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ILO Technical Recommendations on the Feasibility Assessment of an Employment Injury Insurance Scheme in Bangladesh

Starting in the ready-made garment sector

Global Employment Injury Programme

Enterprises
Department

ILO Country
Office for
Bangladesh

Bangladesh

Technical report

ILO Technical Report on the Feasibility Assessment of an Employment Injury Insurance Scheme

ILO/Global Employment Injury Programme (ILO/GEIP)
Enterprises Department, Geneva
ILO Country Office for Bangladesh

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FOREWORD

It is our pleasure to submit to the Government and the social partners of Bangladesh the ILO recommendations on the feasibility assessment of an employment injury insurance scheme for Bangladesh. It proposes a gradual approach to achieve protection for work-related injuries and diseases for all workers, by starting with a pilot-project in the ready-made garment sector. This is a concrete step to turn into reality the never again call unanimously voiced after the 2013 Rana Plaza catastrophe. We express the hope that this document will contribute to furthering constructive social dialogue on the implementation of the scheme in the future.

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EXECUTIVE SUMMARY

This Technical Report consolidates technical outputs on an Employment Injury Insurance (EII) scheme in Bangladesh that have been produced by the ILO since 2015 to the Government and the social partners. This report recommends a progressive approach to the implementation of a full-fledged scheme by demonstrating feasibility of a pilot-project scheme for the ready-made garment (RMG) sector.

It builds on the following political commitments towards establishing an EII scheme to date, i.e.:

- **Commitment item no. 13 of the July 2013 National Tripartite Plan of Action (NTPA)** in which the Government of Bangladesh and the social partners committed to develop a **tripartite+ protocol for compensation** of the families of workers who die and workers who are injured as a result of occupational accidents and diseases. It is mentioned that the development of this protocol will include a review of the appropriateness of the level of current legal entitlements to compensation, bearing in mind the provisions of ILO Convention No. 121.
- **Letter of Intent signed** in 2015 between the Government of Bangladesh represented by the Ministry of Labour, the Government of Germany and the ILO for introducing an EII System for Bangladesh, in recognition of the need to fulfil the abovementioned item no. 13 of the NTPA.
- **Honourable Prime Minister's commitment to establish a national EII scheme** expressed to the ILO Deputy Director General in April 2015, to the ILO Director General during his mission in Dhaka in December 2016 and at the occasion of the celebrations held on 1 May 2017. In different public occasions, the Prime Minister reiterated her commitment.

This report consolidates the outcomes of extensive public consultations held between 2015 and 2017 on a draft legal framework and a financial assessment prepared by the ILO on the basis of Convention No. 121. It takes also into consideration the discussions held within the High-Level National EII Tripartite Committee, including the official submissions made by the social partners following its second meeting in July 2018. The report lays foundation for furthering national dialogues to establish a national EII scheme to cover all workers in Bangladesh, by starting with the ready-made garment sector in the first phase of implementation.

It is worth mentioning that the commitment to establish an EII scheme is linked to a number of areas covered by the Sustainability Compact for the Bangladesh RMG Sector such as:

- Structural integrity of buildings and occupational safety and health under the Social Compact's pillar 2, where Bangladesh commits to implement the above-mentioned item 13 of the NTPA.
- Achievement of safety and health practices in the workplace under the Social Compact's pillar 2, which an EII scheme support to and provide incentives for.
- Responsible business conduct under the Social Compact's Pillar 3, mentioning that brands/retailers should deepen discussion on responsible business conduct with a view of addressing issues along the supply chain. Business costs of contributions to an EII scheme could be shared by retailers/brands and the suppliers.

This report includes ILO recommendations on the feasibility assessment of an EII scheme in Bangladesh to the Government of Bangladesh and the social partners towards the establishment of an adequate, affordable and sustainable EII scheme for workers who suffer from work-related injuries and occupational diseases.

WORK-RELATED INJURIES IN THE READY-MADE GARMENT INDUSTRY IN BANGLADESH

Labour relations in Bangladesh are regulated by the Bangladesh Labour Act (BLA).¹ Work-related injuries in the Ready-Made Garment Industry (RMG) in Bangladesh have not yet received the attention it deserves (Iqbal et. al, 2010). The collapse of Rana Plaza and the fire at Tazreen which has led to putting into place ad hoc compensation schemes for victims and their families are glaring examples of insufficiency of the current compensations under the BLA. Although the BLA provides for an entitlement to compensation in relation to work-related injuries or deaths and theoretically protects workers against such accidents, compensations of the BLA are in the form of lump sums in case of permanent disability and death and are not sufficient for modest living needs of injured workers or families of deceased workers.²

Despite provisions in the BLA and constant pressure from international organizations and buyers to improve working conditions and to make the buildings safer and healthier, death tolls of workers have not receded in Bangladesh: about 1,240 workers died from accidents in workplace in different sectors while 544 were injured in 2016. The number of work-related deaths was 951 in 2015 and 465 in 2014.³

Using the Rana Plaza as a springboard and catalyst towards safer and healthier working environment in Bangladesh and adequate benefits in relation to work-related injuries and deaths, it was decided to focus during the first phase of the implementation of a full-fledged national employment injury insurance (EII) scheme on the RMG sector. Being the main export sector of Bangladesh with more than 4 million workers, mostly female, of the formal economy, most of who work in enterprises with more than 100 workers, and who are covered by the BLA, the RMG sector offers good grounds to test the feasibility of an adequate, affordable and sustainable EII scheme in Bangladesh.

In order to have a more precise view of the current situation of work-related accident in Bangladesh, with a particular focus on the RMG sector, a survey was conducted by the Bangladesh Institute of Development Studies (BIDS). The survey was conducted in 1,163 establishments with at least 50 workers,⁴ including 653 establishments in the RMG sectors. Of these 653 establishments, 432 were from the Bangladesh Garment Manufacturers and Exporters' Association (BGMEA) and 221 from the Bangladesh Knitwear Manufacturers and Exporters' Association (BKMEA).⁵

The survey highlights that the most common source of accidents in the RMG sector is the sticking of needles in workers' fingers during work. 91.7 per cent of establishments surveyed have experienced a needle sticking accident.⁶ Out of the total number of accidents reported in the survey, 1.7 per cent of the accidents led to the death of the worker.⁷ The expenses related to the treatment of the effect of these accidents amounts, in some cases, to more than twice of the monthly income of a worker's household, in such cases as eye injuries or broken bone.⁸ More information is provided in Section 3 below.

In the light of the above, using the RMG sector in the first phase of the implementation of an EII scheme in Bangladesh and accepting that such implementation will be progressive means that the current structure could continue to be used for certain benefits and services which will require more time to adjust while the new scheme will be used for others in the first stage of the scheme's implementation. This progressive approach is further detailed in Section 3.

¹ Act No. XLII of 2006 as amended in 2013 by Act. No. XXX.

² Workplace Injuries: The Case of Ready-Made Garment Sector in Bangladesh, page 1

³ Ibid., p. v.

⁴ Main Findings of *Workplace Injuries in Manufacturing and Service Sectors in Bangladesh with a View on Implementing a Workplace Injury Compensation Scheme*, p. 2.

⁵ Workplace Injuries: The Case of Ready-Made Garment Sector in Bangladesh, p. v-vi.

⁶ Ibid., Table 4.1, p. 21.

⁷ Ibid., Table 4.6, p. 24.

⁸ Ibid., Table 4.8, p. 25 & Table 2.9 p.12.

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1. FEASIBILITY ASSESSMENT OF AN EMPLOYMENT INJURY INSURANCE SCHEME IN BANGLADESH

1.1 INTRODUCTION

Following the April 2013 Rana Plaza accident, injured workers as well as families of deceased workers were left without compensation from their employers. A major effort was organized and led to the ‘Rana Plaza Compensation Arrangement’ involving national and international stakeholders, namely the Government of Bangladesh, employers’ and workers’ organizations, local and international Non-Governmental Organizations and brands/retailers. The ILO acted as the neutral chair and provided technical support for the arrangement. By December 2015, around 5,000 claims had been settled and over USD 30 million had been paid. Contributions from a wide range of stakeholders had been collected to provide compensations. All stakeholders decided that this should not happen again and the Government of Bangladesh and social partners requested ILO in 2015 to provide assistance to establish a permanent, low-cost, no fault and sustainable national-level Employment Injury Insurance and Protection Scheme based on the principles and standards of the ILO Employment Injury Benefits Convention, 1964 (No. 121).⁹

In May 2017, the Honourable Prime Minister Sheikh Hasina reiterated the commitment of her Government to establish an EII scheme in the following terms:

‘We want to introduce Employment Injury Scheme in Bangladesh soon to give more assistance to the workers... one of our goals is to protect and ensure the welfare of the working-class people who are contributing directly to production and development.’¹⁰

It is worth mentioning the steps that were taken to date to turn this political will into reality, such as:

- Extensive tripartite public consultations (Dhaka, 24 January 2015) and High-Level Tripartite Consultation (Geneva, 4 November 2017)
- Establishment surveys on incidence of work injuries (January 2018)
- Legal review (comparing 2006 Bangladesh Labour Act and international standards as per Convention No. 121) (2015)

⁹ See Commitment No. 13 of the National Tripartite Plan of Action concluded in July 2013 which reads:

“Development of a tripartite + protocol for compensation of the families of workers who die and workers who are injured as a result of occupational accidents or diseases. The development of this protocol will include a review of the appropriateness of the level of current legal entitlements to compensation, bearing in mind the concept of loss earnings and the provisions of ILO Convention No. 121.”

¹⁰ This statement confirmed others made in April 2015, December 2016 and 1 May 2017.

- Review of health services delivery in Bangladesh and requirements under an employment injury insurance (EII) scheme (July 2017)
- List of occupational injuries to be covered in Bangladesh (July 2017)
- Disability assessment – training of medical practitioners (July 2017)
- Costing of EII proposals (December 2017)
- Review of Welfare and Central Funds (December 2017)
- Study tours in Malaysia, Cambodia and Republic of Korea (November 2015 and December 2016)
- Establishment of the High-Level National EII Tripartite Committee and meetings held in May and July 2018.

1.2 OBJECTIVE OF THE REPORT

The ILO Technical Report consolidates technical outputs on an Employment Injury Insurance (EII) scheme in Bangladesh that have been produced by the ILO since 2015. The report is submitted to the Government of Bangladesh and social partners in order to support the establishment of an adequate, affordable and sustainable EII scheme for workers who suffer from work-related injuries and occupational diseases in the country.

The report proposes a phased and incremental approach of building a universal system covering all workers in Bangladesh, starting with a pilot-project covering workers in the ready-made garment (RMG) sector.

The Technical Report is accompanied by a set of Supporting Documents which include the full text of the technical outputs provided by the ILO:

- Preliminary feasibility study for the introduction of a National Employment Injury Social Insurance System, June 2015
- Bangladesh: Health Care, Disability Assessment and Rehabilitation Services, July 2017
- A proposed legal framework for a Bangladesh Employment Injury Insurance Scheme, December 2017
- Main Findings of Workplace Injuries in Manufacturing and Service Sectors in Bangladesh with a View on Implementing a Workplace Injury Compensation Scheme, October 2018
- Main Findings of Workplace Injuries: the Case of Readymade Garment Sector of Bangladesh with a View on Implementing a Workplace Injury Compensation Scheme, October 2018
- Cost estimate of the proposed Injury Compensation Scheme in Bangladesh, December 2017

1.3 EII SCHEME VISION

The technical outputs provided by the ILO on establishing an EII scheme in Bangladesh aimed at assisting the Government and social partners to achieving the following:

- Coverage of all workers in Bangladesh
- Adequate, timely, predictable and right-based medical and financial protection to be provided to all work-related injuries and diseases
- Affordable contributions by employers
- Financial sustainability of the fund
- Efficient administration with standardization and professionalism

1.4 EII SCHEME GUIDING PRINCIPLES

Following the extensive consultations held with the Government and social partners in Bangladesh, the parties agreed that the following Guiding Principles be the basis on which an EII scheme in Bangladesh should be grounded:

- *No fault.* Employers collectively finance the EII scheme against the risk of work injuries and occupational diseases. In return, they are free from individual compensation responsibilities and court cases related to work-related injuries or diseases. Workers abandon the right to sue their employer when such contingencies occur. Negligence cases are not covered.
- *Rights-based benefits.* Workers suffering from work-related injuries and diseases are entitled to the scheme's benefits stipulated in laws and regulations in line with international standards and good practices.
- *Respect of the current national system.* To the extent possible, the scheme is integrated within existing system and legal framework prevailing in Bangladesh.
- *A single fund.* Benefits are paid out of a single fund.
- *Phased and incremental implementation.* The scheme starts with a pilot project which provides some of the comprehensive benefits to some workers, such as RMG-sector workers, and will gradually expand benefits as well as coverage of workers and enterprises.

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2. EII SCHEME POLICY

This part of the Report looks at the EII scheme's design, delivery of in-kind benefits and institution and compares ILO Convention No. 121 and good practices to the legal and institutional frameworks currently prevailing in Bangladesh, following the general pre-requisites and required conditions for the EII scheme to be sustainable.

2.1 GENERAL PRE-REQUISITES

The sustainability of EII schemes depends on the *long-term commitment* of the Government, social partners and other stakeholders. Because of the export-oriented nature of the RMG industry in Bangladesh, such commitment extends to international brands and interested donors. To move from theory to practice and ensure the system's capacity to deliver benefits, efforts from all stakeholders need to be put on the strengthening of the normative and institutional framework in line with international standards and good practices.

It is only with *trustworthy* institutions, composed of *well-trained* staff who apply *objective, pre-defined* and *clear criteria* in a *transparent* and *efficient* manner that workers will have access to timely and adequate medical care and allied services as well as financial compensation for work-related injuries and occupational diseases.

2.2 SCHEME DESIGN

This section proposes a summary of the basic components of the EII scheme's design as regards key elements such as coverage, entitlement and benefits (2.2.1). Convention No. 121 (2.2.2) assists in gauging the current legal framework in Bangladesh, namely the 2006 Labour Act (2.2.3).

2.2.1 Basic Elements

The basic elements of an EII Scheme's design are:

Coverage

- Identification of workers and employers
- Identification of dependants (including spouses, children and parents)
- Contingencies covered

Entitlement

- Right-based and clear legal definition for compensations

Benefits

- Forms of benefits composed of:
 - o Medical and allied services
 - o Physical and vocational rehabilitation services
 - o Temporary incapacity and permanent disability
 - o Death including funeral grants
- Mode of payments
 - o Periodic payment for temporary and permanent disability and survivors' benefits
 - o Adjustments of long-term benefits in line with the cost-of-living increase
 - o Lump sum in certain specific cases (such as funeral grants)
- Duration: in principle as long as necessary
- Level of cash benefits in relation to the previous earnings
- Insurable earnings for benefit as well as contributions

2.2.2 ILO Convention No 121 and Relevant Practice

ILO Convention No. 121 sets out major elements on an EII scheme such as coverage, entitlement conditions and benefits. For ease of reference, these elements are schematically presented, with full reference to relevant provisions in footnotes.

Coverage:

- All workers in the public and private sectors (with specific and limited exceptions listed).¹¹
- Prescribed contingencies:
 - o Any condition requiring medical or allied care;
 - o Temporary incapacity for work;
 - o Permanent partial or total disability (loss of faculty);
 - o Sickneses and diseases (in relation to workplace/employment);
 - o Breadwinner's death.¹²

Eligibility conditions:

- Obligation to provide compensation.¹³
- Medical and allied services: Workers suffering an employment injury are entitled to receive all the medical and allied services they need.¹⁴
- No qualifying period.¹⁵ Workers have the right to their benefits even if they do not hold that job for an indefinite time.¹⁶
- Possibility to establish a waiting period of three days for temporary incapacity.¹⁷

¹¹ Convention No. 121, Art. 4.

¹² Convention No. 121, Art. 6.

¹³ Convention No. 121, Art. 9(1).

¹⁴ ILO Conventions No. 102, Art. 34, and 121, Art. 10, require the provision of comprehensive medical and allied care with a view to maintaining, restoring or improving the health of the person protected and his/her ability to work and attend to his/her personal needs.

¹⁵ Convention No. 121, Art. 9(2).

¹⁶ Convention No. 121, Art. 9(2).

¹⁷ Convention No. 121, Art. 9(3). During this period, practice reveals that salary continues to be paid.

- Workers are entitled to the scheme's benefits even if employers do not respect their obligations. For example, if workers are not registered or employers do not pay the contribution, workers are still entitled to benefits. Social security institutions will take action to recover unpaid contributions from employers.¹⁸
- Benefits' suspension only possible in clearly defined cases.¹⁹

Benefits:

- *Benefits' general objective:* improving the health of the injured persons and their ability to attend to their needs (medical and allied services)²⁰ and appropriately cover their loss of earnings (permanent disability and death).
 - o Benefit should be ensured throughout the contingency.²¹
- *Medical care services* clearly defined, including to ensure the proper treatment of light injuries and more severe ones requiring care over a limited period of time. They also include hospitalization, surgery, medical treatment, drugs and appliances, for as long as the workers need them.²²
- *Physical and vocational rehabilitation services* clearly defined. Workers suffering a permanent disability are entitled to physical as well as vocational rehabilitation benefits. The objectives of these measures are to help workers so that they will be able to go back to work following training and rehabilitation.²³
- *Periodical cash benefits* for temporary incapacity/permanent disability and death:²⁴
 - o For temporary incapacity, workers receive cash benefits up to recovery or to the maximum payment period. At the end of the period of temporary incapacity, workers with permanent disability will continue to receive periodic cash benefits for the rest of their life.²⁵
 - o In case of death, survivors' benefits are paid to dependants. The purpose of the survivors' benefit is to replace the financial support previously provided by the deceased to his/her dependant family members. For spouse, survivors' benefits are paid for life (but can be made conditional on a means test) or until remarriage. Benefits to children are usually paid until they reach majority, working age or school-leaving age.²⁶ Survivors also receive a funeral benefit in order to cover the expenses of an average funeral arrangement.²⁷
 - o Periodic payments must be periodically adjusted in order to maintain the purchasing power of the benefit²⁸ (real benefit value against inflation).
 - o Exceptional cases where lump sum payment can be made: where it is difficult to administer periodic payments or where payments are too small and administratively complex to administer. In these cases, lump sum amounts should be calculated so as to represent the actuarial equivalent of the periodic payment (present value of the benefit).²⁹

¹⁸ Convention No. 121, Art. 25.

¹⁹ Convention No. 121, Art. 22.

²⁰ Convention No. 121, Art. 10(2).

²¹ Convention No. 121, Art. 9(3).

²² Convention No. 121, Art. 9(1)(a) and Art. 10.

²³ Convention No. 102, Art. 34 (2)(f) and (4); Convention No. 121, Art. 10 (1)(f) and (2), as well as Art. 26(b) and (c).

²⁴ Convention No. 121, Art. 6 (b)-(d) and Art. 9 (b).

²⁵ Convention No. 102, Art. 36(2); Convention No. 121, Art. 14(3) and (5).

²⁶ Convention No. 102, Art. 1(d) and (e), 32(d), and 69(j); Convention No. 121, Art. 1(d) and (e), 6, 18 (1) and 22 (g). ILO Recommendation No. 121 foresees the case where survivors' benefits are paid to other dependants, such as parents who were mainly supported by the worker preceding his/her death: para. 13.

²⁷ Convention No. 121, Art. 18 (2).

²⁸ Convention No. 102, Art. 65(10) and Art. 66(8); Convention No. 121, Art. 21 (1); Recommendation No. 121, para. 15.

²⁹ Convention No. 102, Art. 36 (3); Convention No. 121, Art. 14 (4) and Art. 15 and Recommendation No. 121, para. 10 (1).

Rates:

- Determination of loss of earning capacity and/or loss of faculty. This determination should be done in such a manner as to avoid hardship.³⁰
- For temporary incapacity, the amount of the benefits is a percentage of the worker's average wage preceding the injury, but should not be lower than 60 per cent.³¹
- Total permanent disability benefits are paid at the same rate as temporary benefits, and the amount of partial permanent disability benefits are reduced proportionately in line with the degree of disability.³²
- Survivors' benefits are calculated as a percentage of the worker's average wage for the months preceding the death.³³ This percentage depends on the structure of the family: the amount allowed to a widow or widower with two young children (standard beneficiary) should not be less than 50 per cent of the worker's average wage.³⁴

2.2.3 Current Framework in Bangladesh (2006 Labour Act)

Coverage

- There exists a general entitlement rule, with limited exclusions: Government employees and certain enterprises such as firms with fewer than 10 workers.³⁵
- Workers covered for employment injury compensation are those who are active in the list of 31 occupations listed in the Labour Act.³⁶

Entitlement

- Each employer should provide compensation to workers suffering employment injuries or to their dependants in case of work-related deaths.³⁷
- *Medical care:* Employers must provide medical care to injured workers according to Rules of the Labour Act.³⁸
- *Physical and vocational rehabilitation:* not specified.

*Benefits*³⁹

- *Medical care:* Not standardized and hence may vary from one employer to another.
- *Temporary incapacity, permanent disability and death:* The Labour Act provides for lump sum compensation amounts in case of death or permanent disability resulting from work-related accidents, and monthly payments in case of temporary incapacity after a four-day waiting period for a maximum of one year (two year in cases of occupational disease).⁴⁰

³⁰ Convention No. 121, Art. 14(5).

³¹ Convention No. 121, Art. 13, 19 and 20. Convention No. 102 fixes the minimum rate at 50 per cent: Art. 36, 65 and 66. Recommendation No. 121 fixes the rate at a minimum of two-thirds of the injured person's earnings: par. 9.

³² Convention No. 102, Art. 36(2) and 38; Convention No. 121, Art. 9(3), 14(3) and (5).

³³ Convention No. 102, Art. 36 (1) and Art. 65, in conjunction with the Schedule to Part XI; Convention No. 121, Art. 14 and Art. 19, in conjunction with Schedule II. See also Recommendation No. 121, Art. 14, which recommends that the amount of the survivor's benefit should not be less than that stipulated for total loss of earning capacity.

³⁴ Convention No. 121, Art. 18 to 20.

³⁵ Labour Act, S. 1(4).

³⁶ Labour Act, the Fourth Schedule. The workers in the RMG sector are covered (see the Fourth Schedule, para. (3)). This listing approach runs the risk of leaving the workers of non-listed occupations/industries without compensation and force them to seek compensation through other mechanisms under general legislation.

³⁷ Labour Act, S. 150.

³⁸ Labour Act, S. 89 (7).

³⁹ See Labour Act, Part. XII.

⁴⁰ S. 151 and Fifth Schedule.

- The compensation is paid directly by employers.

Rates:

- Monthly payments for temporary incapacity are paid at the rate of 100 per cent of monthly wages for the first two months, two-thirds of monthly wages for the following two months and 50 per cent for the subsequent months.⁴¹
- Compensation for death resulting from injuries, and for permanent disability, are fixed at the amounts prescribed in the Labour Act. In the case of deaths resulting from injuries, the amount is BDT 200,000,⁴² while for permanent total disability it is BDT 250,000.⁴³ For partial permanent disability, the amount is a percentage of the permanent total benefit, depending on the nature of injury. Percentages are specified in the Act for more than 54 different injuries.⁴⁴

2.3 SCHEME ADMINISTRATION ON HEALTH CARE, DISABILITY ASSESSMENT AND REHABILITATION SERVICES

In an EII scheme, administration on medical and allied care, disability assessment and rehabilitation services need proper expertise. This section summarises what the basic health components of the scheme should be (2.3.1). This section looks also at the relevant provisions of ILO Convention No. 121 and practice (2.3.2) and the current legal framework in Bangladesh (2006 Labour Act) as regards key issues such as prescribed accidents and diseases, claim process, data collection, disability assessments and health and rehabilitation services (2.3.3).

2.3.1 Basic Components

The scheme's basic health components are:

- Classification system for occupational injuries and diseases
- List of work-related injuries and diseases covered
- Reliable mechanisms for reporting, registering and documenting events
- Proper disability assessment tool and impairment rating
- Human and physical capacities for medical care
- Physical and vocational rehabilitation services and programs

2.3.2 ILO Convention 121 and Practice

Prescribed accident and diseases

- An efficient employment injury scheme requires that industrial accidents and occupational diseases covered be clearly defined (through listing and objective criteria).⁴⁵
- They should be classified according to an internationally agreed upon coding (standard) so to ease data tracking and comparing processes.⁴⁶

⁴¹ Labour Act, S. 151(d) and Fifth Schedule.

⁴² As reported in [United News of Bangladesh](#), compensation for death caused by injuries for work related accident is increased from Tk100,000 to Tk200,000. According to Convention No. 121, a widow with two children should receive a periodical payment equal to 50 per cent of the deceased worker's wage at the time of accident. For a deceased worker with a minimum wage of BDT 3,000 at the time of accident, a capital amount of at least BDT 600,000 would be required to provide this periodical benefit to a spouse aged 25 with two children aged 5 and 3.

⁴³ Labour Act, the Fifth Schedule. As reported in [United News of Bangladesh](#), compensation for permanent total disability for work related accident is increased from Tk125,000 to Tk250,000.

⁴⁴ Labour Act, the First Schedule.

⁴⁵ Convention No. 121, art. 7 and Art. 8.

⁴⁶ Such as the *International Statistical Classification of Diseases and Related Health Problems (ICD)* available at <http://who.int/classifications/icd/en/>

- A revised list of occupational diseases of 2010 of the ILO which should be used as guidance.⁴⁷

Claim process

- Records of workers in the workplace; notice of accident.⁴⁸

Data collection

- To meet the specific scheme's requirements for medical and allied care, compensations, rehabilitation of injured workers, administrative data are collected. The administrative data reflects the collection practices, reporting requirements, claims policies and definitions of each individual compensation board.⁴⁹
- Compliance with reporting of work-related accidents and occupational diseases to the occupational health and safety body increases data reliability related to inter alia evaluation of incidence, trends, and provides timely alerts to developments that need immediate attention.

Disability assessment

- Disability assessments should ideally measure a loss of earning capacities and functional ability to perform normal activities of daily living, of injured workers to determine the level of compensation with respect to the previous earnings. Due to administrative difficulties to precisely measure the loss of earning capacities, a proxy measure is sometimes adopted based on impairment ratings as estimates that reflect the severity of the limitation of the body part, for example, loss of faculties.
- Authorities have adhered to various forms of compensation to cover losses relating to workplace injuries:
 - o Impairment based approach: based on the degree of impairment. No links with future earning loss.
 - o Loss of earning capacity approach: imply a projected economic impact on the ability to re-enter the labour market.
 - o Wage loss approach: permanent "extension" of temporary disability benefit until return to work (if any).
 - o Mixed approach: a combination of impairment and wage loss that may benefit for interim disability period and/or pension-based compensation. The interim includes compensation for medical treatment as well.
- Those approaches try to find a balance between the notions of disability and impairment and to propose a fair compensation for the losses of an individual injured at work.⁵⁰
- A number of instruments have been developed to assess overlapping health and functional concepts involved.

Health and rehabilitation services

- Continuity of care is the way care is experienced by a patient as coherent and connected in time.⁵¹
- For occupational health purposes, continuity of care would be applied at the time of hiring by a set of preventive measures, and then, covering all the therapeutic and rehabilitation actions following a work-related injury, for a return to maximum social reintegration, both of the affected worker and

⁴⁷ *List of Occupational Diseases* (revised 2010): Identification and recognition of occupational diseases: Criteria for incorporating diseases in the ILO list of occupational diseases. Occupational Safety and Health Series 74, http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---safework/documents/publication/wcms_150323.pdf

⁴⁸ Convention No 155, Art. 11(c).

⁴⁹ Ehnes, H.: *Improvement of national reporting, data collection and analysis of occupational accidents and diseases*, 2009, ILO, available at https://www.ilo.org/safework/info/publications/WCMS_207414/lang--en/index.htm

⁵⁰ Barth P.S.: *Compensating workers for permanent partial disabilities*, Social Security Bulletin, vol. 5, no. 4 2003/2004, <https://www.ssa.gov/policy/docs/ssb/v65n4/v65n4p16.html>

⁵¹ *Concepts et mesures de la continuité des soins*^[PDF] (free transl.) www.fcass-cfhi.ca/Migrated/PDF/ResearchReports/.../cr_contcare_f.pdf

dependants. The notion of continuity of care is important because in many severe injuries or occupational diseases, the condition will not progress toward a restitution *ad integrum*. In many cases, some residual impairment will follow and the situation will need further medical care and follow-up, chronic treatment or medication and even new surgeries.

- In case of chronic stage of injury recovery or permanent impairment, a multi-disciplinary approach is recommended through joint assessment and intervention by rehabilitation professional group such as:
 - o Occupational therapists for functional skills assessment and activity analysis and design occupational performance development programme;
 - o Physiotherapists to assess physical endurance, movement, range of motion and alignment; and apply therapeutic modalities;
 - o Clinical psychologists to assess mental state (stress, anxiety, shock, self-esteem, mood etc.) and provide counselling or psychotherapy;
 - o Speech and language therapists to assess articulation and apply muscle relearning or stimulation techniques;
 - o P&O Specialists for fitting of missing limbs and align the deformed position.
- Physical rehabilitation may include:
 - o Occupational therapy;
 - o Physiotherapy;
 - o Reconstructive surgery;
 - o Artificial limbs and prosthetics fitting;
 - o Mobility aids such as wheel chairs, walking stick, hearing aids;
 - o Workplace or home modification for functional comfort.
- Vocational rehabilitation may include:
 - o Training in selected areas
 - o Return to Work (RtW) programmes.

2.3.3 Current Framework in Bangladesh (2006 Labour Act)

Prescribed accidents and diseases

- The Bangladesh Labour Act includes a list of diseases notifiable to the authorities (with the adjunction of a list of occupational diseases).⁵²
- Two other Schedules at the end of the 2006 Bangladesh Labour Act are of interest. The Fifth Schedule of the 2006 BLA describes compensation amounts in some cases and the First describes the list of injuries deemed to result in partial permanent disability.⁵³

Claim process

- Four chapters of the Labour Act deal with occupational health and safety (OSH) at work. Those are Chapter V - Health and Hygiene, Chapter VI - Safety, Chapter VII - Special provisions related to health, hygiene and safety and Chapter VIII - Welfare.
- More specifically, Sections 150 to 174 of the Labour Act contain, inter alia, specifications on enforcement mechanisms, medical care and follow-up, the role of the Labour Court in case records and appeals mechanisms.
- A provision on the notice of accidents stipulates that any accident causing bodily injury resulting in absence from work for more than 48 hours must be entered in a register in a prescribed form. Copies of entries must be sent to the Chief Inspector every six months.
- In case of an occupational disease, the worker or the employer and the medical practitioner attending a person must report to the Chief Inspector.⁵⁴
- In practice, there is not yet in place an effective workplace accident reporting scheme and OSH resources are scarce.

⁵² Labour Act, SS. 82 and 83 and Second and Third Schedules.

⁵³ Only a limited number of the Rana Plaza's victims fall into one of the injuries mentioned in the Labour Act. For example, the following types of injuries are not covered: spinal cord injuries; paralysed limbs; kidney malfunction; head trauma; back pain; and psychological consequences and damage.

⁵⁴ Such provisions are essential for the development of OHS policies. However, they are of limited use unless information regarding the severity of injuries is also made available.

Data collection

- Very poor documentation of facts and statistics exists in Bangladesh about occupational health consequences, hence the absence of a reliable database on accident frequency and the cost of workplace accidents in different sectors. Only some sectoral data are sometimes listed. The DIFE (Department of Inspection for Factory and Establishment), despite significant actions in different areas under its jurisdiction, cannot produce sectoral or global results.⁵⁵

Disability degree

- The 2006 BLA already contains in its First Schedule a list of injuries deemed to result in permanent partial disablement.
- This table, however, needs to be modernized since it contains a vision limited to an old conception of work accidents where the only physical consequences are industrial events with machinery or tools leading to amputations. As the labour market has become more complex, medical advances and understanding of the impact of industrial diseases call for identification and compensation for physical injuries that are not included or described in this Schedule.
- Also, some impairment ratings are provided in ranges. Many cases will not fit into a rating category. Some compensable injury could involve an impairment rating from more than one body part.

Health and rehabilitation process

- The Bangladesh health system has a complex structure. It has an advantage of having a broad public base, state-owned, distributed throughout the country with coverage and universal access free in theory.
- This public system has a pyramidal referential structure from community clinics to specialized referral hospitals. The health service delivery system of Bangladesh is an intricate web of public health departments, NGOs, and private institutions.
- Payment arrangements usually operate at the institutional level. The current practice of remunerating doctors in the public system is in the form of wage-earners obtained through the hospital administrations, budgeted by the government. The same concept applies to the level of services provided by institutions affiliated to NGOs or private institutions
- Given the limited resources, the culture of rehabilitation is poorly developed in Bangladesh. Some coverage is promoted by the Ministry of Welfare, but the burden usually falls to the relatives of a beneficiary. Rehabilitative services are limited in availability. NGOs are the main providers of rehabilitative services, followed by the public sector.
- The National Institute of Traumatology and Orthopaedic Rehabilitation (NITOR) hospital along with a few trauma centres located in different parts of the country provide rehabilitative care in the public sector. The Centre for the Rehabilitation of the Paralyzed (CRP) is an NGO providing curative and rehabilitative services for injuries, orthopaedic conditions and strokes. In the for-profit sector, there are some centres with inadequate facilities for rehabilitative services. These facilities are too costly for middle-income and poor families.

⁵⁵ J. Hossain, A. Akter, MRI Khan: *Occupational Safety and Health in Bangladesh: National Profile*, June 2015
Bangladesh Institute of Labour Studies-BILS

2.4 INSTITUTION

This section looks at the basic components of an EII institution from the viewpoint of its mandate, structure and composition as well as other practical considerations (2.4.1). It also highlights ILO Convention 121 and practice (2.4.2) as well as the current situation prevailing in Bangladesh as regards EII required institution(s) (2.4.3).

2.4.1 Basic Components

The basic components of an EII institution are:

- Professional administrative agency able to exercise substantial fiduciary responsibility (financial governance)
- Under the responsibility of a specific public institution
- Tripartite governance
- Pre-established objective criteria to ensure transparency, fairness and predictability of the process
- Proper experts and competent staff
- Two-fold mandate:
 - o Planning and supervision, including strategy and policy framing, financial operations and human resources
 - o Operations, including coverage of employers and workers (registration, collection of contributions, public information, compliance, inspection, etc..) and claims processing (cash benefits, health services, rehabilitation support, complaints and appeal)
- Development of an IT system
- Accompanying services (wealth management, security, etc)
- To the extent possible, EII institution should coordinate and collaborate with health and safety staff: enable better collection and utilization of data on injuries and risks in the workplace in order to identify priorities for interventions and significantly reduce inspection costs
- Complaint and appeal procedures

2.4.2 ILO Convention No. 121 and Practice

General

- In the light of practice, EII's structure should fit within a holistic approach, linking the prevention functions (reducing the number of workplace accidents and diseases), rehabilitation (ensuring that individuals affected by employment injury can return to work, if possible) and compensation (where affected workers are unable to return to work) are regrouped. This is in line with the present-day approach of social security, which is not merely curative (only providing compensation) but also preventive and re-integrative."⁵⁶
- The responsible public institution is usually under the general supervision of a specific public institution (often the Ministry of Labour).
- Its direction is supervised by a board of directors composed, in accordance with the principles enshrined in ILO standards, of members representing the government, the workers and the employers.⁵⁷
- This tripartite board is responsible for the strategic planning of the institution; its financial statements; its policies relative to financing, compensation and prevention; concluding agreements with other institutions; and making recommendations to the Ministry of Labour on regulation issues.
- The tripartite composition of the board of directors makes it possible for workers' and employers' associations to be involved in the adoption and the review of the policies regarding management, financing and claims processing. It is a great opportunity for them to make sure that the scheme is properly administered.

⁵⁶ Mpedi LG and Nyenti MAT, *Employment Injury Protection in Eastern and Southern African Countries*, ILO, December 2014.

⁵⁷ Convention No. 102, Art. 72; Convention No. 121, Art. 24.

- The specific body administers operations with regards to financing (e.g. registration of employers and workers, contribution collections, investment of reserves) and compensations (e.g. processing claims from workers or their dependants, payments of cash benefits to beneficiaries and to health care service providers, physical as well as vocational rehabilitation services).
- In many countries, the institution is also mandated to promote various activities to prevent work injuries and occupational diseases by integrating prevention, compensation and rehabilitation.
- In all jurisdictions, employers have the obligation to maintain a safe working environment, and officers of the public institution have powers of inquiry to verify reports and claims of employers and workers and to inspect working sites to ensure that company practices are in accordance with safety standards stipulated in regulations.

Process

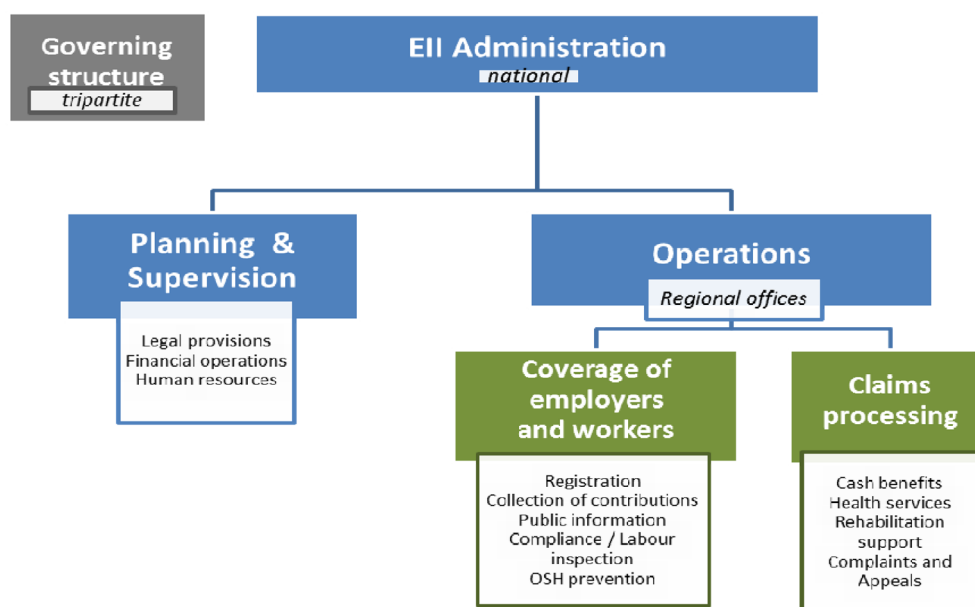
- Right to complain and appeal.⁵⁸
- Equality of treatment for non-resident.⁵⁹
- Procedure should be impartial, transparent, effective, simple, rapid, accessible and inexpensive.⁶⁰

Practical considerations

- The payments to injured workers and their dependants in all parts of the country requires reliable IT system, mail delivery and banking system.
- To ease process and ensure quality delivery, EII scheme should be vested with the responsibility to up-date technical information found in laws and regulations (such as schedules on injuries, diseases, impairment rating, contribution rate, etc.).

2.4.3 Theoretical Chart of an EII Scheme

- The following figure shows the typical institutional structure of an EII scheme. The structure assumes that OSH and labour inspection are administered by the same institution, as recommended by the ILO.



⁵⁸ Convention No. 121, Art. 23.

⁵⁹ Convention No. 121, Art. 27.

⁶⁰ Recommendation No. 121, para. 7

2.4.4 Current Framework in Bangladesh (2006 Labour Act)

General

- Employers' liability through civil law court cases.
- The enforcement of the legislation is under the authority of a Director of Labour and a Chief Inspector appointed by the Government. Their powers and functions are described in the legislation.⁶¹ The Government may also appoint "such number of Additional Directors of Labour, Joint Directors of Labour, Deputy Directors of Labour and Assistant Directors of Labour as it thinks fit for the purposes of this Act" and a "requisite number of Deputy Chief Inspectors, Assistant Chief Inspectors or Inspectors as it thinks fit for the purposes of this Act".
- These officials, however, seem to have little power in the matter of compensation of injured workers and in the compliance monitoring of the group insurance purchase of employers.
- The Labour Court is actively involved in the determination of awards to injured workers or the survivors of deceased workers.
- The Government may also constitute a National Council for Industrial Health and Safety composed of representatives of government (8), employers (7) and workers (7). The Council must prepare the national policy on occupational health and safety and guidelines on its implementation.

See **Appendix 1** for further details on current workplace injury compensation schemes (including specific funds) existing in Bangladesh.

2.5 FINANCE

This section examines the financial issues related to the putting into place of an EII scheme in Bangladesh.

2.5.1 Basic Components

The basic components related to financial issues are:

- Financial sources
- Funding strategy
- Administration costs
- Calculation of contribution rate
- Financing method(s)
- Set of incentives

2.5.2 ILO Benchmarks from Convention No 121 and Practice

Financing

- The employers are usually the sole contributor to the scheme. Sometimes the government pays a small part of the costs, for example to cover a part of administrative expenses at the start of the programme or to cover the expenses of inspection services.

Contribution rate and funding methods

- The contribution is calculated as a percentage of wages and is paid regularly to the scheme. The rate may depend on the risk of each employer assessed through past experiences; it is annually determined and depends upon the funding methods.
- The contribution rate must cover annual payments of short-term benefits in a year and the present value of future periodic payments of permanent disability and survivors' benefits newly awarded in a year. This avoids inequality between past, current and future employers.
- Various methods are used to determine the contribution rate for each workplace. In some countries, a fixed rate is charged regardless of the economic activity, the size or the experience of injuries of the employer concerned.

⁶¹ Labour Act. Chapter XX (SS 317-323).

- One of the most common approaches for funding is to use the pay-as-you-go (PAYG) method for short-term benefits (temporary incapacity benefits and medical care) and the terminal funding method for periodic payments of permanent disability benefits for injured workers and survivors' benefits for dependants of workers who have died from a work-related injury.

2.5.3 Current System in Bangladesh (2006 Labour Act)

- Compensation amounts under the Labour Act are borne exclusively by employers, either directly through their own assets or through private insurance premiums if they comply with the provision of group insurance purchase.
- As mentioned above, RMG sector employers in Bangladesh can receive also benefits from the Central Fund which is financed through a 0.03 per cent levy on work orders and voluntary contribution from government and buyers.
- Today all costs related to the current system are not fully realised.

3

3 EII ESTIMATED COSTS

3.1 COST ESTIMATE OF A NATIONAL EMPLOYMENT INJURY INSURANCE SCHEME FOR RMG SECTOR BASED ON ILO STANDARDS AND GOOD PRACTICES

This section describes the methodology and results of a survey carried out by the Bangladesh Institute of Development Studies (BIDS) in manufacturing and service sectors in Bangladesh (3.1.1.1 and 3.1.1.2) as well as more specific results as regards the RMG sector (3.1.1.3). Cost estimate for a national EII scheme for RMG sector based on ILO standards and good practices is presented under 3.1.2. Section 3.2 proposes design options including major parameters and time-flow for a gradual and realistic implementation of an EII scheme in the country.

3.1.1 BIDS survey

The BIDS methodology and main findings are described below.

3.1.1.1 Methodology

BIDS conducted a comprehensive survey on the nature and extent of workplace injuries in key manufacturing and service sector of Bangladesh. Quantitative data on accidents, injuries, compensation mechanisms and related issues were collected from registered establishments in the following sectors: RMG, textiles, cement, ship building, ship breaking, leather (both finished and tannery), pharmaceuticals, construction, real estate and transportation.⁶²

The two questionnaires used (one for employers and one for workers) were shared and commented before distribution by various stakeholders, including the ILO. The field survey was conducted from the first week of April 2017 to the first week of July 2017.⁶³ The survey was confidential and there was no influence exerted on the worker while answering the survey (i.e. no presence of factory management while the worker was filing the questionnaire). The survey focussed on the following subjects:⁶⁴

Employer's Questionnaire	Worker's Questionnaire
Characteristics of Establishment	Worker's Characteristics
Persons Engaged, Wages, Salaries & Turnover	Workplace Safety Measures
Workplace Safety Measures	Incidence of Injuries
Incidence of Injuries and Related Costs	Potential Exposures to Accidents
Potential Exposures to Accidents	

⁶² Workplace Injuries in Manufacturing and Service Sectors in Bangladesh, p. v.

⁶³ Ibid., p. 6.

⁶⁴ Ibid., p. 7.

The survey covered firms with at least 50 workers in the RMG, textiles and cement sectors and at least 10 workers in the ship building, ship breaking, leather, construction and real estate.⁶⁵ However, given the distinctive characteristics regarding the nature of participation or contract of workers in construction, real estate and transport sectors, it was decided to conduct case study/focus group discussions to gauge injuries' nature and extent.⁶⁶

However, data collection had to address a number of constraints throughout the process. In some sectors, the survey team had to deal with delaying tactics or downright refusal from the owners. In the transport sector, the research team faced difficulty in collecting information from the transportation associations since they were reluctant to provide information without the owners' permission. Moreover, access to transportation owners was difficult as they did not visit their association office regularly.⁶⁷

3.1.1.2 Main findings of workplace injuries in manufacturing and service sectors in Bangladesh

The survey was conducted for 1,163 establishments in Bangladesh, where 54.9 per cent were considered large factories (i.e. having more than 300 workers).⁶⁸ The monthly household income and expenditure of the workers were Tk17,138 and Tk15,871 respectively with little variation across the sectors. These estimates are comparable with the monthly household income of Tk16,475 and expenditure of Tk15,531 reported by the Bangladesh Bureau of Statistics (2011) for urban population. The difference of income and expenditure implies that these workers spend more than 90 per cent of the income on household expenses and hence not much financial resources is left to cope with accident and injury related expenses.⁶⁹ Furthermore, one of the survey's main finding shows that workers in the manufacturing sectors, even after becoming more skillful, continue to receive limited salary mostly used for their household expenses. As workers are either main or important family's wage earners, it becomes very difficult for them to save. Therefore, the lower the income the more difficult it becomes for a worker to bear the costs of workplace injuries.⁷⁰

The most common source of accidents in manufacturing sectors is being hit by objects. It has been reported as a source of accident by 95 per cent of ship breaking factories, 68 per cent of ship building factories, 56 per cent of cement industries, 46 per cent of textile factories, 30 per cent of pharmaceuticals, 27 per cent of leather factories and 13 per cent of RMG factories.⁷¹

The impact of these accidents is important. Indeed, it is reported by factory that the consequence of the injuries led to death for reported accidents (1.7 per cent for RMG, 2.4 per cent for textiles, 6.3 per cent for cement, 4.5 per cent for ship building, 15.0 per cent for ship breaking), to full disability (0.3 per cent in RMG, 1.7 per cent in ship breaking, 0.6 per cent in leather) and to partial disability (1.5 per cent in RMG sector, 1.2 per cent in textile, 18.8 per cent in cement, 3.3 per cent in ship breaking, 7.0 per cent in pharmaceuticals, 10.7 per cent in leather).⁷² These accidents may bring financial hardship to the injured worker and his/her relatives (knowing that more than 90 per cent of his/her income are engaged in household expenses).

Medical costs of injured workers were also provided as part of the survey. The highest amount for medical cost per accident varies greatly among sectors:⁷³

- Tk41,000 for eye injury in RMG sector
- Tk22,333 for eye injury in textiles
- Tk26,333 for head and/or brain injury in cement

⁶⁵ Ibid., p. v.

⁶⁶ Ibid., p. 6.

⁶⁷ Ibid., p. 6.

⁶⁸ Ibid., p. 9, Table 2.1.

⁶⁹ Ibid., pp. 15 & 16.

⁷⁰ Ibid., p. vi.

⁷¹ Ibid., p. 27.

⁷² Ibid., Table 4.6.

⁷³ Ibid., Table 4.8.

- Tk25,133 for knee and ankle injury in ship building
- Tk76,667 for broken bones in ship breaking
- Tk21,229 for spinal cord injury in pharmaceuticals
- Tk15,547 for burns in leather

These amounts are generally higher than the average monthly household salary provided by surveyed workers. Again, this stress that workers may be exposed to great financial risk if they are not provided with an adequate workplace injury compensation scheme. The costs for establishments were also provided as part of the survey. It can be found that the costs related to the death of a worker amount from Tk115,000 (textiles) to Tk400,000 (ship building) per accident, whereas disability amount from Tk60,000 (full disability in RMG) to Tk203,250 (partial disability in textiles).⁷⁴ These amounts can be described as low and can be explained by the fact that the current EI framework in Bangladesh leaves a lot a leeway for employers to provide unofficial compensation and/or account for costs (that are not taken into account in the official data).

The survey also shows that workers may have to face some part of the costs associated with the workplace accident. 11.8 per cent of the workers responded that they had to pay part (11.2 per cent) or wholly (0.6 per cent) of the medical expenses related to the workplace accident. Workers from the leather and textiles sectors bear a higher probability of having to share part of or the whole cost of medical expenses.⁷⁵

The contribution of employers for medical expenses can be implicit or explicit. Implicit contributions are made by hospital or medical centers run by the employer. While most of the workers stated that they get full reimbursement of expenses, some workers stated that they received only partial reimbursement. In some factories, medical expenses are met from the welfare fund of the respective factories.⁷⁶

Since no survey data was gathered for the construction, real estate and transport sectors given the constraint mentioned above, qualitative interviews were conducted with employers' and workers' focus group. The main findings of these interviews were that for the constructor sector, opinions from the social partners are not aligned regarding the provision of medical costs and injury related compensation. Workers reported that they are highly mobile and employed daily through sub-contractor. Sub-contractor usually do not preserve any injury information. If workers face minor injury, then sub-contractors or workers themselves bear the medical costs. However, in the case of major injuries, main contractors may bear the medical costs only in fear of media reporting on the issue or any possibility of workers' unrest.⁷⁷

3.1.1.3 Main findings of workplace injuries in Ready-Made garment sector in Bangladesh

For RMG, the survey looked at various aspect of the industry, from the current workforce composition to the specifics of workplace injury compensation. The survey focussed on two main and important employers' association of the RMG sector: the Bangladesh Garment Manufacturers and Exporters' Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters' Association (BKMEA).

In the RMG, the survey was conducted for 653 establishments in Bangladesh, where 509 were considered large factories (i.e. having more than 300 workers).⁷⁸ One element regarding the household composition results of the survey is regarding the financial resource available after expenditures of the workers. RMG sector workers spend more than 90 per cent of the household income on food and non-food items.⁷⁹ The average household income in the sector is Tk17,000 per month.⁸⁰

Regarding the incidence of workplace accidents, 91.7 per cent of the RMG factories surveyed experienced an accident related to needle sticking.⁸¹ However, other types of more serious accidents took place in 2016

⁷⁴ Ibid., Table 4.10.

⁷⁵ Ibid., Table 4.12.

⁷⁶ Ibid., p. 36.

⁷⁷ Ibid., p. 38.

⁷⁸ Workplace Injuries: The Case of Ready-Made Garment Sector of Bangladesh, p. 8.

⁷⁹ Ibid., p. 13.

⁸⁰ Ibid., p. 12. It amounts to approximately 203 USD per month as at 8 October 2010.

⁸¹ Ibid., p. 21.

in the surveyed enterprises such as commuting accident (1.7 using employer's transport and 3.1 per cent using other transports), electric shock and/or arc flash/blast (6.4 per cent) or being hit by an object (13.3 per cent).⁸² The number of injured workers per factory per type of accidents vary greatly. For example, the number of casualties for needle stick accident is 28.5 workers per factory, compared to 7.6 workers that are hit by an object.⁸³

The impact of these accidents is important for the workers. It is reported by factory that the consequence of the injuries led to death for 1.7 per cent of the reported accidents, 0.3 per cent led to full disability and 1.5 led to partial disability. 25.1 per cent of the accident made the worker miss his/her next shift, and 29.6 per cent led to an absence from work from a few days to more than 30 days.⁸⁴ It is easy to assume that these accidents may bring financial hardship to the injured worker and his/her relatives (knowing that more than 90 per cent of his/her income are engaged in household expenses).

Medical costs of injured workers and the costs related to the death of a worker employed in the RMG have been provided above (see 3.1.2 above).

Medical costs of injured workers were also provided as part of the survey. The highest amounts were provided to eye injury, including vision impairment and blindness (Tk41,000), while broken bones amounted to the second highest (Tk20,887).⁸⁵ These amounts are far higher than the average monthly household salary provided by surveyed workers. Again, this stress that workers may be exposed to great financial risk if they are not provided with an adequate EII scheme. The costs for establishments were also provided as part of the survey. It can be found that the costs related to the death of a worker amount to Tk189,546 per accident, whereas disability amount to approximately Tk60,000.⁸⁶ These amounts can be described as low since the current EI framework in Bangladesh is not coherent and leave a lot a leeway for employers to provide compensation and/or account for costs.

The survey also shows that employee may have to face some part of the cost associated with the workplace accident. 9.0 per cent of the workers responded that they had to pay part (8.7 per cent) or wholly (0.3 per cent) of the medical expenses related to the workplace accident.⁸⁷

3.1.2 Cost estimate of an EII Scheme for the RMG sector in line with Convention No 121

In December 2017, the ILO presented a cost estimate of the proposed injury compensation scheme for the RMG sector in Bangladesh based on the Framework proposed on 7 December 2017. The total cost of the proposed scheme, including the administration cost of the scheme, is estimated at 0.33 per cent of insurable earnings.⁸⁸ This cost does not take into consideration potential savings that could be realised from current system on issues such as compensations directly provided by employers under the labour law, private insurance premiums and contributions to the Central Fund.

Appendix 2 provides further details on the calculation of insurable earnings, benefits composed of temporary incapacity benefits, permanent/partial disability benefits, death benefits, health care and rehabilitation services as well as administrative costs of the new scheme for the RMG sector.

3.2 PRIORITY SETTING, OPTIONS AND TIMELINE

This section explains the main differences between an employers' liability (EL) scheme and an EII scheme (3.2.1) and between a national scheme and a series of schemes for specific economic sectors (3.2.2). Section 3.2.3 discusses the main parameters of a phase-in option as well as related costs.

⁸² Ibid., p. 21, Table 4.1

⁸³ Ibid., p. 22, Table 4.3

⁸⁴ Ibid., p. 24, Table 4.6

⁸⁵ Ibid., p. 25, Table 4.8

⁸⁶ Ibid., p. 26, Table 4.10

⁸⁷ Ibid., p. 26, Table 4.11

⁸⁸ Supp. Doc. (6) Cost Estimate of the Proposed Injury Compensation Scheme in Bangladesh, p. 18.

3.2.1 Employers' Liability Scheme vs EII Scheme

In EL systems, the protection of workers and employers from the financial consequences of employment injuries is insufficient unless an insurance market and the financial supervisory system are well developed. The compliance monitoring of private insurance is complex. The insurance market needs to be well developed so that all employers, regardless of their risk profiles, would be able to purchase insurance at a reasonable cost. Employers of riskier industries as well as small employers with little negotiating power are vulnerable, as private insurance companies may reject the applications of such employers. It is also difficult to secure fairness among beneficiaries covered by different insurers as claims management practices may vary widely among different insurers. The system may lead to high numbers of court cases and may divert necessary financial resources for compensation to judicial costs. Furthermore, EL systems face increased difficulty to provide long-term and indexed periodical payments as individual employers cannot set up mechanism to pay periodic payments for a long time, and insurance companies generally prefer to settle claims with lump sums rather than providing periodic payments over long periods, especially when cost-of-living adjustments must be made. OSH agencies may lack resources for implementations which are very often provided by an EII scheme if the scheme is in place.

There is a trend today in both developed and developing countries to move towards an introduction of EII schemes. Many of the major exporting countries in Asia, such as Cambodia, China, India, Indonesia, Pakistan, the Philippines, Thailand and Viet Nam have established an EII scheme or are now considering this option and no country made it the opposite way. Although only a proportion of the workers are covered by these schemes, measures are taken to gradually increase covered workers. In Africa, although many countries still have EL schemes, Ethiopia, Malawi and Tanzania have adopted an EII scheme in recent years or are in the process of introducing EII schemes. Establishing an EII scheme is regarded as a solution to the chronic problem of ineffectiveness and insufficiencies of worker's compensations for injured workers or dependants of deceased workers.

3.2.2 National Scheme vs Schemes by Sector

In countries with a well-established culture of EII, effective collective bargaining, very high compliance and efficient prevention and rehabilitation services, it is possible to have EII schemes by economic sectors. Under this option, the contribution rates are different in each scheme for a different sector and often also vary from one employer to another based on their experience.

However, in countries with no EII culture, non-functioning collective bargaining, low compliance and scarce prevention and rehabilitation services, a national scheme with a single contribution rate is more appropriate. Adopting different contribution rates by sector in such countries will lead to low compliance in sectors with high accident rates, leaving workers in these sectors without protection.

3.2.3 Phase-in Option

It will take time before necessary provisions for an efficient EII scheme in Bangladesh be discussed, agreed upon, drafted and applied. A progressive and incremental approach, in an agreed-upon timeframe to a full-fledged system in compliance with ILO standards and international good practices, is proposed below.

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. Those objectives may influence the benefit design so that the administration should be simple but the core benefit design should respect international standards and good practices:

- The scheme proposed builds on what exists already.
- The financing must be predictable and equitable. Financial monitoring and reporting should be transparent.

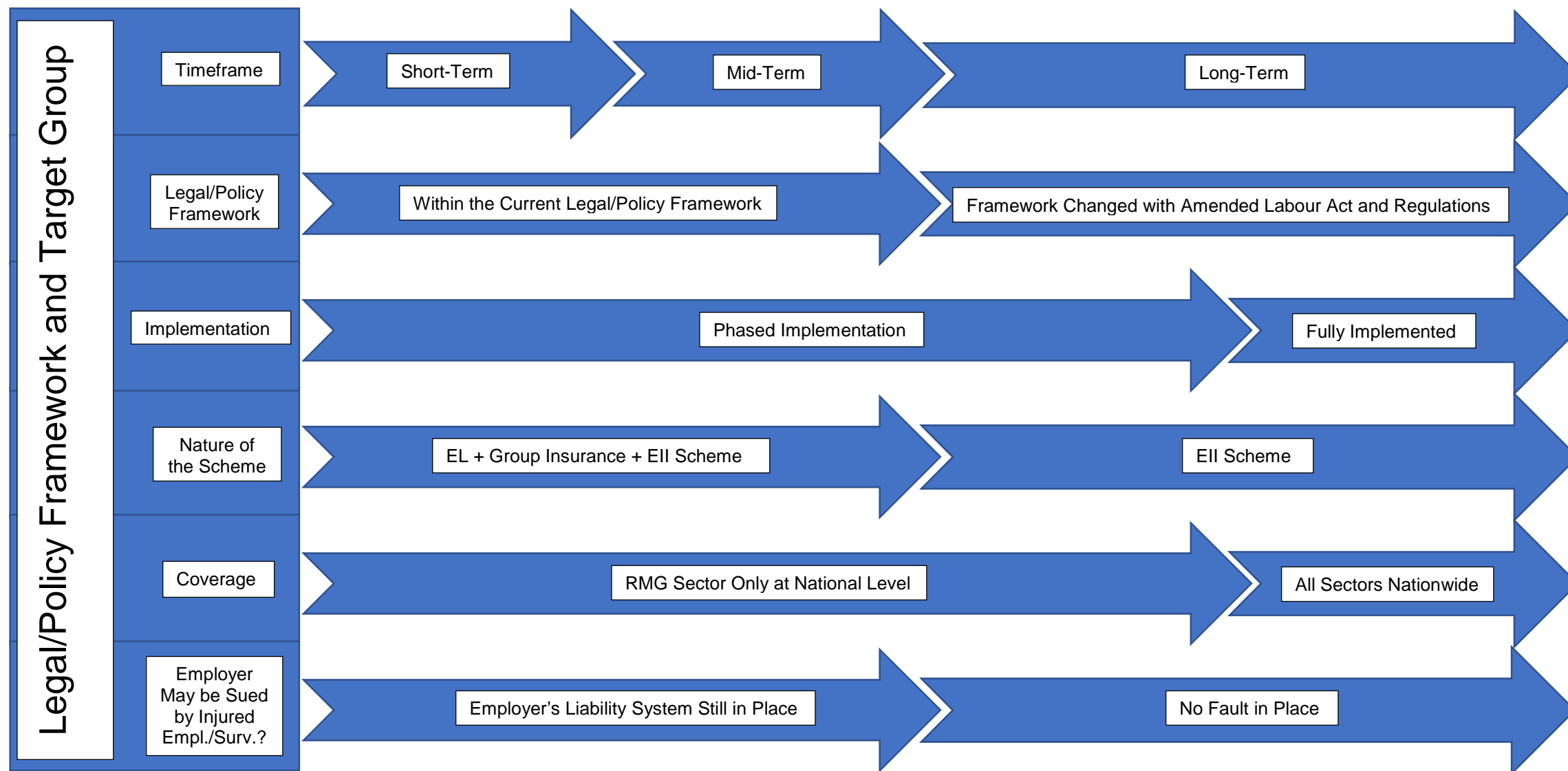
Main Elements

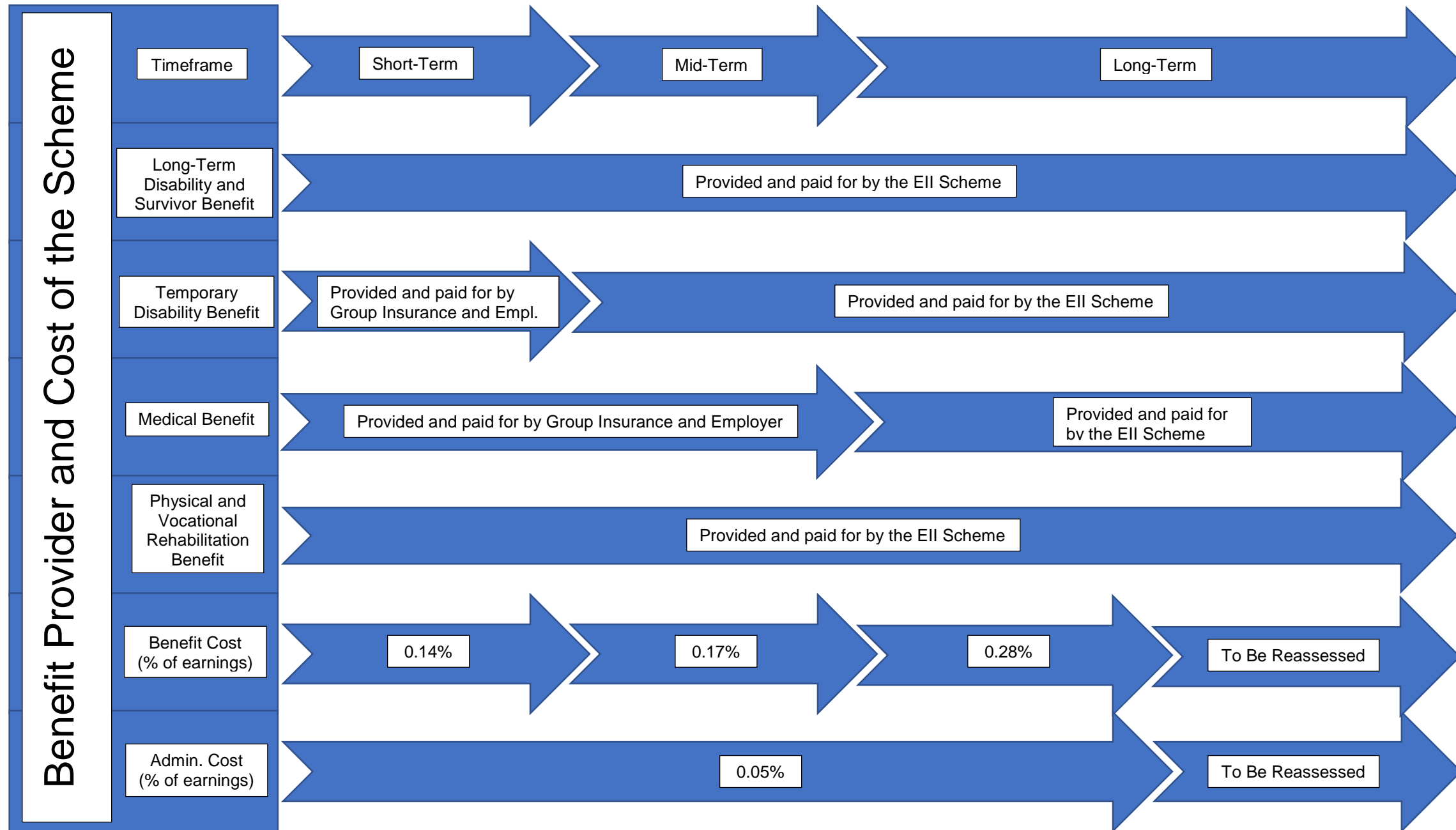
- The coverage options include selected industrial sectors (e.g. in the first phase ready-made garments – RMG), regions, and sizes of enterprises to be covered.
- The design options of the benefit package include major parameters of cash benefits (e.g. replacement rates for temporary incapacity and permanent disability benefits and survivors' benefits, range of dependants of deceased workers) and health and allied care and rehabilitation packages.
- The current system in Bangladesh provides short-term benefits and lump sum payments for death benefits as well as permanent disability benefits. The proposed scheme takes into account the current compensations of lump sum to gradually be phased into a system where death as well as permanent disability compensations will be provided in the form of periodical compensations for lifetime. It is also expected that medical support and rehabilitation services will be provided as needed even for life time in case of necessity. The design accepts as a transitional measure before introducing a full-fledged EII scheme, a coexistence of employers' liability, group insurance and an EII scheme in the diagram below.
- The design option recognises 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. The design option proposes that long-term and physical rehabilitation benefits and vocational training be covered by EII while short-term incapacity and medical benefits continue to be provided under the current system.
- The proposed gradual implementation of the scheme allows also for a gradual increase in the contribution rate. It could be expected that currently existing employers' financing to direct employers' compensations as well as contributions to group insurance will be reduced as a result of the covered of the new EII scheme.
- Options on institutional arrangements include the use of existing institution(s) and/or the establishment of a new social insurance institution, equipped with the necessary resource to carry out its mandate.
- Cost estimate for administration are detailed in Appendix 2.

Progressive Approach

- The table below uses the main elements mentioned above and proposes a timeframe to progressively achieving full compliance with relevant ILO standards and good practices.⁸⁹
- During gradual implementation, essential information on utilization and costs, including number and severity of accidents, medical treatment and duration of incapacity will be gathered. Cost estimate will be adjusted accordingly based on real experiences in Bangladesh.
- During the early stage of the implementation, emphasis will be put on strengthening the capacity for the delivery of benefits, such as physical and vocational rehabilitation, and the administration of the proposed scheme.

⁸⁹ This progressive approach, accompanied with targets and timeframe, is recommended under Recommendation 202, par. 3(g).





4

4 CONCLUSION

The export oriented RMG industry in Bangladesh is well structured with substantial number of workers. An EII scheme for this industry is feasible and will have significant impacts. The approach proposes to start with the current system and to gradually phase in a pilot project for the RMG sector that respects the vision and guiding principles that the authorities and social partners have agreed to follow.

This practice could be further extended to other economic sectors and industries with a goal of achieving protection for all workers in Bangladesh in case of work-related injuries or diseases, in line with international standards and good practices.

APPENDIX 1 Current Compensation Schemes in Bangladesh (even if not limited to workplace injuries)

Scheme	General provisions on injury compensation, BLA 2006 C. XII	Mandatory group insurance	Central Fund (BLR C. XV)	Bangladesh Labour Welfare Foundation BLA (2013)
Coverage	All workers and employers	Required for employers with more than 100 workers	100 per cent export oriented employers	For employers with BDT 10 million paid up capital or BDT 20 million worth of assets. Export oriented employers are exempted.
Situational application	Workplace injuries as defined (s. 150) and medical treatment (2015 Labour rules, s. 142)	Group death and disability insurance Not restricted to work-related incident.	2 welfare funds for the benefit of workers: beneficiary welfare account and emergency account	To improve the living conditions of workers Profit sharing scheme benefit Not restricted to workplace injury

Scheme	General provisions on injury compensation, BLA 2006 C. XII	Mandatory group insurance	Central Fund (BLR C. XV)	Bangladesh Labour Welfare Foundation BLA (2013)
Rights of workers	Legal right for compensation and access to process to recover damages (s. 157)	Claim against insurance policy Employers required to make the claim and pay money recovered to workers	80 per cent of fund paid out annually to workers registered as beneficiaries (s. 233). In case of death or loss of limb, workers may receive a donation from the fund (amount may vary) Other benefits not related to work injury	80 per cent of fund paid out annually to workers registered as beneficiaries 10 per cent set aside in a perpetual welfare fund to provide benefits as prescribed by the trustees (tripartite governance) 10 per cent goes to the welfare foundation fund (a national fund)
Employers liability	Burden of proof on claimant	Employers pay for policy. However still liable under general regime	Need to advise buyers Issue work orders Provide a list of beneficiaries	Notwithstanding contribution to the fund, employers still liable under general regime
Prescribed benefits	Table exists (s. 151 of BLA)	Death and disability benefits per policy Policy may limit number of claims per year and establishment	Principally a cash distribution profit sharing Permanent disability, loss limb, death benefits in lump sum Specified benefits including injury compensation and death are not restricted to workplace	Profit sharing scheme with 10 per cent of the profit sharing invested in a perpetual fund with trustees determining benefits Funds may be used to purchase insurance
Funding	Ad hoc employers' liability	Premium paid by employers in addition to any other benefits to workers	A levy of 0.03 per cent on work orders of employers Voluntary contribution from government and buyers	5 per cent of establishments' declared profits on an annual basis 10 per cent of the 5 per cent going to the national workers welfare foundation fund

Scheme	General provisions on injury compensation, BLA 2006 C. XII	Mandatory group insurance	Central Fund (BLR C. XV)	Bangladesh Labour Welfare Foundation BLA (2013)
Administration	Labour courts	Private insurance claims process	Government appointed management board (s. 218)	Board with manpower to ensure proper administration
Employers' issues	No protection against catastrophic loss	Limited risk offset, no risk sharing Employers remain liable under general regime	No insurance protection Still liable under general regime	Currently fulfils the CSR commitments of multinationals No insurance protection Still liable under general regime
Workers' issues	Inadequacy of compensation; no efficiency; lump sums	Insurance often not available	Not a guarantee of compensation for injury resulting from workplace accident	Not universal coverage. Not limited to workplace injuries

APPENDIX 2 Benefits and Administrative Costs

The next section will go into detail as to describe the numbers and calculation used to establish the cost of the proposed EII scheme, as shown in page 16 for the benefit cost and in page 17 for the administrative costs.

Methodology and limitations

One of the main difficulties faced by the ILO cost estimate is the lack of reliable data on workplace injuries and diseases in Bangladesh. Indeed, in Bangladesh, there is neither compulsory nor voluntary incident reporting processes. Given the lack of incentives to provide the relevant information this may lead to an underreporting of workplace accidents in BIDS survey and requires some adjustments to be made in the ILO cost estimate.

In the light of the above, BIDS survey data were complemented by relevant experience of neighboring countries with a similar profile (middle-income and developing countries), hence the choice of Thailand, Cambodia and Malaysia. The source of data for the cost estimate were taken from annual reports and actuarial valuations on which the ILO was involved and where the RMG industry is a substantial part of national economy.

However, even in adding data from neighboring countries, ILO cost estimate required some further modifications as regards the following issues:

- For Thailand data, it was necessary to adjust the demarcation between total and partial disability (where lump sums are provided) to reflect the definition used in the proposed scheme. Also, the voluntary registered members to the Thailand Social Security Fund were excluded in the calculation made by the ILO;
- For Malaysia, the medical benefits were not considered because it was not possible to identify costs specifically related to workplace injuries (some of these costs may be reported under the national health scheme).

The ILO cost estimate is conservative since the industry-specific data is only available for Thailand, as the data from Cambodia and Malaysia include even riskier industries than RMG.

Insurable earnings

- The number of insured is based on estimation of the total numbers of worker in the RMG sector. (4,000,000)⁹⁰
- The average monthly salary is a statistics that was compiled using the raw data of the survey, by considering only the wages of the RMG sector. (Tk7,073.26/month)
- Density (average period of the year worked) is a fix assumption of 1.00; that is, a worker will work a full year (including statutory holidays and applicable vacation) to earn a yearly salary of Tk84,879 (7,073.26 * 12 = 84,879).
- The expected total insurable earnings is then the multiplication of all the above elements at Tk339,516,000,000 (4,000,000 * 7,073.26 * 12 * 1.00 = 339,516,480,000)

Temporary Disability Benefit

- The incidence rate of 0.0061 is the average rate of Cambodia, Malaysia and Thailand (0.00895, 0.0050 and 0.0042 respectively).
 - For Cambodia, the incidence rate is average incident rate considering commuting accident (0.0103) and without considering commuting accident (0.0076).
 - For the incident rate with commuting accident, it is the average rate of accident in 2014 and 2015, based on the latest actuarial report of 2017 (8,218 cases out of 966,099 covered workers in 2014 and 12,800 cases out of 1,056,495 covered workers in 2015).

⁹⁰ See for more information: <http://www.bgmea.com.bd/home/pages/tradeinformation>

the total number of temporary disability cases that last for more than 3 days in 2009 (39,850) multiplied by a factor of 5.0 to take into effect claim maturing.

- For the RMG sector in Bangladesh, it is taken directly from the statistics that were gathered as part of the survey.
- The present value of lifetime benefits paid for permanent disability is estimated at 28.0. This present value was used for establishing the value of the benefits paid as part of the Rana Plaza Arrangement.
- For the permanent disability level, it was calculated by using the following assumptions:

	Level of Disability	Weight ¹
Cambodia	39.1 ² per cent	0.000087
Malaysia	41.7 ³ per cent	0.000080
Thailand	100.0 per cent	0.000004
RMG Bangladesh	100.0 per cent	0.000006
Total	43,7 per cent	

¹ Incidence rate for permanent disability is used.

² Based on the average level of permanent disability awarded from 2008 to 2010, 20 per cent and more.

³ Based on the distribution of permanent disability level of 20 per cent and above as shown in the annual report of 2015.

- The expected benefit cost for Bangladesh can then be derived by multiplying the incident rate (0.000044) by the present value of permanent disability benefits (28.0), the expected level of permanent disability (43,7 per cent), the expected number of covered workers (4,000,000), the expected annual salary of the covered worker (7,073 * 12) and the replacement ratio of the proposed scheme (60 per cent).
 - This cost amounts to Tk110.4 million (calculations were made in Excel using unrounded numbers)
- The cost of the permanent disability benefit per covered earning can then be established at 0.03 per cent by using the number above and the expected insurable earnings (Tk339,516 million).

Partial Disability Benefit

- The incidence rate of 0.000477 is the average rate of Cambodia, Malaysia, Thailand and the experience of the RMG sector in Bangladesh (0.000109, 0.001381, 0.000408 and 0.000065 respectively).
 - For Cambodia, the incidence rate is average incident rate considering commuting accident (0.000063) and without considering commuting accident (0.000046).
 - For the incident rate with commuting accident, it is incidence rate of temporary disability previously calculated (0.0103) multiplied by the ratio of average disability lump sum of 2013, 2014 and 2015 (66, 34 and 67 respectively) to the total number of temporary disability benefits of the same years (6,354, 8,218 and 12,800 respectively).
 - For the incident rate without commuting accident, it is incidence rate of temporary disability previously calculated (0.0076) multiplied by the ratio of average disability lump sum of 2013, 2014 and 2015 (66, 34 and 67 respectively) to the total number of temporary disability benefits of the same years (6,354, 8,218 and 12,800 respectively).
 - For Malaysia, the incidence rate is the incidence rate of temporary disability previously calculated (0,0050) multiplied by the formula below:

$\frac{B * C}{A + B}$
A: Ratio of permanent disability at 20 per cent and more in 2015 (962) to the total number of accidents in 2015 (62,837)
B: Ratio of permanent disability at less than 20 per cent in 2015 (16,743) to the total number of accidents in 2015 (62,837)
C: Ratio of permanent disability in 2015 (9,261) to the temporary benefit in 2015 (31,714)

- For Thailand, the incidence rate is the incidence rate of temporary disability previously calculated (0.0042) multiplied by the ratio of the permanent partial disability in 2009 (2,383) to the total number of temporary disability cases that last for more than 3 days in 2009 (39,850) multiplied by a factor of 1.625 to take into effect claim maturing.

- For the RMG sector in Bangladesh, it is taken directly from the statistics that were gathered as part of the survey.
- The present value of the lifetime benefits paid for permanent disability is estimated at 28.0. This present value was used for establishing the value of the benefits paid as part of the Rana Plaza Arrangement.
- For the partial disability level, it was calculated by using the following assumptions:

	Level of Disability	Weight ¹
Cambodia	8.7 ² per cent	0.000109
Malaysia	6.3 ³ per cent	0.001381
Thailand	10.0 per cent	0.000408
RMG Bangladesh	25.0 per cent	0.000065
Total	7,8 per cent	

¹ Incidence rate for partial disability is used.

² Based on the average level of permanent disability awarded from 2008 to 2010, 20 per cent and less.

³ Based on the distribution of permanent disability level of 20 per cent and less as shown in the annual report of 2015.

- The expected benefit cost for Bangladesh can then be derived by multiplying the incident rate (0.000477) by the present value of permanent disability benefits (28.0), the expected level of partial disability (7,8 per cent), the expected number of covered workers (4,000,000), the expected annual salary of the covered worker (7,073 * 12) and the replacement ratio of the proposed scheme (60 per cent).
 - This cost amounts to Tk212.1 million (calculations were made in Excel using unrounded numbers)
- The cost of the permanent disability benefit per covered earning can then be established at 0.06 per cent by using the number above and the expected insurable earnings (Tk339,516 million).

Death Benefit

- The incidence rate of 0.000044 is the average rate of Cambodia, Malaysia, Thailand and the experience of the RMG sector in Bangladesh (0.000171, 0.000064, 0.000007 and 0.000019 respectively).
 - For Cambodia, the incidence rate is average incident rate considering commuting accident (0.000136) and without considering commuting accident (0.000035).
 - For the incident rate with commuting accident, it is average incidence rate for funeral benefit for years 2013 to 2015 (0.116, 0.110 and 0.182 respectively) [taken from the actuarial review for 2017].
 - For the incident rate without commuting accident, it is the ratio of death in 2013 to 2015 (96, 96 and 181 respectively) to the number of insured workers in 2013 to 2015 (833,426, 966,099 and 1,056,495 respectively) [taken from the actuarial review for 2017] multiplied by the number of death at work in 2015 (49) divided by the total number of death in 2015 (181) [taken from the annual report of 2015].
 - For Malaysia, the incidence rate is the ratio of death benefits industrial in 2015 (364) to the number of covered workers in 2015 (6,349,984) multiplied by the number of funeral benefit paid from the EII scheme in 2015 (1,327) divided by the number paid cases for death benefit in 2015 (1,192) [annual report of 2015].
 - For Thailand, the incidence rate is ratio of the number of death in the textile and accessories industry (4) to the number of insured person in the textile and accessories industry (568,469) in 2009 [data from the Social Security Statistics of 2009].
 - For the RMG sector in Bangladesh, it is taken directly from the statistics that were gathered as part of the survey.
- The family structure and economic assumptions are set as per the Rana Plaza Agreement. The table below summarize these assumptions:

Family Assumptions		Economic Assumptions	
Probability to have a spouse	50 per cent	Present value of benefit for spouse	23.0
Average number of orphans	0.5	Present value of benefit for orphans	9.0
Average number of parents	2.0	Present value of benefit for parents	18.0

- Given the proposed benefit design and the assumed family structure, the total amount of benefit paid after the death of an insured worker is above the set limit ($0.5 * 40$ per cent + $0.5 * 10$ per cent + $1 * 30$ per cent + $1.0 * 15$ per cent = 70.0 per cent, limit is 60.0 per cent).
- Hence, the present value is calculated as such:
 $(40 \text{ per cent} * 0.5 * 23 + 10 \text{ per cent} * 0.5 * 9 + 45 \text{ per cent} * 18) * (60 \text{ per cent} / 70 \text{ per cent}) = 11.271429$
- Also, it is assumed that a flat funeral benefit will be paid to the survivors. The amount considered for this benefit is Tk5,000.
- The expected benefit cost for Bangladesh can then be derived by using the formula below (calculations were made in Excel using unrounded numbers):

Survivor's Pension	Funeral Benefits	Total
0.000044	0.000044	
*	*	
4,000,000	4,000,000	
*	*	
7,703 * 12	5,000	
*		
11.271429		
168,100,000	900,000	169,000,000

- The cost of the death benefit per covered earning can then be established at 0.05 per cent by using the number above and the expected insurable earnings (Tk339,516 million).

Health Care and Rehabilitation Benefit

- The cost is set at 0.10 per cent of earnings as it is set as the average of the cost for Cambodia and Thailand (0.08 per cent and 0.12 per cent respectively).
 - For Cambodia, the cost is average cost considering commuting accident (0.088 per cent) and without considering commuting accident (0.065 per cent).
 - For the incident rate with commuting accident, it is the ratio of the total medical cost for year 2015 (8,104.60) to the total covered earnings of 2015 (9,266,114) multiplied by the average of accident at work from 2013 to 2015 (72 per cent, 75 per cent and 74 per cent respectively) [taken from the actuarial review for 2017].
 - For the incident rate without commuting accident, it is the ratio of the total medical cost for year 2015 (8,104.60) to the total covered earnings of 2015 (9,266,114) [taken from the actuarial review for 2017].
 - For Thailand, the cost is derived from the sum of WCF medical services and rehabilitation services paid in 2009 (709 and 5 respectively) divided by the assumed insurable earnings of 2009 (618,208) [data from the Social Security Statistics of 2009].
 - The assumed earnings is obtained by dividing the contribution of 2009 (92,927) by 12.75 per cent and then multiplying this by the ratio of the total number of insured in WCF in 2009 (7,939,323) to the total number of insured persons in the Thailand Social Security Fund in 2009 (9,360,119).

Care and Assistance Benefit

- The incidence rate of 0.000004 is set at 10 per cent of the incident rate for total disability.
- The amount paid per benefit is estimated to be 50 per cent of the average salary of the workers in the RMG sector ($7,703 * 50$ per cent = 3,537).
- The present value of the lifetime benefits paid for care and assistance is estimated at 28.0. This present value was used for establishing the value of the benefits paid as part of the Rana Plaza Arrangement.
- The expected benefit cost for Bangladesh can then be derived by multiplying the incident rate (0.000004), the expected number of covered workers (4,000,000), the expected benefit cost ($3,537 * 12$) and the present value of care and assistance benefit (28.0).
 - This cost amounts to Tk21.0 million (calculations were made in Excel using unrounded numbers)

- The cost of the care and assistance benefit per covered earning can then be established at 0.01 per cent by using the number above and the expected insurable earnings (Tk339,516 million).

Reconciliation of the Benefit Cost

Based on the information above, the table below explains the detail of the benefit cost as shown in the cost estimate and the calculations above.

ILO Technical Report		Cost Estimate Document	
Description	Cost (per cent of earnings)	Cost (per cent of earnings)	Description
Temporary Disability	0.03	0.03	Temporary Disability
Permanent Disability	0.03	0.10	Permanent Disability
Partial Disability	0.06		
Care and Assistance	0.01		
Death	0.05	0.05	Death
Health Care and Rehabilitation	0.10	0.10	Health Care and Rehabilitation
Total	0.28	0.28	Total

Administrative costs

- It is assumed that 500 workers will be required to establish a working workers injury compensation scheme.
- It is also assumed that these workers will earn, on average, double the salary of a worker in the RMG sector in Bangladesh ($7,073 * 2 = 14,146$).
- It is estimated that the salaries paid to the workers of the new scheme will represent 50 per cent of the total cost of running the scheme.
- Hence, the total administrative costs can be derived by multiplying the number of expected workers (500) by the expected salaries they will earn ($14,146 * 12$) divided by the portion of the expenses that are represented by the salaries (50 per cent).
- This cost amounts to Tk170 million.
- The cost of the administrative expenses per covered earning can then be established at 0.05 per cent by using the number above and the expected insurable earnings (Tk339,516 million).

Total Cost of the Proposed Scheme (including benefit and administrative costs)

Considering all of the above elements, the total cost of the scheme can be obtained by adding these two elements:

Benefit Cost (per cent of earnings)	0.28
+	+
Administrative Cost (per cent of earnings)	0.05
Total Cost of the Scheme (per cent of earnings)	0.33

APPENDIX 3 Convention 121 Employment Injury Benefits Convention, 1964

C121 - Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121)

Convention concerning Benefits in the Case of Employment Injury

Preamble

The General Conference of the International Labour Organisation,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Forty-eighth Session on 17 June 1964, and

Having decided upon the adoption of certain proposals with regard to benefits in the case of industrial accidents and occupational diseases, which is the fifth item on the agenda of the session, and

Having determined that these proposals shall take the form of an international Convention,

adopts this eighth day of July of the year one thousand nine hundred and sixty-four the following Convention, which may be cited as the Employment Injury Benefits Convention, 1964:

Article 1

In this Convention--

- (a) the term *legislation* includes any social security rules as well as laws and regulations;
- (b) the term *prescribed* means determined by or in virtue of national legislation;
- (c) the term *industrial undertaking* includes all undertakings in the following branches of economic activity: mining and quarrying; manufacturing; construction; electricity, gas, water and sanitary services; and transport, storage and communication;
- (d) the term *dependent* refers to a state of dependency which is presumed to exist in prescribed cases;
- (e) the term *dependent child* covers--
 - (i) a child under school-leaving age or under 15 years of age, whichever is the higher, and
 - (ii) a child under a prescribed age higher than that specified in subclause (i) and who is an apprentice or student or has a chronic illness or infirmity disabling him for any gainful activity, on conditions laid down by national legislation: Provided that this requirement shall be deemed to be met where national legislation defines the term so as to cover any child under an age appreciably higher than that specified in subclause (i).

Article 2

1. A Member whose economic and medical facilities are insufficiently developed may avail itself by a declaration accompanying its ratification of the temporary exceptions provided for in the following Articles: Article 5, Article 9, paragraph 3, clause (b), Article 12, Article 15, paragraph 2, and Article 18, paragraph 3. Any such declaration shall state the reason for such exceptions.
2. Each Member which has made a declaration under paragraph 1 of this Article shall include in its report upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation a statement in respect of each exception of which it avails itself--
 - (a) that its reason for doing so subsists; or
 - (b) that it renounces its right to avail itself of the exception in question as from a stated date.

Article 3

1. Any Member which ratifies this Convention may, by a declaration accompanying its ratification, exclude from the application of the Convention--
 - (a) seafarers, including seafishermen,
 - (b) public servants,where these categories are protected by special schemes which provide in the aggregate benefits at least equivalent to those required by this Convention.
2. Where a declaration under paragraph 1 of this Article is in force, the Member may exclude the persons belonging to the category or categories excluded from the application of the Convention from the number of employees when calculating the percentage of employees in compliance with paragraph 2, clause (d), of Article 4, and with Article 5.
3. Any Member which has made a declaration under paragraph 1 of this Article may subsequently notify the Director-General of the International Labour Office that it accepts the obligations of this Convention in respect of a category or categories excluded at the time of its ratification.

Article 4

1. National legislation concerning employment injury benefits shall protect all employees, including apprentices, in the public and private sectors, including co-operatives, and, in respect of the death of the breadwinner, prescribed categories of beneficiaries.
2. Any Member may make such exceptions as it deems necessary in respect of--
 - (a) persons whose employment is of a casual nature and who are employed otherwise than for the purpose of the employer's trade or business;
 - (b) out-workers;
 - (c) members of the employer's family living in his house, in respect of their work for him;
 - (d) other categories of employees, which shall not exceed in number 10 per cent. of all employees other than those excluded under clauses (a) to (c).

Article 5

Where a declaration provided for in Article 2 is in force, the application of national legislation concerning employment injury benefits may be limited to prescribed categories of employees, which shall total in number not less than 75 per cent. of all employees in industrial undertakings, and, in respect of the death of the breadwinner, prescribed categories of beneficiaries.

Article 6

The contingencies covered shall include the following where due to an employment injury:

- (a) a morbid condition;
- (b) incapacity for work resulting from such a condition and involving suspension of earnings, as defined by national legislation;
- (c) total loss of earning capacity or partial loss thereof in excess of a prescribed degree, likely to be permanent, or corresponding loss of faculty; and
- (d) the loss of support suffered as the result of the death of the breadwinner by prescribed categories of beneficiaries.

Article 7

1. Each Member shall prescribe a definition of "industrial accident", including the conditions under which a commuting accident is considered to be an industrial accident, and shall specify the terms of such definition in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation.
2. Where commuting accidents are covered by social security schemes other than employment injury schemes, and these schemes provide in respect of commuting accidents benefits which, when taken together, are at least equivalent to those required under this Convention, it shall not be necessary to make provision for commuting accidents in the definition of "industrial accident".

Article 8

Each Member shall--

- (a) prescribe a list of diseases, comprising at least the diseases enumerated in Schedule I to this Convention, which shall be regarded as occupational diseases under prescribed conditions; or
- (b) include in its legislation a general definition of occupational diseases broad enough to cover at least the diseases enumerated in Schedule I to this Convention; or
- (c) prescribe a list of diseases in conformity with clause (a), complemented by a general definition of occupational diseases or by other provisions for establishing the occupational origin of diseases not so listed or manifesting themselves under conditions different from those prescribed.

Article 9

1. Each Member shall secure to the persons protected, subject to prescribed conditions, the provision of the following benefits:

(a) medical care and allied benefits in respect of a morbid condition;

(b) cash benefits in respect of the contingencies specified in Article 6, clauses (b), (c) and (d).

2. Eligibility for benefits may not be made subject to the length of employment, to the duration of insurance or to the payment of contributions: Provided that a period of exposure may be prescribed for occupational diseases.

3. The benefits shall be granted throughout the contingency: Provided that in respect of incapacity for work the cash benefit need not be paid for the first three days--

(a) where the legislation of a Member provides for a waiting period at the date on which this Convention comes into force, on condition that the Member includes in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation a statement that its reason for availing itself of this provision subsists; or

(b) where a declaration provided for in Article 2 is in force.

Article 10

1. Medical care and allied benefits in respect of a morbid condition shall comprise--

(a) general practitioner and specialist in-patient and out-patient care, including domiciliary visiting;

(b) dental care;

(c) nursing care at home or in hospital or other medical institutions;

(d) maintenance in hospitals, convalescent homes, sanatoria or other medical institutions;

(e) dental, pharmaceutical and other medical or surgical supplies, including prosthetic appliances kept in repair and renewed as necessary, and eyeglasses;

(f) the care furnished by members of such other professions as may at any time be legally recognised as allied to the medical profession, under the supervision of a medical or dental practitioner; and

(g) the following treatment at the place of work, wherever possible:

(i) emergency treatment of persons sustaining a serious accident;

(ii) follow-up treatment of those whose injury is slight and does not entail discontinuance of work.

2. The benefits provided in accordance with paragraph 1 of this Article shall be afforded, using all suitable means, with a view to maintaining, restoring or, where this is not possible, improving the health of the injured person and his ability to work and to attend to his personal needs.

Article 11

1. Any Member which provides medical care and allied benefits by means of a general health scheme or a medical care scheme for employed persons may specify in its legislation that such care shall be made available to persons who have sustained employment injuries on the same terms as to other persons entitled thereto, on condition that the rules on the subject are so designed as to avoid hardship.

2. Any Member which provides medical care and allied benefits by reimbursing expenses may in its legislation make special rules in respect of cases in which the extent, duration or cost of such care exceed reasonable limits, on condition that the rules on the subject are not inconsistent with the purpose stated in paragraph 2 of Article 10 and are so designed as to avoid hardship.

Article 12

Where a declaration provided for in Article 2 is in force, medical care and allied benefits shall include at least--

- (a) general practitioner care, including domiciliary visiting;
- (b) specialist care at hospitals for in-patients and out-patients, and such specialist care as may be available outside hospitals;
- (c) the essential pharmaceutical supplies on prescription by a medical or other qualified practitioner;
- (d) hospitalisation, where necessary; and
- (e) wherever possible, emergency treatment at the place of work of persons sustaining an industrial accident.

Article 13

The cash benefit in respect of temporary or initial incapacity for work shall be a periodical payment calculated in such a manner as to comply either with the requirements of Article 19 or with the requirements of Article 20.

Article 14

1. Cash benefits in respect of loss of earning capacity likely to be permanent or corresponding loss of faculty shall be payable in all cases in which such loss, in excess of a prescribed degree, remains at the expiration of the period during which benefits are payable in accordance with Article 13.

2. In case of total loss of earning capacity likely to be permanent or corresponding loss of faculty, the benefit shall be a periodical payment calculated in such a manner as to comply either with the requirements of Article 19 or with the requirements of Article 20.

3. In case of substantial partial loss of earning capacity likely to be permanent which is in excess of a prescribed degree, or corresponding loss of faculty, the benefit shall be a periodical payment representing a suitable proportion of that provided for in paragraph 2 of this Article.

4. In case of partial loss of earning capacity likely to be permanent which is not substantial but which is in excess of the prescribed degree referred to in paragraph 1 of this Article, or corresponding loss of faculty, the cash benefit may take the form of a lump-sum payment.

5. The degrees of loss of earning capacity or corresponding loss of faculty referred to in paragraphs 1 and 3 of this Article shall be prescribed in such manner as to avoid hardship.

Article 15

1. In exceptional circumstances, and with the agreement of the injured person, all or part of the periodical payment provided for in paragraphs 2 and 3 of Article 14 may be converted into a lump sum corresponding to the actuarial equivalent thereof when the competent authority has reason to believe that such lump sum will be utilised in a manner which is particularly advantageous for the injured person.

2. Where a declaration provided for in Article 2 is in force and the Member concerned considers that it lacks the necessary administrative facilities for periodical payments, the periodical payment provided for in paragraphs 2 and 3 of Article 14 may be converted into a lump sum corresponding to the actuarial equivalent thereof, as computed on the basis of available data.

Article 16

Increments in periodical payments or other supplementary or special benefits, as prescribed, shall be provided for disabled persons requiring the constant help or attendance of another person.

Article 17

The conditions in which periodical payments due in respect of loss of earning capacity or corresponding loss of faculty shall be reassessed, suspended or cancelled by reference to a change in the degree of loss shall be prescribed.

Article 18

1. The cash benefit in respect of death of the breadwinner shall be a periodical payment to a widow as prescribed, a disabled and dependent widower, dependent children of the deceased and other persons as may be prescribed; this payment shall be calculated in such a manner as to comply either with the requirements of Article 19 or with the requirement of Article 20: Provided that it shall not be necessary to make provision for a benefit to a disabled and dependent widower where the cash benefits to other survivors are appreciably in excess of those required by this Convention and where social security schemes other than employment injury schemes provide to such widower benefits which are appreciably in excess of those in respect of invalidity required under the Social Security (Minimum Standards) Convention, 1952.

2. In addition, a funeral benefit shall be provided at a prescribed rate which shall not be less than the normal cost of a funeral: Provided that where cash benefits to survivors are appreciably in excess of those required by this Convention the right to funeral benefit may be made subject to prescribed conditions.

3. Where a declaration provided for in Article 2 is in force and the Member concerned considers that it lacks the necessary administrative facilities for periodical payments, the periodical payment provided for in paragraph 1 of this Article may be converted into a lump sum corresponding to the actuarial equivalent thereof, as computed on the basis of available data.

Article 19

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in Schedule II to this Convention, at least the percentage indicated therein of the total of the previous earnings of the beneficiary or his breadwinner and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.
2. The previous earnings of the beneficiary or his breadwinner shall be calculated according to prescribed rules, and, where the persons protected or their breadwinners are arranged in classes according to their earnings, their previous earnings may be calculated from the basic earnings of the classes to which they belonged.
3. A maximum limit may be prescribed for the rate of the benefit or for the earnings taken into account for the calculation of the benefit, provided that the maximum limit is fixed in such a way that the provisions of paragraph 1 of this Article are complied with where the previous earnings of the beneficiary or his breadwinner are equal to or lower than the wage of a skilled manual male employee.
4. The previous earnings of the beneficiary or his breadwinner, the wage of the skilled manual male employee, the benefit and any family allowances shall be calculated on the same time basis.
5. For the other beneficiaries the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.
6. For the purpose of this Article, a skilled manual male employee shall be--
 - (a) a fitter or turner in the manufacture of machinery other than electrical machinery; or
 - (b) a person deemed typical of skilled labour selected in accordance with the provisions of the following paragraph; or
 - (c) a person whose earnings are such as to be equal to or greater than the earnings of 75 per cent. of all the persons protected, such earnings to be determined on the basis of annual or shorter periods as may be prescribed; or
 - (d) a person whose earnings are equal to 125 per cent. of the average earnings of all the persons protected.
7. The person deemed typical of skilled labour for the purpose of clause (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose, the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, as amended and reproduced in the Annex to this Convention, or such classification as at any time further amended, shall be used.
8. Where the rate of benefit varies by region, the skilled manual male employee may be determined for each region in accordance with paragraphs 6 and 7 of this Article.
9. The wage of the skilled manual male employee shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national laws or regulations, where applicable, or by custom, including cost-of-living allowances, if any; where such rates differ by region but paragraph 8 of this Article is not applied, the median rate shall be taken.
10. No periodical payment shall be less than a prescribed minimum amount.

Article 20

1. In the case of a periodical payment to which this Article applies, the rate of the benefit, increased by the amount of any family allowances payable during the contingency, shall be such as to attain, in respect of the contingency in question, for the standard beneficiary indicated in Schedule II to this Convention, at least the percentage indicated therein of the total of the wage of an ordinary adult male labourer and of the amount of any family allowances payable to a person protected with the same family responsibilities as the standard beneficiary.
2. The wage of the ordinary adult male labourer, the benefit and any family allowances shall be calculated on the same time basis.
3. For the other beneficiaries, the benefit shall bear a reasonable relation to the benefit for the standard beneficiary.
4. For the purpose of this Article, the ordinary adult male labourer shall be--
 - (a) a person deemed typical of unskilled labour in the manufacture of machinery other than electrical machinery; or
 - (b) a person deemed typical of unskilled labour selected in accordance with the provisions of the following paragraph.
5. The person deemed typical of unskilled labour for the purpose of clause (b) of the preceding paragraph shall be a person employed in the major group of economic activities with the largest number of economically active male persons protected in the contingency in question, or of the breadwinners of the persons protected, as the case may be, in the division comprising the largest number of such persons or breadwinners; for this purpose the international standard industrial classification of all economic activities, adopted by the Economic and Social Council of the United Nations at its Seventh Session on 27 August 1948, as amended and reproduced in the Annex to this Convention, or such classification as at any time further amended, shall be used.
6. Where the rate of benefit varies by region, the ordinary adult male labourer may be determined for each region in accordance with paragraphs 4 and 5 of this Article.
7. The wage of the ordinary adult male labourer shall be determined on the basis of the rates of wages for normal hours of work fixed by collective agreements, by or in pursuance of national laws or regulations, where applicable, or by custom, including cost-of-living allowances if any; where such rates differ by region but paragraph 6 of this Article is not applied, the median rate shall be taken.
8. No periodical payment shall be less than a prescribed minimum amount.

Article 21

1. The rates of cash benefits currently payable pursuant to paragraphs 2 and 3 of Article 14 and paragraph 1 of Article 18 shall be reviewed following substantial changes in the general level of earnings where these result from substantial changes in the cost of living.
2. Each Member shall include the findings of such reviews in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation, and shall specify any action taken.

Article 22

1. A benefit to which a person protected would otherwise be entitled in compliance with this Convention may be suspended to such extent as may be prescribed--

- (a) as long as the person concerned is absent from the territory of the Member;
- (b) as long as the person concerned is maintained at public expense or at the expense of a social security institution or service;
- (c) where the person concerned has made a fraudulent claim;
- (d) where the employment injury has been caused by a criminal offence committed by the person concerned;
- (e) where the employment injury has been caused by voluntary intoxication or by the serious and wilful misconduct of the person concerned;
- (f) where the person concerned, without good cause, neglects to make use of the medical care and allied benefits or the rehabilitation services placed at his disposal, or fails to comply with rules prescribed for verifying the occurrence or continuance of the contingency or for the conduct of beneficiaries; and
- (g) as long as the surviving spouse is living with another person as spouse.

2. In the cases and within the limits prescribed, part of the cash benefit otherwise due shall be paid to the dependants of the person concerned.

Article 23

1. Every claimant shall have a right of appeal in the case of refusal of the benefit or complaint as to its quality or quantity.

2. Where in the application of this Convention a government department responsible to a legislature is entrusted with the administration of medical care, the right of appeal provided for in paragraph 1 of this Article may be replaced by a right to have a complaint concerning the refusal of medical care or the quality of the care received investigated by the appropriate authority.

3. Where a claim is settled by a special tribunal established to deal with employment injury benefit questions or with social security questions in general and on which the persons protected are represented, no right of appeal shall be required.

Article 24

1. Where the administration is not entrusted to an institution regulated by the public authorities or to a government department responsible to a legislature, representatives of the persons protected shall participate in the management, or be associated therewith in a consultative capacity, under prescribed conditions; national legislation may likewise decide as to the participation of representatives of employers and of the public authorities.

2. The Member shall accept general responsibility for the proper administration of the institutions or services concerned in the application of this Convention.

Article 25

Each Member shall accept general responsibility for the due provision of the benefits provided in compliance with this Convention and shall take all measures required for this purpose.

Article 26

1. Each Member shall, under prescribed conditions--

- (a) take measures to prevent industrial accidents and occupational diseases;
- (b) provide rehabilitation services which are designed to prepare a disabled person wherever possible for the resumption of his previous activity, or, if this is not possible, the most suitable alternative gainful activity, having regard to his aptitudes and capacity; and
- (c) take measures to further the placement of disabled persons in suitable employment.

2. Each Member shall as far as possible furnish in its reports upon the application of this Convention submitted under Article 22 of the Constitution of the International Labour Organisation information concerning the frequency and severity of industrial accidents.

Article 27

Each Member shall within its territory assure to non-nationals equality of treatment with its own nationals as regards employment injury benefits.

Article 28

1. This Convention revises the Workmen's Compensation (Agriculture) Convention, 1921, the Workmen's Compensation (Accidents) Convention, 1925, the Workmen's Compensation (Occupational Diseases) Convention, 1925, and the Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934.

2. Ratification of this Convention by a Member which is a party to the Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934, shall, in accordance with Article 8 thereof, ipso jure involve the immediate denunciation of that Convention, if and when this Convention shall have come into force, but the coming into force of this Convention shall not close that Convention to further ratification.

Article 29

In conformity with Article 75 of the Social Security (Minimum Standards) Convention, 1952, Part VI of that Convention and the relevant provisions of other Parts thereof shall cease to apply to any Member having ratified this Convention as from the date at which this Convention comes into force for that Member, but acceptance of the obligations of this Convention shall be deemed to constitute acceptance of the obligations of Part VI of the Social Security (Minimum Standards) Convention, 1952, and the relevant provisions of other Parts thereof, for the purpose of Article 2 of the said Convention.

Article 30

If any Convention which may be adopted subsequently by the Conference concerning any subject or subjects dealt with in this Convention so provides, such provisions of this Convention as may be specified in the said Convention shall cease to apply to any Member having ratified the said Convention as from the date at which the said Convention comes into force for that Member.

Article 31

1. The International Labour Conference may, at any session at which the matter is included in its agenda, adopt by a two-thirds majority amendments to Schedule I to this Convention.

2. Such amendments shall take effect in respect of any Member already a party to the Convention when such Member notifies the Director-General of the International Labour Office of its acceptance thereof.

3. Unless the Conference otherwise decides when adopting an amendment, an amendment shall be effective, by reason of its adoption by the Conference, in respect of any Member subsequently ratifying the Convention.

Article 32

The formal ratifications of this Convention shall be communicated to the Director-General of the International Labour Office for registration.

Article 33

1. This Convention shall be binding only upon those Members of the International Labour Organisation whose ratifications have been registered with the Director-General.
2. It shall come into force twelve months after the date on which the ratifications of two Members have been registered with the Director-General.
3. Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratifications has been registered.

Article 34

1. A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an act communicated to the Director-General of the International Labour Office for registration. Such denunciation shall not take effect until one year after the date on which it is registered.
2. Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 35

1. The Director-General of the International Labour Office shall notify all Members of the International Labour Organisation of the registration of all ratifications and denunciations communicated to him by the Members of the Organisation.
2. When notifying the Members of the Organisation of the registration of the second ratification communicated to him, the Director-General shall draw the attention of the Members of the Organisation to the date upon which the Convention will come into force.

Article 36

The Director-General of the International Labour Office shall communicate to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations full particulars of all ratifications and acts of denunciation registered by him in accordance with the provisions of the preceding Articles.

Article 37

At such times as it may consider necessary the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall examine the desirability of placing on the agenda of the Conference the question of its revision in whole or in part.

Article 38

1. Should the Conference adopt a new Convention revising this Convention in whole or in part, then, unless the new Convention otherwise provides:

(a) the ratification by a Member of the new revising Convention shall ipso jure involve the immediate denunciation of this Convention, notwithstanding the provisions of Article 34 above, if and when the new revising Convention shall have come into force;

(b) as from the date when the new revising Convention comes into force this Convention shall cease to be open to ratification by the Members.

2. This Convention shall in any case remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 39

The English and French versions of the text of this Convention are equally authoritative.

SCHEDULE I. LIST OF OCCUPATIONAL DISEASES (1)

Occupational diseases	Work involving exposure to risk *
1. Pneumoconioses caused by sclerogenic mineral dust (silicosis, anthraco-silicosis, asbestosis) and silico-tuberculosis, provided that silicosis is an essential factor in causing the resultant incapacity or death.	All work involving exposure to the risk concerned.
2. Bronchopulmonary diseases caused by hard-metal dust.	"
3. Bronchopulmonary diseases caused by cotton dust (byssinosis), or flax, hemp or sisal dust.	"
4. Occupational asthma caused by sensitising agents or irritants both recognised in this regard and inherent in the work process.	"
5. Extrinsic allergic alveolitis and its sequelae caused by the inhalation of organic dusts, as prescribed by national legislation.	"
6. Diseases caused by beryllium or its toxic compounds.	"
7. Diseases caused by cadmium or its toxic compounds.	"
8. Diseases caused by phosphorus or its toxic compounds.	"
9. Diseases caused by chromium or its toxic compounds.	"
10. Diseases caused by manganese or its toxic compounds.	"
11. Diseases caused by arsenic or its toxic compounds.	"
12. Diseases caused by mercury or its toxic compounds.	"
13. Diseases caused by lead or its toxic compounds.	"
14. Diseases caused by fluorine or its toxic compounds.	"
15. Diseases caused by carbon disulfide.	"
16. Diseases caused by the toxic halogen derivatives of aliphatic or aromatic hydrocarbons.	"
17. Diseases caused by benzene or its toxic homologues.	"
18. Diseases caused by toxic nitro- and amino-derivatives of benzene or its homologues.	"
19. Diseases caused by nitroglycerin or other nitric acid esters.	"
20. Diseases caused by alcohols, glycols or ketones.	"
21. Diseases caused by asphyxiants: carbon monoxide, hydrogen cyanide or its toxic derivatives, hydrogen sulfide.	"
22. Hearing impairment caused by noise.	"
23. Diseases caused by vibration (disorders of muscles, tendons, bones, joints, peripheral blood vessels or peripheral nerves).	"
24. Diseases caused by work in compressed air.	"
25. Diseases caused by ionising radiations.	All work involving exposure to the action of ionising radiations.
26. Skin diseases caused by physical, chemical or biological agents not included under other items.	All work involving exposure to the risk concerned.

27. Primary epitheliomatous cancer of the skin caused by tar, pitch, bitumen, mineral oil, anthracene, or the compounds, products or residues of these substances. "
28. Lung cancer or mesotheliomas caused by asbestos. "
29. Infectious or parasitic diseases contracted in an occupation where there is a particular risk of contamination.
- (a) Health or laboratory work.
 (b) Veterinary work.
 (c) Work handling animals, animal carcasses, parts of such carcasses, or merchandise which may have been contaminated by animals, animal carcasses, or parts of such carcasses.
 (d) Other work carrying a particular risk of contamination.

(1) The original Schedule I was amended in 1980 in accordance with Article 31 of the Convention.

* In the application of this Schedule the degree and type of exposure should be taken into account when appropriate.

SCHEDULE II. PERIODICAL PAYMENTS TO STANDARD BENEFICIARIES

Category	Standard beneficiary	Percentage
1. Temporary or initial incapacity for work	Man with wife and two children	60
2. Total loss of earning capacity or corresponding loss of faculty	Man with wife and two children	60
3. Death of breadwinner	Widow with two children	50

ANNEX

INTERNATIONAL STANDARD INDUSTRIAL CLASSIFICATION OF ALL ECONOMIC ACTIVITIES (Revision 4)*

Section A. Agriculture, Forestry and Fishing

Division Description

- 01 Crop and animal production, hunting and related service activities
- 02 Forestry and Logging
- 03 Fishing and aquaculture

Section B. Mining and Quarrying

Division Description

- 05 Mining of coal and lignite
- 06 Extraction of crude petroleum and natural gas
- 07 Mining of metal ores
- 08 Other mining and quarrying
- 09 Mining support service activities

Section C. Manufacturing

Division Description

- 10 Manufacture of food products
- 11 Manufacture of beverages
- 12 Manufacture of tobacco products
- 13 Manufacture of textiles
- 14 Manufacture of wearing apparel
- 15 Manufacture of leather and related products
- 16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
- 17 Manufacture of paper and paper products
- 18 Printing and reproduction of recorded media
- 19 Manufacture of coke and refined petroleum products
- 20 Manufacture of chemicals and chemical products
- 21 Manufacture of pharmaceuticals, medicinal chemical and botanical products
- 22 Manufacture of rubber and plastics products
- 23 Manufacture of other non-metallic mineral products
- 24 Manufacture of basic metals
- 25 Manufacture of fabricated metal products, except machinery and equipment
- 26 Manufacture of computer, electronic and optical products
- 27 Manufacture of electrical equipment
- 28 Manufacture of machinery and equipment n.e.c.
- 29 Manufacture of motor vehicles, trailers and semi-trailers
- 30 Manufacture of other transport equipment
- 31 Manufacture of furniture
- 32 Other manufacturing
- 33 Repair and installation of machinery and equipment

Section D. Electricity, gas, steam and air conditioning supply

Division Description

35 Electricity, gas, steam and air conditioning supply

Section E. Water supply; sewerage, waste management and remediation activities

Division Description

36 Water collection, treatment and supply

37 Sewerage

38 Waste collection, treatment and disposal activities; materials recovery

39 Remediation activities and other waste management services

Section F. Construction

Division Description

41 Construction of buildings

42 Civil engineering

43 Specialized construction activities

Section G. Wholesale and retail trade; repair of motor vehicles and motorcycles

Division Description

45 Wholesale and retail trade and repair of motor vehicles and motorcycles

46 Wholesale trade, except of motor vehicles and motorcycles

47 Retail trade, except of motor vehicles and motorcycles

Section H. Transportation and storage

Division Description

49 Land transport and transport via pipelines

50 Water transport

51 Air transport

52 Warehousing and support activities for transportation

53 Postal and courier activities

Section I. Accommodation and food service activities

Division Description

55 Accommodation

56 Food and beverage service activities

Section J. Information and communication

Division Description

- 58 Publishing activities
- 59 Motion picture, video and television programme production, sound recording and music publishing activities
- 60 Programming and broadcasting activities
- 61 Telecommunications
- 62 Computer programming, consultancy and related activities
- 63 Information service activities

Section K. Financial and insurance activities

Division Description

- 64 Financial service activities, except insurance and pension funding
- 65 Insurance, reinsurance and pension funding, except compulsory social security
- 66 Activities auxiliary to financial service and insurance activities

Section L. Real estate activities

Division Description

- 68 Real estate activities

Section M. Professional, scientific and technical activities

Division Description

- 69 Legal and accounting activities
- 70 Activities of head offices; management consultancy activities
- 71 Architectural and engineering activities; technical testing and analysis
- 72 Scientific research and development
- 73 Advertising and market research
- 74 Other professional, scientific and technical activities
- 75 Veterinary activities

Section N. Administrative and support service activities

Division Description

- 77 Rental and leasing activities
- 78 Employment activities
- 79 Travel agency, tour operator, reservation service and related activities
- 80 Security and investigation activities
- 81 Services to buildings and landscape activities
- 82 Office administrative, office support and other business support activities

Section O. Public administration and defence; compulsory social security

Division Description

- 84 Public administration and defence; compulsory social security

Section P. Education

Division Description

85 Education

Section Q. Human health and social work activities

Division Description

86 Human health activities

87 Residential care activities

88 Social work activities without accommodation

Section R. Arts, entertainment and recreation

Division Description

90 Creative, arts and entertainment activities

91 Libraries, archives, museums and other cultural activities

92 Gambling and betting activities

93 Sports activities and amusement and recreation activities

Section S. Other service activities

Division Description

94 Activities of membership organizations

95 Repair of computers and personal and household goods

96 Other personal service activities

Section T. Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use

Division Description

97 Activities of households as employers of domestic personnel

98 Undifferentiated goods- and services-producing activities of private households for own use

Section U. Activities of extraterritorial organizations and bodies

Division Description

99 Activities of extraterritorial organizations and bodies

* Note: In accordance with articles 19(7) and 20(5) of the Convention, its original Annex has been updated with the amended version of the International Standard Industrial Classification of All Economic Activities (ISIC) Rev. 4, as approved by the Statistical Commission of the UN Economic and Social Council in March 2006 (Statistical Papers, Series M, No. 4, Rev. 4 - Full publication on <http://unstats.un.org/unsd/cr/registry/isic-4.asp>)

APPENDIX 4 Bangladesh Employment Injury Insurance Report: List of supporting documents

Main Document:

ILO Technical Recommendations on the Feasibility Assessment of an Employment Injury Insurance Scheme in Bangladesh

Supporting Documents

- 1) Preliminary feasibility study for the introduction of a National Employment Injury Social Insurance System, June 2015
- 2) Bangladesh: Health Care, Disability Assessment and Rehabilitation Services, July 2017
- 3) A proposed legal framework for a Bangladesh Employment Injury Insurance Scheme, December 2017
- 4) Main Findings of Work-Related Injuries in Manufacturing and Service Sectors in Bangladesh with a View to Implementing an Employment Injury Compensation Scheme, October 2018
- 5) Main Findings of Workplace Injuries: the Case of Readymade Garment Sector of Bangladesh with a View to Implementing an Employment Injury Compensation Scheme, October 2018
- 6) Cost estimate of the proposed Employment Injury Compensation Scheme in Bangladesh, December 2017