



SHUROKKHA
Advocacy for
Employment
Injury Insurance

On behalf of:

Laudes ———
— Foundation

Implemented by:

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

Toolkit

For implementing an Employment Injury Insurance
in Bangladesh



www.shurokkha.com.bd

What is in the Toolkit?

.....
! This toolkit is a simplified easy-to-read collection of information especially for non-experts to understand the basic contents and benefits of an Employment Injury Insurance and its implementation in Bangladesh.
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-> **Global Facts on Work-Related Accidents and Diseases**
-> **The Rana Plaza Tragedy: A Lesson Learned?**
-> **Employment Injury Protection is a Human Right**
-> **What does Employment Injury Protection Cover?**
-> **What does the ILO Convention No 121 say?**
-> **Types of Employment Injury Protection**
-> **Employment Injury Protection Around the World**
-> **Regional Examples**
-> **Status quo in Bangladesh**
-> **The Three Principles of an Employment Injury Insurance**
-> **Employment Injury Insurance: Benefits for Workers**
-> **Employment Injury Insurance: Benefits for Employers**





2.78 mio.
workers

.....→ die each year from occupational accidents and work-related diseases



7,500
people

.....→ die every single day from unsafe and unhealthy working conditions

Workplace-related
deaths

exceed the average annual deaths from

↓ **road accidents** (999,000)

war (502,000)

violence (563,000)

HIV/Aids (312,000)

Source: ILO, 2021



The Rana Plaza Tragedy: A Lesson Learned?



Source: ILO, 2021

After the collapse of the Rana Plaza factory on 24 April 2013 no compensation was paid in application of the labour code provisions on employer liability.

Only five months earlier, at least 112 workers had lost their lives in another tragic accident, trapped inside the burning Tazreen Fashions factory.

These disasters, among the worst industrial accidents on record, awoke the world to the poor labour conditions faced by workers in the ready-made garment sector in Bangladesh.

The tragedies lead to the conclusion that the Bangladesh Labour Act (BLA) is not applicable to large-scale catastrophes.



Many of the world's largest industrial disasters have occurred in the garment industry. Bangladesh is the second biggest global exporter of clothing, employing more than 4 million workers; almost 60% are women.

According to the World Health Organisation, every year, 1.9 million people die from exposure to risk factors in the workplace.

Bangladesh is one of the few countries globally without any type of national Employment Injury Insurance.

An employment injury system for Bangladesh's Ready Made Garment sector would cost 0.33% of the wage bill.

সুরক্ষা চাই, আমরাও ভালো থাকতে চাই



‘Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.’

Art. 25.1 **Universal Declaration of Human Rights (1948)**

The **2030 Sustainable Development Goals (SDGs)** aim ‘to ensure healthy lives and promote well-being’ and ‘decent work’ for all people, whatever their economic or social status.



SDG 1.3

Implement **nationally appropriate social protection systems** and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.

Less than

40%

.....> of the global workforce is protected in case of accidents and illnesses at work.



What does Employment Injury Protection Cover?

Protection from work-related injury has been the object of several conventions and recommendations adopted by the International Labour Organisation (ILO) from its early days 100 years ago.

According to **ILO Convention No. 102 (Part VI) 1952**, any condition that impacts negatively on health, and which is due to a work-related accident or disease, and the incapacity to work and earn that results from it, whether temporary or permanent, total or partial, must be covered.



Components of an Employment Injury Benefits

Medical care

Cash benefits to the injured person or his/her dependents serving an income replacement or support function

Measures for **prevention** and **rehabilitation**, including **Return-to-Work**, meaning the placement of partially disabled

For more **Employment Injury Benefits**



Prevention



Rehabilitation



Compensation





What does the ILO Convention No 121 say?



ILO Convention on Employment Injury Benefits (No. 121), 1964 and its associated Recommendation (No.121), set the standards for the provision of the broadest possible protection in terms of population coverage and level of benefits to be provided.

The **amount of benefits** equals the percentage of workers' average wage for the months preceding the injury:

in ILO Conventions **60%** in many countries **70-75%**

The amount is adjusted from time to time, often yearly, to protect against an increase in the cost of living.

! Bangladesh has not yet ratified Convention No 102 nor No 121.





Countries have developed different systems of Employment Injury Protection to ensure the health services and financial compensation to employees in case of accidents or diseases arising out of and in the course of his or her employment (as well as to their families, in case of fatal work-related accidents or diseases).

It is important to know the difference between:



Employers' Liability

Employers assume **individually** their responsibility and directly compensate the victims in case of a work-related injury.

Coverage and benefits are **defined by law and/or settled in court.**



Employment Injury Insurance EII

Employers collectively finance a social insurance scheme against the risk of work-related injuries and diseases.

Typically, employers' contributions are mandatory. The EII scheme is managed by a government institution.





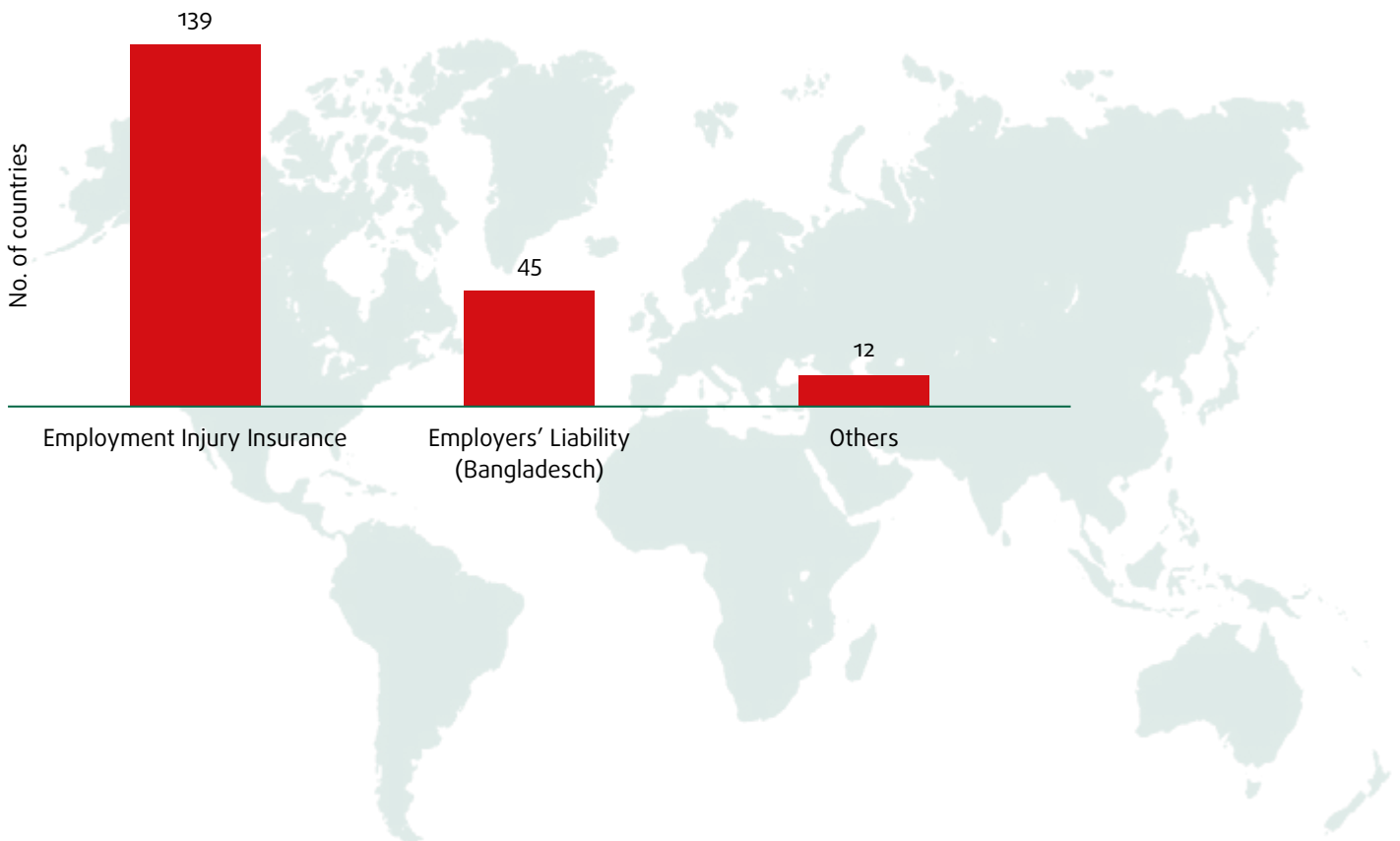


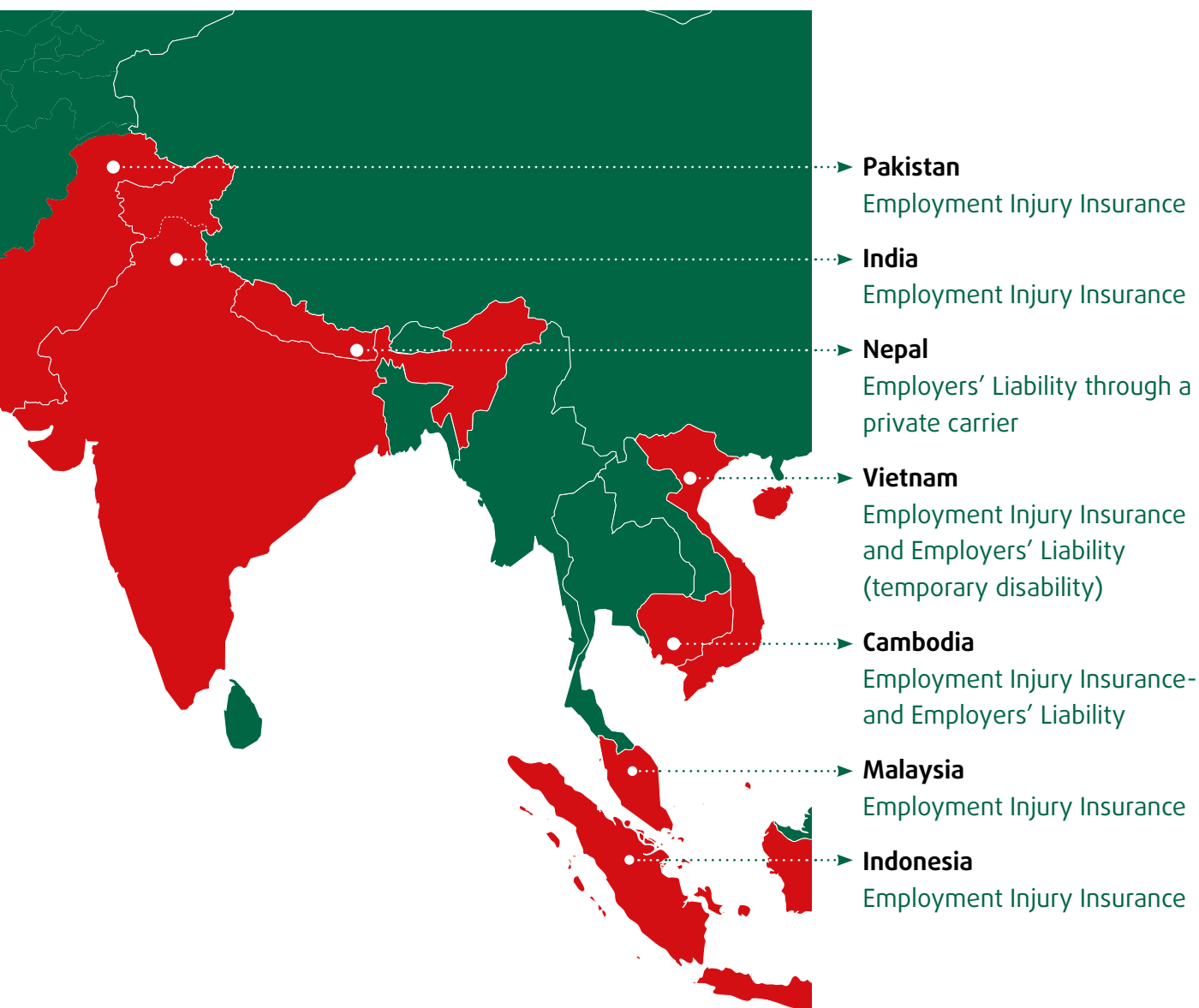
In many countries, a scheme for the protection and compensation of work-related injuries constitutes the oldest branch of social security.

Most countries adopted the modality of an **Employment Injury Insurance** for the compensation of work-related injuries and diseases. However, some countries continue to protect and compensate their workers via **Employers' Liability** often linked with compulsory insurance.

The observed **global trend** is that some countries with Employers' Liability are undertaking efforts to implement an EII mechanism 'for providing employment injury benefits.

For more [Employment Injury Protection Around the World](#)





See also the [social protection world map](#)



The currently active Employers' Liability in Bangladesh implies that employers assume their responsibility individually. This includes covering health costs and directly compensating the workers in case of work-related injury or disease.

The coverage and benefits provided are defined under the Bangladesh Labour Law (but are frequently settled in court).

Shortcomings

Non-compliance. Some employers may be reluctant to provide compensation. Often, injured workers must take them to the court. Settling disputes through court cases is difficult, time intensive and costly.

Long-term compensations. Law does not foresee periodic payments for long-term compensations nor compensation for work-related diseases of the long past.

Fixed compensation amount. For death and permanent total disablement, the amount of compensation is inadequate. Personal circumstances of the affected worker, like age, previous income, number of dependents are not factored in.

Financial risks for employers. Employers face rare but catastrophic financial risks for large-scale accidents.

Lack of coverage of all workers.

Contingencies	Compensation Amount Payable (Post 2018) according to BLA
Death	200,000 ₳ (~ 2,325 USD)
Permanent total disablement	250,000 ₳ (~ 2,906 USD)
Permanent partial disablement	A determinable proportion of 250,000 ₳, according to the level of partial disablement stated in the 1st schedule of BLA.
Temporary disablement	100% of the employee's average earnings is paid for the first two months of incapacity, 66.7% of earnings for the next two months, and 50% of earnings for each subsequent month of disability or for up to a year, whichever is shorter.





No labour-court cases



No-Fault principle

Employers and workers agree to a trade-off, whereby employers are free from individual compensation and court cases and workers are automatically entitled to benefits of the compensation scheme. This leads to adequate and speedy compensation without court cases.



Collective sharing / risk pooling of costs by employers

The total cost of the compensation system is shared by all employers. All employers of the scheme contribute to a **common fund** in advance. Compensations are guaranteed regardless of employers' behaviour or financial solvency, even for cases of work-related diseases in the long past.



Neutral governance

The **right to benefits** is established **outside the contractual relationship** of worker/ employer and through a public or private carrier. There are no direct disputes or complaints, leading to systematic, objective, professional and speedy decisions.



Employment Injury Insurance: Benefits for Workers



Procedures are set in motion to provide rapid first aid, to secure the workplace, to improve risk control, and to notify the injury



The coverage is mandatory for all employers



Workers are automatically entitled to receive benefits. This leads to adequate and speedy compensation



Workers get free of charge access to health care, compensation, and rehabilitation as well as return-to-work services



Workers are not required to establish fault in case of accidents, hence no more court cases



Reimbursements in advance or direct coverage of payment by the EII institution



Workers receive periodical cash benefits during temporary disablement and up to the recovery or maximum payment period



Employment Injury Insurance: Benefits for **Employers**



Periodic contributions are more financially sustainable for business



Employers are protected from the uncertainty of excessive damages that can result from unlawful systems



Employers reduce the generation of disputes with workers



Incentives to invest in prevention activities is a cost-effective approach to avoid work-related accidents and diseases



Employers are free from individual compensation responsibilities and court cases



The total cost of compensation is shared by all employers. They contribute periodically to a common fund and in advance



It is internationally recognized that most work-related deaths and injuries are entirely preventable



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