Working towards employment injury protection for all

THE Rana Plaza building collapse, Tazreen factory fire and subsequent efforts to provide compensation to victims highlighted the need for a national scheme to support employees and their families in event of accidents or injury at work. ***Andre Picard*** *from the International Labour Organisation's social protection department talks about the development of such a scheme and what happens next.* ***Steve Needham***, *senior communications officer, RMG Programme, ILO Bangladesh, took the interview.*

STAR/FILE

A national employment injury protection and rehabilitation scheme will start with the garment sector and then gradually expand to other industries.

What has been done so far?

It has been necessary to create a broad consensus among government, employers and workers organisations about the need for, and the feasibility of, a national Employment Injury Protection and Rehabilitation scheme. A preliminarily feasibility study was carried out during 2015 which showed it is affordable and that the legal framework can be adopted without huge changes. It further identified the steps needed over the short-term as well as over the next 3-5 years. This would see the introduction of an interim bridging solution as well as the development of a national scheme that is affordable and sustainable over time for all workers in Bangladesh.

There has been a lot of discussion with counterparts so that they are more familiar with the concept. The issue of costing and its effect on production costs charged to buyers are crucial elements for all parties. The international players have an indirect key role.

We are now launching a comprehensive 'establishment survey' that will take some months to complete and will give us hard data on the accident rate in industries including apparel, construction, retail, and services; economic sectors are representing 45 percent of national GDP. With this we can make credible costings for different benefit package options. In parallel with the study, we will discuss with stakeholders the kind of benefits they want to provide based on a minimum of what is in ILO's Employee Injury Benefits convention.

How much would it cost and who will pay?

This depends on the results of the survey. However, it is likely that the cost should not be more than around 1 percent of wages. Taking the garment sector as an example, at the minimum salary of Tk 5,300 a month the cost would therefore be no more than Tk 53 per employee per month. This is comparable with other countries in the region with similar schemes such as Cambodia (0.8 percent), Malaysia (1.25 percent) and Vietnam (1 percent). The cost would be borne mainly by employers although some small employee contribution is also being discussed by national counterparts.

How and when would the scheme start?

The idea is to start with the garment sector and then gradually expand to other industries. The idea would be to start with a pilot of 25-50 garment factories which are willing to participate. Realistically it may be 5-6 years before the full scheme is launched.

What happens in addition to the survey?

Legal considerations are being pursued and efforts made to process the necessary changes to allow the creation of a national institution responsible for the administration of the scheme. Institutional arrangements will have to be quickly put in place so operations can start as soon as possible. An institution with a tripartite governance structure is needed to manage the scheme. This will most likely be an existing institution to avoid lengthy delays in establishing something totally new. Building institutional capacity will then be the main challenge. It will be necessary to find the right people, hire and train them. Many other details also need to be considered including how to collect contributions, pay out benefits, carry out medical assessments and make periodical payments rather than lump sums and so on. In parallel, a bridging solution is under study so any victim of a work-accident is covered in case of an injury until the national scheme is fully operational.

Will the scheme be compulsory?

It would ultimately be a requirement for all industries and sectors.The scheme would be purely related to workplace accidents or workplace related illnesses. While it provides health benefits linked to such injuries, it differs from a general health insurance scheme that covers all types of illnesses from different sources.

Who is involved in this initiative?

The government of Bangladesh is working closely with ILO and Germany to establish the scheme. There is very close coordination and consultation with employer organisations as well as trade unions. Brands and other countries are also very interested in making a national Employment Injury Protection and Rehabilitation schemea reality for all workers in Bangladesh.

Oil prices up on Libya unrest, hopes for output deal

AFP, *London*

WORLD oil prices advanced Monday as fresh fighting in Libya further stoked supply concerns, while Opec member Venezuela indicated a deal to limit output is close.

Around 1130 GMT, Brent North Sea crude for delivery in November was up 58 cents at $46.35 a barrel compared with Friday's closing level.

US benchmark West Texas Intermediate for October added 59 cents to $43.62 a barrel.

Gains were "sparked by news from Libya, where renewed fighting broke out at the weekend between rival groups over the oil export terminals", said Commerzbank analyst Carsten Fritsch.

"The expectation of a rapid normalisation of Libyan oil exports is likely to prove illusory, in other words," he added.

"What is more, Venezuela's President Maduro expects Opec to reach an agreement with non-Opec countries before the end of September to stabilise the oil market."

Oil fell last week on supply glut woes. However, fighting erupted in Libya on Sunday as UN-backed unity government forces attempted to retake oil ports seized last week by a rival administration.

The fighting led a Maltese-flagged tanker to turn back out to sea for safety, abandoning plans to load crude oil at Ras Lanuf. It would have been the port's first export since 2014.

Libya has Africa's largest oil reserves but has exported only a few tankers of crude in recent months as a result of unrest.

Meanwhile, major crude producer states are due to meet in Algeria next week to discuss the global supply crisis and overproduction that has hammered prices for two years.

On Sunday, Venezuelan President Maduro said participants in the talks -- the 14-nation Opec cartel and Russia -- are now working on a deal and that he had discussed the issue with his counterparts from Iran and Ecuador.

Without revealing details, Maduro said he hoped to make a firm announcement by the month's end.

An attempt at a oil output deal in April fell apart when Iran, which had just emerged from years of Western nuclear-linked sanctions, refused to take part in Doha talks.

"It is worth taking any reports of a deal to stabilise output with a pinch of salt given the recent ability of Opec alone to agree to such a thing, let alone one that involves Opec and non-Opec members, but the fact that Maduro has claimed it is close does appear to have got people's attention," said Oanda analyst Craig Erlam.

Last week, oil prices had spiralled lower on gloomy market forecasts, profit-taking and ever-present worries over the global supply glut, ahead of the producers' meeting on September 26-28.

New York crude had shed 6.6 percent in value and Brent fell 4.5 percent.

Investment flows into Asian bonds turn fitful; Malaysia vulnerable

REUTERS

Singapore currency notes are seen through a magnifying glass among other currencies.

REUTERS, *Singapore*

FOREIGN demand for Asia's local currency bonds was patchy in August, showing signs of reversal in some markets as investors worried whether global monetary easing will continue and about broadly rising long-term yields if it does not.

Foreign investors further increased their holdings of markets such as Malaysia and other Southeast Asian countries, continuing to seek their high yields and promise of capital gains.

Yet, the shifting in the global sentiment over the past few weeks has had an impact as concerns grew that top central banks may not have additional measures to support economies after a slew of unconventional steps like negative interest rates and money printing.

Worries that the Bank of Japan may lead the way by forcing longer term yields up, and therefore steepening yield curves, also weighed on emerging market bonds.

"The global steepening of bond yields has caused people to reconsider the carry trades that were being put on earlier," said Mirza Baig, head of currency and rates research for emerging Asia at BNP Paribas in Singapore.

"We've had a very solid run for the last four months if you look at any measure of emerging market bond performance," Baig said, adding that the selloff therefore appeared to be driven by profit-taking.

Most emerging Asian bonds have been slumping since the European Central Bank on Sept. 8 provided few hints about future stimulus.

The Federal Reserve is expected to hold interest rates this week, but the US central bank is likely to tighten this year. There is no consensus inside the BOJ on whether to deepen negative rates at the Sept. 20-21 meeting, sources said.

Malaysia's five-year government bond yield rose to 3.285 percent on Monday, its highest since July 5.

Saktiandi Supaat, Maybank's head of FX research, said Malaysian bonds will see intermittent outflows although demand among long-term investors remains strong.

"The inflows have been significant and domestic factors such as weak economic data and commodities cycle can play a role," Singapore-based Saktiandi said.

Malaysia was a hot spot in emerging Asia bond markets. Last month, it enjoyed 6.0 billion ringgit ($1.5 billion) of bond inflows, the largest since April.

That came as US investment bank JPMorgan decided to include dollar-denominated Islamic bonds (sukuk) from Malaysia, Turkey and Indonesia in its emerging markets indices starting from Oct. 31.

Foreign holdings in Malaysian bonds and bills, excluding sukuk, stood around 55 percent of total outstanding in the second quarter, increasing risks of more profit-taking.

The recent slide in crude prices is also likely to undermine the country's oil and gas revenue, hurting sentiment.

South Korea is seen as another victim, with expectations for further rate cuts weakening. Last month, foreign investors cut their holdings of its bonds by 917 billion won ($817.8 million), although offshore funds are net buyers so far this month.

The Bank of Korea on Sept. 9 kept its policy interest rate unchanged at the record low of 1.25 percent amid caution over surging household debts.

"Until the household debt issue is solved, the BOK is unlikely to move," said Shin Dong-su, a fixed-income analyst at Eugene Investment & Securities in Seoul.

"It is unlikely to extend duration here. Any rise in yield is not a chance to buy on dips given growing risks of losses."

By contrast, Indonesian bonds continued to lure foreign investors as the country's central bank indicated further easing.

Foreigners increased Indonesian bond holdings by 7.1 trillion rupiah ($540.1 million) in the first 14 days of September after adding 9.1 trillion rupiah in August.

Indian entrepreneur sells 'untouchable' foods to challenge caste bias

REUTERS/FILE

A farmer displays his paddy crop at a wholesale grain market at Bavla town, 25km west of the western Indian city of Ahmedabad.

REUTERS, *Mumbai*

A former rebel fighter and member of India's "untouchable" caste is taking on caste-based discrimination with packaged foods that would have been regarded as impure just decades ago.

Chandra Bhan Prasad, 58, was born into the Dalit Pasi community of pig rearers in northern India, considered untouchable in the ancient Hindu social hierarchy. Prasad and his wife recently launched 'Dalit Foods' online to sell spices, pickles and grains.

"I was born impure. But I have the right to sell pure," Prasad said by phone from his office in New Delhi.

"I grew up with segregation and untouchability, but India has changed. I want to see how those who are born pure respond to my offering," he told the Thomson Reuters Foundation.

India banned caste-based discrimination in 1955, but centuries-old attitudes persist, and lower-caste groups including Dalits are among the most marginalised communities.

Dalits were barred from public places including temples and water tanks frequented by higher-caste Hindus. Many higher-caste Hindus considered food cooked or served by Dalits to be impure.

It is this custom that Prasad is taking aim at.

Dalit Foods sells a small range of spices and grains, including chilli powder, turmeric powder, mango pickle, barley flour and lentils. More products will be added, Prasad said.

For three years, Prasad was a fighter with India's Maoist insurgency that claims to fight for the rights of poor farmers and landless indigenous people. He became a Dalit campaigner and a champion of economic empowerment to end caste bias.

He became interested in food after three members of his family died of cancer.

"Food adulteration is a big problem, and is probably the biggest reason for our health problems today," he said.

"And yet, I saw 80-year-old Dalits who were healthy and doing hard labour, largely because of what they were eating: pure, unprocessed food," he said.

The domestic packaged food market is forecast to be worth $50 billion by 2017 from about $32 billion last year, according to the Associated Chamber of Commerce and Industry of India.

Recent food-safety scares have led to greater awareness of adulteration.

While growing up, Prasad said he and others in his community were forced to eat coarse foods that were reserved for cattle and for servants. These included unpolished rice and millets.

"Millets were considered inferior food then. Today, they are called a superfood," he said.

"We want to make Dalit foods like these popular," he said.

A large hotel chain is buying Dalit Foods on a trial basis, and the number of customers - largely urban Indians - is rising, Prasad said.

Dalits are still often the targets of violence, with tens of thousands of crimes reported each year.

Last month, thousands of Dalits in Gujarat state pledged to boycott the dirty jobs traditionally thrust upon them in protest against the lynching of Dalit men by upper-caste Hindus.