

WAGE-PRICE-EMPLOYMENT SPIRAL

APPLICABILITY OF LIVING WAGE FOR
THE READYMADE GARMENT
WORKERS

WAGE FOR WORKERS MAKING CLOTHES BANGLADESH



- \$ 68.8
Minimum
Wage at
lowest
grade

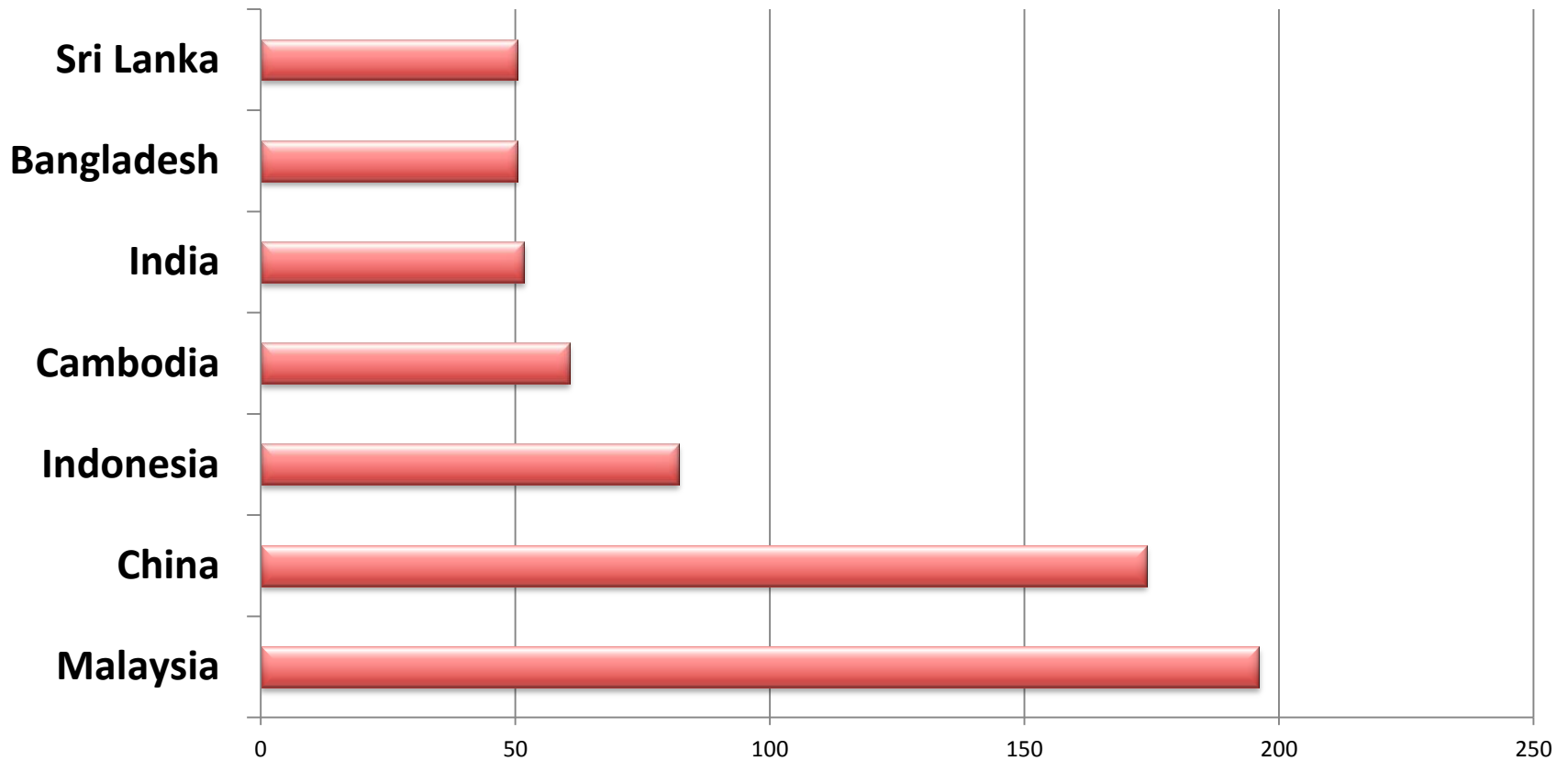
- 77%
increase
from
previous
wage

WAGE HISTORY IN BANGLADESH GARMENTS INDUSTRY

Year of minimum wage revision	Years taken to revise minimum wage	Amount in Bangladeshi Currency	Amount in \$	US Dollar value taken in relative year	% Increase in \$	% Increase in BDT
1985		621	23.73	1\$= 26.17		
1994	9	930	23.25	1\$=40	-2%	50%
2006	12	1662	23.93	1\$=69.46	3%	79%
2010	4	3000	42.86	1\$=70	79%	80.5%
2013	3	5300	68.21	1\$=77.76	59%	77%

MINIMUM WAGE IN ASIAN COUNTRIES

Minimum Wage in Euro



LIVING WAGE PROBLEMETICS

- There is no single, agreed upon universal definition.
- High possibility to lose country's competitive edge in the market. Mainly in developing countries where the main bargaining chip is cheap labor.
- Consensus among government, the business owners and the workforce is often times found to be a challenging task.
- Conflicts with full employment, a rise in the wage almost certainly would mean a rise in cost of production, and thus decreases labor demand.

AFTERMATH OF WAGE HIKE

- 10-15% Job loss
- Deduction of fringe benefits
 - Employment Halted
 - Harassment Increased
- Increased Wage Grade Manipulation
 - Decreased Order to Factories
- Closer (lay-off) of Smaller Factories

WHAT MIGHT BE THE ROADWAY TO LIVING WAGE

