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**Governments cannot do everything:  
Supports and incentives for employers  
- Germany's experience with prevention and integration -**

to be held at the OECD High-Level Forum

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Speaking time: 10 minutes

## **Introduction**

Dear colleagues,  
ladies and gentlemen!

Thank you for the invitation to today's open seminar. We have been talking about what is a very important subject in difficult times.

I'd like to provide a brief input from a German point of view for discussion here. This input takes the form of two examples that constructively expand the activities we have pursued to date that range from prevention to rehabilitation.

The global finance crisis and its economic impact have once again made it clear that government action and good regulations are needed.

However government is not the only one to have responsibilities when an individual employee's health is concerned. Enterprises must also play a role here.

**Disability  
Management**

Preserving and supporting people's capacity for work can be accomplished faster, more easily and more effectively in those places where they already work.

In other words, in their respective company!

In light of this, we passed a law in 2004 requiring all enterprises in Germany to set up a disability management system. Disability management aims to keep employees with a long-term illness in their jobs and to reintegrate workers with health constraints.

In the event that an employee is unfit for work for more than six weeks a year, this law requires the employer to determine how to restore his capacity for work. In such cases, employers must investigate which benefits, assistance and aids can be used to prevent a worker from becoming incapacitated again and to keep him in his job.

The staff council or works council, the representative for disabled employees when applicable and, if necessary, the plant physician or company doctor should be included in this.

Of course, this process is started only when the employee concerned has agreed to it in advance.

In other words: We have obligated employers to offer to take steps to identify, reduce and – if possible – eliminate in particular any company-related causes for the individual's incapacity for work.

Specialised know-how is often needed when working conditions have to be adapted to accommodate an illness or disability or adjusted to the needs and abilities of older workers.

Few enterprises have this kind of expertise.

It is therefore important that the particular enterprise works closely with the organisation that is responsible for rehabilitation services such as the respective pension insurance fund, occupational accident insurance fund, health insurance company or employment agency.

## Successful disability

management leads to a classic win-win situation: Employees don't have to worry about losing their jobs and employers save the cost of having to continue paying wages to a disabled employee and of having to hire a replacement for that individual.

In addition, the employee's know-how stays in the company.

This is especially important in light of the current demographic trend.

Germany currently has 8.6 million adults between the ages of 40 and 45. The number of five-year-olds is however only 4.1 million.

When the first group retires in some 20 years' time, the second group will be between 20 and 25 years old – and will not be large enough to fill even half of these vacancies.

Therefore if we want to preserve our level of prosperity and protect our chances in the marketplace, we must do everything we can to ensure that the capacity for work of today's employees remains as high as possible for as long as possible.

The entire social insurance system also benefits from the savings this brings, such as the savings that arise through the avoidance of early retirement.

Despite these advantages, disability management systems have unfortunately not been set up in all enterprises in Germany. We know this from relevant research studies.

Implementing a disability management system is easier for large companies. Smaller and medium-sized enterprises have a harder time with this. However, the vast majority of gainfully employed persons in Germany works in SMEs.

There are structural reasons for why this is more difficult for small and medium-sized enterprises (SMEs).

Many SMEs do not have the personnel resources or expertise needed to set up a disability management system.

These companies need reliable, competent and unbureaucratic help from outside.

We are working to meet this challenge through various pilot projects that we fund.

One example here is the “Healthy Work model”. In this project, we have set up regional offices throughout Germany to help small and medium-sized enterprises at no cost with creating and organising health working conditions.

These offices serve as guides and provide assistance in all matters regarding workplace health promotion. They help with the implementation of disability management systems in particular.

**New culture  
of good work**

Ladies and gentlemen:

I would like to outline another new initiative from Germany. It also has the aim of preserving employees' well-being and capacity for work.

There is a saying in German that "Arbeit ist das halbe Leben". This can be translated as "half the value of a person's life lies in their work" or "work constitutes half of a person's life".

This reflects how important gainful employment is for most people. This is true not only in Germany.

An individual who enters the working world at age 16 or 17 today can expect to have to work for 40 or 50 years. This is a very long time.

And for this reason, life should be – in fact, life must be – good not just after work, such as in the evening or when one eventually retires.

Which is why we initiated a public debate in Germany this year. We want to talk about the questions: How do we want to work in future?

How can we organise work so that time spent working can also be part of a good life?

How can we organise work to be healthy?

The “New Culture of Work initiative” targets not only a discussion of the competitive strength of German enterprises but also a discussion of the working capacity of their employees.

We are not starting from scratch on all these questions. And we also have no intention of reinventing the wheel.

The most important actors are taking part in this initiative.

Working together with trade unions, enterprises and researchers, we want to gather ideas and concepts and refine and enhance them.

This is because numerous studies have shown that ensuring good working conditions and investing in the development of employees' skills also pay a quantifiable economic return.

We already know today that enterprises that include their employees in their decision-making processes and cultivate a collaborative management style are more successful than many of their competitors.

The latest findings on how jobs and production processes should be designed promise not only greater employee satisfaction but also better economic performance.

However only a small share of German businesses has actually made use of these opportunities to date.

For this reason we have invited the social partners to a series of regional and sector-specific conferences where we want to sit down together on location and talk about what is possible and what is necessary in order to organise the modern working world in ways that are humane and promise economic success.

Before summer starts we will launch a programme of action that specifies concrete areas for action so that a "New Culture of Work" can be put into practice quickly. Examples of best practice will also be of help in this connection.

Ladies and gentlemen:

The work in this area will not become any less. There is still much left to be done in the coming years.

We want to see all enterprises in Germany be able to offer their employees working conditions that are also tailored to their needs.

Because we want the half of life  
that work constitutes to be a  
good life, a healthy life!

Thank you for your attention.