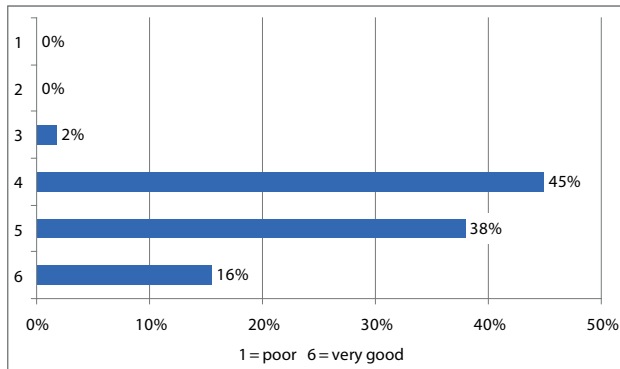


The Findings

- According to the companies interviewed, spending on occupational safety and health is an investment that “pays off” for them. The Return on Prevention is assessed to be 2.5.
- With significant differences regarding occupational safety and health conditions amongst the interviewed companies, approximately 45% of them rated the current occupational safety and health conditions as moderate only. This indicates that there is still significant room for investments.



Rating of current occupational safety and health measures within the company

- The interviewed companies rated occupational safety and health as very important. Its strongest impact is seen on the areas of production, warehousing, personnel allocation and transport.

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Calculating the Return on Prevention for Companies



Costs and Benefits of Investments in Occupational Safety and Health in Pakistan's Textile and Garment Sector

Does it pay off?

Does spending on occupational safety and health pay off for the employer? It is obvious that a reduced number of accidents and diseases benefit the worker's physical integrity and quality of life as well as the public health system. But is there a Return on Prevention of accidents at the workplace and occupational diseases for the employer?

To shed light on the perspectives for entrepreneurs, the Labour and Human Resource Department, Government of Punjab, HomeNet Pakistan and Bavarian Employers' Association (Bfz)/ESPIRE project conducted a survey in the textile and garment industry in cooperation with German Social Accident Insurance Institution for the Energy, Textile, Electrical and Media Products Sector (BG ETEM) and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It calculates the Return on Prevention for companies in this sector and asks if there are economic incentives for the entrepreneur to invest in occupational safety and health of his workers. With 15 million workers in the textile and garment industry, the sector provides employment to almost 40% of the nation's workforce. Calculating the Return on Prevention specifically for this key sector of Pakistan's economy is a contribution to increase the country's competitiveness in global markets.

It pays off!

Investments in occupational safety and health "pay off". First and most importantly, it protects employees against workplace accidents and illnesses; second, it ensures the employees' social protection and third, it can directly benefit the companies' core economic interests. Keeping these three factors in mind, the investments in occupational safety and health can play an important role in Pakistan's future efforts to compete in the international market and meet the requirements of international labour standards at once.

Perspectives

A new international standard, the ISO 45001 "Occupational health and safety management systems – Requirements with guidance for use" will be published in 2017. It aims at harmonising international requirements in the organisation of occupational safety and health management, contributing to improving conditions of employment as well as the global business competitiveness of companies.

Background & Methodology

The study evaluates the impact of occupational safety and health on key performance indicators in 58 companies producing textiles and garments, including seven from informal setups. The success of prevention can be defined both qualitatively and quantitatively. The indicator "Return on Prevention" focuses in a quantitative



sense on the ratio between the monetary benefits of prevention and the costs of prevention. Thus, it illustrates the potential economic success of workplace prevention. With the help of standardised interviews, companies are asked to rate the effects of occupational safety and health and to provide monetary values of occupational safety and health costs per employee that serve as a basis for the calculation of potential benefits. The study gives interesting insights and replicates the results of its international counterpart in multiple ways. The methodology is taken from an international study calculating the Return on Prevention in 19 countries and 337 participating companies in 2010, carried out by the International Social Security Association (ISSA), the German Social Accident Insurance (DGUV) and the German Social Accident Insurance Institution for the Energy, Textile, Electrical and Media Products Sectors (BG ETEM).