



► ILO Brief

April 2022

Applying social security standards to protect garment workers affected by COVID-19: Experiences in Bangladesh, Cambodia and Ethiopia

Introduction

Social dialogue is a cornerstone of the social security standards, including in early recovery contexts

International Conventions and Recommendations on social security have set standards guiding the development of social security systems worldwide. Various standards – such as the Social Security (Minimum Standards) Convention, 1952 (102); the Social Protection Floors Recommendation, 2012 (202); and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (205) – highlight the importance of social dialogue processes in designing, implementing and monitoring effective and equitable social protection policies and programmes, including during crisis situations.

Social dialogue includes all types of negotiation, consultation and exchange of information among representatives of governments, workers and employers, on issues of common interest relating to economic and social policy. Social dialogue can be a tripartite process, with the government as an official

party to the dialogue, or it may consist of bipartite relations only between workers and employers, or their representatives.

The main goal of social dialogue is to promote consensus-building and democratic involvement among stakeholders in the world of work.¹ When done well, it provides a foundation for design of social protection policies that respond to the needs and concerns of workers and employers, and can help to identify gaps and barriers to accessing social protection. It can build trust, strengthen ownership of and commitment to measures proposed, reduce risk of disagreement or conflict, and reinvigorate the social contract.²

Over the past five years, there has been increasing attention paid by governments and international partners to shock-responsive social protection and link emergency assistance with social protection systems.³ Social protection can help households, workers and individuals that are vulnerable to disasters and shocks to effectively manage risk and build resilience, preventing a fall into poverty and supporting more rapid recovery. While these are new ways of working and evidence is

¹ ILO, Social Dialogue: Finding a Common Voice, 2002.

² ILO, “A policy framework for tackling the economic and social impact of the COVID-19 crisis”, Policy Brief, May 2020.

³ Interest is reflected in various recent policy commitments made by donors, the United Nations (UN) and international non-governmental organizations, and in inter-agency forums. For example, a joint statement provided by the Social Protection Inter-agency Cooperation Board to the World Humanitarian Summit in 2016 advocated that this was a way to bridge the development-humanitarian divide. The Grand Bargain - an agreement between the biggest donors and aid organisations that aims to get more means into the hands of people in need - recommended that cash assistance provided through the humanitarian system consciously align with, build on, complement and fill gaps in national social protection programmes and systems, where appropriate, taking into account humanitarian principles. The statement of the Humanitarian Donor Cash Forum says: “Donors expect to see cash programmes use, link to or align with local and national mechanisms such as social protection systems, where possible and appropriate.”

still emerging, experiences globally suggest that, in the right context, these approaches have the potential to improve response times, reduce costs of responding, and strengthen national capacities to manage shocks and disasters. The arrival of the coronavirus disease (COVID-19) has seen this interest peak further, with 195 countries/territories having planned or introduced social protection measures in response to the pandemic by 2021. Support in the form of unemployment benefits, wage subsidies, sickness benefits and social assistance cash transfers has been provided to cushion the adverse financial impacts of the crisis, and provide income security for those most affected. However, in many low- and middle-income countries, national social security systems are still emerging, and COVID-19 responses have faced certain constraints, such as lack of coverage of affected populations, capacity gaps and limitations in financing, data management and delivery systems. The pandemic, where lockdown measures have contributed to the closure of businesses, reduction of working time and loss of employment have highlighted the need for greater investment in social protection systems for workers.⁴ A policy paper by the ILO highlighted the imperative for States to find ways to ensure that workers and their families are provided with income security, while also stimulating aggregate demand and preparing for a swift recovery.⁵

In global dialogue on shock-responsive social protection and linking humanitarian action and social protection, there has been little discussion to date on applying international social security standards to such shock response interventions. Experiences during the pandemic have highlighted the added value of social dialogue processes for designing and implementing effective social protection responses to covariate shocks. The ILO found that countries with a relatively strong tradition of social dialogue and

well-functioning participatory institutions were better equipped to formulate appropriate – and sustainable – policy responses.⁶ At the same time, in many countries, the conditions and structures for effective social dialogue are still limited, and have contributed to difficulties in devising consensual and mutually agreed policy responses, while in some cases the imperative to respond quickly has constrained governments from devising responses based on social dialogue. The ILO's Programme and Budget for 2020–21 sets out global programmatic priorities for the organization to (a) apply the social security standards to formulating and adopting social protection policies and measures, to protect workers and their families affected by shocks; and (b) facilitate strong tripartite constituents and influential and inclusive social dialogue.⁷

In 2020 the ILO, with funding from the German Federal Ministry of Economic Cooperation and Development (BMZ), embarked on a multicountry programme, "Protect Garment Workers Affected by COVID-19". This programme aimed to support workers in the garment sector, which globally has been badly affected by the crisis in seven countries, including through the provision of income support in the form of cash transfers, which were implemented in five countries from October 2020 to December 2021.⁸ The programme had the dual objectives of:

(a) cushioning enterprises against immediate income losses and supporting companies in retaining workers, protecting workers and their families, and facilitating speedy recovery; and

(b) working with and through national social protection systems to the extent possible, and aligning with the principles enshrined in international social security standards, to serve as a basis for developing more comprehensive, adequate and sustainable social protection in the future.⁹

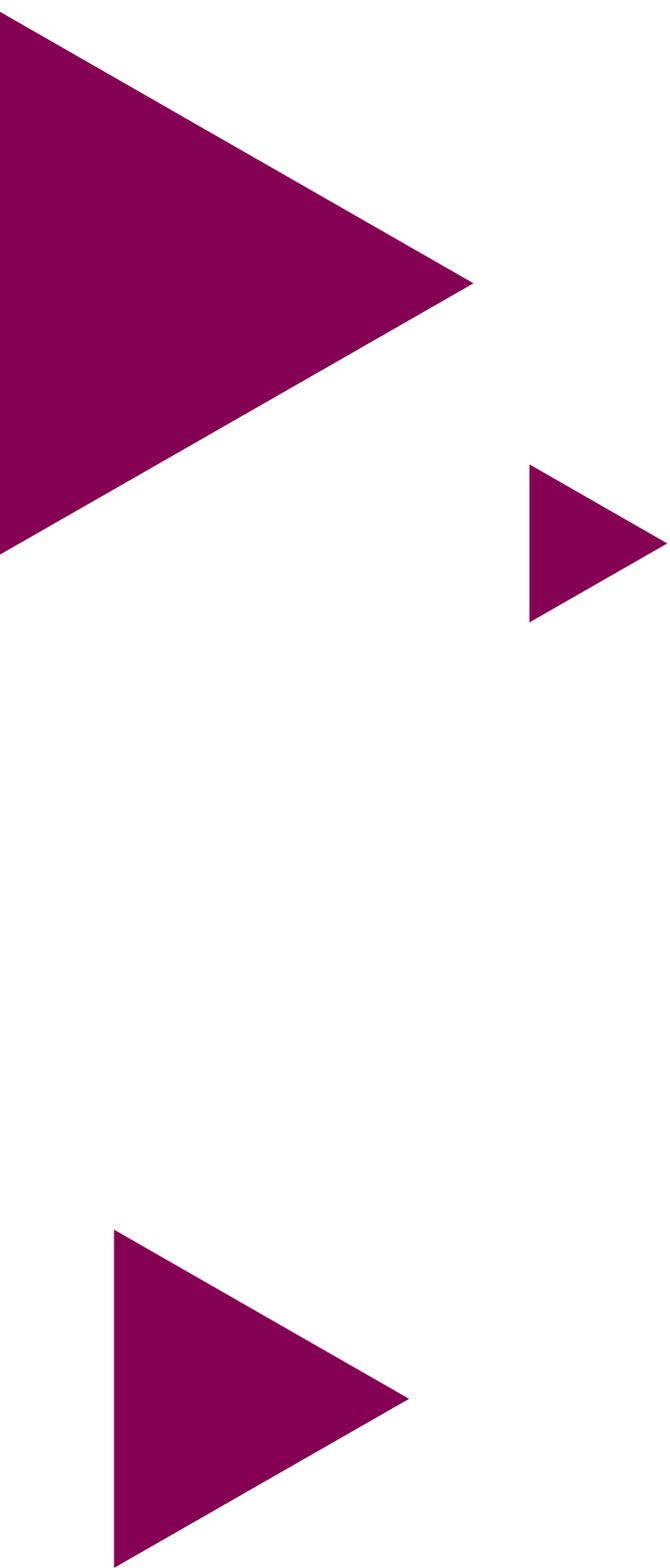
⁴ ILO, "Social protection responses to the COVID-19 crisis: Country responses and policy considerations", Social Protection Spotlight, 22 April 2020; Organisation for Economic Co-operation and Development, "Supporting people and companies to deal with the COVID-19 virus: Options for an immediate employment and social-policy response", OECD Policy Responses to Coronavirus (COVID-19), 20 March 2020; United Nations, Policy Brief: The World of Work and COVID-19, June 2020.

⁵ ILO, "Social protection responses to the COVID-19 crisis: Country responses and policy considerations", Social Protection Spotlight, 22 April 2020.

⁶ ILO, "The role of social dialogue in formulating social protection responses to the COVID-19 crisis", Social Protection Spotlight, 7 October 2020.

⁷ ILO Programme and Budget 2020-2021: Outcomes 1 and 8.

⁸ The cash transfer component was implemented in Bangladesh, Cambodia, Ethiopia, Indonesia and the Lao People's Democratic Republic. The programme was also implemented in Madagascar and Viet Nam, but only included an occupational safety and health component.



Social dialogue in the Social Security (Minimum Standards) Convention, 1952 (102)

Establishes a set of core principles to be observed, based on the general responsibility of the State for the due provision of benefits and the proper administration of institutions and services concerned in securing the provision of benefits, including the participation and consultation of persons protected in the management and enforcement of social security schemes (Articles 6(a), 70 (1, 3) and 72).

Principles for social dialogue set out in the Social Protection Floors Recommendation, 2012 (202)

Paragraph 3(r): In design and implementation of social security, apply the principle of tripartite participation with representative organizations of employers and workers and representative organizations of persons concerned.

Paragraph 8(d): When establishing and reviewing the levels of these guarantees, ensure tripartite participation with representative organizations of employers and workers, and consultation with representative organizations of persons concerned.

Paragraph 13(1): In national dialogues on social protection strategies, ensure tripartite participation with representative organizations of employers and workers, and consultation with representative organizations of persons concerned.

Paragraph 19: Members should monitor progress through appropriate nationally defined mechanisms, including tripartite participation with representative organizations of employers and workers, and representative organizations of persons concerned.



▶ Bangladesh case study

Photo: Marcel Crozet / ILO

This case study documents experiences and lessons learned from implementing the programme in Bangladesh, where the ready-made garment industry is a significant sector of the economy, contributing 11 per cent of gross domestic product (GDP) in the financial year 2017/18. Bangladesh is the world's second largest exporter in the sector after China, contributing 83 per cent of total export earnings in the country.¹⁰ Prior to COVID-19, the sector employed over 4 million workers, over 60 per cent of whom were female. The sector was badly affected by the economic impacts of the pandemic, which contributed to supply chain disruption and a huge drop in orders and revenue. By the end of April 2020, orders worth some US\$3.18 billion were cancelled or held up, with a 62 per cent drop in new orders in the second quarter of 2020 and a 20 per cent reduction in earnings in the fiscal year compared with the previous year. Over 1,900 export-oriented garment factories closed, and over 2.1 million jobs were lost in March 2020 alone. By mid-April, at least 370 factories with over 158,000 workers were unable to pay workers' wages. A further 17,500 workers were laid off from 67 garment factories in June 2020, contributing to protests and civil unrest. In July 2020, it was estimated that over half of the 4 million garment sector workers could become unemployed or underemployed due to the pandemic.

The BMZ-ILO job retention programme in Bangladesh: Description of measures and benefits

The social security system in Bangladesh

Provision of social security is embedded in article 15 (d) of the national Constitution of Bangladesh. Social protection in Bangladesh is highly fragmented,

with over 114 programmes administered by more than 30 ministries or divisions. Social protection is predominantly provided as cash and food transfers, with limited development of social security and other instruments benefiting workers. In 2015, the Government adopted a National Social Security Strategy, which set out a range of planned programmatic and institutional reforms to streamline and strengthen the existing system of social protection. Priorities included (a) consolidation of social assistance schemes to provide support throughout the life cycle, (b) transitioning food-based programmes to cash, (c) development of a National Social Insurance Scheme (NSIS) for those in work, (d) reforming the institutional and governance framework, (e) digitization of delivery systems, and (f) development of registries. The Ministry of Labour and Employment (MOLE) is responsible for contributory social security under the strategy. An action plan setting out a road map for these reforms was developed in 2018, and the second phase of the action plan is under development in 2021. While budgetary allocations have increased, reaching 2.5 per cent of GDP in 2018/19 (13.8 per cent of the total spending budget), and progress has been made in certain areas, such as consolidation of schemes, progress in other areas remains slow, particularly the development of the proposed NSIS.¹¹ The action plan envisaged feasibility studies and piloting of a range of instruments – including unemployment, sickness, maternity and accident insurance – prior to the NSIS rollout in 2021. A concept note for unemployment insurance was developed by MOLE, but design discussions for any pilot stalled prior to the COVID-19 pandemic. Studies for private voluntary pension and employment injury insurance have also been delayed.

In the absence of an NSIS, MOLE oversees two departments that manage funds for workers: the workers' welfare foundation, into which all businesses

⁹ These principles include: (a) overall and primary responsibility of the State (in line with the principle of country ownership); (b) adequacy and predictability of benefits; (c) non-discrimination, gender equality and responsiveness to special needs; (d) social dialogue and tripartite participation; (e) transparent, accountable and sound management, administration and monitoring mechanisms; and (f) access to efficient complaint and appeal mechanisms.

¹⁰ Bangladesh Garment Manufacturers and Exporters Association, "About Garment Industry of Bangladesh".

¹¹ General Economics Division (GED), Bangladesh Planning Commission (2020) "Midterm Progress Review on Implementation of the National Social Security Strategy".

should pay a portion of their profits; and the central fund, into which export-oriented industries, including those in the garment sector, contribute a percentage of export earnings. However, there is no provision for use of these funds in the case of unemployment, and applications by employers for support to cover wages from the central fund in response to COVID-19 could not be supported, as these were not aligned with the fund's mandate. Tripartite dialogue is at the very early stages in the social protection system in Bangladesh, since there are not yet the necessary institutional mechanisms for the NSIS. The central fund has a tripartite board, chaired by MOLE, which includes trade unions and employers' associations. The meetings of the board take place on average every six months, causing delays in processing and responding to the applications of the workers, or families of deceased workers, with immediate needs.

Design of the BMZ-ILO project

To address the socio-economic challenges of COVID-19, the Government put in place measures targeting garment sector workers. In March 2020 a US\$588 million stimulus package for the sector and other export-oriented industries was announced, providing concessional loans to factories to cover wage payments (100 per cent of wages for the workers of the factories that were open, 60 per cent of wages for the workers of the factories that were closed or suspended). This was accompanied by a government circular on the requirement to retain workers on full pay between April and July 2020. Meanwhile, the European Union provided budget support of €93 million to provide three months of income support equivalent to 3,000 taka (US\$35) per month to entrenched and laid-off garment sector workers. The BMZ-ILO programme aimed to complement these measures. The programme targeted smaller factories that reportedly benefited less from the government stimulus package and had fewer reserves to fall back on. In eligible factories, the programme provided cash assistance to employers to cover part of workers' wages, to reduce the risk of layoff and maintain the employer-employee relationship for a speedier recovery. The programme was implemented in partnership with MOLE and workers' associations, and with participation from employers' associations, which

played a key role in receiving and processing applications from eligible factories.

Social dialogue to promote consensus-building

Social dialogue structures of the programme

Stakeholders in Bangladesh had some prior experience with tripartite negotiations from the design of compensation for workers and families affected by the Rana Plaza accident in 2013. In October 2020, MOLE convened members of employers' and workers' associations for an initial informal tripartite meeting, where the ILO introduced the project. Following this, MOLE circulated a letter for the creation of an ad hoc tripartite committee. This was chaired by MOLE. Members included employers' representatives (Bangladesh Employers Federation, Bangladesh Garments Manufacturers and Exporters Associations, and Bangladesh Knitwear Manufacturers and Exporters Associations) and workers' representatives (the National Coordination Committee for Workers Education, IndustriALL Bangladesh Council and Bangladesh Jatiya Sramik League (JSL National Workers' League)). Due to competing priorities of the constituent members (set out in the lessons learned section below), there were delays in holding the second tripartite meeting (until January 2021) and in scheduling subsequent tripartite meetings. These were partly mitigated through the ILO's facilitation of bilateral consultations with the social partners, to advance progress on the targeting design and proposed implementation guidelines. All participants shared their feedback within a month.

How social dialogue processes influenced the BMZ-ILO programme

Experiences in Bangladesh demonstrate the added value of investing in effective social dialogue on shock response programmes, in line with the social security standards. The tripartite engagement influenced and modified various elements of the programme approach that had initially been proposed, concerning targeting design, transfer design and delivery. It also provided a forum for engaging in dialogue with and influencing employers' representatives on the importance of checks and balances, and feedback channels on the programme. This contributed to a design that was appropriate to the context and took into account workers' rights, contributing to the achievement of other social security standards.¹² In a context where power dynamics between the social partners sometimes make

¹² Including provisions of Recommendation No. 202, Paragraph 3: (a) universality of protection, based on social solidarity; (c) adequacy and predictability of benefits; (d) non-discrimination, gender equality and responsiveness to special needs; (e) social inclusion; (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems; (j) transparent, accountable and sound financial management and administration; (o) efficiency and accessibility of complaint and appeal procedures; and (p) regular monitoring of implementation.

it difficult to reach mutually beneficial decisions, and where perceived lack of engagement of social partners can contribute to tensions and blockages in the implementation of social transfer interventions, including in responses to COVID-19, the process was considered vital to arrive at a mutually agreed design and avoid social tensions. It is unlikely that the programme would have been possible to implement without it. For example:

Concerning whom to target: Tripartite consultations helped to identify and find agreement on the eligibility criteria for factories, based on the size of the factory (number of workers) and economic impact experienced (a decrease in work orders and revenue compared to a 2019 benchmark). These were criteria on which factories could readily provide evidence. Another criterion that had initially been discussed (a decrease in profits) was not included, as it was agreed by committee members that profits could be affected by a range of additional factors not directly related to the pandemic. Concerning whom to target in the factories, the project's original design had proposed to target female workers and those with disabilities in the lowest grade. Workers' and employers' representatives highlighted the need for a more universal and inclusive approach, and the importance of non-discrimination in the wage subsidy. The criteria were amended to include all factory workers in the eligible factories (excluding administration and management).

Concerning transfer design and payment delivery: Committee members highlighted that the value of assistance was not sufficient to meet all the needs of affected workers. However, through the dialogue process, they were made aware of and understood the transfer design limitations based on the available budget, and agreed to the proposed design of a one-time transfer. Initially, the project had envisaged paying the cash transfers to workers separately from their salaries. Through engagement with the tripartite committee, this was redefined as a contribution to the workers' salary, for job retention. Committee members highlighted learning from the government stimulus package, where the decision to transfer the payment directly from the Government to workers' accounts, separately from workers' wages, had caused some confusion and dissatisfaction among workers. Workers had interpreted the payment as a government donation rather than as something coming from their

employers, and therefore thought employers were not providing their full wages. To avoid such issues, representatives said that it would be better to make payments through the factory payroll, so that the transfers were included as part of regular wages. It was also agreed to make the same contribution to all, regardless of grade or salary scheme.

Building accountability: Employers initially shared reservations on the inclusion of various accountability mechanisms, and checks and balances in the programme design. They questioned why it was necessary to communicate the assistance to workers or for checks to verify the accuracy of information submitted, as well as the need for collecting feedback from them through monitoring to confirm receipt of wages. Through the tripartite committee, the ILO was able to explain about the social security standards and raise awareness of the need for accountability of employers' co-responsibilities on the programme (that is, to pass the subsidy on to workers by providing them their full wages, as well as to continue to employ them at full pay in the subsequent month). The negotiations led to agreement by the employers' associations to various measures for fostering this accountability. This included (a) the associations assuming an accountability role for the programme to visit factories and verify data submitted; (b) providing the project's auditors with access to the payroll lists and number of eligible workers; (c) trade unions collecting and raising any complaints from workers about wages not received; and (d) independent monitoring with a sample of workers. In a context where trust is gradually building between workers' and employers' representatives, these measures have the potential to sow the seeds for greater trust and collaboration between these social partners. Workers' representatives particularly valued being so engaged in the design and execution of this programme. In contrast, workers' representatives expressed concerns about their exclusion from the design and implementation of the European Union–KfW-funded programme.

► Income support to garment sector workers: Programme design

Modality: Cash transfer, provided as a salary contribution for job retention.

Target beneficiaries: Workers in smaller factories that were affected by the pandemic.

Eligibility criteria for factories: factories employing 200–500 workers, 10 per cent or more reduction in revenue or work orders compared to 2019; 30 per cent reduction in profits or delayed payment during March–November 2020 from buyers; commitment to retain workers; and willingness to share details of completed payroll during the month for which the wage subsidy was provided. The original design was to target women and those with disabilities in the lowest grade. It was modified to include all workers in eligible factories to adhere to principle of non-discrimination.

Coverage: Plan to reach 70,000 workers, across the two employers' associations. In September 2021, these associations were still processing the applications. Upon government approval, disbursement to the approved factories will take place.

Value and duration of assistance: One-off transfer of 3,000 taka (US\$37), around 37 per cent of the minimum wage, paid as a contribution to a worker's regular wage (not an additional top-up to this wage).

Communication: Business associations provided information to factories on the eligibility criteria, how to apply and the benefits. Awareness-raising sessions were also held for workers in the eligible factories.

Registration: Factories applied with cover letters and supporting documents. Applications were collated by the industry association, which visited factories, verified the received data

and forwarded payroll details (number of workers, required amount) and factory name, registration number and bank account number to the tripartite committee (see section on social dialogue structures below) for approval.

Payment delivery: Initially planned to transfer directly from the ILO to workers, it has since been modified to make payment from the ILO to the factories, based on consultations with the business association. The ILO shared details of the payroll required with its bank, which transferred funds to the factories' accounts, which then made payments to workers through the usual payroll process. Pending approval by the Government, payments should be disbursed in November and December 2021.

Complaints and feedback: Workers can submit complaints through available mechanisms agreed upon by the tripartite committee, which are then collated by the committee.

Monitoring: Survey conducted with a random sample of workers, led by an independent contractor, to verify whether full wage was received in the month of the subsidy and the subsequent month.

Actors involved: MOLE, in collaboration with the Bangladesh Employers Federation, Bangladesh Garments Manufacturers and Exporters Associations, Bangladesh Knitwear Manufacturers and Exporters Associations, the National Coordination Committee for Workers Education, IndustriALL Bangladesh Council and the Bangladesh Jatiya Sramik League (JSL National Workers' League).

Lessons learned

Several lessons can be learned from the BMZ-ILO programme in Bangladesh concerning implementation of the cash programme generally and social dialogue specifically.

Factors influencing the effectiveness of the social dialogue process: In Bangladesh, a range of factors contributed to constraining the social dialogue process, and to delaying decisions on the programme:

(a) Hierarchy in governance: The sense of hierarchy that is very much a part of public and civil governance structures in the country affected committee meetings and constrained decision-making. There was a need for two tiers of decision-making for each social partner, and for high-level approval of the decisions and inputs of technical colleagues. This led to more time needed to advance decision-making on the programme. On a positive note, the programme was also able to take advantage of this sense of hierarchy to make advances in other areas – strategic meetings with senior officials of the Government helped to unblock the necessary approvals to proceed with the committee.

(b) Capacities: Social partner representatives who were members of the committee had competing demands on their time, juggling this role with day-to-day responsibilities. This contributed to delays for engagement with the Bangladesh Garments Manufacturers and Exporters Associations, MOLE and the Bangladesh Employers Federation in the first half of 2021. Meanwhile, there were also delays to the process due to additional capacity gaps in MOLE, illness and changes in staffing.

(c) Willingness to invest the time needed: This delayed the process of convening the committee for endorsement of the guidelines. In early meetings, employers' representatives had been critical about the size of the assistance being provided, seeing it as inadequate to meet the needs. This, combined with the competing priorities discussed above, meant they have not been able to prioritize this engagement, given the perceived small returns for the level of effort required. This in turn delayed the process of endorsing the guidelines while further dialogues took place to further mobilize relevant stakeholders.

(d) Challenges in accessing data: There were difficulties for the programme to readily access quality data on factories and workers, initially for the programme design and for designing the registration and monitoring mechanisms. This was addressed by collaborating with the business associations as implementing partners, as they maintained factory and workers databases, and had better access to data of workers held by the employers. Employers' associations

also agreed to facilitate sharing data as required for the programme's independent audit and monitoring.

Designers of emergency cash transfer programmes aligned or linked with social protection systems need to consider social security, but also humanitarian principles and standards, and think through potential challenges, as well as any benefits of design decisions: In Bangladesh, the programme's investment and work through social dialogue processes contributed to improvements to its design, which can contribute to a more effective programme, while laying important groundwork for future social security system-strengthening. On the other hand, it cannot be ignored that the time taken to set up and work through these processes has contributed to prolonged delays in providing much-needed assistance to workers, reducing effectiveness of the intervention, considering that this was designed to meet urgent needs.

This is one example of where the adherence of the programme to social security standards had to manage trade-offs between a participatory and transparent process based on social dialogue and the timeliness of the intervention. Any "best practice" design requiring setup of new systems, tools or ways of working will also likely impact negatively on the timeliness of a programme. Indeed, programme designers questioned the necessity of inclusion of all social security standards in the context of what was first and foremost a humanitarian programme. In contexts where the primary objective of the intervention is to meet emergency needs, and especially where social security systems and application of the social security standards is still evolving, the Bangladesh experience highlights the importance of contextualizing application of the social security standards, considering existing strengths and weaknesses, and analysis of risks, while balancing adherence to these standards with the need for timely responses.

Importance of good sensitization: In the early stages, there were various communication problems that made the social dialogue process a little challenging, and contributed to subsequent delays. In the first meeting, there was confusion among representatives, who could not differentiate the BMZ-ILO programme from the European Union-KfW (Kreditanstalt für Wiederaufbau) programme, which was also being planned and targeted workers in the sector. This took up time in the meeting and hampered some decision-making on the BMZ-ILO programme. It also transpired that there was a lack of understanding among the employer' associations about (a) the nature and intended use of the funds being provided (employers perceived the cash assistance not as a contribution to workers, but as financial support to employers); and (b) employers' co-responsibilities, per the social security standards. Time was needed for the ILO to engage bilaterally and raise awareness of these issues.

Social dialogue principles should have been applied from the outset: Several key decisions on programme design had to be predefined at the proposal stage, by donors and by the ILO's headquarters advisers, and without the participation of or consultation with social partners, as the ILO could not raise social partners' expectations before ensuring the availability of funds. However, this is not the ideal application of the principle of social dialogue. It then contributed to some of the delays, since the programme design needed to be amended to better suit the context, requiring negotiations between the social partners (such as for the targeting of priority beneficiary factories). The social dialogue process was instrumental in resolving these design issues, but some of these delays could perhaps have been mitigated if the programme design process had been less externally driven.

Importance of institutional readiness for effective shock response: The project generated important learning about the need to strengthen readiness of social protection systems, including of social security for formal workers, for shock response, ex ante, to better support the needs of workers during crisis. Social dialogue processes in the context of such emergency assistance were relatively new in the garment sector, and had to be started from scratch, which took time. Since there is no unemployment insurance scheme or similar social security system in place, the design also had to be conceptualized and systems assessed and set up from scratch during the crisis. With hindsight, it is clear that the programme time frame in Bangladesh – where such readiness is not already built – was too ambitious in light of these aspects.

Ahead of future crises, it will be important to engage all stakeholders in preparedness planning for shock-responsive social protection, collectively consider the options for supporting workers during shocks, assess systems and understand the gaps to address and take steps to address these.

There is a role for the ILO to play in supporting shock-responsive social protection for workers, including by linking it to sustainable systems-building and improving operations. Thus, the Organization must further build its own institutional capacities to effectively fulfil this role: The programme in Bangladesh has highlighted the different valuable roles the ILO could play in supporting provision of social protection for workers in times of shock. This includes a role in supporting tripartite dialogue, and in technical assistance for programme design and implementation of programmes targeting formal and informal workers. The ILO led extensive “behind-the-scenes” discussions, engaging and discussing bilaterally with all stakeholders

to better understand their needs and concerns. This was important to generate the understanding and buy-in needed for decision-making. At the constituents' request, the ILO prepared technical design documents and implementation guidelines, including draft factory selection criteria and draft wage subsidy disbursement guidelines, for discussion with the social partners. During the meetings, the ILO played a mediation role to help foster agreement on ways forward.

However, the project also highlighted some challenges in the readiness of the ILO when it comes to supporting such shock response efforts. For example, organizational procurement processes with payment service providers were not readily mapped out for cash-based interventions to workers or factories, and designing the payment process and subsequent implementation agreement took several rounds and months to be in place.

For the ILO to play a more effective role in supporting governments and social partners with shock-responsive social protection for workers, when it comes to systems-building, developing procedures for more rapid procurement that suit the needs and constraints of these contexts will be vital.

Ways forward

As was the case for employment injury following the Rana Plaza disaster in 2013, the BMZ-ILO programme has provided the ILO with an entry point for further influencing the future direction of social security, particularly unemployment insurance, in Bangladesh, as well as long-term system-strengthening. The ILO will be prioritizing future financial and technical support to address bottlenecks and work towards sustainable solutions for protecting workers' livelihoods from shocks by advancing unemployment insurance.

In particular, the tripartite committee was informed on the ILO's broader work, examining the feasibility of establishing an unemployment insurance scheme for garment sector workers. The ILO has supported the execution of a feasibility study under a complementary workstream with UNIQLO, and will be coordinating with MOLE to share findings of the study with the committee and discuss next steps. ILO and GIZ (Gesellschaft für Internationale Zusammenarbeit) are also collaborating with MOLE to develop a management information system, as part of the open-source Insurance Management Information System (openIMIS) project for the social security schemes outlined in the National Social Security Strategy, expected to be managed by MOLE's central fund.



► Cambodia case study

Photo: Cesar Lopez Balan / ILO

This case study documents experiences and lessons learned from implementing the programme in Cambodia, where the economy and workers in several sectors, particularly the garment and tourism sectors, have been severely affected by the COVID-19 crisis. The garment sector is the backbone of the export-driven economy, accounting for a significant portion of the country's GDP and employing over 800,000 people – 86 per cent of all factory workers. Around 130 of 650 garment factories had to temporarily cease operations in 2020 due to the impact of the pandemic on key global markets, affecting the livelihoods of more than 100,000 garment factory workers, predominantly women and young migrant workers. Specifically, the study focuses on experiences implementing social security standards on tripartite social dialogue.

The BMZ-ILO programme in Cambodia: Description of measures and benefits

The social security system in Cambodia

In recent years, Cambodia has made important strides in developing the national social protection system. A national social protection policy framework was launched in 2017, setting out a vision for a comprehensive system encompassing social security and social assistance interventions to provide assistance through the life cycle. The contributory social security system is managed by the National Social Security Fund (NSSF), and currently provides benefits for employment injury, social health insurance, maternity and sickness. The NSSF has around 2 million members, including over 338,500 civil servants and the remainder from the formal private sector, with the garment sector being well represented. Workers in large portions of the economy,

including informal sector workers, remain excluded. The Social Security Law passed in 2018 includes provisions for a pension and unemployment benefits; however, these schemes are yet to be rolled out. The NSSF manages data on its members, and is making progress towards digitizing business processes, including for member registration and benefit payments. An agreement with WING Financial Services is enabling payments to be made through mobile money. Since 2018, the NSSF has effectively implemented the Government's "baby bonus" scheme, providing a one-off payment to over 162,000 NSSF members through mobile money.

Prior to 2020, there were some institutional mechanisms established for social dialogue in the national social protection system. The NSSF board is tripartite in nature, composed of representatives of workers, employers and the Government. The ILO has previously engaged effectively with these social partners in tripartite dialogue during the design of the forthcoming pension. Such engagement is still relatively new, however, and outside of social security there has been little social dialogue on development of the policy or on the design and implementation of social protection instruments. Since the start of the COVID-19 pandemic, which has catalysed development of various social protection responses by the Government, there has been increased demand from other social partners to be included in discussions on policy measures that affect them or the people they represent.

Design of the BMZ-ILO project

The Government implemented several support measures in response to the pandemic, including income support for laid-off workers in the formal sector, and emergency cash assistance targeting poor

and vulnerable households. The ILO's programme was designed to complement these measures by supporting a critical sector of Cambodia's economy, securing the income of garment workers to prevent a slide into poverty, while maintaining the employment relationship between the factories and workers for a speedier recovery. It provided cash assistance to NSSF members employed in the garment sector. Many aspects of the initial proposed design (proposed by the ILO in consultation with the NSSF and the National Social Protection Council) were revised during subsequent tripartite consultations that took place after the funding was agreed (discussed further under the section on impact below). The programme was implemented in partnership with the Ministry of Labour and Vocational Training (MoLVT), and leveraged the NSSF's existing data and social security delivery systems. This approach aimed to further demonstrate "proof of concept" for the use of social security systems for shock response, to inform ongoing policy dialogue on shock-responsive social protection in the country.

Social dialogue to promote consensus-building

Social dialogue structures of the programme

The BMZ-funded programme engaged in social dialogue and leveraged the tripartite institutional mechanism that was being established in Cambodia for the Global Call to Action in the Garment Sector.¹³ This Call to Action did not establish a specific working group or committee, but rather convened regular meetings of those national social partners relevant to the BMZ-funded project, including trade unions and employers' associations, along with international stakeholders (IOE, IndustriALL and international brands). Supporting design of the BMZ-funded project was a tangible activity that signatories to the Global Call to Action could engage with and seek progress on. From April to July 2021, when the programme was launched, five formal tripartite meetings were convened, as well as various ad hoc and informal bilateral meetings, which the ILO helped to facilitate.

How social dialogue processes influenced the BMZ-ILO programme

Experiences in Cambodia demonstrate the added value of investing in effective social dialogue on shock response programmes, in line with the social security standards. Social dialogue processes on the project served as an important mechanism to share information on the proposed design, consult all parties on their views on key aspects of the design, and enable a degree of collective bargaining to discuss and negotiate on elements of its design and implementation. The process helped to identify limitations with the initial proposed design, as well as collectively define solutions to the issues, making the programme design more appropriate for addressing the needs of workers and responding to changes in the enabling environment. In doing so, this enhanced alignment of the design with other social security standards.¹⁴ For example:

Finding solutions to potential social conflicts and ensuring social cohesion:

The decision to focus this multicountry programme on the garment sector was donor-driven. While based on evidence of the vulnerability of the sector to the impact of the pandemic, in Cambodia (as elsewhere), this was not the only sector of the economy that was adversely affected, while workers in the informal sector have arguably been more affected than those in the formal sector. Furthermore, in the period between submission of the initial programme design (May 2020) and approval of funds by BMZ (October 2020), the Government of Cambodia, through the NSSF, implemented its own large-scale wage subsidy scheme, which benefited specific sectors, including the garment industry. The NSSF was understandably reluctant to assume responsibility for an additional assistance programme targeting only the garment sector, when other workers in the country (both NSSF members and those in the informal sector) were still in need and unsupported. The social dialogue process found a solution for how to navigate this impasse, designing

¹³ The International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and the IndustriALL Global Union made a Global Call to Action to catalyse the global garment industry to support manufacturers to survive the economic disruption caused by the COVID-19 pandemic, and to protect garment workers' income, health and employment. This global action also calls for work on sustainable systems of social protection for a resilient garment industry. All signatories to the Call to Action agree to take their shared responsibility in building a better normal. The Call aims to mobilize sufficient funding to enable manufacturers to ensure business continuity and the payment of wages, as well as income support and job retention schemes to protect garment workers' income, health and employment. Workers, employers, retailers and major brands involved in the collaboration have formed an international working group convened by the ILO to implement measures to limit the damage caused by the pandemic to enterprises and livelihoods. They have committed to supporting the development and expansion of social protection systems for workers and employers in the garment industry as part of the recovery.

the cash assistance to the garment sector in a way that could be justified to social partners and workers in other sectors, reducing the risk of objections, complaints or industrial action. A conditionality was introduced, clearly linking receipt of the benefit to time spent in on-the-job training. The programme was also implemented outside the NSSF (by MoLVT, which is responsible for job-related training).

Concerning eligibility and exclusion: The initial choice of the target group (women who were pregnant prior to COVID-19 and those with young children) was driven by a desire to direct resources towards those who are among the most vulnerable, as well as by practical concerns – the NSSF already had a database of these workers from implementation of the baby bonus, and this was expected to ensure speedy registration. During the social dialogue process, social partners raised concerns that other workers and particularly those who were laid off were also vulnerable to the economic impacts of COVID-19. There was then discussion with MoLVT. The challenge that MoLVT faced was in finding and reaching out to workers who had been suspended for more than three months. They explained that, in order to implement assistance effectively, focusing on the clear group of female workers with children was easier and less disputable, given these constraints. On this basis, it was agreed to maintain the focus on female workers with children, while refocusing on those who were suspended and who had babies since COVID-19 hit.

Concerning national ownership, accountability and commitment: Delays in approval of the programme meant that, by the time funds were made available, the Government had already invested some US\$20 million in its own wage subsidy scheme for garment and other workers. Government commitment to this BMZ-funded programme waned as a result – being a relatively low level of assistance (US\$2 million in comparison to the US\$20 million already spent), which could potentially lead to calls on the Government to commit further funds to provide comparable support for workers in other sectors of the economy. However, the social dialogue process ensured engagement of the other social partners, and raised awareness among employers and workers' unions that financial support was available to their workers.

This meant that the Government was held accountable for continuing its commitment to implementing the programme.

Concerning benefit design: The social dialogue process enabled discussion between the ILO and social partners on the transfer value. Social partners concluded that it was important to ensure that the value of the transfer was meaningful and adequate, given the limitation of the funds. The solution was reached to limit the number of beneficiaries from what had originally been intended, to ensure that those eligible for support received an amount that would be adequate to meet their needs.

Concerning delivery systems: Beyond these immediate impacts, the social dialogue process has been important in fostering closer relationships between garment factory workers and the engaged garment factory employers. Social dialogue processes in social protection are still emerging in Cambodia, and this project brought social partners together for frank sharing of views, fostering greater understanding of each other's perspectives and building trust. This has provided an entry point for strengthening the role of social partners in the design and implementation of social protection systems more broadly, provided this momentum can be sustained and supported. As an example, in the summer of 2021, the general secretariat of the National Social Protection Council agreed to tripartite participation of workers' and employers' representatives in an ILO-convened visioning workshop on social security.

¹⁴ Including provisions of Recommendation No. 202, Paragraph 3: (a) universality of protection, based on social solidarity; (c) adequacy and predictability of benefits; (d) non-discrimination, gender equality and responsiveness to special needs; (e) social inclusion; (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems; and (p) regular monitoring of implementation.

► Income support to garment sector workers: Programme design

Modality: Original design – unconditional cash transfer. Modification to design – conditional cash transfer (“cash for training”), with assistance provided upon completion of a short course provided by MoLVT.

Target beneficiaries: Original design – female garment factory workers who gave birth from 1 January 2018 to 31 January 2020, who work in factories where workers have been furloughed. Modification to design – female garment sector workers who have been officially suspended and who gave birth from March 2020 to June 2021.

Coverage: Original design – up to 26,000 workers. Modification to design – 18,783 workers from 893 factories (since beneficiaries are now receiving larger payments). Priority given to those workers who had returned to employment (due to ease of finding and informing these members).

Value and duration of assistance: Original design – a one-off transfer of US\$70 (25 per cent of the monthly minimum wage). Modification to design – a one-off transfer of US\$90 to be given upon completion of an online training module or in December 2021, whichever is sooner.

Communication: Publicized through the committees and meetings established for the Global Call to Action in the Garment Industry in Cambodia. MoLVT conducted sensitization visits to all 893 factories. Employers’ and workers’ unions provided outreach and awareness communication for workers in the targeted factories.

Registration: Made use of the NSSF’s data, with tripartite engagement. Workers were

pre-identified through cross-referencing the list of suspended workers in the factories with the list of workers who received the baby bonus from the NSSF. Lists of qualifying people also circulated to the unions and employers for verification, and to share with workers. Eligible workers were then invited to register for the online training through the factories’ administrators. The National Employment Agency managed a grievance mechanism for workers who might have been excluded from the programme.

Payment delivery: Original design – to be managed by the NSSF. Modification to design – managed by the MoLVT, through its existing payment arrangements with WING Financial Services. Funds flowed from ILO to MoLVT, and from there to the workers’ WING accounts.

Monitoring: Implementation of the programme monitored by a tripartite steering committee where employers and trade unions will be represented. The ILO supported the monitoring of the receipt of the funds and the impact.

Actors involved: Implemented by MoLVT in close cooperation with the National Employment Agency, the NSSF, the Cambodian Federation of Employers and Business Associations, the Garment Manufacturing Association in Cambodia, IndustriALL and the Coalition of Cambodian Apparel Workers Democratic Union. WING Financial Services also engaged to administer payments.

Lessons learned

Several lessons can be learned from the ILO's experiences in Cambodia – concerning implementation of the cash programme generally and the social dialogue process.

Factors influencing effectiveness of social dialogue:

In Cambodia, a range of factors contributed to enabling, as well as constraining, the social dialogue process:

(a) Willingness to engage: Whereas to date it has not been commonplace for the Government to engage with other social partners in the design of social protection policies and measures, in this instance there was strong willingness among government stakeholders to engage with employers' and workers' representatives, and to listen to their concerns. Other social partners were also keen to participate. The urgency of the COVID-19 crisis also presented an opportunity of sorts in this regard, encouraging constructive engagement and impetus to find solutions. The presence and engagement of the international brands through the Global Call to Action was also an influential factor, creating a feeling of solidarity among stakeholders. This spirit of collaboration helped to reach compromise on aspects of design.

(b) Understanding and capacities: Access to information on social protection, strong understanding of social protection, and capacities and resources to engage in technical discussions are key conditions for meaningful tripartite participation. The project highlighted the still-limited awareness and understanding among employers' and workers' representatives of social protection, and of the social security standards underpinning effective design and implementation. This is likely to have limited engagement of workers' representatives on negotiations surrounding aspects such as the use of conditionalities on the programme. The garment sector is, relatively speaking, well organized and able to engage with government; however, this imbalance of power would have been even greater for social partners in other sectors, and especially for those representing the informal sector.

Importance of preparedness planning and systems-building:

The project highlighted the importance of investing in strong social protection systems and well institutionalized processes, for shock response. Where the programme was able to make use of existing data and delivery systems, this has contributed to time savings, compared to establishing new registration and delivery systems. At the same time, not everything was well established, and setting these things up for the first time, ex post, was time-consuming. This includes the mechanisms for tripartite participation and consultation, the memorandum of understanding between the ILO and MoLVT, and processes for verifying eligibility and handling complaints and appeals.

Social dialogue should be applied from the outset and should be responsive to changing needs and contexts in response to the crisis:

Several key decisions on programme design were agreed at the proposal stage, with limited participation and consultation of social partners, since the programme didn't want to raise their expectations before funding was approved. Given the changing context in Cambodia, including the provision by the Government of a large support to the garment sector, social partners needed to renegotiate the design and objective of the programme, which ended up stalling the implementation for several months. The social dialogue process was instrumental in resolving this, but it has taken considerable time – from October 2020 to July 2021.

There is a role for the ILO to play in supporting shock-responsive social protection for workers, but the Organization must build its own institutional capacities to effectively fulfil this role:

The ILO's role on the programme in Cambodia, leveraging technical expertise in country and globally (through the IOE and IndustriALL), was instrumental to the dialogue and negotiation processes. The ILO helped to convene the tripartite and bilateral meetings between social partners, shared information with and sensitized the unions, and engaged with government and others to explain elements of the technical design.

However, there is a need for the ILO to invest more in its own preparedness planning, and build its operational capacity, to support such emergency programming. ILO staffing and procedures are geared to the Organization's routine role as a development actor. For the ILO to engage more effectively on wage subsidy type work during shocks, it will be important to invest in capabilities to support this.

Ways forward

As was the case for employment injury following the Experiences from the programme provide an entry point for informing the future direction of social security in Cambodia and the ILO's engagement.

Further investment in establishing social dialogue processes: The project highlights the importance of sustained engagement for systems-building. The short-term measures implemented under this BMZ-funded programme can be an entry point for the strengthening of social protection systems, with the establishment and strengthening of tripartite participation providing an opportunity to ensure that social dialogue is more of an integral part of future discussions and decisions on the design, financing and implementation of social protection. However, more medium-term support is needed to further support and sustain this trajectory. There is a need to invest in knowledge and capacity of social partners to ensure that they can add value to the social dialogue processes. The ILO is committed to continuing to prioritize a focus on social dialogue to

realize this potential, including through strengthening the capacity of employers' organizations and trade unions on matters of social security, supporting the creation of appropriate institutional mechanisms for social dialogue and encouraging tripartite engagement.

Moving forward with unemployment benefits: The ILO will continue to advocate for the need to fulfil provisions of the Social Security Law and develop long-term unemployment insurance to prepare for future crises. This should be sequenced with efforts to broaden coverage of social security, to build a comprehensive system.

Influencing direction of shock-responsive social protection: The ILO will seek to further the current policy debates on developing a shock-responsive social protection framework, including through promoting the importance of tripartite social dialogue in reviewing the design of proposed options and future preparedness planning, as well as considering the best options for providing income support to workers in the absence of national unemployment benefits.



Photo: Cesar Lopez Balan / ILO



Photo: Yidnekachew Gebru/ ILO

▶ Ethiopia case study

This case study documents experiences and lessons learned from implementing the programme in Ethiopia. COVID-19 reduced GDP growth in 2020 by some 4 per cent in the country, driven in large part by the impact of the pandemic on the manufacturing, services and construction sectors.¹⁵ The garment sector is an increasingly important part of the manufacturing sector in Ethiopia, with over 200 garment and textile factories operating in the country, represent 17 per cent of total manufacturing value, and 0.6 per cent of total GDP. The pandemic created an imminent threat for business continuity, job retention and employment in the garment sector, affecting businesses and workers in both the industrial parks and small and medium-sized enterprises. The low wages prevalent in the sector, combined with a surge in inflation in the price of basic goods, meant that the majority of workers and their families were at risk of falling into – or further into – poverty, as well as resorting to negative coping strategies. In a country already facing significant youth unemployment, such impacts could have severe social, economic and political ramifications.

The Ministry of Labour and Social Affairs–BMZ–ILO job retention programme in Ethiopia: Description of measures and benefits

The social security system in Ethiopia

The social protection system of Ethiopia continues to evolve. Efforts are guided by the National Social Protection Policy of 2014, setting out the vision “to see all Ethiopians enjoy social and economic well-being, security and social justice”, and the National Social Protection Strategy of 2016. Five strategic priorities include: continuation and expansion of social assistance through the Productive Safety Nets Programme for poor and vulnerable households, expansion of mandatory

social insurance for formal sector workers, livelihoods and employment support, access to social services, and legal protection and support. The Private Organizations Employees’ Social Security Agency (POESSA), under the Ministry of Labour and Social Affairs (MOLSA), was established in 2011, and manages the private sector social security fund. The social security law is actively enforced and POESSA has established considerable public trust since its inception, with a steady growth in membership.¹⁶ In 2020, over 1,669,500 workers (1.5 per cent of the total population) were contributing.¹⁷ POESSA maintains a register of contributing workers and entitlements, and began the process of digitizing systems two years ago. Benefits set out in law, for all salaried employees, include a retirement pension, invalidity pension, incapacity pension or survivors’ pension, and gratuity. However, there is currently no unemployment benefit scheme or related delivery mechanisms on which to piggyback.

Ethiopia is a member of the ILO and the International Social Security Association, and is a signatory to the international social security Conventions. Tripartite structures exist at the federal level, with the POESSA board and the labour advisory board comprising representatives from the Government, employers and employees. These are typically convened to discuss high-level issues pertaining to policy, and there remains little tripartite engagement on programme design and implementation. Under the revised labour law of 2019, the Federal Government is in the process of decentralizing these structures to the regional level.

Design of the MOLSA–BMZ–ILO project in Ethiopia

To address the socio-economic challenges of COVID-19, the Government put in place various mechanisms, including tax exemptions for import of goods, price control measures and public transport subsidies. However, it faced a financing gap of some US\$4

¹⁵ In April 2020, 13 firms across all parks stopped operation and gave workers paid leave ranging from 15 to 30 days at basic salary. Meanwhile, outside of industrial parks, over 1.4 million jobs were at risk in the second quarter of 2020.

¹⁶ MOLSA–BMZ–ILO programme proposal 2020.

¹⁷ Private workers contribute 7 per cent, and employers 11 per cent of salary.

billion to implement the suite of support measures for workers, employers, and poor and vulnerable households recommended in the national COVID-19 assessments,¹⁸ for which it relied on support from international partners. Donor support has included expansion of productive safety nets and wage subsidies to workers in the industrial parks.¹⁹ The ILO's income support to garment sector workers was designed to complement these measures by supporting workers in the critical labour-intensive local textile and garment sector of the economy. The programme aimed to secure the income of workers to prevent a slide into poverty, while reducing layoffs, supporting businesses to more quickly and efficiently resume their economic activities once the crisis passed. It provided cash assistance as income support to registered workers in eligible factories in the garment sector. The programme was implemented in partnership with MOLSA and with the participation of POESSA; the Confederation of Ethiopian Trade Unions; the Confederation of Ethiopian Employer Federations; and the Industrial Federation of Textile, Leather and Garment Workers Trade Unions, leveraging the data of POESSA on social security members. The programme developed a new administrative system, based on a web portal, for MOLSA to handle registration, evaluation of applications, while managing complaints and feedback. The intention was also to support progress towards a future unemployment benefit in Ethiopia, with the delivery systems established for the programme envisaged to transition to POESSA as institutional capacity develops. To support this, the programme also included a complementary activity of a feasibility study on unemployment benefits, to inform policy dialogue on the establishment of a long-term scheme.

Social dialogue to promote consensus-building

Social dialogue structures of the programme

In December 2020, the programme established a steering committee and a technical committee, each with a tripartite membership. Membership included representatives of MOLSA; POESSA;

the Confederation of Ethiopian Employer Federations; the Ethiopian Industrial Employers' Confederation; the Confederation of Ethiopian Trade Unions; the Industrial Federation of Textile, Leather and Garment Workers Trade Unions; and the ILO. The steering committee, composed of high-level officials, served as the highest decision-making body of the programme. It provided guidance on the strategic direction of the programme, oversaw programme implementation and approved decisions of the technical committee. The technical committee was responsible for technical elements of the programme's design and operations, including proposing modifications to these during implementation, and for managing aspects of day-to-day operations. In the first two quarters of 2020, the technical committee convened over 15 meetings, while there were 2 convened for the steering committee. The programme was also monitored by the Global Call to Action in the Garment Sector,²⁰ which has a similar tripartite membership.

How social dialogue processes influenced the MOLSA-BMZ-ILO programme

Experiences in Ethiopia demonstrate the added value of investing in effective social dialogue on shock response programmes, in line with the social security standards. The programme (a) promoted tripartite engagement on all aspects of decision-making on programme design; (b) provided active roles for social partners in key operational processes, such as eligibility determination, and reviewing and addressing complaints; and (c) ensured that all parties were involved in consultations to modify design in light of implementation challenges. This ensured a design that was appropriate for the needs and constraints facing workers and employers, contributing to the achievement of other social security standards.²¹ For example:

Concerning eligibility and exclusion: The technical committee initially discussed and approved a long list of eligibility criteria, and related supporting documents, with the aim of having a robust and accountable system that would minimize inclusion errors and provide a fair and transparent way to target assistance. Once registration started, however, it became clear that the verification procedures were too onerous. Not all factories could provide the full list of documents required (such as audited

¹⁸ United Nations, One UN Assessment: Socio-Economic Impact of COVID- 19 on Ethiopia, 15 June 2020.¹⁶ MOLSA-BMZ-ILO programme proposal 2020.

¹⁹ Jobs Protection Facility, funded by UK Aid and BMZ.

²⁰ The IOE, ITUC and the IndustriALL Global Union made a Global Call to Action to catalyse the global garment industry to support manufacturers to survive the economic disruption caused by the COVID-19 pandemic, and to protect garment workers' income, health and employment. This global action also calls for work on sustainable systems of social protection for a resilient garment industry. All signatories to the Call to Action agree to take their shared responsibility in building a better normal. The Call aims to mobilize sufficient funding to enable manufacturers to ensure business continuity and the payment of wages, as well as income support and job retention schemes to protect garment workers' income, health and employment. Workers, employers, retailers and major brands involved in the collaboration have formed an international working group convened by the ILO to implement measures to limit the damage caused by the pandemic to enterprises and livelihoods. They have committed to supporting the development and expansion of social protection systems for workers and employers in the garment industry as part of the recovery.

statements, which some factories of this size did not have), while several of the criteria were essentially requesting duplicate information. The social partners raised this with the tripartite steering committee, and the decision was made to relax and simplify these procedures, to seek a better balance between ensuring adequate mitigation of fiduciary risk on the one hand and reducing risk of exclusion errors on the other. Some unnecessary criteria were dropped, while for others proof of compliance was simplified. The documents to provide were limited to (a) the factory's renewed trade licence; (b) social security contribution paid until the start of the pandemic in March 2020; (c) evidence of retention of workers after the start of the COVID-19 pandemic; and (d) evidence of a financial shock (no longer through an external auditor's report but through internally audited and financial reports).

Concerning benefit design: During the first meeting on the programme's basic design, members of the technical committee suggested that setting a flat transfer rate was not appropriate in this context, as there was no agreed minimum wage. Rather, it was agreed to cover the basic salary²² of workers, which will vary according to employer and grade.

Concerning solutions to address constraints in conflict-affected areas: During programme implementation, it became clear that the escalating conflict in Tigray was having an impact on factories in the region, which were now faced with a double shock. This caused difficulties for factories to provide the proof of eligibility required, given that communication was disrupted, and workers dispersed and were unable to work, and also increased the economic vulnerability of workers. The technical committee proposed tweaks to the design and implementation of the programme to support factories to withstand the double shock. It has been agreed that the headquarters of the factories based in Addis Ababa could submit documentation on the factories' behalf. Meanwhile, the ILO and its social partners are actively seeking additional funds through the Global Call to Action to ensure

the development of a State-owned and sustainable social protection system.

Concerning delivery systems: Through the technical committee, tripartite constituents were heavily involved in designing the [web portal](#) through which the operational processes of the programme were managed. Committee members reviewed and commented on the business analysis document. While highlighting potential challenges that some employers might face in accessing this online registration mechanism, consensus was reached from employers' and workers' representatives that this was the best way to rapidly expand registration nationwide in light of movement restrictions due to COVID-19. They provided important inputs to proofing and editing the translation of portal instructions from English into Amharic. When challenges facing employers in completing the scanning and uploading of registration documents were identified by social partners, these were raised in the Committee meetings. Members developed solutions for supporting smaller factories with more limited technological capacities or limited connectivity. These factories can now submit documents with the support of their industry associations using the revised simplified and user-friendly web portal, amended after the challenges were encountered.

Concerning partnerships: While POESSA, as the agency responsible for social security provision for workers, was the ILO's initial choice of implementing partner, it became clear during the tripartite discussions that the programme should be mindful of capacity constraints. The design agreed by the steering committee was to have MOLSA take the lead in implementation, with POESSA closely participating, with a view to transferring delivery systems to POESSA's management in the future.

Beyond these immediate benefits, the social dialogue process on the programme has the potential to help improve tripartite engagement on social security more broadly. It has helped to develop relationships and understanding between the social partners – improving understanding of MOLSA of the issues that workers and employers are facing, and fostering joint ownership. Actively engaging workers' and employers' representatives on issues affecting their members incentivized their participation and provided tangible benefits for doing so. These partners also engaged in the early discussions about unemployment benefits under this programme, providing an entry point for continued engagement of social partners in the design and implementation of such future schemes of interest to their members.

²¹ Including provisions of Recommendation No. 202, Paragraph 3: (a) universality of protection, based on social solidarity; (c) adequacy and predictability of benefits; (d) non-discrimination, gender equality and responsiveness to special needs; (e) social inclusion; (i) consideration of diversity of methods and approaches, including of financing mechanisms and delivery systems; (j) transparent, accountable and sound financial management and administration; and (p) regular monitoring of implementation.

²² The regular monthly salary, not including any overtime or bonuses.

► Income support to garment sector workers: Programme design

Modality: Unconditional cash transfer provided as an income support for job retention.

Target beneficiaries: All workers in domestic textile and garment factories who contributed to social security, had experienced an economic shock and were not in receipt of similar support from development partners or Government. To be eligible, factories needed to provide: (a) proof of renewed licence for the fiscal year to operate in Ethiopia; (b) proof of social security registration and payment of social security contributions in 2020; (c) tax return (“tax clearance”) for the financial year 2019/20; (d) proof of financial difficulties over last two financial years; (e) a business recovery plan for the next three months and agreement to retain workers after the income support ended; (f) proof of application of social security Conventions ratified by Ethiopia; and (g) having a high number of vulnerable workers. Following challenges faced by many factories in providing the required documents, some proofs of eligibility were revised. For example, to prove difficulty in covering workers’ wages, businesses could submit internal reports instead of audited financial statements.

Coverage: By December 2021, the programme will have reached 17,555 workers from 47 affected factories.

Value and duration of assistance: The programme covered the basic gross wage of the workers, their social security contributions to POESSA and income tax for five months, delivered as separate monthly payments. The value varied according to the routine wages of the workers.

Communication: Publicized through a national launch aired on national television, radio, newspaper and in other media. Business associations and labour unions provided communication and outreach on the eligibility criteria, how to apply and the benefits.

Registration: Digitized process through a dedicated web portal designed for the

programme, with the aim of enabling timely and cost-effective registration. Factories fitting the eligibility criteria completed a registration form through the portal. They were then invited to complete a questionnaire and upload a range of supporting documents for eligibility verification. Applications were reviewed by a technical committee. (Details of membership is provided in the section on social dialogue below.)

Payment delivery: Participants used the existing payment channel for routine payment of workers’ wages, through their bank accounts delivered through the Commercial Bank of Ethiopia (CBE). CBE agreed to transfer salaries both to its clients as well as clients of other private banks. Wage subsidy funds were transferred from the ILO directly to workers’ accounts, through an ILO agreement with CBE and MOLSA. Each employer provided details of the payroll and worker accounts to be credited, through the web portal, for verification by the technical committee. CBE handled payments. The full gross basic salary was transferred directly to workers’ accounts; the workers’ contributions to social security and to the tax authority were also fully covered. Payments were disbursed starting from the month of August and expected to extend for five months until end of December 2021.

Complaints and feedback: Employers and workers submit complaints, feedback or requests for information through the portal, for review and action by the technical committee.

Actors involved: Implemented by MOLSA, in collaboration with POESSA; the Confederation of Ethiopian Employer Federations; the Confederation of Ethiopian Trade Unions; the Industrial Federation of Textile, Leather and Garment Workers Trade Unions; and the Ethiopian Textile and Garment Manufacturers Association. CBE was also engaged to administer payments.

Lessons learned

Several lessons can be learned from the ILO's experiences in Ethiopia – concerning implementation of the cash programme generally and social dialogue specifically.

Factors influencing effectiveness of the social dialogue process: In Ethiopia, a range of factors contributed to enabling, as well as in constraining, the social dialogue process:

(a) Early engagement and sensitization: A main lesson was the value of bringing the social partners on board, and empowering them to make decisions from the outset of the programme. In Ethiopia, all social partners were involved in crystalizing the initial design. Not only did this encourage ownership and participation, it meant the design was informed by knowledge of the needs and constraints facing workers and employers, reducing the need to spend valuable time later revising fundamental design decisions before the programme could commence.

(b) Senior leadership: The Government of Ethiopia, under MOLSA, has effectively driven forward the high-level tripartite discussions on the programme. It was quick to convene and chair meetings of the steering committee, actively sought inputs from and consensus among members, and gave swift approvals in the interests of maintaining progress towards planned outcomes.

(c) Willingness to engage: Overall, there was strong willingness among the different stakeholders to engage in the dialogue process, and listen to concerns of others, helping to reach common agreement on aspects of design, such as transfer value and finding solutions to problems that arose during registration. Another enabling aspect is that the views of different social partners were mostly in alignment, due to their full participation in the process from the design stage, which – had it not been the case – could have created more challenges or contributed to delays in reaching joint agreement, due to prolonged negotiations, as was the case in other contexts.

(d) Capacities: Committee members all had competing demands on their time, juggling this role with other day-to-day responsibilities, meaning it was not always possible for all partners to be present during Committee proceedings. POESSA, which is understaffed, was unable to attend all meetings. The Committee developed an agreement to ensure the project stayed on schedule, with decisions still being actionable without the presence of all members. Technological constraints in the working environment of all social partners also led to challenges with connectivity, which limited feasibility of remote meetings, and led to the need for face-to-face meetings, taking up more of the participants' time. One

stakeholder that participated less than other social partners was the Confederation of Ethiopian Employer Federations. It has only limited membership from within the garment industry, and so had less influence on soliciting factories to benefit from the programme. The technical committee therefore made the decision to include the Ethiopian Textile and Garment Manufacturers Association to more effectively represent the needs of employers. While it took time to establish, the two-tier committee structure helped efficient engagement of members. By honing new ideas first in the technical committee, and backing these up with associated evidence, the work of the technical committee reduced the time for engagement needed for steering committee members, which faced greater time pressures, while also providing the necessary background to understand the topics.

Design of business processes on shock-responsive social protection programmes must strike a balance between accessibility, timeliness and accuracy, and should remain agile and responsive to the local context:

In Ethiopia, the initial proposed design for registration incorporated a series of verification checks, because social partners were concerned about the reputational risks that targeting errors or incidence of fraud could bring. However, experience in implementation showed that this was a cumbersome process in practice, and was ill suited for a shock response programme, being time-consuming to complete and also restricting eligibility for some of the most in-need factories, which lacked particular documents. This led to lower-than-expected demand from factories in the early months. While checks and balances are important, they should not limit accessibility for those the programme aims to reach. On the other hand, the agility shown by the technical committee, adapting and tweaking these processes in the face of this evidence, was also important for overcoming these constraints. These lessons will be important for informing the design of the future planned unemployment benefit.

Importance of institutional readiness for effective shock response:

The project generated important learning about the need to strengthen national social protection systems, including processes and institutions for tripartite social dialogue on social security, to better support the needs of workers during crises. Main challenges encountered in Ethiopia were the still-limited capacity of POESSA, and lack of existing delivery systems to leverage for registration or for payment of benefits. Committees for social dialogue also had to be established. Strengthening these foundations as part of routine social protection provision will be a key factor in building greater preparedness for shock-responsive social protection. Furthermore, the design of the shock response programme – its key parameters, whom to target and how, roles and responsibilities – also had to be agreed ex post, which was time-consuming. Such preparedness planning is another important element of building institutional readiness for shock response. The MOLSA-BMZ-ILO assistance reached beneficiaries in August 2021, six months

► ILO brief

Applying social security standards to protect garment workers affected by COVID-19: Experiences in Bangladesh, Cambodia and Ethiopia



after the programme was officially launched in February 2021. If some of these aspects had been in place ahead of the pandemic, they would surely have contributed to a timelier response.

Importance of good sensitization: The ILO and the technical committee had been expecting around 200 factories to apply. After over two months of registration, only 42 had come forward. Part of the issue was the complex registration process mentioned above; however, another reason identified by the social partners was a lack of awareness or trust in the programme. While employers had heard of the initiative, this was the first of its kind, and based on dialogue with employers, ILO staff believed that some employers remained sceptical about the programme's legitimacy or the actual provision of benefits. Some applicants refrained from applying for the programme due to the fact that they had benefited from similar programmes by other development partners. This, plus the level of effort needed to complete the application process, was not helping to stimulate demand. In response, the textile and garment industry association called a meeting of its members to raise awareness and address concerns and queries. This process has helped some additional factories to apply for the programme.

There is a role for the ILO to play in supporting shock-responsive social protection for workers; however, the Organization must build its own institutional capacities to effectively fulfil this role:

The programme highlighted the different valuable roles the ILO can play in supporting shock-responsive social protection for workers, both in supporting the tripartite dialogue and in technical assistance for programme design and implementation. The ILO supported MOLSA to convene the committee meetings and acted as secretariat during these meetings. The ILO sensitized technical committee members on the social security standards, and provided examples of best practices, to inform discussions on programme design. The Organization also leveraged expertise and

provided technical assistance to implement short-term shock response, with a view to contribute to strengthening the national social protection system in future years. The ILO provided expertise to build the web portal for registration, and led the feasibility analysis for unemployment benefits. That said, the ILO recognized limitations in its own operational procedures and capacities for supporting shock response, particularly concerning delays in screening payment delivery options and contracting financial service providers. The ILO expected payments to begin in June 2021, but these delays pushed payments to August and September 2021. For effective shock response and early recovery interventions, investing in internal preparedness, mapping potential providers ahead of time and developing procedures for more rapid procurement that suit the needs and constraints of these emergency contexts will be vital.



Photo: Kidist Chala, February 2021

Ways forward

From the outset, ILO Ethiopia recognized the importance of sustained engagement for systems-building and sought to use this programme to catalyse and open opportunities for influencing longer-term strengthening of social protection systems. The establishment and strengthening of tripartite dialogue between the social partners and the feasibility study were seen as initial necessary activities to support future discussion and actions for establishing an unemployment benefit scheme in Ethiopia. The ILO plans to mobilize further resources and build links with other partners working on social security to move forward on this agenda. Next steps include:

(a) discussion and agreement on possible options for moving from wage subsidies to a long-term unemployment protection strategy;

(b) support for drafting the policy, legal, institutional and implementation frameworks for an unemployment insurance scheme;

(c) support for drafting the national policy framework for linking unemployment protection with employment, macroeconomic and active labour market policies;

(d) transformation of short-term wage subsidies into a sustainable long-term unemployment protection strategy in Ethiopia.

To realize these objectives, it will also be important to develop a longer-term strategy for strengthening capacities of POESSA and tripartite partners. The systems developed under this MOLSA–BMZ–ILO programme are an important starting point. Going forward, the ILO is committed to supporting the capacity-building of POESSA and tripartite partners, as needed for effective handover of these systems, forming the foundations of the operational systems for unemployment benefits.

These are three out of four in-depth case studies documenting experiences and lessons learned from the ILO's programme Protecting Garment Workers Affected by COVID-19, which provided cash transfers to workers in the garment sector by linking with the social security systems in Bangladesh, Cambodia, Ethiopia, Indonesia and the Lao People's Democratic Republic. This case study documents experiences in Bangladesh, Cambodia and Ethiopia, focus specifically on experiences implementing tripartite social dialogue processes. The case study on the Lao People's Democratic Republic focuses on experiences implementing complaints and an appeals mechanism.

A range of stakeholders kindly contributed to this case study. This includes ILO Ethiopia (Kidist Chala, Head of ILO Apparel and Textile Programme, and Alemseged Woldeyohannes, Social Protection Consultant), ILO Bangladesh (Noushin Shah, National Programme Coordinator), ILO Cambodia (Jie Yu Koh, ILO Programme Manager, and Sara Park, Programme Manager BETTERWORK), and ILO the Lao People's Democratic Republic (Khem Phaokhamkeo, ILO Coordinator). The author would also like to thank Valerie Schmitt, Andre Picard and Rim Nour in the ILO Social Protection Department (SOCPRO) for support and guidance in developing the case studies.

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