



Asia Floor Wage Alliance - Bangladesh

Statement: Trade Unions of the RMG Sector Demand a Minimum Wage Hike!

April 2023

Bangladesh conducted its last minimum wage negotiations in 2018.

At the time, a meager BDT 8,000 (USD95) [was fixed](#) as the minimum wage for garment workers. Over the past five years, Bangladeshi garment workers have continued to receive these poverty-level wages, all the while suffering through the skyrocketing cost of living and the fallout from the COVID-19 pandemic.

Asia Floor Wage Alliance - Bangladesh is supporting the demand of trade unions to increase the minimum wage from BDT 8,000 to within the range of BDT 22,000 – BDT 24,000 (USD 207 – USD 226). We strongly support the trade unions' demand for this minimum wage increase as it is an important step towards ensuring that garment workers and their families have the basic resources to survive and endure crises, including the impending economic recession.

Garment workers are the backbone of Bangladesh's economy. The sector [accounts for over 80%](#) of Bangladesh's total export earnings and it contributes more than 11% to the country's GDP. The garment sector employs over 4.4 million people in the country, most of whom are women. These workers have helped make Bangladesh the second largest exporter of ready-made garments (RMG) in the world. Over the last five years, RMG exports have grown steadily, surviving economic crises without major setbacks in profits.

However, the profits of the RMG industry have not trickled down to garment workers in Bangladesh. The workers' hard work has increased export revenues [since 2018](#), but the COVID-19 pandemic exposed the reality: workers have been living on the edge of bare survival. **Pushed to extreme poverty and hunger after years of low wages and little to no savings, children were forced to drop out of school and take on work to**



supplement the family income. Their parents were forced to borrow money to afford basic essentials.

According to our 2021 report, [*Money Heist: COVID-19 Wage Theft in Global Garment Supply Chains*](#), wages fell sharply from BDT 9,163 (USD 110) pre-pandemic to BDT 3,083 (USD 37) by the end of 2020. **This drastic fall forced workers to incur further debt just to pay for their basic consumption in 2020.** Over the course of 2021, workers could not recover from the devastation of the 2020 pandemic year as essential prices soared: the price of gasoline went up by 0.5 percent per liter, the cost of electricity surged by an average of 5.3 percent, and the price of rice increased by up to 50 percent. Even today, these workers are reeling from the crisis.

AFWA Bangladesh conducted a comprehensive consumption survey in the last quarter of 2021, talking to over 300 garment workers from 63 factories. The workers reported a per capita food consumption of 1,950 Kcal at BDT120 per day, **significantly below the poverty line food consumption standard of 2,122 Kcal** (defined by the country's Household Income and Expenditure Survey in 2016). This nutritional dip is of extreme concern.

AFWA's survey also found that the total expenditure of a family is higher than their income, **even when there are two earners in the family working in the garment industry.** On average, the total expenditure of a family was BDT 24,373, with food accounting for around 44% of spending (BDT 10,754) and non-food costs – rent, medical expenses, transportation, education, clothing, etc. – for 56% (BDT 13,619). In comparison, the combined actual income of two workers was BDT 21,642.

These figures show **the unsustainability of the current wage structure in Bangladesh's garment industry and the persistent debt cycle it forces workers into.** A worker needs a minimum wage that meets her basic needs as well as her family's, taking into account inflation and other crises.



The minimum wage negotiation falls on the 10th anniversary of the [Bangladesh Accord on Fire and Building Safety](#), and the fight for higher minimum wages has never been more pertinent. AFWA Bangladesh continues to support the fight for the health and safety of workers and their families.

It is of grave concern that garment workers, engaged in hard and long physical labor, are consuming less food than the poverty-level caloric standard set by the Bangladesh government. This inadequate food intake undermines the health and safety of workers and their families. An increase in the minimum wage will play a key role in improving the health and safety of garment workers.

Just as we, garment workers and labor unions in Bangladesh, mobilized during previous wage negotiations in 2013 and 2018, we will mobilize again to ensure the government accepts our reasonable demands.

Insufficient wages harm a worker's well-being and ultimately the entire family's well-being. **AFWA Bangladesh supports garment workers and their unions in their demand for**

- 1. An increase in the minimum wages to BDT 22,000–BDT 24,000; and**
- 2. An annual negotiation process to update the minimum wage in line with rising inflation rates.**

We call on unions and workers to fight for our right to fair wages and better working conditions.

Asia Floor Wage Alliance - Bangladesh

- Garments Workers' Unity League (GSUL)
- [Textile Garments Workers Federation](#) (TGWF)
- [Bangladesh Garment and Sweaters Workers' Trade Union Centre](#) (GWTUC)
- [Green Bangla Garments Workers Federation](#) (GBGWF)
- [Bangladesh Garments and Industrial Workers' Federation](#) (BGSSF)