



DRAFT POSITION PAPER

Health, health seeking behaviour and the need for health insurance in the RMG sector

BACKGROUND

Bangladesh's ready-made-garment (RMG) sector has been described as a key engine for growth of the national economy. More than 4.2 million Bangladeshis are generating 18 billion USD in exports, accounting for 13% of the gross domestic product (GDP). The work labor force, who comprises mostly women (around 80%) aged 18-35 often face harsh working and living conditions. While engaged in physically strenuous, workers are often confronted with violations of the labour law and safety regulations and a complete lack of any form of social protection. Wages in the RMG sector have been consistently perceived to be inadequately low, with the disbursement/payment of the wage often being withheld by employer. Calls for an increase in the minimum wage – currently 3,000 BDT – as well an improvement of labour and safety conditions have been recurring and led to repeated strikes and social unrest in the sector.

HEALTH STATUS

Albeit the predominately young population group, the adverse working conditions show detrimental effects on the health of RMG workers. A recent study by Steinisch et al. (2013) indicates that more than 40% of workers in a garment factory reported a poor individual health status. In an earlier study, the reported figure amongst 808 workers in 39 RMG factories was 56.6% for male and 67.9% for female employees (Paul-Majumder, 2003). Akhter et al. (2010) who investigated the health status of women, found that 87% of female garment workers suffer from some kind of medical condition. These findings are backed by a health and healthcare seeking study with 522 respondents revealing that 79% of RMG workers experienced some form of illness in the last 14 days (Rahman & Rahman 2013).

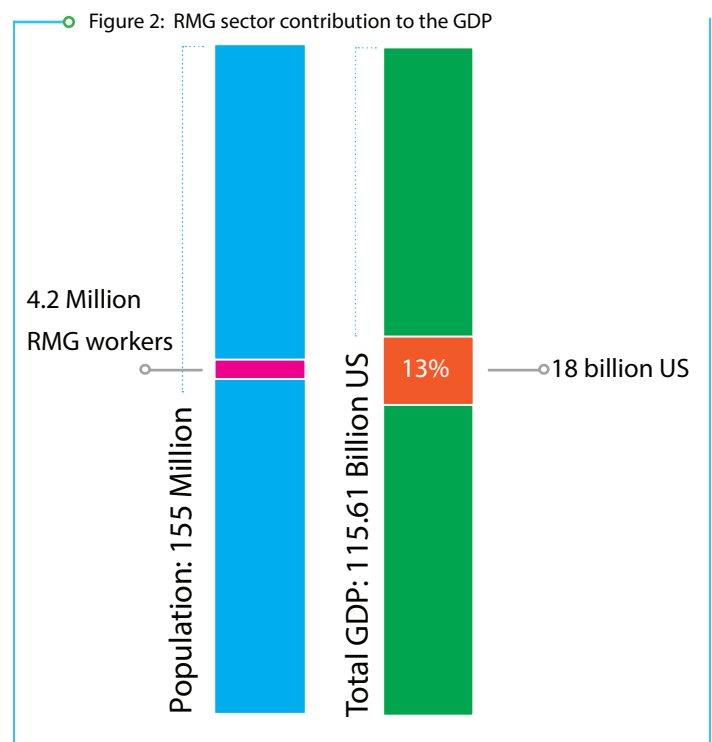
With large scale epidemiological studies missing, current latest research has often been investigating self-reported health of RMG workers. In a study conducted at a factory close to Dhaka the most often cited reasons for

ill-health were a common cold and head ache (51.2% and 48.2% respectively). However, around 26% of respondents complained of back pain and muscle cramps, symptoms which are often associated to adverse working and living conditions as well as environmental stress. Gastric and respiratory conditions, have been reported by 16.3% and 13% of the respondents (Steinisch et al. 2013). These epidemiological trends, while not representative have been found in several other studies, often with significantly higher figures reported for each aforementioned conditions (Rahman & Rahman 2013, Akhter et al. 2010).

In addition to the self-reported medical conditions Akhter et al. (2010) noticed that up to 64% of female garment workers had suffered some form of work-related injury or accident often without adequate medical treatment (source).

ACCESS TO HEALTH SERVICES AND AFFORDABILITY

Health facilities at the site of garment factories remain a rarity and are often ill-equipped to deal with the medical conditions incurred by garment workers. A study which portrays a typical work setting without any health facility shows that RMG (continued on next page)





workers often bypass physicians to visit pharmacies in the event of ill-health (43.7%). A considerably less proportion of workers attend public health facilities (31%) with only a minority being able to access private facilities (9.7%). Furthermore several workers resort to often ineffective or harmful homeopathic medicine or “kibiraj” healers (6% and 9.7% respectively) (Haque et al. 2008). In a different study setting, up to 40% of female and 33 of male RMG workers do not receive any form of treatment (source).

Besides a lack in knowledge and awareness, insufficient financial means are often credited as the reason why garment workers do not seek appropriate treatment or defer care at all. Paul-Majumder et al. (1996) estimate that at some point, up to 80% of female workers can not afford medical treatment.

Where workers do pay for healthcare, the incurred costs often amounts to 21,5% of their disposable income. In addition, since garment workers are the sole breadwinner of the family/family member with an income, they often burden their spouse’s and children’s healthcare costs. A focus group discussion conducted in 4 factories shows that the workers spent an average of 1290 BDT per month for healthcare, with some paying up to 3000 BDT out of pocket for chronic conditions such as Asthma.

While these expenditures already present a substantial part of the workers’ disposable income, they do not account for the indirect costs of seeking treatment. Transportation to major hospitals in large cities, time spent taking care for family members as well as the informal payments often necessary to see the doctor, form a significant but overlooked part of health expenditure.

THE NEED FOR HEALTH INSURANCE & WILLINGNESS TO PAY

The double burden of ill-health and financial distress often erodes the savings of families in the RMG sector and beyond. It is estimated that yearly up to 9% of the population is pushed into poverty due to the costs of health care. This figure clearly prompts the need for some form of pre-payment, such as health insurance to avert impoverishment due to ill-health.

One the of the first academic statements which expands the call for health insurance to the garment sector has been made by Bangladesh Institute for Development Studies. Against the background of the often adverse working conditions, the authors argue that health insurance would work towards an improvement of social and labour standards in the RMG sector (Paul-Majumder, P. & Begum, A. 2000).

A recently conducted focus group discussion (FGD) shows that garment workers, while still lacking a thorough understanding of the concept, are in favour of a health insurance. The overwhelming majority, accepted the notion of pre-payment in form of a monthly contribution to cover medical care for themselves and the families. The average amount willing to contribute surmounted to 450 BDT for a family of five, equaling to 7.5% of the average montly income.

This figure while potentially not conclusive, raises hope that sustainable financing of healthcare poses a real option, as valuable health insurance solutions have been tested and implemented, requiring even lower contributions.

CONCLUSION

In a volatile, economically insecure and often unsafe work environment , RMG workers are at an increased risk of falling ill and as a consequence becoming poor. A health insurance scheme, sustainably financed by the employer and employee in the garment sector has the potential to protect workers from impoverishment due to ill-health and allow access to quality health services.

Figure 3: RMG workers injuries, health conditions & health seeking behaviour

