



## The History of Bangladesh's Employment Injury Insurance (EII) Scheme

**This pilot programme comes off the back of almost a decade of work and considerable pressure from Bangladeshi trade unions and civil society organisations supported by the Clean Clothes Campaign.**

After the Rana Plaza collapse in 2013, it was immediately apparent that compensation for the victims and their dependents, according to the Bangladesh Labour Law, i.e. individual employer liability, would be completely inadequate. The Rana Plaza collapse was the latest in a long series of factory safety incidents that exposed both the gap in Bangladeshi legislation and the failure of brands and retailers to pay their fair share.

Unions and NGOs have been calling for improved compensation since Spectrum's collapse in 2005. Clean Clothes Campaign with Bangladeshi members and partners developed a formula for providing compensation for workers that resulted in pay-outs in a number of factory fire cases including the Hamim That's it Sportswear factory fire.

**Clean  
Clothes  
Campaign**

In 2013, after the Tazreen fire and before the Rana Plaza collapse, a provision for reviewing national policy on workmen's compensation was issued by the Government to the National Tripartite Plan of Action for Safety and Structural Integrity in the Ready-Made Garments Sector.

The Clean Clothes Campaign, together with international allies, started a campaign to pressure international brands and retailers sourcing from Rana Plaza to provide adequate compensation. They also urged the set-up of a comprehensive compensation mechanism and continued lobbying for a permanent solution in case of occupational injury or illness.

The Government of Bangladesh eventually requested the International Labour Organization (ILO) coordinate a compensation scheme. In November 2013 the MoU was signed to create the Rana Plaza Arrangement, which had a coordination committee including all key stakeholders. The Arrangement was set up to deliver not only compensation to the Rana Plaza victims but also to use the process as a basis for the development of a permanent EII Scheme, based on international standards. In order to fund the payments needed under the Arrangement, the ILO administered a Rana Plaza donor trust fund, which eventually after years of intensive campaigning met its target of \$30USD million in 2015.

The very rigorous and systematic approach of the Rana Plaza Arrangement, which included developing the necessary policy tools for an EII, was widely recognized and applauded. At the completion of the Arrangement, in 2015 a Letter of Intent was signed between the Government of Bangladesh, the ILO and the Government of Germany for introducing an EII scheme and a three-year technical cooperation project was set up. Prime Minister Sheikh Hasina on various occasions expressed her commitment to the establishment of an EII scheme to the ILO Deputy Director-General in April 2015, again in 2016 and 2017.



## Progress slowed by superfluous arguing between brands and employers

**By 2017 however, progress had ground to a halt. The same brands that had insisted that payments into the Rana Plaza trust fund could only be done if it would be the start of a permanent solution now kept silent, and the employer's organisations intensified their lobbying against the scheme. While, thanks to the work of the Bangladesh Accord, the levels of workplace injury and death were reduced massively in the covered factories, there still were many factories left uncovered.**

Ineke Zeldenrust of Clean Clothes Campaign remarks, *"The argument between brands and employers over who would pay was absurd as the cost of the insurance scheme was so low. According to the data we collected the employment injury insurance scheme would only cost 0.3% of the wage sum. This becomes even more ridiculous when you realise wages only make up a total of 1-2% of the total price of a garment. The ultimate impact of brands delaying over such a negligible cost were people's lives while going unprotected without adequate and guaranteed compensation insurance"*

From 2017 onwards, CCC lobbied and campaigned for the establishment of a bridging solution to process the claims of workers from the incidents after Rana Plaza. CCC also urged employers and the government to start providing payments to the workers for the incidents that occurred already by using the proven methodologies developed by the Rana Plaza Arrangement. CCC continued to lobby and campaign in the years that followed to start the EII without delay.

**Eventually, the ILO Technical Recommendations on the Feasibility Assessment Report for an EII in Bangladesh were published in early 2019. However, major delays still continued.**



**Finally on June 21 2022 the national stakeholders, government, employer organisations and trade unions endorsed the pilot on EII in the Ready-Made Garment Sector and the official launch took place. Seven brands signed pledges as commitments for voluntary financial contributions; Bestseller, Fast Retailing, the H&M Group, KiK Textilien und Non-Food GmbH, Primark and Tchibo.**

The pilot will initially focus on compensation for injured garment workers and their dependents for accidents that lead to permanent disability or death, at ILO standards. This applies to all garment workers. The pilot will also gather various data, for example, on occupational accidents and diseases, rehabilitation, and their costs. This will help determine the viability of a fully-fledged employment injury system in Bangladesh.

## **The need for a bridging solution to cover workers left with inadequate compensation between 2013-2022**

If the pilot program is successfully extended, it will enhance the long-term social security of these workers by guaranteeing income support in the case of occupational illness or injury at the international standards set by the ILO.

However, this solution does not cover workers or the families of workers who were injured between 2013 and 2018. The current pilot project, supported by the 'bridging fund' from the seven supporting brands, unfortunately, does not foresee any retroactive claims. Only workers with new claims can make use of the pilot scheme, leaving workers injured between 2013 and 2018 partially protected.

Between 2013 and 2018 around 500 workers were injured and several dozens killed in the Bangladeshi garment supply chain. Only rudimentary data have been collected for the period between 2018 and 2022, our investigation shows at least 13 killed and 57 injured from January 2021-2022.

**We call upon all those participating in the pilot, to fund a separate solution for the people who have been left uncompensated between 2013 and 2018.**