

**7th International Congress on Work Injuries,
Rehabilitation and Compensation
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**Speech by Ms. Constance Thomas
Director of ILO Office For China and Mongolia**

Distinguished Permanent Secretary Cheung,
Respected national and international experts,
Ladies and Gentlemen,

I am honored to be here today to speak on behalf of the International Labour Office and bring regards to you from Mr. Juan Somavia, Director-General of the ILO.

First of all, I would like to express my gratitude to the organizers of this important International Congress, namely the Labour Department and Occupational Safety and Health Council of Hong Kong Special Administrative Region of the People's Republic of China, for your all efforts to prepare for the Congress.

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

The most powerful instruments for the ILO to promote decent work are international labour standards, that is, ILO Conventions and Recommendations. The International Labour Conference, just concluded two weeks ago in Geneva, adopted a new Convention and a Recommendation on Promotional Framework for Occupational Safety and Health aimed at placing OSH high on the national

agenda and lowering the toll of work-related injuries and diseases, which cause some 2.2 million deaths each year. Besides a number of OSH Conventions, the ILO has the following Conventions closely related to today's Congress theme: Convention No.102 on Social Security (Minimum Standards) and Convention No. 121 on Employment Injury Benefits.

Employment Injury Insurance (EII), or Work Injury Insurance, is an important part of the social security system and was originated in Germany in 1884. It can be said to be the most popular social insurance scheme and now exists in 164 countries in the world. It has been proven that EII schemes have played a positive role in protecting workers' safety and health, maintaining sound industrial relations and in pooling risks arising from occupational accidents and diseases among enterprises.

Even so, we also realise that the EII scheme is still facing challenges for its further development and application, especially in developing countries. As, in most of the developing countries, coverage of the scheme is still insufficient, especially for small enterprises and the excluded groups; Secondly, benefit provisions need further improvements, for example, including commuting accidents in the covered contingencies, converting the lump sum payments of invalidity and survivors' benefits into periodical pensions with proper indexation and the introduction of physical and vocational rehabilitation benefits, and last but not least, synergies with injury prevention are weak. I would like to elaborate the importance of improving EII in relation to the three aspects mentioned above.

First of all, the entitlement to social security is a right of working people. In 2001, during the

International Labour Conference (ILC), governments, employers' and workers' organizations reached a new consensus on social security. It was concluded that social security is an important tool to reduce poverty and to promote social and economic development, that it enhances productivity by providing health care, income security and social services if properly managed, and that it is a necessary complement to globalisation and structural adjustment policies. The International Labour Conference considered that the highest priority should be given to policies and initiatives that can bring social security to those who are not covered by existing systems. This also applies to EII.

In this regard, I would like to introduce a case of China. Work injury compensation in China started with employers' liability system in 1950's and turned into a work injury insurance scheme in 1990's with its coverage mainly for State-owned Enterprises. With China's economic restructuring and rapid industrialization, China has seen a rise of occupational accidents and diseases, the majority of which happened to farmers-turned migrant workers. Therefore, modernizing the work injury insurance has become a necessity. In 2003, the State Council promulgated a new Regulation on Work Injury Insurance that entered into force on 1 January 2004. By the end of 2004, the scheme had covered 68.23 million workers, which sharply increased by 22.48 million compared to the previous year. More significantly, the Regulation, for the first time, requires covering migrant workers in this social insurance scheme. This was a breakthrough in the history of China social security development. As you may know, China has 120 million farmer-turned migrant workers who mainly work in hazardous occupations in urban areas. They account for 80% of the labour force in

construction and mining industries respectively, 68% in manufacturing and 50% in the labour-intensive service sector. What is important to emphasis is that these systemic changes when fully implemented in practice will greatly enhance the welfare and life circumstance of each of these migrant workers.

Secondly, social and economic advancement in a country should continuously benefit the improvement of social security system, including EII scheme. I hope that we all agree on the importance of further developing the employment injury insurance and improving its policies, benefits provision and services over the world. In this regard, international exchanges and cooperation are important, given the enormous expertise and experiences you, all of international experts present today, have obtained and accumulated over the 110 years development of EII. I am sure that this Congress will well serve as this purpose.

Finally, for the health of the individual and of society, and of the funds of the EII schemes, we all agree that prevention is better than care. There are several ways to put more emphasis on prevention or strengthen synergies with occupational safety and health systems. As a specialised international organization in the field of OSH, the ILO has developed various instruments and tools to help member States in addressing the challenges brought by work-related accidents and diseases. The International Labour Conference in 2003 adopted a Global Strategy on Occupational Safety and Health and concluded that building and maintaining a national preventative safety and health culture and introducing a systems approach to occupational safety and health management at the national level are the fundamental pillars of an effective global strategy.

Ladies and gentlemen, In both high and low growth countries, we are all today operating in a context of a rapid, competitive globalisation, the world of work is facing a series of challenges brought by rapid increase in the number of small, private businesses, diversity of new forms of employment, work without labour contracts, non-compliance with minimum OSH standards, increase of and unfair treatment to migrant workers domestically and internationally, new occupational hazards and risks, etc. All of these have posed challenges to further development of EII. Nevertheless, workers' safety and health and their entitlement to social security represent social values which, being universally recognised rights and the foundation of any sustainable social and economic development, must be safeguarded by the State and social partners.

Since the Asian economic crisis in 1997, countries in the region have increasingly recognised the importance of strengthening the social security system and improving its coverage of contingencies and benefits in order to sustain growth and maintain social stability in the long term.

I am expecting an active, constructive and fruitful discussion and exchange among national and international experts during and even after this important Congress.

I wish the Congress every success.

Thank you.