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Good Practices in Social Security

Good practice in operation since: 2010

Economic incentives for companies that improve health and safety at work

A case of the National Employment Accident Insurance Institute

Winner, ISSA Good Practice Award – Europe competition 2013

National Employment Accident Insurance Institute
Italy

Summary

The National Employment Accident Insurance Institute (Istituto Nazionale per l'Assicurazione contro gli Infortuni sul Lavoro (INAIL)) funding system for companies that invest in health and safety at work has been completely revised since December 2010.

The new system, now in its third edition with the notice published in December 2012, foresees the co-funding by INAIL, up to 50 per cent, of investments made by companies for structural interventions (e.g. factory renovations, buying machinery) or adoption of organizational models of safety management or social responsibility, aimed at improving health and safety levels, beyond the ones prescribed by law.

Companies submit their projects by an online procedure: the first step in which the user fills in the form which is automatically evaluated by the computer system on the basis of fixed objective criteria; in the second step funding is granted, by chronological order, to companies who have passed the first step.

Interventions can be made after the form submission (not later than one year from admission) and funds are paid after INAIL has checked the project documentation sent by certified electronic mail.

CRITERIA 1

What was the issue/problem/challenge addressed by your good practice?

Accidents at work and occupational diseases have not only a human cost, but are also a financial burden for employees, companies and the social security system. The development of preventive measures leads to a reduction in direct and indirect costs related to accidents at work. Besides its social effects, a systematic management of safety at work is, therefore, an investment at the economic level.

The incentives project not only places financial resources at companies' disposal, but is intended to stress the benefits of investment in prevention and to enhance companies' social responsibility. So the project has been illustrated through communication campaigns, which were first aimed at informing and assisting companies to participate in the tender and then to stimulate companies to act pro-actively for safety.

CRITERIA 2

What were the main objectives and the expected outcomes?

INAIL has created an administrative, organizational and computer procedure, based on an objective evaluation system, related to predetermined criteria (aimed at rewarding projects of small and medium-sized enterprises): in this way, companies can obtain funds swiftly and carry out their projects quickly.

In addition to the investment in prevention, INAIL's purpose is to show the benefits of investments for companies and for the country in the medium and long-term.

In addition, the system is intended to stimulate small and medium-sized enterprises to carry out projects and safety management models. An important indirect effect has been creating virtuous circles in the system of relations with stakeholders.

CRITERIA 3

What is the innovative approach/strategy followed to achieve the objectives?

The innovative approach is mainly related to the procedure of evaluation and granting of funds.

Evaluation criteria, in the first step of the procedure, consist of a set of points automatically assigned by the system to fixed features of the company or the project, referring to: company size, activity risk factors, number of people involved, aims and effectiveness of the intervention, involvement of social partners and adoption of good practices.

The second step – funds are granted on a chronological basis – allows a quick determination of projects which have reached the prequalification stage.

Through this system, an objective and quick evaluation, without the delays and the discretionary power of an assessment made by a judging committee, has been made possible.

The information campaign has promoted a different approach to safety at work, based on the idea of “pro-activity”, inherent in the funded investment. Furthermore, the campaign has gained public attention, spreading a prevention culture.

Lastly the campaign has been extended to another prevention incentive tool: reduction in insurance premiums for companies which carry out particular prevention measures within a fixed time. The purpose is to make companies aware of the complementary link between the two kinds of incentives and extend the success of the incentives project to the premium reduction initiative.

CRITERIA 4

Have the resources and inputs been used in an optimal way to achieve the set objectives and the expected outcomes? Please specify what internal or external evaluations of the practice have taken place and what impact/results have been identified/achieved so far.

In the years 2010 to 2013, financial resources amounted to about 750 million euros out of the total 1.5 billion euros invested by companies. Resources for 2010, 2011 and 2012 have been respectively 60, 205 and 155 million euros. In the last edition, still under way, 78 million Euros have been destined for safety at work in the productive districts of the Emilia Romagna, Veneto and Lombardy regions, affected by the earthquake in May 2012. Resources have been

assigned at regional level, in accordance with the seriousness of accidents and number of employees.

INAIL has used its administrative, professional and technical resources, at central and local level. The Guidance and Control Council has fixed the general criteria for funding and the Director General has established a “control room” which has provided the management directives. Activities have been coordinated by the Directorate for Prevention, with the technical co-operation of the Information and Telecommunications Directorate (which has managed the computer procedure) and the support of the Advisory Offices (Risk Assessment and Prevention Technical Advisory, Buildings Technical Advisory, Statistical Department, General Legal Office). The project has involved almost all INAIL Central Directorates, in particular the Planning, Organization and Monitoring Directorate and the Communication Directorate.

The practical aspects of requests have been carried out by local branches. Technical evaluation of projects has been done by INAIL technical staff.

Internal resources have been used, with no additional cost, except the ones related to the information campaign on local and specialized newspapers, radio reports, thematic TV channels and specialized web sites.

Stakeholders’ involvement has been very important: professional associations and trade unions have shared funding criteria and general procedures. They have also supported the information, advice and assistance activities.

All INAIL offices have been involved and the external and internal communications have been focused on this initiative and its related prevention mission. The result has been a different approach to safety at work: companies, media and public opinion have started to consider safety at work as something related to “action” rather than to obligations and control.

During the first two editions more than 40,000 companies submitted projects. Although only 20 per cent of the requests have been funded, the initiative has stimulated the planning skill of companies in the field of safety at work, even of enterprises excluded by funding, which can benefit, at a later stage, from the reduction in insurance premiums for prevention.

This year a monitoring activity on prevention effectiveness in funded companies will be carried out. This analysis will be compared to a similar one regarding companies benefiting from a reduction in the premiums for prevention.

CRITERIA 5

What lessons have been learned? To what extent would your good practice be appropriate for replication by other social security institutions?

The results of the project show that companies are aware of the value of the investment in safety at work. They also know that the investment is related to the overall wellbeing of enterprise, also in terms of productivity.

The pro-active attitude of INAIL, which runs accidents at work insurance and takes care of workers' safety, has stimulated a different approach in the way companies manage safety at work.

The project has created, in companies and in all the actors in the field of prevention, a positive mood oriented to action, and the perception of safety as a mere observance of law, characterized by a negative idea of unproductive cost, has been replaced by the perspective of concrete actions to improve prevention in the workplace – in addition to measures prescribed by law – and the ability to reduce costs.

Companies' decisions to invest in safety at work have been encouraged by using easy and quick funding procedures, based on new technological standards and related to effective communication actions.

The INAIL funding system could be adapted, with appropriate methodological adjustments, to other situations. The system can be certainly used in other countries and can get successful results for small and medium-sized enterprises which suffer from a lack of information, organization and financial resources.