



For immediate release: August 13, 2010

GARMENT WORKERS IN ASIA DESERVE A LIVING WAGE

The Asia Floor Wage Alliance calls upon retailers and brand-named companies to immediately start dialogue with labour organisations in Asian countries to address poverty wage. The current labour unrest in countries such as Cambodia and Bangladesh underlines the necessity to achieve a regional minimum living wage

The garment industry in Asia is renowned for poverty wages, excessive overtime and poor working conditions. In many cases, even the legal minimum wages set for workers in the apparel industry fail to provide enough income to maintain a family of four above the nationally defined poverty level. In recent months, workers in Laos, China, Myanmar, Bangladesh, and Cambodia are struggling to improve their lot by demanding higher wages.

The Asia Floor Wage (AFW) campaign seeks to lay the groundwork for a floor under the race to the bottom, and end wage competition in Asia.* The AFW alliance campaigns for an Asia-wide increase of wages to a minimum living wage level, to which the global buyers would contribute most. “The campaign for an AFW is an industrial level collective bargaining strategy, targeting the garment global supply chain and combating the threat of relocation,” says Ashim Roy, Secretary General of the New Trade Union Initiative in India.

The AFW alliance strongly supports these wage struggles in Asia and urges global buyers to factor the wage demands into their price negotiations with suppliers. The AFW also urges global buyers to enter into dialogue with local unions on how to ensure that higher prices would result in higher wages. “In the global garment industry, brands and retailers wield the most power. They have profited hugely from outsourcing production

Asia Floor Wage Alliance

to low-wage countries, capitalising on poverty wages and benefiting from weak enforcement of labour laws. They are fully responsible for ensuring that the workers who make their products are paid a living wage,” says Anannya Bhattacharjee, Asia Floor Wage Alliance Coordinator.

Bangladeshi garment workers have shown their discontent with the government announcement to increase the minimum wage from 1,662 takas a month [\$24] to 3,000 takas (\$42). Unions were demanding a higher minimum wage to compensate huge price rises of the last two years. Tensions have risen and the government is severely clamping down on dissenting voices from the labour movement.

In Cambodia, the unions conducted surveys and found that workers need \$93 per month to lead a basic, human life. The government has responded by announcing \$61 as the new minimum wage that would replace the current figure of \$50. This forces Cambodian workers to take recourse to augmenting their income through other means (such as inhuman overtime) when their lives are already stressed. “It is impossible for workers to satisfy their living needs with \$61. Workers in Cambodia expected a more thoughtful response from their government,” says Ath Thorn, President of CCAWU, a major garment workers union in Cambodia.

Jeroen Merk of the Clean Clothes Campaign*, which is a member of AFW Alliance and focuses on campaigning on brands outsourcing to Asia, said that “workers upsurge in Bangladesh and the widespread discontentment of the workers in Cambodia against the proposed minimum wage of the government of the Kingdom of Cambodia shows the widening gap between the legal minimum wage and the living wage. Global buyers need to negotiate directly with the unions on the ground to address this issue”.

[END]

* * * * *

Additional information for the editor(s):

For more info or interviews, please contact:

Anannya Bhattacharjee
AFW International Secretariat
Email: anannya48@gmail.com, asiafloorwage@gmail.com
+91-9810970627

Jeroen Merk (CCC)
Clean Clothes Campaign
phone: + 31 20 4122785 / + 31 6 46744662
e-mail: jeroen@cleanclothes.org

Asia Floor Wage Alliance

The AFW is an Asian-driven alliance of over 60 trade unions and labour NGOs in Asia, Europe and the US. It has developed proposals for harmonization of Asian 'living wages' in the garment industry. The 'floor wage' is also based on the ILO concept of 'decent work'. The 2009 calculated living wage for Bangladesh is around 10,000 taka. Based on the definition of the AFW, the minimum living wage for Cambodia should be 607525 Riel (or US\$144).

* See also the Asia Floor Wage campaign, www.asiafloorwage.org:

* For the definition and calculation of the AFW, see chapter four of “Stitching a Decent Wage Across Asia” (<http://www.asiafloorwage.org/documents/Reports/Stitching%20a%20Decent%20Wage%20Across%20Borders.pdf>)