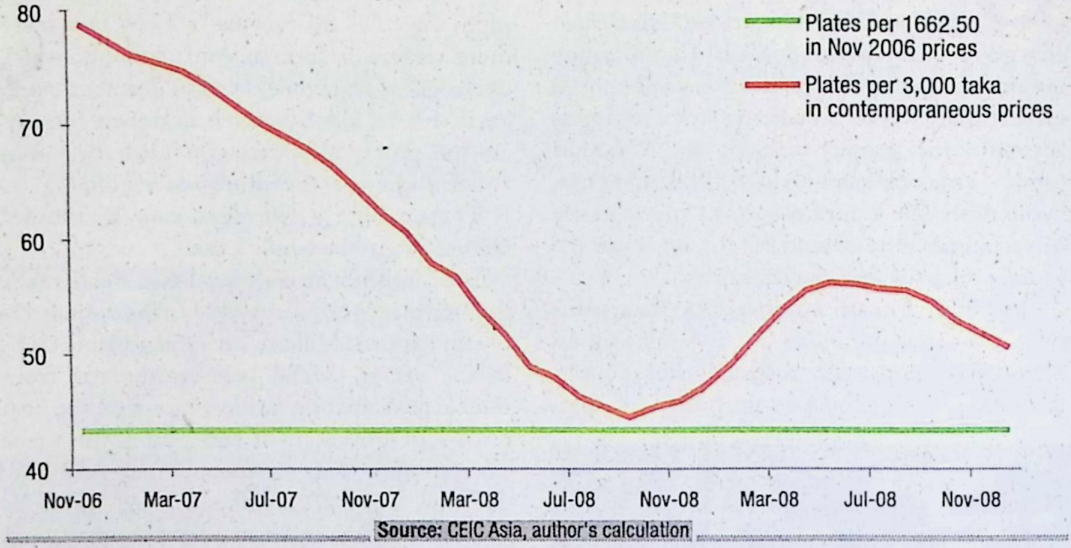
Chart 1: The Khichuri Index



Source: CEIC Asia, author's calculation

only 51 plates (Chart 1). When evaluated against price increases of essential goods, the minimum wage has been raised by only a sixth, not nearly doubled.

Of course, one can't just eat *khichuri*, one has to live somewhere too. I don't have a series on rents in Dhaka slums, but I'd hazard a guess that it has moved up quite a bit since 2006. Perhaps most importantly, how does one know that the 2006 minimum wage was sufficient to cover subsistence?

In 2005, the poverty threshold in Dhaka was estimated to be 890 taka per person per month. Even accepting this poverty line, the 2006 minimum wage was sufficient to cover 1.9 persons' subsistence. How many persons does an entry-level garments worker provide for?

Remarkably, five years of urbanisation, inflation, remittance boom and 5.5-6 percent economic growth later, the 2005 estimate is still the best guide to the poverty line. So there is no way of formally gauging what would be a reasonable award now.

What about the fine print and unintended consequences?

As noted, there appeared to be a lot of concern about what the award would entail in terms of pay and conditions on top of the basic pay.

Even if all these worries are completely unfounded, the government and the so-called labour leaders who accepted the deal on behalf of the workers have done an abysmal job of explaining the facts to the workers. Of course, with the chattering classes, media and government moving on to the next hot topic, no one will hold anyone to account.

And there may well be good grounds for concern. Let me use the overtime conditions as an example. Under the old award, workers could avail as much as 2,400 taka a month in overtime pay. Of course, this involved extremely long work hours. The new award limits a day's work to 12 hours, with four hours of potential overtime pay. In theory, this is a welcome move that ensures humane working conditions. But the reality may well be different.

In practice, there is a risk that a worker will have to work 15-16 hours on some days to meet production deadlines, but will earn only 12 hours of pay, including overtime. In practice, it is quite possible that the monthly overtime pay will be limited to around 1,000 taka. In practice, after accounting for the overtime, the entry-level worker may well see no pay rise at all!

These back-of the-envelope calculations might not be wholly accurate, but they are based on the information made available to the public. Either additional information or rigorous analysis must be released, or measures need to be enacted to avoid new forms of worker exploitation.

Will smaller factories be hit harder?

In our polarised chattering culture, concerns about workers usually come coupled with venomous views about the factory owners. And