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# Govt likely to introduce injury insurance scheme for RMG workers

**The government also has given a nod to such social protection for apparel workers and the labour ministry will soon sign an agreement with the ILO to this end**

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File photo of RMG workers. Picture: Mumit M/TBS

The government is likely to introduce an employment injury insurance scheme for all workers of export-oriented garment industries in response to requests from development partners and international agencies.

The German government, the International Labour Organisation (ILO) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have long been discussing the issue with the Bangladesh government for quite some time.

The government also has given a nod to such social protection for apparel workers and the labour ministry will soon sign an agreement with the ILO to this end.

However, factory owners have questioned the financing for the insurance scheme.

Labour ministry sources said they discussed the issue with the ILO. But the participation cost has not been finalised yet. Before signing the agreement, they will meet with the factory owners.

According to an ILO study, projected insurance costs will be \$7.4million annually, of which, \$6.5million for long term benefits and \$0.9 million for administrative purposes.

The ILO said per worker insurance cost will be \$2 on average annually.

According to sources, the ILO has taken an initiative to bring all workers under an umbrella to ensure their all benefits from insurance.

In an estimate by the ILO, the approximate cost will be 0.019% of the export earnings to implement this insurance facility. At present, RMG exporters are paying 0.03% of their export value to the central fund of the government.

The injury insurance scheme will initially run on short- and long-term, which will accommodate 150,000 workers from up to 100 factories under a pilot project.

ILO sources said brands and buyers have agreed to bear the initial cost, while factory owners will have to take responsibility after it is fully operational.

Talking to The Business Standard, with no capacity to bear the additional cost, the industry owners urged to onboard the buyers on the insurance scheme as they are providing a portion of profits to the central fund for workers and the workers' welfare fund.

Industry sources said the Garman government and the ILO have long been advocating for introducing the employment insurance scheme facility for RMG, shrimp and leather workers. They arranged visits for some government officials and apparel industry representatives to some countries, such as South Korea, Malaysia, Vietnam and Cambodia where the injury insurance facility is available.

"We have found the insurance facility in South Korea, run by an independent authority. There are hospitals for workers too," said Rafiqul Islam, additional secretary to the Bangladesh Garment Manufacturers and Exporters Association, who visited South Korea.

But the country has no welfare fund like in Bangladesh, and their entrepreneurs do not take responsibility for providing benefits to their injured workers and heirs of dead workers.

Industry people commented that the injury insurance might run under the central fund in Bangladesh.

"If the government introduces an injury insurance policy, it must take an initiative to onboard buyers on it. Otherwise, it will put additional pressure on us," said Mohammed Hatem, first vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association, who is working on the issue from the very beginning.

He has also visited Malaysia, Cambodia and South Korea to observe the benefits of the insurance policy. Hatem said, "Our central fund has already accommodated such insurance benefits for workers."

However, the ILO said death benefits that workers in Bangladesh get is a very lump sum amount.

According to the labour ministry sources, from the central fund, a garment worker or their heirs will get Tk3 lakh in case of death or grave injuries at workplaces. In case of illness or injury that renders them disabled or death outside workplaces, a worker or their beneficiaries will get Tk2 lakh.

A worker will receive Tk1 lakh if they face any workplace injury, which causes mutilation but not a permanent disability, the sources added.

Besides, the children of workers will get Tk20,000 in stipend if they manage a cumulative grade point average of 4.5 and above in the secondary school certificate examinations.

Female workers are entitled to get Tk25,000 as maternity benefit from the fund.

Labour leader Serajul Islam Rony said after the Rana Plaza tragedy, the introduction of such injury insurance in Bangladesh has become more important.

Brands and buyers should contribute to workers' wellbeing as they also take benefits from those workers not only from factory owners, he also said.

"An independent body should be formed with the participation of representatives from government, brands, entrepreneurs and workers," Serajul added.

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Going against the grain: A worker at a warehouse sits with sacks of rice in the background in Mohammadpur Krishi Market in the capital. Regular activities at rice warehouses have slowed after the authority started drives at the country's mills and warehouses

in a bid to stop illegal hoarding. Photo: Rajib Dhar

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