regulatory obligation concerning the orientation and training of new or young workers. It means an employer must ensure that before a young or new worker begins work in a workplace, the young or new worker is given health and safety orientation and training specific to the young or new worker's workplace. Certain occupations require certification. These include the operation of cranes. blading, and first aid.

WorkSafeBC makes extensive use of experience rating in establishing insurance premiums to be paid by individual employers. Experience-rated adjustments to insurance premiums are established

prospectively. The gross value of rebates and surcharges estimated for 2010 is $223 million. WorkSafeBC's voluntary Partners in Injury and Disability Prevention Program offers incentives to employers who implement health and safety management systems aimed at improving workplace safety, and helping injured workers return to work in a safe and timely way. Participating employers work with a Certifying Partenr, often a health and safety association, to meet the program's standards. After passing an audit and successfully meeting other program requirements, employers are eligible to receive a Certificate of Recognition (COR) and a rebate on their WorkSafeBC premiums. Rebates are not granted to firms under a closure order, subject to a penalty or having experienced a fatality. A COR earned for a Health and Safety Management System provides a 10% premium rebate, and a COR earned for Injury Management/ RTW System provides a 5% premium rebate. In 2006, the WorkSafeBC Board of Directors formally approved expanding the Partners Program from its pilot phase to a program available to all industries in B.C. Since the program began, the number of certifying partners has grown to 10, most of which are also health and safety associations. To date, there have been over 4,000 COR certifications issued to employers.

WorkSafeBC's Prevention Injury Reduction Strategy focuses on the following activities: Targeting prevention services to high risk classification units, Vocie of the Customer and Quality Management, Partnerships with health and safety associations (HSAs), Partners in Injury and Disability Prevention, Account management. As for Partnerships with HSAs, in 2007, WorkSafeBC provided funding to 10 industry safety associations in 2007 (13 as of 2010). HSAs must demonstrate industry support for an additional levy on assessmnts to support their operations. Funds for the operating budgets of HSAs are generated by adding a levy to the assessment premiums of employers within specific classification units. The boards of directors for each of the HSAs comprise representatives from that industry, and review and approve the work plan and budget, which translate into the annual levy amount.

WorkSafeBC has a number of prevention programs that target resources to greatest risk. The identification of high risk sectors, high hazard work exposures and highest risk workplaces is informed by the use of compensation claim information. WorkSafeBC has a high quality information technology platform and a Business Intelligence unit that is an essential foundation of the Prevention Injury Reduction strategy. Data analysis is used by the High Risk Strategy teams to identify high risk conditions and sectors, develop tactical plans to meet targets, and monitor ongoing progress.

10. Overview of employment injury scheme in Asia and the Pacific region

The percent of employer liability scheme for workers' compensation is comparatively high in Asia and the Pacific region. Please refer to the table 5 for specific information on scheme type.

Table 5. Social security statutory provision (employment injury scheme)

Social security statutory provision: Employment injury					
Major area, region or country	Type of programme[a]	Contribution rates [b]			Estimate of legal employment injury coverage[c] as a
		Employee	Employer	Financing from Government	Mandatory coverage
Asia					
Armenia	Social insurance	Global contribution, under Old-age	Global contribution, under Old-age	Discretionary | Irregular	36.5
Azerbaijan	Social insurance; universal	Global contribution, under Old-age	Global contribution, under Old-age	No contribution	39.6
Bahrain	Social insurance	No contribution	3	No contribution	...
Bangladesh	Employer-liability	No contribution	Whole cost	No contribution	2.5
Brunei Darussalam	Employer-liability	No contribution	Whole cost	No contribution	54.6
China	Social insurance; employer-liability	No contribution	1	Discretionary | Irregular	31.9
Georgia	Social insurance; social assistance	Global contribution, under Old-age	No contribution	Global contribution, under Old-age	27.0
Hong Kong, China	Employer-liability	No contribution	Whole cost	No contribution	81.8
India	Social insurance	Global contribution, under Sickness	Global contribution, under Sickness	Global contribution, under Sickness	7.5
Indonesia	Social insurance	No contribution	Whole cost	No contribution	23.7
Iran, Islamic Rep. of	Social insurance	Global contribution, under Old-age	Global contribution, under Old-age	Global contribution, under Old-age	67.6
Israel	Social insurance	No contribution	0.59	0.03	96.9
Japan	Social insurance	No contribution	11.8	Discretionary | Irregular	72.4
Jordan	Social insurance	No contribution	2	Discretionary | Irregular	43.2
Kazakhstan	Employer-liability; social assistance	No contribution	Discretionary | Irregular	Whole cost	54.7
Korea, Republic of	Social insurance	No contribution	[z]	No contribution	66.0
Kuwait	Social insurance	Global contribution, under Old-age	Global contribution, under Old-age	Global contribution, under Old-age	...
Kyrgyzstan	Social insurance; universal	Global contribution, under Old-age	Global contribution, under Old-age	Discretionary | Irregular	45.5
Lao People's Dem. Rep.	Social insurance	No contribution	Global contribution, under Old-age	Global contribution, under Old-age	7.3
Lebanon	Employer-liability	No contribution	Whole cost	No contribution	47.3
Malaysia	Social insurance	No contribution	1.25	No contribution	67.6
Myanmar	Social insurance	Global contribution, under Sickness	Global contribution, under Sickness	No contribution	...
Nepal	Employer-liability	No contribution	Whole cost	No contribution	20.7
Oman	Social insurance	No contribution	1	No contribution	20.6
Pakistan	Social insurance	Flat rate amount	Global contribution, under Sickness	No contribution	31.4
Philippines	Social insurance	No contribution	0.2	Discretionary | Irregular	50.4
Saudi Arabia	Social insurance	No contribution	2	Discretionary | Irregular	78.1
Singapore	Employer-liability	No contribution	Whole cost	No contribution	66.0
Sri Lanka	Employer-liability	No contribution	Whole cost	No contribution	72.8
Syrian Arab Republic	Social insurance	No contribution	3	No contribution	36.4
Taiwan, China					
Thailand	Employer-liability	No contribution	0.6	No contribution	27.5
Turkmenistan	Social insurance	Global contribution, under Old-age	Global contribution, under Old-age	Global contribution, under Old-age	71.7
Uzbekistan	Social insurance	Global contribution, under Old-age	Global contribution, under Old-age	Global contribution, under Old-age	70.0
Viet Nam	Social insurance	No contribution	Global contribution, under Sickness	No contribution	23.7
Yemen	Social insurance	No contribution	4	No contribution	27.9
Oceania					
Australia	Employer-liability	No contribution	Whole cost	No contribution	85.1
Fiji	Employer-liability	No contribution	Whole cost	No contribution	55.7
Kiribati	Employer-liability	No contribution	Whole cost	No contribution	...
New Zealand	Universal; employer-liability	No contribution	Whole cost	Discretionary | Irregular	96.4
Palau Islands	Employer-liability	No contribution	Whole cost	No contribution	...
Papua New Guinea	Employer-liability	No contribution	Whole cost	No contribution	11.5
Samoa	Employer-liability	No contribution	1	No contribution	...
Solomon Islands	Employer-liability	No contribution	Whole cost	No contribution	21.7

In addition, if we look at the employment injury insurance's rating system in developing countries in Asia, Very few countries implement merit rating system as economic incentive for prevention in their EII scheme. Please refer to table 6 for more information.

Table 6. Contribution rate in selected countries in Asia

Contribution rate in selected countries

Country	Contribution rate from employees	employers	government	Type of contributions
Cambodia	No contribution	0.80%	No contribution	Uniform rate determined after actuarial valuation
China	No contribution	1-1.5% (average)	Discretionary/ Irregular	Differential rate + Merit rate
India[39]	Global contribution, under sickness	Global contribution, under sickness	Global contribution, under sickness	Uniform rate
Indonesia	No contribution	0.24-1.74%	No contribution	Differential rate
Laos	No contribution	0.50%	For public sector, the rest of expenditure, no contribution for private sector	Uniform rate
Malaysia	No contribution	1.25%	No contribution	Uniform rate
Mongolia	No contribution	1%, 2% or 3%	No contribution	Differential rate
Philippine	No contribution	1% for both GIS and SSS	Discretionary | Irregular contribution	Uniform rate
Thailand	No contribution	0.2-1%	No contribution	Differential rate + Merit rate
Vietnam	No contribution	1%	No contribution	Uniform rate

Source: country's reports and Social Security Throughout the World 2010 (Statistical Annex)

In addition, although there is no experience rating system, there might be the case of providing other bonus-malus programme which is resourced form EII fund. For example, in Vietnam, work injury fund are paid for work injury and occupational diseases benefits, Health insurance premiums for retirees on monthly pension of work injury benefit, operational expenditures, bonus and incentive program for employers who implement excellent labour protection and safety system to prevent employment accidents at work.

11. Case review on reporting system in linkage perspective of selected nations[10]

Occupational accidents and diseases, in particular the ones which occur in small workplaces, are often left unreported in the government reporting system. We need to increase our efforts to develop well-functioning reporting systems and help occupational accident and disease victims receive timely treatment and compensation. Accident and disease reporting can be strengthened in many ways such as frequent campaigns, easy-to-use reporting systems. Several countries have succeeded in increasing the number of accidents and diseases reported through linking accident and disease reporting to the employment injury insurance scheme. The roles of labour inspectors are also vital in all steps of implementing reporting systems; inspectors train employers and workers in the systems and provide practical assistance. Occupational accident and disease reporting systems must cover all workers in the same workplace, including subcontractors, part-time workers and migrant workers. Compared to occupational accidents, the improvement of occupational disease reporting is often more complex and requires technical land political efforts. General medical practitioners, who are often the first point of contact of occupational disease victims, need to be trained regarding occupational disease and must be aware of occupational health hazards. Systems for general practitioners to consult occupational disease specialists should be established to facilitate proper diagnosis of occupational diseases. Occupational disease victims need the co-operation of their employers for reporting their diseases to receive proper treatment and compensation. They also need the assistance and advice of medical professionals when applying for compensation. Friendly consultation systems for workers are necessary.

Case of South Korea

In most countries, notifications pertaining to occupational accidents and diseases are linked either to a national workers' compensation scheme or to a statutory requirement of reporting to the competent authority. The reporting system of Korea is similar. According to Article 4 of the Occupational Safety and Health Act, an employer is required to report to the local labour office any fatality, injury or illness after which workers were fully or partly unable to perform their normal duties for at least four days. Violators can be fined up to 10 million Korean Won (about USD 8,500). This obligation, however, is not necessary if an application for compensation due to the accident is filed with the Korea Workers' Compensation & Welfare Service (COMWEL). Pursuant to this regulation, employers rarely reported industrial accidents other than its applications submitted for a compensation process. Therefore, almost all of the data on industrial accidents are obtained from the insurance records of the Workers' Compensation System of COMWEL. Article 4 requires COMWEL cooperates by sending the computer data on compensation to KOSHA, for the production of official statistics on occupational injuries and illness.

Because business owners must be affiliated with COMWEL and because the workplaces covered by COMWEL have increased, the validity and representativeness of the statistical results of the

[10] For the content of the reporting system of 3 nations, in most part, I refer to “Injury and disease reporting systems”, Asian-Pacific Newsletter on occupational health and safety, Volume 17, number 2, September 2010.

reporting system in Korea are continuously improved. In 2009, COMWEL covered 13.9 million workers; this is 57% of the economically active population (24.3 million) or 86.2% of wage earners (16.1 million). In this scheme, compensation is received for most reported fatalities and serious accidental injuries. As to the less serious cases involving minor injuries or work-related diseases, however, the incentive to seek compensation is not strong enough compensation is not issued, and this in turn leads to underreporting. In the insurance-related reporting process, workers who do not claim compensation cannot be included in the reporting system. This underreporting can be considered a shortcoming of the reporting system in Korea. Musculoskeletal disorders takes 68.8% of work-related diseases and cardio-cerebrovascular disorders does 12.4%.

The current statistics for occupational injuries and illnesses are based on the date the incident occurred but on the data the compensation decision was made. Therefore, the precise calculation of incidence is impossible. To overcome this inadequacy and to obtain more accurate incident characteristics, KOSHA implemented a two-part national survey in the form of a sample survey for cases that have been compensated since 1999. In this survey, 10% of randomly selected compensated injuries were investigated in detail. For cases involving a fatality or an occupational illness, all compensated cases were investigated.

In addition, Korean workers' compensation insurance operates merit rating system for playing incentive role in facilitating employer's voluntary effort to prevent occupational accident. For specific information on how to deviate the rate, please refer to tale 7.

Table 7. Deviation range from contribution rate applied to each industry in experience rating system in South Korea

Deviation range from industrial average rate applied to relevant workplace

Ratio of sum of benefits to sum of contribution during last 3 years (C)		Increase or decrease ratio in accordance with size of business			
	Industry excluding construction and lumbering	Number of workers(A) >= 1,000	Number of workers(A) 150 <= A< 1,000	Number of workers(A) 30 <= A < 150	Number of workers(A) 20 <= A < 30
	Blanket application in construction	Total of record of construction performance (B) >= 200 billion won	Total of record of construction performance (B) 30 billion won <= B < 2,00 billion won	Total of record of construction performance (B) 6 billion won <= B < 30 billion won	Total of record of construction performance (B) 4 billion won <= B < 6 billion won
C <= 5%		50.0% DOWN	40.0% DOWN	30.0% DOWN	20.0% DOWN
5% < C <= 10%		46.0% DOWN	38.4% DOWN	28.0% DOWN	18.4% DOWN
10% < C <= 20%		42.0% DOWN	33.6% DOWN	24.5% DOWN	16.1% DOWN
20% < C <= 30%		36.0% DOWN	28.8% DOWN	21.0% DOWN	13.8% DOWN
30% < C <= 40%		30.0% DOWN	24.0% DOWN	17.5% DOWN	11.5% DOWN
40% < C <= 50%		24.0% DOWN	19.2% DOWN	14.0% DOWN	9.2% DOWN
50% < C <= 60%		18.0% DOWN	14.4% DOWN	10.5% DOWN	6.9% DOWN
60% < C <= 70%		12.0% DOWN	9.6% DOWN	7.0% DOWN	4.6% DOWN
70% < C <= 75%		6.0% DOWN	4.8% DOWN	3.5% DOWN	2.3% DOWN
75% < C <= 85%		0	0	0	0
85% < C <= 90%		6.0% UP	4.8% UP	3.5% UP	2.3% UP
90% < C <= 100%		12.0% UP	9.6% UP	7.0% UP	4.6% UP
100% < C <= 110%		18.0% UP	14.4% UP	10.5% UP	6.9% UP
110% < C <= 120%		24.0% UP	19.2% UP	14.0% UP	9.2% UP
120% < C <= 130%		30.0% UP	24.0% UP	17.5% UP	11.5% UP
130% < C <= 140%		36.0% UP	28.8% UP	21.0% UP	13.8% UP
140% < C <= 150%		42.0% UP	33.6% UP	24.5% UP	16.1% UP
150% < C <= 160%		46.0% UP	38.4% UP	28.0% UP	18.4% UP
C > 160%		50.0% UP	40.0% UP	30.0% UP	20.0% UP

Furthermore, the Minister of Employment and Labor shall appropriate not less than 8/100 of the Fund's total expenditures for the purpose of activities prescribed by Article 61-3 of occupational safety and health act and contributions to the Korea Occupational Safety and Health Agency every fiscal year.

Case of Malaysia

All reported cases of occupational injury, occupational poisoning and occupational diseases are recorded according to their extent and outcome; a. Fatalities, i.e. immediate death or death within one year of the accident, injury, or illness; b. Non-fatal cases that result in lost work days; or c. Non-fatal cases without lost workdays.

In Malaysia, the Occupational Safety and Health Act of 1994 (Act 514) requires an employer to notify the nearest Department of Occupational Safety and Health (DOSH) office of any accident, dangerous occurrence, occupational poisoning and occupational disease that has occurred in the place of work. The Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease, NADOPOD) Regulation of 2004 provide further requirements and information on the notification method, procedure and process to be followed by the employer and the medical practitioner pursuant to the requirements of Section 32 of Act 514.

The events are reported to DOSH so that their underlying causes can be determined, with a view to remedial actions that will prevent similar occurrences in the future. At the same time, the data gathered form an important database for DOSH, enabling the Department to carry out analysis and to devise strategic plans to administer and enforce the law. For this purpose, it is essential that the data recorded by the employers are uniform, as this facilitate analysis and assures the validity of the statistical results.

Section 32 of the Occupational Safety and Health Act of 1994 states that an employer shall notify the nearest DOSH office of any accident, dangerous occurrence, occupational poisoning or occupational disease which have occurred, or is likely to occur at the workplace.

a) Notification

i) Employers and the self-employed. The responsibility to report accidents, dangerous occurrence, occupational poisoning and occupational disease rests with employers and self-employed.

ii) Registered Medical Practitioner. Every medical practitioner or medical officer attending to, or called in to visit a patient whom he believes to be suffering from any occupational poisoning or occupational disease must report the matter to the Director General of DOSH within seven days, using the approved form (JKKP 7).

b) Record-keeping

i) Employer and the self-employed. All employees and the self-employed have to keep a record of all accidents, dangerous occurrences, occupational poisonings and occupational diseases that have occurred at the workplace.

The employer who supervises the employee's day-to-day activities is therefore responsible for reporting and recording the injuries, occupational poisonings and occupational diseases, including those occurring to the employees of any independent contractors.

Regulation 5, 7 and 10 of the NADOPOD Regulations of 2004 specify the requirements involved. Figure 1 presents this methodology in flowchart form and outlines the procedure employers should apply in reporting and recording a particular case. The decision-making process consists of five steps:
Step 1. Determine whether a case occurred; i.e. whether there was death, dangerous occurrence, poisoning, disease, or an injury;
Step 2. Establish that the case was work-related; i.e. that is resulted from an event or exposure in the work environment;
Step 3. Decide whether the case is an accident or dangerous occurrence or an occupational poisoning or occupational disease;
Step 4. If the case is an occupational poisoning or occupational disease, report it using form JKKP 7, record it and check the appropriate occupational poisoning or occupational disease category on form JKKP 8; or
Step 5. If the case involves death, serious bodily injury or a dangerous occurrence, report the case immediately by the quickest means, then send a written report using form JKKP 6 within seven days and, together with other cases record it on form JKKP 8. Seven days means seven calendar days, including any holidays that fall within those seven days.
In consolidating enforcement, the department has an agreement with the Public Services department to place doctors and nurses at DOSH. This secondment of officers was initiated in 1968 and continues. In 2005, the section for Occupational Health was upgraded to a division, which is now the Occupational Health Division. The functions of the Occupational Health Division include:
I. To monitor the notification of occupational diseases and poisonings
ii. To analyse the data on occupational disease and poisonings
iii. To gather occupational health doctors and to monitor medical surveillance
iv. To plan politics and guidelines and to provide consultancy services on occupational health.
For occupational diseases and poisonings, the department receives the notifications and claims from registered medical practitioners that are forwarded to the headquarters or state offices. The Occupational Health Division monitors and analyses the data received. For each case of occupational disease and poisoning that is investigated, the department advises the industries to take corrective measures to prevent recurrence. Occupational noise-induced hearing loss (NIHL) and occupational chemical poisoning were the highest category recorded in 2005-2009 except for occupational chemical poisoning in 2008.

Case of Singapore

A significant milestone in the reform of the OSH landscape was the enactment of the WSH Act (WSHA) in March 2006. This Act, which replaced the preceding Factories Act, marked a significant paradigm shift from focusing on mere compliance with prescriptive rules and regulations to championing stronger industry ownership in reducing risks at the workplace. The reporting of occupational accidents and disease was a requirement under the Factories Act and the Workmen's Compensation Act since the 1960s. However, in line with the changes that had taken place on the regulatory front, the reporting requirements had to be extended beyond factories and workforce.

The availability of reliable and broad-based OSH statistics is vital to the success of our national WSH strategy. A robust reporting system would enable us to obtain reliable and comprehensive data on accidents and occupational diseases in a timely fashion.

The WSH (Incident Reporting) Regulations, which were introduced in March 2006, extended the reporting requirements to all workplaces, requiring all employers to report work-related deaths, injuries, dangerous occurrence and occupational diseases to the Ministry of Manpower (MOM). Medical practitioners are required to report any of the occupational disease listed in the WSH Act. In April 2008, the Workmen's Compensation Act was replaced with the Work Injury Compensation Act (WICA), which extended the coverage to almost all employees and provides for compensation to an employee who is injured or develops an occupational disease arising out of, and during the course of, his employment. The reporting requirements under the WSHA and WICA were also re-aligned.

To make it easier for stakeholders to report incidents, a national electronic reporting system known as "iReport" was introduced in 2006. Since iReport was launched, the proportion of submissions submitted through electronic means has increased from about 50% in 2006 to more than 90% in 2009. The system now allows victims to report their own accidents or to appoint representatives to file an incident notification; doctors can also report workplace injuries. Employees or members of the public can file a notification on a workplace incident or an unsafe act. The notification is then routed to relevant departments for further processing and investigation.

Some of the other sources of data for our reference, especially in collating the occupational disease rates, include those obtained from other departments within the ministry, other government ministries or from the industry. Among there are: (a) industry safety and health management systems audit reports; (b) accident and disease investigations; (c) inspection and enforcement reports from the OSH inspectors; (d) administrative data from work injury claims; (e) monitoring and surveillance submissions; (such as industrial hygiene monitoring reports and medical examination results, e.g. blood lead levels); (f) ad hoc surveys of specific industry sectors at work; (g) economic and manpower data and trends; (h) health data, including those derived from chronic disease registers.

12. The example cases in Asia and the Pacific region needing establishment of the linkage between EII and OSH

The percent of employer liability scheme for workers' compensation is comparatively high in Asia and the Pacific region as already shown in the table 5. As a result, the linkage between workers' compensation scheme and prevention policy is weak. The following cases are its examples.

Fiji and Vanuatu in the Pacific islands have no social protection scheme for work injury and let employers liable to compensate for it directly. Solomon islands have mandatory private insurance participation for work injury but I found the employers' purchase case of private insurance policy is very low, which is related with compliance matter. Further worse, these three nations don't have statutory scheme for health. So in case of work injury, they are vulnerable in accessing the income security and health (medical treatment).

Also, after examining ILO publication, "Social Protection in the Solomon Islands: A report for the International Labour Organisation" (2005), It is found that the linkage between workers' compensation and OSH is very weak. Though they run mandatory private insurance scheme for work injury, there is virtually no linkage or coordination among agencies because employers fail to report work injury to department of labour in many cases and compensation data is not used or shared by the department. For further information, please refer to the below paragraph.

"The Department of Labour has limited tools to ensure compliance and workplace safety and the 2004-2006 study reported that the compliance process appears to be very rudimentary with virtually no cooperation between agencies for data sharing or data matching. At that time, the Department reported that a majority of employers fail to report accidents and the workers concerned have to make personal contacts with the workers' compensation unit. In relation to the claims received, they further reported that most employers did not have insurance cover and the department believed that many accidents remain unreported and without information on how such cases are settled. The Solomon Islands Chamber of Commerce and Industry (SICCI) does not capture data on worker compensation in the annual survey of wages and benefits."

The above cases of weak linkage between workers' compensation scheme and prevention policy show the importance of conversion of employer liability scheme into employment injury insurance scheme and following establishment of linkage between employment injury insurance and OSH policies.

13. The global perspective on return to work in employment injury scheme

13.1 The compelling reasons for introducing return to work

As shown in figure 2, current trend of developed employment injury scheme is composed of three pillars, prevention, compensation and return to work. About return to work (RTW), the programme is focused on facilitating occupationally injured or sick workers to return to workplaces if they are able to work or society if they are not in physical condition. Also the difference from active labour market policy (ALMP) in developed pattern of unemployment insurance (UI), more exactly speaking, employment insurance (UI + ALMP) is that the main target of RTW is disabled person who were injured or got sick because of occupational reason, which means they stopped working after the injury or sickness and their original or equivalent workplaces need their skilled work in most cases if their physical condition allows them to provide their labour. Also if the disabled person cannot return to work and even not be adapted to society owing to invalidity, it causes personal and social instability in some part[11]. In these contexts, RTW programme is based on disability management (DM). In addition, the more detailed compelling reasons for RTW are as follows.

Affected workers are human beings in need not merely of monetary benefits, but also personal recovery and integration in the labour market and society. The ability to earn an income has a dramatic effect on individual and household poverty, and effectively also on a country's fiscal position. Also, being able to work has important inherent values such as individual's sense of self-esteem and confidence, minimum disruption to family and social life of affected workers. If properly designed, RTW and DM will contribute to the improvement of OHS standards & practice and positive health outcomes. There are also RTW and DM benefits for employers, government and social security institutions. Employers can retain skilled workers, maintain productivity and reduce cost by controlling scheme contribution and sickness benefits. For government and security institutions, RTW and DM enable sustainable EII scheme, economic development, social stability, etc.

13.2 International efforts to build surroundings for return to work and disability management

International organizations set standards relating to facilitating disabled persons including occupationally injured workers to return to work or society as follows.

International Labour Organizations set its related standards. When it comes to return to work programme, Convention No. 121 requires member countries to provide rehabilitation services which are designed to prepare a disabled person for the resumption of his previous activity, or, if this is not possible, the most suitable alternative works, having regard to his aptitudes and capacity; and to take measures to further the placement of disabled persons in suitable employment. Furthermore, Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159) and Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169) provide that "where possible and appropriate, social security schemes should provide, or contribute to the organization, development and financing of training, placement and employment including sheltered

[11] In South Korea, disabled workers in occupational injury face income decrease by 36.5% and their divorce rate increases three times and separation rate does 2.6 times.

employment programmes and vocational rehabilitation services for disabled persons, including rehabilitation counselling.

In addition, the importance of RTW is found in the United Nations Disability Convention, Convention on the Rights of Persons with Disabilities (UNCRPD) which was adopted in 2006 and entered into force in 2008. It is ratified by a large number of countries (7 June 2012 : 113 ratifications; 153 signatories), increasingly also by developing countries. Lead provision is article 27 and stipulates the obligation to safeguard and promote the realization of the right to work including for those who acquire a disability during the course of employment by taking appropriate steps, including through legislation. As important RTW and DM elements, the followings are contained in the Convention; professional (occupational) rehabilitation, job retention, introduction of RTW programmes, vocational and technical training and guidance, programmes and placement services, promotion of employment opportunities (also for self-employment, entrepreneurship, development of co-cooperatives and starting one's own business), providing reasonable accommodation which does not impose a disproportionate or undue burden on employers), promotion of individual autonomy and independence of the affected worker, inclusion of affected worker in development of rehabilitation plan, societal inclusion and participation, multi-disciplinary assessment, etc.

When it comes to other international networks most relevant to RTW and DM, there are International Disability Management Standard Council (IDMSC) and Rehabilitation International (RI). In 2003, the International Disability Management Standards Council (IDMSC) was established by senior representatives of business, labour, government, and other stakeholder groups from around the world. The goal of the IDMSC is to reduce the human, social and economic costs of disability in the workplace. To achieve this end, it promotes standards that are international, professional and based on consensus. Two of the main functions of the IDMSC are to oversee the global certification process of the professional designations: Certified Return to Work Coordinator (CRTWC) and Certified Disability Management Professional (CDMP) and manage the global administration of the Consensus Based Disability Management Audit (CBDMA) and Workplace Disability Management Assessment (WDMA). Also, founded in 1922, Rehabilitation International (RI) is the worldwide network of people with disabilities, service providers, government agencies, academics, researchers and advocates working to improve the quality of life of people with disabilities. With member organizations in 100 countries and in all regions of the world, RI provides a forum for the exchange of experience and information on research and practice. In the backgrounds of these two international networks on disability, the International Social Security Association (ISSA) Guidelines on Return to Work is being developed in partnership with ISMSC and RI, which will be of considerable assistance.

13.3 Policy efforts for return to work of disabled workers in developed countries

Developed countries with long history of employment injury insurance felt the importance of return to work programme and set rehabilitation for return to work or society as one of priorities the EII scheme, which means paradigm shift to rehabilitation-centred policy for facilitating injured or sick workers to return to work or society with decent medical treatment. For example, in Germany, EII is focused on rehabilitation in policy perspective by stipulating in Social Security Act (article 26 of chapter 7) that benefits for medical treatment and rehabilitation are preferred to pension. In New Zealand, the Accident Compensation Corporation has changed its policy objective from

compensation-oriented to rehabilitation-oriented in 1992. As a result, more expenditure was spent on rehabilitation, 10 billion dollars than compensation, 800 million dollars in 2003, for instance.

When it comes to expenditure on job retention and vocational rehabilitation, developed countries spend considerable amount as shown in table 8.

Table 8. Public expenditure as a percentage of GDP in labour market programme in selected countries in OECD (2010-11)

Programme categories and sub-categories	Autralia	Austria	Canada	France	Germany	S.Korea	Nethalands	New Zealand	Switzerland	United States	OECD unweighted average
1. PES and administration	0.17	0.18	0.14	0.30	0.38	0.01	0.43	0.12	0.13	0.04	0.16
of which 1.1. Placement and related services		0.10	0.05	0.11	0.10	0.01	0.28	0.03		0.01	0.07
1.2. Benefit administration	0.03	0.03	0.03		0.10		0.15	0.07	0.04	0.03	0.05
2. Training	0.03	0.52	0.13	0.38	0.31	0.07	0.13	0.14	0.22	0.04	0.17
2.1. Institutional training	0.02	0.44	0.08	0.11	0.22	0.07	0.05	0.05	0.21	0.02	0.11
2.2. Workshop training		0.02	0.01		0.01				0.01		0.02
2.3. Alternate training				0.01			0.02	0.08		0.02	0.02
2.4. Special support for apprenticship		0.05	0.01	0.10	0.02		0.06				0.02
4. Employment incentives	0.01	0.06		0.11	0.10	0.02	0.01	0.02	0.08	0.01	0.12
4.1. Recruitment incentive	0.01	0.05		0.11	0.10	0.02	0.01	0.01	0.08	0.01	0.10
4.2. Employment maintenance incentives		0.01				0.01					0.01
5. Supported employment and rehabilitation	0.07	0.03	0.01	0.07	0.03	0.03	0.48	0.05		0.03	0.09
5.1. Supported employment	0.05	0.03		0.07	0.01	0.03	0.42	0.02			0.07
5.2. Rehabilitation	0.02		0.01		0.03			0.03	0.16	0.03	0.02
6. Direct job creation	0.03	0.04	0.02	0.22	0.05	0.28	0.17	0.01		0.01	0.09
7. Start-up incentives	0.01	0.01	0.01	0.05	0.08				0.01		0.02
8. Out-of-work income maintenance and support	0.51	1.23	0.81	1.45	1.28	0.34	1.75	0.46	0.82	0.76	0.95
8.1. Full unemployment benefits	0.50	1.08	0.81	1.43	1.10	0.31	1.75	0.46	0.73	0.76	0.86
of which : Unemployment insurance		0.67	0.81	1.29	0.67	0.31	1.05		0.73	0.75	0.61
8.2, 8.3. Partial and past-time unemployment benefits		0.03		0.02	0.15				0.09		0.05
8.4, 8.5. Redundancy and bankruptcy compensation	0.01	0.12			0.03	0.02					0.04
9. Early retirement		0.17		0.01	0.05						0.09
TOTAL (1-9)	0.82	2.24	1.15	2.59	2.28	0.76	2.97	0.79		0.90	1.72
Active measure (1-7)	0.31	0.84	0.33	1.14	0.94	0.42	1.22	0.34		0.14	0.66
of which Categories 2-7 only	0.15	0.66	0.20	0.63	0.56	0.41	0.78	0.22		0.10	0.49
Passive measure (8-9)	0.51	1.40	0.81	1.46	1.34	0.34	1.75	0.46	0.82	0.76	1.03

Data source : OECD Employment Outlook 2012

In addition, here are country cases of return to work programmes in Germany and France[12]

The case of Germany

In Germany, employment injury insurance provides the programme of both vocational and social rehabilitation to facilitate injured workers to return to employment or society along with medical treatment. During vocational rehabilitation training, transition benefits as training cost are provided apart from disability pension and the level of transition benefits is 52.8% to 60.0% of income earned

[12] I referred to Sangho Kim and Changhak Sim(2009). Report to Ministry of Employment and Labor in South Korea: Comparative Study on Operation of Workers' Compensation Insurance in France, Germany and Korea

before disability happens. Rehabilitation-specified counseling staff plays important role in implementing return to work programme through medical treatment and rehabilitation training. About the process of paying temporary disability benefits and transition benefits, health insurance pays the benefits first and later work accident insurance fund reimburses the health insurance for the payment. Various trainings in workplace along with in public vocational training centres and private ones are provided. Also the income subsidy up to for 2 years and 70%, subsidy for temporarily hiring for examining aptitude up to for 3 months and total income, subsidy for changing working facility and accommodation subsidy, etc. are provided for employers for return to work. The training period in 28 public vocational training centres is more than 2 years but the training cot are as much as more than 60 thousand Euros while the training quality is high. Thus Germany strengthened the support for training inside workplaces to facilitate re-employment and reduce the training cost, which was reported to bring much achievement later. For instance, if the cost for return to work programme decreased by a half and the rate of employment after vocational training ends continued to increase since 2000's and reached 90.3% in 2007 which is shown in table 9.

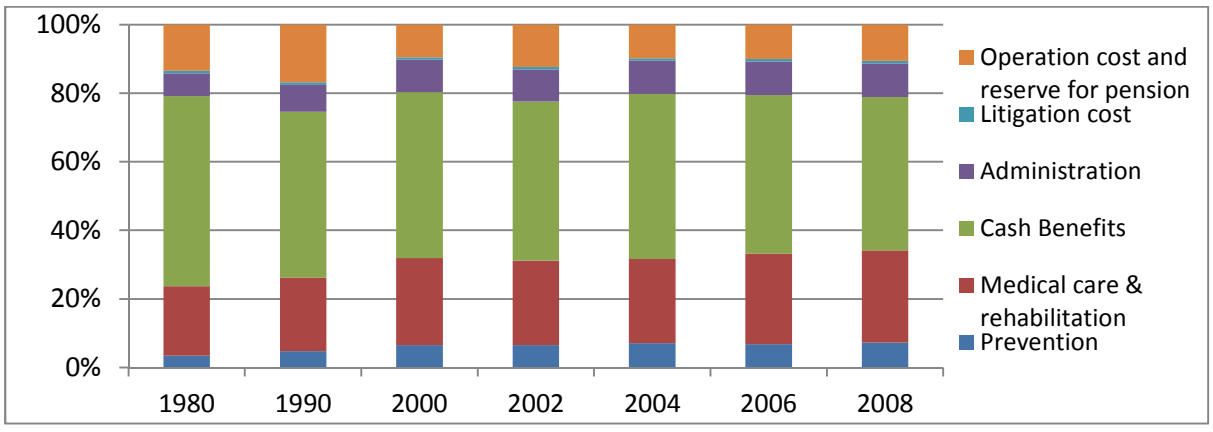
Table 9. The number of providing service for employment and rate of employment after vocational training in work accident insurance in Germany by year (2001 to 2007)

	2001	2002	2003	2004	2005	2006	2007
The number of providing service for employment	9,935	9,836	9,997	11,043	12,558	12,856	12,070
The number of employment after vocational training	8,107	8,051	8,254	9,318	10,734	11,479	10,902
The rate of employment after vocational training	81.6%	81.9%	82.6%	84.4%	85.5%	89.3%	90.3%

The rate of employment was calculated by counting the number of successful reemployment in the each year when vocational training ended. The data source is Rothe(2009, p.40)

Additionally, as shown in figure 21, the portion for medical care and rehabilitation in the total expenditure of work accident insurance fund has increased from 20.3% in 1980 to 24.5% in 2004 then later to 26.9% in 2008.

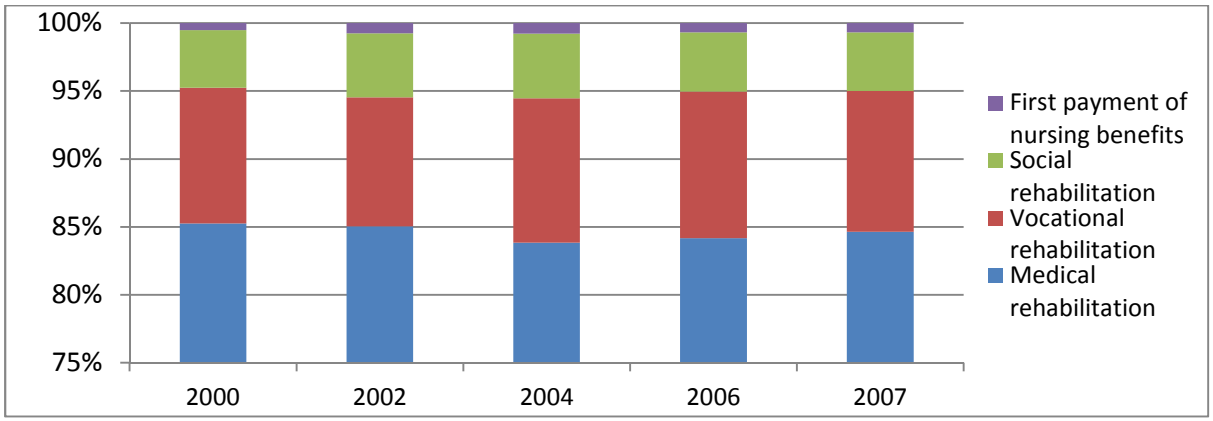
Figure 21. Expenditure in work accident insurance fund in Germany by year (2000 to 2007)



Data sourced from DGUV(2009, p. 61) was converted to graph

Figure 22 shows the number of each service in rehabilitation programme by year. Medical, vocational and social rehabilitation take 85 %, 10%, 4% respectively on average. In the context of number of service provided, the portions of vocational and social rehabilitation are comparatively smaller than that of medical rehabilitation.

Figure 22. The number of each service in rehabilitation programme in work accident insurance fund in Germany by year (2000 to 2007)



Data sourced from DGUV(2009, p. 61) was converted to graph

The case of France

Relating to rehabilitation, French relevant act stipulates the necessary measures for occupationally injured or sick workers to recuperate physical and vocational capacities. The measures include social intervention during work discontinuation such as rehabilitation & reeducation and that provided at the end of work discontinuation such as reemployment. These measures has characteristic of cash benefits and are stipulated in CSS (Social Security Act). In addition, the labour act revised in January, 1981 stipulated the right of occupationally injured or sick workers relating to return-to-work. Specifically, in the chapter 10 and article 10.1 of labour act, three principles are mentioned. First, during the period of work discontinuation and reeducation of occupationally injured or sick workers, their employment status shall be secured with no time limitation and no right loss. Second, when occupationally injured or sick workers are decided to be suitable to perform their previous work, their work discontinuation shall be terminated and their right to return to previous workplaces and jobs shall be secured. Third, when they are decided to be not suitable to perform their previous jobs, their employment status shall be secured by employers excluding other jobs similar to their previous ones or reallocating them. These mean that there may be temporary discontinuation of application of labour contract but the contract itself cannot be terminated.

Practically, in France, vocational and social rehabilitation programmes are implemented. Social rehabilitation is provided in various medical social facilities and on what facilities occupationally injured or sick workers use, CDAPH (Commission for handicapped person's right and autonomy, Commission des droits et de l'autonomie des personnes handicapees) under health insurance decides but they can refuse to accept the offer. Also the commission decides on vocational rehabilitation programme and selection of its implementing institution. Vocational rehabilitation

programme is divided into functional re-adaptation (La readaptation fonctionnelle) and professional re-education (Reeducation professionnelle). Professional reeducation programme is divided into the professional reeducation contract programme(le contrat de reeducation professionnelle) which is characteristic of education in workplace, the preliminary orientation training programme which is provided for disabled workers without specific plan for employment at CRP(Center for professional re-education and preliminary orientation) and the general training programme which is for injured workers obtaining new skills because they cannot perform pervious work due to physical conditions.

One of the main characteristics of rehabilitation training programme in France is that the role of private non-profit institution is bigger compared to other countires. For instance, CRP(Center for professional re-education and preliminary orientation) has 120 facilities of CRP scattered around the France under the financial assistance from social security institution and the 120 facilities provide various services which belongs to professional re-education and preliminary orientation programmes from 8 weeks to 30 months. In addition, there is a variety of systems for facilitating the employment of handicapped persons including occupationally injured or sick workers. The exemplary case is handicapped persons employment subsidy which is provided for employers hiring disabled person for more than 6 months by 1,600 Euros in lump sum and for employers hiring specially disabled persons from protected labour market such as handicapped-specified workplace for more than 1 year by 2,250 to 9,000 Euros in 2 installments. Also the fact that up to 80% of cost for renovation of disabled person workplace surroundings is noticeable.

AGEFIPF(Fund management group for disabled person's profession unification) provides most of subsidies including business start-up and collects the resource for subsidy by levying penalty fee on the employers who do not comply with the legally obligatory rate of hiring handicapped persons. This financial resource method is very unique given that AGEFIPF is private non-profit organization. Like the important role of private non-profit organization such as CRP in vocational training, private non-profit organization plays import role as an actor subsidizing retention or return-to-work.

Besides, under the financial burden of social insurance institution, programmes of the bonus for finishing reeducation (primes de fin de reeducation), credit loan & subsidy for starting business are implemented. CIE(Contrat initiative emploi), one of employment aid contract which is national policy aimed at making jobs, plays important role in facilitating employment of disabled persons including occupationally injured or sick workers, which is shown in table 10.

Table 10. Disabled workers' participation portion in the CIE(Contrat initiative employ) programme in France (1997 to 2005)

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Number of new participants	212,739	195,822	156,108	137,701	89,241	52,385	63,152	93,045	39,003
Portion of invalid workers(%)	10.3	12.0	14.9	16.9	19.3	24.5	21.3	18.0	16.6

Data from Lamarche(2006)

13.4 Return to work programmes in developing country perspective[13]

Employment injury insurance scheme in most of developing countries remains in the policy priorities in compensation for income loss by cash benefits and medical treat by in-kind benefits. Also in the coverage context, many countries need to extend the scheme's legal coverage and raise its actual coverage rate for target population as shown in figure 19 and 20. In the context of benefit level, lump sum payment needs to be converted into annuity for permanent disability benefits and survivors benefits in some cases. On medical side, the initial intensive medical treatment stage measure such as emergency, operation needs to be enhanced to reduce the death rate and rate of invalidity. Also after intensive phase, proper rehabilitation needs to be provided for returning injured workers to previous physical condition as much as possible. In addition, what is worse, EII scheme in most of developing countries does not have programme after medical treatment for disabled workers ends. The programme is for workers with permanently partial disability to return to work by providing vocational training for them or employment subsidy for hiring employers, etc. and for workers with permanently total disability to adapt to society by providing social rehabilitation. Given that many existing challenges to be addressed in compensation area in the scheme, the subject of return to work is far away at the moment. When it comes to introduction and development of return to work programme in developing countries, challenges faced by them may be as follows.

First, they lack proper policy and legal frameworks. Second, capacity constraints are real in terms of financial and human resources and expertise. Third, the rate of industrial accidents and diseases is high and the record of occupational safety and health is poor. These constraints can be linked to the necessity of introduction of employment injury insurance for countries without the scheme and enhancement of prevention activities through linkage between EII and prevention. Fourth, professional role-players are limited and health care systems are generally weak. Fifth, they have high unemployment and labour market activation and support mechanisms such as employment services, training and skills development are not well developed. Sixth, there are attitudinal barriers or negative perceptions of return to work programmes along with entitlement to compensation syndrome among stakeholders. Seventh, stakeholders do not understand and are unfamiliar with place of rehabilitation and reintegration in the social security context. Therefore, after examining these challenges, gradual approaches may be required, building and expanding the return to work system over time. Although developing countries have many challenges mentioned above, some countries in Africa, Asia and South America are trying to develop and introduce return to work programme in their social security. About these, details are mentioned as bellows.

In Africa region, Namibia and Botswana are dedicated but developing framework of return to work in social security scheme. In the context of traffic accidents such as motor vehicle accident insurance (MVA) of Nambia, legislative framework was established but not sufficiently developed. For example, it lacks obligation on employers to participate and accommodate works in return to work. Also there is absence of overarching policy framework and workplace-based policies and programmes. Nevertheless, commendable achievements have been made. In 2007, MVA Fund Act introduced

[13] I referred to Marius Oliver(2012), Return-to-Work: A developing country perspective in most part

rehabilitation as key deliverable of MVA Fund which is now one of the Fund's three strategic focus areas. It is now possible to align medical expenses to rehabilitation efforts and focuses on return either to work or independence although it lacks legal obligation on employers to accommodate workers. In Botswana, there is absence of legal framework for return to work and no employment obligation to accommodate workers and lack of adequate medical specialists and rehabilitation centres and public/employers awareness. Nevertheless, the Botswana MVA Fund has established a case management section which is involved in disability management of severely injured claimants and focuses on full rehabilitation aimed at independent living. The aim of case management section in the Botswana MVA Fund is as follows. First is early intervention which means immediate hospital follow-up and helping to draft individual rehabilitation plan. Second is supporting the claimants by medical treatment and rehabilitation. Third is accessibility which is possible through assistive devices, house modifications, caregiver allowances. Fourth is vocation rehabilitation such as workplace assessment and modifications supported by Fund and retraining support and job accommodation. Fifth is providing loss of earnings benefit if unable to work.

In South Africa, important private initiatives and comprehensive public RTW system are envisaged. For example, private initiatives use a Rehabilitation and Functionality Assessment (RFA) tool in the mining industry. The aims of RFA tool are to optimize fit between worker and his/her current job requirements, efficiently integrating all role-players in RTW, limit the time spent in rehabilitation process and make alternative placement within mine if unable to resume his/her original position. RFA tool is used to assess functional work capacity to perform physical type of work and its standard is to test injured worker against standard of healthy worker. Also it is used for medical and rehabilitative interventions, involving primary health care, occupational health and human resource departments. In comprehensive public RTW system, Compensation Fund of South Africa is taking the lead. Appropriate and enabling institutional framework is being developed within the Compensation Fund and the Department of Labour, in particularly rolling out employment services, job placement and multi-faceted skills (re)training services and links with service providers such as professional bodies, rehabilitation centres and product providers (e.g. assistive devices). Later appropriate pilot and monitoring & evaluation framework are required.

China and Brazil is preparing the disability management programme implementation for which the German social accident insurance is about to provide technical assistance. The programme will be in accordance with the internationally recognized standards of the IDMSC (International Disability Management Standards Council) and its aim is training and subsequent certification of Certified Disability Management Professionals (CDMP). Parallel to the CDMP Programme, the introduction of a company-focused Consensus Based Disability Management Audit (CBDMA) tool is envisaged, serving as an evaluation, corrective, programme monitoring, disability management premium pricing rate setting and conformity assessment tool.

Malaysia introduced return to work programme in EII in 2007. It is trying to make an effort to develop it. South Korea, one of high-income countries in Asia has comprehensive legal framework, supported by an extensive rehabilitation programme. Details are mentioned in next chapter.

14. Examples of return to work programme in EII scheme in AP region

As shown in table 11, many nations have not yet introduced vocational rehabilitation benefits in the legal benefits in their EII scheme. Although we can find rehabilitation benefit or cost in the table, they remain the range of limited medical rehabilitation or cost for prosthetics, etc. Also even if there is return to work programme in the scheme, the RTW-related benefits need to be converted into legal benefits. Otherwise, the RTW programme has a little bit limitation in its sustainability such as affected by financial status in the scheme.

Table 11. Types of EII benefits in selected countries in Asia

Type of EII benefits

Country	Type of benefits
Cambodia	(a)Medical treatment benefit (b)Temporary disablement benefit (c) Nursing benefit (d)Permanent disablement benefit, (e) Constant attendance benefit and (f) Survivors' benefit.
China	(a) Medical benefit (b) Temporary disability benefits (c) Permanent disability benefit (d) Survivors' benefit (e) Funeral benefit
India	(a) Medical benefits (b) Temporary disability benefit (c) Permanent disability benefit (d) Survivors' benefit (e) Funeral benefit
Indonesia	(a) Transport costs (b) Temporary work (c) Medical expenses (d) Disability benefits (e) Death benefit (f) Rehabilitation costs (g) Rehabilitation costs
Laos	(a)Medical care services (b) Temporary disability (c) Permanent disability benefit (d) Caretaker benefit (e) Funeral benefits (f) Survivors' benefits
Malaysia	(a) Medical benefit (b)Temporary disability benefit (c) Permanent Disability benefit (d) Survivors' benefit
Mongolia	(a) Temporary disability benefit (b) Permanent disability benefit (c) Survivor benefit (d) Rehabilitation benefit
Philippine	(a) Temporary disability benefit (b) Permanent disability benefit (c)Permanent partial disability benefit (d) Rehabilitation benefit (e) funeral benefit (f) Death benefit
Thailand	(a)Medical benefit (b) Temporary disability benefits (c) Permanent disability benefits (d) Permanent partial disability benefit (e) survivors' benefit (f) Funeral grant (g) Rehabilitation expenses
Vietnam	(a)Medical benefit (b) Temporary disability benefit (c) Permanent disability benefit (d) survivors' benefit

Source: 1. Social Security Throughout the World: Asia-Pacific, 2008 [37]
2. ILO Social Security Inquiry (SSI) database [38]
3. Country's reports

However, there are some countries which implemented the policy for return to work in Asia and the Pacific region. Here are country examples.

South Korea case

South Korea, has comprehensive legal framework, supported by an extensive rehabilitation programme compared with other countries in the Asia and the Pacific region. On the return to work policy in South Korea, it was described in detail previously in "5.2.1.1 History of development of employment injury scheme in South Korea", "5.2.1.3 Evidence based relation between EII financial

stability and return to work programme" The active rehabilitation programme for return to work started from 2001 after the importance of rehabilitation and return to work clearly stipulated in revision of EII act in 2000 through continuous investment on three rehabilitation areas such as medical, vocational and society rehabilitation even though there had existed rehabilitation programme before.

What is noticeable is that vocational rehabilitation benefits such as vocational training allowance, the training cost, RTW subsidy, work adaptation costs, rehabilitation exercise costs have been converted to legal benefits as of 1 July 2008. It means these benefits had been provided within the available budget before. So the service had depended on the budget availability and had not secured sustainable service delivery to target groups. However from July 2008, the problem was solved. It was stipulated that vocational rehabilitation training cost is provided in kind and vocational training allowance (100% of minimum wage) is provided during the training and subsidy for return to work is provided for employers for maximum 12 months and cost for workplace adaptation training & sport rehabilitation is provided for employers for maximum 3 months.

As a result of continuous policy effort for return to work since 2001, occupationally disabled worker's rate of return to work has increased constantly like 42.3% in 2005, 53.7% in 2008 and 70.4% in 2011. Also, the rate of return to original work has increased like 27.3% in 2005, 34.9% in 2008 and 38.7% in 2011. In addition, the rate of return to decent, secured work such as obtaining beneficiary of employment insurance reached 49% in 2011.

The return to work policy in Korea depends on three pillars. First is medical rehabilitation and related framework such as early intervention, rehabilitation plan, medical treatment and rehabilitation and counselling. Second is vocational rehabilitation which has a triple focus. Employee focuses are vocational training and vocational training allowance (equivalent to minimum wage), assessment and counselling, business start-up support, rehabilitation support. Training institution focus is vocational training costs. Employer focuses are RTW subsidy, work adaptation costs and rehabilitation exercise costs to be paid to an employer who retains, or carries out work adaptation programme for recipients of permanent disability benefits. Third is welfare service such as (high school) scholarship programme for worker with disability, spouse and children, college loan programme, loan services to support injured workers' stable livelihood to be used for medical expenses, funeral expenses and other purposes.

About employment retention for occupationally injured or sick workers, the dismissal of them is prohibited within one month after relevant medical treatment is over in accordance with Labour Standard Act. Also the act on Employment Promotion and Vocational Rehabilitation for the Disabled stipulates that employers with 50 workers or above shall comply with obligatory portion (2.5% in 2012) of hiring disabled persons including occupationally invalid workers. In accordance with workers' compensation insurance act, minister of employment and labour may recommend insurance subscribers to employ those who have received disability benefits or pneumoconiosis compensation annuities for jobs that fit their aptitude. Instead of putting legal obligation on employers to keeping employment of occupationally invalid workers after medical treatment in workers' compensation insurance scheme, the scheme utilize the recommendation measure and economic incentive for employers which is mentioned above. Also partial benefits for temporary

disability was implemented in July, 2008 in order to motivate the injured workers to work even in part time, not full time if their physical conditions allow during medical treatment.

For full details on the RTW service procedure, contents, criteria, etc. please refer to Appendix 1.

Malaysia case[14]

SOCSO, social security organization in Malaysia implements employment injury scheme and provides vocational and physical rehabilitation facilities – FOC and offer related services such as physiotherapy, occupational therapy, reconstructive surgery, artificial limbs for permanent disablement. All costs are paid by SOCSO for example, wheel chair, bed, oxygen concentrator etc.

SOCSO's return to work programme was introduced on the 15 January, 2007 for insured persons suffering from employment injury or claiming to be injured. The return to work progarmme involves a proactive approach taken in helping injured persons with injuries or diseases, opportunities to safe and productive work activities through a bio-psychosocial and multidisciplinary case management approach as soon as it is medically possible or when maximum medical improvement is achieved with a primary focus of minimizing the impact of injuries or disabilities.

SOCSO's RTW programme objectives are to assist insured persons with injuries or diseases to return to work in a safe and fast manner, carry out SOCSO's social responsibility towards employers and employees, create a positive working environment through communication and support for employees with disabilities, reduce and minimize the potential of repetitive accidents at the workplaces, reduce disability duration and cost, increase the productivity of employees with disabilities through total replacement of income, identify job scopes that are appropriate with the employee's functional capacity, retain highly skilled and experienced workers, reduce the disability duration of employees with injuries or diseases, assess insured persons' rehabilitation needs, develop and coordinate the individually tailored rehabilitation programmes, work with insured persons to maximize their participation and employability.

These objectives are expected to be realized through specific methods such as disability management, rehabilitation, job support and placement, vocational training which are explained in detail in Appendix 2.

And the total expenditure for rehabilitation under the return to work programme in SOCSO are as follows; 230,560.56 RM in 2007, 267,377.00 RM in 2008, 747,486.00 RM in 2009 and 1,231,846.00 RM in 2010.

[14] I referred to SOCSO(2011), Return to work programme for working injured persons in Malaysia

15. Conclusion

There is no one-size-fits-all model for effective linkage between prevention and compensation. As we examined previously, scheme type of workers' compensation and what OSH strategies focus on is different according to nations because the difference is based on the cultural, historical, ethnic background, etc. However, the linkage system and its advantage could be found in developed countries' system and some countries in Asia.

For the effective linkage, it is necessary for the country with employer liability scheme only to consider the conversion of its current scheme to public insurance type scheme. Under the employer liability scheme, the injured workers' right for compensation is not secured actually. Also, even though employers should report their workers' occupational accident or disease along with compensation amount to relevant organization, there is more possibility of under-reporting, etc. Thus, through the introduction of EII scheme, the government can access the data of workers' compensation for planning more systemic OSH strategy.

For the sustainability of employment injury insurance, the prevention effort is needed very much. Most of the developed systems of EII allocate some legal portion of EII fund to OSH policies. In Asia, there are few nations which do this with the exception of some countries such as South Korea. In case the system is at the beginning stage, the fund is sufficient so they can consider the investment on OSH for prevention of employment injury through some allocation of EII fund to OSH, which will contribute to the financial sustainability in the long term. The evidence is found in historical development in workers' compensation insurance and its financial sustainability which investment on prevention has contributed to. This consideration is applicable to low income and middle income country in Asia and the Pacific region.

And considering the relation between compensation and prevention, social insurance type of scheme could sustain the prevention policy more than private one. For example, in a competitive market it is even argued that experience rating could strengthen the competition between insurance companies, as they are forced to offer more individual premium rates. However, it becomes difficult for insurers in a competitive market to offer rewards for specific prevention activities, such as training, investment in OSH-friendly equipment or the certification of OSH management systems. Subsidizing these preventive activities can be regarded as an investment by the insurance company, which it hopes will pay off in future years when fewer claims should be received. However, in a competitive system, enterprises are able to change their insurance providers at short notice and an insurance company runs the risk that a subsidized client may change to another, possibly cheaper, competitor, after having enjoyed the incentives and consultancy provided by the original insurer.

In addition, for establishing more balanced system in employment injury scheme, countries in Asia and the Pacific region need to introduce return to work programme. As examined earlier, the concept of return to work is not familiar to developing countries in the region. Also for its implementation, technical expertise and further resource are needed. However, as the evidence of the linkage with OSH and contribution of return to work programme to EII scheme as a whole is suggested in South Korea case, the scheme's financial stability will be established through building Synergetic linkage between OSH, employment injury insurance, return to work in employment injury scheme.

However, establishing return to work programme in EII is not easy in low and middle income countries because of limitation in resource, expertise, infrastructure, public awareness, etc. Considering them, the suggestions can be made as follows[15].

First, the broader context of a developing country always has to be considered when developing return to work interventions and unique approaches may be required. And yet, the essential elements of return to work system need to be present, such as early intervention, assessment, rehabilitation plan, medical and vocational rehabilitation. Bearing in mind the broader context, choices need to be made, such as whether rehabilitation is essentially a public, an employer or a mixed public/private responsibility.

Second, before or at the very early stages of a system in a developing country, investments should be made in training of a cadre of disability/case managers and utilizing an audit tool to understand what changes need to take place at the level of the workplace. Room should be left for a system to develop gradually. Employer involvement and buy-in is crucial. Consulting and involving stakeholders and professional bodies is imperative, also to address misconceptions/negative perceptions.

Third, public awareness has to be raised for people and users of the system to understand the system. Institutional reforms need to be effected, in particular at the level of the lead institution such as workers' compensation fund. A legislative framework which clearly indicates the role and responsibilities, rights and duties of different parties, needs to be in place.

Fourth, best practice examples are of great value. The ILO relevant convention & recommendation and the UN Disability Convention provide important direction. The ISSA Guidelines on Return to Work, being developed in partnership with RI (Rehabilitation International) and the IDMSC (International Disability Management Standard Council) will be of considerable assistance. Even where a system has been established and operational for some time, higher levels of provision, support and protection should be considered.

[15] I referred to Marius Oliver(2012), Return-to-Work: A developing country perspective in most part

APPENDIX 1.

Rehabilitation & Welfare Programs in EII in South Korea[16]

Chapter 1. Rehabilitation Programs for Injured Workers

1. Rehabilitation Consulting Program

1) Definition

◦ Rehabilitation consulting program refers to a program to help injured workers successfully return to work and maintain a normal social life through appropriate return-to-work services (e.g. return-to-work consulting, job training, job search, business start-ups, etc.) and return-to-society services (i.e., psychological consulting, social adaptation programs, rehabilitation sports supports and other programs combined with community resources), which supports would contribute to the elimination of their psychological concerns about returning to work and normal social lives by encouraging them to actively participate in rehabilitations, analyzing various rehabilitation approaches to establish individual return to work plans, and carrying out case management based on individual rehabilitation plans.

2) Procedure

Occurrence of an industrial accident → paying a consolation visit → providing initial and basic psychological consulting → analyzing rehabilitation approaches → choosing case manager → occupation evaluation → establishing case management plans → providing lots of rehabilitation services including return-to-work (or return-to-society) programs → returning to work or to society → follow-up services (to help him/her maintain employment)

3) Coverage : all injured workers

4) Contact

Case manager of a regional headquarter or branch office (of the COMWEL) with jurisdiction

2. Job Training Support Program

Financial supports to provide various opportunities for job training are available to an injured worker who attends job training centers (including private job training centers).

※ Since February, 1998, this program continued until occupational rehabilitation benefits introduced in July 1, 2008 (in accordance with the so called Tripartite Agreement in December 13, 2006) was combined with the program.

1) Coverage

◦ Disability 1 to 9 & less than 60 years old at the time of claiming for this program

※ Since 2010, coverage will be extended to Disability Grade 1 to 12

◦ Unemployed (pursuant to Article 58 (Scope of Employment) of the Enforcement Regulations

◦ Not participating in another job training

◦ An occupational rehabilitation plan shall be made.

※ Those who have disability corresponding to Disability Grade 10 to 12: separately supported as part of budgetary programs

Injured workers under 60 years of age who are unemployed as of the application date

[16] I referred to Korea Workers' Compensation and Welfare Service(2010). COMWEL(Korea Workers' Compensation and Welfare Service) Service Guide. The mentioned contents, criteria, service procedure, etc. are effective ones in 2010.

2) Claim for job training

◦ Procedure

Receiving a claim for job training program → determining eligibility → vocational evaluation & checking whether an occupational rehabilitation plan is made → surveying the status of job training centers & entering into a contract → selecting job trainee → giving a notice of job training

◦ Deadline & number of times

- Up to two times within one year since the day when disability grade has been determined

3) Job training expenses

◦ Scope

- Expenses for curricula (e.g. tuition, material expenses, etc.) based on a contract entered into between the COMWEL and a job training center (within the amount of job training expenses officially announced by the Minister of Employment & Labor)

※ Amount officially announced by the Minister of Employment & Labor: KRW 6 millions

- Job training period for which job training expenses are supported: up to 12 months

4) Job training allowances

◦ Amount corresponding to the daily amount of minimum standard wages

- Job training allowances are paid only if the percentage of attendance is 80% or higher; however, they're differentially paid according to job training hours or period.

- Daily amount of minimum standard wages as of 2010: KRW 32,880 (KRW 4,110 per hour)

※ The daily amount of job training allowances for disabled workers with Disability Grade 10 to 12 shall be limited to 50% of that of minimum standard wages.

◦ If the add-ups of the daily amount of permanent disability benefits in annuity and that of job training allowances a disabled worker receives exceed 70% of that of average wages used to assess the said amount of permanent disability benefits in annuity, the amount of job training allowance corresponding to the said excess is not paid.

5) Types of occupation & job training curricula

◦ Types of occupations in conjunction with qualifications pursuant to the National Technical Qualification Act or the Basic Qualification Act

◦ All curricula acknowledged as working capacity development training ones in accordance with the Working Capacity Development Act; however, the following is excluded:

- General education, formal school education for an academic degree (e.g. two-year college course), courses for acquiring driver's license in accordance with the Road Traffic Act (however, courses for acquiring special types of driver's licenses (e.g. Class I (Large Type), Construction Machinery, Special Vehicles) are excluded.), foreign language course, art education, physical education (e.g. Taegweondo), etc.

6) Job training facilities

◦ Working capacity development training facilities in accordance with the Working Capacity Development Act

◦ Academic facilities in accordance with the Act on the Establishment & Operation of Academic Facilities and Extracurricular Education

◦ Lifelong education institutes in accordance with the Lifelong Education Act

◦ Job training facilities operated by the Korea Employment Agency for the Disabled in accordance with the Act on Employment Promotion and Occupational Rehabilitation for the Disabled

◦ Technical colleges established in accordance with the Technical College Act

◦ Other job training facilities in accordance with related laws

7) Contact: Case manager of a regional headquarter or branch office (of the COMWEL) with jurisdiction

3. Subsidies for Return-to-Work, etc.

The purpose of subsidies for return-to-work, etc. is to minimize social costs spent on occupationally-disabled workers' re-employment, facilitate their return-to-society and secure a stable working life to them by promoting their return to works they used to engage in before the occurrence of an industrial accident.

A. Subsidies for Return-to-Work

1) Coverage

◦ Employers who maintain the re-employment of disabled workers with Disability Grade 1 to 9 (the employer used to use before the occurrence of an industrial accident) for 6 months or longer after the workers have completed medical treatment

※ "6 months or longer" includes the period for which employment relations aren't discontinued (including temporary retirement period, sick leave period, additional medical care period, etc.).

2) Support period & limit

◦ Support period: up to 12 months

◦ Support limit: amount officially announced by the Minister of Employment & Labor

- Disability Grade 1 to 3: KRW 0.6 million per month
- Disability Grade 4 to 9: KRW 0.45 million per month

3) Amount

◦ Amount of wages actually paid by an employer within the following amount:

((Amount limits officially announced by the Minister of Employment & Labor as above)/(number of days of an applicable month))*number of days of eligibility

4) Payment method

◦ Monthly claimed for & paid after an injured worker's return to works

- If an employer doesn't the re-employment of a disabled worker for 6 months or longer, the whole amount of subsidies already paid shall be restituted; however, a case where he/she voluntarily retires is excluded.

5) Limitations on payment

◦ Case where an employer employs a disabled worker in accordance with his/her obligation to do so pursuant to Article 28 of the Act on Employment Promotion and Occupational Rehabilitation for the Disabled;

◦ Case where an employer is supported in accordance with Article 23 of the Employment Insurance Act;

◦ Case where an employer is supported in accordance with Article 30 of the Act on Employment Promotion and Occupational Rehabilitation for the Disabled;

◦ Case where an employer is granted supports corresponding to the amount of subsidies for return to works in accordance with other relevant laws; or

◦ Case where an employer dismiss a disabled worker or any other disabled one in accordance with the Act on Employment Promotion and Occupational Rehabilitation for the Disabled for the period ranging from 3 months before a new disabled worker whose employment is required to receive subsidies for return-to-work has returned to works to 6 months after the new disabled worker's return to works

B. Job adaptation training & rehabilitation sports expenses

1) Coverage

◦ Employers who maintain the re-employment of disabled workers with Disability Grade 1 to 9 (the employer used to use before the occurrence of an industrial accident) for 6 months or longer after the workers have completed medical treatment and offer them job adaptation training programs for a successful return to works (or a transfer to other jobs) or rehabilitation sports programs within 6 months after the said completion of medical treatment

2) Support period & limit

◦ Support period: up to 3 months

◦ Support limit: amount officially announced by the Minister of Employment & Labor

- Job adaptation training expenses: up to KRW 0.45 million per month
- Rehabilitation sports expenses: KRW 0.15 million per month

3) Amount

◦ Amount of wages actually paid by an employer within the amount officially announced by the Minister of Employment & Labor

4) Scope

◦ Job adaptation training internally operated by a workplace of its own or provided by an external entrusted agency

◦ Rehabilitation sports program internally operated by a workplace of its own or provided by an external entrusted agency

5) Limitations on payment

◦ Case where an employer is supported in accordance with Articles 27 & 32 of the Employment Insurance Act;

◦ Case where an employer is supported in accordance with the clause 20.1 of the Working Capacity Development Act; or

◦ Case where an employer is granted supports corresponding to the amount of job adaptation training & rehabilitation sports expenses in accordance with other relevant laws

4. Business Start-Up Support Program

The COMWEL offers injured workers wanting to start up a business loan services with lower interests so that they may rent a workplace in the area where they like to start up a business, which supports would help them secure a ground for self-sustainability. On top of that, free consulting services for business success are also supported.

1) Coverage

◦ Those who have completed job training courses at the Ansan Rehabilitation Training Center or the Gwangju Rehabilitation Training Center:

- Shall have completed required job training courses at the center on and after March 1, 1997; and

- Shall have completed 80% of job training courses or shall have obtained a certificate of qualification related to engineering services after completing 60% of job training courses.

◦ Those who have completed job training courses financially supported on and after March 1, 1998 (excluding job training courses falling short of a month or driving courses)

◦ Those who have obtained a certificate of qualification under the National Technical Qualification Act and/or the Basic Qualification Act

◦ Those eligible for Permanent Disability Benefits due to pneumoconiosis under the WCI Act

◦ Those who have completed job training courses from a job training center in accordance with other relevant laws

◦ Those who want to start up a business that have engaged in the same type of business for 2 years or longer

※ This program is provided only to claimants who would start up a business related to job training courses they have completed; however, injured workers with pneumoconiosis are excluded.

※ This program may not be applicable to those who are minors or over 60 years of age as of the day when a claim for this program is received.

2) Supports

◦ Renting an establishment with a deposit amounting up to KRW 100 millions

- Establishment with a deposit plus monthly rent: limited to KRW 1.5 million per month (however, monthly rent shall be borne by a claimant.)

※ Those who have used or currently use loan services supported by the COMWEL for an unemployed worker to maintain his/her livelihood or operate his/her business, or establishment rental program operated by the COMWEL, or who have received or currently use loan services supported by the Korea Employment Agency for the Disabled ("KEAD") for disabled persons to operated their own business, or establishment rental program operated by the KEDA shall be excluded.

- Establishment to leasehold right can be created and for which a deposit a claimant has a second-to-none claim for can be reimbursed

◦ Interest rate: 3% (paid in equal installments on a monthly basis)

◦ Support period: up to 5 years at intervals of one year (or two years) in rental period

◦ Loan services for stable livelihood and business operation

- Limited to KRW 10 millions

- Terms & conditions: 3% in annual interests (payable in 3-year installments following 2-year grace period)

3) Procedure

◦ Submitting a claim for establishment rental program → Determining whether a claimant is eligible → Selecting an establishment where the claimant will start up a business → providing consulting services & giving an appraisal → Entering into a rental or lease contract → Paying a deposit → Creating a leasehold right → Starting the business & giving follow-up services (e.g. management consulting)

※ Period for claiming for this program: 4 times per year (scheduled in February, April, July, September)

◦ Documentary requirements:

- Written claim for the program, business plan (possible to submit or supplement after receipt of consulting services related to business start-up), resident registration, building & land register and other documentary evidences (e.g. certificates evidencing the completion of job training courses about business start-up, certificates of experience in business, certificates of qualification, etc.)

4) Business consulting services for claimant for establishment rent program

◦ Providing business consulting services 4 times in total (one time immediately before or after business start-up & three times while operating a business)

5) Contact: Case manager of a regional headquarter (Welfare Dept.) or branch office (Welfare Administration Team) of the COMWEL with jurisdiction

5. Rehabilitation Sports Support Program

The purpose of this program is to improve injured workers' ability to return to a normal working and social life as soon as possible, restore their working capability and confidence in them which have shrunk due to disability as such and prevent a secondary disability by giving them financial supports for proper rehabilitation sports.

1) Coverage

◦ Injured workers under 60 years of age who has one of the following disabilities within 3 month after completion of his medical treatments:

- Functional disorders in one or more of three main joints of arms or legs;
- Deformations, functional disorders or nerve disorders in spine;
- Muscular or nervous disorders in arms or legs (including disorders caused by a brain or spinal cord injury) with Disability Grade 12 or higher

※ This provision may not be applicable to injured workers currently employed.

2) Types of rehabilitation sports supportable

◦ Shall select one of the following: swimming, aquarobics, health fitness, table tennis, aerobics, pilates, or yoga

3) Scope of supports

◦ Fees for using sports facilities or for sports training are paid up to KRW 100,000 a month for three months

◦ Fees supported as above will be monthly paid to applicable sports facilities in advance; however, if the fees for using sports facilities exceed KRW 100,000, the injured workers shall be responsible for an amount exceeding KRW 100,000.

4) Procedure

◦ Receiving a claim for rehabilitation sports support program → Referring the claimant to related professionals to determine his/her eligibility → Searching a proper sports facility to enter into a contract → Deciding whether to accept the claim → Notifying the decision

5) Contact: case manager of a regional headquarter or branch office (of the COMWEL) with jurisdiction

6. Medical Rehabilitation Support Program

To encourage medical institutions to create and operate programs for hobby activities suitable for long-term inpatients with occupational diseases including pneumoconiosis, the COMWEL supports the institutions with costs spent on materials needed for the program to ultimately improve their

emotional and psychological stability and enhance their social capabilities to return to a normal social life.

1) Coverage

◦ Medical institutions with a monthly average of more than 10 inpatients with progressive occupational diseases (special occupational diseases) including pneumoconiosis

2) Scope of supports

◦ Material costs spent in operating hobby activities and fees for instructors shall be paid up to KRW 35,000 a month per person; however, a beneficiary shall attend such program more than 60% of a month.)

3) Support period

◦ From the month of joining hobby activities to the month of stopping them

4) Procedure

◦ Establishing hobby activity programs → reporting the establishment of hobby activity programs & submitting an agreement on medical rehabilitation supports → operating the programs → claiming for medical rehabilitation supports to the COMWEL → Paying the amount claimed for

5) Contact: case manager of a regional headquarter or branch office (of the COMWEL) with jurisdiction

7. Social Adaptation Program

The COMWEL provides injured workers with social adaptation program that improve self-management capacity to adapt themselves to communities, and job adaptation training program serving as an intermediate step towards their return to work or starting up a business by entrusting professional agencies to operate the programs in order to cause the injured workers to obtain their own physical, mental and social independence.

1) Operation

◦ Entrusting professional agencies to operate this program

2) Coverage

◦ Inpatients or outpatients with work-related injuries or diseases who are under medical care or whose medical treatments are expected to be finished; and

◦ Those with permanent disability corresponding to Disability Grade 1-14

※ A beneficiary may not allowed to repeatedly receive programs operated by the same provider.

3) Services

◦ Job consulting, occupational evaluation, job adaptation training, job placement (or business start-up supports) & follow-up, and any other programs combined with community resources to secure injured workers' economical stability and occupational rehabilitation

◦ Social adaptation programs for severely injured workers that improve self-management capacity to adapt to a normal social life for physical, mental and social independence

◦ Job adaptation programs provided by employers so that injured workers may prepare for their return to works they used to engage in before the occurrence of an accident, or alternative works

4) Criteria & methods for screening qualifications for a service provider

◦ Upon its receipt of a proposal from a service provider, the COMWEL shall evaluate it for its ability to operate the proposed social adaptation programs including their needs and effectiveness, and the appropriateness of budget supports.

◦ Screening process includes qualification screening, documentary screening, facility visits, interviewing, etc.

◦ To promote the objectivity and fairness of screening process, the COMWEL may organize a screening commission which consists of not more than 5 members including the Ministry of Employment & Labor, individuals from academic groups, experts related to education & training professionals, and the COMWEL.

◦ The screen commission may adjust details on and budgets of the program if needed to effectively achieve its goal. ◦

◦ The COMWEL shall notify the service provider of the result of screening the proposed social adaptation program.

5) Procedure

◦ Selecting an agency that the COMWEL will entrust to operate this program → entering into an agreement → raising beneficiaries → obtaining a prior written approval (no later than 10 days before the proposed program) → supporting service expenses (80% in advance) → reporting the performance of the program & the settlement of service expenses (within 15 days after completion of the program) → settlement method (an adjusted amount of service expenses shall be calculated by multiplying costs per beneficiary by the number of beneficiaries.)

8. Working Capacity Build-Up Program

The purpose of this program is to help injured workers recover a control over life for themselves and facilitate & improve their return to works and integration into society through operating a program to build up working capacity based on their sociopsychological characteristics (e.g. anxiety, depression, low self-esteem, etc.).

1) Operation

◦ Collective program directly operated by the COMWEL

2) Coverage & scope

◦ Injured workers who are judged to need this program during case management

◦ Injured workers engaging in rehabilitation program who are judged to need this program

◦ Injured worker referred to for this program as through case management meeting

◦ Other injured workers who are judged to need or want to participate in this program

◦ Case management workers are selected after they have been given worker-specific services, program guide, prior counseling services, etc.

3) Program

(1) Program name: Find Hope - We Can (program host: Hoppie)

(2) Overview: collective program for injured workers under medical care or after the completion of medical care (10-sessions/8-session/5-session programs)

(3) Contents: "Open Your Heart," "Learn Communication Skills," etc.

9. Sequela Follow-up Program

1) Purpose

The COMWEL provides injured workers who have received permanent disability benefits and currently suffer from or may suffer from sequelae with easy access to medical treatments to allow them to concentrate on rehabilitations for restoring working capabilities and returning to work and society without being anxious about the reoccurrence or lapse of injuries or diseases.

2) Coverage

◦ Those who have received permanent disability benefits and currently require the medical treatment of sequelae.

3) 14 types of sequelae

1. Eye injury: Work-related disability

2. 3rd degree burns or skin grafting: Work-related disability

3. Head injury: Disability Grade 1 to 9

4. Cerebrovascular disease: Disability Grade 1 to 9

5. Spinal cord & cauda equina injury: Disability Grade 1 to 9

6. Steady nervous disorder (resulting from dendritic injury): Disability Grade 1 to 12

7. Thoracoabdominal organ injury: Work-related disability

8. Pneumoconiosis: Work-related disability

9. Urological disability: Work-related disability

10. Spinal disability: Disability Grade 1 to 10

11. Inflammatory complication (e.g. chronic osteomyelitis): Disability Grade 1 to 12

12. Joint injury or fracture: Disability Grade 1 to 12

13. Insertion of artificial joint or head: Disability Grade 1 to 8

14. Simple treatments for setting a rehabilitation aid : claimant to whom a rehabilitation aid is granted for the first time

4) Procedure

◦ Claiming for permanent disability benefits (a separate claim for sequelae isn't required) → deciding a need for the medical treatments of sequelae, along with their disability grade → issuing sequela service card → presenting the card to receive medical treatments at a WCI medical institution → presenting the card to get medications at a pharmacy

◦ Claiming for issuing sequela service card → deciding a need for the medical treatments of sequelae → issuing sequela service card → presenting the card to receive medical treatments at a WCI institution → presenting the card to get medications at a pharmacy

※ As this program is carried out as part of welfare services (rehabilitation services), not WCI benefits, temporary disability benefits or transportation expenses may not be covered by this program.

5) Scope of treatments

- Medical examinations/treatment or medication;

- Those who are given medical treatments in accordance with this program shall be basically outpatients; however, for the medical treatment or close examination of minor complications, hospitalization may be allowed on the condition that its period shall be limited to a week, if necessary. 3 months of hospitalization in total are annually available for the sequelae followed by pneumoconiosis including pneumonia, lung abscess and mycotic pulmonary infections. Non-work-related diseases (e.g. hypertension, diabetes, etc.) may not be included in coverage.

Chapter 2. Welfare Programs for Injured Workers

1. Scholarship Program

1) Coverage

◦ Injured workers who died of a work-related injury or disease as of the date of submission of a claim; who have received injury-disease compensation annuity; who correspond to Disability Grade 1-7; or who have been intoxicated by carbon disulfide so that medical treatments for 5 years or longer may be required, including their spouse and children

① Those who attend or will enter a high school accredited by the Minister of Education

※ The program may not be applicable to middle school students since middle school courses have become compulsory; however, those having currently received scholarships shall be excluded.

2) Scope

◦ High school: regular school fees annually paid (including entrance fees, tuition fees and other school supporting fees)

3) Payment period

From the day a claimant is selected to the one he/she graduates from a high school

4) Payment method

Electronically transferred to a bank account designated by an applicable school on a quarterly basis

5) Claim for supports

◦ Claim period: annually announced (around January)

◦ Claim forms are issued and received by a regional headquarter (Welfare Dept.) or branch office (Welfare Administration Team) of the COMWEL with jurisdiction

◦ Documentary requirements: a claim for scholarship for injured workers & children, a copy of resident registration, and a copy of family register

6) Criteria for selection

◦ Number of beneficiaries: selected within budgets appropriated for this scholarship program

◦ Scholarship priority

① Injured workers

② Children of a worker who has died of a work-related injury or disease

③ Children of an injured worker with a higher disability grade or invalidity grade

④ Children of a worker intoxicated by carbon disulfide who has been under medical care for 5 years or longer

⑤ Spouse of an injured worker with a higher disability grade or invalidity grade

⑥ Spouse of a worker intoxicated by carbon disulfide who has been under medical care for 5 years or longer

※ This program is subject to a change according to the scale of scholarship budgets and program schedule.

2. College Loan Program

1) Coverage

Any of the following who attend a college (however, the number of eligible persons is determined within the amount of loan budgets based on prescribed priority)

Spouse & children of an injured worker who has died; beneficiaries of injury-disease compensation annuity (including their spouse and children); injured workers with Disability Grade 1 to 9 (including their spouse and children); injured workers intoxicated by carbon disulfide so that medical treatments for 5 years or longer may be required (including their spouse and children)

2) Covered college

Colleges under Article 2 of the Higher Education Act (e.g. universities, teacher's colleges, 2-year colleges, air & correspondence, open colleges, technical colleges, industrial colleges, etc.)

※ Cyber universities, educational institutions & graduate schools(operating a credit bank system), foreign colleges & universities, etc. under the Lifelong Education Act shall be excluded.

3) Terms & conditions for loan services

◦ Loan amount: tuition fees actually paid per person every semester (numeric digits less than KRW 100,000 shall be rounded.)

◦ Loan period

- Grace Period: from loan service day to the year after graduation (1% per annum)

※ A person enlisted in the army can apply for the extension of loan period up to 3 years based on the period of active services within a month before the grace period ends.

- Reimbursement period: 4-year reimbursement of principals in equal installments (3% per annum)

4) Application for loan services

◦ Application period: school expenses for the first semester (February) & the second semester (August)

◦ Application forms are issued and received by a regional headquarter (Welfare Dept.) or branch office (Welfare Administration Team) of the COMWEL with jurisdiction

◦ Documentary requirements: an application for college loans, a receipt for or notice of tuition fees, a copy of resident registration, and a copy of family register, and a written promise (the prior submission of a notice of tuition fees shall be made.)

※ This program is subject to a change depending on loan budgets and program schedule.

3. Loan Services for Injured Worker’s Stable Livelihood

1) Coverage

◦ Of workers with a work-related injury or disease as of the date of applying for these loan services, their survivors, beneficiaries of injury-disease compensation annuity, or injured workers with Disability Grade 1-9 or who are eligible for establishment rental program shall be covered; however, those who are 70 years old or above as of the day when the said claim is received or who are registered as credit defaulter shall be excluded.

2) Terms & conditions for loan services

◦ Loan uses: medical expenses, wedding expenses, funeral expenses, business operation expenses, expenses spent in purchasing vehicles, and moving expenses

◦ Loan limit: KRW 10 millions per household (credit loan services)

- Medical expenses, wedding expense or funeral expenses: KRW 7 millions

- Expenses spent in purchasing vehicles, moving expenses or business operation expenses: KRW 10 millions

※ These loan services can be applied for together with college loan services within KRW 10 millions per household.

◦ Interest rate: 3% per annum

◦ Loan period: up to 5 years

◦ Reimbursement method: 3-year reimbursement in equal installments following 2-year grace period

3) Application for loan services

◦ Application period: January 10 to November 30

◦ Application forms are issued and received by a regional headquarter (Welfare Dept.) or branch office (Welfare Administration Team) of the COMWEL with jurisdiction

◦ Documentary requirements:

- Common: Application for Loan for Injured Worker's Stable Livelihood, and a copy of resident registration

- Additional documents required by each type of loan: in accordance with loan service plan for the year

※ This program is subject to a change depending on loan budgets and program schedule.

APPENDIX 2.

Return to work (RTW) programme of EII in Malaysia[17]

1. DISABILITY MANAGEMENT

The RTW programme, using the disability management concept is an enhanced rehabilitation benefit delivery programme provided under Section 57 of the Employees' Social Security Act 1969 which states SOCSO may provide physical and vocational rehabilitation facility to the eligible contributors.

The disability manager or case manager, is the most crucial element in this programme. Dutifully assigned as the focal point between the insured person and various stakeholders, they are directly involved in outlining and planning a suitable rehabilitation plan while monitoring the rehabilitation progress until the employee makes a fast and safe come back to the working world.

Two equally important concepts which are applied by the disability manger/case manager in order to ensure the RTW programme's success are the "biopsycosocial" and "multidisciplinary" approach.

SOCSO Malaysia uses the case management approach as a framework to success of the return to work Program. This approach requires the case managers or disability managers to conduct a comprehensive and completed assessment of the insured person's ability and limitations whereby the rehabilitation plan will be designed based on the goal of increasing the insured person's ability and increasing the functional capacity of the insured person so that they can obtain a suitable job

Case management requires the ability to know when and how to implement decisions and assessment and strategy recommendations including purchasing of suitable and appropriate rehabilitation equipment that will support the insured Persons goal in returning to work. In this respect, SOCSO's case managers have primary professional and financial accountability to the Insured Persons and various stakeholders.

1.1 Disability management work process

The RTW rehabilitation process involves various levels of discipline and it differs between one individual and another depending on the type of injury, disease and various circumstances. Each referred cases will undergo an evaluation screening process to determine the insured person's problem followed by arranging the appropriate scope of rehabilitation services. Monitoring and total evaluation will also be conducted, ensuring all rehabilitation arrangement is well executed according to the objective of returning to work. The details of RTW processes are described in the below chart.

< The Process of Return to Work >

(1) Referral ➔ (2) Initial Assessment ➔ (3) Planning and Implementation of Rehabilitation Programmes ➔ (4) Monitoring ➔ (5) Return to Work

1.1.1 Referral process

The first step of the disability management process starts with the referral processes whereby cases will be referred from various sources including SOCSO's Medical Board/Appellate Board and the

[17] I referred to SOCSO(2011), Return to work programme for working injured persons in Malaysia.

Special Appellate Medical Board, doctors and employers following which these cases will be screened by the case managers if the following criteria are met:

- Insured person with employment injury and is receiving temporary disablement benefits
- Insured person who has applied for permanent disablement benefits and has been referred for the RTW programme by the medical board
- Insured person aged below 50 and has been certified not invalid and has been referred for the RTW programme by the medical board
- Insured person aged below 40 who has been certified invalid but is still interested in return to work

1.1.2 Initial Assessment

Following the referral process, the case manager will conduct an initial assessment which is a very important process in the rehabilitation programme. This assessment is the process of meeting with the insured person with the intention of conducting a holistic assessment to gain an understanding of the insured person's situation, including their medical, physical, psychological, intellectual, social, cultural and vocational circumstances. Components of the holistic assessment may include:

- An assessment of the impact of the disability, injury or health condition on the insured person's life
- Insured person's goals in relation to finding a job
- An assessment of the insured person's readiness to return to work
- An assessment of insured person's abilities and skills
- An assessment of the economic and environmental factors that may affect the insured person's ability to participate actively in a vocational rehabilitation programme

1.1.3 Planning and implementation of rehabilitation programmes

In the planning stage, every step taken must be based on the strength and the individual attributes of the insured person that can lead to the attainment of the rehabilitation goal. A good planning will identify any of the insured person's barriers in achieving the rehabilitation goal whereby the rehabilitation plan will include strategies to address those barriers.

In the rehabilitation programme, a plan which is like contract between the case manager and the insured person is drawn to ensure that there is a direction for the rehabilitation goal of the insured person. Each plan must be realistic and will have the following components:

- The overall goals
- Specific objective
- Strategies, activities and services to be provided to achieve the insured person return to work goals
- Responsibilities of each party involved in the management of disability
- Time frame to achieve the designed goals

1.1.4 Monitoring

The monitoring process is a continuous process throughout the programme to ensure that the programme focuses on supporting the insured persons to achieve their rehabilitation goal which was drawn during the initial phase of the programme. The monitoring is also done on the rehabilitation plan to ensure that all plans are being implemented accordingly and to identify if there should be any changes in the plans made based on the circumstances.

1.1.5 Return to work

Each case handled will be evaluated as a success when the insured person successfully returns to work in a fast and safe manner. Once the insured person has returned to work following the rehabilitation programme, further monitoring and coordination are done for a minimum of six months to ensure that the insured person retains at work. The success of an insured person's return to work can be categorized by following hierarchy:

- Same job same employer
- Similar job same employer
- Different job same employer
- Same job different employer
- Similar job different employer
- Different job different employer
- Self employed

2. Rehabilitation

Section 57 (1) Employees' Social Security Act 1969 states that an organization may provide physical and vocational rehabilitation facility for free to the insured persons who have or claimed to have disability, where as Regulation 74 (2) Employees' Social Security (General) Regulations 1971 further acknowledges that an organization has the right to instruct the insured persons to attend any courses related to physical and vocational rehabilitation conducted by any accredited foundation associated with the government, local authority body, public or private body.

In concurrent with the provision under the Section 57 (1) of the Employees' Social Security Act 1969 and Regulation 74 (2) of the Employees' Social Security (General) Regulation 1971, PERKESO in its effort to provide rehabilitation services has appointed rehabilitation service providers to provide physical and vocational rehabilitation facility to insured persons suffering from disability due to employment injuries and diseases.

The appointment of these rehabilitation service providers by PERKESO will enhance the quality and benefit of rehabilitative care to the insured persons in line with the early intervention concept, a important ingredient of a fast and safe return to work. In January, 2012, the number of the rehabilitation service provider appointed by PERKESO is 36.

3. Job support and placement

The job placement and support unit is an important unit to provide job placement facilities for insured persons with injuries and disease who are unable to return to work to the 'same employer' hierarchy. Following are some of the job placement unit functions.

< Job placement process >

(1)Receive case ➔ (2) Job Placement Evaluation Session ➔ (3) Job Support Plan ➔ (4) Job Search ➔ (5) Job Canvassing ➔ (6) Interview Session ➔ (7) Job Coaching ➔ (8) Monitoring ➔ (9) Case Closed

Following the referral of a case which requires job placement from the case manager, the job placement officers will first conduct job placement assessments and vocational assessment to identify the insured persons' vocational interest, limitations, capacities, qualifications and skills. This

is to enable the job placement officers to perform 'job matching' to match the insured persons' functional capacity and work demands/scope as requested by the employer.

In the Job support plan phase, the job placement officer will then draw an employment support plan with the insured persons to identify the insured persons' goal and subsequent activities to achieve the desired goal. Activities will include further meetings with the job placement officer to create resumes, attend interviews, etc.

Once the support plan has been designed, the job search process begins whereby the job placement officer will source the job opportunities using various sources such as the newspapers, internet and through existing employer relationships.

After the job search has been done using the traditional job sourcing mediums and there are no suitable jobs for the insured person, the job placement officer will conduct a job canvassing activity whereby job canvassing, a job placement strategy which is door to door job search activity done in the hidden job market. The hidden job market is a term used for employers which don't advertise their vacancies in the traditional medium.

Once a job opportunity is secured, the job placement officer will organize for an interview session with the employers. In some cases, the placement officer will accompany the insured person attending the interview to provide explanation on the injured person's limitation and abilities. The case managers will also be notified during this process so that motivation and support is provided to the insured person attending the interview.

For cases which require further support such as cases with poor cognitive function in particular, job coaching is provided. Job coach is a method which can assist insured persons in this category to be trained in a systematic manner to perform the job requirements at the workplace. This system supports both the insured persons and the employer.

Once the insured person has been successfully appointed by the organization, the case is referred back to the case manager for further management and monitoring.

For employers who employ insured persons with an OKU status, the government, as a collaborative effort to enhance human capital development and further develop Malaysians into a caring community, has designated the OKU Act 2009 which requires the government organizations to employ at least 1 % of employees with OKU status while encouraging the private sectors to follow suit. In line with this act, the government made several incentives for employers as follows.

< Employer's benefit in employing ORANG KURANG UPAYA (OKU) >

LEGISLATATION	FOCUS
Income Tax Act 1967 (amended) PU (A) 73 Section 24 – 6 (e)	Employers who hire PWDs are entitled to claim double tax deductions. For example, if an employer pays a disabled employee an annual income of RM 10,000.00, she or he is eligible for a RM 20,000 deduction. Employers are further entitled to claim for expenditure incurred on the provision of any equipment / facilities necessary to assist disabled employees in the performance of their duties.
Income Tax Act 1967 (amended) PU (A) 61	A company is allowed a double deduction for expenditure incurred in training any disabled person who is not an employee of the company with the aim of enhancing the person's employment prospects, under: A training programme conducted in Malaysia approved by the Ministry of Finance; or A training programme conducted by a training institution

Sales Tax Act 1972	Assistive devices or supporting equipment that are classified as medical or educational equipment are exempted from sales tax

4. Vocational retraining

For insured persons who have tried securing jobs in the open job market but did not succeed, vocational retraining may be provided to enable them to be re-trained in a different skill whith the objective of giving them the opportunity to either be placed in a different job with the new sill acquired or to be self-employed. However, the following are the criteria to receive the benefits:

- Upon evaluation and recommendation by the disability / case manager
- Upon recommendation by the treating specialist based on the mental and physical capacity of the insured person
- The provided training clearly benefits and motivates the participants to return to work
- There is a demand by the labour/product market for the specific requested vocational specialization
- If it is a part of the vocational goal as stated in the rehabilitation plan made in an effort for the participant to return or retrain in their line of work
- The vocational training is provided by an accredited training provider and registered with Suruhanjaya Sysrikat Malaysia (SSM)
- Should the insured person did not succeed to secure a job through the job placement & support unit in six months of the job placement process
- Participant must be motivated to return or to be retrained in their designated field of work based on evaluation and suggestion by a disability manager
- Participant is incapable to return to their former field of work prior to the injury or disease

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