

Basic wage as a proportion of total wage for RMG workers has been falling

Dr Khondaker Golam Moazzem, Research Director, Centre for Policy Dialogue, talks to Nahela Nowshin of The Daily Star about the recent demonstrations of RMG workers and the underlying reasons behind them.

Could you shed some light on the demonstrations of RMG workers that we have seen this week?

The demonstrations of RMG workers as reported in the print and electronic media in the last several days reflect the spontaneous reaction of general workers regarding the discrepancies in the new minimum wages. Although the demonstrations were initially localised in nature, they may spread over other regions unless the issues are properly addressed.

However, workers' unrest on wage-related issues in the RMG sector is a perennial problem due to less attention being given to workers' concerns amidst discussions and negotiations on minimum wage. Workers only become fully aware of the revision of minimum wages when they receive the wages in hand. Discussions on minimum wage of RMG workers began in February 2018 and continued till August 2018, the gazette was published in November last year and the minimum wage came into effect last December. Now we are in January 2019 which is when workers seem to have finally realised just how much they will be benefited.

Workers were demanding a minimum wage of Tk 16,000 and finally the government set the wage at Tk 8,000 (for grade 7 workers). CPD in its study on livelihood expenditure of RMG workers proposed a detailed wage structure for different grades. However, the announced wages were way below the proposed wages. More importantly, CPD and other organisations had said that the basic wage as a proportion of the total wage would actually go down as a result. When the minimum wage of Tk 5,300 was declared in 2013 for

grade 7 workers, basic wage was Tk 3,000 which accounted for 56.6 percent of the gross wage. But last year when the minimum wage was set at Tk 8,000, the basic wage of Tk 4,200 accounted for 52.5 percent. The basic wage as a proportion declined for workers of other grades as well.

We had said even back then that there would be various consequences of such a move. Firstly, overtime pay and other benefits (e.g. festival bonus) which are calculated based on the basic wage would fall (as reported in national dailies and electronic media). So despite an increase in the total wage, workers would be less benefited when you assess basic wages and other benefits as a proportion of the total wage.

Secondly, starting from 2013 until 2018, workers have gotten an increment which is five percent of their basic wages. But now workers have realised that there isn't much difference between their basic pay under the new wage structure and the basic pay that they used to get earlier under the system of five percent increment. This is why a sense of dissatisfaction is festering among workers, particularly those who belong to upper grades. There is a tendency to excessively focus on grade 7 or entry level workers. And wages of upper grade workers did not rise by as much as that of the bottom-tier workers, partly due to cost-related reasons. The demonstrations that we have seen in the last couple of days reflect the fact that workers' expectations have not been met; even though they didn't get the wages they had asked for, they had hopes that they'd get certain net benefits which didn't materialise either, particularly for upper grade workers.



Dr Khondaker Golam Moazzem

RMG workers' discontent about wages seems to have reached a boiling point. What is the way forward?

In the gazette notification, there are 17 conditions and I believe solutions to workers' grievances lie within condition no. 9, 12 and 13. Ordinarily, entry level workers tend to be better off than older workers under a new wage structure and factory owners are usually cautious about any dissatisfaction that may arise among senior workers as a result. The introduction of increment with basic wages during the period of revision of minimum wages in 2013 was a new initiative. Unfortunately, this issue did not get proper attention when the discussion on minimum wage in 2018 took place. In fact, this increment issue has introduced a new dimension in the workers' wage structure—new wage structure should

not only indicate the wage scale but also needs to indicate the "fixation of wages" in the scale.

To assess equitability of workers' wages under different grades, a measuring indicator is used which shows whether a sufficient gap between median wage and entry level wage has been maintained. For example, in 2013, a grade 7 worker got 79 percent of a grade 4 worker's wage. In 2018, a grade 7 worker got 86 percent of a grade 4 worker's wage. This shows that the gap between the wages of a grade 7 worker and grade 4 worker has reduced. This can work as a disincentive for a skilled worker. And the demonstrations of RMG workers we are seeing are a manifestation of this. Compared to other major garment-exporting countries, the wage gap is far less in Bangladesh.

Unfortunately, in Bangladesh's RMG sector, discussions have

remained limited to wage increase of entry level workers alone and incentivisation of skilled workers has not received the attention that it deserves. In CPD's recent research study, we have proposed that upper grade workers get proportionally higher wage increases so that workers can be incentivised in a progressive manner (the proportionate rise of wages following promotions from grade 6 to grade 5 would be 7 percent; from grade 5 to grade 4 would be 10 percent; from grade 4 to grade 3 would be 13 percent; and from grade 3 to grade 2 would be 15 percent). It is important to take into account that jobs in the RMG sector are increasingly becoming complex-operation-oriented because of the changing product composition (shift towards high-value, more complicated products).

I think the existing gazette of workers' wages could be used for solving the problem. Taking the fixation issue into account, worker's wage under each grade (except grade 7) should be fixed by including the number of increments received by the workers since the last revision of wages in 2013 (no. of increments will be a maximum of five). Hence, the new wage can be fixed by adding five increments with the announced basic under the gazette. For example, the basic of grade 3, 4, 5 and 6 could be re-fixed at a maximum of Tk 6,480, Tk 6,163, Tk 5,838 and Tk 5,463 respectively. This change in the basic wage in different grades would reflect wage-skill matching in the operation of RMG workers.

The fact that some factories have been paying workers following the old wage structure has

emerged as another grievance during the recent demonstrations. So there is also a legitimate concern about the proper implementation of new wage structures.

It seems that traditional problems with regard to implementation of the new minimum wage could not be avoided this time either. In 2013 when the minimum wage for RMG workers was first declared, we came across several issues: (i) time required for full implementation of the new wage; (ii) discrepancies in the early period in ensuring benefits and wages according to their grades; and (iii) complaints regarding decline in grade despite an increase in wage.

These issues must be kept in mind when implementing a new wage structure. The gazette has stipulated conditions so that a worker's grade does not go down and wages don't decrease. If these conditions are met, workers' dissatisfaction could be contained to an extent. There is a need for strict monitoring by the Department of Labour, DIFE, BGMEA and BKMEA. A part of the responsibility should also be taken by brands, buyers and consumers to ensure decent wages for workers.

Furthermore, we have to look beyond wages and acknowledge the reality that workers have to face in their day-to-day lives such as rising living costs. CPD has made a number of proposals with regard to this in its recent report. Along with wages, the government should also think along the lines of a "community development" approach, which includes provision of healthcare facilities and housing, in RMG clusters for the welfare of our workers.

Justice Habibur Rahman: A life of subdued greatness

Remembering the former Supreme Court chief justice on his fifth death anniversary

FAHMIM FERDOUS

His would not be an ordinary life. The year was 1952, and the movement demanding Bangla as a state language of erstwhile East Pakistan was nearing its crescendo with its epicentre at the Dhaka University. As a ban on any public gathering was imposed on Dhaka city through Section 144, Muhammad Habibur Rahman, a graduating Masters student of history department at the time, was the first student to break the curfew to bring out a procession as part of pre-announced programmes. He was arrested, and jailed for three weeks.

Born on December 3, 1928 (although on his birth certificate it is noted as May 1, 1930) in the small village of Dayarampur of India's Murshidabad, Justice Habibur Rahman—who became part of Bangladesh's history as the chief of the 1996 nonpartisan caretaker government—achieved in one lifetime that most people couldn't hope to in many, before he breathed his last on this day in 2014, at the age of 85. He taught at universities, served as a Supreme Court justice for 21 years, including as chief justice, and wrote 95 books on myriad subjects including pioneering publications like the first Bangla thesaurus.

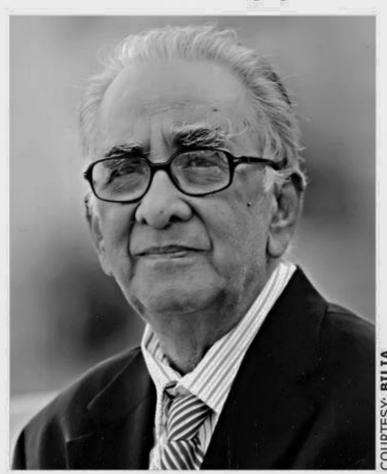
After clearing his entrance and matriculation exams in Murshidabad, he moved with his family to Rajshahi in 1948, a year after the

Partition. He passed BA (honors) from Rajshahi Government College and MA from Dhaka University in history, both times securing first class first positions. It is when he involved himself with politics, first with the organisation Progressive Front in 1951, and then in the founding of East Pakistan Chhatra Federation in 1952.

He joined as a temporary lecturer at Dhaka University's history department, but resigned only four days later, after allegations were raised against him of being "communist-leaning" and being involved with the language movement. In protest, he sold cigarettes on campus. He then taught history at Sirajganj College in Pabna and Jagannath College, before joining Dhaka University again in 1954. However, he left the job a few months later and joined Rajshahi Government College, to take care of his ailing father there.

In 1957, he received scholarship to study in England, and did another BA (Hons) in modern history from Oxford University. This is when he also decided to pursue law, and received his Bar-at-Law from Lincoln's Inn in 1959. Returning home, he joined Rajshahi University in 1961 where he taught history and law, and served as dean of the law faculty.

Habibur Rahman chose the legal profession in 1964, joining as an advocate at the Dhaka High Court bar. He served as the assistant advocate general of Dhaka High Court briefly in 1970, before eventually



Justice Habibur Rahman

serving as a justice of the High Court from 1976 to 1985.

By this time, he had found another passion that he would carry with him till his last days: writing. The first of his 95 books, *Law of Requisition*, was published in 1966, followed by *Jathashabda*, the first thesaurus in Bangla language, in 1974. He inaugurated the maiden edition of the Bangla Academy Book Fair (later named Ekushey Book Fair) in 1979, and was the recipient of the presti-

gious Bangla Academy Literary Award in 1984.

Justice Habibur Rahman was appointed an Appellate Division judge of the Supreme Court in 1985, and served until 1995. In a major transitional phase of Bangladesh's politics during the fall of the autocratic government in 1990, he took charge as the acting chief justice when the then chief justice Shahabuddin Ahmed took over as interim president of the country.

He was appointed chief justice on February 1, 1995, and served for four months until his retirement. In 1996, he was appointed the chief of the caretaker government as the "last retiring chief justice" according to the constitution, from March 30 to June 23. In his three decades as a judge, he delivered numerous verdicts, some 200 of which were included in various law journals.

After retirement from service, Justice Habibur Rahman wrote voraciously, on a wide range of subjects: from the history and politics of Bangladesh, to its language movement, law, travel, poetry (original and translations), and the Quran (of which he published a Bangla translation as well). However, one of his lesser-obvious areas of authority was Rabindranath Tagore, on whose life, work and philosophy he wrote 12 books. Many of his books were collections of his columns and essays, over 650 in number. National Professor Anisuzzaman termed him a "successful Renaissance man" who had an "encyclopedic approach" to knowledge.

In his professional life, whether it was a teacher, a lawyer, a judge or an administrator of the country, Justice Habibur Rahman led a life of strict principles and liberal and tolerant views. He was a man of few words, and a voracious reader. While serving as the chairman of Bangladesh Institute of Law and International Affairs (BILIA), he donated over a thousand books from his personal collection to the organisation, and 400-odd more books were donated to BILIA after his demise by his family.

Justice Habibur Rahman lived a simple life in a small family of wife Islama Rahman, and daughters Rubaba Rahman, Nusrat Habib and Rawna Shireen who he loved dearly. He was a regular listener of BBC and used to watch drama series and comedy programmes.

His was a life of greatness, in more ways than one, but not the kind that is fervently celebrated by the masses. Justice Habibur Rahman served the country from the top positions in two of the three pillars of the state, and he did not rest in his pursuit to make this country a better place, whether it was imparting knowledge in a classroom or writing books that would serve as reference for his successors. His was a life of subdued greatness, like a lighthouse that stands in the middle of rough seas, guiding generations without ever calling attention to itself.

Fahmim Ferdous is the Deputy Editor of City Desk, The Daily Star.

QUOTABLE Quote

ALBERT LUTULI
(1927-1967)

South African teacher, activist, Nobel Peace Prize winner, and politician

I have joined my people in the new spirit that moves them today, the spirit that revolts openly and boldly against injustice and expresses itself in a determined and non-violent manner.

CROSSWORD BY THOMAS JOSEPH

ACROSS

1 Car take-back, for short	host	6 Chestnut case
5 Touch on	35 Knack	7 Depleted
9 View over	36 Sphagnum	8 Beliefs
10 Art inspirers	source	9 Boxing ring
12 Made a choice	38 One-time	border
13 Dancer Castle	capital of Alaska	11 Good
14 Reaching a high point	40 Fuming	judgment
16 Private room	41 Back biter	15 Triton orbits it
17 Put away	42 Script makeup	19 DEA agent
18 Low wages, figuratively	43 Auto ding	21 Forks over
20 Increase	44 Ship pole	24 Requires
22 Basilica part	DOWN	25 Twitch
23 Fall flower	1 Do over	26 Sentence
25 Nimble	2 Ritzy home	ender
28 Straighten out	3 Cheat at hide and seek	27 Baby's toy
32 Lowly farmer	4 Antigone's father	29 Illinois city
34 2016 Olympics	5 Friendly	30 Mob member
	senorita	31 Theater boxes
		33 Set off
		37 Stumble
		39 Mo. neighbor

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BEETLE BAILEY BY MORT WALKER

THE LIGHTS AREN'T WORKING

THE STORM MUST HAVE KNOCKED OUT OUR POWER

MAYBE WE SHOULD TELL THE GUYS WATCHING TV

BABY BLUES BY KIRKMAN & SCOTT

MOM SAID YOU'RE THINKING ABOUT BEING THE BAD GIRL AT SCHOOL.

MAYBE.

BUT YOU'LL STILL GET STRAIGHT A'S AND HAVE PERFECT ATTENDANCE.

OF COURSE.

THEN WHAT'S ACTUALLY "BAD" ABOUT YOU?

I'M WEARING MY TUESDAY UNDERWEAR ON A FRIDAY.

YESTERDAY'S ANSWER

F	A	C	T	R	I	B	S		
I	N	L	E	T	A	M	O	U	R
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T	E	A	E	N	D	O	R	S	E
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T	E	A	S	E	L	R	E	S	E
Y	E	N	S	R	E	D	S		