



stitching a  
**decent wage**  
across borders

Outside a garment manufacturing unit in Asia



It's raining heavily. Hope we get to reach the union office on time.

Me too. Today our friend will also be there.



They said they are going to discuss something important today.



Welcome my friends

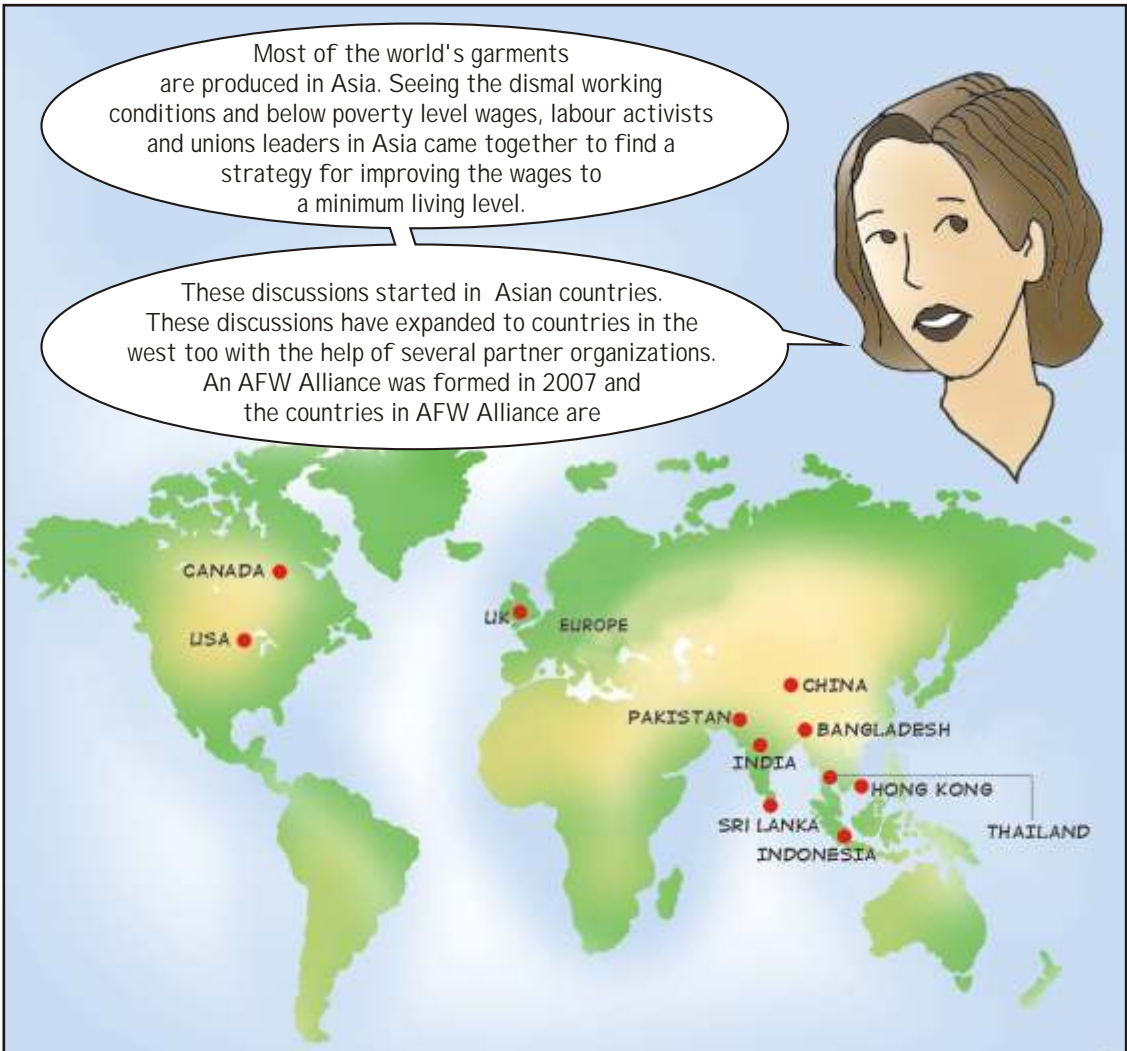


Meet our friend from AFW. She wants to discuss something important today.



Maybe all of you are familiar with the concept of AFW.

I am new in the union. I have heard about AFW from my fellow workers. Can you please tell me more about AFW?



Most of the world's garments are produced in Asia. Seeing the dismal working conditions and below poverty level wages, labour activists and unions leaders in Asia came together to find a strategy for improving the wages to a minimum living level.

These discussions started in Asian countries. These discussions have expanded to countries in the west too with the help of several partner organizations. An AFW Alliance was formed in 2007 and the countries in AFW Alliance are

CANADA

USA

UK

EUROPE

CHINA

PAKISTAN

BANGLADESH

INDIA

SRI LANKA

INDONESIA

HONG KONG

THAILAND

How does the global garment industry work?  
We see buyers coming from Europe and USA to our factories



Workers  
in supplier factories



Retailers and  
brands placing  
order with  
big suppliers



Big retailers  
and Brands



Consumers



It is like this





Will raising wage not lead to closing down of factory and job loss?



No! Because it is a common demand of all garment workers' organizations in Asia.  
Did you notice that you produce the clothes but you do not buy them yourselves?



True! That is because we don't have enough money to consume even the basic necessities!!

Exactly! But the moment we establish a minimum living wage, all of you will have enough money to buy more.

I think I am confused. Can you explain how that is going to help the economy?



It is simple. Suppose that you have Rs.100 more in your wages....

You spend that extra Rs 100 buying more rice, flour and vegetables...

Then the grocery shop owner will have a Rs 100 more. He can now spend that money on something else....

And that is how it goes on... A Rs 100 will have big effect on lots of people




We did not think of that before.








A panel showing the dark silhouettes of five people standing in a line, facing each other as if in a group discussion. The background is a light yellow color.

Moreover, the number of Asian workers is quite large and only if they are paid more, the general demand will increase. Increasing the demand will help in easier recovery from economic slowdown.

A panel showing two women in conversation. The woman on the left is wearing a purple hijab and a purple top, looking towards the other woman. The woman on the right is wearing a yellow top and a brown and orange patterned headscarf, looking back. A speech bubble is positioned between them.

It seems that AFW has thought of players at all levels in the garment industry.

Maybe consumers will pay more. But how we will make sure that workers will get that 'more' paid by the consumers.



I hope you all understood the concept!

Yes. That is the point! That is why unions and labour rights organizations in the countries where these garments are produced are important. The unions can make industry wide agreements which will ensure the garment workers are paid Asia floor Wage. And that is why we want you all to join the unions that are demanding Asia Floor Wage for garment workers.



Yes. WE should join the campaign which is going to make sure a decent living for us.

### I LO on soaring food prices:

"The impact of higher food prices can be particularly dramatic for poor workers and households because they spend more than 50 per cent of their income on buying food. Women workers and children are often hit hardest. Higher food prices will also lead to cuts in the purchasing of other goods and services that are vital for the well-being of family members."

### Buyers receive government benefits but workers receive none:

A study by researchers (in the US) found that a big buyer (Wal-Mart) received over \$1 billion in benefits from the US government: such as free or reduced-price land, tax benefits, legal exemptions, and general grants, but the workers who are producing for these big buyers are not even paid the legal minimum wage set up by the supplier country governments.

### Lower wages mean less money for the nation:

When an employer pays low wages to its employees, the employees have less money to spend on goods and services in the community, which in turn reduces the income and spending of others in the community. In other words a reduction in wages has a multiplier impact in the surrounding area.

Example from a US town study: "For every \$100 in consumer spending locally, \$68 remains in the local economy. Changes in consumer spending habits can generate substantial local economic impact."

### Buyers' CEO Pay:

Wal-Mart's CEO Lee Scott took home \$17.5 million in 2004, which equals \$8,434 an hour! An Asian garment worker's hourly wage is \$0.25 (25 cents an hour)!!!

### I LO on wage, poverty, and national wealth:

"too much inequality is in fact bad for economic growth."

"there seems to be a correlation between higher economic development and lower wage inequality."

"governments are encouraged to display a strong commitment towards protecting the purchasing power of their populations and hence stimulating internal consumption."

visit [www.asiafloorwage.org](http://www.asiafloorwage.org) to learn more....

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