



Event report
Capacity building Workshop

Operationalising Unemployment Insurance in Bangladesh

16 July 2023

Submitted to



ILO Country Office for Bangladesh

Submitted by

Research and Policy Integration for Development (RAPID)



Flat: 504, House: 18, Road: 101, Gulshan 2, Dhaka-1212; Bangladesh
Phone: +880-1711287444, Email: info@rapidbd.org, eusuf101@gmail.com
Website: www.rapidbd.org



Background: The provision of unemployment protection measures is an essential part of ensuring the human right to social security and the right to work. When individuals lose their jobs, it is crucial to provide them with income security and support for finding new employment opportunities, such as temporary financial assistance, training to enhance their skills, and services to help them search for and match with suitable jobs. These measures not only safeguard workers from sudden poverty and deprivation but may also contribute to their formal employment. In Bangladesh, such protection measures are practically non-existent within the social security landscape. Recognizing this gap, the National Social Security Strategy (NSSS), established in 2015, acknowledged the need to explore the feasibility of implementing a National Social Insurance Scheme (NSIS). The NSIS would include a programme to provide Unemployment Insurance (UI) specifically designed for individuals of the working age population. Initially, The NSSS Action Plan Phase I (2016-2021) aimed to implement the NSIS and UI scheme nationwide by 2021. However due to its limited progress in overall implementation, later resulted in developing a revised timeframe as suggested in the NSSS Action Plan Phase II (2021-2026).

Against this backdrop, on 16 July 2023, an awareness and capacity-building workshop/meeting was organised by the International Labour Organization (ILO) Office in Dhaka in collaboration with its knowledge partner, Research and Policy Integration for Development (RAPID), particularly targeting Ministry of Labour and Employment (MoLE) officials. The objectives of this workshop were to:

- Explain it to MoLE the current state of the UI scheme in the country
- Discuss the targets set by the NSSS Action Plan Phase II (2021-26)
- Discuss the responsibilities given to MoLE to take the UI agenda forward and the preparations needed for it
- Share the findings from ILO-RAPID technical work on various aspects of UI
- Exchange views on the need for capacity building
- Make the MoLE aware of an opportunity of learning from the recently introduced Indonesian UI scheme.

Ms Fahmida Akhter, NDC, Additional Secretary of the Ministry of Labour and Employment (MoLE) chaired the session. Renowned economist and RAPID Chairman, **Dr M A Razzaque**, delivered a trigger presentation, around which the subsequent discussion took place. Participants from MoLE, ILO and RAPID were proactively engaged in the discussion.

The participants included Mr Md. Humayun Kabir, Joint Secretary (MoLE), Dr Mohammad Abdul Kader, Deputy Secretary (MoLE), and Mr A. K. M. Rezaur Rahman, Deputy Secretary (MoLE); Ms Farjana Reza and Ms Noushin Shah from ILO, and Dr M Abu Eusuf, Executive Director, RAPID; Ms Farah Marzan, and Ms Mahjabeen Sarwar Chowdhury from RAPID were present.

Ms Fahmida Akhter, NDC, Additional Secretary of the Ministry of Labour and Employment (MoLE), commenced the programme by extending a warm welcome to all the participants. She expressed her keen interest in getting involved in the UI scheme, which she thought of as extremely timely for the country. She thanked the ILO for taking the previous initiative on Employment Injury Insurance scheme and supporting the ministry, and for extending similar support for UI.

Keynote Presentation: Dr Mohammad Abdur Razzaque, Chairman of RAPID

The keynote presentation focused on the operationalisation of unemployment insurance in Bangladesh and the need for capacity building. Dr Razzaque underscored the importance of providing social protection to workers and emphasised that implementing Unemployment Insurance requires a well-structured roadmap with clear and practical objectives. He highlighted the significance of raising awareness and disseminating knowledge among stakeholders and strengthening institutional capabilities for implementation, beginning with the formal sector (RMG) first—as prescribed in the NSSS—and gradually extending to the workers in the informal sector, which accounts for about 85 percent of the workforce.

Dr. Razzaque emphasised the need to establish well-defined legal frameworks before launching the unemployment scheme and suggested Active Labour Market Policies (ALMPs) and employment services (that aid job searching and matching) as integral components of the unemployment insurance scheme. Furthermore, he mentioned that the ILO Social Security Standards should serve as guiding principles for designing unemployment protection measures, including the UI scheme. The UI benefits and modalities should be in accordance with ILO standards. He explained that for contribution rates, benefit amounts, and benefit duration there are ILO conventions and international good practices. Additionally, Dr. Razzaque pointed out that the development of a comprehensive and dynamic labour market information system (integrated with an employment database) will be critical for an UI scheme.



He highlighted four major preconditions to operationalise the implementation of unemployment insurance in Bangladesh in a sustainable manner. These included: having a central and digitised database of workers and employers' information, reforming the legal provisions relating to workers unemployment protection benefits, and insurance schemes based on social insurance principles, social dialogue, and institutional arrangements for UI fund management.

“To operationalise the implementation of unemployment insurance in Bangladesh requires a central and digitised database of workers and employers’ information, appropriate legal frameworks to deal with an insurance scheme based on social principles, and institutional arrangements for UI fund management. Along with this the importance of awareness-building in every aspect of unemployment insurance cannot be overstated”

He stated that cross-country analyses can be done on unemployment insurance framework to get some ideas about the modalities of implementation. In this regard, he mentioned about such schemes in India, Indonesia, Thailand, and Vietnam. He thought the newly introduced Indonesian system should of great interest to Bangladesh in assessing the design of the programme, its implementation and involvement of various ministries and institutions, and any advantages and challenges encountered,

Finally, Dr M A Razzaque concluded his presentation by highlighting the collaborative efforts need to be taken by the Ministry of Labour and Employment (MoLE), the International Labour Organization, and RAPID to promote social protection and Unemployment Insurance in Bangladesh. As part of this endeavor, he informed the participants that the ILO is undertaking an important initiative to organize a set of workshops, aimed at raising awareness and enhancing the capacity of all stakeholder representatives. These workshops will provide a platform to closely examine Indonesia's experience, along with examples from other countries like India, Viet Nam, Thailand, etc. By drawing parallels and identifying similarities with Bangladesh, these workshops will contribute to the effective implementation of Unemployment Insurance. Moreover, these sessions will facilitate discussions about potential challenges that need to be addressed before introducing the UI scheme in Bangladesh.

Open Discussion

The presentation was followed by an open and interactive discussion with the involvement of the participants. Ms Fahmida Akhter moderated the deliberations and kicked-off the session with her own inputs.

Ms Fahmida Akhter, NDC, Additional Secretary of the Ministry of Labour and Employment (MoLE)

Ms Fahmida Akhter expressed her enthusiasm in taking the workshops forward for which she kindly offered the proactive collaboration with the ministry. She suggested including representatives from workers' associations, employers, Cabinet division and Finance division as well as MoLE, ILO and RAPID in such workshops.

Furthermore, Ms Fahmida Akhter stated her interest in understanding more about the Indonesian model of Unemployment Insurance in the upcoming workshops. She is affirmative that the Indonesian model will bring up new ideas to help operationalise the National Social Insurance Scheme of Bangladesh. However, she also acknowledges the challenges in designing and implementing unemployment insurance in Bangladesh considering the large working age population where both the formal and informal workforce is prevalent. She understands that the task of knowledge dissemination, active participation and acceptance of the unemployment insurance among the employers and workers in Bangladesh could be a concern but at the same she believes that conducting capacity-building and awareness-building workshops like today can eventually change people's perception of unemployment insurance.

"The tasks of knowledge dissemination, ensuring active participation and buying-in of unemployment insurance by the employers and employees will not be easy but these challenging issues should be discussed in the capacity building workshops."

Mr. Md. Humayun Kabir, Joint Secretary of the Ministry of Labour and Employment (MoLE)

Mr. Md. Humayun Kabir acknowledged the significance of UI and echoed with Ms Fahmida Akhter that capacity-building workshops like the one today need to be held on a regular basis. According to him, such exercises will also help facilitate coordination among the various ministries involved in social insurance policy implementation. He further advised to organise more such workshops and to ensure participation from the Cabinet Division, Finance Division along with the Ministry of Labour and Employment (MoLE).

"Capacity-building workshops need to be held on a regular basis to create awareness and knowledge transmission among the stakeholders."

Mr. Humayun stressed that convincing workers and employers for the contributory unemployment insurance scheme will be crucial and these workshops can act as the starting point for it. He also suggested that to distribute the benefits among the beneficiaries of unemployment insurance

program, a unique Worker Identification Number can be used to locate and monitor all the employed and unemployed workers.

Dr. Mohammad Abdul Kader, Deputy Secretary of the Ministry of Labour and Employment (MoLE)

Dr. Kader highlighted that the progress on rolling out NSIS has been extremely limited as evident from the initial implementation plan of the NSIS (which was supposed to be rolled out nationwide by January 2021). Therefore, special emphasis has been given on the revised action plan and according to the NSSS Action Plan (2021-26) the unemployment insurance scheme is in the study stage. He pointed out that lack of knowledge and awareness about the key concepts of unemployment insurance issues is one reason for slow implementation progress.

He also stated that the current National Social Security Scheme (NSSS) follows the lifecycle framework approach of social protection, where an eligible individual can receive support at different stages of their lives. He further noted that there is a need for paying much attention to the working age population in case of job loss or unemployment.

He mentioned that at present there are many social protection programmes are available for the workers and their family members. Such programmes are the Employment Injury Scheme and education stipend for the school age population (i.e., providing financial assistance to the children of the workers).]

“For convincing the stakeholders about unemployment insurance policies and benefits these capacity workshops are the need of the hour.”

He further discussed that any decision for workers require tripartite consensus and thus social dialogue is critical for unemployment insurance. For convincing the stakeholders regarding the unemployment insurance policies and benefits these capacity workshops are the need of the hour. He was of the view that through these workshops, ideas can be generated and new inputs can be found from the stakeholders.

Nowshin Shah, National Program Coordinator, International Labour Organization

Ms. Nowshin Shah opined that the capacity building workshops proposed by ILO and RAPID aim to make the core policy makers conceptually aware about unemployment insurance. She added that the unemployment insurance scheme cannot be a burden on the government and has to be contributory. Moreover, in the context of fund management for unemployment insurance she stated that the model used in Employment Injury Scheme where the central fund hosts, manages

and dispatches funds and thought that such a model with the necessary modifications can be followed.

Key takeaways from the Workshop

- The ILO Country Office for Bangladesh and its knowledge partner RAPID will be undertaking a series of capacity-building workshops in partnership with MoLE. The overarching objective of the workshops will be to build awareness and promote Unemployment Insurance scheme among the tripartite-plus constituents in Bangladesh.
- A two-day long workshop will take place in September for which the ILO Office in Dhaka will write to the Ministry confirming participation of MoLE senior officials. The Secretary of the Ministry will be present either in the opening or closing session of the workshop.
- The September workshop will, amongst others, will focus on the Indonesian experience of UI to identify any lessons for Bangladesh.
- Concerted efforts will be made by MoLE, the ILO Dhaka Office and RAPID to secure participation of relevant stakeholder representatives (Ministries, Employers, Employees, Think Tanks, Development Organizations, journalists, etc.).
- There is a need for sustained interventions to address the knowledge gaps by raising awareness amongst the relevant stakeholders.

Strengthening coordination among the ministries and implementing agencies can be an effective policy option to foster the implementation process of unemployment insurance.

Concluding Remarks

Ms Fahmida Akhter concluded the workshop by thanking the ILO Dhaka Office for taking the initiative. She also welcomed inputs from the knowledge partner – Research and Policy Integration for Development (RAPID). She hoped that the ministry, ILO and RAPID would work together in making the upcoming workshops fruitful.