

Ladies and Gentlemen,

thank you for inviting me to this conference. I am very pleased to have the opportunity to speak to you.

I propose to explain today why co-operation between employers and employees is of crucial importance for the subject of rehabilitation. I will take the German statutory accident insurance system as an example of this co-operation. My proposition is therefore this: effective disability management is founded upon co-operation between the two sides.

Let me start by describing the structure of the German statutory accident insurance system. The system may not yet be familiar to all of you.

The main characteristic of the German insurance scheme against occupational accidents and occupational diseases is its comprehensive service approach. In German it is referred to as the comprehensive service principle, or "services all under one roof". The occupational accident insurance funds in Germany have the mandate of *preventing* occupational accidents and diseases, commuting accidents and other work-related hazards "by all suitable means", which means extensively and comprehensively. They have the task of promoting first aid and of *rehabilitating* people injured by accidents or who have suffered occupational diseases. To rehabilitate them medically, professionally and socially. Finally, they are responsible for the provision of short- and long-term monetary *compensation*.

The statutory accident insurance system in Germany is funded by premiums paid by businesses. In return, it indemnifies employers against liability. In other words: should an accident or a case of occupational disease occur, compensation is paid to the affected employee by the accident insurance institution. The employer cannot be sued for compensation, as a matter of principle.

The occupational accident insurance funds are purely non-profit bodies. Since 1951, they have been managed again jointly by representatives of employers and employees. They are therefore neither government bodies, nor private-sector companies, but take a third form, that of a social partnership.

In Germany the concept of social partnership has a long tradition. It has been a common practice between employers and employees since the beginning of the twentieth century. Employers' associations and unions jointly settle working conditions without the direct interference of the state. This co-operation on different levels characterizes the mutual relationship of the two sides. It is the goal of the social partnership to solve contrasting interests by way of a policy of consensus.

All forms of statutory social insurance in Germany, such as retirement pensions, health or accident insurance, are based upon this principle of consensus: Employers and employees delegate equal numbers of representatives to the autonomous administrations of these institutions. They are elected, enjoy the same rights, and take all important decisions jointly. If a unanimous decision cannot be reached, a compromise must be negotiated which can be supported by both sides.

This structural responsibility, which is accepted jointly, is found at all levels of decision-making: from the governing committee down to the handling of individual insurance claims.

Let me take the example of a scaffolder who falls and suffers a complicated leg fracture, resulting in his mobility being permanently impaired. How strongly does the injury reduce his earning capacity? Will the man be awarded a lifetime pension? If so, how high will this be? These and similar issues are decided by pensions committees at the accident insurance institutions. These committees, too, are made up of employers' and employees' representatives in equal numbers.

Why, you might wonder, does the autonomous administration also concern itself with decisions taken in individual cases? Should it not limit itself to management functions, such as budget responsibility? The answer to this is an emphatic "No". The experience and background of the honorary delegates guarantee close ties with working environment across

all trades and industries. Medical expertise is of course also obtained in the form of expert opinions. All this benefits the insured employees.

The same applies to the appeals committees. These have an arbitration function. Insured employees can appeal to them if they disagree with the decision of the pensions committee. In this case the autonomous administration attempts to balance the interests of the different parties at the earliest possible stage, in order to avoid litigation. This not only saves legal costs, but is also conducive to good labour relations, and to making the reasons for decisions transparent.

Ladies and Gentlemen,

I trust that I have been able to show the fundamental importance of good co-operation between employers and employees for the statutory accident insurance system. Without a consensus or a compromise that both sides are willing to accept, progress and further development are not possible. Stagnation might then seem inevitable. However, the reverse is the case. Again and again, in fact, the German statutory accident insurance system has proven that it is more than capable of making necessary changes under its own steam.

The social partnership, however, is not only relevant to the system. It also helps us to organize our work efficiently. In the area of rehabilitation and disability management, this can be seen in a number of ways:

Only through co-operation does it become clear that a "return to work" can be advantageous and financially viable for both sides, i.e. for employer and employee alike.

The benefits for employees are obvious: following successful rehabilitation, they will ideally be able to resume independent lives. They return to their familiar working environments and need not be disadvantaged financially. A position paper adopted by the German statutory accident insurance institutions in May 2010 states clearly that priority should be given to the employee returning to his or her previous job. Where this is not possible, the employee can undergo further training or retraining in order to take up an occupation compatible with the disability.

How does an employer benefit from successful rehabilitation of his employees? Successful disability management enables him to retain the labour and expertise of his staff. At the same time, effective disability management enables an employer to reduce periods of absence from work, and thereby to reduce costs. And with his commitment and willingness to co-operate, he strengthens the loyalty of his workforce.

Disability management also benefits society as a whole. On the one hand, the potential pensions costs are reduced. On the other, employees who have suffered accidents or disease are integrated back into society and continue to contribute to the common good.

Equally important is that by conducting disability management, we implement a key concern of the UN Convention on the Rights of Persons with Disabilities: safeguarding the workplaces of disabled people and their social participation.

The discussions between employers and employees also raise awareness of the form that might be taken in practice by effective disability management and of the criteria it must satisfy. Only the experience that rehabilitation retains employees' fitness for work for the company in the long term generates acceptance for the costs, which may be high.

At international level, the International Disability Management Standards Council (IDMSC) has taken up this principle of consensus. NIDMAR in Canada has overall responsibility for the project. The German statutory accident insurance institutions assume a leading role (...). The goal of IDMSC is to reduce the human, social and economic costs of disability in the workplace. In order to attain this goal, IDMSC lobbies for the wider adoption of international standards for disability management that have been developed professionally and are based upon a consensus between all parties involved. IDMSC offers companies an audit on the basis of which they can set up and review their own disability management systems. Here too, co-operation between employers and employees is a key issue.

This approach is born out of the experience that effective disability management can be attained only in co-operation. All parties must work hand in hand, because the sooner the needs of an affected employee can be matched to the conditions within a business, the greater the chances he or she has of being re-integrated swiftly into it.

Since 2004, German businesses have been legally obliged to conduct corporate integration management for their employees. This obligation takes effect as soon as an employee has been on sick leave for six weeks. In order to structure the process of re-integration and to

make it transparent, employers and employees can set it out step by step, for example in a joint agreement.

Disability management thus offers an opportunity to apply the principle of consensus at company level. It helps in building up trust between the parties involved. And trust is absolutely essential, particularly where sensitive medical data are involved.

Ladies and Gentlemen,

I hope that I have been able to demonstrate to you that if rehabilitation and re-integration into working life are to have good prospects for success, they depend upon co-operation between employers and employees. It is advantageous for any business to seek consensus in this area and to plan the individual steps of disability management together with all affected parties. The common objective must be one of preventing employees from dropping out of the work process following an accident or an occupational disease. Instead the goal must be to give them a favourable outlook. This is not only in their interests, but also those of the business, since the business consists of both - employers and employees.

Thank you for your attention.