

# BANGLADESH

## STATUTORY AND RECORDED WAGE & MONETARY INCOME LEVELS

BENCHMARK	CALCULATION NOTES		SOURCE	MONTHLY VALUE (BDT)
<b>Legal Minimum Wage</b>	Grade 1	Pattern Master, Chief Quality Controller, Chief Cutting Master/ Cutting Chief, Chief Mechanic	Bangladesh Minimum Wages Board	<b>13,000 in Bangladesh Taka (BDT)</b>
	Grade 2	Mechanic/Electrician, Cutting Master		<b>10,900</b>
	Grade 3	Sample Mechanist, Mechanic, Sr. Machine Operator, Sr. Cutter, Sr. Quality Inspector, Sr. Marker/Sr. Drawing man/Sr. Drawing Women, Sr. Line Leader, Sr. Over lock Machine Operator, Sr. Button Machine Operator, Sr. Kanchi Machine Operator		<b>6,805</b>
	Grade 4	Sewing Machine Operator, Marker, Cutter, Finishing Ironman, Folder, Packer, Quality Inspector, Over lock Machine Operator, Button Machine Operator, Kanchi Machine Operator, Poly man, Packing Man, Line Leader.		<b>6,420</b>
	Grade 5	Jr. Sewing Machine Operator, Jr. Marker, Jr. Cutter, Jr. Finishing Ironman, Jr. Electrician, Jr. Packer, Jr. Over lock Machine Operator, Jr. Button Machine Operator, Jr. Kanchi Machine Operator		<b>6,042</b>
	Grade 6	General Sewing Machine operator, General Fusing Machine Operator, General Over lock machine operator, General Over lock Machine Operator, General Button Machine Operator, General Kanchi Machine Operator		<b>5,678</b>
	Grade 7	Asst. Sewing Machine Operator, Asst. Cutter, Asst. Marker, Line Ironman, Over lock Machine Asst., Button Machine Asst., Kanchi Machine Asst., Finishing Asst.		<b>5,300</b>
	<b>Local Legal Minimum Wage (Ready Made Garment Sector, non-export processing zone)</b>	Grade 1		
Grade 2			<b>7,280</b>	
Grade 3			<b>6,860</b>	
Grade 4			<b>6,440</b>	
Grade 5			<b>5,600</b>	

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## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (BDT)
<b>National Poverty Line (2 adults, 1 earner)</b>	<ul style="list-style-type: none"> <li>Food and Non-food component poverty line calculated using Cost of Basic Needs Method (CBN). Food poverty line based on 2,122 calories per person daily. 2010 values were inflated from original calculation in 2005.</li> <li>Based on this method, the poverty line is 1545.96 per person (for the national estimate), and 1955.93 per person for the Dhaka urban area where there is high concentration of garment manufacturing facilities.</li> <li>Assuming two adult consumption units and one earner, the national poverty line is <math>1545.96 \times 2 = 3091.92</math> (3911.86 for Dhaka)</li> <li>Adjusted for inflation rate using data from International Monetary Fund (IMF) World Economic Outlook (WEO) Consumer Price Index (CPI) (to 2015 value): 4483.70 (national), 5672.72 (Dhaka)</li> </ul>	<a href="#">Bangladesh Bureau of Statistics</a>	<b>4483.70</b>
<b>World Bank 'international poverty line' (2005 PPP\$ 2/day)</b>	<ul style="list-style-type: none"> <li>Following the World Bank's suggestion, we used the 2005 Purchasing Power Parity (PPP) conversion factor, adjusted for inflation. The reason for this is that when the World Bank recently updated its poverty thresholds, the study considered that for a small set of countries, including Bangladesh, Laos, Cambodia, Cape Verde, Jordan, Egypt, Iraq, and Yemen, the 'extrapolated' 2005 PPP\$ (adjusted for inflation) was more accurate as a measure of poverty/living costs than the 2011 PPP\$. Therefore, as an exception, the best like-for-like comparison with countries' minimum wages in converted to 2011 PPP\$ for Bangladesh is the 2005 PPP conversion factor, adjusted for inflation. For more info, see pages 30-31 of the World Bank Group/IMF, 2016, Global Monitoring Report 2015/16 Development Goals in an Era of Demographic Change, at <a href="http://pubdocs.worldbank.org/pubdocs/publicdoc/2015/10/503001444058224597/Global-Monitoring-Report-2015.pdf">http://pubdocs.worldbank.org/pubdocs/publicdoc/2015/10/503001444058224597/Global-Monitoring-Report-2015.pdf</a></li> <li>For World Bank international poverty line, poverty is measured at PPP\$ 3.10 per day. However, due to the reasons stated above, for Bangladesh, the former standard poverty benchmark PPP\$2/day (international poverty line) is used instead of the updated \$3.10/day lines.</li> <li>The PPP conversion factor for Bangladesh in 2005 was 22.64 (BDT)</li> <li>The \$2 equivalent is <math>(22.64 \times 2) = \text{BDT } 45.28</math></li> <li>Monthly, this is <math>(\text{BDT } 45.28 \times (365/12)) = \text{BDT } 1377.27</math></li> <li>Adjusted for inflation, this amount is <math>[211.08 (\text{CPI } 2015)/100.00 (\text{CPI } 2005) \times \text{BDT } 1377.27] = \text{BDT } 2907.18/\text{person/month}</math></li> <li>The household equivalent of BDT 2907.18, assuming two consumption units and one earner is BDT 5814.35/ household/ month <math>(2/1 \times \text{BDT } 2907.18)</math></li> </ul>	<a href="#">World Bank-Databank PPP\$</a>	<b>5,814.35</b>

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## INCOME AND POVERTY BENCHMARKS

BENCHMARK	CALCULATION NOTES	SOURCE	MONTHLY VALUE (BDT)
World Bank 'international poverty line' (2005 PPP\$ 2/day)	<ul style="list-style-type: none"> <li>The household equivalent assuming three consumption units and one earner is BDT 8721.54</li> </ul>	<u>World Bank-Databank PPP\$</u>	<b>8721.54</b>
Living Wage estimate  Asia Floor Wage (3 adults, 1 earner)	<ul style="list-style-type: none"> <li>Asia Floor Wage Alliance (latest revision found from 2015–1021PPP\$)—A standard PPP\$ based estimate for East and Southeast Asian countries applicable to manufacturing industries (based on a 3000 kcal diet for a three-adult-equivalent household with a single earner)</li> <li>Food basket research was done in Cambodia, India, Indonesia, and Sri Lanka to obtain the country Asia Floor Wage figures. For other Asian countries where food basket research was not conducted, the figures were extrapolated.</li> </ul>	<u>AFW 2015</u>	<b>29,442</b>
Living Wage Estimate  CPD Living Wage estimate for married worker, based on an aspirational diet (4.08-member family, 1.44 earner)	<ul style="list-style-type: none"> <li>The aspirational diet methodology estimated living wage based on a model diet by incorporating energy and nutritional values rather than just energy values.</li> <li>It assumed that a typical family consisted of 2.08 adults consuming 2,122 calories and two children aged 1–3 consuming 1,060 calories each. The typical household size was 4.08, and number of earner was 1.44</li> <li>Adjusted for inflation using IMF WEO CPI (to 2015 value): 16,919</li> </ul>	<u>Center for Policy Dialogue 2013</u>	<b>16,919</b>
Union Minimum Wage Demand	<ul style="list-style-type: none"> <li>Union demand minimum of \$120</li> <li>Converted to local currency using historical exchange rate on August 18, 2015 (Bangladeshi Taka to USD: 78.0554850059:1): 9366.66</li> </ul>	<u>Bangladesh textile/garment worker unions (various) 2015</u>	<b>9366.66</b>

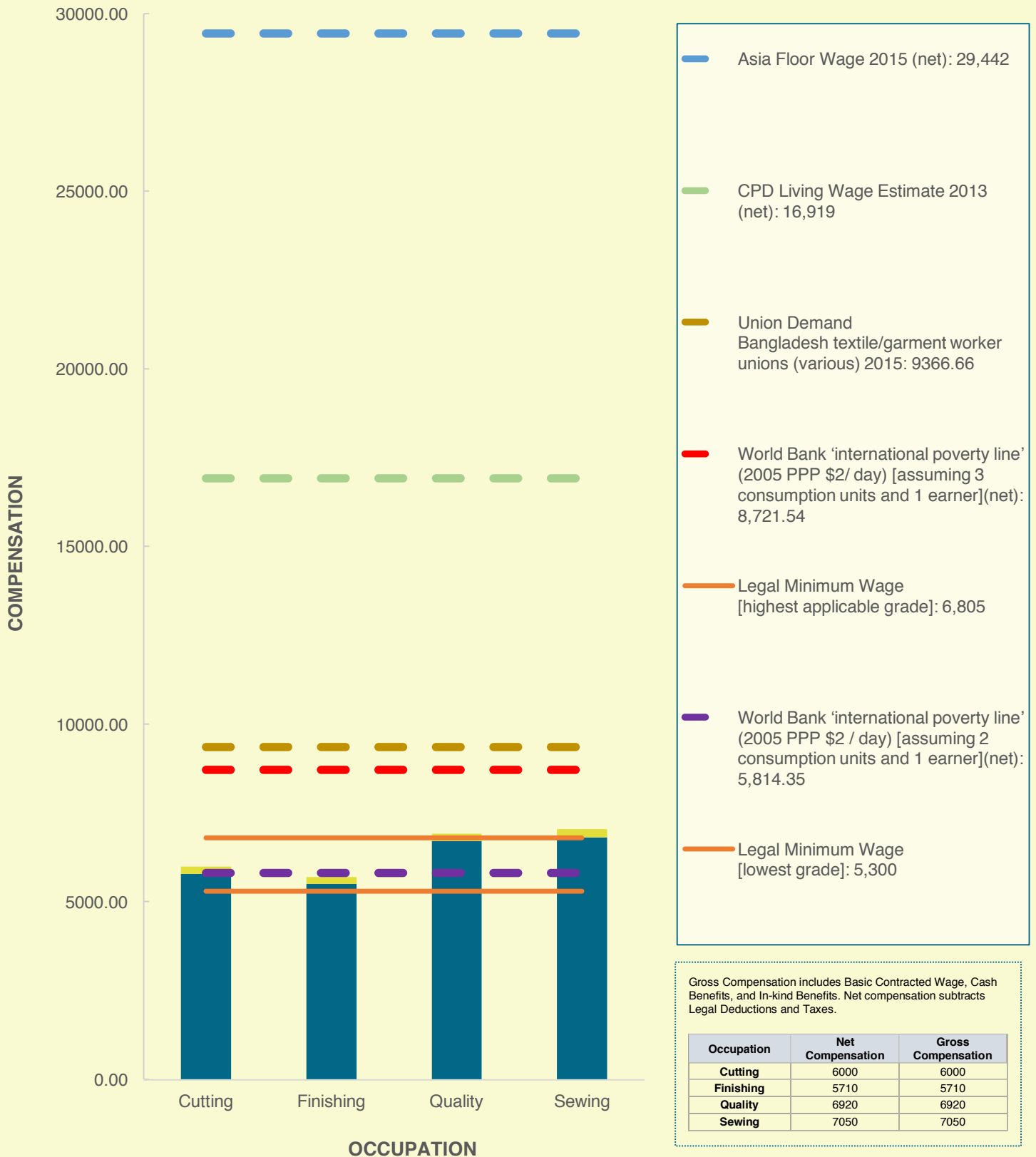
# COMPENSATION COMPARISON ACROSS FACTORIES

## BANGLADESH *Currency: Taka (BDT)*



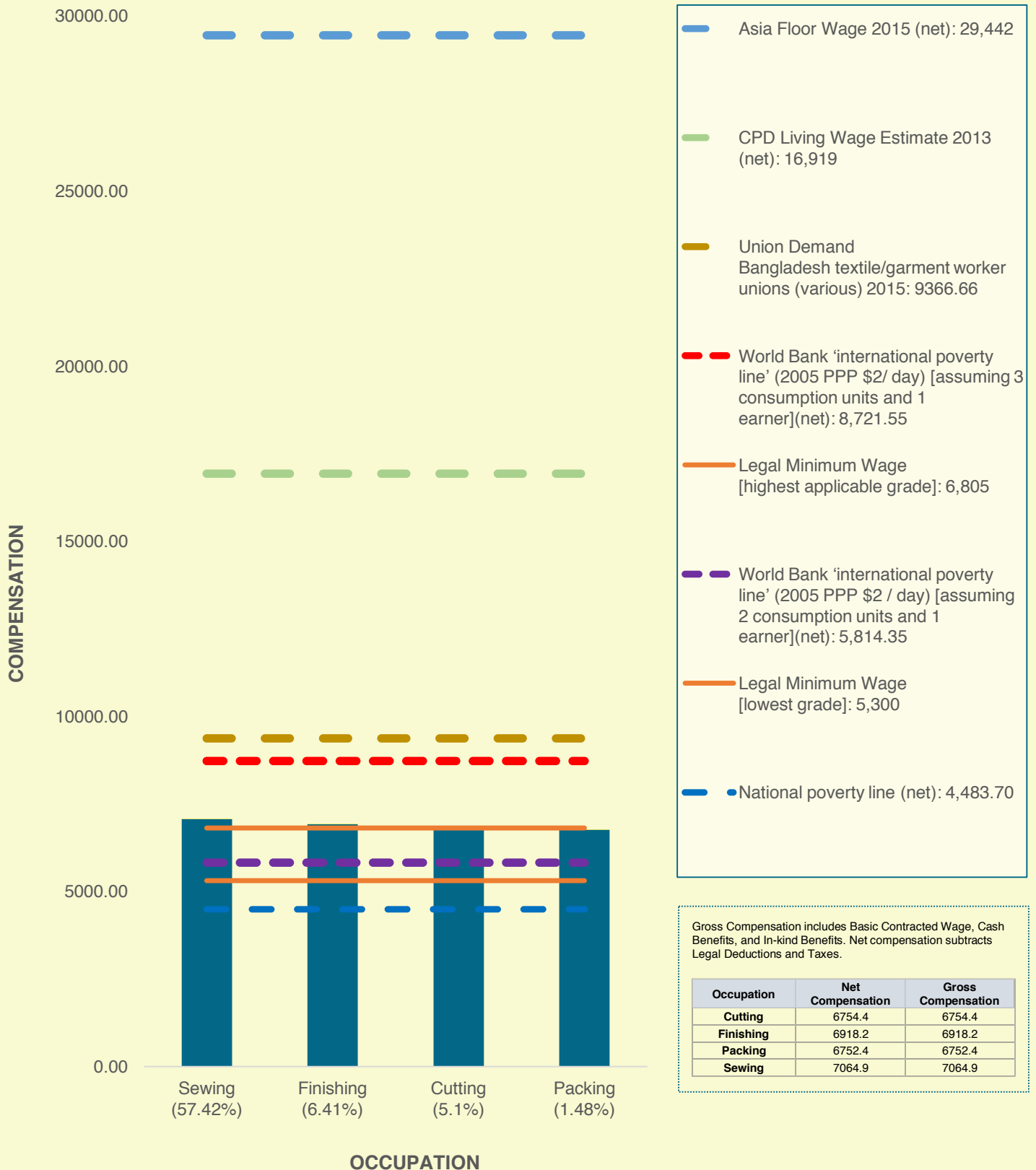
# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## BANGLADESH (1) *Currency: Taka (BDT)*



# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## BANGLADESH (2) *Currency: Taka (BDT)*



Basic Contracted Wage

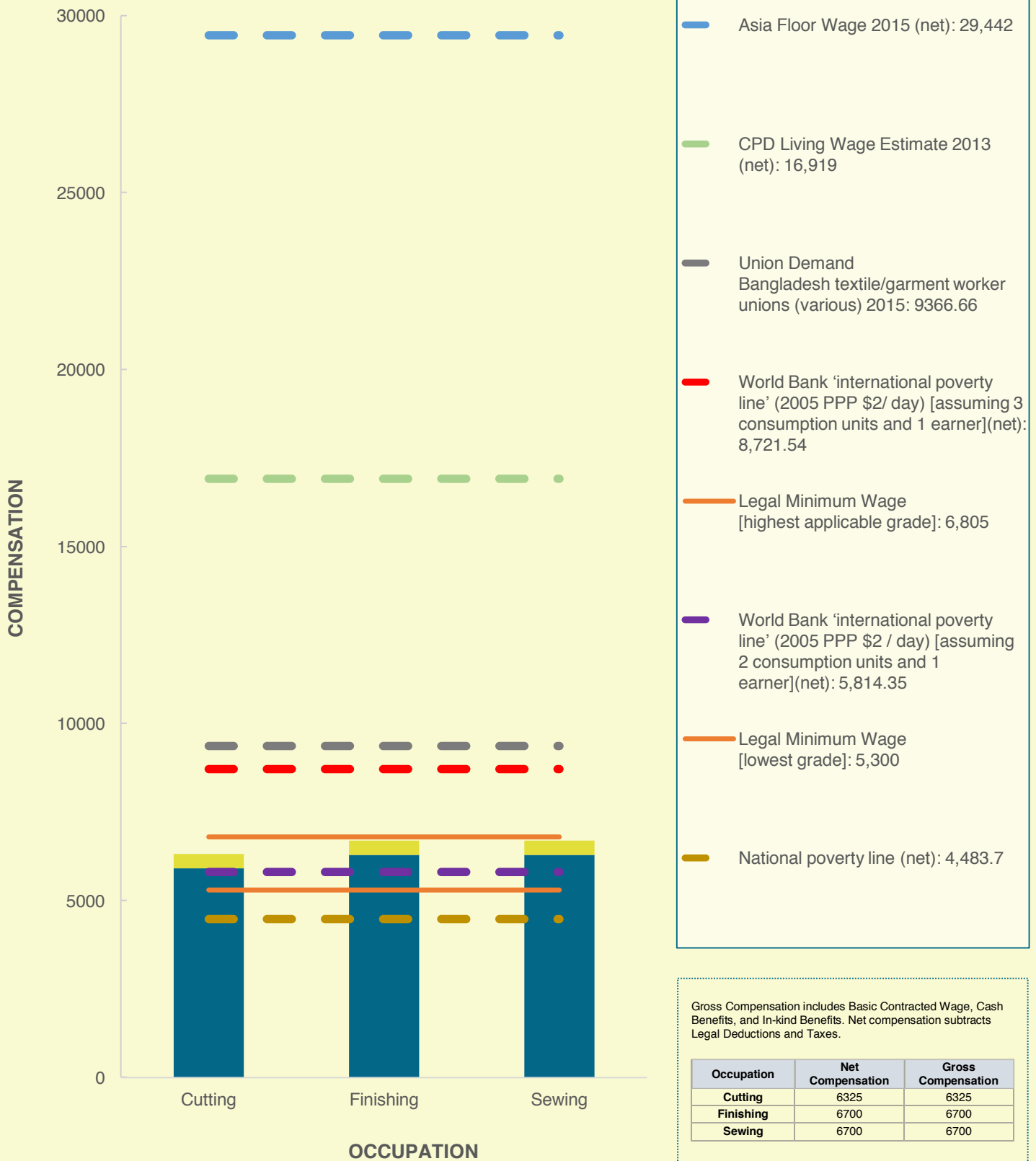
Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## BANGLADESH (3) *Currency: Taka (BDT)*



Basic Contracted Wage

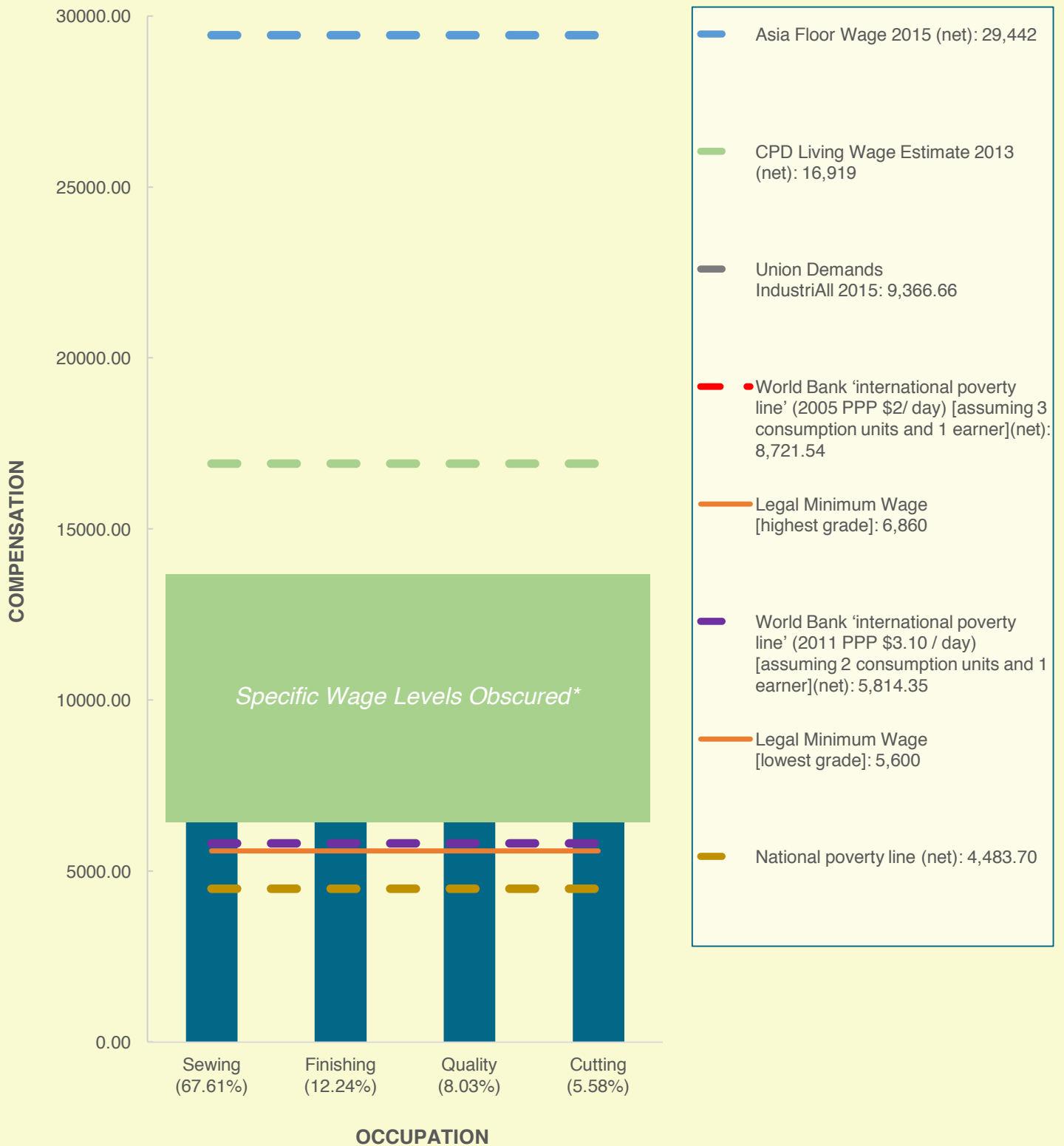
Cash Benefit

In-Kind Benefit

Incentives

# MEDIAN FACTORY COMPENSATION COMPARED TO BENCHMARKS

## BANGLADESH (4) *Currency: Taka (BDT)*



\* Specific wage levels have been obscured in an abundance of caution to avoid the potential disclosure of information that may be competitively sensitive.