

Coin presse

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Team Europe: EU and Germany join forces with the Government of Bangladesh to safeguard the livelihoods of workers in export-oriented industries

The European Union and Germany are joining forces with the Government of Bangladesh and will provide €113 million to safeguard the livelihoods of vulnerable workers in the garment and leather export-oriented industries. Due to the unprecedented socio-economic consequences of the coronavirus pandemic, these workers are at heightened risk of being pushed into poverty. This financial support, part of [Team Europe's response to the COVID-19 crisis](#), offers a safety net to workers affected by the economic fallout and contributes to strengthening the resilience of Bangladesh's social security system.

Commissioner for International Partnerships, Jutta **Urpilainen**, said: *“The coronavirus pandemic has had detrimental consequences over the world and the poor are the first to bear the brunt of this crisis. The funds mobilised by Team Europe will provide income support to workers who lost their job as the social protection programme responds to an immediate need to protect livelihoods. It is also part of longer-term efforts to establish sustainable social security mechanisms for workers in key export sectors, alongside continuous investments in skilling and job creation. In close coordination with our Member States and like-minded partners, [the EU remains committed to support the Government of Bangladesh](#) to boost the resilience of its social protection system in line with best practices.”*

Federal Development Minister Dr. Gerd Müller added: *“We will either beat COVID-19 together – or not at all. It is a strong sign of solidarity that Team*

Europe stands together and remains a reliable partner for Bangladesh in these demanding times. The many vulnerable workers in the garment and leather industries will be better protected through our joint effort. This is important, as Bangladesh, in this pandemic, is the second most affected country in South Asia."

The coronavirus pandemic has created a public health emergency with immediate economic consequences. The Government of Bangladesh responded swiftly with scaled-up assistance to mitigate socio-economic impacts, paying particular attention to Bangladeshis living in poverty or who are highly vulnerable. It has also put together significant stimulus packages addressed to the industries.

The EU and Germany's €113 million grant will be channelled through the EU sector budget programme on National Social Security Strategy reforms in Bangladesh. This support will allow these workers to transit over a specific critical period, without major disruptions in their lives and consumption levels.

In line with guidelines issued by the Ministry of Labour and Employment of Bangladesh, temporary cash assistance will be provided to workers who suffered income losses during the pandemic and who lost their jobs because of reduced worldwide demand or due to health and safety precautionary measures.

Eligible workers will receive 3,000 taka per month [30 euros, approximately] for a period of three months. They will be identified in close coordination with the employers' associations, which include Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) and the Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association (BFLLFEA).

Background

The coronavirus pandemic has hit Bangladesh hard, affecting export earnings, the local economy and remittances from overseas. In response, the European Union and other development partners have stepped up their coordination efforts and are providing substantial financial and technical support for social protection measures so that the country can scale up its assistance and support the "new poor", pushed into poverty by the pandemic.

Before the pandemic hit, the EU and Bangladesh were already working closely on social protection. Last year, the EU launched a social protection programme combining budget support and technical assistance to help reduce poverty and malnutrition among vulnerable Bangladeshis. Among other initiatives, it has focused on designing a comprehensive national Child Benefit Programme, taking account of new risks and vulnerabilities for children stemming from the health and socio-economic crisis.

For the period 2014-2020, EU development cooperation funding to Bangladesh amounts to €655 million targeting three main target sectors: human capital development; food security, nutrition, and sustainable development, and democratic governance. It also covers migration and forced displacement, gender equality, or climate change mitigation. The EU has also supported Bangladesh in 2014-2020 with over €150 million in humanitarian aid and funds for disaster preparedness and emergency response.