

HSE Horizon Scanning Initiative. May 2006.

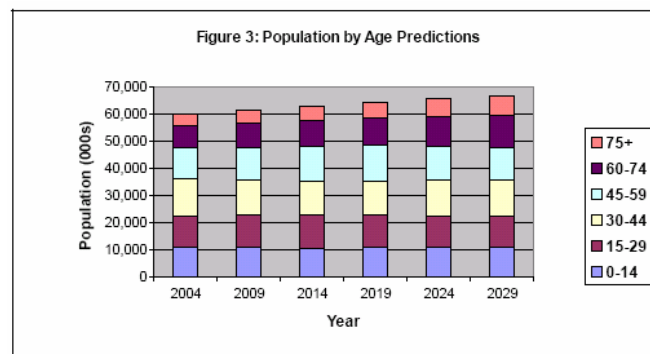
## Demographics.

Demographic analyses help inform assessments of changes in liability exposure. Shift working, teleworking, outsourcing, self employment and migration are likely to have a significant effect on working conditions. Whether these increase or decrease future liability exposures requires detailed analysis.

The report provides estimates and assertions of the changing demography of the working population. Changes will require a response in the way risks are managed, the standards applied to duties of care and the way the general health of people at work is factored into risk management.

Key statements:

The total population is expected to increase to 70 million by the 2060's with migration exceeding natural change by 2020.

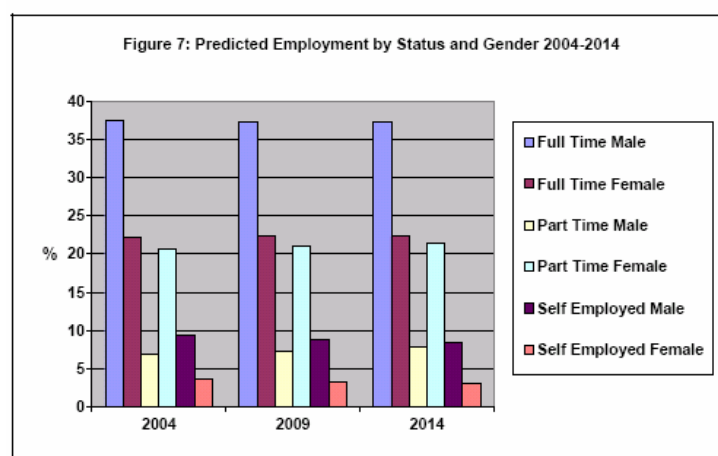


Source: Government Actuary's Department

The number of people at work is expected to rise by 0.5% per year up to 2014, when the modelling ends. The working population in 2014 will be 29.8 million. However, it is expected that between now and 2014 the number people entering retirement for the first time will be over 10 million. Supply of employees will not be sufficient to meet this demand and much experience will be lost from the workplace. It is expected that the shortfall will be made up from people coming out of retirement or deferring retirement and from among those currently excluded from the workforce through ill health and by immigration. The proportion of older and impaired workers will increase but it is expected that those retained in the workforce will be those who are more qualified or more skilled.

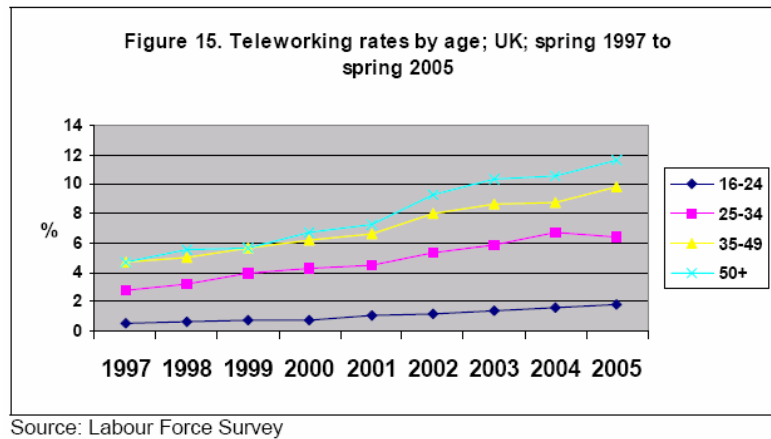
The current declining trend in manufacturing work is expected to continue; 20% in 1984 to 10% in 2014.

More jobs will be part time (less than 30 hours per week) by 2014.

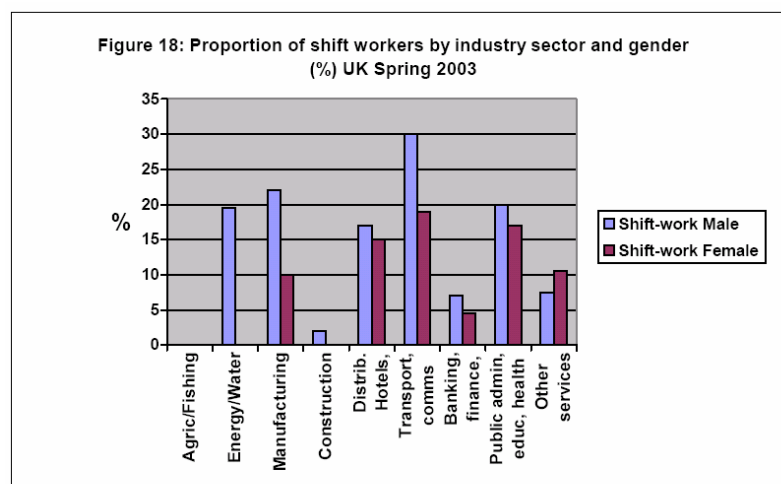


Source: Working Futures 2004-2014, Vol 1, SSDA/IER Tables 3.7 and 3.8

Currently 8% of workers are teleworkers (working from home); this proportion is expected to increase. Teleworking tends to be more popular with older workers:



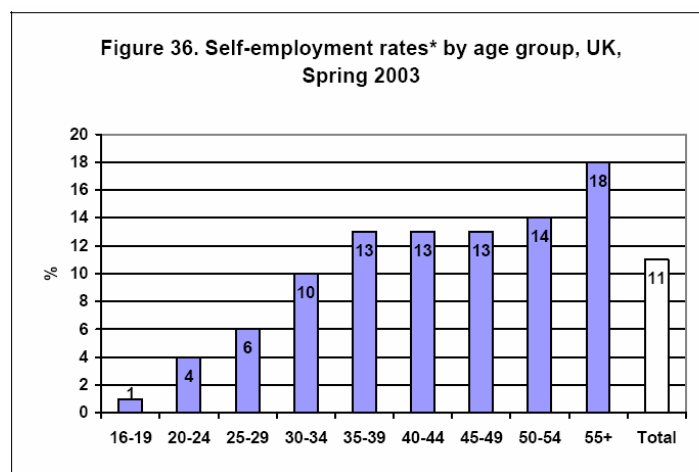
Shift working rates have been stable for a decade, but are expected to increase. The authors suggest that breast cancer causation might be related to shift work as could altered bowel habits, stress and irritability, and possibly asthma, epilepsy and diabetes. Recent patterns of shift working are illustrated below:



Source: Labour Force Survey

Outsourcing is also likely to be more widely used.

Self employment will become more common, especially among those aged over 55. Recent status of self employment is shown below:



\* Self-employed as a rate of all economically active people of working age  
Source: SBS Statistics Team, from ONS Labour Force Survey (Spring 2003)

Of the 4.3 million UK businesses in existence at the start of 2004, over 99% were small businesses (0-49 employees), employing 46.8% of the private sector workforce. Only 0.6% of enterprises were medium in size (0-249 employees) and 0.1% large (over 250 employees). The increase in number of enterprises to 4.3 million from 4.0 million at the start of 2003 is the largest since this series of data began in 1994. Most of this increase is due to a rise of unregistered sole proprietorships. The Government's Foresight programme in 2001 predicted an increase to 4.5 m SMEs by 2010.

In 2003/04 the prevalence rate of self-reported work-related illness for workplaces with 50 or more employees (4.1%) was significantly higher than that for smaller organisations, with a prevalence rate of 3.3%. The rate for workplaces employing fewer than 25 employees was even lower, at 3.1%. the smallest employers tended to report fewer workplace accidents even though the actual rate of accidents was higher. Perhaps this means that the consequences of accidents were more likely to be dealt with by unofficial means e.g. through payroll rather than EL.

#### Comment

It is not clear what effect these changes would have on liability exposures. For every reason to suspect an increase in liability exposure there is another arguing against:

- Control over workplace conditions is likely to become more fragmented over the next seven years. Deciding who was responsible for an injurious exposure may become more difficult more often. There will be a temptation to introduce more situations where joint and several liabilities are accepted. Perhaps *Viasystems vThermal Transfer* sets a precedent?
- Driving as part of the work day will become more common as will work at home. Home workers have tended to want to live in rural areas, enabled by ICT.
- Accidents rates will probably fall as the construction [currently in boom] and manufacturing business respond to market conditions and there are more workers in the older age bracket.
- Illnesses of perception are likely to decrease as workers are more self employed or self directed working from home, but could increase as regular work is exposed to greater competition from outsourcing. But with less direct control, self directed workers may be less able to seek the right skills for being self directed. Different ethnic groups have different perceptions of illness.
- Exposures to hazardous substances should decrease as manufacturing declines but could increase as outsourced facilities are less sophisticated.

