

# Economic Cost of Work-related Injuries and Ill-health in Singapore

LOKE Yoke Yun, TAN Wee Jin, Kathiresan MANICKAM, Peggy HENG Swee Ching, Caleb TJONG Sheng, LIM Guan Kheng, Samuel LIM Yoke Eng, GAN Siok Lin, Jukka TAKALA

## PURPOSE

The extent of the costs of a work-related injury or ill-health is often not fully understood. The International LO estimated that 2.3 million workers die from occupational accidents and diseases worldwide every year, with USD2.8 trillion lost due to accidents and diseases.

In 2013, the Workplace Safety and Health (WSH) Institute reviewed the methodologies and cost models from different countries and developed a cost model for Singapore. This study aims to enable relevant stakeholders to identify and prioritise potential levers to reduce the cost of poor WSH practices using a more strategic and evidence-based approach.

## METHOD

This study draws data from reportable workplace injuries and occupational diseases figures released by the Singapore WSH Council as well as findings of a survey on employed local residents in 2008. Projections on the loss of future earnings were provided for workers in 3 different categories, with appropriate weights attributed to each, and adjusting for reduced work capacity as well as the likeliness of returning to work.

The model measures only human cost and does not take into account property damage, and human pain and suffering. The analysis is based on cost incurred after an incident had occurred.

Attributable fractions measuring the proportion of cases that would not have occurred in the absence of work exposure were also used in this study to determine the burden of diseases.

## RESULTS

Excluding lifetime costs, the cost for work injuries and ill health sustained for 2011 is estimated to cost Singapore \$2.62 billion, with employers bearing 88.2% of cost, employees 9.5% and the community 2.3%.

If lifetime cost is included, i.e. net loss of future earnings and loss of human capital, the total cost of work injuries and ill health is estimated to be S\$10.45 billion for the year 2011. Workers bore about half of these costs (51%) while the rest was shouldered by the employers (22%) and the community (27%).

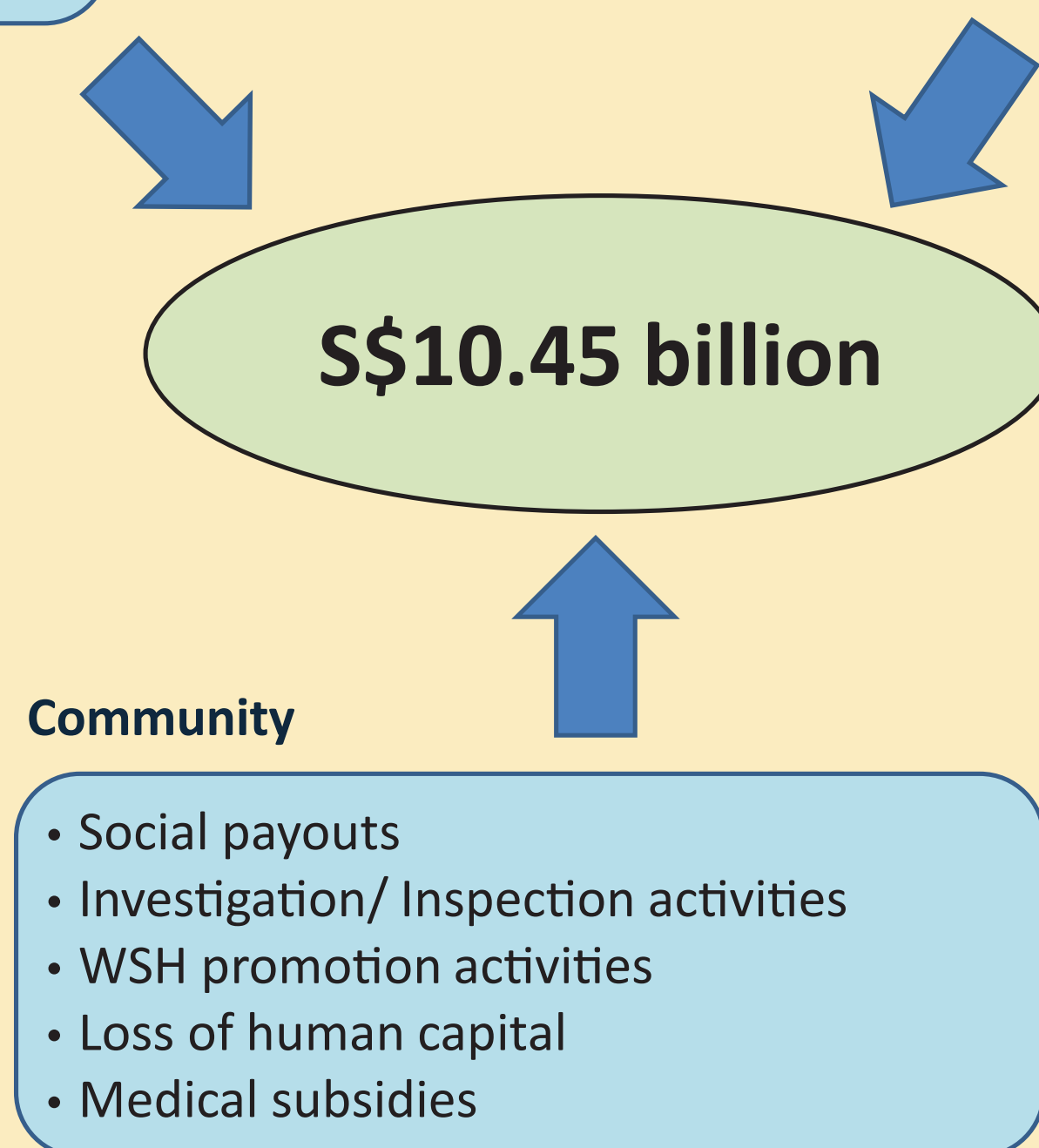
### Costs borne by the various economic agents

#### Employers

- Staff turnover costs
- Training Costs
- Loss of worker output
- Insurance premiums
- Legal costs

#### Workers

- Net loss of future earnings
- Additional costs of medical treatment and rehabilitation



## CONCLUSION AND RECOMMENDATIONS

The results provide deeper insights into the potential costs of work-related injuries and ill-health in Singapore. As this computation breaks the cost down into individual cost items, it provides the evidence for the relevant stakeholders to identify and prioritise potential levers to reduce the cost of poor WSH practices. To further improve the economic viability and productivity of Singapore, there should be a concerted action by all stakeholders to reduce the number of work-related injuries and ill-health.