

BANGLADESH INSTITUTE OF LABOUR STUDIES – BILS

**IN QUEST OF MINIMUM WAGE AMOUNT OF THE RMG
WORKERS IN BANGLADESH**

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SECTION ONE INTRODUCTION

“This was the payment of these people who have died ... And this is called ‘slave labour’. Today in the world this slavery is being committed against something beautiful that God has given us — the capacity to create, to work, to have dignity. Not paying a fair wage, not giving a job because you are only looking at balance sheets, only looking to make a profit that goes against God,”

– Pope Francis said after being shocked by a headline saying some of the victim workers of Rana Plaza Tragedy were living on €38 (£32) a month¹.

1.1 STUDY BACKGROUND

Readymade Garments (RMG) is the largest formal sector in Bangladesh which currently employs 4.0 million² workers, about 59 percent of total formal sector employment of the country. Over the last three decades this sector has boomed in the country. In 1983-84 export earning of the RMG sector was just US \$ 31.57 million (only 3.89 percent of the total export earning of the country) which stood at US \$ 12,496.72 million (77.12 percent of total export earning) in 2009-10³. At present the sector earns 80 percent⁴ of the export earning with a volume of US \$ 21.53 billion in 2012-13⁵.

RMG industry of Bangladesh has attracted attention of world community both for its successes, potentials, and contribution to national economy; and numerous problems among which ‘wage’ is the most important one. This industry has rapidly attained high importance in terms of employment, foreign exchange earnings, and its contribution to GDP. In addition to its economic contribution, the expansion of the RMG industry has caused noticeable social changes by bringing more than 3.20 million⁶ (80 percent of total RMG employment) women into labor force. The garment sector is the largest employer of women in Bangladesh. This sector has provided employment opportunities to women from the rural areas that previously did not have any opportunity to be part of the formal workforce⁷.

¹ <http://www.thedailystar.net/beta2/news/its-slave-labour/>

² <http://www.bgmea.com.bd/home/pages/aboutus#.UqNaoiehodU>

³ <http://www.boi.gov.bd/index.php/potential-sector/garments-and-textiles>

⁴ <http://bdnews24.com/bangladesh/2013/09/21/rmg-workers-demand-minimum-wage-of-tk-8000>

⁵ <http://cpd.org.bd/index.php/mustafizur-rahman-rmg-export-growth-cotton-yarn/>

⁶ <http://www.bgmea.com.bd/home/pages/aboutus#.UqYSIyehodV>

⁷ Bhuiyan, Mohammad Ismail, 2013. Reasonable Wages for Workers to Eliminate Unrest in Bangladesh's Ready-made Garments (RMG) Sector, p 2

In spite of contributing significantly to the economic as well as social development of the country RMG industry is highly criticized because of its poor working condition and various deprivations of the workers. Workers of this industry are highly vulnerable in the perspective of safety condition. Because of recurrent fire accidents and recent incidences of building collapse the sector is very often portrayed as ‘death trap’. Implementation of the labour standards is also not satisfactory for RMG workers. Workers are bound to work for longer hours, do not get weekly holidays, deprived of maternity leave, not allowed to enjoy trade union rights etc. are commonly known complaints against this sector. Nevertheless, the most significant issue of RMG workers is wage. Although due to the hard and untiring labour of the workers Bangladesh has become the 2nd largest RMG exporting country in the world, wage of the RMG workers of Bangladesh is the lowest compared to other RMG exporting countries (like India, Sri-Lanka, Pakistan, Cambodia, China, Philippine, Indonesia, Thailand etc.). As of August 2013, the monthly minimum wage for entry-level workers in the garment sector was US\$39 per month – about half of the lowest rate in other major garment-exporting countries, such as Cambodia (US\$80), India (US\$71), Pakistan (US\$79), Sri Lanka (US\$73) and Viet Nam (US\$78)⁸.

Bangladeshi RMG workers’ wage is the lowest not only in international context but also in national context they are earning the least wage amount. Because of this poor/meager wage workers of this sector have been labeled as “salve labour” by Pope Francis which precisely depicts the condition of RMG workers in Bangladesh. While some other countries revise their minimum wages on regular basis, Bangladesh has adjusted the RMG minimum wage only three times since it was first set in 1985 – with the last revision dating back to 2010. However, during the previous initiatives to fix minimum wage expectations of the workers were not addressed. Wages fixed during those periods were not sufficient at all to meet the all basic needs completely. Thus workers always remained under a poor standard of living which they are still bearing. On the other hand, the government of Bangladesh is committed to alleviate the poverty nationally and internationally. The constitution of the People’s Republic of Bangladesh guarantees the basic needs of the citizens. Besides, according to “Vision 2021” declared by the present Government of Bangladesh, poverty rate will be decreased by 15% within the year 2021. Bangladesh has also international commitment to eradicate poverty under Millennium Development Goals of United Nations. In this situation, the wage of the 4.0 million workers must be fixed in such a way so that it can be effective enough to lift the workers and their families from poverty line.

1.2 OBJECTIVES OF THE STUDY

The present study intends –

- i. to know the present living expenditure and expected cost living for a decent living of the RMG workers in Bangladesh;
- ii. to analyze the wage of RMG workers in the perspective of current economic condition of Bangladesh, especially in terms of inflation, GDP, and per capita income;

⁸ <http://www.thedailystar.net/beta2/news/ilo-presents-path-to-sustainable-growth-in-bangladesh/>

- iii. to know the comparative wage scenario of the RMG workers both at national and international level; and
- iv. to recommend a wage amount for RMG workers to ensure their decent life.

1.3 METHODOLOGY:

Current study has applied different techniques of data collection and information was collected from both primary and secondary sources. Primary data collection applied survey, FGD, and interview. On the other hand, through desk review, secondary data was collected from books, newspaper reports, research articles and various governmental reports, and web sites of various agencies and organizations.

Survey: A survey on 160 sample RMG workers have been conducted in RMG concentrated areas of Dhaka (60), Gazipur (30), Narayanganj (35), and Chittagong (35) districts. Respondents were selected purposively based on availability and accessibility, and willingness of the workers to respond to survey questions.

FGD: Total five FGDs have conducted to go into deep of the workers' wage and living standard issues. Of these five FGDs two FGDs have been conducted in Dhaka (Pallabi and Mohakhali area) and two others in Chittagong (Agrabad, and Kalurghat). The remaining one has been conducted in Narayanganj. In each 8-12 participants, including workers and TU activists, have taken part.

Interview: Besides survey and FGDs, several individual interviews have been conducted with workers and TU Activists of the study areas.

Desk review: Newspaper, research article, various government reports, and books have been consulted.

SL No.	Area		Data Collection Techniques	
			Survey (Sample Size)	Focus Group Discussion (FGD)
1	Dhaka	Pallabi	60	02
		Savar		
		Mohakhali		
2	Gazipur	Tongi	30	-
		Gazipur (<i>Maleker Bari</i>)		
3	Narayanganj	Narayanganj	35	01
		Kachpur		
4	Chittagong	Agrabad	35	02
		Kalurghat		
Total			160	05

SECTION TWO

MINIMUM WAGE OF RMG WORKERS: BASIS, CONSIDERATIONS, AND COMPARATIVE WAGE SCENARIO

Today in the world of work minimum wage is a very popular demand as well as necessity of the workers. Minimum wage broadly is defined as the minimum amount that must be paid to the majority of workers, and which is fixed in a way as to cover the minimum needs of the worker and his/her family in light of the prevailing national economic and social conditions⁹. Minimum wage is important in addressing the right to human dignity at the workplace. In this section three issues have been discussed – at first, the basis/instrument of minimum wage; secondly, considerations of fixing minimum wage; and finally a comparative picture of wage that RMG workers are getting in different countries.

2.1 BASIS OF MINIMUM WAGE: NATIONAL AND INTERNATIONAL INSTRUMENTS

Workers' minimum wage in any society is guaranteed through both national and international instruments. In Bangladesh constitution and labour law provide the national basis of minimum wage of all workers, including RMG workers. International basis of minimum wage includes Universal Declaration on Human Rights (UDHR), International Covenant on Economic, Social and Cultural Rights (ICESCR), and ILO convention and recommendation.

2.1.1 Constitution of the People's Republic of Bangladesh

The main foundation of fixing minimum wage for the RMG workers in Bangladesh is rooted in the constitution of the country. In the 'Fundamental Principles of State Policy' section "work" has been declared as right of every citizen for which s/he is entitled to get wage. Wage, in this regard, is to be paid according to the ability and work of the citizen¹⁰. Constitution of Bangladesh has also ensured the arrangement of fulfilling basic necessities of the people¹¹. The

⁹ Saget, Catherine, 2006. Fixing Minimum Wage Levels in Developing Countries: Common Failures and Remedies, Geneva: International Labour Office

¹⁰ Work is a right, a duty and a matter of honour for every citizen who is capable of working, and everyone shall be paid for his work on the basis of the principle "from each according to his abilities, to each according to his work".
— [Constitution of the People's republic of Bangladesh, Article- 20 (1)]

¹¹ It shall be a fundamental responsibility of the State to attain, through planned economic growth, a constant increase of productive forces and a steady improvement in the material and cultural standard of living of the people, with a view to securing to its citizens –
(a) the provision of the basic necessities of life, including food, clothing, shelter, education and medical care;
(b) the right to work, that is the right to guaranteed employment at a reasonable wage having regard to the quantity and quality of work;
(c) the right to reasonable rest, recreation and leisure; and
(d) the right to social security, that is to say, to public assistance in cases of undeserved want arising from unemployment, illness or disablement, or suffered by widows or orphans or in old age, or in other such cases.
— [Constitution of the People's republic of Bangladesh, Article- 15]

State is committed to improve and develop the productive force and also aims at improving the standard of living. In this regard State commits to ensure food, cloth, shelter, education, and treatment for all. State endeavors to attain, along with these necessities, 'work' and a reasonable wage for the work for all people. Leisure, recreation, and social security are some other priorities that State wants to ensure, as basic necessities, for all the people.

2.1.2 Bangladesh Labour Act, 2006

Bangladesh Labour Law 2006 is a very comprehensive law which also provides the foundation of ensuring and declaring minimum wage for the workers of the country. A special Chapter of the law describes the procedure of minimum wage fixation. Based on the provision of the law different minimum wage boards for various sectors were formed and wage for those sectors have already been decided. This BLA 2006 is the foundation of minimum wage fixation and declaration for the RMG workers in the country also.

2.1.3 Universal Declaration of Human Rights (UDHR)

UDHR provides a strong base of minimum wage for the workers¹². As per UDHR, getting a wage suitable for protection of human dignity of an individual is considered as human rights. Noteworthy wage of a worker not only is to be sufficient for protection of dignity of individual worker but also for the family members of the workers.

2.1.4 International Covenant on Economic, Social and Cultural Rights (ICESCR) 1966

The issue of ensuring a fair and reasonable wage of the workers has also been incorporated in the ICESCR 1966¹³. This covenant aims at ensuring a decent life of the workers and their family members. In order to achieve that decent life workers must be provided with sufficient/adequate income opportunity.

2.1.5 ILO Convention 131 (Minimum Wage Fixing Convention)

ILO convention 131, though not ratified by Bangladesh, is one of the most important instruments for declaration and implementation of minimum wage for workers. According to this convention countries should have system and mechanisms to fix minimum wage of workers. Not only that, this convention also declares that a competent authority of the

¹² 1) Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment. (2) Everyone, without any discrimination, has the right to equal pay for equal work. (3) Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. (4) Everyone has the right to form and to join trade unions for the protection of his interests. – [UDHR, Article -23]

¹³ The States Parties to the present Covenant recognize the right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular:

(a) Remuneration which provides all workers, as a minimum, with:

(i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant. -- [ICESCR, Article -7]

countries that ratify this convention would determine the groups of workers who would be covered under the coverage of minimum wage¹⁴.

2.1.6 ILO Recommendation 135 (Minimum Wage Fixing Recommendation, 1970)

According to ILO recommendation 135 poverty alleviation policy of the country should have component relating to minimum wage fixing. This policy will also try to ensure the need satisfaction of all the workers. In this regard minimum wage must be able to provide necessary social protection of the workers¹⁵.

2.2 MINIMUM WAGE FIXATION: CONSIDERING ISSUES

There are two basic mechanisms for setting the minimum wage – first, a statutory minimum wage is set by government, possibly involving consultations with trade unions and employers; and second, minimum wages are determined through collective (tripartite or bipartite) negotiations¹⁶. Collective agreements can set national or sectoral (industry, occupational) minimum wages. Irrespective of minimum wage setting mechanisms, some factors/issues are always taken into consideration while fixing the amount.

ILO Convention 131

The Minimum Fixing Convention of ILO (ILO C131) has taken into consideration both social and economic factors for fixing wage for the workers¹⁷. Social considerations are related to workers' needs, needs of their families, living standard of workers, living standards of other social groups, social protection condition etc. On the other hand, economic considerations include wage level, productivity, economic development, employment etc.

¹⁴ (1) Each Member of the International Labour Organisation which ratifies this Convention undertakes to establish a system of minimum wages which covers all groups of wage earners whose terms of employment are such that coverage would be appropriate. (2) The competent authority in each country shall, in agreement or after full consultation with the representative organisations of employers and workers concerned, where such exist, determine the groups of wage earners to be covered. – [ILO Convention 131, Article -1]

¹⁵ (1) Minimum wage fixing should constitute one element in a policy designed to overcome poverty and to ensure the satisfaction of the needs of all workers and their families. (2) The fundamental purpose of minimum wage fixing should be to give wage earners necessary social protection as regards minimum permissible levels of wages. – [ILO Recommendation 135, Article – 1,2]

¹⁶ Rutkowski, Jan, 2003. The Minimum Wage: Curse or Cure, The World Bank

¹⁷ The elements to be taken into consideration in determining the level of minimum wages shall, so far as possible and appropriate in relation to national practice and conditions, include--

- (a) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups;
- (b) Economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment. – [ILO C 131, Article -3]

ILO Recommendation 135

According to ILO Recommendation 135, while determining the level of minimum wage following six criteria, or groups of factors, are to be taken into account.

Criterion 1: the needs of workers and their families;

Criterion 2: the general level of wages in the country;

Criterion 3: the cost of living and changes therein;

Criterion 4: social security benefits;

Criterion 5: the relative living standards of other social groups; and

Criterion 6: economic factors, including the requirements of economic development, levels of productivity and the level of employment. This criterion also includes the capacity to pay.

Bangladesh Labour Act (BLA) 2006

Article-141 of BLA 2006 has identified some factors to be considered by minimum wage board of the country while fixing the wage¹⁸. Factors mentioned in this Act are similar to those of ILO Convention 131.

2.3 COMPARATIVE WAGE OF RMG WORKERS

Bangladeshi garments workers are getting least minimum wage in the context of its competing countries like Cambodia, Vietnam, Nepal, Sri Lanka, India, Indonesia, and even Pakistan. RMG workers of all these countries are getting twice to three times more than the Bangladeshi RMG workers (See Annexure-3). Following section has described in details the wage level along ingredients and indexes used in fixing wage and advantages available for the workers of these countries.

Table: RMG workers minimum wage in different countries

Country	Per hour US dollar	Minimum monthly salary (US dollar)	Minimum monthly wage (BDT)
India	0.51	106.08	8486.40/-
Sri Lanka	0.44	91.52	7321.60/-
Pakistan	0.48	115.2	9216/-
Nepal	0.40	83.2	6656/-
Cambodia	0.38	80.0	6400/-
Indonesia	0.44	91.52	7321.60/-
Vietnam	0.53	110.24	8819.20/-
Bangladesh	0.18	37.49	3000/-

¹⁸ *Factors to be considered in making recommendation:* In making its recommendation the minimum wage board shall take into consideration cost of living, standard of living, cost of production, productivity, price of products, business capability, economic and social conditions of the country and of the locality concerned and other relevant factors. [Bangladesh Labour Act 2006, Article – 141]

INDIA

Wage amount: In India minimum wage of the RMG workers vary State to State, where the lowest rate for unskilled workers is 0.44 US\$ per hour, equivalent to 179.89 Rupee daily, in Uttar Pradesh; whereas the highest rate is 0.68 US\$ per hour, equivalent to 279 Rupee daily, in Delhi. Thus the monthly wage amounts of the RMG workers of Uttar Pradesh and Delhi are 5396.7 Rupee and 8370 Rupee respectively. And in Haryana minimum wages per day for unskilled, semi-skilled, and skilled workers are Rupee 191.04, 196.06, and 211.04 respectively.

Main Ingredients: Minimum Wage & Variable Dearness (minimum wage house rent, fuelling expenditure, child education, medical entertainment, festival, infirmity of old age, Marriage)

Index: 1) Family of 3 members 2) 2700 Calories food for a single person 3) 72 yard cloth for family per year 4) Fixed rent for garments worker by housing scheme. 5) 20% wage for fuel, electricity and such expenditures. 6) 25% minimum wage for Child Education, Medical, Entertainment, Infirmity of old age, marriage etc.

Advantages: Provident for older, handicapped and death related facilities are included under gratuity and Insurance Fund. Monthly allowance has been given in old time from the retirement fund. Without the Provident fund, the responsibility of all other funds is on owners and the government. Sickness, Maternity related facilities and occupational accidents are included in Social Insurance. Individual having Insurance, the Government and Owner, all of them have saved in a specific rate in Insurance Fund. Moreover, there is also scope of severance Pay. But workers of small scale factories are mostly deprived from these opportunities.

PAKISTAN

Wage amount: Minimum wage amount of the RMG workers of Pakistan ranges from US\$ 0.38 to US\$ 0.43 per hour (8000-10000 rupee per month). In Punjab, Sindh, and Beluchistan provinces a garment worker every month receives, as minimum wage, 10,000 rupee, 8,000 rupee, and 9,000 rupee respectively.

Main Ingredients: Only Minimum Wage. House rent, transport, living allowance and dearness allowance is included

Index: 1) Economic condition; 2) Living expenditure (Consumer Price Index)

Advantages: 1) Security- Insurance for older, handicapped and death (owner bears 5% of minimum wage and government bears the rest); 2) Opportunities in times of sickness and maternity (Included in Social Security Insurance). Owner saves Insurance at the rate of 7% of minimum wage; 3) Opportunities in terms of occupational accidents (owner bears all costs); 4) Mandatory Unemployment Insurance given by owner.

SRI LANKA

Wage amount: In Sri Lanka a garment worker gets 0.33 US\$ per hour and 8970 Sri Lankan Rupee/month as minimum wage of this sector.

Main Ingredients: Only Minimum wage

Index: 1) Wage Index; 2) Consumer Price Index; 3) Living standards

Advantages: Free breakfast; Owners and workers have saved 12% and 8% respectively of minimum wages in provident fund; Free health care in governmental organization; Owners allocate 3% of basic salary for worker's health sector; Per year workers have got an amount of half month salary as gratitude after leaving their job or in terms of termination; Owner fully pays the expenditure of occupational accident; Unemployment Insurance and Allowance for family is Government's liability.

NEPAL

Wage amount: As minimum wage a garment worker in Nepal receives US\$ 0.40 per hour and 8000 Rupee/ month (wages 5100 + others 2900).

Main Ingredients: Minimum Wage & other allowances such as house rent, transport, living allowance and dearness allowance is included.

Index: 1) Economic condition; 2) living expenditure (Consumer Price Index); 3) Working condition; 4) Owner's condition; 5) Money Inflation

Advantages: Annual allowance, overtime, weekend with payment etc. is noticeable.

INDONESIA

Wage amount: Wage amount of the Indonesian garments workers varies from US\$ 0.40 to US\$ 0.85 per hour and the monthly wage of the garments workers ranges from 830000 to 1752053 Indonesian Rupiah

Main Ingredients: Food and drinking, domestic, dress, education, medical, transport, entertainment and savings.

Index: 1) Minimum necessity; 2) Consumer Price Index; 4) Abilities of Company; 5) Wage and Income condition of the Country; 5) Economic development; 6) Working Condition

Advantages: 1) Opportunities for older, handicapped and death: Worker (2%) and Owner (3.7%); 2) Opportunities in times of sickness and maternity: 6% for married and 3% for unmarried given by owner; 3) Opportunities in terms of occupational Accidents: Owner bears all costs.

CAMBODIA

Wage amount: Cambodian garments workers get US\$ 0.39 for their work of every single hour. Monthly minimum wage of readymade garments workers of this country in US\$ 80.

Main Ingredients: Only Minimum wage

Index: 1) Wage Index; 2) Consumer Price Index; 3) Living standards

Advantages: Additional attendance allowance of minimum wage is given at 10 US \$; Seniority allowance is 2 US \$; Health allowance is 5 US \$; Accommodation and communication allowance is 6US\$; *But these are not mandatory opportunities determined by the government.*

VIETNAM

Wage amount: For the work of every single hour Vietnamese readymade garments workers' wage ranges from US\$ 0.37 to US\$ 0.53. In Vietnamese Dong a garment worker gets 1650000 - 2350000 VND every month.

Main Ingredients: Only Minimum wage and grant for savings

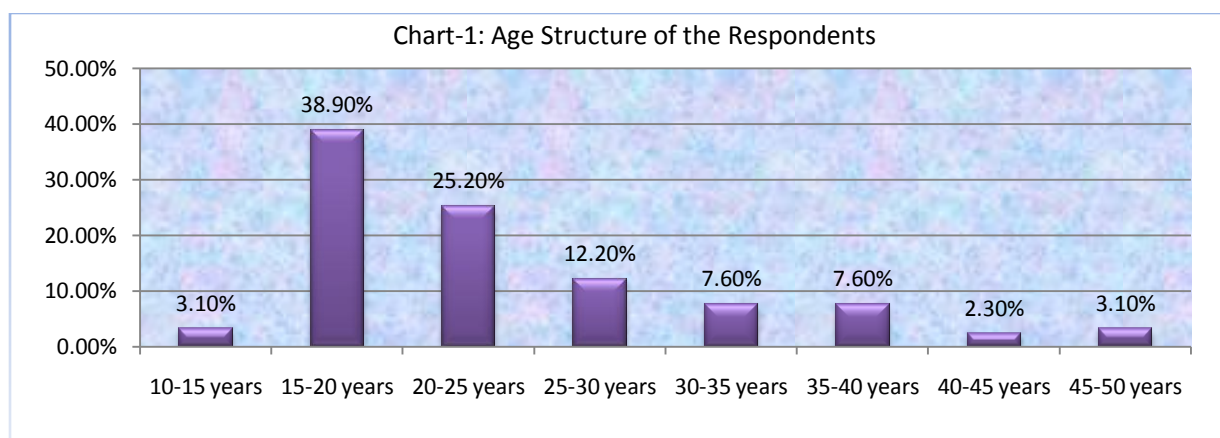
Index: 1) Consumer Price Index; 2) Living standards

SECTION THREE

INCOME-EXPENDITURE, PRESENT COST OF LIVING, AND EXPECTED WAGE AMOUNT

3.1 INCOME AND EXPENDITURE OF RMG WORKERS

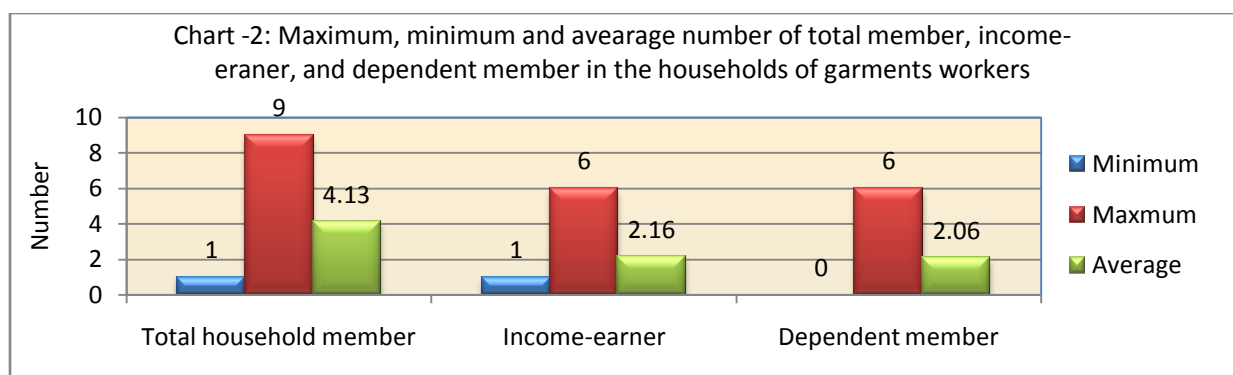
Age-structure of the: Generally garments workers are of young age. The largest proportion (38.9 percent) of the workers of this study was in 15-20 years age group, followed by 20-25 years group (25.2 percent). Thus these two groups together (15-25 years) constitute about two-thirds (64.1 percent) of all the workers. 12.2 percent respondents belong to 25-30 years age group, and 15.2 percent to 30-40 years group. Proportion of workers whose age is forty years and above is very few, 5.4 percent only.



Family Size: Average size of the household of the garments workers is similar to the national scenario. Mean household size of the respondents is 4.13 whereas the average size of the households of Bangladesh is 4.4¹⁹. However it is important to note that the number of household members of the respondents of this study ranges from one to nine.

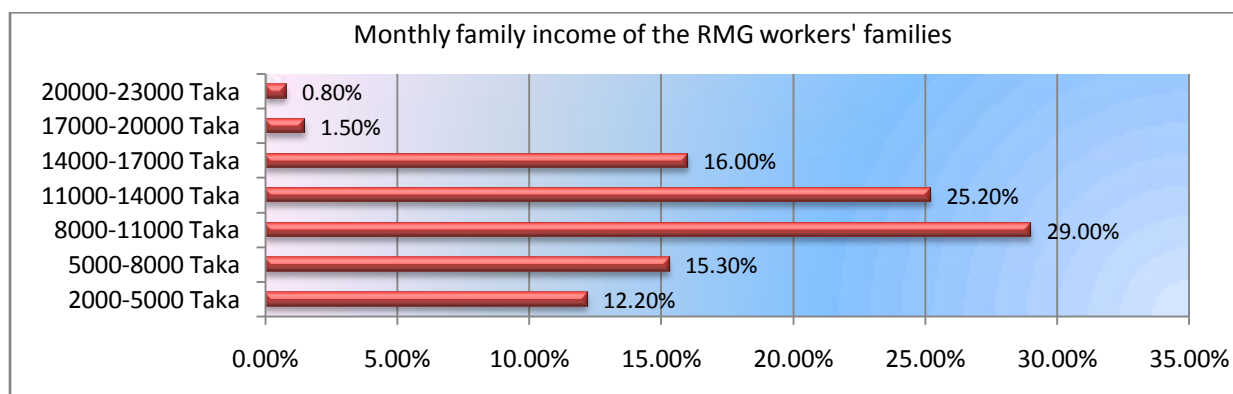
Income earners and dependent members in family: It has been observed that in majority cases respondents have more than one income earning member in their household. Generally the number of income earners in households of garments workers varies from one to six; however the average number of income earner in each family is 2.16. On the other hand, the average number of dependent members in each family is 2.06. The number of dependent members among the families of the garments workers ranges from zero to six.

¹⁹ BBS, 2011, Population and Housing Census 2011: Preliminary Results, p.11



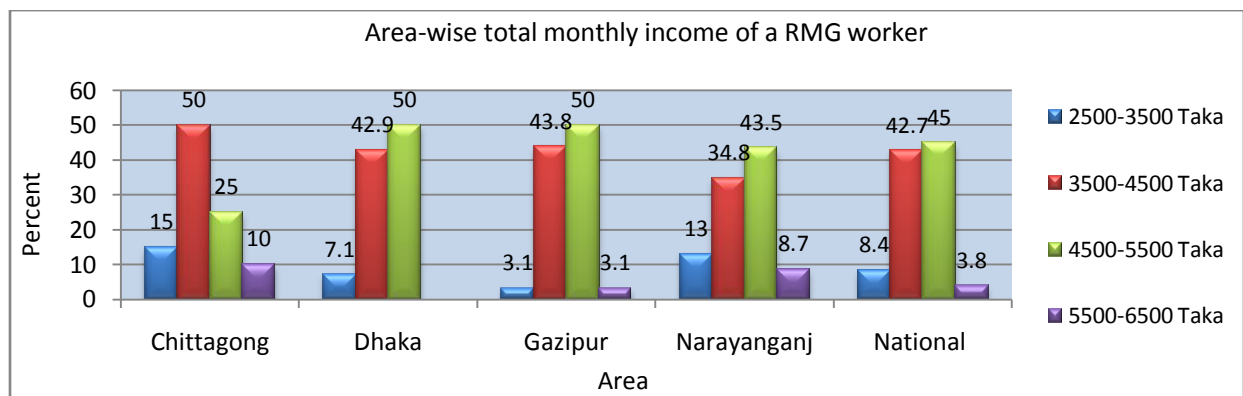
Monthly family income: Average monthly family income of the garments workers is Tk. 10,573.13. It is important to note that the monthly family income of the garments workers ranges from Tk.1200 to Tk.22,000.

The total monthly family income range of the largest proportion (29 percent) of the RMG workers is Tk. 8,000-11,000 followed by Tk. 11,000-14,000 (25.2 percent). Tk.5000-8000 and Tk. 14,000-17,000 are earned monthly by about same proportion of workers' families, 15.3 percent and 16 percent respectively. Very tiny proportions of workers' families every month earn Tk. 17,000-20,000 (1.5 percent) and Tk. 20,000-23,000 (0.8 percent) respectively. Noteworthy, there are also families (12.2 percent) earning less than Tk. 5000 every month.

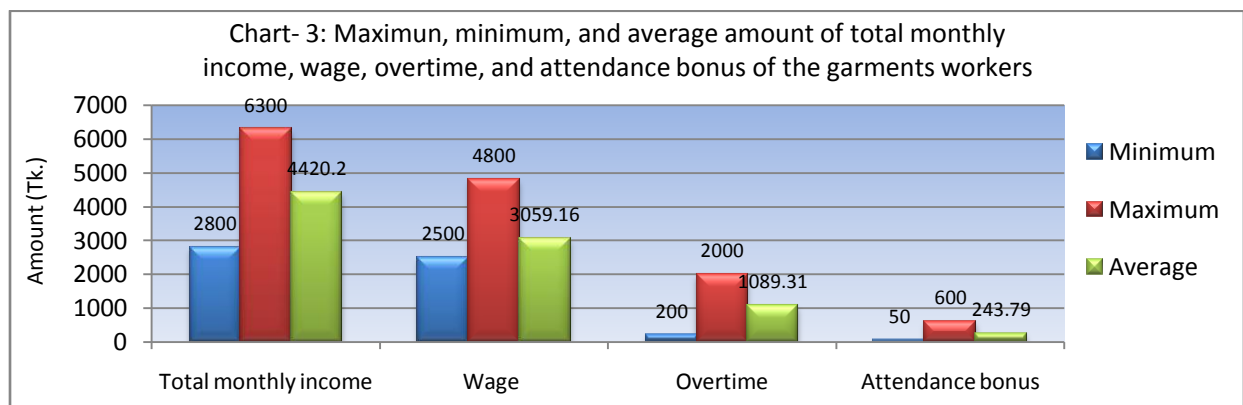


Total monthly income of a single worker: Average total income of the individual worker is Tk. 4420.20. The lowest monthly income of a garment worker is Tk. 2800, whereas the highest monthly income is Tk. 6300.

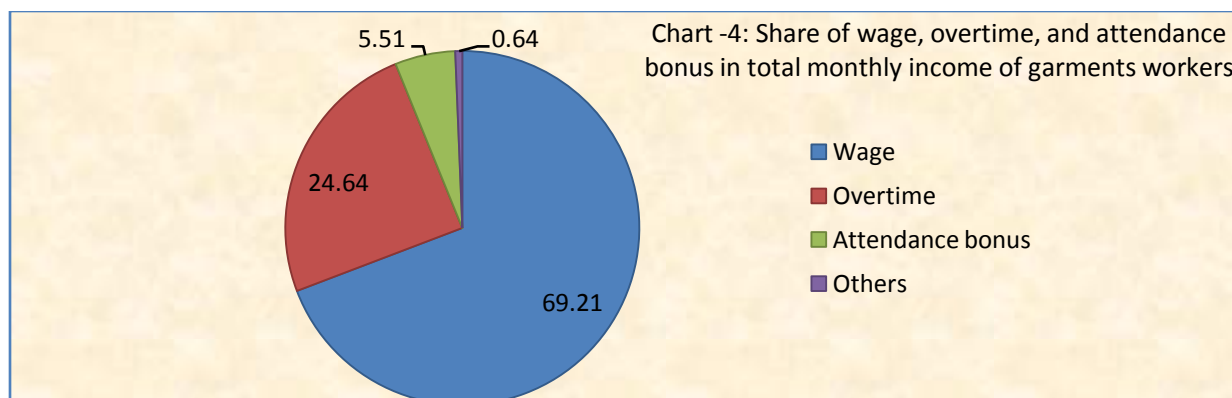
The highest (45 percent) proportion of the garments workers earns Tk. 4500-5500 every month followed by Tk. 3500-4500 (42.7 percent). Total monthly income of a small proportion (8.4 percent) of the garments workers is Tk. 2500-3500. Only a tiny proportion (3.8 percent) of the workers earns Tk. 5500 and above every month.



Monthly income of the garments workers is generally comprised of wage, overtime, attendance bonus, and others (if any). It has been observed that the average of the money earned as wage is Tk.3059.16 whereas the highest income as wage is Tk.4800 and the lowest is Tk.2500. The average income from overtime is Tk.1089.31. The income of the garments workers from overtime ranges from Tk.200 to Tk.2000. Garments workers are getting Tk.243.79, on an average, as attendance bonus. The lowest limit and the highest limit of the amount of attendance bonus received by the workers are Tk.50 and Tk.600 respectively.



It is important to note that in the total earnings of a garments worker share of wage is 69.21 percent. About one-fourth (24.64 percent) of the total earning comes from overtime and attendance bonus holds 5.51 percent of the total income of the garments workers. Besides, garments workers get 0.64 percent of their income from other sources.

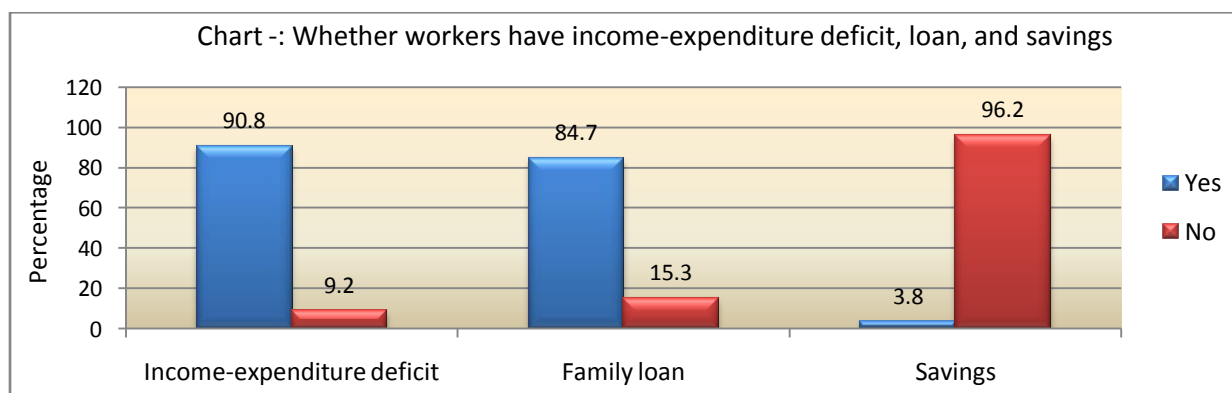


Total monthly income of the garments workers generally varies between Tk.3500 and Tk.5500. 87.7% percent workers' monthly income fall in this income range where 42.7 percent workers earn Tk.3500-4500 and 45 percent Tk.4500-5500 in every month. Only 3.8 percent respondents have income over Tk.5500. On the other hand there are also workers (8.4 percent) who earn only Tk.2500-3500 every month.

Income-expenditure deficit, savings, and family loan: Almost all (90.8 percent) of the garments workers have claimed that there is deficit in their income-expenditure. In contrast, 9.2 percent respondents do not have deficit in this regard.

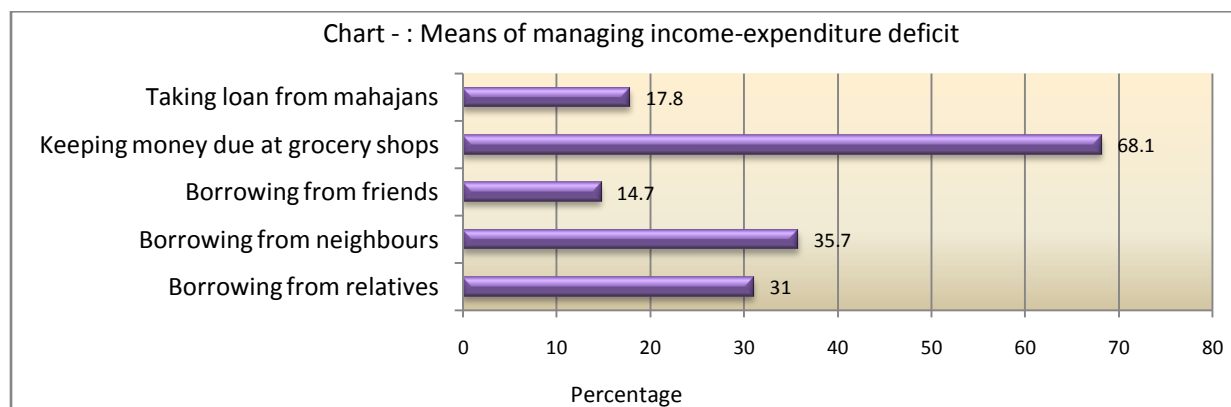
Because of the income-expenditure deficits there is high tendency among the workers to take loan. 84.7 percent of the respondents of this study have claimed that they have family loan. On the other hand 15.e percent respondents do not have family loan.

Whether workers have savings: Almost all (96.2 percent) workers have claimed that they have do not have savings, and the rests (3.8 percent) have savings.

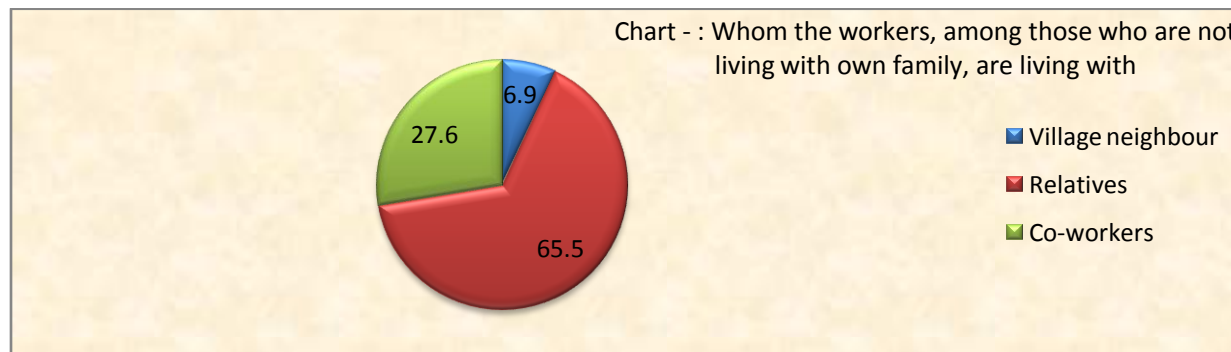


Workers mainly adopt two means to fill-up the deficits – either they take loan or keep money due at the grocery shops. The largest proportion (68.1 percent) of the respondents among those having income-expenditure deficits has informed that they purchase from the adjacent

grocery shops on their credit i.e. they keep money due in these shops .Workers take loan from different sources including relatives (31 percent), friends (14.7 percent), neighbours (35.7), and *mahajans* (17.8).



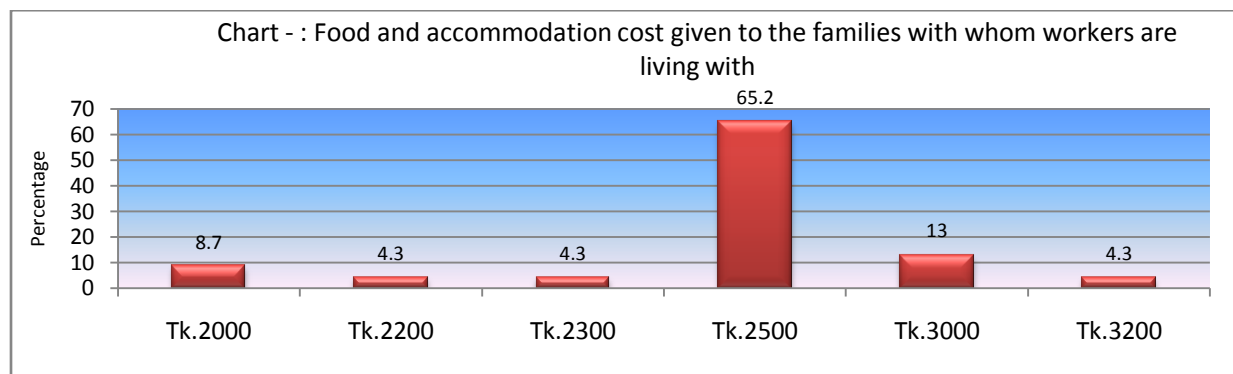
Majority (77.9 percent) of the respondents are living with family members, and 22.1 percent respondents do not live with own family members. Among the workers who do not live with own family members the largest proportion (65.5 percent) is living with relatives, followed by co-workers (27.6 percent). Besides few workers (6.9 percent) have been found living with their village neighbours.



Most (79.3 percent) of workers among those who are not living with own family have informed that they do not spend money for food by their own. Rather the pay a gross amount monthly for food and living (accommodation) cost to the families with whom they are living (relative, co-worker, and village neighbour). In contrast, one-fifth (20.7 percent) of those workers spend money by themselves.

About two-thirds (65.2 percent) of the workers who do not spend money by themselves inform that every month they pay Tk.2500 as food and accommodation cost to the families with whom they are living. 13 percent and 8.7 percent workers of them respectively pay Tk.3000 and

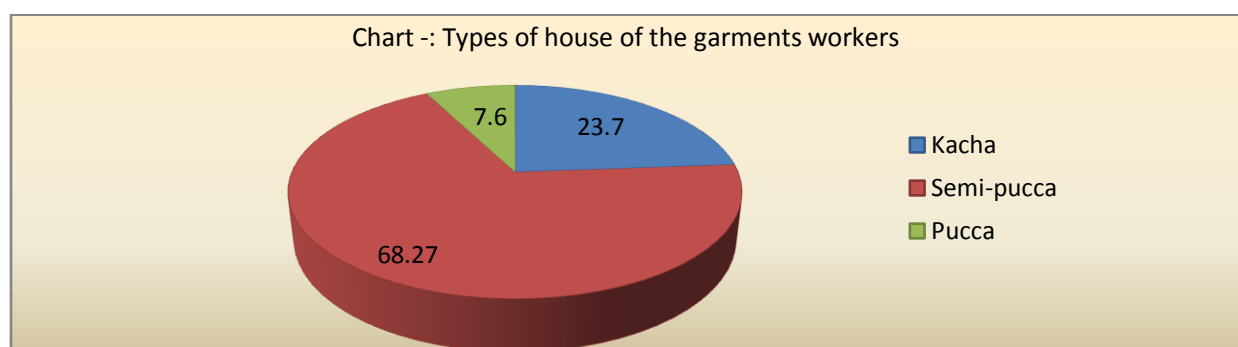
Tk.2000. Besides, 4.3 percent workers of them, in each case, pay Tk.2200, Tk.2300, and Tk.3200.



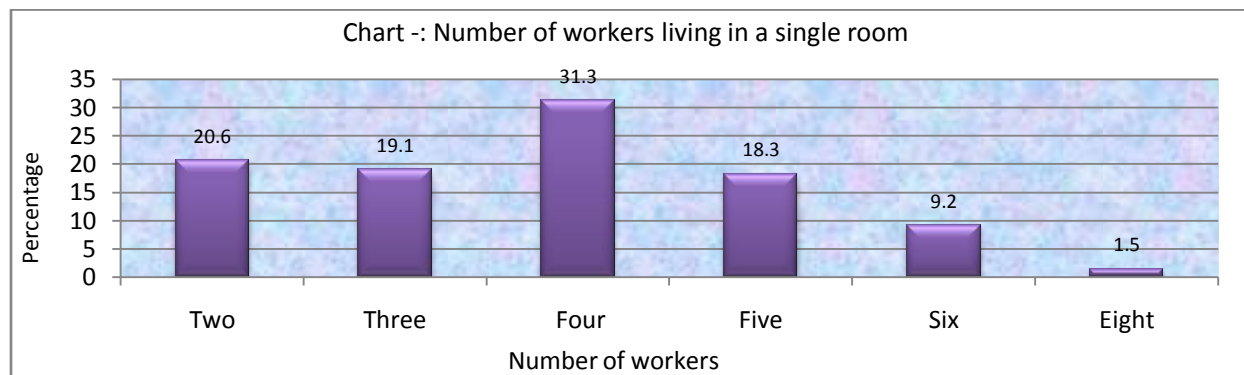
Monthly Total Expenditure: Among the garments workers living singly a little less than two-thirds (62.1 percent) workers' monthly total expenditure ranges from Tk. 5000 to Tk. 7000 and about one-fourth (24.1 percent) workers' monthly expenditure ranges from Tk. 3000 to Tk. 5000.

Monthly Total Expenditure	Single Worker	Workers Living With family
3000-5000 Taka	7 (24.1%)	2 (2.0%)
5000-7000 Taka	18 (62.1%)	7 (6.9%)
7000-9000 Taka	3 (10.3%)	11 (10.8%)
9000-11000 Taka	1 (3.4%)	19 (18.6%)
11000-13000 Taka		23 (22.5%)
13000-15000 Taka		21 (20.6%)
15000-17000 Taka		19 (18.6%)
Total	29 (100.0)	131 (100.0%)

Types of houses: Most workers (68.7 percent) are living in semi-*pucca* houses. 23.7 percent workers live in *kacha* house (slum, tin-shed), and 7.6 percent of the workers live in *pucca* houses.



The largest proportion (31.1 percent) of the workers informed that in a single room four workers sleep at night. 20.6 percent workers claim that in their rooms two persons sleep at night, and in 19.1 percent cases three persons are sleeping in the same room. A single room is shared by five and six workers in 18.3 percent and 9.2 percent cases respectively. Besides, in 1.5 percent cases eight workers sleep in a single room.



3.2 PRESENT COST OF LIVING EXPECTED AMOUNT FOR DECENT LIVING

Present Cost of Living of a Single/Individual Worker

Average monthly expenditure of a garment worker (7th Grade), not living with family, is Tk.4966.13. Among the four geographical locations, covered under this study, monthly average expenditure of the workers of Naryanganj area is the highest (Tk. 5113.5), whereas the expenditure is the lowest in Chittagong (Tk. 4829.3). Besides, in Dhaka and Gazipur area a garment worker's monthly living cost is Tk. 5022.93 and Tk. 4898.79 respectively.

In the total living cost of a worker the largest amount of money is spent on food (Tk. 2016.64) followed by housing/accommodation (Tk. 680.52). The 3rd and 4th largest expenditures are on cosmetic and toiletries and treatment, Tk. 374.43 and Tk. 369.15 respectively on an average. The other areas of expenditures are cloths (Tk. 305.14), communication and transport (297.92), festival (Tk. 267.48), guest entertainment (Tk. 217.92). Besides, a garment worker every month sends an amount of money, Tk. 315.07 on an average, to the parents/sibling residing at villages. Noteworthy a garment worker spend the least amount, among all the expenditure fields, on recreation, Tk.121.86.

Food: Average monthly present food cost amounts more or less same in Dhaka, Narayanganj, and Gazipur, although it is the highest in Narayanganj (Tk. 2075.50), followed by Gazipur (Tk. 2063) and Dhaka (Tk. 2056.44). The food expenditure has been observed the lowest in Chittagong area (Tk.1871.63).

Accommodation: Expenditure of a garment worker on accommodation/housing is the highest in Chittagong (Tk. 843.75) followed by Dhaka (Tk. 753.33). A garment worker of Gazipur and Narayanganj area currently spends Tk. 500 and Tk. 625 respectively for the purpose of accommodation.

Dress/Choths: Workers of Narayanganj area spends on clothing/dress more than the workers of any other area. A worker of this area spends on an average Tk. 352.50 monthly for this purpose. This expenditure is Tk. 317.50 of a worker of Chittagong area. Besides, monthly average expenditures on dress of a worker of Dhaka and Gazipur area are almost same, Tk. 275.56 and Tk. 275 respectively.

Medical/Treatment Cost: Average monthly medical expenditure of a garment worker is the highest in Narayanganj area (Tk. 450) followed by Gazipur area (Tk. 415). Medical expenditure is the lowest in Chittagong area (Tk. 281.25); and in Dhaka a garment worker spends Tk. 330.33 monthly for this purpose.

Communication and Transport: This expenditure is the highest in Narayanganj area (Tk. 380), followed by Dhaka (Tk. 306.67). A worker living singly/individually in Gazipur and Chittagong area spends monthly Tk. 225 and Tk. 280 respectively for communication and transport purpose.

Recreation: The highest monthly average expenditure on entertainment/recreation has been observed among the workers of Chittagong area (Tk. 165), and in contrast the lowest amount in Gazipur area (Tk. 60). Besides workers of Dhaka and Narayanganj areas respectively spend Tk. 162.50 and Tk. 100 for the purpose of recreation/entertainment.

Cosmetics and Toiletries: The monthly average expenditure on cosmetic and toiletries of a garment worker of different geographic locations of Bangladesh ranges from Tk. 310.22 to Tk. 411.75, where a worker Narayanganj area spends the highest amount (Tk. 411.75) and the lowest amount (Tk. 310.22) in Dhaka. The amounts of monthly average expenditure of a worker of Gazipur and Chittagong area are Tk. 378.50 and Tk. 397.25 respectively.

Support to Family: The range of monthly average expenditure supporting the family (sending money to village) of a garments worker in Bangladesh is Tk. 183.33-494.79. A worker of Gazipur area sends the highest average amount (Tk. 494.79) to the family members residing in village, and in contrast a worker of Chittagong area sends the lowest amount (Tk. 183.33). A worker of Dhaka and Narayanganj area respectively sends, on an average, Tk. 282.14 and Tk. 300 every month to the family members.

Festival: Monthly average expenditure of a garment worker living individually/singly on festival purpose is the highest in Chittagong area (Tk. 322.92), and it is the lowest in Gazipur area (Tk. 237.50). The monthly average expenditure for the same purpose of a worker of Dhaka area (Tk.240.74) is also very close to that of a worker of Gazipur area. Besides, a worker of

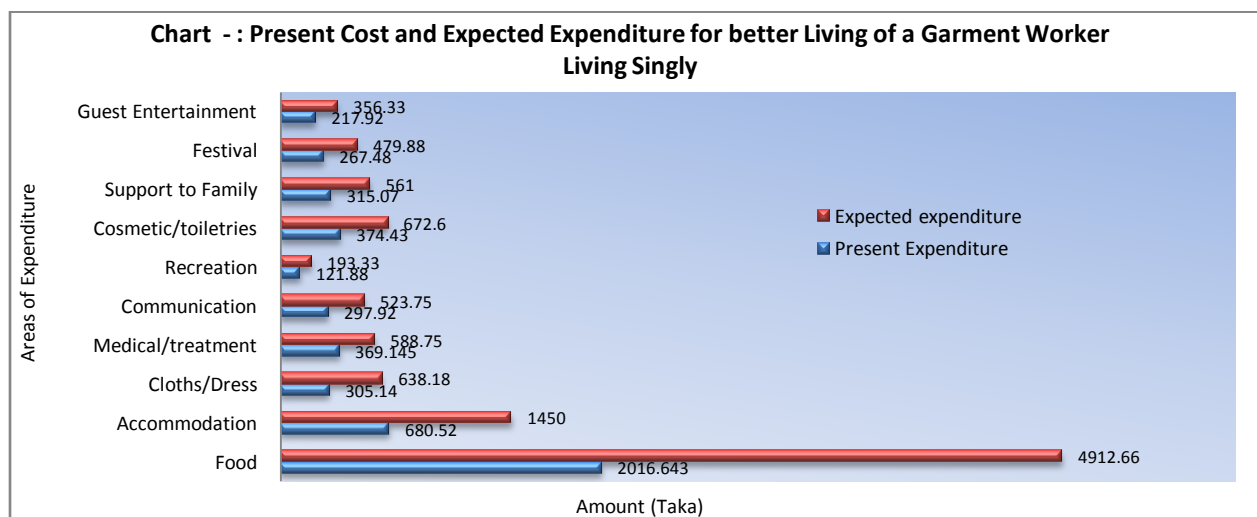
Narayanganj area spends monthly, on an average, Tk. 268.75 for festival purpose.

Guest Entertainment: Average monthly guest entertainment cost of a garment worker is the highest in Dhaka area (Tk. 305), whereas it is the lowest in Narayanganj area (Tk. 150). A worker of Gazipur and Chittagong area generally spends Tk. 250 and Tk. 166.67 respectively, on an average every month, for entertaining guests.

Expected Cost of decent living of a single/individual worker

A garment worker expects that for a desired/decent life she need Tk. 10376.47 every month. This expected amount varies based on geographical location. Workers of Dhaka expect that they need in order to live a decent life they need at least Tk. 10,749.78. Noteworthy, the highest expected amount is Tk. 11,232.38 (in Narayanganj), and in contrast the lowest amount is Tk. 9689.98 (in Chittagong). Besides, workers of Gazipur expect Tk.9833.75 monthly for a decent life.

A worker expects the highest amount, in the total expected amount, for food items (Tk. 4912.66) followed by accommodation (Tk. 1450) and cosmetics and toiletries (Tk. 672.6). To live well, expected amounts that a worker desires for treatment/medical and cloths/dress are Tk. 588.75 and Tk. 638.18 respectively. A worker also expects that she needs Tk. 523.75, Tk. 479.88, and Tk. 356.33 every month for the purposes of transport and communication, festival, and guest entertainment respectively. A worker also wants to send Tk. 561 monthly to village to support family members. Noteworthy, a worker's desired expenditure on recreation is the lowest (Tk. 193.33) among all areas of expenditure.



Present Cost of Living of Four-member Family of a Garment Worker

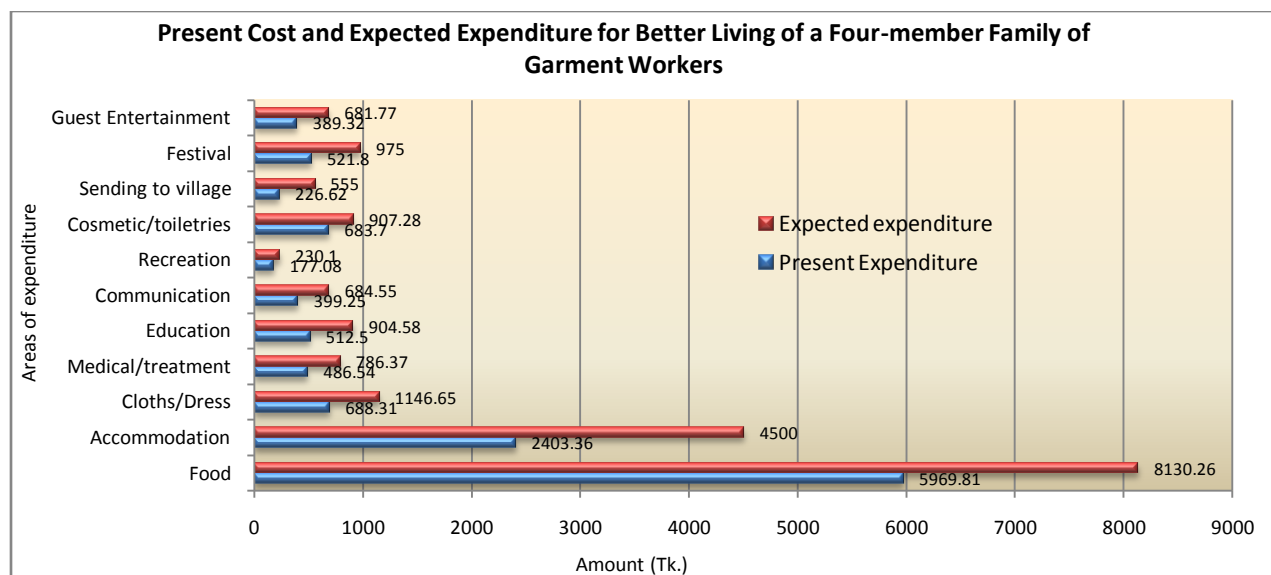
Average present monthly expenditure of a four-member family of a garment worker is Tk. 12458.32. Monthly expenditure of a four-member family is the highest in Narayanganj area, Tk. 13,481.88 and the lowest in Chittagong, Tk. 11111.33. In Dhaka and Gazipur area it has been observed that a four-member family's current monthly expenditure, on an average, is Tk. 12,000.05 and Tk. 13,240.03 respectively.

A four-member family currently spends Tk. 5969.81 on food-items and Tk. 2403.36 on accommodation/housing every month. The amounts a family spends monthly on cloths/dress, and 'cosmetics and toiletries' are almost same, Tk. 688.31 and Tk. 683.7 respectively. Similarly, about same amount, in each case, is spent for education (Tk. 512.50) and festival (Tk. 521.80) purposes. Expenditures on 'transport and communication' and guest entertainment are also very close, Tk. 399.25 and Tk. 389.32 respectively. Besides, a four-member family of a garment worker also spends respectively Tk. 486.54 and Tk. 226.62 for medical/treatment purpose and to send money to village. Noteworthy, a family of a garment worker spends the least amount on recreation, only Tk. 177.08 every month.

Expected Cost of Decent Living of Four-member Family of a Garment Worker

In order to have a better living a four-member family of a garment worker expects, on an average, Tk. 19,501.60 every month. In this regard the expected amount of a family of Narayanganj area (Tk. 20,034.24) is more than that of families in other geographical locations. The amount of monthly expected expenditure for a four-member family is the lowest in Chittagong (Tk. 18,701.48). A four-member family of garments workers of Dhaka and Gazipur area expects Tk. 19,735.24 and Tk. 19,535.43 respectively for living better.

A four-member family currently expects that in order to live better a total spending of Tk. 8130.26, Tk. 4500, Tk. 1146.65, and Tk. 786.37 is needed on food-items, accommodation, cloths/dress, and medical/treatment respectively. Expected expenditures on education and 'cosmetics and toiletries' are almost same, Tk. 904.58 and Tk. 907.28 respectively; and the desired amounts on 'transport and communication' and guest entertainment are also very close, Tk. 684.55 and Tk. 681.77 respectively. For the purpose of festival and sending money to village a four-member family of garment workers respectively expects Tk. 975 and Tk. 555 every month. Similar to a worker living singly/individually, a four-member family also expects the lowest amount for recreation, only Tk. 230 every month.



SECTION FOUR

PROPOSED WAGE AMOUNT FOR RMG WORKERS AND ARGUMENTS IN FAVOUR OF THE AMOUNT

“New minimum wage should be fixed at a level that could bring thousands of garment workers out of slavery. We want to live as human being, not slave.”²⁰

– Nobel laureate Muhammad Yunus

The intended objectives of establishing minimum wages are to prevent the exploitation of the workers by employers, to promote a fair wage structure, to provide a minimum acceptable standard of living for low-paid workers and, eventually, to alleviate poverty, especially among working families²¹. Considering these objectives attempt has been taken in this section to propose an amount as minimum to ensure decent life of the workers. Furthermore, this section has also tried to pin point rationality of the proposed wage amount.

4.1 PROPOSED MINIMUM WAGE AMOUNT

To fix the proposed amount needs of the workers have been taken into consideration. Needs have been assessed through survey, FGDs and interviews. In this regard at first average need (on food, accommodation, clothing, treatment, education, transport, communication, festival, guest entertainment, recreation, cosmetics and toiletries, and family support etc) of an individual worker and a four-member family has been determined, and then needed wage amount has been calculated based on the current market prices. Accordingly the required amount is:

***TK. 9366 (for a worker living singly), and
TK. 19,969 (for a four-member family).***

Details of the proposed amounts have been shown in the following tables.

²⁰ <http://www.newagebd.com/detail.php?date=2013-05-14&nid=49131#.UqN1oiehodU>

²¹ ILO, 1992, Minimum Wages: Wage-fixing machinery, application, and supervision, Geneva

Table - : Proposed wage amount for a garment worker living singly/individually (not living with family members)

Items		Quantity	Price (Tk.)/kg/liter	Total Cost (Tk.)
Food items	Rice	19.5 kg	35	682.5
	Flour	2 kg	32	64
	<i>Dal</i> (lentil)	2 kg	100	200
	Fish	4 kg	200	800
	Meat	2 kg	280	560
	Vegetable	10 kg	25 (average)	250
	Edible Oil	2.5 liter	115	287.5
	Potato	5 kg	18	90
	Salt	1 kg	30	30
	Sugar	1 kg	52	52
	Milk	4 liter	60	240
	Egg	10 piece	8/piece	80
	Fruits	2 kg	150	300
	Spices	-	-	200
A. Total cost on food items				3836
Non-food items	House-rent			1500
	Dress, shoes, sandal			650
	Transport and communication			600
	Treatment			600
	Recreation			350
	Cosmetic/toiletries and others			550
	Guest entertainment			350
	Festival			400
	Family support (sending money to village)			500
B. Total cost on non-food items				5500
Total monthly cost (A+B)				9336

Table - : Proposed wage amount for a four-member family of a garments worker

Items		Quantity	Price (Tk.)/kg/liter	Total Cost (Tk.)
Food items	Rice	55 kg	35	1925
	Flour	5 kg	32	160
	<i>Dal</i> (lentil)	4 kg	100	400
	Fish	8 kg	200	1600
	Meat	4 kg	280	1120
	Vegetable	20 kg	25 (average)	500
	Edible Oil	5 liter	115	575
	Potato	10 kg	18	180
	Salt	2 kg	30	60
	Sugar	2 kg	52	104
	Milk	8 liter	60	480
	Egg	30 (pieces)	8/piece	240
	Fruits	4 kg	150	600
	Spices	-	-	300
A. Total cost on food items				8,244
Non-food items	House-rent			4500
	Dress, shoes, <i>sandal</i>			1200
	Transport and communication			800
	Treatment			800
	Education of children			900
	Recreation			500
	Cosmetic/toiletries and others			900
	Guest entertainment			650
	Festival			975
	Family support (sending money to village)			500
B. Total cost on non-food items				11,725
Total monthly cost (A+B)				19,969

4.2 ARGUMENTS IN FAVOUR OF THE PROPOSED AMOUNT

Capacity to fulfill basic needs

Minimum wage amount must have the capacity to fulfill basic necessities of the workers and their family members. In Article-15 of the constitution of the Bangladesh a number of necessities has been declared as basic which not only includes food, cloths, shelter, education, and medical treatment; but also reasonable rest, recreation and leisure and social security are part of basic needs of the people of Bangladesh. However the RMG workers with a current minimum wage of TK. 3000/month are mostly unable to meet their basic needs adequately. Several studies have revealed RMG workers spend most of their income just on food and

accommodation purposes, although food-habit lacks required protein consumption and accommodation is not decent at all. Workers hardly spend on recreation purposes and they cannot afford for better treatment. In this regard the proposed amount would be able to ensure the arrangement of the basic needs at a desired minimum level.

Required calorie-intake would be possible

“Daily calorie intake” is one of the widely accepted and used standards of measuring poverty. Generally it is calculated that an adult person is required to take/consume at least 2122 kcal daily to maintain normal body functions. However the workers require to intake more calories since they work hard and are primarily engaged in laborious jobs. Generally it is estimated that 3000 kcal is required for a worker. Considering the present cost of the different food items it has been observed that a person requires Tk. 60.18 daily to meet the calorie need only and thus requires Tk. 1805.4 monthly. And a family comprised of four members would require Tk. 7221.6 (1805.4 X 4) every monthly to meet only the food/calorie demands of its members.

On the other hand, in order to intake/consume 3000 kcal daily, a worker must spend, at present cost, Tk. 72.79 every day and Tk. 2189.1 every month. And a four-member family (comprised of two working adults, and two others) must have the arrangement of Tk. 7989 [(2189.1 X 2) + (1805.4 X 2)] to meet the minimum required calorie/food need.

Sl	List of Food	Amount (Kg) 2122 kilocalorie	Amount (Kg) 3000 Kilocalorie	Price /kg 2013	Cost	
					2122 Kilocalorie (general adult)	3000 Kilocalorie (worker)
1.	Rice	0.397	0.595	35	13.90	20.825
2.	Flour	0.040	0.06	32	1.28	1.92
3.	Pulse	0.040	0.06	100	4.00	6
4.	Milk	0.058	0.06	60	3.48	3.6
5.	Oil	0.020	0.022	110	2.20	2.42
6.	Meat	0.012	0.012	280	3.36	3.36
7.	Fish	0.048	0.05	200	9.60	10
8.	Potato	0.027	0.04	18	0.49	0.72
9.	Vegetable	0.150	0.225	30	4.50	6.75
10.	Sugar	0.020	0.02	52	1.04	1.04
11.	Fruits	0.020	0.02	150	3.00	3
12.	Cooking cost	-	-	400/month	13.33	13.33
Total		-	-	-	60.18	72.97

Income level of poverty line

Minimum wage aims at addressing the poverty condition of workers and their families. In 2000 BBS determined the required income level of poverty line of persons in urban area. BBS set the level at Tk. 724.56 for individual person. In the same year CPI (consumer price index) was 124.31 which has increased to 266.61 in 2011-12, a 142.30 point increase from the year 2000. If this increase of CPI is adjusted with the income level of 2000 (Tk. 724.56 for an individual) the

level would stand at Tk. 1755.56. Thus a four-member family would require Tk. 7022.43 to come out from the net of poverty.

Comparative wage scenario in Bangladesh

Minimum wage board of Bangladesh has so far declared minimum wage for different sectors. However the pity is RMG workers rank at the bottom level in terms of the minimum wage amounts fixed.

Sl	Name of Sectors	Minimum announced wage (total)	Date of gazette notification
1.	Construction & Wood	9882/-	08-10-2012
2.	Oil mills & Vegetable products	7,420/-	01-7-2010
3.	Road Transport	6,300/-	08-9-2010
4.	Glass & silicates	5300/-	26-04-2011
5.	Cold storage	6050/-	11-10-12
6.	Rerolling Mills	6,100/-	03-07-2011
7.	Tannery	9,300/-	30-06-2011
8.	Rice Processing	Inexperienced-5850/- Semi- experienced(servitor)-7140/-	2-9-2012
9.	Salt	General workers (8) Hours salary per 265 BDT, Area -Dhaka, Chittagong, Narayanganj Chadpur, & coxbazar .	01-06-2011
10.	RMG	3,000/-	31-10-2010

Garments workers' wage of the country is not only less in comparison to the wage amount of other/competing country's workers, they got least even among the workers of other sectors within the country. Garments workers' wage is about two to more than three times less than the wage of the workers of other sectors in Bangladesh. Garments workers' minimum wage is less more than three times than the wage amount of the tannery sector workers (3.1), and construction and wood (3.29) sectors. This wage amount of RMG workers is more than two times less than the wages of the workers of road-transport (2.1), cold storage (2.02), and re-rolling (2.03) sectors; and about two times (1.95) less than workers of rice-processing sectors.

Salt workers get Tk. 265 daily for 8-hour work. As per this amount the monthly minimum wage of this group of workers stands at Tk. 6890 which is 2.30 times more than that of the RMG workers. Minimum monthly wage of the workers of glass and silicates sector is also 1.77 times more than the amount of RMG workers.

Besides, RMG workers' wage in Bangladesh is about two and half (2.47) times less than the minimum wage amount of the workers of oil-mills and vegetable products.

Table: Comparative wage scenario of RMG workers in Bangladesh

RMG workers' minimum wage	Some sectors having minimum wage	Times more than RMG wage
Tk. 3000 monthly	Construction & Wood	3.29
	Oil mills & Vegetable products	2.47
	Road Transport	2.1
	Glass & silicates	1.77
	Cold storage	2.02
	Rerolling Mills	2.03
	Tannery	3.1
	Rice Processing	1.95
	Salt	2.30

Hazards and Risk of Job

Generally risks and hazards of a job are taken into consideration while fixing minimum wage for workers of a particular sector. In the context of RMG industry it has been observed that workers face various occupational hazards. They work in poor work environment and due to nature of job they cannot work for longer period/years, 'work span' in their lives are short. Most of the workers are very young. Among respondents of present study about 80 percent are under 30 years of age. Noteworthy, young workers of this sector cannot continue their job for many years. Now a day fire accidents and building collapse has added new impetus to the workplace safety condition of RMG workers. Taking these risks and hazards of the sector RMG workers wage should higher than other sectors where these issues are less frequent.

Ensuring workers' freedom from exploitation

Minimum wage protects workers from exploitation by employers. Workers of RMG section in Bangladesh are exploited in different ways. Workers in most cases are bound to work for a longer time than workers of other sector. Poor wage amount is one of the basic reasons for which workers often agree to work for longer periods. There are instances that every month workers work 150-180 hours just as overtime. Not only that, workers also agree/even want to work during the weekly holidays and nation holidays just because they desire that they may get addition income for those days. In this way workers are really being exploited just because of the existing poor amount. Proposed wage amount would provide workers with opportunities to enjoy freedom in this regard.

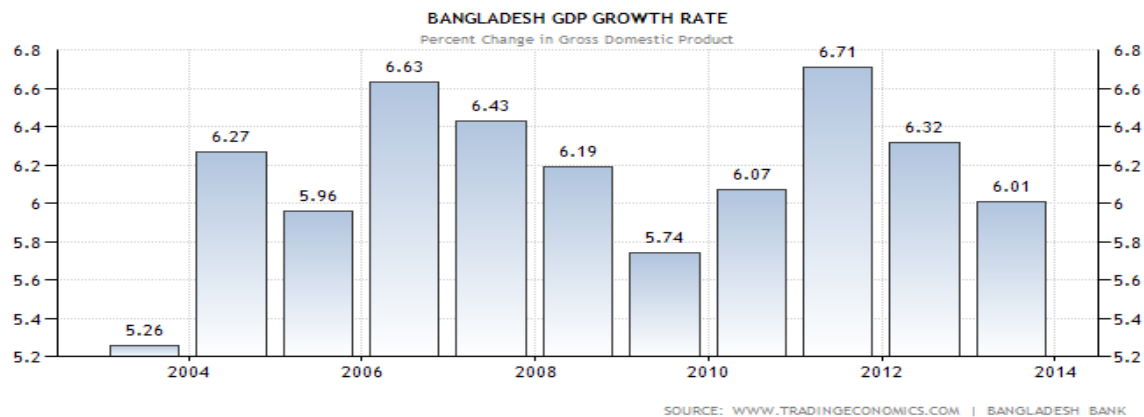
Rise in Per-capita Income

Per capita income of the country is increasing steadily. Currently Bangladesh's annual per capita income has risen to \$1,044 in 2012-13²². Thus, annual per capita income in Bangladesh is BDT 80,652 (1 US\$ = BDT 78) and the monthly income is BDT 6721. Therefore, a four-member family of a garment worker has to have the arrangement of earning BDT 26,884 to keep consistency with the national per capita income level.

²² <http://www.bdlinkx.com/ultimate-news/932/per-capita-annual-income-crosses>

Steady GDP of the Country

The Gross Domestic Product (GDP) in Bangladesh expanded 6.01 percent in the fiscal year 2012/2013 from the previous year. GDP Growth Rate in Bangladesh is reported by the Bangladesh Bank. From 1994 until 2013, Bangladesh GDP Growth Rate averaged 5.6 Percent reaching an all time high of 6.7 Percent in June of 2011 and a record low of 4.1 Percent in June of 1994. In the last decade, the country has recorded GDP growth rates above 5 percent due to development of microcredit and garment industry. Although three fifths of Bangladeshis are employed in the agriculture sector, three quarters of exports revenues come from producing ready-made garments.



Achieving International and National Development Goals: MDG and Vision-2021

Bangladesh is committed nationally and internationally to achieve some development goals within specified timeframes. In the international arena Bangladesh commits to achieve the targets of Millennium Development Goals (MDGs). Among the eight goals several (Goal-1: Eradicate Extreme Poverty and Hunger; Goal-2: Achieve Universal Primary Education; Goal-3: Promote Gender Equality and Empowerment; Goal-4; Reduce Child Mortality; Goal-5: Improve Maternal Health) are directly and indirectly related to level of income of and poverty situation of the people.

On the other hand, in national context the country targets to reach its Vision-2021. The year 2021 will mark the golden jubilee of Bangladesh's independence. For resolution of crisis and a prosperous future, the government envisions a Bangladesh which by 2021, will be a middle income country where poverty will be drastically reduced; citizens will be able to meet every basic need and development will be on fast track with ever-increasing rates of growth²³.

Achieving targets of both MDGs and Vision-2021 are again linked with income level and purchasing capacity of the people. Proposed wage would be helpful to raise income level and purchasing capacity of RMG workers and thus be instrumental to attain targets of both MDGs and Vision-2021.

²³ <http://www.apc.org/en/blog/bangladesh-call-achieving-vision-2021>

Box: Some of the milestones of Vision 2021

2010: 100 percent net student enrolment at primary level.
2011: Supply of pure drinking water for the entire population.
2012: Self-sufficiency in food.
2013: Each house brought under hygienic sanitation.
2014: Bangladesh attains full literacy.
2015: Living accommodation for the entire population.
2021: Unemployment reduced to 15 percent from the present rate of 40 percent.
2021: Poverty rate comes down to 15% from 45% at present.
2021: Bangladesh known as a country of educated people with skills in information technology.
2021: 85% of the population have standard nutritional food.
2021: Poor people ensured a minimum of 2122 kilo calories of food.
2021: All kinds of contagious diseases eliminated.
2021: Infant mortality comes down to 15 from 54 per thousand at present.
2021: Maternal death rate reduced to 1.5% from 3.8%.
2021: Use of birth control methods increased to 80%

Capacity of the RMG Industry: Growth of RMG export

RMG industry in Bangladesh is going through robust growth, and sustained growth of the export of RMG sector has become evident, even during the period of world recession, which indicates the increased capacity/strength of the industry to pay more for the workers. According to the estimate of BGMEA growth rate of RMG export was over 20% per over the last two decades²⁴. Even the export of RMG has increased 72.37 percent in last three years, from US \$ 12.49 billion in 2009-10 to US \$ 21.53 billion in 2012-13. Export Promotion Bureau (EPB) data shows that the government has targeted \$24.14 billion from RMG exports in the current fiscal year, 2013-14. Bangladesh has exported RMG goods worth \$6.20 billion in the first three months of the current fiscal year. The country's knitwear items fetched \$3.16 billion in July-September of 2013, registering a 25.24 per cent growth over the corresponding period of last year. On the other hand, export earnings from woven garments rose by 27.02 per cent to \$ 3.04 billion in July-September of 2013²⁵.

²⁴ <http://www.bgmea.com.bd/home/pages/aboutus#.UqNaoiehodU>

²⁵ <http://cpd.org.bd/index.php/mustafizur-rahman-rmg-export-growth-cotton-yarn/>

Annexure -1: Geographic location-wise average present monthly living cost & expected expenditure of a RMG worker living singly

Area of Cost Area		Food	House Rent	Dress	Medical	Transport and Communication	Recreation	Cosmetics and toiletries	Support to family	Festival	Guest Entertainment	Total
Dhaka	Present	2056.44	753.33	275.56	330.33	306.67	162.50	310.22	282.14	240.74	305.00	5022.93
	Expected	5278.78	1500.00	556.22	550.00	600.00	200.00	689.78	550.00	450.00	375.00	10749.78
Gazipur	Present	2063.00	500.00	275.00	415.00	225.00	60.00	378.50	494.79	237.50	250.00	4898.79
	Expected	4875.50	1200.00	427.00	625.00	375.00	140.00	709.75	694.00	437.50	350.00	9833.75
Narayangonj	Present	2075.50	625.00	352.50	450.00	380.00	100.00	411.75	300.00	268.75	150.00	5113.5
	Expected	5245.00	1600.00	752.00	650.00	620.00	233.30	831.75	500.00	500.00	300.33	11232.38
Chittagong	Present	1871.63	843.75	317.50	281.25	280.00	165.00	397.25	183.33	322.92	166.67	4829.3
	Expected	4251.36	1500.0	817.50	530.00	500.00	200.00	459.12	500.00	532.00	400.00	9689.98
Average	Present	2016.64	680.52	305.14	369.145	297.92	121.88	374.43	315.07	267.48	217.92	4966.13
	Expected	4912.66	1450	638.18	588.75	523.75	193.33	672.6	561	479.88	356.33	10376.47

Annexure – 2: Geographic location-wise average present monthly living cost & expected expenditure of a four-member family of a RMG worker

Area of Cost Area		Food	House Rent	Dress	Medical	Education	Transport and Communication	Recreation	Cosmetics and toiletries	Support to family	Festival	Guest Entertainment	Total
Dhaka	Present	6019.98	2303.19	639.38	412.58	433.33	349.00	210.00	680.83	150.64	488.12	313.00	12000.05
	Expected	8790.53	4500.00	1011.92	800.00	716.67	672.50	240.54	828.83	500.00	1200.00	474.25	19735.24
Gazipur	Present	6243.58	2451.46	625.25	512.17	666.67	399.27	150.00	883.00	434.62	509.72	364.29	13240.03
	Expected	8011.70	4000.00	1077.00	812.50	1125.0	696.83	226.32	1166.08	800.00	1000.00	620.00	19535.43
Narayangonj	Present	6647.63	2542.12	646.47	650.00	483.33	284.44	176.92	777.47	204.55	578.95	490.00	13481.88
	Expected	8586.32	4500.00	1143.53	950.00	860.00	628.89	246.43	1018.21	458.00	900.00	742.86	20034.24
Chittagong	Present	4968.08	2316.67	842.17	371.43	466.67	564.29	171.43	393.50	116.67	510.42	390.00	11111.33
	Expected	7132.50	5000.00	1354.17	583.00	916.67	740.00	207.14	616.00	462.00	800.00	890.00	18701.48
Average	Present	5969.81	2403.36	688.31	486.54	512.50	399.25	177.08	683.7	226.62	521.80	389.32	12458.32
	Expected	8130.26	4500.00	1146.65	786.37	904.58	684.55	230.10	907.28	555.00	975.00	681.77	19501.6

Annexure -3: Minimum wage of RMG workers in competing countries

Country	Minimum Wage (in US Dollar Per 1 hour)			Main Ingredients	Index	Advantages beyond Minimum Wage
India						
Province	Unskilled	Semiskilled	Skilled	Minimum Wage & Variable Dearness (minimum wage house rent, fuelling expenditure , child education, medical entertainm ent, festival, infirmity of old age, Marriage)	1) Family of 3 members 2) 2700 Calories food for a single person 3) 72 yard cloth for family per year 4) Fixed rent for garments worker by housing scheme. 5) 20% wage for fuel, electricity and such expenditures. 6) 25% minimum wage for Child Education, Medical, Entertainment, Infirmity of old age, marriage etc.	Provident for older, handicapped and death related facilities are included under gratuity and Insurance Fund. Monthly allowance has been given in old time from the retirement fund. Without the Provident fund, the responsibility of all other funds is on owners and the government. Sickness, Maternity related facilities and occupational accidents are included in Social Insurance. Individual having Insurance, the Government and Owner, all of them have saved in a specific rate in Insurance Fund. Moreover, there is also scope of severance Pay. But workers of small scale factories are mostly deprived from these opportunities.
Delhi (Rupee/ Per day)	0.68 (279)	0.76 (308)	0.83 (339)			
Haryana Rupee/ Per day)	0.46 (191.04)	0.47 (196.04)	0.50 (211.04)			
Uttor Prodesh (Rupee/ Per day)	0.44 (179.89)	0.50 (205.07)	0.56 (179.89)			
Notable Criteria: National/ Regional/ Provincial/ Industry and Labor allocation based separate wage structure is present. Annually there are rules harmonious with money inflation. Stated calculations are effective for 2013. 1 US\$=54.25 INR, Data source: http://www.paycheck.in						
Sri Lanka						
Srilanka	0.33 (8970 Srilankan Rupee/ Per month)			Only Minimum wage	1) Wage index 2) Consumer Price index 3) Living standards	Free breakfast. Owners and workers have saved 12% and 8% respectively of minimum wages in provident fund. Free health care in governmental organization. Owners allocate 3% of basic salary for worker's health sector. Per year workers have got

				an amount of half month salary as gratitude after leaving their job or in terms of termination. Owner fully pays the expenditure of occupational accident. Unemployment Insurance and Allowance for family is Government's liability.
Notable Criteria: According to the Wage Board Ordinance- 27 of 1941, minimum wage has been determined. Sector, Special Category and profession based minimum wage is noticeable. Festival allowance and Attendance allowance is wholly dependent on owners. Male worker and female worker can withdraw money of provident fund in 55 years and 50 years respectively. Funds allocated for health sector is able for withdrawal in every for five years. 1 US\$=130.59, effective from 1 January 2013				
Pakistan				
Province	Minimum Wage (in US Dollar Per 1 hour)	Main Ingredients	Index	Advantages beyond Minimum Wage
Panjab	0.48 10000 Rupee/per month	Only Minimum Wage. House rent, transport, living allowance and dearness allowance is included.	1) Economic condition 2) Living expenditure (Consumer Price Index)	1) Security- Insurance for older, handicapped and death: Owner bears 5% of minimum age and government bears the rest. 2) Opportunities in times of sickness and maternity: Included in Social Security Insurance. Owner saves Insurance at the rate of 7% of minimum wage. 3) Opportunities in terms of occupational Accidents: Owner bears all costs. 4) Mandatory Unemployment Insurance given by owner.
Sindh	0.38 8000 Rupee/per month			
Beluchistan	0.43 9000 Rupee/per month			
Notable Criteria: According to the Minimum Wage Ordinance, 1961, the Minimum Wage Ordinance, 1969 and the Minimum Wage Principle, 1962 for unskilled workers minimum wage is determined. Alongside with national minimum wage others minimum wages based on province are noticeable. The Punjab Gazette (Extraordinary) June 26, 2012, Budget 2012-2013, effective from 1st July 2013, 1 US\$=100.02				
Nepal				
Nepal	0.40 [8000 Rupee/per month Wages 5100 + Others 2900]	Minimum Wage & other allowances	1) Economic condition 2) living expenditure	Annual allowance, Overtime, weekend with payment etc. is noticeable.

		such as House rent, transport, living allowance and dearness allowance is included.	(Consumer Price Index) 3) Working condition 4) Owner's condition 5) Money Inflation	
<p>Notable Criteria:</p> <p>Labor Act, 1992 which is amended in 1998 is related with minimum wage determination. Tripartite Committee of Government, Owner and trade union determines minimum wage. Sector, Special Category and profession based minimum wage is noticeable. During 1910-11 Price Inflation is 9.6% and in 1911-1912 is 8.3% in Nepal. 29% increase of total wages in Wage Review of 2013 is noticeable.</p> <p>Revised on May 2013, affective from 1 July 2013, 1US\$=83.20</p>				
Indonesia				
Indonesia	0.40 - 0.85 (830000-1752053 Indonesian/ per month)	Food and Drinking, domestic, dress, education, medical, transport, entertainment and savings.	1) Minimum necessity 2) Consumer Price Index 4) Abilities of Company 5) Wage and Income condition of the Country 5) Economic development 6) Working Condition	1) Opportunities for older, handicapped and death: Worker (2%) and Owner (3.7%). 2) Opportunities in times of sickness and maternity: 6% for married and 3% for unmarried given by owner. 3) Opportunities in terms of occupational Accidents: Owner bears all costs.
<p>Notable Criteria:</p> <p>Under the Act 13 of 2003, the Ministerial Decree 236/2000 provincially and district wise minimum wage is being determined. Conflict between owners and labor union is common matter. The role of the Local government for the removal of conflicts is the most. Money inflation is from 3% to 5.5% based on region. In the wage review of 2012 price inflation to 70% in some regions is also noticeable. Wage increase is being seemed as production increase. Minimum wage is being increases 18.32% than before in the wage review of 2013.</p> <p>1 US\$=9965 IDR</p>				
Cambodia				
Province	Minimum Wage (in US Dollar Per 1 hour)	Main Ingredients	Index	Advantages beyond Minimum Wage
Combodia	0.39 [80 US\$/ per month]	Only Minimum wage	1) Wage Index 2) Consumer Price Index 3) Living standards	Additional attendance allowance of minimum age is given to 10US \$, Seniority allowance is to 2 US \$, Health allowance is to 5 US \$, Accommodation and communication allowance is to 6US\$. But

				there are not mandatory opportunities determined by the government.
<p>Notable Criteria: Controlled by the Labor Code, 1997. The Labor Advisory committee consisting of 14 governmental representatives, trade union of 7 members and owners is liable for wage determination. Effective from May 2013</p>				
Vietnam				
Province	Minimum Wage (in US Dollar Per 1 hour)	Main Ingredients	Index	Advantages beyond Minimum Wage
Vietnam	0.37 - 0.53 [VND 1650000 -2350000 Vietnam]	Only Minimum wage and grant for savings	1) Consumer Price Index 2) Living standards	Not possible to determine.
<p>Notable Criteria: Controlled by the Labor Code, 1994. Minimum wage based on industry and region is determined. Mutual interaction is being more emphasized rather than laws. Takes effect from October 05, 2011, 1US\$=21240VND</p>				
Bangladesh				
Bangladesh	0.22	Minimum wage	1) Consumer Price Index 2) Living standards	
<p>Notable Criteria: Takes effect from 2010</p>				