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### *A transformative approach towards an employment injury scheme for all*

The Government of the People's Republic of Bangladesh is celebrating the establishment of the country's first ever pilot of a social security scheme working on income protection and medical care for employment injuries.



Figure 1: The members of the committee agreed upon the main elements of the Pilot which is conceptualised towards the introduction of a permanent statutory EIS.

The launch of the pilot of an Employment Injury Scheme (EIS) at the InterContinental Hotel in Dhaka on 21 June 2022 was chaired by Md Ehsan-E-Elahi, Secretary, Ministry of Labour and Employment (MoLE); Chief Guest Salman F Rahman, MP, Advisor to Hon'ble Prime Minister, inaugurated the *EIS Pilot*, which was described as a historic event by many of the speakers.

Johannes Schneider, Head of Development Cooperation, German Embassy Dhaka and Bas Blaauw, First Secretary, Embassy of the Kingdom of Netherlands Dhaka attended the event as speakers.

Alongside representatives of the ILO Geneva and the ILO Bangladesh. Further, workers' representatives -Rashadul Alam Raju, Secretary General, IBC; Shameem Ara, Chairman, National Coordination Committee for Workers' Education (NCCWE); Nur Kutub Alam Mannan, President, Jatiya Sramik League (JSL) and employers' representatives -Fazle Shamim Ehsan, Vice President, Bangladesh Knitwear Manufacturers and Exporters (BKMEA).

Also, Faruque Hassan, President, Bangladesh Garment Manufacturers and Exporters Organisation (BGMEA) and Mr Ardashir Kabir, President, Bangladesh Employers' Federation (BEF) offered their valuable remarks.

Johannes Schneider, Head of Development Cooperation, German Embassy Dhaka said, "With the addition of the Pilot, we now have, for the first time, an employment injury scheme that meets international standards in terms of compensation and that effectively protects workers and their families from falling into poverty as a result of workplace accidents and occupational diseases."



Figure 2: The research will extend to the process adhered to and the benefits provided in case of temporary incapacity.

Shameem Ara, Chairman, NCCWE said, “Workers in Bangladesh helped the country to start the graduation from a Least Developed Country. Let us help them by valuing their contribution to the economy.”

The EIS covers all RMG workers. It will compensate injured workers and dependants in case of accidents which lead to permanent disability or death in line with the requirements of the [ILO Employment Injury Protection Convention, 1964 \(No. 121\)](#).

As such, it is a milestone towards establishing decent work and economic growth in the country.

Md Ehsan E Elahi, Hon'ble Secretary, Ministry of Labour and Employment Government of the People's Republic of Bangladesh said, “It is a historical day for our ministry to launch the first ever social insurance scheme as envisioned in the National Social Security Strategy. With the support of our committed partners, the ILO and GIZ, we have the privilege to ensure that the *Pilot* is designed in line with international labour standards.”

We do believe that we can continue the scheme not only in RMG but in the other formal sectors with the support of the development partners, Ardashir Kabir, President, BEF added.

A tripartite committee, established by the Government of Bangladesh, oversees the task of piloting the EIS. It is comprised of representatives of the Ministry of Labour and Employment, employers' associations (BEF, BGMEA and BKMEA) as well as workers' organisations (IndustriALL Bangladesh Council (IBC), NCCWE and JSL).

This mechanism strengthens national governance structures and ownership. The members of the committee agreed upon the main elements of the *Pilot* which is conceptualised towards the introduction of a permanent statutory EIS.

The International Labour Organization (ILO), funded by the Embassy of the Kingdom of the Netherlands, and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH – the latter on behalf of the German Federal Ministry for Economic Cooperation and Development – supported in conceptualising the *Pilot's* design and advocated for brands to participate.

Moreover, these international partners facilitated the discussions amongst the tripartite constituents as honest brokers. Ultimately, in early 2022, the national stakeholders endorsed the *Pilot*.

We applaud 7 brands, among them- Bestseller, Fast Retailing, the H&M Group, KIK Textilien und Non-Food GmbH, Primark and Tchibo – which have already signed pledges as commitments for voluntary financial contributions, as the forerunners for effective protection against work-related accidents in Bangladesh.

Moving forward, the two components of the *Pilot* will be set into action.



Figure 3: Approximately, 150 factories will be participating in generating the evidence needed for a long-term solution.

Data gathering and capacity-building on occupational accidents, diseases and rehabilitation, based on a sample of representative factories: Research will be carried out on the average medical costs for a worker in case of injury.

This will help identify the resources necessary to ensure that medical care as described in the Bangladesh Labour Act is effectively met. The research will extend to the process adhered to and the benefits provided in case of temporary incapacity.

This will demonstrate the viability, feasibility and cost efficiency of an EIS in Bangladesh, ensuring affordability of employers' contributions by testing the impact of a sharing of responsibility approach.

Approximately, 150 factories will be participating in generating the evidence needed for a long-term solution.

Risk-sharing for long-term benefits- payment of compensations in case of permanent disability or death for the entire RMG sector that are line with international labour standards: In this component, the pilot provides income replacements for the permanently disabled and the dependents of deceased workers, covering the entire RMG sector.

This takes the form of periodical payments as top-ups for the already existing lump-sum payments of the Central Fund, rendering the level of benefits compatible with the ILO Convention No. 121. These top-up payments will be financed by voluntary contributions of international brands and retailers.

In doing so, they are stimulating further the transformation towards a comprehensive employment injury insurance scheme and supporting the primary efforts of government authorities.

This is in line with the ILO [MNE Declaration](#), which encourages enterprises to complement public social security systems and help to stimulate further their development, including through their own employer-sponsored programmes.

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