

FINAL REPORT

Measurement data and analysis

as specified in the specific contracts 5&6 on Modules 3&4

under the Framework Contract n° ENTR/06/61

Report on the Working Environment/ Employment Relations

Priority Area

EU PROJECT ON BASELINE MEASUREMENT AND

REDUCTION OF ADMINISTRATIVE COSTS

June 2009

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Executive Summary

The European Commission has embarked on an ambitious 'Better Regulation' exercise aimed at a reduction of the administrative burden for European business by 25% by 2012. A key part of its Action Programme consists of measuring the administrative cost for business of meeting obligations to provide information under selected items of the EU legislation and the relevant national implementing legislation. A Consortium consisting of Capgemini, Deloitte and Ramboll Management was engaged by the European Commission to carry out the measurement.

The Standard Cost Model (SCM) that was used for this measurement is a method for determining the administrative costs for business imposed by regulation. The SCM method is a way of breaking down regulation into a range of manageable components that can be measured. The SCM neither addresses nor questions the policy objectives of each piece of regulation. As such, the measurement and analysis focus only on the administrative activities that must be undertaken in order to comply with regulation, not on the benefits that accrue from the legislation.

This document is the Final Report on the measurement of the Working Environment/Employment Relations Priority Area. Its results are based on measurements conducted in six Member States, namely Bulgaria, Estonia, Malta, Portugal, Romania and Sweden, together with existing data from five Member States – Austria, Denmark, Germany, the Netherlands and the United Kingdom – that have previously conducted baseline measurements. This report presents:

- the results of the measurement
- cost data for all 27 Member States as input for the prioritisation and analysis of future simplification work
- analysis of the measurement data

- first suggestions collected during interviews and workshops on how to reduce the administrative burden for business arising from the Information Obligations identified¹.

The Directorate-General for Employment, Social Affairs and Equal Opportunities has the task of contributing to the development of a modern, innovative and sustainable European Social Model, with more and better jobs in an inclusive society based on equal opportunities.

The Employment and Social Affairs legislation can be divided into the following four groups:

- working conditions
- anti-discrimination and fundamental social rights
- disability issues
- gender equality.

The legislation in scope for this Priority Area belongs to the working conditions area and is listed in Table 1 below.

Table 1: Legislation in scope

Working Environment/ Employment Relations
Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work.
Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites.

The main findings in the Working Environment/Employment Relations Priority Area are given below.

¹ During the interviews and workshops with business and experts, several initial simplification ideas were collected. A structured and detailed analysis of possible reduction measures is being conducted as part of Module 5. Thus, this report only contains a summary of the suggestions gathered during the measurement phase and does not represent a final list of simplification suggestions.

Main findings in the Working Environment/Employment Relations Priority Area

- On the basis of two Directives, a total of seven EU Information Obligations (IOs) and no Possibilities Stated in the EU Legal Acts² were identified.
- The transposition of the seven IOs resulted in 236³ national IOs across the 27 Member States.
- The total administrative cost of the seven EU IOs and the National Obligations going beyond EU Requirements is estimated at a total of €4.26 bn EU-wide of which €32.4m is due to National Obligations going beyond EU Requirements (Possibilities not stated in the EU Acts).
- Of the €4.26 bn of administrative costs due to EU IOs, 88.9% (€3.79bn) has been classified as administrative burden.
- One IO — “Obligation to possess assessment of risks to safety and health at work” — alone accounts for €2.94bn in administrative costs, representing 69% of the total administrative cost arising from EU IOs. The IO stems from Directive 89/391/EEC.

Table 2 below shows the total administrative cost of all seven EU IOs identified in this Priority Area divided into EU IOs and Possibilities.

² Information Obligations (IOs) are requirements imposed on Member States by the Directives; Possibilities Stated in the EU Legal Acts are created where a Directive gives the Member State discretion to introduce additional requirements above and beyond the IOs.

³ A total of 236 national IOs refer to total number of IOs, i.e. possibilities are included. There is no one-to-one relationship between the number of IOs and possibilities at EU level and national IOs.

Table 2: Total Administrative Cost by EU Requirements and National Obligations going beyond EU Requirements

			National obligation going beyond EU Requirement		Total	Total Admin. Burden	
			EU Requirement	Possibility not stated in the EU Act		Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
			Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
EU IO	EU Legislation	Article number					
1. "Obligation to possess assessment of risks to safety and health at work"	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 9 par. 1(a); (Art. 10 par. 3 (a))	2,925,987.7	10,531.5	2,936,519.2	2,722,177.3	92.70
2. "Safety and health plan"	Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	Art. 5 point (b); Art. 3 par. 2; (Art. 9; Art. 10)	566,991.2	0	566,991.2	448,941.3	79.18

			National obligation going beyond EU Requirement		Total	Total Admin. Burden	
			EU Requirement	Possibility not stated in the EU Act			
			Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)		Admin. Cost (€x 1,000)	Admin. Burden (€x 1,000)
3. "Obligation to report on occupational accidents suffered by his workers"	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 9 par. 1(d)	242,144.8	124.0	242,268.8	172,329.2	71.13
4. "Obligation to prepare a file containing relevant health and safety information for any subsequent work"	Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	Art. 5 point (c); (Art. 9; Art. 10)	237,698.6	0	237,698.6	174,425.5	73.38
5. "Control and supervision of safety and health at work place"	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 4 par. 2	215,158.0	2,303.7	217,461.7	213,826.3	98.33

			National obligation going beyond EU Requirement		Total	Total Admin. Burden	
			EU Requirement	Possibility not stated in the EU Act		Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
			Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
6. "Prior notice of construction site"	Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	Art. 3 par. 3	28,865.7	11,094.2	39,959.9	36,834.4	92.18
7. "List of occupational accidents"	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 9 par. 1(c)	11,373.0	8,362.2	19,735.1	17,857.8	90.49
Total			4,228,218.9	32,415.5	4,260,634.4	3,786,391.9	88.87

This Table is based on data compiled by the Consortium.

As can be seen from the Table the risk assessment in Directive 89/391/EEC is the most expensive IO that, with a total cost of €2.9 billion, accounts for 69% of the total cost. The second most costly IO is "Safety and Health Plan" in Directive 92/57/EEC with €567m,

followed by the "Obligation to report on occupational accidents" in Directive 89/391/EEC, amounting to €242m.

The National Obligations going beyond EU Requirements that in this Priority Area only include Possibilities Not Stated in the Legal Act, with a total of €32.4m account for a small share of the total cost, amounting to less than 1%.

With regard to distribution across Member States, most of the costs are concentrated in France, Germany, Italy and the United Kingdom. These costs can mainly be explained by the fact that all these countries have relatively high Qs and a relatively high wage level.

The Measurement Country with the highest cost is Portugal with €170m. This is driven by a relatively high number of companies with employees, a high number of reported occupational accidents and a relatively high level of time spent compared with the other Measurement Countries.

Based on the measurements, the aspects to explore further in a reduction perspective at both Member State and EU level can be summarised as follows:

- development of tools, templates and other material to help guide the companies, including leaflets and brochures that are as practical as possible, preferably using examples;
- eGov. solutions: simplified forms that are easy to read and to use, e.g. 'encouraging e-forms', digital solutions for assessment of risks to safety and health at work, reporting on occupational accidents suffered by workers, health and safety plans, and reporting of construction sites;
- data exchange between different authorities to avoid double-reporting, e.g. between the labour inspectorate and the social services;
- simplification of the risk assessment procedure;
- specific emphasis on small businesses: possible exclusion of the smallest businesses from the obligation to possess a written risk assessment — it should, however, be noted that such companies often face high risks and account for the major part of occupational accidents;
- development of tools and templates specifically tailored to SMEs, lists of the most important rules applicable to small businesses;

- a risk-based approach to the risk assessment, meaning that companies exposed to high risks have to make a much more thorough risk assessment;
- a risk-based approach to procedures for health and safety inspections. However, compatibility with ILO (International Labour Organization) Convention No 81 on Labour Inspection should be maintained;
- a sector-based approach to the risk assessment: inventories of the main hazards and risks that need to be tackled in a specific sector, use of sector-specific checklists;
- preference for participative methods of risk assessment (bottom-up approach) and dialogue at company level between the employer and the labour force and/or its representatives;
- promotion of a better understanding of the legislation, its goals, its potential benefits and its practical implications by means of awareness campaigns, training programmes, financial incentives, etc.;
- development of forms of co-regulation and other forms of partnership between public authorities on the one hand and the social partners on the other (common awareness campaigns, common training programmes etc.) in order to arrive at a national preventative safety and health culture;
- screening of instances of duplication of administrative formalities and administrative burdens which might possibly lead to recasting European and national legislation.

These preliminary suggestions, the baseline measurement data, the analysis of the business processes implemented by businesses to comply with the IOs and different ways of handling the IOs across Member States, all contribute to this report as a strong basis for the work the Consortium is currently performing for identifying, analysing and prioritising suggestions for reducing the administrative burdens linked to the IOs in scope of this measurement.

1. Introduction

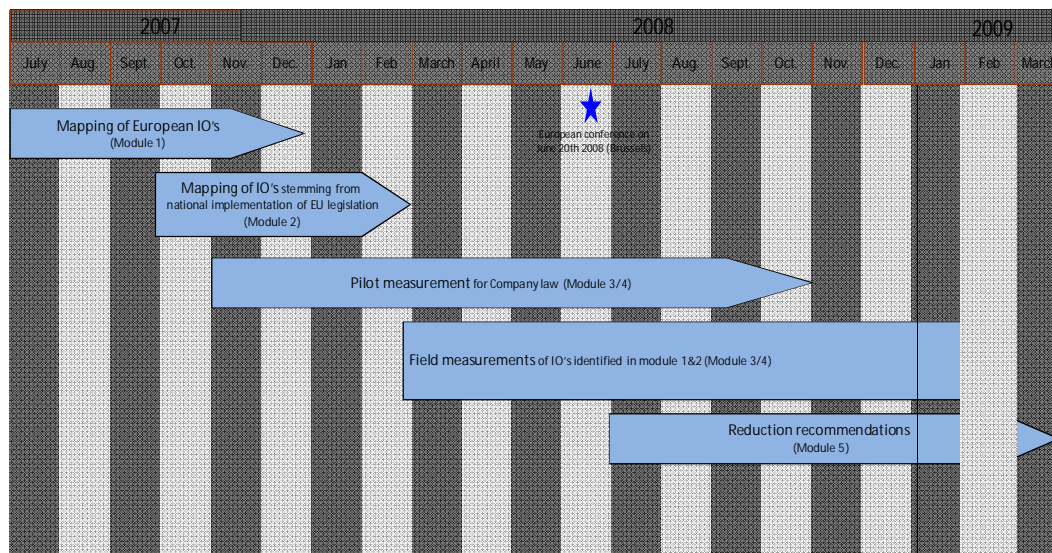
The “EU Project on baseline measurement and reduction of administrative costs” covers Information Obligations (IOs) stemming from 42 Community legislative acts⁴ and from the related national transposition acts, grouped into 13 Priority Areas:

- Agriculture and Agricultural Subsidies
- Annual Accounts/Company Law
- Cohesion Policy
- Environment
- Financial Services
- Fisheries
- Food Safety
- Pharmaceutical Legislation
- Public Procurement
- Statistics
- Tax Law (VAT)
- Transport
- Working Environment/Employment Relations.

The Project uses the EU Standard Cost Model (SCM) methodology and is structured in five modules, as shown in the following Figure 1:

⁴ See http://ec.europa.eu/enterprise/admin-burdens-reduction/docs/42_LegislativeActs.pdf

Figure 1: Project structure and timelines



By Capgemini/Deloitte/Ramboll Management

As the Figure above shows, the first step was to map the Information Obligations (IOs) (Modules 1 & 2). The focus was both on the IOs stemming directly from EU legislation and on those stemming from the national implementation of EU legislation. Moreover, the “over-implementation” (or “gold-plating”) of an EU Legal Act at national level, in terms of additional IOs or procedural requirements, amended frequency, or population (i.e. coverage) – the so-called National obligations going beyond EU Requirements – was also documented, as it could lead to an increase in administrative costs linked to the provisions of the EU legislation.

The next phase was to determine the administrative costs resulting from the EU IOs and national obligations going beyond EU Requirements (Modules 3 & 4 respectively) through interviews and workshops, along with estimates made by experts. Data was collected in a sample of businesses in six Member States (the ‘Measurement Countries’) and supplemented by existing data from Member States having already undertaken SCM measurements (the ‘Baseline Countries’)⁵. Based upon this dataset, the administrative cost for the remaining EU Member States (the ‘Extrapolation Countries’) was estimated through

⁵ In the scope of this project Austria, Denmark, Germany, the Netherlands and the United Kingdom were classified as Baseline Countries.

extrapolation. National obligations going beyond European requirements were measured in all countries where they occur as they are specific to each Member State (MS).

The current work within this project focuses on the development of reduction proposals to reach the European Commission's goal of a 25% reduction in administrative burdens by 2012 (Module 5).

This report covers the results of the work undertaken for Modules 3 and 4 for the Working Environment/Employment Relations Priority Area. More specifically, it contains:

- In Section 2: an overview of the Working Environment/Employment Relations Priority Area framework. This section presents the focus of the Priority Area, the chosen measurement approach as well as the high level findings of the mapping and measurement phase;
- In Section 3: an analysis of the Legal Acts and the most burdensome IOs in scope;
- In Section 4: concluding remarks and an outlook for towards the next phase;
- Annexes: including a listing of methodological challenges faced in this Priority Area.

It does not include a detailed description of the Action Programme for Reducing Administrative Burdens in the European Union⁶ or of the underlying methodology followed by the Consortium. The Main Report on the Measurement data and analysis as specified in the specific contracts 5&6 on Modules 3&4 under the Framework Contract n° ENTR/06/61 presents both of these together with the overall results of mainstream Priority Areas.

⁶ European Commission Communication, 24 January 2007, Action Programme for Reducing Administrative Burdens in the European Union – COM (2007)23 final.

2. Working Environment/Employment Relations Priority Area Framework

This section sets the scene for the detailed presentation of the results of the data collection in the sections which follow. This section contains:

- An introduction to the Directives in scope;
- A summary of the general methodological concept and the measurement approach chosen in the Priority Area;
- An overview of the high-level findings of the mapping phase and the measurement results.

2.1 Focus of the Priority Area

The Directorate-General for Employment, Social Affairs and Equal Opportunities has the task of contributing to the development of a modern, innovative and sustainable European Social Model with more and better jobs in an inclusive society based on equal opportunities.

It plays a key role in promoting positive interaction between economic, social and employment policies, bringing in the main players who can help to achieve the EU's strategic objective of making Europe the world's most competitive and dynamic knowledge-based economy, capable of sustainable economic growth, with more and better jobs and greater social cohesion.

Two Directives are in scope for this project (see Table 3 below).

Table 3: Directives in scope

Working Environment/ Employment Relations
Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work.
Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites.

This Table is based on data compiled by the Consortium.

Some observations on the relationship between the two Directives seem warranted. Under Article 16.1 in Directive 89/391/EEC there are individual Directives within the meaning of Article 16.1. One of these individual Directives is Directive 92/57/EEC on temporary or mobile construction sites.

The objective of Directive 89/391/EEC is to ensure a higher degree of protection for workers at work through the implementation of preventive measures to guard against accidents at work and occupational diseases, and through the information, consultation, balanced participation and training of workers and their representatives.

The main objective of the Directive on safety and health requirements at temporary or mobile construction sites (92/57/EEC) is to foster improvements in working conditions in this sector, where workers are subject to particularly high risks. To this end, the Directive takes health and safety into account at the project design and organisation stages. In order to prevent risks, the Directive establishes a chain of responsibility linking all onsite parties. The general provisions and requirements of the Directive cover both the project preparation stage and the execution stage.

Measurement approach

The methodology used during this project is based on the adapted EU Standard Cost Model (SCM) Manual submitted as part of the final Module 1 report in mid-February 2008. A short introduction to the main characteristics of the general measurement approach as well as the approach chosen within the Working Environment/Employment Relations Priority Area is given below. For more information on the methodology, please see the Main Report and/or the adapted EU SCM Manual.

2.1.1 General methodological concepts

The EU SCM breaks down administrative costs imposed by legal acts into components that can be assessed with reasonable accuracy. Thanks to this analytical approach, it is possible to:

- a) Locate the most costly obligations and the greatest reduction opportunities,
- b) Formulate reduction proposals, and

- c) Determine at which level reduction measures should be adopted.

The EU SCM methodology neither addresses nor questions the policy objectives of each piece of legislation. As such, the measurement focuses only on the administrative activities that must be undertaken in order to comply with legislation and not on whether the legislation itself is reasonable or not.

While the methodology may also be applied to civil society and the public and private sectors, this project focuses exclusively on the administrative costs for business.

Thus, administrative costs are defined as the costs incurred by enterprises in meeting legal IOs. An IO is a legal obligation placed on businesses to provide information on their activity or production, either to public authorities or to private parties⁷. Every IO has attributes that describe the:

- Content of the data required or “data requirement” (what must be provided),
- Target group (who must provide it), and
- Frequency (when it must be provided).

IOs stemming from EU legislation are labelled EU IOs, while IOs stemming from national implementation are called national IOs.

Some EU legislative acts also mention the possibility for Member States to ask for additional information (i.e. “...Member States may ... require the inclusion of other statements in the annual accounts in addition to the documents referred to in the first sub-paragraph ...”). Such Possibilities Stated in the EU Legal Act are not to be understood as EU Requirements insofar as Member States are not obliged to ask for that information. Nevertheless such Possibilities Stated in the EU Legal Act were documented by the Consortium as they often pave the way for additional legislative requirements introduced at a national level.

⁷ These private parties are usually consumers and/or other businesses.

In many cases the possibility for Member States to ask for additional information also exists even though it is not stated in the EU legal text⁸. Listing such possibilities as part of the description of EU legal texts would be fastidious and inefficient. Documenting cases of National Obligations going beyond what the EU requires has, however, been part of the screening of national IOs.

Together, the Possibilities Stated in the EU Legal Act and the Possibilities Not Stated in the EU Legal Act are called “National Obligations going beyond EU Requirements”. The Figure below illustrates the relationship between the EU IOs and the National Obligations going beyond EU Requirements.

When analysing the administrative costs, a distinction should be made between information that would be collected and processed by businesses even in the absence of the legislation and information that is solely collected because of a legal obligation. The former are called “business-as-usual” (BAU) costs⁹, the latter administrative burdens. Added together the administrative burdens and business-as-usual costs constitute the administrative costs. Having quantitative figures on the business-as-usual costs is of crucial importance for the Commission in the light of its reduction target, which is expressed in terms of administrative burdens (not administrative costs).

The objective of Modules 1 and 2 was to carry out a preparatory analysis of the EU and national legislation to form the foundation for the field measurements of administrative costs in the 27 European Member States. Within Modules 1 and 2, the IOs stemming directly from EU legislation in scope as well as any National Obligations going beyond the EU Requirements within the scope of this project were identified and registered¹⁰.

In Modules 3 and 4 different approaches were used to collect and calculate the information needed to determine the administrative costs at the EU level as well as at the

⁸ As a general principle, Member States have the right to legislate on any issues as long as “Possibilities Not Stated in the EU Legal Act” do not contradict EU law – it depends of the level of harmonization achieved.

⁹ A description on how the BAU costs were calculated can be found in the Main Report.

¹⁰ For more information on Modules 1 and 2, please see the first edition of the adapted EU SCM manual and the Final Report for Modules 1 and 2.

national level. The remainder of this section presents a brief overview of these approaches and the underlying rationales.

Experience from all previous SCM measurements shows that the top 20% most burdensome IOs in any given area will represent 80% of the costs. Following this principle, an initial assessment of population and cost parameters was conducted and an estimation of the expected administrative costs for each EU IO was produced.

To prioritise the EU IOs, an expert assessment was carried out of the following:

- Expected number of businesses concerned/number of occurrences
- Complexity of the business process that businesses implement to comply with the IO (time spent).

The purpose of the prioritisation was to select those IOs which had the highest estimated cost. The position on the priority list, i.e. if the IOs belonged to the top 20% or the remaining 80% of estimated costs, determined the manner in which data was collected. The 20% most burdensome IOs within each Priority Area were designated as Prioritised IOs and earmarked for in-depth measurement. The remaining 80% for each Priority Area were marked as Non-prioritised IOs and were therefore subject to less rigorous measurement. The Prioritised IOs were analysed and measured through workshops and interviews, whereas IOs with lower estimated costs were costed through telephone interviews and expert assessments, or similar less intensive methods. In this way, the resources were predominantly concentrated on collecting data on the most costly IOs¹¹. The demarcation between Prioritised IOs and Non-prioritised IOs was made at Priority Area level only and not at overall project level, as to have done the latter would have led to some of the less burdensome Priority Areas having only Non-prioritised IOs.

The IOs selected for interviews and workshops were clustered in groups that could logically be covered by interviews at about the same time, most often because they

¹¹ In a few cases the data collection showed that non-prioritised IOs were more cost intensive than prioritised IOs. Due to the iterative process in the project and the time and resource constraints, this had to be accepted without changing the data collection approach.

involved the same target group and administrative tasks that the same employee type usually performs. The result was a list of several groups of IOs known as campaigns.

EU IOs were measured in a sample of six Member States. The data collected in the six Measurement Countries supplemented with data from existing measurements on the EU IOs from the Baseline Countries was extrapolated to similar IOs in the other countries and aggregated to the EU level. However, for the National Obligations going beyond EU Requirements, data was collected in each country where they were identified. Obviously, extrapolation cannot apply to these as they are peculiar to the specific country.

The extrapolation exercise consisted of predicting cost and can basically be understood as generating the best estimates of the administrative activities conducted by businesses in a country where data has not been collected, based on data from other countries where data was collected. The SCM does not aim at producing statistically valid results, but rather estimates (i.e. figures based on relatively small samples or expert judgment). Considering the level of detail and the number of parameters involved, conducting statistical measurements would not have been cost-efficient.

The selection of Member States for measuring the prioritised IOs was based on the following criteria:

- Population of the countries;
- Spread of geographical location;
- Duration of EU Membership;
- If/when legislation is applicable;
- Implementation of Possibilities Stated in the EU Legal Acts.

The purpose of using the selection criteria was to guarantee that the results represented different population/country sizes within the EU. Furthermore, it ensured that the data collection covered different geographical regions (geographically and in terms of the historical development of the EU). Lastly, the selection criteria were designed to ensure that the Member States chosen for data collection had transposed the legislation. Combined, the selection criteria ensured a sound foundation for the extrapolation.

One of the requirements of the EU project on baseline measurement and reduction of administrative costs was to follow a 'full Member State coverage measurement approach'. Thus, Member States which were relatively less important in terms of size were also part of the measurement. As a result, the sample selected is not always representative for each Priority Area. Further studies would be needed to achieve fully representative results.

When data collection was carried out, the results were summarised for each business interviewed. These empirical results were then standardised with the objective of providing a single estimate of what would be required for a normally efficient business to complete each administrative activity in order to comply with a given national IO.

By combining the data collected from the workshops, face-to-face interviews and telephone interviews, a qualitative assessment was made of the resources devoted by a business to each cost parameter related to fulfilling an IO. More specifically, an assessment was conducted on internal time spent and employee type per activity, consultancy costs, and costs of equipment. The goal of the standardisation is not to average the cost data obtained through the workshops and interviews, but to get a plausible result for a normally efficient business for each IO. A normally efficient business is defined as a business within the target group that performs administrative activities required by the IO neither better nor worse than may reasonably be expected.

2.2 Measurement approach chosen for Working Environment/Employment Relations

For the Working Environment and Employment Relations Priority Area, a total of seven IOs were identified and mapped. These are presented in Section 2.3.

Of the seven IOs identified, the three prioritised IOs are shown in Table 4 below:

Table 4: Prioritised EU Requirement

EU Legislation name	EU Requirement name
Council Directive 89/391/EEC of 12 June 1989	"Obligation to possess assessment of risks to safety and health at work"
Council Directive 92/57/EEC of 24 June 1992	"Safety and health plan"
Council Directive 92/57/EEC of 24 June 1992	"Obligation to prepare a file containing relevant health and safety information for any subsequent work"

This Table is based on data compiled by the Consortium.

The choice of these three IOs for prioritisation was motivated by the expectation of high volume, different business processes and complexity when complying with the IO.

In order to define the most appropriate data collection approach for the specific campaigns required for the measurement, the Consortium – in agreement with the Directorate-General for Enterprise and Industry – defined the countries to be measured, the segmentation within the Priority Area and clustered the IOs per segment.

The sections below present in further detail:

- The Measurement Countries;
- The segmentation;
- The data collection.

Description of the Member States chosen for measurement

Six Member States were selected for measurement on the basis of the criteria mentioned above. The selection was discussed with the European Commission¹².

The following Member States were selected for measurement of the Working Environment IOs: Bulgaria, Estonia, Malta, Portugal, Romania and Sweden. Existing data from the Baseline Countries were also used. The Baseline Countries include Austria, Denmark, Germany, the Netherlands and the United Kingdom.

¹² It should be noted that the Directorate-General for Employment, Social Affairs and Equal Opportunities expressed objections against the selected countries, inter alia, at the meeting of 18.6.2008.

Segmentation

The segmentation chosen for measuring the IOs was based on the following considerations.

Segmentation for Directive 89/391/EEC:

The following segmentation variables were defined for Directive 89/391/EEC based on the expected different ways of handling the IOs.

Size:

- Business with 1-9 employees
- Business with 10-50 employees
- Business with 51 or more employees.

Handling:

- Outsourcing
- Insourcing.

The variables were combined and in practice the five segmentation variables resulted in six unique segments. The segments defined were applicable to all the IOs identified. It should, however, be noted that, in practice, some of the segments were not relevant in all countries.

In addition, analysis of the Member States with existing measurements confirms that the obligations of Council Directive 89/391/EEC imply varying business processes for different segments. The segmentation - if any - in the Baseline Countries is usually based on company size.

Segmentation for Directive 92/57/EEC:

For Directive 92/57/EEC, slightly different segments were defined, as the complexity of the construction activity was expected to be the main factor explaining time as well as the internal versus the external handling of the IOs.

Segments were established for complex sites and low-risk sites in order to include the possibility for the Member States to define a low-risk construction site and take account of

the fact that some companies performing construction work are not required to draw up health and safety plans. Another underlying motivation was to gain the opportunity to see whether construction sites were treated differently in practice. The insourcing and outsourcing segment variables were chosen because businesses may choose to outsource the activities necessary to fulfil the requirements to external parties.

To sum up, the following segment variables were chosen:

Complexity:

- Low-risk construction sites
- Complex construction sites.

Handling:

- Outsourcing
- Insourcing.

Combining the variables resulted in a total of four unique segments. As was the case with the segments established for Directive 89/391/EEC, it should be noted that, in practice, some of the segments were not relevant in all countries.

Data Collection Methods

The primary collection method was the face-to-face interview. This is mainly for reasons of flexibility, and for the possibility it provided to measure as many IOs as possible in the same interview, depending on the interviewee's experience. In addition, the face-to-face interview allows for the collection of in-depth information about the way the businesses handle the IOs.

The section below presents a Table with the campaigns, which clearly shows that the strategy was to include as many IOs in the interviews as possible. Consequently, all the IOs were measured empirically.

Campaigns

Based on the considerations above, 10 campaigns reflecting the chosen segment variables were devised:

- Six campaigns for Directive 89/391/EEC (Campaigns 1-6);

- Four campaigns for Directive 92/57/EEC (Campaigns 7-10).

The campaigns were grouped in some cases, as it was possible to cover more company sizes in some interviews with external providers. Similarly, companies performing construction work could, in some cases, cover interviews about their permanent place of work as well as low-risk/complex construction sites, if such a distinction was made.

Table 5 below shows the campaigns together with the complete list of IOs covered by the various campaigns.

Table 5: Campaigns of EU Requirements

IONumber	IOName
Campaign 1: Safety and health at work - business with 1-9 employees - insourcing	
1	*** Obligation to possess assessment of risks to safety and health at work
2	*List of occupational accidents
3	**Obligation to report on occupational accidents suffered by its workers
4	*Control and supervision of safety and health at work place
Campaign 2: Safety and health at work - business with 1-9 employees - outsourcing	
1	*** Obligation to possess assessment of risks to safety and health at work
2	*List of occupational accidents
3	**Obligation to report on occupational accidents suffered by its workers
4	*Control and supervision of safety and health at work place
Campaign 3: Safety and health at work - business with 10-50 employees - insourcing	
1	*** Obligation to possess assessment of risks to safety and health at work
2	*List of occupational accidents
3	**Obligation to report on occupational accidents suffered by its workers
4	*Control and supervision of safety and health at work place
Campaign 4: Safety and health at work - business with 10-50 employees - outsourcing	
1	*** Obligation to possess assessment of risks to safety and health at work
2	*List of occupational accidents
3	**Obligation to report on occupational accidents suffered by its workers
4	*Control and supervision of safety and health at work place
Campaign 5: Safety and health at work - business with 50+ employees - insourcing	
1	*** Obligation to possess assessment of risks to safety and health at work
2	*List of occupational accidents
3	**Obligation to report on occupational accidents suffered by its workers
4	*Control and supervision of safety and health at work place
Campaign 6: Safety and health at work - business with 50+ employees outsourcing	
1	*** Obligation to possess assessment of risks to safety and health at work
2	*List of occupational accidents
3	**Obligation to report on occupational accidents suffered by its workers
4	*Control and supervision of safety and health at work place
Campaign 7: Safety and health at construction sites - low risk construction sites/work - insourcing	
5	**Prior notice of construction site
6	*** Safety and health plan
7	*** Obligation to prepare a file containing relevant health and safety information for any subsequent work
Campaign 8: Safety and health at construction sites - low risk construction sites/work - outsourcing	
5	**Prior notice of construction site
6	*** Safety and health plan
7	*** Obligation to prepare a file containing relevant health and safety information for any subsequent work
Campaign 9: Safety and health at construction sites - complex construction sites/work - insourcing	
5	**Prior notice of construction site
6	*** Safety and health plan
7	*** Obligation to prepare a file containing relevant health and safety information for any subsequent work
Campaign 10: Safety and health at construction sites - complex construction sites/work - outsourcing	
5	**Prior notice of construction site
6	*** Safety and health plan
7	*** Obligation to prepare a file containing relevant health and safety information for any subsequent work

Note: The prioritisation of each IO was based on the expected number of entities concerned, cost level and complexity. All IOs with high priority and some of the IOs with medium priority were addressed specifically in the interviews and workshops with businesses. For the other IOs, the administrative costs were assessed by holding interviews with experts. *** indicates high priority; ** indicates medium priority; * indicates low priority.

2.3 High level findings of the EU and national mapping in the Working Environment/Employment Relations Priority Area

The following section summarises the main findings of the EU and national mapping in the Working Environment/Employment Relations Priority Area which resulted from the work done during Module 1 on the identification and classification of EU IOs and Possibilities Stated in the EU legal Act, followed by the identification of national IOs transposing EU legislation as well as the linking of EU IOs and national IOs in Module 2. The full results of this were presented in the final reports on Modules 1 and 2 of the EU project on baseline measurement and reduction of administrative costs¹³.

2.3.1 Main results of the EU mapping

As mentioned earlier, for the Working Environment/Employment Relations Priority Area, seven IOs were identified and mapped. These are shown in Table 6 below.

Table 6: Main results of the EU mapping

EU legislation name	EU Requirement name
Council Directive 89/391/EEC on health and safety at work	“Control and supervision of safety and health at work place”
Council Directive 89/391/EEC on health and safety at work	“Obligation to possess assessment of risks to safety and health at work”
Council Directive 89/391/EEC on health and safety at work	“List of occupational accidents”
Council Directive 89/391/EEC on health and safety at work	“Obligation to report on occupational accidents suffered by workers.”
Council Directive 92/57/EEC on health and safety on construction sites	“Prior notice of construction site”
Council Directive 92/57/EEC on health and safety on construction sites	“Safety and health plan”

¹³ For the details of the mapping please refer to the reports on Modules 1 and 2. Final Report, Module 1, as specified in the specific contract on Module 1 of the Framework contract no ENTR/06/061. EU project on Baseline Measurement and Reduction of Administrative Cost. 29 October 2008 and Final Report, Module 2, as specified in the specific contract on Module 2 of the Framework contract no ENTR/06/061. EU project on Baseline Measurement and Reduction of Administrative Cost. 31 May 2008.

EU legislation name	EU Requirement name
Council Directive 92/57/EEC on health and safety on construction sites	"Obligation to prepare a file containing relevant health and safety information for any subsequent work"

This Table is based on data compiled by the Consortium.

Both the Directives in scope of the project leave great discretion to the Member States in relation to implementation. The IOs that the Directives impose upon companies are the same for each Member State. However, the individual Member States are allowed to impose even stricter requirements upon companies.

The challenges related to measuring this Priority Area stem first and foremost from this goal-oriented nature of the legislation, particularly as far as Directive 89/391/EEC is concerned. This means that the level of detail in the Directives about the specific IO is very low, leaving broad scope to the individual Member States to define contents, etc. In addition, the Member States often leave wide scope for companies to decide on appropriate tools and methods — the risk assessment is a case in point.

The challenge has been to establish some kind of common denominator, which on the one hand allowed the context and country specifics to be captured, while also enabling meaningful comparisons to be drawn across Member States and ultimately extrapolated for the measurements.

For both Directives, particularly in relation to the health plan and the risk assessment, the challenge was, in practice, to isolate the administrative costs from the compliance costs, because companies are required to undertake substantial health and safety work, which does not stem from the IOs in the two Directives.

To sum up, the total number of EU IOs identified and mapped was seven, with three IOs for 92/57/EEC and four IOs for 89/391/EEC, which is illustrated in the table below.

Table 7: Total number of EU Requirements and Possibilities Stated in the EU Legal Act within the Working Environment/Employment Relations Priority Area:

EU legislation	Total number of EU Requirement	Total number of Possibilities Stated in the EU Legal Act	Total
Council Directive 89/391/EEC on health and safety at work	4	0	4
Council Directive 92/57/EEC on health and safety on construction sites	3	0	3
Total	7	0	7

This table is based on data compiled by the Consortium

2.3.2 Main results of the national mapping

The result of the national mapping indicates that the EU IOs have mostly been transposed in a way that corresponds with the exact requirements of the Directives, leading to a total of 214 EU IOs¹⁴.

Table 8 below shows that most of the countries have transposed the EU IOs according to the exact requirements of the Directives. Nine Member States have added one of the Possibilities Not Stated in the EU Legal Act and five Member States have added two of the Possibilities Not Stated in the EU Legal Act. In total, 22 Possibilities Not Stated in the EU legal Act were identified.

We would like to draw attention to the fact that there are a number of cases where no national equivalent of the EU Requirements was found. An IO may be 'missing' because:

- The IO was not found in the pieces of legislation validated by the European Commission and the national SPOCs¹⁵
- The EU Directive is not applicable in a Member State;
- The EU Directive had not been transposed in a Member State
- The EU Directive had been transposed, but after the baseline date for this project.

¹⁴ This figure of 214 IOs reflects the total number of national IOs directly linked to EU IOs, i.e. excluding Possibilities.

¹⁵ SPOC stands for Single Point of Contact.

Table 8: EU Requirements and National Obligations going beyond EU Requirements

	EU Requirement				National Obligations going beyond EU Requirement		
					Possibilities stated in the EU Act	Possibilities not stated in the EU Act	
	# of EU Requirements Identified	# of EU Requirements not transposed	# of EU Requirements transposed in MS	# of National IOs transposing EU Requirement	# of possibilities stated in EU act	# of possibilities Not stated in EU act	Total # of national IOs
Austria	7		7	8		1	9
Belgium	7		7	7		2	9
Bulgaria	7		7	7			7
Cyprus	7		7	7			7
Czech Republic	7		7	7		1	8
Denmark*	7		7	23		3	26
Estonia	7	1**	6	7		2	9
Finland	7		7	7			7
France	7		7	7			7
Germany	7		7	10			10
Greece	7		7	7			7
Hungary	7		7	7			7
Ireland	7		7	7		1	8
Italy	7		7	7		2	9
Latvia	7		7	10		1	11
Lithuania	7		7	7		1	8
Luxemburg	7		7	7			7
Malta	7		7	7		1	8
The Netherlands	7		7	9			9
Poland	7		7	7		2	9
Portugal	7		7	7		2	9
Romania	7		7	7			7
Slovakia	7		7	7		1	8
Slovenia	7		7	7			7
Spain	7		7	7		1	8
Sweden	7		7	7		1	8
United Kingdom***	7		7	7			7
	189	1	188	214	0	22	236

Note: This Table is based on data compiled by the Consortium. The table does not include Baseline Countries.

* : Please note that Danish Baseline Country categorised two national Danish IOs linked with "Control and supervision of safety and health in the work place" and one national Danish IO linked with the "Obligation to report on occupational accidents suffered by his workers" as originating from Danish Law.

** : During Module 3, it was discovered that the file in 92/57 apparently had not been transposed.

*** : The United Kingdom has "extended" the risk assessment in Directive 89/391/EEC to cover target groups that are not within the scope of the Directive. This has not been counted as a Possibility not Stated in the EU Act in the above table, and this is not reflected in the data for the United Kingdom.

Table 9 below provides a detailed overview of the 22 Possibilities Not Stated in the EU Legal Act by Member State and type.

Table 9: Overview of Possibilities Not Stated in the EU Legal Act listed by type

Countries	Number of Possibilities not stated in the EU Act	Possibilities not stated in the EU Act due to target group				
		List of occupational accidents	Prior notice of construction site	Risk assessment	Control and supervision of safety and health at work place	Obligation to report on occupational accidents suffered by his workers
Austria (AT)	1		1			
Belgium (BE)	2	1	1			
Bulgaria (BG)						
Cyprus (CY)						
Czech Republic (CZ)	1	1				
Denmark (DK)	3				2	1
Estonia (EE)	2	1	1			
Finland (FI)						
France (FR)						
Germany (DE)						
Greece (EL)						
Hungary (HU)						
Ireland (IE)	1			1		
Italy (IT)	2	1	1			
Latvia (LV)	1	1				
Lithuania (LT)	1	1				
Luxembourg						

(LU)						
Malta (MT)	1			1		
Netherlands (NL)						
Poland (PL)	2	1	1			
Portugal (PT)	2	1	1			
Romania (RO)						
Slovakia (SK)	1	1				
Slovenia (SI)						
Spain (ES)	1	1				
Sweden (SE)	1	1				
United Kingdom (UK) **						
Total	22	11	6	2	2	1

Note: This Table is based on data compiled by the Consortium.

** The United Kingdom has "extended" the risk assessment in Directive 89/391/EEC to cover target groups that are not within the scope of the Directive. This has not been counted as a Possibility not stated in the EU Act in the Table above, and this is not reflected in the United Kingdom data.

A Possibility Not Stated in the EU Legal Act can be related to the content, the frequency or the target group of an IO. All Possibilities Not Stated in the EU Legal Act identified in the Working Environment Priority Area are of the type relating to target group. Eleven of these relate to the list of occupational accidents, six to the prior notice of the construction site, and two to the risk assessment.

The reason why no content Possibilities, i.e. requirements that broaden the scope of the IO in terms of content, not stated in the EU Legal Act have been identified, derives from the goal-oriented nature of the two Directives. As a general rule, it is not possible for the Member States to go beyond the content requirements in the Directives, as these are not specified.

However, for two EU IOs, it was possible to establish "limits" in the Directives. These limits can be used to define a quantifiable EU Requirement, namely the prior notice in Directive 92/57/EEC, which specifies thresholds, and the list of occupational accidents in Directive 89/391/EEC, which relates to more than three days of incapacity. Here it is possible to

identify whether the Member States have applied stricter rules. For the prior notice in Directive 92/57/EEC, five Member States have introduced Possibilities Not Stated in the EU Legal Act, whereas Possibilities Not Stated in the EU Legal Act were identified in 11 Member States for the list of occupational accidents in 89/391/EEC.

Risk assessments for the self-employed as a target group of Possibilities Not Stated in the EU Legal Act

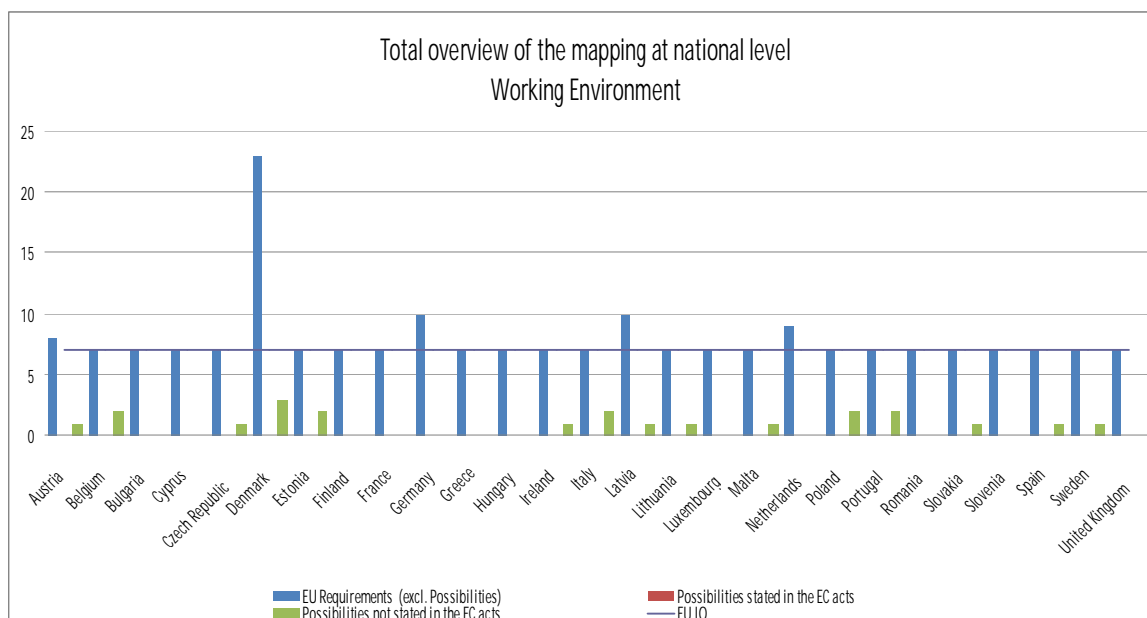
As part of the aforementioned Possibilities Not Stated in the EU Legal Act in relation to target group, the risk assessment for the self-employed was included as a target group delta. The Consortium found that in Malta the risk assessment was “extended” to cover the self-employed, meaning that the self-employed have to carry out such an assessment. Malta justified this by reference to “Council Recommendation of 18 February 2003 concerning the improvement of the protection of the health and safety at work of self-employed workers.”

The same extension can be found in the United Kingdom legislation on health and safety: “The Management of Health and Safety at Work Regulations 1999”. Ireland adopted similar provisions in the Irish “Safety, Health and Welfare at Work Act 2005”.

So, to sum up, some Member States have “extended” the risk assessment in Directive 89/391/EEC to cover target groups that are not in the scope of the Directive. At the very core of the risk assessment is the protection and involvement of workers by management. These central elements are not present in the self-employed person’s risk assessment. Based on these considerations, the Consortium included the risk assessment for the self-employed as target group Possibilities not stated in the EU Act for Ireland, Malta and the United Kingdom. In addition to the work on identifying Possibilities Not Stated in the EU Legal Act completed during the mapping, a survey on the implementing modalities has been initiated and is to be fully finalised under the work of Module 5.2. One part of the survey is dedicated to the identification of potential Possibilities Not Stated in the EU Legal Act related to the self-employed. However, the results of the survey have not yet been able to positively establish the presence of such extensions in other Member States.

Figure 2 below sums up the number of National Obligations going beyond EU Requirements for all 27 Member States.

Figure 2: Number of National IO and National Obligations going beyond EU Requirements per Member State



This Figure is based on data compiled by the Consortium.

The Figure shows that in most countries, the transposition occurred on a 1:1 basis or they have added one or two IOs which are Possibilities not stated in the EU Act. However, there are a few Member States in which the number of national IOs is higher. These are primarily Baseline Countries, i.e. Austria, Denmark, Germany and the Netherlands.

For Denmark, the main reason is the different approaches used when mapping the IOs in the Baseline Countries. The Baseline Country data has been used 'as is'. In respect of the mapping, this means that the IOs mapped in the Baseline Country have been left unchanged, which in the case of Denmark has resulted in a situation where several national IOs should be linked to one EU IO. This is described as a "1: Many linking issue", for example, "Safety and health plan" in Directive 92/57/EEC is linked to 11 national Danish IOs in the Danish database. For further information, see the Annex on Baseline Country in the Final Report on Module 2, where the methodological challenges faced while reusing existing data from national baseline measurements or updates in the EU SCM

project database, and especially the challenges related to linking the IOs are further explained.

For Germany, the slightly higher number is caused by the fact that two German IOs are linked to the “Safety and health plan” in Directive 92/57/EEC, and three German IOs are linked to the “Control and supervision of safety and health in the workplace” IO in Directive 89/391/EEC in the German database.

In the case of Austria, two IOs are linked to the “Obligation to report on occupational accidents suffered by his workers” in Directive 89/391/EEC in the database. A similar pattern can be found in the Dutch data, where three IOs are linked to the “Obligation to possess assessment of risks to safety and health at work” in Directive 89/391/EEC.

2.4 High level findings of the measurement in the Working Environment/Employment Relations Priority Area

The following section presents the total administrative costs and administrative burdens in the Working Environment/Employment Relations Priority Area. This is followed by a differentiated analysis by Legal Act and by Member State as well as an overview of the most burdensome IOs. This will form the basis for the detailed analysis in the following Chapter.

Figure 3 below provides the total administrative costs for the Working Environment/Employment Relations Priority Area.

Figure 3: Total Administrative Cost and Administrative Burden for Working Environment/Employment Relations

The total administrative costs for the Working Environment Priority Area is
€4.26bn.
11% of these costs is considered as business-as-usual.
Therefore the administrative burdens amount to €3.79 bn for the Working Environment
Priority Area.

It should be noted that while it is possible to calculate an indicative total administrative cost and indicative total administrative burden for the IOs in this Priority Area, the measurement covers only a selection of all EU legislation relevant to the Priority Area. Therefore, additional administrative costs and burdens exist that have not been covered by the measurement.

2.4.1 Administrative costs and administrative burdens per item of EU legislation

The 42 pieces of legislation in the 13 Priority Areas chosen for the measurement exercise within the Action Programme are believed to account for over 80% of the administrative burden of EU origin¹⁶. Yet, as expected, within this group large differences in the costs per Legal Act were to be found. An analysis of the administrative costs and burdens stemming from the Legal Acts within the scope of the Working Environment/Employment Relations Priority Area follows.

Table 10: Administrative Cost and Administrative Burden per item of EU legislation by EU Requirements and Possibilities Not stated in the EU Legal Act

	National obligation going beyond EU Requirement		Total Admin. Cost	Total Admin. Burden			
	EU requirement	Possibility stated in the EU act		Possibility not stated in the EU act	Admin. Cost	Admin. Burden	Share of Admin. Cost (%)
	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)		Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	3,394,663.4	0	21,321.4	3,415,984.8	3,126,190.7	91.52	

¹⁶ Commission Working Document, 30 January 2008, COM(2008) 35 final, Reducing administrative burdens in the European Union 2007 Progress Report and 2008 Outlook, p.3.

	EU requirement	National obligation going beyond EU Requirement		Total Admin. Cost	Total Admin. Burden	
		Possibility stated in the EU act	Possibility not stated in the EU act		Admin. Burden	Share of Admin. Cost (%)
	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health Requirement at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	833,555.5	0	11,094.2	844,649.6	660,201.2	78.16
Total	4,228,218.9	0	32,415.5	4,260,634.4	3,786,391.9	88.87

This Table is based on data compiled by the Consortium.

The Table shows how the total cost is divided between the two Directives in scope. With a total cost of €3.4bn, Directive 89/391/EEC constitutes 80% of the total cost. The remaining 20% can be attributed to Directive 92/57/EEC. This can be explained, inter alia, by the fact that the target group for Directive 89/391/EEC is larger, in that it covers all companies with employees and the number of occupational accidents reported, whereas Directive 92/57/EEC relates only to companies performing construction work.

Furthermore, only a small share, namely €32.4mn of the total cost, stems from National Obligations going beyond the EU Requirements. All are Possibilities not stated in the EU Act (National Obligations going beyond EU Requirements). Converted to share of total cost this amounts to 0.5% for Directive 92/57/EEC and 0.3% for Directive 89/391/EEC.

Of the €4.26bn of administrative costs due to EU IOs, 88.9% (€3.79bn) has been classified as administrative burden.

2.4.2 Administrative Costs stemming from EU IOs of International Origin

A number of the IOs identified in the EU legislation stem ultimately from international regulation, which have been translated into EU legislation by the Directives and Regulations in scope of the project. Each EU IO was analysed in relation to any relevant international regulation. In cases where legally binding international regulation had a similar or analogous content to the EU IO, the EU IO was categorised as an EU IO of International Origin.

The right to safe and healthy working conditions has been recognised as a fundamental right. Article 31, paragraph 1 of the Charter of Fundamental Rights of the European Union provides that every worker has the right to working conditions that respect his or her health, safety and dignity. This fundamental right is also enshrined in Article 7 of the United Nations International Covenant on Economic, Social and Cultural Rights, and Article 3 of the European Social Charter, a treaty of the Council of Europe.

The measures that states should take regarding health and safety at work are further detailed in Conventions of the International Labour Organization (ILO). The ILO is an international organisation specialised in employment and social security matters, founded in 1919. The Conventions adopted by the ILO are legally binding international treaties.

One important policy area of the ILO is health and safety at work. It is therefore appropriate to examine in detail some of its main health and safety instruments. For instance, a large part of the content of the Framework Directive 89/391/EEC (see below) has to a considerable degree been influenced by prior work that took place within the ILO.

This is not to say that the EU limits itself to implementing the ILO Conventions. Quite the opposite is true: to their mutual benefit, there is a two-way dialogue and co-operation between the two on health and safety measures.

The content of the so-called Framework Directive (89/391) has to a considerable degree been influenced by prior documents from the ILO, especially Conventions 81, 155 and 161.

The following Table presents an overview of the total Administrative Cost and Burden for the EU Requirements of International Origin and EU Origin.

Table 11: Total Administrative Cost and Administrative Burden for the EU Requirements of International Origin and EU Origin

EU Requirement	Origin type			Admin. Burdens (€x1,000)
	International legislation	International legislation	EU legislation	
	Admin. Cost (€x 1,000)	Reference	Admin. Cost (€x 1,000)	
Control and supervision of safety and health at work place	217,461.7	Article 16 of the ILO Labour Inspection Convention, Convention 81, 1947 & Article 9, § 1 of ILO Occupational Safety and Health Convention, Convention 155, 1981	-	213,826.3
List of occupational accidents	19,735.1	Article 11, d of ILO Occupational Safety and Health Convention, Convention 155, 1981	-	
Obligation to possess assessment of risks to safety and health at work	2,936,519.2	Article 5, a of ILO Occupational Health Services Convention, Convention 161, 1985 & Article 13 of ILO Chemicals Convention, Convention 170, 1990 & Article 3, § 3 of ILO Promotional Framework for Occupational Safety and Health Convention, Convention 187, 2006	-	17,857.8
Obligation to prepare a file containing relevant health and safety information for any subsequent work	237,698.6	Article 33, a of ILO Safety and Health in Construction Convention, Convention 167, 1988	-	2,722,177.3
Obligation to report on occupational accidents suffered by his workers.	242,268.8	Article 14 of the ILO Labour Inspection Convention, Convention	-	174,425.5

EU Requirement	Origin type			Admin. Burdens (€x1,000)
	International legislation	International legislation	EU legislation	
	Admin. Cost (€x 1,000)	Reference	Admin. Cost (€x 1,000)	
		81, 1947 & Article 11, c of ILO Occupational Safety and Health Convention, Convention 155, 1981 & Article 34 of ILO Safety and Health in Construction Convention, Convention 167, 1988		
Prior notice of construction site	-	Not applicable	39,959.9	36,834.4
Safety and health plan	566,991.2	Article 33, a of ILO Safety and Health in Construction Convention, Convention 167, 1988	-	448,941.3
Type total	4,220,674.5		39,959.9	3,786,391.9

This Table is based on data compiled by the Consortium.

As can be seen from the Table, six of the seven IOs originate in international legislation. The total costs associated with these six IOs amount to €4.2bn or almost 99% of the total cost. Only the IO "Prior notice to construction sites", with a total cost of approximately €40mn or less than 1%, originates solely from the EU legislation.

EU Member States remain bound by any international treaty they have ratified, even if in the meantime the content of an analogous text of a piece of EU legislation, e.g. a Regulation or a Directive, changes. That means that in the case of such a conflict between an international treaty and EU legislation, in particular a Directive, a Member State can only legally implement the EU legislation once the Member State has denounced the treaty in question. Most ILO Conventions provide that such denunciations can only take place once every 10 years.

Moreover, Article 307, first paragraph of the EC Treaty provides the following: "The rights and obligations arising from agreements concluded before 1 January 1958 or, for acceding States, before the date of their accession, between one or more Member States on the one

hand, and one or more third countries on the other, shall not be affected by the provisions of this Treaty.”

This means that the EU itself must respect all ILO Conventions that were ratified by its Member States prior to 1 January 1958 for the six founding EU Member States (Belgium, the Netherlands, Luxembourg, France, Germany and Italy) or prior to their accession to the EEC, the EC or the EU for all the other Member States. In case of a conflict between a rule of EU law and an ILO Convention mentioned in the previous sentence, the ILO Convention takes precedence so that the Member States concerned can still comply with their international obligations.

This means in practice that any changes suggested as to the content of a rule in EU law, especially concerning working environment (health and safety at work), should conform to the standard laid down in a relevant ILO Convention in order to avoid any overlaps or contradictions.

2.4.3 Administrative costs and administrative burdens per Member State

The project offers the opportunity to identify differences in transposing and administering IOs at national level and thus obtain an insight into factors determining the level of administrative costs. This is important in identifying good practice and in learning how the costs for businesses can be reduced.

2.4.3.1 Different methodological approaches

When comparing costs at national level it is essential to recall that the data was collected in three different ways within this project:

- Measurement in six Measurement Countries;
- Reuse of existing data in the so-called Baseline Countries;
- Extrapolation to other Member States of the cost data collected (Extrapolation Countries).`

The combination of these three different approaches within the project creates special challenges when comparing data, i.e. Baseline Countries which have conducted measurements in the past have chosen different methodological approaches, which

reduces the comparability of their results. This has to be borne in mind when reading the following data comparisons.

The extrapolated costs are naturally less precise and less detailed than the measured costs. Analyses of specific legislative requirements should therefore only be based on data from countries that were measured. However, the indicative total impact of EU legislation can be assessed using the extrapolated costs.

The Figure below shows an overview of the total administrative cost by Member State.

Figure 4: Total Administrative Cost per Member State



This Figure is based on data compiled by the Consortium.

Looking at the total cost per Member State in Figure 4, a difference in the cost level between the different country types (Baseline Countries, Extrapolation Countries and Measurement Countries) becomes clear.

In the Baseline Country group, the Member States in which most of the costs are concentrated are the United Kingdom and Germany. In these two countries, different approaches when scoping some of the IOs, and other methodological distinctions were

applied. It should be noted that, with the aim of securing consistency and aligning the measurement approaches in the Baseline Countries with the present project, some IOs from the United Kingdom and German measurements have been adapted¹⁷.

These results presented for Baseline Countries point to the fact that any conclusions and comparisons based on Baseline Country data should be handled with caution.

In the group of Extrapolation Countries, Italy, France and Spain stand out as some of the most cost-intensive countries. This can be explained by the fact that there are relatively high Qs (companies with employees) and relatively high wage levels. At the other end of the scale are smaller Member States such as Cyprus, Latvia, Lithuania and Slovakia.

The Measurement Country with the highest cost is Portugal, which is driven by a relatively high number of companies affected.. Furthermore, a high number of reported occupational accidents and a relatively higher level of time spent compared with the other Measurement Countries account for the high figures in Portugal (see more on this in Section 2.4.3.2 below).

A general finding across Member States is that the main drivers of costs at national level are populations and the wage level. The Table below shows the tariffs (€ per hour) per employee type and country including 25% overhead. The last column presents the average tariff of the Member States. The lowest average tariff is found in Bulgaria with €1.72. The highest average tariff is found in Denmark with €33.89. 10 Member States have an average tariff level in the range €1-10. In five Member States, it is in the range €10-20. In 10 Member States, it is in the range €20-30. Only two Member States have an average tariff level above €30. These differences naturally have a high impact on the total cost calculated for the individual Member States.

¹⁷ For more information on the methodological challenges related to reusing the Baseline Country data, please refer to the Main Report.

Table 12: Tariffs (€ per hour) per employee type and country including 25% overhead

Member State	1: Legislators, senior officials and managers	2: Professionals	3: Technicians and associate professionals	4: Clerks	5: Service workers and shop and market sales workers	6: Craft and related trades workers	7: Plant and machine operators and assemblers	8: Manual workers (agricultural and fisheries)	9: Elementary occupations	Average
Austria	52	39	29	22	16	19	20	18	15	25
Belgium	51	35	27	23	19	15	21	22	20	26
Bulgaria	3	2	2	1	1	2	2	1	1	2
Cyprus	32	20	16	10	9	12	11	11	9	14
Czech Republic	12	8	6	5	4	5	5	5	4	6
Denmark	52	45	38	28	23	32	31	29	26	34
Estonia	8	8	6	4	3	4	4	4	3	5
Finland	45	35	27	21	18	22	22	21	19	26
France	51	47	27	21	20	21	21	21	18	27
Germany	46	43	31	25	17	22	22	20	18	27
Greece	27	21	15	12	10	13	12	11	9	14
Hungary	12	8	6	5	4	5	5	4	3	6
Ireland	50	46	33	25	20	26	22	22	20	29
Italy	62	59	25	20	16	15	15	15	15	27
Latvia	6	6	5	4	2	3	4	3	3	4
Lithuania	7	6	4	3	3	4	4	3	2	4
Luxembourg	57	42	34	28	18	21	21	20	17	29
Malta	17	13	11	9	7	8	8	8	7	10
Netherlands	37	35	28	22	19	22	23	21	17	25
Poland	13	10	6	5	3	5	5	4	3	6
Portugal	31	19	14	10	6	6	7	6	6	12
Romania	10	6	4	4	2	3	3	3	2	4
Slovakia	8	5	4	3	3	3	4	3	2	4
Slovenia	18	19	12	10	7	8	7	7	6	11
Spain	37	24	19	13	12	13	13	12	9	17
Sweden	51	40	31	23	23	25	24	23	20	29
United Kingdom	53	50	37	24	20	27	23	22	19	30

Source: Eurostat.

In addition to the bar charts in Figure 4 above, Table 13 below provides a more detailed overview of the administrative costs per Member State.

Table 13: Administrative Cost for the Working Environment/Employment Relations Priority Area

Country	EU requirement		National obligation going beyond EU Requirement				Total Admin. Cost	Total Admin. Burden	
			Possibility stated in the EU act		Possibility not stated in the EU act				
	# of IOs	Admin. Cost (€x 1,000)	# of IOs	Admin. Cost (€x 1,000)	# of IOs	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Burdens (€x 1,000)	Share of Admin. Cost (%)
AT Retrieved and extrapolated data	7	125,423.1	0	0	1	8,826.6	134,249.7	121,741.6	90.68
BE Extrapolated data	7	107,221.9	0	0	2	1,160.4	108,382.3	96,243.9	88.80
BG Measurement data	7	7,889.1	0	0	0	0	7,889.1	7,538.1	95.55
CY Extrapolated data	7	6,845.3	0	0	0	0	6,845.3	5,824.9	85.09
CZ Extrapolated data	7	49,138.0	0	0	1	3.1	49,141.1	47,938.3	97.55
DE Retrieved and extrapolated data	7	695,906.1	0	0	0	0	695,906.1	695,906.1	100.00
DK Retrieved and extrapolated data	7	56,669.1	0	0	2	2,427.7	59,096.8	53,850.0	91.12
EE Measurement data	7	2,646.8	0	0	2	6.3	2,653.0	2,497.8	94.15
EL Extrapolated data	7	134,148.9	0	0	0	0	134,148.9	125,064.2	93.23
ES Extrapolated data	7	265,276.9	0	0	1	2,445.9	267,722.8	228,728.9	85.43
FI Extrapolated data	7	67,019.7	0	0	0	0	67,019.7	61,603.7	91.92
FR Extrapolated data	7	441,440.1	0	0	0	0	441,440.1	399,568.1	90.51
HU Extrapolated data	7	54,062.8	0	0	0	0	54,062.8	51,127.5	94.57
IE Extrapolated data	7	17,660.4	0	0	1	10,333.5	27,993.8	27,407.0	97.90
IT Extrapolated data	7	918,903.7	0	0	2	4,769.2	923,672.9	846,947.9	91.69
LT Extrapolated data	7	4,934.4	0	0	1	3.3	4,937.8	4,701.8	95.22
LU Extrapolated data	7	42,268.8	0	0	0	0	42,268.8	40,702.7	96.30
LV Extrapolated data	7	6,350.2	0	0	1	1.3	6,351.5	5,780.4	91.01

Country	EU requirement		National obligation going beyond EU Requirement				Total Admin. Cost	Total Admin. Burden	
			Possibility stated in the EU act		Possibility not stated in the EU act				
	# of IOs	Admin. Cost (€x 1,000)	# of IOs	Admin. Cost (€x 1,000)	# of IOs	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Burdens (€x 1,000)	Share of Admin. Cost (%)
MT Measurement data	7	5,045.4	0	0	1	198.0	5,243.4	5,108.6	97.43
NL Retrieved and extrapolated data	7	80,136.2	0	0	0	0	80,136.2	70,835.2	88.39
PL Extrapolated data	7	69,052.5	0	0	2	279.1	69,331.7	65,793.2	94.90
PT Measurement data	7	170,110.6	0	0	2	669.6	170,780.2	134,825.3	78.95
RO Measurement data	7	16,655.4	0	0	0	0	16,655.4	16,161.1	97.03
SE Measurement data	7	34,414.3	0	0	1	1,287.2	35,701.4	32,181.1	90.14
SI Extrapolated data	7	9,382.8	0	0	0	0	9,382.8	8,553.2	91.16
SK Extrapolated data	7	4,348.3	0	0	1	4.3	4,352.6	4,196.3	96.41
UK Retrieved and extrapolated data	7	835,268.2	0	0	0	0	835,268.2	625,564.7	74.89
Grand Total	189	4,228,218.9	0	0	21	32,415.5	4,260,634.4	3,786,391.9	88.87

This Table is based on data compiled by the Consortium.

2.4.3.2 Measurement Countries

The measurement of the IOs took place in six preselected Member States. As stated in Section 2.2, the Member States chosen for measuring the prioritised IOs in the Working Environment Priority Area and Employment Relations were:

- Bulgaria
- Estonia
- Malta
- Portugal
- Romania
- Sweden.

Table 14 below details the administrative cost for the Measurement Countries.

Table 14: Administrative Cost for the six Measurement Countries

Country	EU requirement	National obligation going beyond EU Requirement		Total Admin. Cost	Total Admin. Burden	
		Possibility stated in the EU act	Possibility not stated in the EU act		Admin. Burden (€x 1,000)	Share of Admin. Cost (%)
	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)		
Bulgaria	7,889.1	0	0	7,889.1	7,538.1	95.55
Estonia	2,646.8	0	6.3	2,653.0	2,497.8	94.15
Malta	5,045.4	0	198.0	5,243.4	5,108.6	97.43
Portugal	170,110.6	0	669.6	170,780.2	134,825.3	78.95
Romania	16,655.4	0	0	16,655.4	16,161.1	97.03
Sweden	34,414.3	0	1,287.2	35,701.4	32,181.1	90.14
Total	236,761.6	0	2,161.0	238,922.6	198,312.0	83.00

This Table is based on data compiled by the Consortium.

The Table shows that the total level of cost in the six Measurement Countries is roughly €239mn.

As noted, the Measurement Country with the highest cost is Portugal, with a total cost of approximately €171mn. The high cost in Portugal is driven by several factors. First, costs are driven up by a relatively high number of companies and a relatively high number of occupational accidents reported - some 234,000 in the year of the baseline measurement. By comparison, the number of occupational accidents reported in Sweden was 5,200 and a little over 4,000 in Bulgaria in the year of the baseline measurement. In addition, a relatively higher level of time was spent for several of the IOs compared with the other Measurement Countries, which resulted in a comparably higher total cost. This will be further described in the following section.

The country with the second highest total cost is Sweden with close to €36mn, followed by Romania with €17mn and Bulgaria with €8mn.

Surprisingly, costs are higher in Malta (€5.2mn) than Estonia (€2.7mn). This is primarily caused by a relatively higher cost for risk assessment in Malta, which is close to €2mn higher. The main cost driver is the 1-9 employee insourcing segment, for which the standardisation was assessed to a large extent by experts. (See also Chapter 6 for more information on standardisation).

Possibilities Not Stated in the Legal Acts constitute only a small share of the total cost. In the four Member States where these have been identified - Sweden, Portugal, Malta and Estonia - the total cost amounts to €1.3mn, €0.7mn, €0.2mn and €0.006mn respectively.

Approximately 83% of the total cost can be classified as administrative burdens, and thus 17% of the total costs can be classified as so-called business-as-usual costs. The split between burdens and business-as-usual costs varies slightly between the six Measurement Countries. In Portugal more than 20% of the total costs derive from business-as-usual costs. In Malta less than 3% are business-as-usual costs. The business-as-usual costs in Romania, Bulgaria, Estonia and Sweden are in the range of 3% to 10%.

2.4.3.3 Baseline Countries

A central aspiration of the project was to learn from measurements which had already been undertaken in Member States. These measurements were an important input as they constitute the current “state of play” in those countries which have already carried out work in the SCM field¹⁸. Existing measurements were reused whenever possible and efficient. This was mainly the case when complete baseline measurements were available for a Priority Area and where the methodology used in the Baseline Countries was comparable enough to the EU SCM not to distort the extrapolation approach. The table

¹⁸ Wherever possible, data from the national baseline measurements was reused. However, where no comparable data was available the administrative costs were extrapolated. More specific information on the reuse of data from national baseline measurements is provided in the Annex ‘Challenges and constraints of reusing existing data from previous baseline measurements’.

below presents an overview of when it has been possible to re-use existing data on the specific IOs from the various countries and when it has been necessary to manually adjust or extrapolate the data.

Table 15: Reuse of data in Baseline countries

EU Requirement Name	Austria	Denmark	Germany	Netherlands	UK
Control and supervision of safety and health at work place	Retrieved	Retrieved	Extrapolated	Extrapolated	Extrapolated
Obligation to possess assessment of risks to safety and health at work	Retrieved	Retrieved	Manually adjusted	Retrieved	Manually adjusted
List of occupational accidents	Retrieved	Retrieved	Retrieved	Retrieved	Retrieved
Obligation to report on occupational accidents suffered by workers	Retrieved	Retrieved	Retrieved	Retrieved	Retrieved
Prior notice of construction site	Manually adjusted	Retrieved	Retrieved	Retrieved	Retrieved
Safety and health plan	Retrieved	Retrieved	Manually adjusted	Retrieved	Retrieved
Obligation to prepare a file containing relevant health and safety information for any subsequent work	Retrieved	Retrieved	Manually adjusted	Extrapolated	Retrieved

The Table below show the administrative costs for the five Baseline Countries.

Table 16: Administrative Cost for the five Baseline Countries¹⁹

Country	EU Requirement	National obligation going beyond EU Requirements		Total Admin. Cost	Total Admin. Burden	
		Possibility stated in the EU Act	Possibility not stated in the EU Act		Admin. Cost (€x 1,000)	Share of Admin. Cost (%)
		Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)			
Austria	125,423.1	0	8,826.6	134,249.7	121,741.6	90.68
Denmark	56,669.1	0	2,427.7	59,096.8	53,850.0	91.12
Germany	695,906.1	0	0	695,906.1	695,906.1	100.00
Netherlands	80,136.2	0	0	80,136.2	70,835.2	88.39

¹⁹ It was not possible to retrieve all data from the existing measurements in the Baseline Countries. Therefore the missing data fields were compiled through extrapolation.

Country	EU Requirement	National obligation going beyond EU Requirements		Total Admin. Cost	Total Admin. Burden	
		Possibility stated in the EU Act	Possibility not stated in the EU Act		Admin. Cost (€x 1,000)	Share of Admin. Cost (%)
		Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)			
United Kingdom	835,268.2	0	0	835,268.2	625,564.7	74.89
Total	1,793,402.7	0	11,254.4	1,804,657.0	1,567,897.7	86.88

This Table is based on data compiled by the Consortium.

Table shows that the five Baseline Countries have a total cost of close to €1.8bn, or around 43% of the total Priority Area cost. The United Kingdom accounts for the highest total cost of roughly €835.3mn. Total costs in Germany amount to €695.9mn. The third most costly Baseline Country is Austria with a total cost of €125.4mn. When comparing the Baseline Country cost levels, the Netherlands and Denmark rank fourth and fifth with total costs amounting to €80.1mn and €56.7mn respectively.

Approximately 87% of the total cost can be classified as administrative burden, whilst 13% of the total costs therefore can be classified as so-called business-as-usual costs. The split between burdens and business-as-usual costs varies between the five Baseline Countries. The United Kingdom has the highest share while Germany has no business-as-usual costs²⁰.

Again, the Possibilities Stated in the EU Acts, and identified in Austria and Denmark, only account for a small share of the total cost, namely less than 1%.

²⁰ In the United Kingdom and Austria, the Consortium analysed the national value per IO and aligned it to the nearest category used in the EU Administrative Burden project (0%, 25%, 50%, 75%, 100%). This was done only for the prioritised IOs. For the non-prioritised IOs the EU average figure is applied to calculate the administrative burden per IO. As no BAU costs have been measured in Denmark, the Consortium applied the standardised EU average per IO on all IOs. The same approach was used for Germany, but only for those IOs which were flagged in the national measurement as containing BAU costs. For further elaboration of this decision, please see the Main Report.

2.4.3.4 Extrapolation Countries

As indicated above, the measurement was conducted in a sample of Member States. The results from the Measurement Countries and the Baseline Countries were used to estimate the costs in countries where no measurement was undertaken²¹. This extrapolation process provided the indicative total costs for European businesses of complying with EU legislation. The Table below shows the administrative costs for the Extrapolation Countries.

Table 17: Administrative costs for the 16 Extrapolation Countries

Country	EU Requirement Admin. Cost (€x 1,000)	National obligation going beyond EU Requirements		Total Admin. Cost Admin. Cost (€x 1,000)	Total Admin. Burden	
		Possibility stated in the EU Act	Possibility not stated in the EU Act		Admin. burdens (€x 1,000)	Share of Admin. Cost (%)
		Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)			
Belgium	107,221.9	0	1,160.4	108,382.3	96,243.9	88.80
Cyprus	6,845.3	0	0	6,845.3	5,824.9	85.09
Czech Republic	49,138.0	0	3.1	49,141.1	47,938.3	97.55
Finland	67,019.7	0	0	67,019.7	61,603.7	91.92
France	441,440.1	0	0	441,440.1	399,568.1	90.51
Greece	134,148.9	0	0	134,148.9	125,064.2	93.23
Hungary	54,062.8	0	0	54,062.8	51,127.5	94.57
Ireland	17,660.4	0	10,333.5	27,993.8	27,407.0	97.90
Italy	918,903.7	0	4,769.2	923,672.9	846,947.9	91.69
Latvia	6,350.2	0	1.3	6,351.5	5,780.4	91.01
Lithuania	4,934.4	0	3.3	4,937.8	4,701.8	95.22
Luxembourg	42,268.8	0	0	42,268.8	40,702.7	96.30
Poland	69,052.5	0	279.1	69,331.7	65,793.2	94.90
Slovakia	4,348.3	0	4.3	4,352.6	4,196.3	96.41
Slovenia	9,382.8	0	0	9,382.8	8,553.2	91.16

²¹ The Consortium did however collect population data for all IOs for all 27 Member States.

Country	EU Requirement	National obligation going beyond EU Requirements		Total Admin. Cost	Total Admin. Burden		
		Possibility stated in the EU Act	Possibility not stated in the EU Act		Admin. Cost (€x 1,000)	Admin. burdens (€x 1,000)	Share of Admin. Cost (%)
		Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)				
Spain	265,276.9	0	2,445.9	267,722.8	228,728.9	85.43	
Total	2,198,054.7	0	19,000.1	2,217,054.8	2,020,182.2	91.12	

This Table is based on data compiled by the Consortium.

The exercise of predicting cost through statistical modelling results in cost data with a different level of accuracy compared to the data collected through interviews. The extrapolated costs are for these reasons less precise and less detailed than the measured costs. Analyses of specific requirements should therefore only be based on data from countries that have been measured, whereas the total impact of EU legislation and of changes in legislation can be assessed using the extrapolated costs.

As can be seen, the total cost in the 16 countries, to which cost has been extrapolated, is roughly €2.2bn, or approximately 52% of all the costs in the Priority Area.

Costs are concentrated in the larger Member States of Italy, France and Spain, with approximately €919mn in Italy, €441mn in France and €265mn in Spain. This can be explained by the relatively high Qs but also relatively high wage levels. As mentioned earlier, Q represents companies with employees. At the other end of the scale are smaller Member States, such as Cyprus, Latvia, Lithuania and Slovakia.

The costs deriving from National Obligations going beyond EU Requirements are, also for this group of countries, relatively small, namely only €19mn.

The total share of business-as-usual costs is an average of approximately 9%. Therefore, the administrative burdens amount to roughly 91% or €2.0bn. Again, the split between burdens and business-as-usual costs varies between the Extrapolation Countries and lies within the range of 2-15%.

Whenever the extrapolation model gave rise to results that were not consistent with what might have been anticipated based on economic analysis, this was further discussed with DG Enterprise, with whom a basis for manual extrapolation was agreed.

2.4.4 Administrative Costs related to Irritation Potential of Most Burdensome EU Requirements

The overall objective of the Action Programme is to achieve a reduction in administrative burdens of 25% by 2012. Previous SCM projects at national level have proved that reduction efforts will especially be seen as successful if the public authorities manage to lower the perceived burdens for businesses. Thus, two dimensions should be taken into account when analysing how burdensome an IO is:

- Level of administrative burden;
- Level of irritation for businesses.

The extent to which business experience IOs as “irritating” was assessed based on the businesses’ responses to the following six statements:

- The information/data that the authorities require from me is linked to the information/data that are available from my own business process.
- I understand why the authorities want this information/data from me.
- I understand why the authorities ask me for this information/data with this frequency.
- The authorities make sure that I have to deliver this information/data only once and not to different authorities.
- The amount of information/data that the authorities ask for is in line with the objectives of the IO.
- The request for information/data is so clear that every entrepreneur/employee is able to comply with the request.

The responses given to the six statements were subsequently transposed to a numerical value. The data collected on the irritation level is, however, not conclusive. Thus any statements on irritation are indicative and no conclusions should be drawn on this basis at

Priority Area or IO level. The Main Report on the measurement data and analysis as specified in the specific contracts 5&6 on Modules 3&4 under the Framework Contract n° ENTR/06/61 contains a high level overview of the irritation levels of all Priority Areas. It includes a thorough analysis on the total dataset.

In general the irritation factor for the PA is relatively low, when looking at the results of the measurement. In general, the companies across the Member States are not particularly irritated by conducting safety and health work, as taking precautionary measures against accidents in the workplace on a broad scale is considered useful and appropriate. However, the findings in the measurement also point to differences between companies. By way of illustration, the smaller companies, in particular, are uncertain of what they should do, so they need tools that help them, whereas the bigger companies have structures in place. Looking at the individual IOs, in the light of the feedback collected during field measurement, the most irritating IO is the "obligation to prepare a file containing relevant health and safety information for any subsequent work".

3. Legal Acts and the most burdensome IOs

As a general rule, a relatively small number of IOs represent the major part of the cost in any Priority Area and it is therefore worthwhile focusing on these. This section does that, relating each IO to the legal act from which it stems. The Table below shows the indicative total administrative cost for the EU IOs identified in this Priority Area and the cost of the corresponding National Obligations going beyond EU Requirements.

Table 18: Total Administrative Cost by EU Requirements and Possibilities Not Stated in the EU Legal Acts

			National obligation going beyond EU Requirements		Total	Total Admin. Burden	
			EU Requirement	Possibility not stated in the EU Act		Admin. Cost (€x 1,000)	Share of Admin. Cost (%)
EU REQUIREMENT	EU Legislation	Article number	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. burdens (€x 1,000)	Share of Admin. Cost (%)
1. Obligation to possess assessment of risks to safety and health at work	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 9 par. 1(a); (Art. 10 par. 3 (a))	2,925,987.7	10,531.5	2,936,519.2	2,722,177.3	92.70

			National obligation going beyond EU Requirements		Total	Total Admin. Burden	
			EU Requirement	Possibility not stated in the EU Act		Admin. burdens	Share of Admin. Cost (%)
			Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. burdens (€x 1,000)	Share of Admin. Cost (%)
2. Safety and health plan	Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health Requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	Art. 5 point (b); Art. 3 par. 2; (Art. 9; Art. 10)	566,991.2	0	566,991.2	448,941.3	79.18
3. Obligation to report on occupational accidents suffered by his workers.	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 9 par. 1(d)	242,144.8	124.0	242,268.8	172,329.2	71.13

			National obligation going beyond EU Requirements		Total	Total Admin. Burden	
			EU Requirement	Possibility not stated in the EU Act		Admin. burdens	Share of Admin. Cost (%)
			Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. burdens (€x 1,000)	Share of Admin. Cost (%)
4. Obligation to prepare a file containing relevant health and safety information for any subsequent work	Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health Requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	Art. 5 point (c); (Art. 9; Art. 10)	237,698.6	0	237,698.6	174,425.5	73.38
5. Control and supervision of safety and health at work place	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 4 par. 2	215,158.0	2,303.7	217,461.7	213,826.3	98.33

			EU Requirement	National obligation going beyond EU Requirements	Total	Total Admin. Burden	
				Possibility not stated in the EU Act		Admin. Cost (€x 1,000)	Share of Admin. Cost (%)
			Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. Cost (€x 1,000)	Admin. burdens (€x 1,000)	Share of Admin. Cost (%)
6. Prior notice of construction site	Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health Requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC)	Art. 3 par. 3	28,865.7	11,094.2	39,959.9	36,834.4	92.18
7. List of occupational accidents	Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work	Art. 9 par. 1(c)	11,373.0	8,362.2	19,735.1	17,857.8	90.49
Total			4,228,218.9	32,415.5	4,260,634.4	3,786,391.9	88.87

This Table is based on data compiled by the Consortium.

As can be seen from the Table the total cost that at EU level can be allocated to the seven IOs varies greatly. The most burdensome obligation, namely "Obligation to possess assessment of risks to safety and health at work" amounts to €2.9bn, equivalent to almost two thirds of the total administrative costs in the Working Environment Priority Area. The remaining six Obligations make up the remaining 31% of the costs. The second and third

most costly IOs are the “Safety and Health Plan” with a total cost of €566.9mn and the “Obligation to report on occupational accidents suffered by his workers” with a total cost of €242.1mn. A comparison among the top three IOs demonstrates a different level of complexity for businesses when handling the IOs, which again gives rise to different cost levels. This is described in detail in the following section.

The first, third and fifth most costly IOs, which are respectively the “Obligation to possess assessment of risks to safety and health at work”, “Obligation to report on occupational accidents suffered by his workers” and the “Control and supervision of safety and health in the workplace” are found in Directive 89/391/EEC. The Directive is applicable across the sector and consequently targets a very large population, namely businesses with employees. This large population is obviously a substantial cost driver.

The second, fourth and sixth most costly IOs with costs of €566.9mn, €237.7mn and €28.9mn are all found in Directive 92/57/EEC that applies to companies performing construction work. All things being equal, the narrower scope of this Directive will lead to a lower cost due to a smaller population. Last on the list is the IO related to “listing the occupational accidents”. The IO has a total cost of €11.4mn and stems from Directive 89/391/EEC.

Four out of seven IOs have business-as-usual costs that are less than 10% of the total costs. The IO with the highest share of business-as-usual cost is the “Obligation to prepare a file containing relevant health and safety information for any subsequent work” with 73% of the costs representing administrative burdens.

National Obligations going beyond EU Requirements only account for a small share of the total cost, namely, less than 1%.

We have investigated the use businesses make of external experts and/or special equipment in order to comply with IOs. The table below gives an overview of the distribution of the administrative costs in this respect.

Table 19: Share of internal, consultancy and equipment costs

Priority Area	Share of internal cost (%)	Share of consultancy cost (%)	Share of equipment cost (%)	Total Admin. Cost (€x1,000)
Working environment / employment relations	54.2	45.6	0.2	4,260,634

This Table is based on data compiled by the Consortium.

As can be seen from the table almost half (45.6%) of the total cost in this Priority Area has been categorised as consultancy costs. This is mainly explained by a high tendency to outsource the work related to the IO "Obligation to possess assessment of risks to safety and health at work". The total administrative cost for this IO amounts to €2.9bn, equivalent to almost two thirds of the total administrative costs in the Working Environment Priority Area, why a dominating outsourcing segment for this IO naturally will have a high impact on the distribution of cost between types for the entire Priority Area²².

As the total administrative costs and burdens are indicative because they include extrapolated data, the most burdensome IOs are analysed on the basis of the detailed data collected in the six Measurement Countries only. In the section below, each of these IOs is described in detail in relation to the following topics:

- Explanation of the legal aspects of the IO;
- Underlying steps in the business process;
- Overview of the cost parameters;
- Reasons why the IO is burdensome/irritating;
- Segmentation;
- Demarcation between the burdensome IO and closely related IOs (if applicable);
- Business-as-usual costs;
- Potential reduction measures.

The IOs are structured by legal act.

²² For more information about the IO and the segmentation and distribution of cost please see section 3.1.1 of this report

3.1 Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work

Four EU IOs and Possibilities Stated in the EU Legal Act were identified for Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work. All four IOs were covered by the campaigns in the Measurement Countries. This ensured that data on national practices was obtained on all IOs (including the non-prioritised IOs):

- "Control and supervision of safety and health in the workplace" (non-prioritised IO)
- "Obligation to possess assessment of risks to safety and health at work" (prioritised IO)
- "List of occupational accidents" (non-prioritised IO)
- "Obligation to report on occupational accidents suffered by workers" (non-prioritised IO).

Target groups

Council Directive 89/391/EEC applies to any natural or legal person who has an employment relationship with the worker and has responsibility for the undertaking and/or establishment (Art. 3 (b)): in other words, for the purposes of the present project, the target group is businesses with employees.

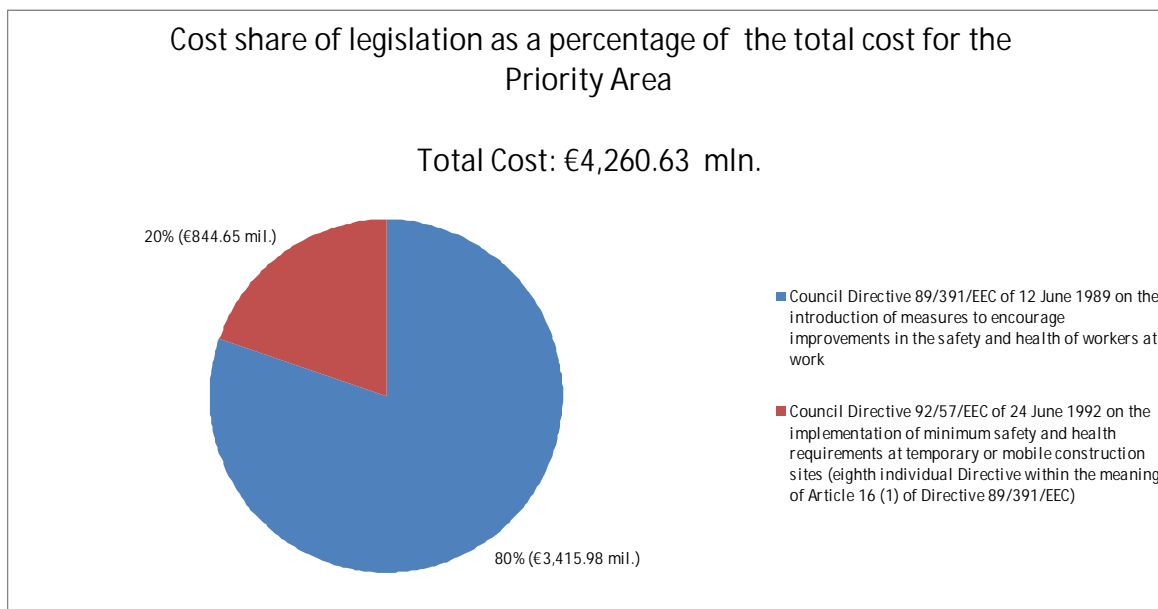
Segmentation

As already noted, the following potential segments were defined for Directive 89/391/EEC:

- Business with 1-9 employees
- Business with 10-50 employees
- Business with 51 or more employees
- Outsourcing
- Insourcing.

The total administrative costs for the Working Environment Priority Area that can be related to Council Directive 89/391/EEC constitute a total of €3,416.0mn, which corresponds to 80% of the total costs (see Figure 5).

Figure 5: Cost share of Directive 89/391 related to the total size of Working Environment/ Employment Relations Priority Area

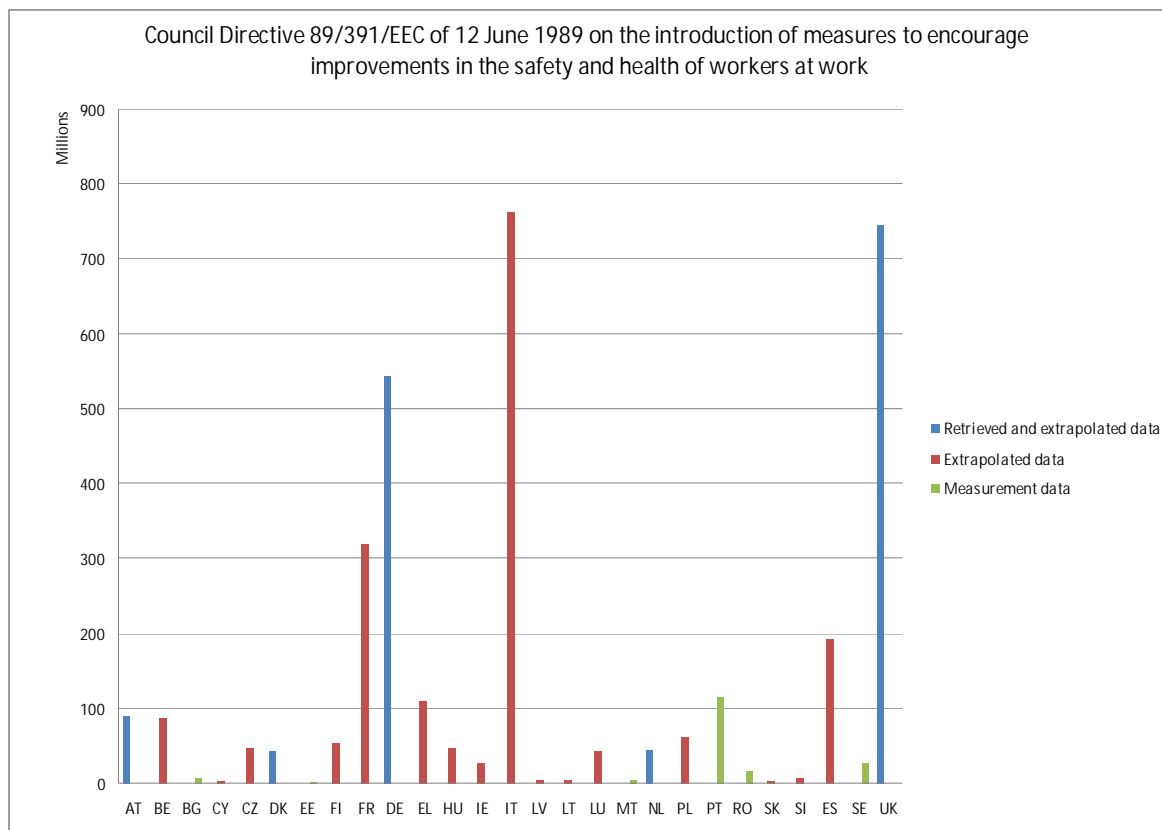


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The total administrative cost from Directive 89/391/EEC distributed across all 27 Member States is presented in the Figure below. When looking at cost distributed across Member States at the level of the Directive, the previously presented finding on Priority Area level is repeated.

In the group of Baseline Countries the United Kingdom and Germany have the highest cost. In the group of Extrapolation Countries, Italy stands out as one of the countries with the highest costs. This can be explained by the relatively high level of Qs and relatively high wage levels, which also largely explains the relatively high cost level in the country ranked second in this group - France. In the group of Measurement Countries, Portugal is the most costly country. Specific reasons for this are provided in the following section.

Figure 6: Total Administrative Cost per Member State - Directive 89/391/EEC



This Figure is based on data compiled by the Consortium.

3.1.1 IO 1 “Obligation to possess assessment of risks to safety and health at work”, Council Directive 89/391/EEC of 12 June 1989, Art. 9 par. 1(a); Art. 10 par. 3 (a)

3.1.1.1 Characteristics of the IO

The most burdensome IO within the Working Environment Priority Area is the “Obligation to possess assessment of risks to safety and health at work”. The total administrative cost for this IO for the 27 European Member States has been estimated at €2,936.5mn.

This obligation stems from Article 9 of Council Directive 89/391/EEC. The legal text states that “The employer shall be in possession of an assessment of the risks to safety and health at work, including those facing groups of workers exposed to particular risks.”

The population has been defined as: Number of companies with more than 1 employee.

3.1.1.2 Process for complying with IO

The business process behind the risk assessment depends on whether the company handles the activities itself (insourcing) or whether some or all activities are outsourced to external parties (outsourcing). However, in both cases the assessment must be made in a document, and thus in writing, and clearly state the risks that exist and the respective danger. The Directive does not specify a frequency, but for the sake of this project the risk assessment is assumed to be completed at least every three years. The choice of this frequency was partly motivated by the wish to secure comparability with some of the Baseline Countries and thus create a basis for comparison between countries, and partly by adopting a realistic view; an assumption of yearly updates/risk assessments across the EU-27 would not be adequate to reflect company practices. (More information on this point can be found in Section 6.4 on Data Collection below.)

Below is an overview of the typical activities the business performs when the risk assessment is conducted internally as well as externally.

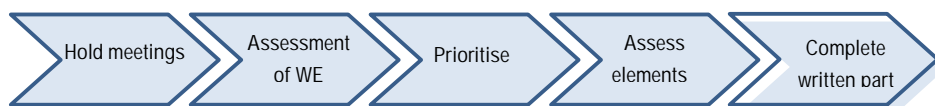
Insourcing

The typical insourcing process contains the following activities:

1. Meetings between management and employees and safety organisation;
2. Assessment of working environment; describe, reflect, assess, including causes;
3. Prioritise, make action plans, follow-up;
4. Elements: absence, psychological working environment, sector specifics (check lists);
5. Complete written risk assessment;
6. Update written risk assessment if necessary.

The typical business process (insourcing) can be depicted as follows (Figure 7).

Figure 7: Business process for "Obligation to possess assessment of risks to safety and health at work"



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Outsourcing

The typical outsourcing process includes the following activities:

1. Meetings between management and employees; safety organisation; external assistance;
2. Assessment of working environment; describe, reflect, assess, including causes (conducted by external consultant);
3. Prioritise, make action plans, follow-up (conducted by external consultant);
4. Elements: absence, psychological working environment, sector specifics (check lists) (conducted by external consultant);
5. Complete written risk assessment (conducted by external consultant);
6. Company receives deliverable from external consultant;
7. Update written risk assessment if necessary (assisted by external consultant).

The typical business process (outsourcing) can be depicted as follows.

Figure 8: Business process for "Obligation to possess assessment of risks to safety and health at work" - outsourcing



By Capgemini/Deloitte/Ramboll Management

The typical outsourcing process is no different from the insourcing process. The activities are similar, except that they are mainly performed by an external consultant when outsourcing.

3.1.1.3 Costs and explanatory variables

The total cost of the IO “Obligation to possess assessment of risks to safety and health at work” is €2,936.5mn in the EU-27. More than 93% of the total costs are administrative burdens, amounting to approximately €2,722.2mn, and 4% of the total costs stem from the Measurement Countries.

Error! Reference source not found. illustrates the differences between the six Measurement Countries.

Table 20: Total Administrative Cost of “Obligation to possess assessment of risks to safety and health at work” in the Measurement Countries

“Obligation to possess assessment of risks to safety and health at work”, Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, Art. 9 par. 1(a); (Art. 10 par. 3 (a))						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)	36.84	40.01	157.38	132.87	44.18	46.47
Total Admin. Burden per occurrence (€)	35.86	38.91	155.46	129.79	43.60	46.05
Number of entities	177,575	56,566	29,794	416,459	300,980	229,646
Internal time per occurrence affected (minutes), 1-9 employees, insourcing	.	960	1,320	*	1,360	20
Internal time per occurrence affected (minutes), 1-9 employees, outsourcing	2,995	1,215	2,700	2,175	90	*
Internal time per occurrence affected (minutes), 10-50 employees, insourcing	.	900	3,660	*	1,380	20
Internal time per occurrence affected (minutes), 10-50 employees, outsourcing	3,595	2,715	4,380	6,255	400	*

"Obligation to possess assessment of risks to safety and health at work", Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, Art. 9 par. 1(a); (Art. 10 par. 3 (a))						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Internal time per occurrence affected (minutes), 51+ employees, insourcing	9,290	2,895	1,440	8,175	1,400	50
Internal time per occurrence affected (minutes), 51+ employees, outsourcing	7,660	3,795	2,710	10,575	1,500	*
Equipment costs per occurrence (€)	0.00	0.00	0.00	0.00	0.00	0.00
Consultancy costs per occurrence (€)	28.13	28.95	20.04	100.65	0.88	0.00
Average tariff (€)***	2.0	5.0	10.0	12.0	4.0	29.01
Total (€mil.)	6.5	2.3	4.7	55.3	13,3	10.7

This Table is based on data compiled by the Consortium.

*Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments).

** Segment not relevant.

***The average tariff represents an average of all 9 employee types used in the project.

Comparing total costs in the Measurement Countries places Portugal as the most costly Member State with a total of €55.3mn. With total costs amounting to €13.3mn, Romania is the second most costly country followed by Sweden with total costs of €10.7mn. After Sweden come Belgium, Malta and Estonia with total costs amounting to €6.5mn, €4.7mn and €2.3mn. Comparing time, Portugal is the country with the highest internal time per occurrence when looking across all segments. The underlying reason is the high level of documentation, which involves companies having to focus on filing and keeping relevant documents available for the authorities. The strong focus on documentation of the risk assessment is also an activity that requires a considerable amount of time and resources. Moreover, a relatively high amount of time is spent on producing new data. It should be noted that the measurement results were based on the legally compliant companies of this segment, which are those that are exposed to a certain level of risk on a daily basis (e.g. construction companies). This means that the results may be higher than in a hypothetical full compliance market, where the learning curve and quantity of businesses buying these

services would oblige the market to be more efficient. (More information on this point can be found in the methodological section in Chapter 6).

In Bulgaria, Estonia and Romania, the total administrative costs per occurrence (risk assessment) are broadly aligned, i.e. between €36 and €44 per risk assessment approximately, though differences do occur between segments. However, in Romania the internal time spent on a risk assessment for companies with more than 50 employees is 1,500 minutes for companies who outsource and 1,400 minutes for companies who insource. This is relatively much lower than in Estonia where the same size of company spends 3,795 minutes (outsourcing) and 2,895 minutes (insourcing) on the risk assessment. In Bulgaria, the time spent is even higher for companies with more than 50 employees: 9,290 minutes (insourcing) and 7,660 minutes (outsourcing). The lower time spent in Romania is due to the fact that for most of the Romanian companies the risk assessment is perceived as a burden, not as a part of the business process. For this reason, no more than the strict core element tends to be fulfilled, in order to produce a risk assessment in the event of an inspection. The time spent on meetings and interviews with staff is considered as insignificant, and the relevant documents are rarely updated.

Although Sweden is on a par with Bulgaria, Estonia, and Romania as regards total costs per risk assessment with €47 per risk assessment (total administrative costs per occurrence), the internal time spent on conducting a risk assessment is relatively low (50 minutes for companies with more than 50 employees and 20 minutes for companies with 1-50 employees). The explanation behind this is that many companies also have to draw up a more specialised risk assessment adapted to the industry sector to which they belong. The specialised risk assessment is a strictly national provision and does not implement any EU legislation. However, since this risk assessment tends to be quite detailed, it almost certainly reduces the time it takes to draw up the more general risk assessment (regulated by EU legislation), since many of the risks have already been identified in this special risk assessment. Another reason for the low cost level in Sweden is that a large part of the health and safety work in Swedish companies is conducted by the trade union representatives, whose work is financed through taxes.

As the internal time per occurrence indicates in Table 20, the general trend in all countries is for the cost per occurrence to increase according to the company size. The larger the company, the higher the costs are, since the assessment obviously involves more time-consuming activities in a large company than a small business (talking to and interviewing employees, etc).

The only exception is Malta, where the large companies are usually part of an international business and therefore have a very efficient method for dealing with the risk assessments. The large companies are very clear in the manner in which the business process is performed for each risk, and a comprehensive programme is in place to ensure that the same risk assessment is updated over a specific period. As a consequence of the integrated internal procedures for the large companies, the time spent is relatively low (1,440 minutes for insourcing and 2,770 for outsourcing) compared with companies with 10-50 employees (3,660 minutes for insourcing and 4,380 for outsourcing).

The general picture when measuring the risk assessment is of a process that is done mainly for the employees and not with them. As mentioned above, Romania is a very good example of this trend. It is especially the case in the smaller companies, while the larger the company, the more employee involvement takes place. Particularly in Estonia and Malta, there is a high degree of employee involvement in the larger companies.

It is also important to emphasise that even though Malta has modified the "requirement" to have a written risk assessment for companies with fewer than five employees, the interviews and expert assessment indicate that all risk assessments are performed in writing.

The risk assessment was measured and segmented according to size and insourcing/outsourcing. Table 21 below provides an overview of the division of costs between these segments. For the majority of the Measurement Countries, the standardisation of the small and medium-sized companies is based on expert assessment. The Table shows that the total costs of outsourcing the risk assessment are particularly high for the companies with 1-50 employees compared with the total insourcing costs. The

underlying reason is that a considerable number of small companies use external assistance for the risk assessment.

Table 21: Total costs across segments for “Obligation to possess assessment of risks to safety and health at work”

“Obligation to possess assessment of risks to safety and health at work”					
		Segment			Total
		1-9 employees,	10-50 employees	51+ employees,	
Insourcing	Sum (€mil.)	22.8	3.8	5.4	31.9
Outsourcing	Sum (€mil.)	43.8	15.0	2.0	60.9
Total	Sum (€mil.)	66.6	18.8	7.4	92.8

This Table is based on data compiled by the Consortium.

An example of this trend can be found in Estonia, where the companies that outsource the risk assessments spend more time on the risk assessment procedure (3,795 minutes, which covers both internal and external time) than companies who perform it themselves (2,895 minutes). The health and safety organisations providing the external services generally perform assessments more thoroughly than companies who self-assess (i.e. health and safety organisations normally interview all the employees in a company while the company’s own working environment specialists only interview a sample of employees). Moreover, even when outsourcing, the company spends some internal time on the risk assessment (holding meetings with the consultants, etc.)

In spite of the higher costs involved in using external assistance, companies generally prefer to use external assistance as this significantly reduces internal time and resources. This choice can also derive from legal requirements, which is especially the case in Bulgaria and Portugal, where no (smaller) companies draw up their risk assessment internally, as the assessment of risks must be drawn up by a person qualified in health and safety. Therefore, the odds of having such a qualified person in the small and medium-sized companies are very low.

To illustrate the above points, the findings from Portugal are explained in detail below. The measurement findings indicate that safety and health is not one of the highest priorities for Portuguese employers. The level of non-compliance is very high, especially in relation to the risk assessment. As for the compliant companies, many of these outsource the work. The outsourcing providers have a very high level of penetration within the compliant companies. Compliant companies are, for instance, companies that are exposed to a certain level of risk on a daily basis (e.g. small-scale carpentry).

However, this paradigm is changing and it is not true for all segments. For example, large companies that have to compete internationally are 'requested' by the market to have as many competitive advantages as they can. Certifying their operational/safety and health methodologies is one of these (e.g. ISO).

Overall time spent between outsourcing and insourcing is not so different in Portugal. This is due to the fact that large companies, the only segment where insourcing is applicable, are obliged to have employees with similar qualifications as the outsourcing providers' employees. In other words, in cases where there is an internal safety and health expert, that employee is as qualified and as experienced as an employee from the outsourcing provider.

When analysing the differences between the segments, it is necessary to take into account that measuring the obligation to fulfil the risk assessment has been challenged by the degree of compliance among the countries. For this reason, several standardisations are based on expert assessment. This is particularly the case with the smaller companies: see also Chapter 6 on challenges.

3.1.1.4 First simplification suggestions

During the interviews and workshops with businesses and experts, several initial simplification ideas were collected. A structured and detailed collection and analysis of possible reduction measures is being conducted during the following Module 5. Therefore all the sections on simplification suggestions will be limited to containing a summary of the suggestions gathered during the interviews and workshops and do not represent a final and analysed list of simplification suggestions. A comprehensive analysis of the

suggestions collected will form part of the reduction recommendation phase of the project, where each of the reduction recommendations will be assessed in terms of:

- Impact, i.e. costing the monetary effect of the recommendation on the administrative burdens.
- Implementability focusing on the technical, financial and legal feasibility of the recommendations
- Image, i.e. to what extent the recommendation provides a response to an irritating burden.

One of the most significant burden reductions could be achieved through greater focus on the company's ability to assess the risks internally, simply by taking over the activities handled by the external consultants.

In addition to this, there is reduction potential in reducing the amount of time spent on becoming familiar with the IO and designing the information material (in particular the writing of the risk assessment). Broadly speaking, in the Measurement Countries companies reiterate that there is no clear picture of how a risk assessment is completed. A greater focus on informing companies on how to deal with the risk assessment at Member State level could potentially lead to a more efficient and less cost-intensive way of handling the activities of the Obligation.

Finally, it is important to emphasise that in some of the Measurement Countries initiatives are already being taken to increase the use of eGov. solutions for the purpose of performing the risk assessment. At the time of writing, it was planned that an eGov. tool would be implemented in Estonia during 2008 in order to help businesses to conduct risk assessment. The tool will include questionnaires and templates for risk assessment documentation.

As mentioned, the simplification ideas presented in this report are collected during the interviews and workshops with businesses and experts. Therefore, it is very likely that more of the ideas are already existing focus area for the Commission Services. For example the suggestions, to give a greater focus on informing companies how to deal with risk assessment, matches the approach followed by the Commission in its Communication on a

Health and Safety strategy 2007-2012, that an emphasis should be placed in improving and assisting enterprises in fulfilling their obligations

3.1.2 IO 2 “Obligation to report on occupational accidents suffered by workers”, Council Directive 89/391/EEC of 12 June 1989, Article 9, 1(d)

3.1.2.1 Characteristics of the IO

The second most costly IO within Directive 89/391/EEC and the third most burdensome IO within the Working Environment Priority Area is the “Obligation to report on occupational accidents suffered by his workers”. The total administrative cost for this IO for 27 European Member States has been estimated at €242.3mn.

This Obligation stems from Article 9, 1(d) of Council Directive 89/391/EEC. The legal text states “The employer shall draw up, for the responsible authorities and in accordance with national laws and/or practices, reports on occupational accidents suffered by his workers.”

All companies with employees must report occupational accidents. In general, the following information is included in the report:

- Information on the causes and the circumstances of the accident;
- Information on whether the accident was fatal or caused further illness;
- The name and occupational qualification of employee;
- Duration of the period during which the employee is unable to work;
- Deadline within which to report injury;
- Duration of the period for which the accident report must be stored by the company.

The population has been defined as: Number of reported occupational accidents from companies with more than one employee.

3.1.2.2 Process for complying with IO

The business process typically contains the following activities:

- Hold meeting in relation to each accident;
- Compile data of the events leading to the accident;

- Write report;
- Submit report to relevant authorities;
- File the report.

The typical business process can be depicted as follows (see Figure 9 below):

Figure 9: Business process for "Obligation to report on occupational accidents suffered by workers"



By Capgemini/Deloitte/Ramboll Management

3.1.2.3 Costs and explanatory variables

As mentioned, the total cost of this IO is €242.3mn in EU-27. 71% of these are administrative burdens, which corresponds to approximately €172.3mn. The rest of the costs are business-as-usual costs, and 31% of the total costs stem from the Measurement Countries.

Table 22 illustrates the cost in the six Measurement Countries.

Table 22: Total Administrative Cost of "Obligation to report on occupational accidents suffered by his workers"

Obligation to report on occupational accidents suffered by his workers., Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, Art. 9 par. 1(d)						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)	19.47	22.04	34.00	247.19	148.18	4.25
Total Admin. Burden per occurrence (€)	10.24	15.56	17.00	173.99	102.09	3.00
Number of entities	4,097	3,667	4,283	234,108	4,601	5,200
Internal time per occurrence affected (minutes), 1-9 employees, insourcing	530	150	0	**..	1,400	5
Internal time per occurrence affected	**.	150	0	970	1,400	**..

(minutes), 1-9 employees, outsourcing						
Internal time per occurrence affected (minutes), 10-50 employees, insourcing	470	150	0..	**..	1,400	5
Internal time per occurrence affected (minutes), 10-50 employees, outsourcing	**..	150	0..	970	1,400	**..
Internal time per occurrence affected (minutes), 51+ employees, insourcing	690	480	120	556	1,400	5
Internal time per occurrence affected (minutes), 51+ employees, outsourcing	**..	480	**..	970	1,400	**.
Acquisition costs per occurrence (€)	0.00	0.00	0.00	2.00	0.00	0.00
Consultancy costs per occurrence (€)	0.00	0.00	0.00	240.00	16.80	0.00
Average tariff (€)***	2.0	5.0	10.0	12.0	4.0	29.0
Total (€mil.)	0.1	0.1	0.1	57.9	0.7	0.02

This Table is based on data compiled by the Consortium.

Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments). ** Segment not relevant
***The average tariff represents an average of all 9 employee types used in the project.

As shown in the Table, the Measurement Country with the highest total administrative costs by far from the "Obligation to report on occupational accidents" is Portugal with €57.9mn. The cost level in the five remaining Member States is very low and in descending order, the costs are: €0.68mn in Romania, €0.15mn in Malta and €0.08mn in Bulgaria. Estonia and Sweden have the lowest costs with €0.05mn and €0.02mn respectively.

The very high total cost in Portugal is mainly driven by the high number of occupational accidents, which is reported to be 234,108 (see number of entities in the Table above). Due to the lack of safety precautions, especially in sectors where many risks are always present, the safety traditions are low (for example in the construction industry which represents half of all fatal accidents in Portugal). The combination of a relatively high cost

per occurrence, which will be explained below, twinned with the high number of reported accidents, explains the high cost level in Portugal.

In the rest of the Measurement Countries, the number of reported accidents is almost 50 times lower. This underscores the outlying measurement result in Portugal, though no general assumptions can be made on this basis. The reason underlying the business-as-usual costs in Portugal is that companies in Portugal are obliged to possess insurance for their employees, and therefore 20% of the time spent on this reporting is business-as-usual costs. The majority of the work would be done anyway in order to report to the insurance company.

Another significant result of the measurement is that the total administrative costs per reported occupational accident (per occurrence) vary considerably across the Measurement Countries as also illustrated in Table 22. In particular, the companies in Portugal and Romania have very high administrative costs when fulfilling this Obligation. The total administrative costs per company occurrence are on average €247 and €148 respectively for these two countries. In both countries, this is due to the authorities' demand for large amounts of documentation when an accident occurs in the workplace. In Portugal, the companies spend 970 minutes reporting a typical occupational accident. In most cases (and especially for the smaller companies) this is carried out by an external service provider. When performed internally by the large companies 556 minutes are spent since less time is spent on the standard activity "Designing information material".

In Romania, companies spend 1,400 minutes. This is a remarkably high amount of time spent especially when taking into account that performing a risk assessment in Romania is estimated at 1,360 minutes for small companies and 1,500 minutes for large companies. The time spent includes interviews with people involved and/or witnesses of the accident. In Romania the high cost of reporting can be explained by a desire to "get everything right", since incomplete reporting may result in additional paperwork and reporting, or even inspections.

The reason behind the low level of time spent on the reporting in Sweden (five minutes) is that such a report can be made orally, e.g. over the phone, and this is common practice.

The time spent in reporting an accident is the same across segments, because the size of the company and the insourcing/outsourcing services in general do not significantly affect the time spent on reporting an accident in the Measurement Countries.

3.1.2.4 First simplification suggestions

In general, it is the differences in the documentation requirements between the countries that explain the levels of cost when reporting the accidents. In Sweden, the amount of documentation needed is much lower than in Portugal and Romania. This shows that there would be a high potential for reducing the burdens if the national authorities were able to reduce the documentation demands.

A more intensive use of eGov. tools would be another way of increasing the simplification impact considerably. Simplified forms that are easy to read and use, in addition to the development of tools and templates, are a very helpful guide for companies.

Additionally, the joint handling of this IO together with the IO "List of occupational accidents" could be considered in a reduction perspective.

3.1.3 IO 3 "Control and supervision of safety and health at workplace", Council Directive 89/391/EEC of 12 June 1989, Article 4.2

3.1.3.1 Characteristics of the IO

The total administrative costs of the IO "Control and supervision of the safety and health at workplace" for the 27 European Member States are estimated at €217.5mn. This IO is the fifth most burdensome in the Priority Area.

This Obligation stems from Article 4 of Council Directive 89/391/EEC. The legal text states that "Member States shall take the necessary steps to ensure adequate controls and supervision of the safety and health of workers at the working place."

The IO is segmented according to size and insourcing/outsourcing.

The population has been defined as: Number of companies with more than 1 employee selected for control and/or inspection by the authorities.

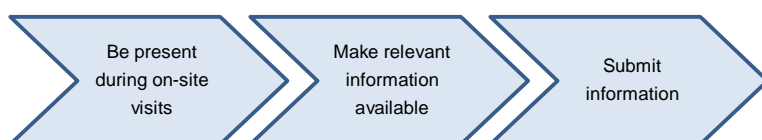
3.1.3.2 Process for complying with IO

The business process typically contains the following activities:

- Representatives from the companies must be present at each control visit meeting with inspectors. External parties may be present;
- Representatives must secure that relevant information is available for audits;
- Companies must submit requested information.

The typical business process can be depicted as follows:

Figure 10: Business process for “Control and supervision of safety and health at work place”



By Capgemini/Deloitte/Ramboll Management

3.1.3.3 Costs and explanatory variables

As mentioned above, the total cost of the IO “Control and supervision of safety and health at work place” is €217.5mn in the EU-27. There is no business-as-usual cost from this IO, and 22 % of the total costs stem from the Measurement Countries.

Table 23 below illustrates the cost in the six Measurement Countries.

Table 23: Total Administrative Cost for “Control and supervision of safety and health at work place” in the Measurement Countries

Control and supervision of safety and health at work place, Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, Art. 4 par. 2						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)	17.48	36.66	40.66	63.82	27.09	868.50
Total Admin. Burden per occurrence (€)	17.48	36.66	40.66	63.82	27.09	868.50

Number of entities	33,031	3,846	4,733	26,152	81,048	17,800
Internal time per occurrence affected (minutes)						
1-9 employees, insourcing	300	**.	160	240	120	1,290
Internal time per occurrence affected (minutes)						
1-9 employees, outsourcing	**.	**.	160	**.	120	**.
Internal time per occurrence affected (minutes)						
10-50 employees, insourcing	450	270	160	360	240	1,290
Internal time per occurrence affected (minutes)						
10-50 employees, outsourcing	**.	270	160	**.	240	**.
Internal time per occurrence affected (minutes)						
51+ employees, insourcing	885	660	510	550	360	1,290
Internal time per occurrence affected (minutes)						
51+ employees, outsourcing	**	660	510	**.	320	**
Equipment costs per occurrence (€)	0.00	0.00	0.00	0.00	0.00	0.00
Consultancy costs per occurrence (€)	0.00	0.00	0.00	0.00	6.00	0.00
Average tariff (€)	2.0	5.0	10.0	12.0	4.0	29.0
Total (€mil.)	0.6	0.02	0.2	17	2.2	15.5

This Table is based on data collected by the Consortium. Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments).

** Segment not relevant.

Again the number of entities and tariffs is an important explanatory factor when looking at total administrative costs. The number of entities in the three most cost-intensive countries, i.e. Portugal, Sweden and Romania, of 26,152, 17,800 and 81,048, obviously have a large impact on total costs. The very comparably high number of entities in Romania is however to some extent limited by the relatively low tariff level which, when comparing with Portugal, is three times lower and, when comparing with Sweden, is more than seven times lower.

As shown in the Table, Portugal is the most cost-intensive country among the Measurement Countries, with a total administrative cost of approximately €17mn. Sweden is the second most cost-intensive country with a total administrative cost of €15.5mn. After Sweden follow Romania, Belgium and Malta with total administrative costs of €2.2mn, €0.6mn and €0.2mn respectively. Estonia has the lowest total administrative costs among the Measurement Countries with approximately €0.02mn.

Looking at, and comparing, time spent in the six Measurement Countries, additional explanations for the cost level of the individual countries are found. The relatively high costs for “Control and supervision of safety and health at the workplace” in Sweden can to some extent be explained by the fact that that a ‘normally efficient business’ in Sweden (irrespective of its size) spends 1,290 minutes per year on this IO. This includes interviews, and an average inspection lasts six hours. Since there are three employees present, the administrative time for the company is 18 hours. To follow up on any criticism and questions, a ‘normally efficient business.’ needs 3.5 hours. The administrative activities related to this IO are primarily to assist the Working Environment authorities by handing over any information required, and to accompany the authority during inspections of the work place to answer questions, take notes, etc.

This means that compared with the other Measurement Countries, Swedish companies spend a noticeably higher amount of time on this aspect. For example, small companies in Portugal spend only 240 minutes on “control and supervision” and large companies spend 550 minutes (see Table above). One of the reasons behind this is that in order to reduce the inspection time in Portugal, the inspectors focus on what needs to be inspected on site, postponing the inspection of documents until after the on-site inspection. At the end of the on-site inspection, inspectors request the documents that they want to inspect, asking companies to collect them as soon as possible and send them to the authorities’ headquarters. Another example is Malta, where the time spent fulfilling the IO is 160 minutes for small companies and 510 minutes for large companies.

Table 24 below provides an overview of the share of internal costs versus the share of consultancy costs across the segments (company sizes). It is clear from the Table that most of the companies perform the activities related to the “control and supervision” internally. Only €0.7mn of the total costs derive from companies outsourcing this IO in the Measurement Countries.

Table 24: Costs across segments on "Control and supervision of safety and health at work place"

Control and supervision of safety and health at work place					
		Segment			Total
		1-9 employees	10-50 employees	51+ employees	
Insourcing	Sum (€mil.)	15.3	3.2	1.1	19.6
Outsourcing	Sum (€mil.)	0.4	0.2	0.1	0.7
Total	Sum (€mil.)	15.7	3.3	1.2	20.2

This Table is based on data compiled by the Consortium.

3.1.3.4 First simplification suggestions

A more intensive use of eGov. tools is a possible way of increasing the simplification impact considerably. Simplified forms that are easy to read and use (e.g. 'encouraging e-forms'), as well as the development of tools and templates, are a very helpful guide for companies.

In addition, a more risk-based approach to the inspection of health and safety procedures is a suggestion that would possibly lead to a more effective means of easing the administrative costs of this IO. Prioritising inspection for companies with the highest risk would automatically lessen the burdens for a considerable number of the companies that do not have any particular safety and health risks. The current text of the Directive is brief and leaves much latitude to the Member States ("Member States shall ensure adequate controls and supervision"). Changing this provision to a risk-based assessment would involve specifying in great detail what the inspection of companies would entail, which would mean introducing new detailed provisions at EU level. Also, compatibility with ILO Convention 81 on Labour Inspection should be maintained. As mentioned earlier, the suggestions listed in this report have not been further analysed since this is included in the work of Module 5, and the suggestion related to the risk-based approach proves why a thorough analysis of the suggestions is needed.

3.1.4 IO4 “List of occupational accidents”, Council Directive 89/391/EEC of 12 June 1989, Article 9, 1(c)

3.1.4.1 Characteristics of the IO

The total administrative costs of the IO “List of occupational accidents” for the 27 European Member States are estimated at €19.7mn. This makes this IO the least cost-intensive of all IOs in the Priority Area.

This Obligation stems from Article 9, 1(c) of Council Directive 89/391/EEC. The legal text states “The employer shall keep a list of occupational accidents resulting in a worker being unfit for work for more than three working days”.

Though it may differ between the Member States, the list of occupational accidents generally contains the following information:

- Name;
- Name, address and information of insurance of employer at time of accident;
- Type of work and address of place of accident;
- Description of events leading to accident;
- Information of injury and possible effects, including the time the employee is expected to be unable to work;
- Other information (information on who is reporting the accident, internal investigation of accident in relation to the cause of the accident and possible solutions to prevent future accidents of that kind, etc.)

“List of occupational accidents” is a non-prioritised IO, which will not normally be segmented. However, in order to capture the most significant differences on time spent between companies that handle the list of occupational accidents, the measurement of the IO is covered by campaigns similar to the prioritised IOs (size and insourcing/outsourcing).

The population has been defined as: Number of reported occupational accidents from companies with more than 1 employee.

3.1.4.2 Process for complying with IO

The business process typically comprises the following activities:

- Collect data on all occupational accidents;
- Prepare the list and file data of accidents;
- Keep the list updated.

The typical business process can be depicted as follows:

Figure 11: Business process for “List of occupational accidents”



By Capgemini/Deloitte/Ramboll Management

3.1.4.3 Costs and explanatory variables

The total administrative cost of this IO is €19.7mn in the EU-27. Around 10% of this is considered as business-as-usual cost, and 17% of the total costs stem from the Measurement Countries.

The results of the measurement of “List of occupational accidents” show that the countries with the highest total costs are Portugal with €0.18mn, Romania with €0.16mn and Sweden with €0.06mn (see Table 25 below). Total costs in Malta, Estonia and Bulgaria are diminishing and are all below €5,000. In general, the volume of occupational accidents is the reason behind differences in total cost. This is particularly the case in Portugal, where the number of accidents is high.

Table 25: Total Administrative Cost for “List of occupational accidents” in the Measurement Countries

List of occupational accidents, Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work, Art. 9 par. 1(c)						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)*	0.31	1.20	4.25	3.16	3.00	12.75
Total Admin. Burden per occurrence (€)*	0.25	1.14	3.19	3.08	2.96	12.66
Number of entities	1,025	3,655	1,071	234,108	54,084	5,200
Internal time per occurrence affected (minutes)	10.00	60.00	15.00	30.00	30.00	15.00
Equipment costs per occurrence (€)	0.00	0.00	0.00	0.00	0.00	0.00
Consultancy costs per occurrence (€)	0.00	0.00	0.00	0.72	0.36	0.00
Average tariff (€)	2.0	5.0	10.0	12.0	4.0	29.0
Total (€mil.)	0.0003	0.001	0.004	0.18	0.16	0.06

This Table is based on data compiled by the Consortium. Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments).

When looking at the total administrative costs per occupational accident listed (occurrence) it is clear that Sweden has the highest cost per listed accident (€12.75) while Bulgaria has the lowest cost per listed accident (€0.31).

When looking at the time spent on listing each accident the total time used was in the range of 10-60 minutes in the Measurement Countries. The normally efficient companies in Portugal and Romania spend 30 minutes on listing each occupational accident. In Sweden, the companies spend 15 minutes per accident while the Bulgarian companies spend 10 minutes for each typical accident. The time spent recording an accident is the same across the segments, because the size of the company has no relevance when recording an accident. The only exception is large companies in Estonia, who spend 60 minutes on listing an accident as they spend more time on the standard activity “Designing information material”.

Looking across the segments, there is great variation in how the activities related to “List of occupational accidents” are performed between countries. In Portugal, the small and

medium-sized companies outsource the listing while in Sweden and Estonia, it is performed internally. In the rest of the countries, both external and internal providers fulfil the IO.

3.1.4.4 First simplification suggestions

A more intensive use of eGov. tools is a potential way of simplifying the handling of the IO. Simplified forms that are easy to read and use (e.g. 'encouraging e-forms'), as well as the development of tools and templates, could also be helpful guidance for companies.

3.2 Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites

A total of three EU IOs and Possibilities Stated in the EU Legal Acts were identified for this Directive. All three IOs were covered by the campaigns in the Measurement Countries. This ensured that data on national practices was obtained on all IOs (including the non-prioritised IOs). The three IOs are as follows:

- "Prior notice of construction site" (non-prioritised IO);
- "Safety and health plan" (prioritised IO);
- "Obligation to prepare a file containing relevant health and safety information for any subsequent work" (prioritised IO).

As is the case with Directive 89/389/EEC, Directive 92/57/EEC is goal-oriented, which means that the level of detail at the EU level is rather low. Furthermore, the possibility exists for the Member States to derogate, meaning that they can define low-risk construction sites, and decide that some construction companies are not required to draw up health and safety plans.

Target groups

The target group for Directive 92/57/EEC is narrower than in Directive 89/391/EEC as it is only aimed at companies performing construction work. This also makes the target group slightly more volatile in that it comprises not only construction companies, but also companies that are, for example, rebuilding an office facility or production plant (depending on the exact nature of the construction work).

Segmentation

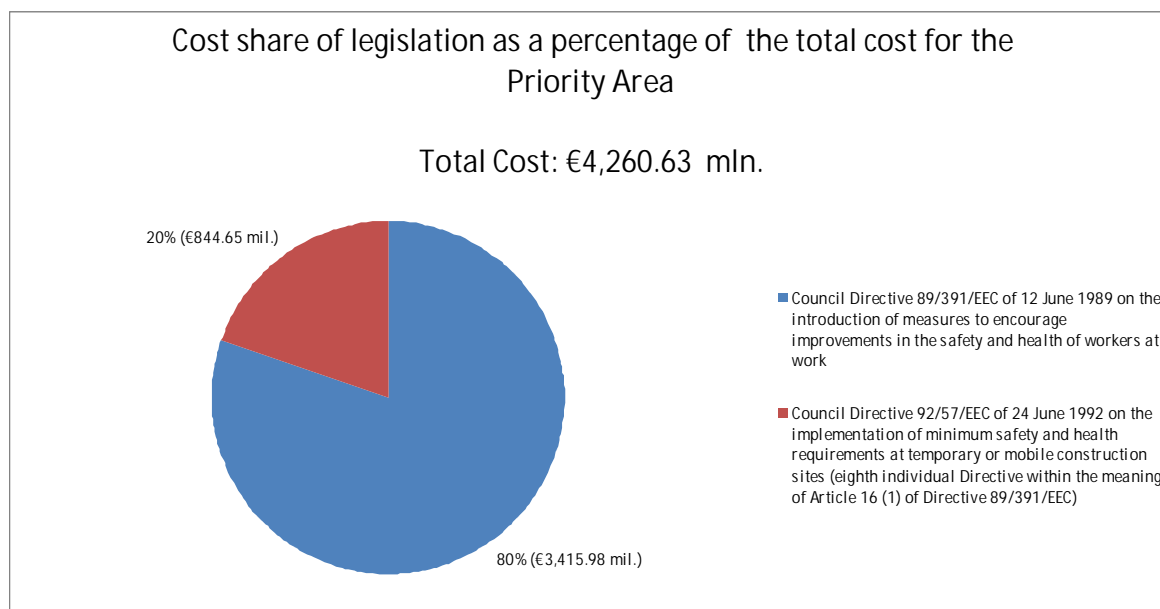
As noted earlier for Directive 92/57/EEC, slightly different segments were defined than in Directive 89/391/EEC, as the main factor explaining time as well as ways of handling the IOs was assumed to be the complexity of the construction activity. Therefore, the following segmentation variables were chosen:

- Low-risk construction sites
- Complex construction sites
- Outsourcing
- Insourcing.

It should be noted that in practice, some of the segments are not relevant in all countries. For example, according to Estonian legislation, the preparation of a safety and health plan cannot be outsourced and must be performed by the contractor.

The total administrative costs for the Working Environment Priority Area that can be related to Council Directive 92/57/EEC constitute a total of €844.6mn, which corresponds to 20% of the total costs (see Figure 12).

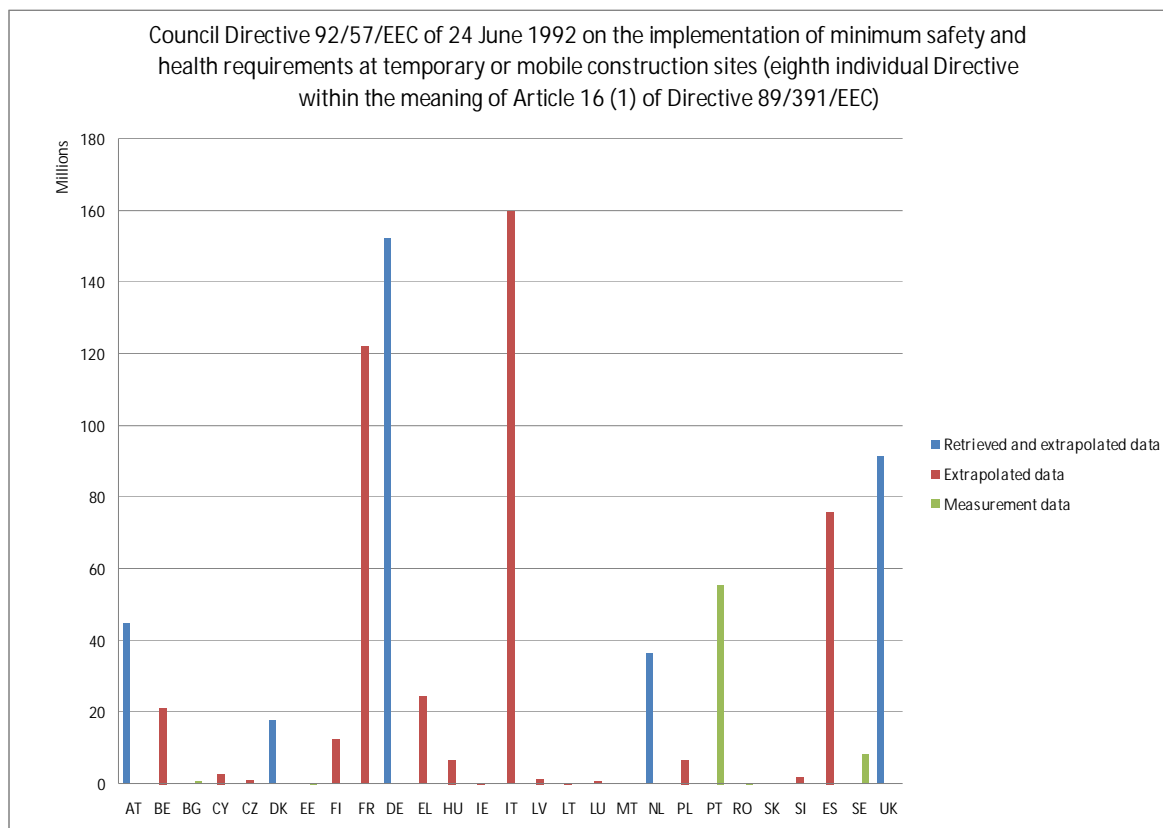
Figure 12: Share of total costs between the Directives in scope (%)



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The Figure below illustrates the costs related to Council Directive 92/57/EEC distributed across Member States.

Figure 13: Total costs per Member State – Directive 92/57/EEC



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Looking at the total cost per Member State in the Figure above it can be seen that the Member States in which most of the costs are concentrated are Italy, Germany, France, the United Kingdom and Spain. Italy, France and Spain are the countries with the highest costs among the non-Measurement Countries. This can be explained by the fact that there are relatively high Qs and relatively high wage levels.

Of the Baseline Countries, Germany and the United Kingdom account for the largest share of the cost, which is also mainly driven by a high number of businesses affected and high wage levels.

Portugal is by far the most cost-intensive Measurement Country within the scope of this Directive. The reason for this will be explained in the following sections.

3.2.1 IO5 “Safety and health plan”, Council Directive 92/57/EEC of 24 June 1992, Article 5, point (b); Article 3 para. 2; (Article 9; Article 10)

3.2.1.1 Characteristics of the IO

The most burdensome IO within the Council Directive 92/57/EEC Working Environment Priority Area is the “Safety and Health Plan”. It is the second most burdensome IO within the Priority Area. The total administrative cost for this IO for the 27 European Member States was estimated at €566.9mn.

This Obligation stems from Article 5 point (b) Article 3 para. 2.9 of Council Directive 92/57/EEC. The legal text states “The coordinator(s) for safety and health matters during the project preparation stage appointed in accordance with Article 3 (1) shall draw up, or cause to be drawn up, a safety and health plan setting out the rules applicable to the construction site concerned, taking into account where necessary the industrial activities taking place on the site; this plan must also include specific measures concerning work which falls within one or more of the categories of Annex II.”

As mentioned before, the level of detail specifying the health and safety plan requirement at the EU level is rather low, but based on the findings in the countries a typical plan will include:

- Specification of number of workers, duration of construction project;
- Specification of deadline of risk before commencing the construction work;
- Variations in requirements due to size of construction projects;
- Details on the dangers to the safety and health of the employees.

The population has been defined as: number of companies doing construction work.

3.2.1.2 Process for complying with IO

The business process behind the safety and health plan can be handled either internally or externally. If the plan is outsourced, the most typical procedure is to hire consultants to draw up the plan. Below is an overview of how the activities are handled when the risk

assessment is conducted internally as well as externally. The safety and health plan is conducted on all new construction sites and is updated regularly. The regular update of the safety and health plan is a part of the business process. The process typically contains the following activities:

- Collect information on risk in the work place which must be addressed to enhance level of safety, including requesting information from contractors;
- Become familiar with the legislation;
- Prepare written safety and health plan;
- Revise and update if necessary.

The typical business process can be depicted as follows:

Figure 14: Business process for "Safety and health plan"



By Capgemini/Deloitte/Ramboll Management

The typical outsourcing process is no different from the insourcing process. The activities are similar, except that they are performed by an external consultant when outsourcing.

3.2.1.3 Costs and explanatory variables

The total administrative cost of this IO is €566.9mn in the EU-27. Around 20% of this is considered as business-as-usual cost, and 10% of the total costs stem from the Measurement Countries.

Table 26 show the total administrative costs for the Safety and Health plan in the six Measurement Countries.

Table 26: Total administrative costs for “Safety and health plan” in the Measurement Countries

“Safety and health plan”, Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC), Art. 5 point (b); Art. 3 par. 2; (Art. 9; Art. 10)						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)	132.83	70.46	129.77	1,012.68	29.50	433.50
Total Admin. Burden per occurrence (€)	99.63	52.84	97.33	759.51	22.13	325.13
Number of entities	4,200	4,366	74	35,763	3,724	5,500
Internal time per occurrence affected (minutes) Complex site, insourcing	2,500	960	485	4,800	280	510
Internal time per occurrence affected (minutes) Complex site, outsourcing	2,740	**	1,020	4,620	130	**
Internal time per occurrence affected (minutes) Low risk site, insourcing	**	720	380	244	**	**
Internal time per occurrence affected (minutes) Low risk site, outsourcing	**	**	960	480	**	**
Equipment costs per occurrence (€)	0.00	0.00	0.00	0.00	0.00	0.00
Consultancy costs per occurrence (€)	45.50	0.00	7.73	41.09	2.25	0.00
Average tariff (€)	2.0	5.0	10.0	12.0	4.0	29.0
Total (€mil.)	0.6	0.3	0.01	36.2	0.1	2.4

This Table is based on data compiled by the Consortium. Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments).

** Segment not relevant.

As can be seen from the Table, the results of the measurement of the “Safety and health plan” shows that the country with the highest total costs by far is Portugal with €36.2mn. The total costs for the rest of the Measurement Countries are considerably lower and can be found in the range of €2.4mn to €0.1mn. Malta is the country with the lowest cost with less than €10,000.

Compared to the other Measurement Countries Portugal is the country spending by far the highest time on the safety and health plan. A relatively higher number of affected entities together with a high amount of internal time spent explain this high cost. For a complex site (insourcing and outsourcing) the estimated time spent is 4,800 minutes (insourcing)

and 4,620 minutes (outsourcing). This is due to a common practice (and not a national legal requirement) of using the safety and health plan as a control check of what is happening on the construction site (e.g. number of workers on site in the day, tasks performed on the day, etc.) These so-called updates to the safety and health plan do not stem from the law but from a book published in 1996 (after the first transposition of the Directive) by a Portuguese expert, in which guidelines on drawing up a safety and health plan were published. Since then this book has been adopted as the model to follow and within the guidelines these updates were stated as necessary. This means that safety and health plans are burdensome due to bad practice stemming from informal information at national level.

Also, Portugal has by far the highest number of construction sites (entities). It should be noted that in Portugal it is possible to distinguish low-risk construction sites, for which the time spent on the safety health plan is considerably lower than for the complex sites.

Looking at one of the other Measurement Countries, Sweden, the time spent on the plan is considerably lower: 510 minutes for a safety and health plan. This is mainly because most companies interviewed had templates for drawing up safety and health plans, which made the task less time-consuming. On average, the interviewees estimated that it takes approximately eight hours to draw up a safety and health plan, including the risk assessments. The plan is usually drawn up by the on-site manager.

There is no general trend in the division of costs between the external and internal services. However, the measurement indicated that in some countries the share of the cost between internal and external services does not differ significantly. This is due to the fact that in these countries there are no considerable differences in the time spent on the IO between the insourcing and outsourcing segment. In both cases it is the most capable person who handles the activities related to drawing up the plan, and therefore the time spent is the same internally and externally.

3.2.1.4 First simplification suggestions

Only a few suggestions for simplification were collected during the interviews with businesses. The suggestions can be summed up as follows:

- Achieve a significant burden reduction by increasing use of eGov. Solutions;
- Clarify the content and what the law requires for a safety and health plan;
- Apply a risk-based approach, meaning that companies exposed to the highest risks cannot be exempted.

3.2.2 IO6 “Obligation to prepare a file containing relevant health and safety information for any subsequent work”, Council Directive 92/57/EEC of 24 June 1992, Article 5,c (Article 9 and 10)

3.2.2.1 Characteristics of the IO

The second most burdensome IO for Council Directive 92/57/EEC and the fourth most burdensome IO in the Priority Area is the “Obligation to prepare a file containing relevant health and safety information for any subsequent work”. The total administrative cost for this IO for the 27 European Member States has been estimated at €237.7mn.

This IO stems from Article 5 point (c) of Council Directive 92/57/EEC. The legal text states that “The coordinator(s) for safety and health matters during the project preparation stage appointed in accordance with Article 3 (1) shall prepare a file appropriate to the characteristics of the project containing relevant safety and health information to be taken into account during any subsequent works.”

The obligation to prepare the file only applies to construction sites with more than one contractor present (Article 3(1)). In addition, it is only the coordinator(s) that need to prepare such a file, not all companies involved on the site. The file is usually completed when the construction work is finished and contains in general a description of the projects, the design, and a list of which products and materials are used.

The population has been defined as: Number of companies doing construction work.

3.2.2.2 Process for complying with IO

The typical process for the safety and health file contains the following activities:

- Collect information of risks in the work place which must be addressed to enhance level of safety;

- Prepare file with relevant data for subsequent work;
- File safety file;
- Submit to operations.

The typical business process can be depicted as follows:

Figure 15: Business process for “Obligation to prepare a file containing health and safety information”



By Capgemini/Deloitte/Ramboll Management

The file is regularly updated while the work is progressing and is mandatory for all new construction sites.

3.2.2.3 Costs and explanatory variables

The total administrative cost of this IO is €237.7mn. Of the total costs, 27% are considered as business-as-usual costs, and 12% of the total costs stem from the Measurement Countries.

Table 27 below shows the total administrative costs for “Obligation to prepare a file containing relevant health and safety information for any subsequent work” in the Measurement Countries.

Table 27: Total administrative costs on “Obligation to prepare a file containing relevant health and safety information for any subsequent work” in the Measurement Countries

“Obligation to prepare a file containing relevant health and safety information for any subsequent work”, Council Directive 92/57/EEC of 24 June 1992						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)	23.35	47.00	46.23	475.21	42.17	1,025.75
Total Admin. Burden per occurrence (€)	11.67	32.90	30.18	238.23	21.08	512.88
Number of entities	4,200	5,667	74	35,763	3,713	5,500
Internal time per occurrence affected (minutes)						
Complex site, insourcing	0.	0	360	2,260	525	1,215
Internal time per occurrence affected (minutes)						
Complex site, outsourcing	0	0	185	2,230	130	**.
Internal time per occurrence affected (minutes)						
Low risk site, insourcing	0	0	125	120	**.	**.
Internal time per occurrence affected (minutes)						
Low risk site, outsourcing	0	0	125	90	**.	**.
Equipment costs per occurrence (€)	0.00	0.00	0.00	0.00	0.00	0.00
Consultancy costs per occurrence (€)	0.00	0.00	0.00	17.67	2.50	0.00
Average tariff (€)	2.0	5.0	10.0	12.0	4.0	29.01
Total (€mil.)	0.0	0.0	0.003	17,0	0.2	5.6

This Table is based on data compiled by the Consortium.

Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments). ** Segment not relevant.

The results of the measurement of the “Obligation to prepare a file containing relevant health and safety information for any subsequent work” show that the country with the highest total costs is Portugal with €17.0m. This is remarkably high compared with the other countries. In Portugal, almost 36,000 company files are prepared annually and the average total administrative cost per occurrence is €475. In Sweden 5,500 files are prepared, which results in a total cost of €5.6mn. The total costs for Romania and Malta are significantly lower with €0.2mn in Romania and only €3,000 in Malta. Bulgaria and

Estonia have no costs for the IO as in Bulgaria, the file is considered a part of the safety and health plan, and in Estonia it has not been implemented in the national legislation.

As is also clear from Table 27, the two main reasons behind the high total costs in Portugal are the relatively high number of files (number of entities) prepared and the relatively high amount of time spent handling the activities related to the preparation of the file. When an external provider completes the file, 2,230 minutes are spent and 2,260 minutes are spent when the company completes it itself. The reason behind this is the high level of documentation required which means that the companies must focus greatly on filing and keeping the relevant documents available for the authorities. The heavy focus on documentation of the file is also an activity that requires a considerable amount of time and resources. In comparison, the Maltese companies spend only 360 minutes (complex sites, outsourcing) and 185 minutes (complex sites, insourcing). In Sweden 1,215 minutes are spent on the file. Approximately 80% of that time is devoted to collecting information from sub-contractors and 20% on compiling the various documents into one file. According to the companies interviewed, the file is compiled by the on-site manager.

The Table also shows that in Portugal the time spent on this IO is considerably lower for the low-risk construction sites.

3.2.2.4 First simplification suggestions

Only a few suggestions for simplification were collected during the interviews with businesses. The suggestions can be summed up as follows:

- Achieve a significant reduction in burden through increasing use of eGov. Solutions;
- Clarify the content and what the law requires for a safety and health file;
- Apply a risk-based approach, meaning that companies exposed to the highest risks cannot be exempted.

3.2.3 IO7 "Prior notice of construction site", Council Directive 92/57/EEC of 24 June 1992, Art. 3.3

3.2.3.1 Characteristics of the IO

The IO "Prior notice of construction site" is the least burdensome IO in Council Directive 92/57/EEC. The total administrative cost for this IO for the 27 EU Member States was estimated at €39.9mn.

This IO stems from Article 3.3 of Council Directive 92/57/EEC. The legal text states that "In the case of construction sites on which work is scheduled to last longer than 30 working days and on which more than 20 workers are occupied simultaneously, or on which the volume of work is scheduled to exceed 500 person-days, the client or the project supervisor shall communicate a prior notice drawn up in accordance with Annex III to the competent authorities before work starts.

The prior notice must be clearly displayed on the construction site and, if necessary, periodically updated."

The IO is analysed according to whether it is a complex or low-risk site and with regard to insourcing/outsourcing. The target group is construction sites (i) where the project is estimated at more than 30 days and where more than 20 workers are occupied simultaneously, or (ii) where the estimated numbers of person-days amounts to more than 500.

A prior notice contains the following information (as noted in Annex III of Directive 92/57/EEC):

- Date of forwarding;
- Exact address of the construction site;
- Client(s) (name(s) and address(es));
- Type of project;
- Project supervisor(s) (name(s) and address(es));
- Safety and health coordinators(s) during the project preparation stage (name(s) and address(es));
- Coordinator(s) for safety and health matters during the project execution stage (name(s) and address(es));
- Date planned for start of work on the construction site;

- Planned duration of work on the construction site;
- Estimated maximum number of workers on the construction site;
- Planned number of contractors and self-employed persons on the construction site;
- Details of contractors already chosen.

The prior notice template is usually available online.

The population has been defined as: Total number of prior notices.

3.2.3.2 Process for complying with IO

The typical business process for the prior notice contains the following activities:

- Collection of existing detailed information on the construction project;
- Preparing the information/filling in the notice;
- Submitting the information to the authorities (by post);
- Displaying the prior notice;
- Updating, if necessary.

The typical business process can be depicted as follows:

Figure 16: Business process for “Prior notice of construction site”



By Capgemini/Deloitte/Ramboll Management

3.2.3.3 Costs and explanatory variables

The total administrative cost of the IO “Prior notice of construction site” is €39.9mn in the EU-27. There is no business-as-usual cost related to this IO, and 7% of the total costs stem from the Measurement Countries.

The highest total cost by far in the Measurement Countries for “Prior notice of construction site” is Portugal with €1.8mn followed by Sweden with total administrative costs of 0.2mn and Bulgaria with total administrative costs of €0.1mn (see Table 28

below). The highest total administrative cost per prior notice arises in the case of the Portuguese and Bulgarian companies with an average total cost of approximately €56 and €31 respectively per prior notice. Estonia has the lowest administrative cost per occurrence with €2.9.

Table 28: Total Administrative Cost of "Prior notice of construction site" in the Measurement Countries

"Prior notice of construction site", Council Directive 92/57/EEC of 24 June 1992 on the implementation of minimum safety and health requirements at temporary or mobile construction sites (eighth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC), Art. 3 par. 3						
	Measurement Countries					
	BG	EE	MT	PT	RO	SE
Total Admin. Cost per occurrence (€)	31.33	2.92	8.50	55.84	4.77	30.60
Total Admin. Burden per occurrence (€)	31.33	2.92	8.50	55.84	4.77	30.60
Number of entities	4,200	405	100	32,947	11,159	5,500
Internal time per occurrence affected (minutes)	250.00	25.00	30.00	229.00	49.00	36.00
Equipment costs per occurrence (€)	0.00	0.00	0.00	0.50	0.00	0.00
Consultancy costs per occurrence (€)	25.00	0.00	0.00	0.94	0.00	0.00
Average tariff (€)	2.0	5.0	10.0	12.0	4.0	29.0
Total (€mil.)	0.13	0.0	0.0001	1.8	0.1	0.2

This Table is based on data compiled by the Consortium. Collection of data for this IO was based on segments. The total cost per occurrence presented in this Table is calculated per IO as: (sum of total costs across segments)/(sum of Q across segments).

Looking at the number of prior notices, it is clear that this is one of the reasons why the total costs for Portugal are remarkably high. The number of prior notices filed each year is 32,947. At the other end of the scale, only 100 are filed in Malta on a yearly basis.

The Bulgarian companies spend 250 minutes on a prior notice regardless of company size while the Portuguese companies spend 219 minutes when outsourcing (229 minutes when insourcing). In both countries, a lot of time is spent retrieving information. In Sweden, it is estimated that a 'normally efficient business' requires 36 minutes to give the prior notice.

The prior notice can be completed either internally or externally. In Bulgaria, Malta and Portugal the prior notice is conducted by external and internal providers, while in Sweden, Estonia and Romania the prior notice is completed using only internal resources.

3.2.3.4 First simplification suggestions

Only a few suggestions for simplification were collected during the interviews with business. The suggestions can be summed up as follows:

- Clarify the content and what the law requires for a prior notice;
- Make increased use of eGov. solutions – this is one of the most significant reductions in burden which could be achieved;
- Take a risk-based approach, meaning that companies exposed to the highest risks cannot be exempted.

4. Conclusion and Outlook

In total the Administrative Cost resulting from the legislation in scope of Working Environment/Employment Relations Priority Area amounts to €4.26bn. Of the total for the Priority Area, 89% (€3.79bn) has been classified as Administrative Burden, while €32.4mn is due to national implementation of National Obligations going beyond EU Requirements.

A 25% reduction of the Administrative Burden for Working Environment/Employment Relations Priority Area would amount to some €947mn.

One IO — “Obligation to possess assessment of risks to safety and health at work” — alone accounts for €2.94bn in administrative costs, representing 69% of the total administrative cost caused by EU IOs in this Priority Area. The IO stems from Directive 89/391/EEC.

Looking at distribution across Member States, most of the costs are concentrated in Italy, the United Kingdom, Germany and France. This can mainly be explained by high number of entities affected in these large Member States.

The Measurement Country with the highest cost is Portugal with €170mn. This again is driven by a relatively high number of companies with employees, a high number of reported occupational accidents and a relatively higher level of time spent compared with the other Measurement Countries.

A clear pattern which emerges across the Measurement Countries is the need to have knowledge of the requirements and to have supporting structures in place. Companies in general, and the smaller ones in particular, are generally uncertain of what is actually expected of them – and how they can live up to the requirements.

This is particularly the case with the risk assessment in Directive 89/391/EEC. The outcome of the insecurity is either that the companies perhaps spend too much time on it,

or that they make a risk assessment “simply to have one to show in the event of inspection”, or that they simply do not do it.

Lessons from the Baseline Countries indicate that experience with handling the IOs undoubtedly leads to learning curve effects over time.

The focus of this study is the administrative cost imposed on businesses due to IOs within the Priority Area of Working Environment/Employment Relations. Hence the study does not look at the benefits of legislation or the direct financial or substantive costs. As objectives and benefits have a significant impact on any potential decision as to whether to amend, replace, or reconsider certain regulatory frameworks or IOs as suggested in this report, these should be clearly analysed and considered before any such decision is made.

Changes of the kind put forward here are part of a highly dynamic environment and cannot be considered separately from this context. How a suggested change will impact the business and its stakeholders are important elements to include in further studies of the simplification suggestions. A structured approach to analysing simplification suggestions is being conducted in Module 5.

The first part of Module 5 has been started up in parallel to the measurement work presented in this report and focuses on conducting national events in all MS as well as a large SCM event at EU level, the Cutting Red Tape for Europe Conference²³. The events were conducted to:

- disseminate the early results of this project
- involve and activate further national and EU stakeholders, and
- collect input into the analysis of the simplification suggestions.

To maintain and develop further the positive results of these activities, an e-magazine on important SCM news is produced quarterly and the Directorate-General for Enterprise and Industry’s Administrative Burdens Reduction website has been restructured and editorial input provided.

²³ Held in Brussels on 20.6.2008; see www.cuttingredtape.eu.

Work to be undertaken in the second part of Module 5 uses the results of the first part of Module 5 as well as results from Modules 3 and 4 to deliver reduction recommendations for the Priority Areas in this project based on a specially developed reduction methodology. This methodology is being used to identify and distinguish changes to EU legislation (IOs stemming from EU legislation), from changes to implementing/transposing measures adopted by the Member States (better practice, including possible elimination of additional requirements). Furthermore, a monetary evaluation of the reduction recommendations will be conducted along with an analysis on their implementability. In addition to the input stemming from this project additional input from best-practice countries, EU level experts within and across Priority Areas, and existing reduction recommendations and strategies will be used. The results of this work are expected by the end of March 2009

It is important to stress that the two Directives open up to Member States the possibility of granting derogations as regards the establishment of safety plans and the possibility of having a modulated approach to the content of the dossier in Directive 92/57/EEC, as well as taking a modulated approach to Directive 89/391/EEC. The use of these possibilities has been investigated, both bilaterally with the Measurement Countries and in the implementing measures survey. Thresholds have been observed in the mapping; please also see Chapter 2.

However, the general conclusion in the mapping at national level, as well as in the Measurement Countries, is that most Member States do not seem to make use of the derogation and modulation possibilities in the Directives

So one of the main reduction avenues to pursue would be to use and make known the possibilities, which are already in the Directives.

As mentioned previously, the need to have knowledge of the requirements and to have supporting structures in place is a clear pattern that emerges across the Measurement Countries. Companies in general, and the smaller ones in particular, are uncertain of what is actually expected of them – and how they can live up to the requirements. The risk assessment in Directive 89/391/EEC is a case in point and the insecurity perceived by the

business may have the impact that the risk assessment does not become integrated into corporate life, which means that it is seen as an 'additional requirement' for companies to perform, instead of being an integrated part of the company's modus operandi.

The simplification avenues to explore further, of which many would be tasks for the Member States, can be summarised as follows:

- Development of tools and templates to help guide the companies, and of other guidance material, including leaflets and brochures, that are as practical as possible preferably using examples;
- eGov. solutions; simplified forms that are easy to read and to use (e.g. encouraging e-forms), digital solutions for assessment of risks to safety and health at work, reporting on occupational accidents suffered by workers, health and safety plan, and reporting of construction sites;
- Data exchange between different authorities to avoid double reporting, e.g. between the labour inspectorate and the social services;
- Simplification of the risk assessment procedure;
- Specific emphasis upon small businesses: possible exclusion of the smallest businesses from the obligation to possess a written risk assessment, development of tools and templates specifically tailored to SMEs, lists of the most important rules applicable to small businesses;
- Risk-based approach to the risk assessment, meaning that companies exposed to high risks have to make a much more thorough risk assessment;
- Risk-based approach for inspection of health and safety procedures; however, compatibility with the ILO Convention 81 on Labour Inspection should be observed;
- Sector-based approach to the risk assessment: inventories of the main hazards and risks that need to be tackled in a specific sector, use of sector-specific checklists;
- Preference for participative methods of risk assessment (bottom-up approach) and dialogue at company level between the employer and employees and/or their representatives;
- Promoting a better understanding of the legislation, its goals, its potential benefits and its practical implications by means of awareness campaigns, training programmes, financial incentives, etc.;

- Development of forms of co-regulation and other forms of partnership between public authorities on the one hand and the social partners on the other (common awareness campaigns, common training programmes, etc.) in order to arrive at a national preventative safety and health culture;
- Screening instances of duplication of administrative formalities and administrative burdens which may possibly lead to recasting European and national legislation.

5. Annex

5.1 Methodological challenges in the Working Environment/Employment Relations Priority Area

The following sections outline the main methodological challenges encountered in the measurement and discuss the countermeasures taken.

Thus, the sections below address:

- Mapping
- Recruitment of companies
- Data collection, including remark on the collection of Qs
- Standardisation
- Reuse of existing data
- Self-employed and the reporting of occupational accidents.

5.2 Mapping

Given the goal-orientation of the working environment Directives, the national mappings faced difficulties in establishing the minimum requirements, and hence the potential Possibilities Not Stated in the EU Legal Acts.

As already noted, the level of detail in the Directives is very low, apart from the list of occupational accidents in Directive 89/391/EEC and the prior notice in Directive 92/57/EEC, leaving considerable discretion to the individual Member States to define the contents. In addition, Member States often leave a large scope for companies to decide on appropriate tools and methods; the risk assessment in Directive 89/391/EEC is a case in point.

The basic challenge is that it is impossible for the Member States to go beyond the content requirements in the Directives, as these are not specified.

5.2.1 Solution

The challenges outlined above have been addressed in several ways, which are summarised below²⁴:

- Establishing a “common denominator”
- Analysing the national context.

5.2.1.1 Establishing a “common denominator”

In order to measure the IOs, which are not specified in the Directives, a typical “risk assessment” in Directive 89/391/EEC and a typical “health and safety plan” in Directive 92/57/EEC were established on the basis of the national mappings and the specifications in the mappings, in order to make the measurement consistent across the Member States. On the basis of the common denominator, an analytical “core element” was established, and divergences from it discussed and explained²⁵.

For the risk assessment in Directive 89/391/EEC the typical elements/steps are:

- Meetings between management and employees; safety organisation; external assistance
 - Assessment of working environment; describe, reflect, assess, including causes
 - Prioritise, make action plans, follow-up
 - Elements: absence, psychological working environment, sector specifics (check lists)
 - Complete written risk assessment
 - Update written risk assessment if necessary.
- For the safety and health plan in Directive 92/57/EEC the typical elements/steps are:

²⁴ Ref.: Comments on DG ENTR comments of 17.4.2008 – presented and agreed upon at the EC PMT meeting on 8.5.2008, which is a methodological comment on the comments made by DG ENTR on 17.4.2008 in the formal evaluation of the Draft Final Report on Module 2 (Framework contract ENTR/06/61).

²⁵ This approach was also noted in the approved minutes from the workshop with the Directorate-General for Enterprise and Industry (DG ENTR) and the Directorate-General for Employment, Social Affairs and Equal Opportunities (DG EMPL) on 12.2.2008.

- Specification of number of workers, duration of construction project
- Specification of deadline of risk before commencement of the construction work
- Variations in requirements due to size of construction projects
- Details on the dangers to the safety and health of the employees.

These specifications were then noted down in the business processes, which were used in the country interviews. It is worth mentioning that the generic processes and elements were confirmed in the Measurement Countries.

As discussed at the workshop with the Directorate-General for Enterprise and Industry in Brussels on 11 December 2007, the Consortium's suggestion on how to deal with the potential overlap with the health and safety file (Directive 92/57/EEC) was accepted:

There seems to be overlap with Art. 5c. Meanwhile, Art. 5b does seem to require specific administrative activities to be undertaken such as making a document/plan that will facilitate an ulterior risk assessment, which would imply some degree of risk assessment in order to include the relevant information, and set out the rules, including particular risks in Annex II. Nevertheless, in practice it may be difficult to distinguish from the health and safety file, as they appear highly interdependent. Based on these considerations, our suggestion would be to keep the plan and the file as separate IOs, and base a potential merger of the two on the measurement and how businesses handle these IOs in practice. Both will need to be measured.

This is why the typical steps/elements for the file have been established, based on the national mappings:

- Collect information on risks in the workplace which must be addressed to enhance level of safety
- Prepare file with relevant data for subsequent work
- File safety file
- Submit to operations.

It should be noted that the approach of defining a typical, common denominator has also been applied for the non-prioritised IOs for which the Directives do not define the details;

i.e. the list of occupational accidents and the reporting of occupational accidents in Directive 89/391/EEC, see sections below. These IOs are also covered by the campaigns in the Measurement Countries so that data was obtained on the national practices as far as possible.

5.2.1.2 Analysing the national context

It is important to stress that the national mappings also looked into whether Member States use the possibility of granting derogations as regards the establishment of safety plans and the possibility of having modulations on the content of the dossier in Directive 92/57/EEC, as well as the use of modulation possibilities in Directive 89/391/EEC.

However, the general conclusion in the mappings was that most Member States do not seem to make use of the derogation and modulation possibilities in the Directives. Malta has however modified the “requirement” to have a written risk assessment for companies with fewer than five employees; the interviews and expert assessment indicate that all risk assessments are performed in writing. In Portugal, there exists a special safety and health plan for low-risk construction sites.

To sum up, the measurement has provided data on national practices and what drives the costs in the Member States, which is used for discussing and analysing differences between the latter.

5.3 Recruitment of companies

Overall, the identification and recruitment of companies went well, but with country-specific challenges. In general, the companies appeared willing to participate.

The target group is very widely defined, as it is made up of companies with employees for Directive 89/391/EEC and companies doing construction work for Directive 92/57/EEC. As to the latter, it should be noted that the target group is not only construction companies, but all companies undertaking construction work. In other words, the pool of companies to choose from is quite large.

Nevertheless, despite the relatively easy identification of companies, the actual recruitment of companies for the interviews proved somewhat challenging. This was especially the case with smaller companies, as many of them did not have specific experience in handling the IOs and the risk assessment in particular.

So instead of relying solely on “cold canvassing”, other approaches were applied. These included contacts with business associations and governmental agencies with lists of certified experts, who could then direct the country teams towards companies. The “snowballing” approach was also applied to consultants’ networks, company representatives, etc.

5.4 Data collection

The major challenge in the actual data collection was to keep the focus in the directives in scope. As already noted, there is a substantial amount of legislation that regulates health and safety. The challenge was therefore to avoid including such regulations and requirements stemming from these, and to focus on the IOs coming from the two Directives. This also means that the time companies spend on complying with and producing documentation on health and safety issues from other pieces of legislation, e.g. asbestos and machinery, is not taken into account. Only the time spent on reflecting on such information is taken into account in order not to include too much in the measurement.

In general, all country teams started out by performing general desk research on the area. The desk research involved, inter alia, becoming familiar with the background information, including going through the legislation, the “standard” business processes, and a short Priority Area profile.

The desk research also involved the collection of relevant material from the Member State authorities, such as potential national guidelines and templates, in order to gain an understanding of how the directives are handled in the country. In addition, explorative interviews were conducted with governmental officials to gain insight into the area and how it has been designed in the individual Member State. Explorative interviews with

consultants were also common in order to obtain a first impression of the more practical implications of the Directives, notably Directive 89/391/EEC.

The desk research thus meant that before starting the actual data collection, the country teams had a thorough understanding of the area, which also allowed them to specify and reformulate questions to the informants.

The interviews were conducted using an interview guide, with the IOs analysed in terms of standard activities and business processes. The business processes were also based on the “analytical common denominator” (see above) used at the interview to help steer the discussion.

Collection of populations (Qs)

The Data annex offers a more comprehensive account of the data model underlying the extrapolation of the cost data and the extrapolation of the population data.

A comment seems warranted, as one of the main cost drivers is the Q. The main source of Qs was the Member State authorities. All Member States were asked to provide data on the seven IOs.

The data provided by the Member States constitutes the core for the extrapolation of the population data. This means that the ratios between different IOs, for instance, are calculated using the Member State data, leading to assumptions about the populations.

By way of illustration, if nothing else is indicated from a Member State, it is assumed for Directive 92/57/EEC that the number of prior notices equals the number of health and safety plans.

As regards Directive 89/391/EEC, the target group is “companies with employees”, and the data was distributed on company size based on Eurostat and in some cases supplemented with data from national statistics bureaux.

In addition, for Directive 89/391/EEC, if nothing else is implied, it is assumed that the number of reported occupational accidents is identical to the number used in the list of occupational accidents. This also means that for the list of occupational accidents, the number of accidents is identical to the Q, meaning that we measured the time it takes to update the list per accident.

Similarly, Directive 89/391/EEC does not specify the frequency with which the risk assessment should be carried out or updated, only that the assessment should be up-to-date. The Consortium consulted the national mappings to investigate whether a frequency has been specified. For those countries that did not specify a minimum frequency, for instance every five years, a frequency of 1/3 was chosen: that is to say, a basic assumption in the measurement is that one third of the target group makes a risk assessment every year. The choice of this frequency was partly motivated by the wish to secure comparability with some of the Baseline Countries and thus create a basis for comparison between countries and partly by adopting a realistic view; an assumption of yearly updates/risk assessments across the EU-27 would not reflect true company practices.

A small remark should be made on the collection of Qs on the target group Delta. As mentioned, in some Member States the list of occupational accidents covers all occupational accidents, and not just those leading to more than three days of incapacity as specified in the Directive.

The basis for calculating the population was the number of reported occupational accidents. Based on data from one Member State, Sweden, a ratio has been established leading to 75% of the reported occupational accidents being of fewer than 3 days of incapacity. This ratio was then applied to all Member States with no Deltas.

A similar approach has been applied to the prior notice in Directive 92/57/EEC. The Member States with Deltas state that all construction sites need to fill in a prior notice, regardless of the size of the construction site. For those Member States we have data on the total number of prior notices. An assumption has then been made that two thirds of all construction sites in those Member States are beneath the thresholds in the Directive.

5.5 Standardisation

Generally, the standardisation of the collected data posed challenges, especially for the smaller segments.

The challenges were mainly caused by the fact that in some countries it was difficult to identify companies that had actual experience in handling the IOs. This was particularly the case with the smaller companies and the risk assessment in Directive 89/391/EEC, but overall it was often the case that companies had difficulties in relating to the IOs.

In these cases, the measurement did not obtain the five data points per standardisation, and had to rely on expert assessments, consultants and sometimes government officials. The standardisation was therefore based on the expert assessments and interviews with consultants, and then discussed with another expert in order to perform a “reality check”.

Meanwhile, as noted, a fundamental methodological assumption is that of “full compliance”. The applied methodology assumes full compliance with the law. In some of the Measurement Countries, this assumption does not correspond to practice, meaning that only a proportion of the companies actually comply.

It should also be stressed that in some cases, the standardisations may overestimate the actual time spent, as even the consultants had relatively limited experience with the smaller companies. A possible trend which cannot be completely ruled out was the propensity to stress the complexity of the requirements and the efforts needed to comply.

A related aspect is that of experience. In some Measurement Countries, the experience of handling the IO, in particular the risk assessment in Directive 89/391/EEC, was to a large extent concentrated in certain sectors, notably those with the relatively highest risk. Portugal is a good example. In order to establish a “typical company”, interviews with experts or other consultants were conducted to discuss the time estimates.

Another challenge relates to outsourcing and insourcing. The measurement has used campaigns to account for different business processes, such as outsourcing/insourcing.

However, these segments are not relevant in all countries, either due to the typical business processes or due to the legal set-up. By way of illustration of the latter, in Portugal the risk assessment in Directive 89/391/EEC will be drawn up by a health and safety expert. Only companies with more than 400 employees in total, or more than 30 employees exposed to high risks, are obliged to have a health and safety technician (less than 1% of the Portuguese companies, 99% are small and medium enterprises). The remaining companies have to outsource these functions. A very similar situation was found in Bulgaria.

The same line of argument applies to the segmentation into low-risk and complex construction sites in Directive 92/57/EEC. In some of the Measurement Countries, the measurement could not document the difference, as all construction sites "are treated in the same manner".

It should also be stressed that generally the time estimates for the non-prioritised IOs are based on standardisation. The strategy of grouping the IOs in the campaigns means that the number of data points is often quite high for the non-prioritised IOs.

5.5.1 Consultancy costs

The consultancy costs deserve a mention. In some cases, it was not possible to obtain details of the fee charged for performing the IOs. This is sometimes owing to the fact that the fee is included in a general fee, covering other services, and sometimes due to the consultants or companies not being willing to disclose the fee. In the former case, we have tried to isolate and assess together with the consultant the proportion of the fee allocated to the IO in question. By way of illustration, in a few of the Measurement Countries, the fee is based on the number of employees in the company.

However, it should be noted that in all cases it was possible to establish the time the external service provider spends on performing the services and this was then distributed over the standard activities.

As such, if no fees were available the consultancy cost was calculated on the basis of the time spent and an hourly rate from the ISCO²⁶ Table; typically a high hourly wage. This approach has been applied for Bulgaria, Malta and Romania.

5.5.2 “Country specifics”

A small remark should be made about the country specifics. The intent was not to establish a pan-European standardisation, but instead to reflect differences in the Measurement Countries.

This also means that the employee types performing the activities vary across the Measurement Countries.

5.6 Reuse of existing data

In Sweden, there is an existing baseline measurement that was reused in the present measurement. The Swedish baseline measurement was made available during the spring of 2008.

The Swedish baseline measurement was updated once in late 2007, bringing it up to date with the changes in the legislation between 2004 and 2006. At the time of writing this report, a second update was in progress.

All Swedish measurements were conducted using the standard cost model. For all IOs, between five and 20 face-to-face interviews were conducted. The Swedish measurements were carried out with sufficient precision for them to be used as a cornerstone in this measurement too.

All data from the Swedish national baseline measurement has been analysed and in some cases adapted to better suit the structure of the EU legal act and the particular measurement techniques of the present measurement. Adaptations of the national data from Sweden followed the SCM methodology and input to said changes came from expert interviews, expert assessments and interviews with businesses.

²⁶ ISCO stands for International Standard Classification of Occupations.

5.7 The self-employed and the reporting of occupational accidents

The present section is based on a methodological comment to issues raised by the Consortium at the workshop with the Directorate-General for Employment, Social Affairs and Equal Opportunities and the Directorate-General for Enterprise and Industry on 18 June 2008.

5.7.1 The self-employed

The first challenge relates to self-employed and the risk assessment in Directive 89/391/EEC. The Consortium found out that in Malta the risk assessment was “extended” to also cover the self-employed, meaning that the self-employed have to carry out such an assessment.

This is not in the scope of Directive 89/391/EEC which presupposes “workers” and “employers” and thus an Employment Relationship, a subordinate relationship. This interpretation is also supported by “Council Recommendation of 18 February 2003 concerning the improvement of the protection of the health and safety at work of self-employed workers”, which, inter alia, states:

(5) As a general rule, workers who exercise their occupational activity in a manner which does not involve an Employment Relationship with an employer or, more generally, does not make them subordinate to a third person are not covered by the Community Directives on health and safety at work, in particular framework Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work (6). Moreover, these workers are not covered in certain Member States by the legislation applicable in the field of health and safety at work.

It is this Council recommendation that Malta cites when explaining the requirement for the self-employed to conduct a risk assessment. Nevertheless, Council Recommendation 2003/134/EC does not have a specific reference to the requirement that the self-employed should undertake a risk assessment. It only mentions that self-employed

persons have to be considered "workers", so that they are covered by health and safety legislation.

The same extension can be found in the United Kingdom legislation on health and safety, "the Management of Health and Safety at Work Regulations 1999", which states:

Regulation 3, paragraph 2 provides that "every self-employed person shall make a suitable and sufficient assessment of (a) the risks to his/her own health and safety to which he/she is exposed whilst at work and (b) the risks to the health and safety of persons not in his/her employment arising out of or in connection with the conduct by him/her or his/her undertaking".

The Consortium has revisited all the mappings (which also have been validated by the SPOC in the countries) and Malta is indeed the only Member State in which this requirement is mentioned. The United Kingdom is a Baseline Country and was thus not mapped.

Based on extensive research and consultations, the Consortium identified an "Anglo-Saxon feature", meaning that Ireland adopted similar provisions, in the Irish "Safety, Health and Welfare at Work Act 2005".

Article 7 of this Act provides that the relevant statutory provisions apply to self-employed persons as they apply to an employer and as if that self-employed person was an employer and his or her own employee. References in the relevant statutory provisions to an employer shall be read as references to a self-employed person.

The notion of "relevant statutory provisions" is to be construed widely. According to Article 2, paragraph 1, of the Act, "relevant statutory provisions" means in essence the Safety, Health and Welfare at Work Act itself. As for risk assessment, the obligation to carry it out is mentioned in the Safety, Health and Welfare at Work Act, i.e. Article 19. It can therefore be presumed that self-employed persons also have the obligation to carry out a risk assessment of their own situation.

To sum up, some Member States have “extended” the risk assessment in Directive 89/391/EEC to cover target groups that are not within the scope of the Directive, which was also confirmed by the Directorate-General for Employment, Social Affairs and Equal Opportunities at the meeting on 18 June 2008. Also, at the very core of the risk assessment is the protection and involvement of workers by management. These central elements are not present in the self-employed person’s risk assessment.

It is worthwhile mentioning “the Resolution of the European Parliament of 15 January 2008 on the Community strategy 2007-2013 on health and safety at work”, in which the last sentence of point 42 states:

“...; also asks the Commission and the Member States to consider all available options to extend EU health and safety provisions to the self-employed and to sheltered employment services offered to people with disabilities.”

In other words, more Member States may follow the recommendations in the years to come, which may also lead to the establishment of the requirement for the self-employed to conduct a risk assessment.

Nevertheless, based on these considerations, the Consortium has included the risk assessment for the self-employed as target group Deltas for Ireland and Malta. The standardised time is based on expert assessment.

The populations on the number of self-employed were calculated using data from the Eurostat EU Labour Force Survey.

It is important to note that even though a thorough check of the mapping in the Member States and extensive desk research were conducted, it cannot be ruled out that other countries have extended the risk assessment in Directive 89/391/EEC to cover the self-employed. Consequently, the level of total costs may be affected, in particular when we take into account that in a majority of countries in southern and eastern Europe, a considerable share of the workforce are self-employed. For example, in Italy, 24.3% of the

total workforce is self-employed and in Poland more than 25% of the total labour force is self-employed. However, as mentioned, the survey on transposition modalities has not been able to positively confirm the presence of such extensions in other Member States.

5.7.2 The reporting of occupational accidents

As mentioned above, the approach of defining a typical, common denominator has also been applied for the non-prioritised IOs for which the Directives do not define the details; i.e. the list of occupational accidents and the reporting of occupational accidents in Directive 89/391/EEC.

The IO states that "The employer shall draw up, for the responsible authorities and in accordance with national laws and/or practices, reports on occupational accidents suffered by his/her workers".

These IOs are also covered by the campaigns in the Measurement Countries so that data is obtained on the national practices which, according to the Directive, determine the reporting.

Based on the Module 2 mapping, the information included in the reporting is typically:

- Information on the causes and the circumstances of the accident
- Information on whether the accident was fatal or caused further illness
- Information on the name and occupational qualification of employee
- Duration of which the employee is unable to work
- Deadline within which to report injury
- Duration of time the accident report must be stored by the company.

In order to measure the cost of the IO, the number of reported occupational accidents was chosen as the Q. This means that the basic unit of analysis is one report per occupational accident.

As raised by the Directorate-General for Employment, Social Affairs and Equal Opportunities at the workshop on 18 June 2008, in some Member States the same or identical reports must be sent to different authorities, whereas in other Member States the

report is submitted once and then relevant data is redistributed. The latter is the case in Belgium, where data is shared between the labour inspectorate and social services. In Belgium, the employer is no longer obliged to report occupational accidents directly to the labour inspectorate. The declaration of the occupational accident to the private occupational accidents insurance company (every private employer has a legal obligation to conclude an insurance policy covering occupational accidents) suffices. It is then up to the private insurance company to supply the necessary data to the labour inspectorate.

However, our methodological approach in this project does not allow us to look into demarcation issues, i.e.: Is the information identical? Which authority requires what information? Which laws regulate the information, e.g. social security or criminal law? And, is the information reused between the authorities? The national mappings focused on identifying the EU IOs at national level.

In Baseline Countries such as Denmark and Austria, the focus is on reporting accidents to the labour inspectorate.

To sum up, the measurement provided more insight into the content specification and time spent in the Measurement Countries, which will then be used for discussing and analysing differences between the Member States.

The survey in Module 5.2 will then reveal to how many authorities information on occupational accidents is reported. This information will then be used to assess the potential of data reuse between authorities.

5.8 Collection and extrapolation of population data

A detailed description of the process of population data collection and extrapolation can be found in the Main Report covering all Priority Areas.²⁷ This annex covers only the

²⁷ The extrapolation model as well as the process of population data collection and extrapolation is further described in the annex of the Main Report.

specific Priority Area and describes the efforts that were carried out to obtain population data and the quality assurance.

For Working Environment/Employment Relations Priority Area, the Consortium collected ~22% of the of data points for all IOs. For the seven IOs in this Priority Area (of which all are segmented), on average ~9 data points were collected per Member State²⁸ (excluded from that are the so-called Baseline Countries). In turn, ~78% of the data points had to be extrapolated. Additional and supplementary information on specific issues like safety and health plans was gathered through desk research from the European Agency for Safety and Health at Work and database queries at the Eurostat homepage, as well as through interviews with the respective authorities.

Within the Priority Area there were few problems arising from the data collection as the IOs were clearly defined. Data points that deviated from the average values were identified and confirmed or amended after discussion with the Country Teams.

For the Working Environment/Employment Relations Priority Area, two environment variables were set up to extrapolate some of the missing data points.²⁹ The environment variables are based on the number of construction enterprises (NACE Section F) and the number of businesses that employ people. Both variables indicate the level of activities in the Member States in the field of working environment and employment relations. The environment variables were tested against gross national product, nominal economic growth and other specific information like production volume.

The quality assurance for this Priority Area was integrated in the process of data collection and extrapolation. After extrapolation, the plausibility of the figures was again checked by expert assessment and by comparing the extrapolation results to the output of the desk research and to the results of the Baseline Countries.

²⁸ The sources for individual data points can be found in the database.

²⁹ Some of the data points were calculated based on assumptions on the relationship between certain information obligations. These assumptions are listed in section 6.1 on challenges.