

Prevention of work ability decrease

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Summary of audit results

The Ministry of Social Affairs has not systematically managed the field of prevention of work ability reduction; therefore, the prevention has been ineffective. In other words, the ministry does not have a comprehensive approach to the prevention of work ability reduction, which is why its implementation is also incomplete and the focus in the field is mainly on supervision. Until now, prevention has been mostly universal and passive.

To make the prevention of work ability decrease effective, it is necessary to carry out fundamental reorganizations in the field. Systematic management of the field is needed, i.e., a comprehensive approach to planning, implementation, and evaluation of results, in which the focus has been changed from surveillance to active targeted prevention.

Work ability reform— with the [reform](#) that started in 2016, the system of permanent incapacity for work was replaced by the work ability support system. The reform was initiated primarily due to the rapid increase in the number of disability pension recipients and the ever-increasing costs of the state.

Three levels of prevention

Primary prevention i.e., universal level. Preventive activities are aimed at the entire population, regardless of the level of risk.

Secondary prevention i.e., optional level. Activities are aimed at groups with a higher risk of developing a problem. The aim is to mitigate risks.

Tertiary prevention i.e., indicated level. The key word is activities related to reducing damages. Preventive activities are aimed individually at people whose risks have already materialised, and the aim is to prevent problems from worsening and being transmitted to other people.

Sources: [Institute for Work & Health](#) (2015) and [Ministry of the Interior](#) (2021), p 5

Main audit observations

- The active approach taken with the [work ability reform](#) has changed the attitude towards people with a reduced working ability. At the same time, the share of people receiving working ability allowance has not decreased significantly compared to the share of people receiving pension for incapacity for work among the working-age population and compared to the time before the reform (in 2012–2013), but the reform has helped to slow down the growth. The share of costs of allowances and service in the operating costs of the general government has remained at the pre-reform level.
- One of the reasons for the non-decrease in both the number of people and the share of costs is that the creation of additional measures to prevent the loss of work ability was sidelined from the implementation of the goal of the reform. The reform made formal changes in the payment of allowances, but the substantive reasons why people's ability to work decreases were neglected.
- The Ministry of Social Affairs, its subordinate institutions and the Estonian Unemployment Insurance Fund have even without additional preventive measures several tasks that should promote the prevention of the decrease in work ability in case they were fulfilled. Audit revealed that the performance of preventive tasks in the field of work ability is incomplete. This is also affected by the fact that tasks are fragmented between different institutions.

For your information

According to international studies, prevention is cheaper for the state than eliminating or mitigating the consequences of social and health problems.

At the same time, it is important to have a comprehensive system that deals with promotion of health, prevention as well as development and provision of treatment and rehabilitation services, because development of only one part of a system does not lead to permanent changes.

Although activities performed to solve the problem also mostly include preventive activities (e.g., reducing or preventing accompanying problems), these are not counted under prevention, because otherwise all activities can be considered preventive, and calling the activities aimed at solving the problem as preventive reduces the resources directed to “prevention”, i.e., preventing the first incidents.

Source: [Ministry of the Interior](#) (2021), pp 4–5

- The Ministry of Social Affairs treats the large number of people with decreased work ability partly as inevitable, because the health of the average Estonian person already fails during their working age. According to the National Audit Office, the significant reason is the lack of targeted and meaningful preventive work.
- The Ministry of Social Affairs' only plan so far is to develop an intervention measure for people on long-term sick leave. The target group of the planned measure is only employees who have been on sick leave for more than 60 consecutive days, whose sick leave needs to be continued for at least another 30 days and who do not require hospital treatment. It is a measure of the third or indicated level of preventive work, the aim of which is to support people with long-term illness to stay in employment, not to prevent the decrease in work ability.
- The National Audit Office's analysis shows that such an intervention alone will most likely be insufficient. The measure will be effective only for those people who can financially afford to be on a long-term sick leave. Therefore, the planned measure will not reach the most critical target group, i.e., unskilled workers with lower income, who for economic reasons often cannot be on sick leave for as long as necessary, and among whom there is also the highest percentage of people who assess their work ability.
- The analysis also showed that prevention of the work ability decrease may require an approach based on occupational groups. Also, one preventive measure might give effective results in one occupational group, but not in another. For example, employees of those occupational groups, who are not so often on sick leave, but among whom a larger proportion assesses their ability to work, may need measures that would allow them to remain on sick leave under favourable conditions, i.e., without loss of income, to properly restore their health. In the long term, this can ensure that these people's work ability is preserved.

Main recommendation

The National Audit Office's recommendation to the Minister of Health and the Minister of Economic Affairs and Information Technology in cooperation with the Director General of the Labour Inspectorate, the Director General of the Health Board, and the Chairman of the Management Board of the Estonian Unemployment Insurance Fund

In the labour market policy, there is a need to pay separate attention to work ability alongside employment and to create a comprehensive approach to work ability decrease prevention. For this purpose, critically review the current tasks of the Labour Inspectorate, the Health Board and the Estonian Unemployment Insurance Fund and assess the suitability of the division of the tasks and institution's ability to perform them. In the opinion of National Audit Office, it is necessary to set the goal of reducing the fragmentation of the work ability field and to make people's journey to getting help on topics related to work ability (occupational health care, work ability services and assessment, diagnosis of occupational and work-related diseases) easier.

The Minister of Health, Director General of the Health Board, and member of the management board of the Estonian Unemployment Insurance Fund in the role of the Chairman of the Management Board agreed with the recommendation. The Director General of the Health Board admitted that there is currently no clear strategy to prevent the decrease in work ability, the field is fragmented between different state institutions and there is no central coordinator. In the opinion of the representative of the Estonian Unemployment Insurance Fund, a clearer division of roles and effective data exchange between institutions could be considered to improve the system for preventing the decrease in work ability.

The Minister of Economic Affairs and Information Technology who became responsible for the field from July 1, 2023, agreed with the recommendation to better target the prevention activities of the Labour Inspectorate and to improve the analysis of occupational diseases and diseases caused by work. However, the minister considered it necessary to point out that the report focused on the prevention of the decrease in work ability only in the context of work, ignoring the fact that a person's health and work ability are affected by very different factors like living environment, diet, exercise, habits, etc. Therefore, in the minister's opinion in the case of comprehensive approach of prevention of work ability decrease, attention should be paid to the factors affecting health and the health care systems whole. Therefore, the Minister of Economic Affairs and Information Technology found that it is not reasonable to merge services into one institution, as it would not provide substantial added value or solve the problem areas highlighted in the report.

Comment of the National Audit Office: It is obvious that work ability is also affected by non-work-related factors. However, if sufficient attention is paid to aspects related to work (work environment, occupational safety, occupational health care), the decrease in work ability can be prevented at least caused by these factors. However, the current approach, which focused on the entire healthcare system, has neglected the prevention of decrease in work ability. The National Audit Office's report shows that this approach has not been effective.

Director General of the Labour Inspectorate did not comment on the National Audit Office main recommendation, but the head of the institution emphasized the importance of employer supervision in their response, considered supervision to be part of prevention and found that supervision cannot be replaced by prevention.

Comment of the National Audit Office: According to the modern approach, supervision is not considered a preventive activity. The National Audit Office does not recommend substituting supervision with only preventive activities, instead we recommend focusing on active, targeted prevention. Supervision is necessary and must be carried out in the future, but rather in situations where prevention and counselling have not led to the intended result.