



Sept 22, 2006

How low can you go?

■ Sign on today and support a monthly minimum wage of Tk3000 (€34.37) for Bangladeshi garment workers

Garment workers have been participating in rallies and demonstrations across Bangladesh since the beginning of September to protest against the failure of the Bangladesh Wage Board to come up with an acceptable minimum wage for the garment industry. The CCC supports the workers in their demand for a wage that allows them to live in dignity. Your support is needed to pressure the Bangladesh garment factory associations to set a wage that will genuinely improve the lives of these workers. We also ask you to send a message to the international brands and retailers buying from Bangladesh to voice their support for workers' demand to be paid a living wage and put this into practice.

[Take Action Now! >>](#)

Background - Minimum wage currently just €10.75 per month

The current minimum wage for garment workers, fixed around twelve years ago, stands at 930 Bangladeshi Taka (Tk), equivalent to just €10.75 or US\$13.63 per month - one of the lowest in the world. Whilst garment workers and their supporters have been demanding wage increases for several years it wasn't until May 2006, following the outbreak of massive labour unrest by workers unable to tolerate the extreme exploitative conditions any longer, that any kind of action was taken by the Bangladesh government.

One of the main demands of the protesting workers was for immediate action on the issue of wages. In response to this the Bangladesh government announced the formation of a tripartite Minimum Wage Board for the garment industry on May 31st 2006.

The Wage Board, which includes representatives of the garment workers' unions and the Bangladeshi garment industry, first met on June 12th 2006 and was asked to recommend a new pay scale for garment workers within 90 days. Neither the Bangladesh Garment Manufacturers' Association (BGMEA) nor workers' representative on the Wage Board signed a proposal sent by the Board on September 12th to the government to set the wage rate for entry level workers at Tk1,604 in the first year up to June 30 leading to Tk2,117 in the third year starting from July, 2008. The workers' representative felt this rate was too low, but the BGMEA felt it is too high. The Wage Board proposal must be kept in circulation until September 28th for opinions and objectives, and the government will take another month for its approval.

Workers are demanding Tk3,000 (€35.53) as the minimum wage for entry-level workers. The CCC has compiled five key arguments as to why we believe a wage increase to Tk 3000 is absolutely essential.

1. The garment industry has grown enormously since 1994 when the current minimum wage was set and so should the minimum wage.
2. In real terms, wages have gone down since the last minimum wage was set twelve years ago.
3. The current minimum wage does not even cover the cost of food for one person.
4. The proposed wage doesn't meet the United Nations Millennium Development Goals to eradicate extreme poverty and hunger and therefore violates basic human rights.
5. Increasing the minimum wage by itself won't make the Bangladeshi garment industry un-competitive

Find more explanation of these arguments below.

More info:

[Minimum wage currently just €10.75 per month](#)

[Five arguments why garment workers' wages must be increased](#)

Action Request: [Bangladeshi workers need your support, take action now!](#)

Oct 12, 2006 - UPDATE [€20.12 per month announced as Bangladesh garment workers' wage](#)

Action Request

Bangladeshi workers need your support, take action now!

1. Register your solidarity with the Bangladeshi garment workers' demands by signing the online petition at: <http://www.bgw-info.net/solidarity/frmsolidarity.php>
2. [Write to the garment factory owners' associations BGMEA and BKMEA](#) and ask them to agree to the workers' demand (see sample letter below).
3. [Write to brands and retailers buying from Bangladesh](#), asking them to state their willingness to continue sourcing from Bangladesh and ensure that their prices and purchasing practices allow factories to pay at least Tk3,000 for entry-level workers. Buyers should urge the government to reconsider the latest proposal of the Wage Board in favour of a Tk3,000 rate. Meanwhile, irrespective of the decision of the Wage Board the buyers should also make sure that workers producing their garments earn a living wage as stipulated in many codes of conduct; according to most calculations this would be considerably higher than the Tk3,000 workers demand. (See sample letter below.)

Bangladesh wages: Five arguments why garment workers' wages must be increased

September 2006

'I get Tk 900 for a month of hard labour which is not enough to even cover my food bills,' said a worker at Tejgaon.

'Can you show me one worker who runs his family without a hitch with the money he gets?' asked Sagar, who works in SS Sweater for a monthly salary of Tk 950,(1) .

1. The garment industry has grown enormously since 1994 when the current minimum wage was set and so should the minimum wage

When the minimum wage was last adjusted in 1994 the value of the ready-made garment (RMG) sector was US\$1.5 billion, up from \$68,000 in 1978. Between 1994 and 2006, this grew to US\$7.04 billion, four and a half times the value in 1994. Factory owners are now predicting that the industry will grow even further: "We're confident we can now keep the growth momentum intact and double our exports to more than 15 billion dollars in the next five years," S. M. Fazlul Hoque, president of the Bangladesh Garments Manufacturers and Exporters Association told reporters in Dhaka.(2) After 25 years of operation the industry is one of the biggest export sectors in the country, making up 75% of Bangladesh's export earnings.

Whilst the industry has grown, wages have remained the same, even though minimum wage levels set for garment workers in 1994 were low to begin with, far below the cost of living, and far below wages in other labour/industrial sectors.

Garment factory owners and international buyers have profited from the garment industry and seen their incomes rise - workers have not. Garment workers, the poorest players in the industry, should no longer have to subsidize its growth.

2. In real terms, wages have gone down since the last minimum wage was set twelve years ago

Jakir Hossain of Bangladeshi think-tank Unnayan Onneshan, showed at a roundtable on 'National Minimum Wage: Poverty Reduction and Social Justices for Workers' on August 24, 2006, that due to currency inflation and increase in commodity prices the minimum wage should be Tk4,286, if it is to meet the basic needs of workers. (3)

In 2005, the Bangladesh government declared a minimum wage of Tk 2450 (basic wages without allowances and benefits) for workers in state-owned industries. There is no reason why garment workers shouldn't get the same wages as other workers.

3. The current minimum wage does not even cover the cost of food for one person

A recent calculation by a Bangladesh NGO states that whilst the costs may vary depending on where a worker works and lives, a single garment worker needs to spend a total of Tk2,150 - 3,350 just to fulfil basic needs: Tk350-700 for house rent, Tk1,000-1,200 for food, Tk200-300 for transportation, Tk100-200 for

washing, Tk150-250 for buying cloths and cosmetics, Tk150-200 for entertainment and recreation and Tk200-500 for medicine.

According to M. K. Shefali, executive director of Nari Uddug Kendra: 'For an adult living in Dhaka city the minimum nutrition requirement for basic living is 1,805 calorie per day. At today's costs of living this means Tk1,400 (US\$21.54) per person per month for food alone. Many garment workers (particularly female) do not earn this amount, which is severely affecting their health as well as productivity.' (4)

The Bangladesh Institute for Labour Services (BILS) conducted a study in summer 2006 into a living wage, which was calculated by the research team in various ways. The main consideration was the minimum cost of living of a family of four, which was calculated to be Tk 4,800 per month. (5)

4. The proposed wage doesn't meet the United Nations Millennium Development Goal to eradicate extreme poverty and hunger and therefore violates basic human rights

One of the United Nations' Millennium Development Goals is to eradicate extreme poverty and hunger. The first target for this goal is to halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day. A person who is earning less than US\$1 a day is considered to be living in extreme poverty without adequate food, shelter, medicine, etc. By fixing the minimum wage at anything less than Tk2,114, (6)garment workers will be forced to live in poverty, which amounts to a serious violation of basic human rights. The current Wage Board proposal does not meet this standard, nor does the Tk1,300 proposed by BGMEA

5. Increasing the minimum wage by itself won't make the Bangladeshi garment industry un-competitive

The Bangladesh minimum wage for garment workers is amongst the lowest in the world. Even tripling the minimum wage will still keep Bangladesh garment workers amongst the lowest paid in the world. Indeed improving conditions for workers including wages is essential for increasing the competitiveness of the Bangladeshi garment industry. As the MFA Forum (7)in May 2006 in Dhaka, Bangladesh concluded:

"There is now acknowledgement that compliance with national law and international labour standards is a vital component of international competitiveness and the sustainability of the industry".

Sample letter to the BGMEA / BKMEA

You can use this form to mail the following letter directly to:

Bangladesh Garment Manufacturers and Exporters Association & Bangladesh Knitwear Manufacturers and Exporters Association

A copy of your letter will be mailed to the Clean Clothes Campaign

Your name:	<input type="text"/>
City	<input type="text"/>
Country	<input type="text"/>
Subject:	<input type="text"/>
Email:	<input type="text"/>

Fill in all the fields!

[Mail your protestletter now!](#)

Fazlul Hoque, President, BGMEA
Bangladesh Garment Manufacturers and Exporters Association
FAX: 880-2-8113951
E-mail: info@bgmea.com,
bgmeanet@agni.com

Fazlul Hoque, President, BKMEA
Bangladesh Knitwear Manufacturers and Exporters Association
Fax: 880-2-9673337
E-mail: fohoque@bangla.net

Dear Mr Hoque and Mr Hoque,

Re: Garment Factory Workers' Wages

I am writing to express my support for the Bangladeshi garment workers who are calling for a minimum wage of Tk3,000 per month based on the following arguments:

1. The garment industry has grown enormously since 1994 when the current minimum wage was set and so should the minimum wage.
2. In real terms, wages have gone down since the last minimum wage was set twelve years ago.
3. The current minimum wage does not even cover the cost of food for one person.
4. The proposed wage doesn't meet the United Nations Millennium Development Goals to eradicate extreme poverty and hunger and therefore violates basic human rights.
5. Increasing the minimum wage itself won't make the Bangladeshi garment industry un-competitive

The Bangladesh minimum wage for garment workers is amongst the lowest in the world. Even tripling the minimum wage will still keep Bangladesh garment workers amongst the lowest paid in the world. Indeed improving conditions for workers including wages is essential for increasing the competitiveness of the Bangladeshi garment industry. As the MFA Forum (8) in May 2006 in Dhaka, Bangladesh concluded

"There is now acknowledgement that compliance with national law and international labour standards is a vital component of international competitiveness and the sustainability of the industry". (9)

I call on you to take immediate action to see that the minimum wage for garment workers is increased to Tk3,000.

For your information I am also contacting the brands in my country that produce garments in Bangladesh to convey my concerns and request that they take action. Please keep me informed of the steps you take to follow up on this serious matter.

Yours sincerely

[Your name]

Sample letter to brands

You can use this letter to send to brands in your country you think may be sourcing from Bangladesh.

Dear xxx

I understand that you may be sourcing garments from Bangladesh. If you are not, please accept this letter for information only.

I am writing to express my support for the Bangladeshi garment workers who are calling for a minimum wage of Tk3000 (€35.53) per month based on the following arguments:

1. The garment industry has grown enormously since 1994 when the current minimum wage was set and so should the minimum wage.
2. In real terms, wages have gone down since the last minimum wage was set twelve years ago.
3. The current minimum wage does not even cover the cost of food for one person.
4. The proposed wage doesn't meet the United Nations Millennium Development Goals to eradicate extreme poverty and hunger and therefore violates basic human rights.
5. 5. Increasing the minimum wage by itself won't make the Bangladeshi garment industry un-competitive.

The Bangladesh minimum wage for garment workers is amongst the lowest in the world. Even tripling the minimum wage will still keep Bangladesh garment workers amongst the lowest paid in the world. Indeed improving conditions for workers including wages is essential for increasing the competitiveness of the Bangladeshi garment industry. As the MFA Forum (10) in May 2006 in Dhaka, Bangladesh concluded

"There is now acknowledgement that compliance with national law and international labour standards is a vital component of international competitiveness and the sustainability of the industry".

Bearing this in mind, I call on you to:

1. state your willingness to continue sourcing from Bangladesh and ensure that your prices and purchasing practices allow factories to pay at least Tk3,000 for entry-level workers;
2. urge the Bangladesh government to reconsider the latest proposal of the Wage Board in favour of a Tk3,000 rate;
3. make sure that workers producing garments for your company earn a living wage, irrespective of the decision of the Wage Board; according to most calculations a living wage would be considerably higher than the Tk3000 workers demand.

I look forward to hearing what steps you have taken.

Yours sincerely
[Your name]

Notes

1. "Labour leaders put unrest down to years of deprivation" in New Age May 24, 2006 <http://www.newagebd.com/2006/may/24/front.html>
2. September 3rd, 2006 <http://www.dawn.com/2006/09/03/abr12.htm>
3. Minimum wage for garment sector by 1st week of Oct, Thu, 24 Aug 2006, New Nation
<http://www.bgw-info.net/news/news.php?page=details&news=220>
4. Page 46, Institutions and Pro-Poor Growth in Bangladesh: IPPG Inception Phase Study' by Chatterjee, Davis, Eusuf, John Harriss, Purohit June 2006
<http://www.lse.ac.uk/collections/IPPG/PDF/IPPG%20WorkingPaper/IPPGWP2BangladeshCaseStudyBCHATTERJEEetalJune2006.pdf>
5. E-mail correspondence August 27, 2006.
6. Based on an exchange rate of one dollar = Tk69.0876
7. The MFA Forum brings together international brands and retailers, trade unions, non-governmental organizations (NGOs), international institutions and donors and collaborates with national governments, local industry and civil society.
8. The MFA Forum brings together international brands and retailers, trade unions, non-governmental organizations (NGOs), international institutions and donors and collaborates with national governments, local industry and civil society.
9. Page 23, MFA Conference Report: "Forum on the Future II: A Responsible and Competitive RMG Sector in Bangladesh", Dhaka, 2-3 May 2006
10. The MFA Forum brings together international brands and retailers, trade unions, non-governmental organizations (NGOs), international institutions and donors and collaborates with national governments, local industry and civil society.

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