

Policy Briefing

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Tazreen Claims Administration

Employment injury insurance: key to raising labour standards in Bangladesh?

SUMMARY

Compensation for occupational injury or death is an important labour right, but it is too often denied to garment workers and their families.

Bangladesh has made huge strides to improve the safety of its ready-made garment (RMG) factories. But even with the best prevention, industrial accidents do occur. An occupational injury or death can lead to secondary health problems and financial hardship, unless workers and their families have access to employment injury compensation.

Dr Rebecca Prentice, an expert on labour in the global garment industry, has completed a three-year study of compensation after the deadly collapse of the Rana Plaza garment factory building in 2013. Her study found that the 'rights-based' compensation paid to Rana Plaza survivors can serve as a model for calculating payments, but a permanent solution must take the form of employment injury insurance (EII) with the robust support of government and industry.

As the world's second-largest apparel exporter, Bangladesh is well positioned to lead on workers' rights to social protection. With the combined efforts of employers, global brands and the government, employment injury protection can enhance the reputation and sustainability of Bangladesh's RMG industry.

Key findings

- **Compensation schemes were set up voluntarily in Bangladesh after major disasters like the Rana Plaza collapse and Tazreen factory fire**
- **These 'after the fact' compensation schemes are complicated, costly and exclude many workers**
- **Industry-wide employment injury insurance would protect the rights of all workers** (See *EII below*)
- **Governments, global apparel companies, labour rights groups and employers' associations should make use of the experiences of recent compensation programmes to develop appropriate insurance schemes**

What is employment injury insurance (EII)?:

Employment injury insurance (EII) provides access to benefits for injured workers or the families of those killed at work.

ILO standards specify that these payments should be guaranteed, automatic, and cover:

- **lost wages**
- **medical care**
- **rehabilitation services**

Claimants should not have to show that an employer was at fault in order to access benefits.

[The International Labour Organisation \(ILO\)'s Employment Injury Benefits Convention No. 121](#) provides standards for employment injury insurance schemes that protect both workers and employers.

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Policy recommendations

- **The Bangladesh RMG industry needs a comprehensive, sustainable, and rights-based national employment injury insurance (EII) scheme, to provide important protections for both workers and employers**
- **Industry stakeholders, such as local employers and global apparel companies, should work with the government of Bangladesh to establish EII**
- **Technical assistance from the ILO can ensure that EII meets the standards of ILO Convention No. 121**



The Rana Plaza Arrangement:

The collapse of the Rana Plaza garment factory building in April 2013 led to the death of more than a thousand garment workers and injuries to hundreds more. Recognising the weakness of workers' compensation law in Bangladesh, the ILO spearheaded 'the Rana Plaza Arrangement': a collaborative, voluntary compensation agreement with global apparel companies, trade unions, the Bangladesh government, local employers and labour rights NGOs.

Rana Plaza survivors received benefits including lost wages, medical care, and rehabilitation services. These benefits met or exceeded the standards specified in ILO's Employment Injury Benefits Convention No. 121.

However, this kind of 'after the fact' compensation is not the best solution, because it:

- relies on negative publicity to push global brands to contribute
- is complicated to run and costly to administer
- only compensates survivors of high-profile factory disasters
- misses the opportunity to raise labour standards

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FURTHER INFORMATION

The full report can be found here:

[Workers' Right to Compensation after Garment Factory Disasters: Making Rights a Reality](#)

1. International Labour Organization (ILO). (2017) [ILO Strategy for Employment Injury Insurance and Workers' Compensation](#). Geneva: ILO.

2. Prentice, R. (2019) [Just Compensation? The Price of Death and Injury after the Rana Plaza Garment Factory Collapse](#). Research in Economic Anthropology, in press

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