

REVISION OF MINIMUM WAGES FOR RMG WORKERS

Decent living through revised wages: "Fair price" first

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THE discussion on the revision of minimum wages in Bangladesh's apparel sector over the last eight months has ended with a partial announcement

of minimum wages by the Minimum Wage Board (MWB) on September 13, 2018. A total of Tk 8,000, of which Tk 4,100 is basic wage, has been announced as the lowest pay for workers in the RMG sector.

Different parties involved in the value chain at the local level such as workers, employers and government have given their reactions to the proposed wage. Those involved in the value chain outside of Bangladesh such as buyers/brands/retailers, consumers and governments of sourcing countries are yet to share their reaction regarding the revision of minimum wage in a major sourcing country—Bangladesh. We expect immediate responses from the parties at the retailers' end of the value chain—how they will contribute in implementing the revised minimum wage. This article puts forward a number of suggestions in this regard—on how buyers/brands/retailers and consumers can contribute to ensuring its implementation.

It is a fact that workers' minimum wages have been revised three times between 2006 and 2013; as a result, nominal wage has increased by 218 percent. This will rise further after

adjustment at the end of this year. The question is, despite such rise in wages, why haven't workers' living conditions changed much over time? The CPD-RMG Workers' Survey 2018 revealed that RMG workers were living in very poor conditions. For example, despite the rise in wages, 17 percent of workers sleep without a bed at night and 16 percent do not have ceiling fans in their homes. Eighty-six percent of workers and their families have to share toilets. Forty-five percent could not save from the earnings of their households. A large section of workers needs to borrow costly informal credit in order to meet monthly dues. All these reflect that their incomes along with the income of their family members are not sufficient to meet minimum household needs.

The 2018 survey identified the changing needs of workers and their families. It found a major change in the cost structure between 2013 and 2018 where non-food costs have gotten bigger and have taken over an overwhelming share of total costs. This changed the ratio of food and non-food costs from 51:49 in 2013 to 36:64 in 2018. Among the non-food costs, families need to pay exorbitant amounts for house rent, spend for childcare, their education and medicare, as well as repay loans. Taking these into consideration, CPD proposed a number of changes in the structure of workers' minimum wage. It proposed the inclusion of a special allowance titled "childcare and education allowance" and a service benefit (three percent of basic wage) for long-term savings to be deposited in a "Central Provident

Fund" and proposed revising the existing "travel allowance" into "travel and communication" allowance. In order to maintain a balance between minimum wage and median wage, CPD proposed incremental rise of different allowances in different grades based on workers' skill and experience.

According to the survey, the monthly expense of a family of 4.5 members is about Tk 22,435 which is met by the earnings of an average 2.1 working members of their families. Following the Anker (2008) method for calculating minimum wage and considering the limited capacity of entrepreneurs because of their low profit and low-priced products as well as possible future risks, CPD proposed a wage of Tk 10,028 for entry-level workers. CPD's proposal was not for negotiation and bargaining; rather the proposed amount was thought to be the minimum requirement for workers.

Historically, the debate on the revision of minimum wages in the RMG sector circled around three key issues: i) workers' requirement; ii) suppliers' capacity; and iii) buyers/brands' willingness to pay. Unfortunately, the revision of the minimum wage has been implicitly determined by one issue, i.e. buyers/brands' willingness to pay. The buyers/brands put forward a number of issues concerning the accommodation of the revised minimum wage. These include: i) revised minimum wage may increase the cost of production which may make Bangladeshi products less competitive; ii) workers' wage should be set in accordance with their level of productivity, and productivity of

Bangladeshi workers is low compared to others; and iii) consumers are not interested to pay wage-adjusted higher prices. Hence, there is a lack of interest among major players in the value chain to take shared responsibility to implement the revised minimum wages.

During 2013, major brands/buyers announced their commitment to comply with revised minimum wages. A number of major global brands have taken initiatives to ensure living wages for RMG workers in the supplying countries. Besides, a number of brands set up alliances to ensure living wages for workers. It is expected that brands/buyers will announce their commitment to implement the revised wages. Further collaboration is needed among brands/buyers/retailers of major markets to implement minimum wage laws of the supplying countries. Similarly, consumer groups should make consumers aware of their responsibilities to ensure payment of minimum wages to workers. The joint effort of consumers groups and brands/retailers needs to be further strengthened.

Since consumers are the ultimate source for paying the price of products, they are supposed to be ready to pay the extra retail price in order to meet extra costs incurred through higher wages. According to a study by Oxfam, a 10 cent extra on a USD 10 t-shirt could meet the need of living wages of RMG workers. Are the consumers not ready to pay that amount? We don't believe that. The need to pay an extra 10 cent is not transparently placed to the consumers. There should be a proper mechanism in

the value chain that reflects the payment made by consumers for decent wages—collected by retailers/brands which have pre-paid that amount to suppliers for the wage payment to workers. A proper transparent accounting mechanism needs to be established in the value chain which will show each retailer/brand/buyer in a market paying the workers.

In order to ensure proper payment of workers' revised wages, a transparent payment mechanism could be established which could be monitored by the buyers/brands/retailers. In this case, the mode of payment to workers needs to be made through the banking channel. On the other hand, buyers' payment to suppliers could also be made transparent in order to ensure that their payment sufficiently covers the adjusted minimum wage of workers. For example, the master LC transferred to the suppliers should detail out the cost breakdown of all payments to suppliers including wage-related payments with additional payment after the adjustment of wages. In other words, such an accounting process could be developed without major changes in the usual business practices of key players in the market.

Finally, major apparel sourcing countries should play a facilitating role in ensuring fair price for decent living of workers. We have heard that the EU has initiated a discussion process about fair price of products. This is a positive development! Joint efforts could ensure an enforceable mechanism of fair prices for products so that workers are guaranteed wages for decent living.

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Celebrity slip is a shame for the game



PHOTO: AFP

Serena Williams argues with chair umpire Carlos Ramos while playing Naomi Osaka of Japan during their 2018 US Open women's singles final match in New York on September 8, 2018.

penalised for code violation by signalling expert tips. Serena denied that her coach had been coaching her even though the Frenchman admitted to media that he had and that "all coaches do it". Perhaps they don't get caught. Or, the signalling is camouflaged, for example, where picking the left nose conveys attacking the opponent's left flank. Maybe he got out because he was honest; but that was after the match.

Given that perhaps she had never served better in her career, considering her vast experience, reassured by her winning record, and weighing the difference in ranking, she must have viewed this year's final as cakewalk, but a 20-year old Japanese *josei* stood in the way. Serena learned the hardest way that no competition is won until the umpire

pronounces, "game, set and match".

Besides throwing unacceptable tantrums, Serena's other turpitude on the afternoon was robbing the ultimate Champion Naomi Osaka of her finest moment yet; she beat Serena 6-2, 6-4 in their first ever meeting. The biggest achievement of her life was ruined by a biased crowd, which actually booed before Serena signalled them to stop. Few in the crowd perhaps knew that Naomi is a resident in Fort Lauderdale, Florida, and maintains US nationality along with Japanese and Haitian.

During the trophy presentation amid the jeering, Serena had this to say to her fans, "Let's give everyone the credit where credit is due. Let's not boo anymore. Congratulations, Naomi! No more boozing!" That could be a world's first, a loser pleading with her sup-

porters.

Winning big time is not new for modest yet spirited Naomi. Two years ago, at 16, she defeated former US Open champion Samantha Stosur at the 2014 Bank of the West Classic in her first main draw appearance of a Women's Tennis Association tournament. So, why did Serena and her fans not take that into account?

Yes, the Melbourne Herald Sun cartoon of Serena by Australian illustrator Mark Knight was grotesquely racist, sexist and misogynistic. But, one evil mind (or two, if you insist on unfairly dragging seasoned umpire Carlos Ramos) does not represent millions of fans acquired over an awesome and enviable career spanning a quarter of a century.

Celebrities are not raised on a pedestal for their accomplishments alone; they are icons for children and young people to look up to. Created by the mass media for their achievements in especially entertainment and sports, occasionally intellectuals and politicians (not otherwise associated), many forget that with fame comes responsibility. Before millions watching her on television, that is where Serena triple faulted that day.

Serena is not the first celeb to throw her toys out of the crib. And, unfortunately she won't be the last. Men are better at this though. In the 1995 Wimbledon, Tim Henman (then 20), frustrated at being broken, took ball from his pocket and blasted it with his racket to hit ball-girl Caroline Hall from close. Years later in 2003 at the same tournament, Greg Rusedski saw his serve broken against Andy Roddick by an erroneous call from the crowd, was left furious and the umpire refused to replay the point. Rusedski lashed a ball at the back wall.

Two years ago at the All-England Club, Victor Troicki, just two points before defeat,

saw his opponent Albert Ramos-Vinolas being awarded an ace and demanded the umpire look at the ball for traces of chalk. The same ball he then launched into orbit and branded Damiano Torella "the worst umpire in the world", refused to shake hands with his Spanish opponent and continued to aim insults such as "idiot" at Torella. In 1995 at the same venue, Jeff Tarango was furious after being denied an ace by umpire Bruno Rebeuh. He got into a shouting match with the crowd telling them to "Shut up" and called the umpire "the most corrupt official in the game". In 1981, denied a point, tantrum "luminary" John McEnroe called umpire Edward James an "incompetent fool", but he went on to not only win the match against Tom Gullikson but his first Wimbledon title by beating rival Bjorn Borg. He was fined, and he declined to attend the champions' dinner.

Sports since long has been putting enormous stress on achievers to drive them to further success, more money and greater glory, if that is possible. Sports at the highest level has lost the simplicity of purpose—why people with or without equipment indulged in sweating it out, only to embrace an opponent, if any, in the spirit of camaraderie.

The sporting world will hope that Serena, 36, will have enough time to ponder over her costly slip. Fans and not-so-fans will want her to win the next one to launch her ascent to that remarkable 25th Grand Slam title for the sake of taking women's game to a new height.

No apologies, Mrs Serena Williams, but I was always your fan. You may have lost a few more.

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CROSSWORD BY THOMAS JOSEPH

ACROSS

1 Book makeup 34 Punk rock offshoot 10 Activity centers

6 Crack up 35 Yale rooter 14 Ages and ages

11 Bikini, for one 36 Pi follower 19 Gladys Knight's

12 Houston player 40 Peptic problem 22 Sassy

13 Baking need 41 Keyed up 23 Sassy

15 Print units 42 Rings 23 Prepares an

16 Morse E 43 Tries for flies athlete's ankle

17 Collar 24 Case in point 24 Game in point

18 Becomes more 25 Mediterranean

20 Toronto-to-D.C. dir. 26 Long March

21 Auditor's org. 28 Untamed

22 Like the piper 30 Brings up

23 Office helpers 31 Sports setting

26 Pinochle scores 32 Heart's place

27 Line of symmetry 33 Carries

28 Combat 38 Long fish

29 Skillet 39 Cut down

30 What censurers perhaps

DOWN

1 Walked back and forth

2 Make amends

3 Gander's mate

4 Caribou's cousin

5 Mini burgers

6 Endures

7 Bat material

8 Fork or knife

9 Like a 13-Across, perhaps

YESTERDAY'S ANSWER

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BEETLE BAILEY



BY MORT WALKER

