

Implementing an Employment Injury Insurance in Bangladesh



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CAMPAIGNING

1. THE BRIDGING SOLUTION: INTRODUCING THE EII IN BANGLADESH




Currently, the main scheme for a work-related injury in Bangladesh is Employers' Liability (EL). A Bridging Solution for the introduction of the Employment Injury Insurance (EII) has been discussed and agreed upon in Bangladesh for the Ready-Made Garment (RMG) sector.

The Bridging Solution proposes a transitional and a progressive approach guided by ILO standards that will transform the system and the compensation process of the workers in case of work-related injury or death from the current EL system to an EII mechanism. It was proposed to start the development of the Bridging Solution with the RMG sector and increasing the coverage in terms of workers, sectors and benefits progressively when the scheme is gaining experience and confidence.

What is the Bridging Solution About?

The Bridging Solution will keep the same terms prescribed by BLA for the short-term disabilities (the compensation and the medical cost of these disabilities should be paid directly by the employer in the RMG sector).

The Bridging Solution will select and follow up a representative sample of RMG companies (Component 1) on the number of accidents and diseases, the cases of medical access and care and their cost, the cash benefits delivered by employers, etc. in order to have a better understanding on the dimensions of the problem.

	 Component 1	 	 Component 2
Outreach	Selection of a sample of 50 to 80 factories (employing at least 150,000 workers) representative of the current operating reality.	Information at the RMG Sector Level	All RMG workers (4 million)
Support to be provided	Strengthening of factory capacity to provide health services and short-term cash benefits to workers. Generation of information on the medical access and care, and cash benefits delivered by employers.	Data on occurrence of injuries, prevalence of diseases and deaths, average medical costs, etc.	Top-up (periodical) payment for permanent disability and death and increased awareness as per international standards

The Bridging Solution will introduce periodical payments for permanent disability and death in respect to the amounts foreseen in the ILO Convention 121. These payments would be delivered by an external institution managing a Fund shared by all the employers of the RMG sector (Component 2).

A **tripartite governance mechanism** (Government, Trade Unions, RMG sector) has been established to monitor the Bridging Solution. ILO proposed to chair. The Bridging Solution will **complement** the existing ILO/ GIZ work on:

- the development of a Worker Database development
- the strengthening of institution in charge of delivering the benefits
- the development of the capacity of Ministry of Labour including relevant departments.

How Employment Injury Insurance will transform the current Employment Injury Scheme?

Phasing out of the scheme	Change into a wage-based scheme
<ul style="list-style-type: none"> ○ The scheme starts with a pilot project, which provides some of the benefits to the RMG-sector workers, and will gradually expand benefits as well as coverage of workers and enterprises of other sectors. ○ The phase-in option proposed builds on what already exists and recognizes that amendments to the current legal framework might take time and leave to the Government and social partners the necessary leeway to hold a national dialogue on all relevant issues for the implementation of a national EII scheme. ○ Administration of the phase-in scheme must be simple, efficient, and cost- effective and conducive for a more permanent public EII scheme to achieve universal coverage. 	<p>Refer to ILO feasibility study concluding that EII for the RMG sector would cost 0.33% of the wage bill. The costs have been estimated at 0.15% of the wage bill because it does not cover all benefits.</p> <p>This means that the employers can incorporate this into their business plan as its cost represent a marginal business cost.</p>

Why are the benefits and costs covering?

Benefits paid under the Bridging Solution are two-fold:

- **Short-term benefits:** medical access and short-term cash benefits. Totally under national legislation. It aims at strengthening the delivery of such benefits with technical assistance (paid by DC donors).
- **Long-term benefits:** income replacement for the permanently disabled and the dependents of the deceased worker.

At this stage, the reference to C. 121 is limited to the level of benefits and the definition of beneficiaries.

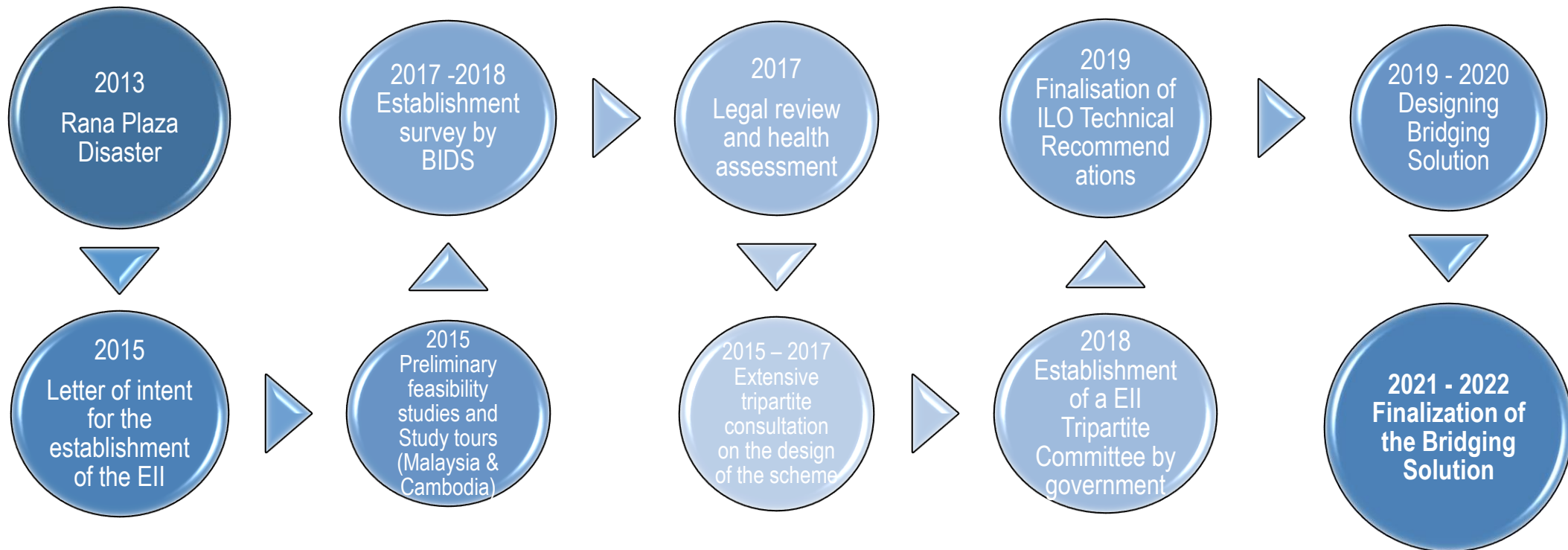
What is happening with the funds from existing contributions?

- Any duplication is avoided.
- The solution is a voluntary top-up.
- The Bridging Solution also covers the lump sums provided under the BLA.

Targeted outcomes

- Generate information and collect data that will help in the estimation of future contribution rate/ amount that the employers must pay for such scheme.
- Set up an administrative operational structure that will collect contributions and deliver benefits to victims of work injuries.
- Generate recommendations to improve compensation and other services practices as well as for the scaling up of the Employment Injury Insurance scheme.

LONG WAY TO THE FINALIZATION OF THE BRIDGING SOLUTION



2. WHY THIS CAMPAIGN?

Workers have the right to a safe and healthy workplace. Workplaces should be designed and organized to eliminate risk –or reduce it to an acceptable level– of work-related accident and disease. However, if workers are injured while at work, they should be entitled to medical care and measures to cover for their loss of earnings. Workers should also have access to rehabilitation and return to work measures in case of disablement.

Employment Injury Insurance is a system to provide insurance to an employee against these health and economic consequences of a work-related accident or disease employment. In which cases do workers (or their survivors) need medical care and/or compensation?

- Temporary disablement
- Permanent (partial or total) disablement
- Fatal injury

Importance of the EII: Provides medical care and compensation to the victims of temporary or permanent disablement regardless of who is responsible for the work-related accidents and diseases. Employers have the responsibility to support the consequences of work-related injuries: the employer determines the conditions under which the employees work, and accordingly, the employer must take care of the safety and health of the employees. The expenditure for industrial accidents should be considered as a part of production cost.

3. THE CAMPAIGN IN BRIEF

Main objectives (Why)

- Support journalists and civil society organizations to use their gained knowledge to raise awareness for the benefits of a statutory EII.
- Keep the people active in promoting initiatives on safe working environments.
- Reinforce and promote the role of the Bridging Solution.

Target audiences (Who)

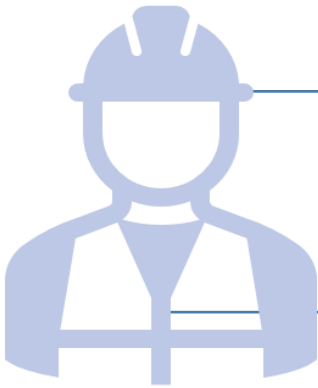
- Government representatives
- Workers' representatives
- Workers /Union members
- Employers' representatives
- Employers
- Media*

* Media (e.g. journalists, social media managers, communication practitioners, bloggers, influencers, etc.) are normally not considered as target audiences *per se*, but rather as an instrument (*medium*) to reach a wider public. Obviously, being citizens themselves, journalists and communicators are a relevant target of any campaign.



Key benefits (What)





WORKERS



Income replacement and quick medical access in case of an employment injury are provided.



EII designed to facilitate the workplace reintegration of persons (ensure return-to-work).



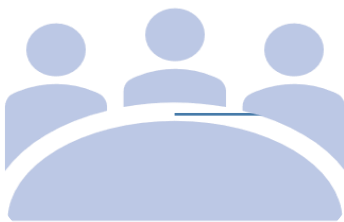
EII has a preventive approach to the work-related accident (principle of prevention & risk assessment).



Provide rehabilitation services designed to prepare victims for the resumption of previous activity, or the most suitable alternative gainful activity.



Incentives to invest in prevention activities, which protect the financial sustainability of the business themselves against costs related to a work injury.



EMPLOYERS



Accidents and injuries influence negatively their business performance.



Periodic payments of EII are more financially sustainable for the business instead of a lump sum, which might lead a business to bankruptcy.

Facts to know (What)

- a) Many of the world's largest industrial disasters have occurred in the garment industry.

- b) Bangladesh is the second biggest global exporter of clothing, with more than 4 million workers; at least 80% are women.
- c) These workers and their families have no access to EII.
- d) Bangladesh is one of 36 countries globally without any type of national EII scheme.
- e) Since the Rana Plaza tragedy in 2013, over 500 people were injured, and more than 40 people have died in Bangladesh factory incidents.
- f) Despite being an internationally recognized labour right, no one affected by garment factory incidents since the Rana Plaza collapse in Bangladesh has received full and fair compensation in line with international standards.
- g) An employment injury system will cost 0.3% of the wage bill.

Timeline (When)

The campaign's implementation calendar will develop around a number of key dates that will provide a "hook" for raising awareness on the importance of safe and healthy working environments. Here is a proposed, yet not exhaustive, list of observances:

24 April	2013 Rana Plaza Accident
28 April	World Day for Safety and Health at Work (UN)
1 May	International Workers' Day
24 August	2016 Gas emission in Chittagong fertiliser factory
10 September	2016 Tampaco Foils Fire Incident
24 November	2012 a garment factory fire

4. HOW TO PROMOTE EII

Rallying support for an ILO Convention ([Convention on Employment Injury Benefits No. 121, 1964](#) and its associated [Recommendation No 121](#)) is a great opportunity to heighten awareness on Employment Injury Insurance, expose its importance for workers and employers, collectively empower workers and end tolerance of unhealthy and unsafe working environments. Working together, *unions, workers movements, labour support organizations, labour law advocates, human rights organizations and other civil society allies* can be a powerful force to promote safety in the world of work.



Communications Tools

- **For the Governmental Authorities**
 - Newsletters updates on Employment Injury Insurance.
 - Create and disseminate documents/briefings outlining the scope and importance of the Employment Injury Insurance scheme.
- **For the employers and their organizations**

- Social media updates using infographics to sensitize and engage a wide audience.
 - Create an online platform on social media or an email network to post and circulate campaign updates and materials.
 - Create and disseminate documents/briefings outlining the scope and importance of the Employment Injury Insurance scheme.
- For the workers and their organizations
- Create a petition calling for your government to support an ILO Convention and Recommendation on Employment Injury Benefits No. 121.
 - Survey union members to assess the nature and extent of employment injuries at their workplace.
 - Communicate to the public the experiences of the injured workers. An example is provided below.
 - Disseminations of posters on buses, in railway stations etc.

Example

Unfair treatment of the workers' and their family's needs

	<p>Rahim, a</p> <ul style="list-style-type: none"> • 25-year-old electrician • with 5 dependents • earning 18,000 BDT per month 		<p>Jamir, a</p> <ul style="list-style-type: none"> • 58-year-old stonebreaker • with 1 dependent • earning 10,000 BDT per month.
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Under the current system of Employers Liability, in case of a fatal accident both families are entitled to the same amount of compensation (i.e. 250K BDT) when injured in an industrial accident, without taking into consideration the special condition of each individual.

This system creates unfair treatment of the workers' and their family's needs.

Communication Events

- For the Governmental Authorities & Employers Organizations
- Plan digital events, such as information sessions, open talks, inviting politicians, international organizations, employers and trade union leaders.
- For the workers and their organizations
- Workshops for trade union affiliates.

- Organize joint actions like a workers' hearing on the importance of a healthy and safe working environment in the world of work, a public debate, an artistic/cultural event: e.g., street theatre, murals with messages and poems.
- Invite activists on labour rights and other civil society allies to a briefing session; discuss each other's role(s) in building and strengthening the campaign and setting up a national campaign alliance.
- Organize trade union meetings and events to inform and sensitize members, activists, organizers, members of collective bargaining teams, experts and activists on labour rights law and trade union decision-makers within your union about the EII.
- Ask trade union leaders to speak at key trade union events and in the media about the importance of increasing workers insurance in the world of work and supporting an ILO Convention.
- Open talks / public discussions organized in areas where the industries are located.

Building an alliance among CSOs and other stakeholders to promote EII

- Reaching out to small Civil Society Organizations (CSOs).
 - CSOs have fewer human resources and less access to information than large CSOs with experts in the health and safety field. You are unlikely to be able to reach them through the specialist health and safety press.
- Bring all CSOs together in a conference/ workshop and create a cross alliance/network.
- Provide information and training to labour inspectors and other external agencies on how to attract and support CSO in the campaign.
- Organize a Work Accident Week and bring together different stakeholders such as trade unions, Safety and Health Committee members, workers, CSOs members, Safety Officers, Senior Managers from industries. Some activities might include;
 - Health and safety open day or awareness day
 - Hold a series of workshops in mixed groups of professionals

ANNEX

INFORMATION TO BE USED FOR INFOGRAPHICS

Targeting Workers / Workers' representatives (of the garment sector)

1. Bangladesh is the second biggest global exporter of clothing, with more than 4 million workers, at least 80% are women.
2. Many of the world's largest industrial disasters have occurred in the garment industry.
3. Since the Rana Plaza tragedy in 2013, over 500 people were injured, and more than 40 people have died in Bangladesh in factory incidents.
4. Very little has been done since the Rana Plaza and Tazreen building tragedies.
5. Presently workers in Bangladesh do not receive the benefits according to the minimum standards for employment injury benefits (ILO Convention 121).
6. Bangladesh is the only country in the top 20 Ready Made Garments exporters that do not have any form of social insurance scheme, including for employment injury.
7. How does the Employment Injury Insurance work?
 - Provides free of charge and timely access to:
 - Health care
 - Adequate compensation for loss of earning (rapidly and fairly) through periodical payments
 - Medical and social rehabilitation and return to work services
 - If the injured worker dies his/her dependents receive periodical payments replacing lost wages
 - The coverage under Employment Injury Insurance is mandatory for all employers belonging to a category or an economic activity determined by the legislation.
 - Workers are automatically entitled to benefits of the compensation scheme.
 - No more court cases against employers in case of accidents.
 - No need to prove the responsibility of anybody when an accident occurs in the working environment.

Targeting Employers

1. Employment Injury Insurance for the Ready-Made Garments sector would cost 0.33% of the wage bill.
2. Periodic payments of Employment Injury Insurance are more financially sustainable for the business.
3. Employers are protected from the uncertainty of excessive damages that can result from unlawful systems.
4. Employers reduce the generation of disputes with workers.
5. Incentives to invest in prevention activities, which is a cost-effective approach to avoid work-related accidents and diseases (nearsighted vs long term approach – predictability and risk management). It has been shown that accidents and injuries negatively influence business performance.
6. Under the EII the employers are free from individual compensation responsibilities and court cases for compensation for work-related injuries or diseases.
7. The total cost of the compensation system is shared by all employers. All employers of the scheme contribute periodically to a common fund and in advance.
8. It is internationally recognized that most work-related deaths and injuries are entirely preventable.

Targeting the Government

1. According to ILO Estimates, over 11,000 workers suffer fatal accidents and a further 24,500 die from work-related diseases across all sectors each year in Bangladesh. Further, 8 million workers suffer injuries at work – many of whom result in permanent disability
2. Bangladesh is the only country in the top 20 Ready Made Garment exporters that do not have any form of social insurance scheme, including for employment injury.
3. The current system does not generate feedback information on the extent and the quality of the services and compensation provided.
4. Sound OSH and Employment Injury Insurance are key drivers to sustainable Global Supply Chains.
5. The Employment Injury Insurance:
 - Address social and economic development plans that efficiently link Employment Injury Insurance to labour insurance for occupational safety and health and the right to Employment Injury Insurance.
 - Is a modern solution to guarantee the fundamental right to Employment Injury Insurance.
 - Is a measurable target contributing to the realization of SDG1 (poverty alleviation), SDG3 (universal health coverage) and SDG8 (decent work).
 - Is one of the indicators considered by the World Bank (re loans).
 - Is gauged under the European Union Sustainability compact/roadmap for Bangladesh.

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