



LITON RAHMANDOK NEWS

Demand, but don't destroy

They are always interested in creating problems in the relationship between the owner and the workers. Because of that, so-called local leaders get involved to make some money by "negotiating" a solution.

KARIBUL MOWLA CHOWDHURY

THE minimum wages in garment factories should be increased as per the prevailing rules and laws of the country. The new scale should, therefore, be given in 2011, the last having been given in 2006. It is necessary to analyse why agitation has started before the new scale is due.

The groundwork for preparing the new scale should be immediately started. There should not be any controversy in this respect because factories are already paying higher salaries over the one prescribed in the current scale. Therefore, if a new scale is introduced before it is due, it will not be unacceptable.

There is scope for discussions on how much the pay should be increased in different grades. In making this decision, many points need to be taken into consideration. First of all, the percentage increase made in the salary structure of government employees, which is about 70 percent. They had been drawing much lower salaries compared with the private sector employees for many years. With this increase the gap has narrowed a lot. Secondly, salary structure for garment work-

ers inside Export Processing Zone.

The worldwide economic recession has got to be taken into consideration. Export in the recent past had decreased a lot, but is picking up again. Hopefully, by the end of this year, the world economy too will get back to the position before recession and the export volume and the prices will be better.

It is true that in most cases the incremental salaries are being absorbed by inflation, consequently the real income remains same. Probably, the increase in salary structure of the government employees this time could bring some increase in their real income.

It is often said that with the present minimum salary of Tk.1,663, a worker of a garment factory is not capable of maintaining his family. I want to point out that the person to whom the amount is paid can be called a trainee worker in the age bracket of 15 to 18.

Why should anybody expect him/her to maintain a family; instead his contribution to the family helps it and in the process he/she too gradually learns skills to make him/her suitable for earning more money as he/she grows older. Think what he/she could

be doing if he/she was not employed in a garment factory.

A graduate/masters degree holder who enrolls as an Articled Student in a C.A. firm gets Tk.2,000 per month in the 1st year, and Tk.2,500 and Tk.3,000 in the 2nd and 3rd years, because he is under training. Nobody expects him to be able to run a family, instead he is supported by his family to a great extent.

Since the garment sector is substantially bigger, there must be some rules for increasing the salaries of the workers. Unfortunately, they are not followed by any of the relevant parties. In the past, the authorities did not give the new scale when it was due.

The workers go for street agitation and destructive ways for getting their salary increased. The leaders who guide them never tabled the demands through peaceful means or peaceful demonstrations. They are always interested in creating problems in the relationship between the owner and the workers. Because of that, so-called local leaders get involved to make some money by "negotiating" a solution.

As already stated, the kind of workers who presently draw Tk.1,663 per month is not capable of earning the amount in any other sector. Over this amount he/she is paid overtime, attendance bonus and festival bonus as well. Total earning thus goes close to Tk.3,000 per month. What else has got to be done for them. Yet, since the question of new scale comes, there must be some increase.

Furthermore, as owner of a garment factory, I would like to say something different. The interaction of demand and supply of labour fixes the price for them. Skill, too, has got a vital role. The minimum wage in most departments in my factory has gone up to Tk.1,850; not because I am very generous but because I do not get any workers for Tk.1,663.

The salary of more than 50 percent of the skilled workers of my factory is over the amount set in the highest grade of the running pay scale; again for the same reason. Yet, there must be a scale which will be a guideline for the industry.

It is not binding on the workers to work within the scale given by the government. Instead, they are free to change jobs and get increased salary. For them, getting a job takes only as much time as it takes to reach another factory. In most cases, they get a job in the new factory at a higher salary.

Then why do they need to go for agitation, showdown and destructive measures? The answer is very easy. They are being goaded by interested and vested quarters. It happened many times in the past, but no strict measures were taken by the government to identify and punish them. These people should be totally uprooted because they are disturbing our life and creating serious bottlenecks in the development of our country.

Karibul Mowla Chowdhury is Managing Director, Niponika Garments Ltd.

Green light for green jobs

Green jobs are diverse in training capacities and occupational profiles. They will occur in research and development, in engineering and architecture, project planning and management, administration, marketing and green collar areas.

MOHAMMAD MIZANUR RAHMAN

WITH our planet facing a generational challenge and our leaders falling far short in their response to the urgency of the climate crisis, it's easy to succumb to doom and gloom. But each of us came to this movement because of the joy we find in working together to build a sustainable future for ourselves, our children and our grandchildren.

Generating green jobs will take years, and the question is whether there will be enough to replace the ones that have been destroyed in the financial crisis. One of the problems when governments create policies around green jobs is defining exactly what those jobs are.

The United Nations Environment Program (Unep) offers this definition: We define green jobs as work in agricultural, manufacturing, research and development, administrative, and service activities that contribute substantially to preserving or restoring environmental quality.

Specifically, but not exclusively, this includes jobs that help to protect ecosystems and biodiversity; reduce energy materials and water consumption through high-efficiency strategies; de-carbonise the economy; and minimise or altogether avoid generation of all forms of waste and pollution. The term "Green Jobs" covers those areas. Producing goods such as solar cells would fit in with that definition.

In spite of haziness, there is no doubt that the number of green jobs is on the rise, and the outcomes at the United Nations Climate Change Conference that took place in

Copenhagen in December 2009.

Green jobs include hydrology, conservation and wildlife biology, toxicology, environmental engineering, forestry, pest control technology, pollution control technology, environmental health and safety technology, environmental law, community affairs management, landscape architecture, waste disposal specialisation, urban and regional planning, air-quality engineering, waste disposal specialisation, waste water operation, agricultural inspection, and also specialising in bio-fuel development, energy-efficient buildings, renewable power and repairing of energy-efficient cars, green building analysis, green-focused corporate strategy etc.

Carbon trading and smart electricity grids have the potential to create entirely new industries, with new companies springing up to help businesses run smart, energy-efficient operations. Companies may well emerge alongside utilities in the same way that internet service providers did with telecommunications companies. Entire professions and industries are also likely to change, including accounting.

A key corporate position of the future may well be "Chief Carbon Officer." The person in that position would handle everything, including managing the emissions trading scheme, managing growth to ensure that the company can offset increase greenhouse gas emissions, assessing the impact of carbon liabilities and credits on balance sheets, checking the legal ramifications of climate change, conducting due diligence on trading partners and suppliers, and handling tax and insurance issues.

Recently, the government of Australia

pledged that all apprenticeships and vocational training would include green skills by 2010, with a review underway to identify gaps in those skills by March. Indeed, green skills are a critical problem. A report by the Australian government, Growing the Green Collar Economy, suggests that the growth in these jobs could be constrained by Australia's chronic skills shortage.

According to the report, these shortages are affecting consumers' ability to switch to more sustainable or energy-efficient alternatives. Try looking around, for example, for mechanics to convert cars from petrol to liquefied petroleum gas. Similarly, demand for solar panels might be low because they are expensive or because there is a long waiting list, or both. And the reason for that might be too few electricians.

Australian Prime Minister Kevin Rudd has unveiled a A\$94 million package to help young people obtain new skills, that he says "will be highly relevant to lower carbon economy in the future." As part of that, his government plans to create 50,000 green jobs and apprenticeships.

It is a strategy that aims to combat the unemployment problem and climate change crisis simultaneously. Rudd says: "The government I lead will not stand idly by while thousands of young Australians have their hopes crushed by a global recession not of their own making."

In the USA, the White House is counting on creating green jobs built around clean energy technology. President Barack Obama wants to create about 5 millions green jobs and is relying on solar and wind power and improving energy efficiency over the next decade.

In the UK, British Prime Minister Gordon Brown is planning a national investment corporation to encourage manufacturing and green jobs so as to steer Britain away from its over-dependence on the banking sector.

German Minister for the Environment Sigmar Gabriel said: "Whoever identifies the risks and opportunities in good time will be able to reap the economic benefit and secure both jobs and prosperity." He also laid stress on

intelligent adjustments to climate change, for example by developing new building concepts and water efficiency technologies, which harboured good prospects for innovation and employment.

According to Mr. Peter Locher, CEO of Siemens: "We must sustain and build on our technological advantage. That way we are not just helping the climate, but also creating green jobs."

Green jobs are diverse in training capacities and occupational profiles. They will occur in research and development, in engineering and architecture, project planning and management, administration, marketing and green collar areas. For example, wind power requires meteorologists and structural, electrical and mechanical engineers to design turbines and generators; and quality control personnel and mechanics and technicians to keep them in good working order.

In our country, the government has promised to fulfill common people's requirements and also create more employment opportunities. We can see what exactly is said in the manifesto. The manifesto set a target of bringing down the number of poor people from 65 million now to 45 million by 2013.

Rural job creation will be the key tool for bringing down the proportion of ultra-poor to 1 percent by 2013 as envisioned. The government should outline its strategy and undertake programs, including green solutions, as early as possible to create new jobs for millions.

The formulation of comprehensive employment guidelines has been pledged to create jobs and achieve the target of reducing the number of unemployed people from 28 million now to 24 million by 2013. In fine, the government will have no option but to tackle climate change solutions as well as green solutions through generating green jobs for development in Bangladesh.

Mohammad Mizanur Rahman is a Botanist and Researcher. Email: mizanhe_1971@yahoo.com.

A people-friendly budget

If the government does not want people to starve after paying taxes, it should increase the limit of tax-free income and non-taxable limits of different allowances according to the inflation rate.

MOHAMMAD ZAHID HOSSAIN

MANY suggestions are coming from different trade bodies, think tanks, and professionals before the submission of the annual budget of 2010 in the Jatiyo Sangshad. The NBR chief as well as the finance minister are listening carefully to these suggestions. It is undoubtedly true that if the budget is prepared through ensuring the participation of all stakeholders, every participant would give utmost attention to the successful implementation of this important document.

Among all the advice, one is being raised in almost all pre-budget meetings -- increasing the tax-free income limit from Tk.165,000 to Tk.200,000 (for male tax payers). This advice may be justified considering the current macroeconomic situation of the country. For example, if a salaried person gets Tk.165,000 as taxable income, his total income including all non-taxable benefits could be Tk. 22,625 per month (basic salary Tk.13,750 (fully taxable) house rent Tk.6,875 (non-taxable: lower than 50 percent of basic and Tk.15,000 per month) and conveyance allowance Tk.2,000 (up to Tk.2,000 per month is fully exempted from tax)) for which he does not need to pay anything by way of Income Tax.

Anything that he gets beyond the said amount will be taxable. The minimum tax payable is currently Tk.2,000, and other costs are not less than Tk.3,000 (including lawyer's fees and informal payment!). A person living in any major city, and getting this amount, struggles to maintain a minimum decent life. After paying for minimum basic needs of life, a very insignificant amount remains to pay tax and other tax-related expenses (Tk.5,000 as estimated above).

Again, the maximum non-taxable amount for house rent allowance and conveyance allowance is Tk.15,000 (subject to the amount which is 50 percent of basic salary) per month and Tk.2,000 per month respectively. Amid the continuous hike, both in house rent and transport, the government should adjust the non-taxable limit in these two components of income that eat up the major chunk of a person's income.

So, this non-taxable income limit needs to be fixed considering the cost of living of middle class people and the policy of the government to target the classes of people to be taken within the tax bracket. Considering the current socio-economic condition, people earning Tk.400,000 and above per year should be required to pay tax. The non-taxable limits of different allowances are to be designed to ensure a decent (not lavish) life for middle class people to upgrade to upper middle class.

Official records of the government show that inflation rate is 9 percent this year. If the government does not want people to starve after paying taxes, it should increase the limit of tax-free income and non-taxable limits of different allowances according to the inflation rate. Since such a change would be made according to the inflation rate, the purchasing power of marginal people will remain unchanged from a tax burden perspective.

The finance minister has hinted that the size of the budget for the next fiscal year will be Tk.130,000 crore to Tk.132,000 crore. Such a big target may not allow the government to increase the tax-free limits though it is sought by many groups. Whereas, if the government could increase the number of tax payers and ensure less "system loss" in collection of revenue, it would not be very difficult for it to increase tax-free limit and non-taxable amount of some allowances, reduction of tax rates etc.

Since a good number of people who are obliged to pay tax are beyond the tax regime, the government cannot collect the desired amount of revenue only from honest tax-paying citizens. In absence of effective efforts to increase the volume of tax-payers, the government is only increasing rates, scopes. As a result, the overall burden of direct tax is imposed on the compliant tax-payers.

This stand of the government is not reducing the gap between rich and poor of the society, though per capita income and GDP are growing. Without the balanced economic growth of different classes of the society the country cannot have sustainable economic development.

Despite all the facts, the tax policy of the country remains pro tax-dodgers instead of pro tax-complainers.

Mohammad Zahid Hossain, FCA is a Financial Consultant. Email: mohammad.z.hossain@gmail.com.



STAR FILE PHOTO