

Towards Decent Work in Bangladesh

Social Protection for Workers in the Textile and Leather Sector (SOSI)

Background

Apparel supplier to the world – that is how Bangladesh is perceived these days. The country ranks among the largest exporters and is one of the major players in the global textile industry. Approximately 4,500 factories employ more than 4 million people across the domestic supply chain.

Working conditions in the sector have improved in recent years. Yet they are still inadequate. The recent COVID-19 induced recession, which led to layoffs with hardly any financial support, is only the latest example of workers not being sufficiently protected against work-related risks.

This is especially striking in the area of employment injury protection. While some legal provisions and strategies are in place, these are rudimentary and fragmented and have yet to be embedded into an overall strategy. Furthermore, even though companies in Bangladesh are subject to civil liability, only a notable few fulfil their legal obligations in full. Also, the necessary institutional capacities for building social insurance systems are lacking in the responsible governmental agencies. In particular, the digital management of existing social assistance as well as insurance programmes is underdeveloped.

The Government of Bangladesh is aware of these problems and plans the introduction of a comprehensive employment injury insurance (EII), utilising a state-of-the-art digital management information system (MIS). However, the necessary legislative frameworks, administrative structures and processes are not yet in place.

Objective

The project ‘Social Protection for Workers in the Textile and Leather Sector’ (SOSI) is working towards strengthening Bangladesh’s nascent social insurance system. A special focus is on the introduction of an EII to ensure long-term protection against work-related accidents and occupational diseases in accordance with the international labour standards of the International Labour Organization (ILO).

Project name	Social Protection for Workers in the Textile and Leather Sector (SOSI)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Commissioned value	7 million Euro
Project region	Bangladesh
Partner ministry	Ministry of Labour and Employment (MoLE)
Implementing agency	Department of Inspection for Factories and Establishments (DIFE)
SDG contribution	Good Health and Well-being (SDG 3), Gender equality (SDG 5), Decent Work and Economic growth (SDG 8), Reduced Inequalities (SDG 10)
Duration	January 2022 to December 2025





The Employment Injury Scheme (EIS) pilot was officially inaugurated by Mr. Salman F Rahman, Advisor to Hon'ble Minister Government of the People's Republic of Bangladesh, on 21st June 2022

Approach

The project is funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and cooperates with the International Labour Organization (ILO). It works closely with the Ministry of Labour and Employment (MoLE), especially the agencies Department for Inspection of Factories and Establishments (DIFE), Directorate of Labour (DoL) and Central Fund (CF).

The target group comprises of the workers of the textile and leather sector in Bangladesh. Tanneries and leather processing companies employ about 850,000, the textile industry approximately 4,000,000 people; mostly unskilled workers in low-wage jobs, the majority of which are women. The envisaged EII will be introduced first for textile workers.

Areas of intervention and envisaged activities

1. EIS pilot

In September 2019, the Governments of Bangladesh and Germany, the ILO and the German Social Accident Insurance (DGUV) agreed to initiate the so-called *Employment Injury Scheme (EIS) Pilot* of an EII for the textile sector. After several stakeholder consultations, including constructive collaborations with international brands and the formation of the *Technical Committee on the EIS Pilot*, an agreement on the basic design of the EIS Pilot was reached. The scheme was officially launched on 21 June 2022 by the Government of Bangladesh.

It has two components: (1) data collection on occupational accidents, diseases and rehabilitation based on a sample of representative factories; (2) payment of ILO-compliant compensations in case of permanent disability/death for the entire textile sector. In close cooperation with the ILO, the project works on establishing the administrative processes of the EIS Pilot as

well as its transition into a permanent employer financed EII at the end of the project term.

2. Digital management of Bangladesh's social insurance system

The project advises MoLE to strengthen the ministry's capacities for the digital management of social insurance systems. The establishment of the digital infrastructure of the EIS Pilot will enable the effective analysis of data and support decision making processes not only in the context of the EII but also in other domains. Of particular importance is the creation of a workers' database: it forms the technical basis for the future development of further social insurance schemes such as an unemployment insurance or old-age pensions.

3. Social insurance in national policy discourse and continuing education

A third objective is to improve the level of knowledge of national actors in the field of social insurance. Here, the establishment of a dialogue forum for the discussion of the prospects of social insurance in Bangladesh as well as the introduction of a social insurance course at a higher-education institution is envisaged. The former offers a platform for exchange between government officials and representatives from civil society and academia on principles and design options for Bangladesh's future social insurance landscape. The latter provides training opportunities, thereby securing the availability of qualified staff for the administration of social insurance programmes.

Results

The project supports the roll-out of an EII and enhances the preconditions for the introduction of further social insurance programmes. It thereby makes a medium- to long-term contribution to the comprehensive protection against work-related life-cycle risks and the promotion of decent working conditions.

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