RMG workers, leaders dig into unrest clues

AMRAN HOSSAIN

Around 70 percent of garment units are yet to follow the new pay structure, workers and sector leaders say.

"Generally, the grade in pay of a worker who has been working for the last seven years should be on upper level, but he has been posted in grade IV or V. It created confusion among the workers while they received salary in December"

REFAYET ULLAH MIRDHA

Workers and the readymade garment sector leaders have blamed the latest labour unrest on gradation disputes and absence of a proper counselling on new wage.

Around 70 percent RMG units are yet to go by the new pay recommendations supposed to be effective from November 1, they said.

A demand to remove pay discrepancy between senior and junior workers was raised through the demonstrations staged by the workers disappointed by the November salaries they received in the current month.

A senior sewing operator of a garment factory under Nassa Group, badly affected by the unrest, complained that management increased only Tk 500 on an average for them.

"The management has paid all helpers Tk 3,000 as monthly pay, meaning the salary increased for junior workers, but not at the same proportion in the case of senior workers. It is a sheer discrepancy in payment," he said, requesting not to be named.

"As per new wage structure, I was supposed to receive more than Tk 4,200 per month, but I was paid Tk 3,300 as the remuneration for the month of November. Previously, I used to draw Tk 2,900, meaning my salary increased only Tk 500," he added.

Such discrepancy fuelled workers' agitation, though they went back to work on owners' assurances for payment in line with the new pay structure, the worker went on.

Amirul Haque Amin, president of the National Garment Workers' Federation, said he received complaints from workers of at least 17 garment factories that the owners did not follow the grades properly.

"Generally, the grade in pay of a worker who has been working for the last seven years should be on upper level, but he has been posted in grade IV or V. It created confusion among the workers while they received salary in December," Amin said.

On counselling on the new pay, both on the part of the sectoral trade body and factory management, the workers' leader said, "Such counselling on their part is not possible because there is no trade unionism at factory level."

Nazma Akter, president of Sammilito Garment Sramik Federation, echoed other leaders' views on the recent labour unrest.

"Owners have not graded the workers properly neither on the basis of nature of work nor experience," said Akter, who had workers' representation in the Minimum Wage Board in 2006.

The deprived workers had no choice but resorting to agitation to press home their demand, she said.

Towhidur Rahman, president of Bangladesh Apparels Workers Federation, said a few compliant factories went for proper gradation.

"I can say 70 percent factories are yet to grade the workers properly," he said. "An operator who should be awarded grade III or IV has been placed in grade V, and as such he or she receives an amount close to the one an entry level worker is supposed to get," Rahman elaborated.

He said such deprivation evoked labour unrest.

When asked, Mohammad Abdullah, managing director of Nassa Group, agreed on the point of anomalies in the payment of salary in the first month but said new pay structure is now under the management's review as per government rules.

However, he denied any allegation of a Tk 500 raise in senior workers' pay on an average.

"I have already reviewed the salary structure of 10 out of the group's 34 garment units. I hope our workers will get salaries in accordance with the government-approved wage structure next month," Abdullah said.

Shamsunnahar Bhuiyan, workers' representative in the latest Minimum Wage Board said some grades were reviewed during the finalisation of different grades. "Still, if the government wants, it can review further in the greater interest of the workers."

But, the baseline at Tk 1662.50 was not right to recommend further hike in workers' pay, she said.

Shafiul Islam Mohiuddin, vice-president of Bangladesh Garment Manufacturers and Exporters Association and a owners' representative in the wage board, denied any grading disputes.

Any promotion depends on experiences and skills, he pointed out.

"Counselling was done at factory level, so the labour unrest this time was not at a level prevailed earlier," he claimed.

reefat@thedailystar.net

Economic challenges

Fiscal pressures are expected to grow this year if the new power purchase agreements from expensive sources succeed in delivering power to the national grid

MAMUN RASHID

The country's leading and possibly most respectable vernacular daily The Prothom Alo celebrated its 12th anniversary on November 5. I was invited to attend. However, by the time I entered Bangabandhu International Conference Centre after completing my entrepreneurship class at North South University, all was over.

I was told Matiur Rahman, the celebrity editor gave a fabulous speech, relating the country with the mother and inviting all of us to love the country, protect its integrity and interests, exactly the same way we would have done for a mother. Possibly for the first time, he put up few macroeconomic numbers in his speech, where it was evident that our motherland is not doing bad, rather moving forward.

Again, he concluded, if we could do more in togetherness, beyond self or vested interests, stop unnecessary fights or rifling in the forest of oblivion, we deserved to be a far better country. Therefore, it was resolved that everything was not going right and we need few fixings minor and major here and there. I thought these are:

GDP growth

There is consensus among observers that growth will rebound this year to above 6 percent, driven by recovery in exports and investments. Letter of Credit (LC) openings for imports of raw materials and capital machinery show strong growth in recent months, as does growth in credit to the private sector. There are downside risks, particularly with respect to remittance (which declined by 2 percent in the first quarter) and the energy situation getting worse.

Fiscal balance/deficit

Fiscal deficit has been around 4 percent of GDP in the last couple of years. Revenue performance was particularly strong last year with the revenue/GDP ratio rising from 10.5 percent in fiscal 2009 to 11.7 percent in fiscal 2010 because of large increases in domestic VAT and income tax collections. The domestic financing of deficit declined from 3.1 percent of GDP in fiscal 2009 to 1.2 percent in fiscal 2010, although the composition of domestic financing shifted towards more expensive sources (NSCs).

Fiscal pressures are expected to grow this year if the new power purchase agreements from expensive sources succeed in delivering power to the national grid. Our estimate is that this could mean between Tk 52.4 billion to Tk 55.8 billion in additional fiscal costs in the absence of any power price adjustment at the retail level. There is some fiscal space to absorb these additional costs if the fiscal 2011 budget revenue target is achieved.

Manpower export

I am not sure how much dented the relationship is with KSA, though there are whispers in the corridors. Net manpower exports to the KSA have been negative since January 2009. So this is not just a problem rooted in the relationship with the current government of Bangladesh. Overall, the net outflow of manpower has remained significantly positive in the range of between 25,000 and 45,000 workers a month in the last 21 months, despite net returns from KSA every month during this period. Hence, the recent decline in the level of remittance inflow cannot be explained by a decline in the stock of Bangladeshi workers abroad. It has to do either with a decline in earnings per worker abroad or a decline in the propensity to remit. My guess is it is the former. In that case, the decline should be temporary. We are again seeing an upward trend in inward remittance in view of Eid-ul-Azha.

Exports and labour unrest

Labour unrest has abated considerably. Isolated incidents still happen. If the announced wage increase is fully implemented, the problem should be taken care of. Hopefully, some lessons have been learnt and management will try to make sure they do not default on wage payments and rather, treat workers professionally. Therefore, on the grounds of labor unrest, I think there are not many risks to exports.

Energy bottlenecks

This is the main worry, the biggest source of risk. Most rental power contracts are reportedly way behind schedule and many existing power plants frequently close either because of a shortage of gas or poor equipment condition. If there is no or very little net addition to power generation because of these reasons, growth will choke. Also, we are yet to see a sustainable solution to the labor problems in the Chittagong port.

Corruption, political risks

Political risk is my second biggest worry. The government cannot afford more incidents like Pabna and Natore. I think they totally mishandled these two. Corruption under the political government has reached a kind of equilibrium, to which the stakeholders have learnt to adjust. I do not foresee any major change on this front and therefore; I do not think it poses some extra risk.

I hope my readers would forgive me. I just wanted to add some extra thought to what Matiur Rahman could not talk about maybe due to time shortage or his ever-smiling shyness.

We all wish good luck to The Prothom Alo, and more importantly, to all the change drivers in the past, present and future, who have worked, are working and will be working for a better Bangladesh with more wealth creation and equitable distribution.

The writer is an economic analyst. He can be reached at: mamun1960@gmail.com