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THE RUBBER TAPPERS' MONTHLY WAGE ISSUE AND THE IMPACT OF THE COLLECTIVE AGREEMENT OF 2003*

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INTRODUCTION

The National Union of Plantation (NUPW), formed in 1954, is the sole representative of plantation workers in their negotiations for wages and better conditions of work with the employers body – the Malayan Agricultural Producers' Association (MAPA). The mechanism used to determine the basic wage and other auxiliary payments to rubber tappers are linked to rubber price, land yield and labour productivity. Furthermore, other variables like agronomic practices and weather also affect earnings indirectly. In sum, this has resulted in earnings that fluctuate because of factors beyond the control of workers.

Since 1956, the Union has sought a guaranteed minimum level of earnings that will be invariant to factors outside labour's control. Obtaining a monthly wage was seen as the means of securing the rubber tapper a sufficient and stable level of income. However, despite spending energy and resources pursuing this goal over many years, it was unable to overcome the strong employer resistance to the idea.

In 2003, however, an agreement was finally signed that produced a guaranteed stable level of earning – something akin to a monthly wage – but within the existing payment scheme. The agreement has been the subject of criticism by parties that claimed that it did not offer adequate protection to labour, but it is unclear if critics studied the impact of the agreement in detail.

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The objectives of this paper are threefold. First, drawing from the theoretical literature, we examine whether a monthly wage – despite the noble motivation behind the demand for it – is sustainable within a plantation setting. Second, we discuss how negotiations eventually led to a compromise agreement in 2003; although a monthly wage was denied, the Union claimed that the objective behind the demand was met. Finally, we evaluate critically the impact of the Agreement of 2003 on the earnings of workers, which was hailed as a milestone by some parties and criticized by others. In particular, we look at its function of providing a 'safety net income' to workers.

The paper begins with brief overview of the payment system appropriate in an agrarian setting, drawing from the theoretical literature on the issue. The subsequent section presents a description of the prevailing payment system. This is followed by a summary of the main milestones in the Union's quest for a monthly wage. Next section discusses the Agreement of 2003 and the final section concludes the note.

PAYMENT SYSTEMS IN AN AGRARIAN SETTING: A BRIEF REVIEW

Two forms of payment systems are commonly employed in an agrarian setting – time rate and piece rate. The former pays the employee according to the time spent on a task, regardless of the actual amount of output produced while the latter pays labour strictly based on output, regardless of time spent on the task.

A careful review of the theoretical literature on payment systems[1] suggests that a time based payment, like a monthly wage, is only appropriate in a workplace where supervision of workers is not difficult, output cannot be easily attributed to a particular worker, and maintaining the quality of output is an important consideration. The rubber estate, in fact, presents an exactly opposite situation because the supervision of tappers spread out over a wide area is a major administrative headache, the output of rubber is attributable to the worker who taps and collects it and the quality of latex is fairly consistent and therefore not an issue.

[1] See, for example, Seiler, 1984; ILO, 1984; Lazear, 1986; Borjas, 1996; Lazear, 1998; and Baland et al., 1999.

Under such circumstances, the piece rate system or payment tied to measurable results (as prevails now) is the only practical system.

Payment by results or a productivity linked payment scheme is not only capable of attracting hardworking workers but also has an inbuilt mechanism to motivate the more productive workers to work harder since this will increase their daily earnings. In contrast, the malingerer or a worker, who is otherwise careless with respect to work, will receive less. This also means there is a built-in self-monitoring mechanism that greatly reduces the costs of supervision in a wide area like an estate. The further theoretical advantage of this system is that it keeps wage increases moving in tandem with productivity, thus, preserving the viability of the estate operations.

Furthermore, estates are price takers in the world market for natural rubber; they cannot pass cost increases forward to consumers by way of price hikes. Increased cost must be either be absorbed by profits or be passed backwards to labour by way of lower wages or lower employment. That employment in estates has been remarkably stable during price downswings in the post-union era attests to the fact that both profits and wages have absorbed the impact of falling prices, leaving employment levels intact. A study that examined the extreme volatility of profits in the rubber sector between 1947 and 1958, found that "profits are *more unstable* than rubber prices and wage rates are *more stable* than rubber price"[2] (emphasis added). It concluded that "it is profits, not wage rates that absorb a larger proportion of the impact of rubber price instability" (Ariff, 1970: 25). Of course volatile profits do not mean low profits; despite violent fluctuations, average profit as a proportion of average annual price was about 25 percent during the period being reviewed (Ariff, 1970: 27).

It must also be appreciated that estates do not have the flexibility of manufacturing operations to rationalize production methods in response to market demand (Audong & Tan, 2000: 48). In the pre-union era, the response to a price downswing was laying off workers or a wage cut or both! With the concern being largely to preserve employment, a

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[2] Results of the study suggest that a 10 percent change in price induces a 15 percent change in profits. See Ariff (1970: 26).

contractual monthly wage that makes labour a quasi-fixed factor is not appropriate.

However, payment by results has two important limitations. First, fluctuations in demand lead to fluctuations in output, which in turn, cause income instability. Second, unlike in the controlled conditions of a factory, unpredictable events like inclement weather, seasonal factors and agronomic practices influence the worker's output as well. These circumstances are beyond the control of the worker but nevertheless constrain the income they can earn.

In essence, the Union was faced with a dilemma: payment by results ensure maximum output and ease of supervision to the employer but rewards workers with income instability, often caused by factors outside their control. But by espousing a monthly wage as a way out the Union was in fact fighting a lost cause. It took many years of fruitless attempts before an alternative approach was tried.

THE EXISTING PAYMENT MECHANISM

When the Union first started negotiating with the employers in 1954, rubber tappers received only a daily basic wage rate. Over the years, supplementary payments were negotiated for and received. However, the current payment scheme draws its basic structure from the Industrial Court Award of 1968. It consists of a fixed basic daily wage rate, the price bonus (based on rubber price), three payments designed to increase daily output (the rate of two of which are influenced by rubber price) and other payments designed to compensate for additional effort expended to bring in a day's collection of rubber. A few more components of payment were added on over the subsequent years to yield the present payment structure. Each of these components is discussed briefly in turn.[3] All current rates refer to those under the Collective Agreement of 2003 that was in force until June 2007.[4]

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[3] This discussion is drawn largely from Navamukundan, 2004.

[4] In June 2007, MAPA and NUPW signed a new collective agreement that supersedes the agreement of 2003. However, no details are publicly available as yet and it is unlikely that structural changes to the payment mechanism have been made (NST, 31 May 2007: 16)

The Basic Daily Wage Rate

The basic daily wage rate originally varied depending on the rubber price. However, bargaining over the years has resulted in it being a fixed component, independent of price fluctuations. It represents a guaranteed payment for a defined task. The daily task size too has been the subject of negotiations over the years and is currently fixed at 600 trees per day, tapped under a normal, half-spiral alternate daily tapping system (S2D2) and delivering an output of up to 11 kg of dry rubber.[5]

The Price Bonus

This is paid at a fixed rate (sen) per task and comes into effect once rubber price crosses a pre-agreed price zone. Currently, this payment is payable when rubber price exceeds 180 sen/kg. The maximum payable per task is 200 sen/task if rubber price crosses 320 sen/kg. This is touted as a mechanism to "share" prosperity (arising from high prices) with tappers.

The Yield Factor

This is an incentive designed to reward a worker when output exceeds the stated level of dry rubber (11 kg under the 2003 Agreement) collected per task, per day. The rate (stated in sen) is payable for every kilogram that exceeds the stated minimum weight. This itself varies upwards as rubber price increases through pre-agreed price zones and vice-versa; ensuring that the tapper brings in the maximum output.

Scrap Payment

This is payable for each kg of scrap rubber (in wet weight) brought in. The rate payable increases (or decreases) with the rise (or fall) in rubber price through pre-agreed price zones. Scrap is coagulated material from late drippings from the trees; it is collected from the latex cup of each tree and from the tapping panels (tree lace). Scrap payment is compensation for cleaning the latex cup, collecting the tree lace and transporting the scrap to the field latex station.

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[5] In practice, the definition of a task is also shaped by factors such as tapping system, age of tree and terrain.

Scrap rubber is processed and sold as low quality rubber. Factors like the planting material (clones) used, tapping system, tapping stage, the use of yield stimulants and the length of time between tapping and collection of latex will determine the amount of scrap generated. In general, one-fifth to one-sixth of the total crop in estates consists of scrap (Lim, 1976: 72).

Task Bonus

This is a fixed payment, regardless of rubber price, for every ten trees tapped, over and above the prescribed (standard) task size.

Outturn Allowance

A fixed sum (of RM90) is paid to encourage workers to meet the target of 26 tasks tapped per month, with 11 months leeway to achieve this target. This leeway allows the worker (and management) to arrange for double tapping (tapping of 2 tasks per day) during periods of high yield.

Carrying Allowance

This is a fixed payment (of 40 sen per task), paid to tappers who have to carry the latex collected per task over a distance exceeding 2 kilometers in order to get to the field weighing station.

Panel Differentials

A compensation (of 5 sen per kg) is paid to workers for the more arduous duty of tapping panels that are above 300cm high from the ground.

Double Tapping

When a tapper is required to tap over and above the normal task, it is considered double tapping, regardless of whether this additional tapping is to recover output lost on account of rain, casual holidays or any other reason. For a task carried out as ‘double tapping’, a tapper is paid at a rate that is 1.5 times the basic rate plus the price bonus and earnings derived from incentive and scrap rates from this second task.[6]

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[6] That is, 1.5 x (basic wage + price bonus + incentive allowance + scrap rate).

Late Tapping

Late tapping is necessitated when rain prevents the tapper from starting work at the usual early hour. When tapping is offered or commences after 9.30 a.m., the rate of incentive payments is increased (by 12 sen) for high-yielding areas and by 17 sen for low yielding fields. The day will be considered a day when work was provided. No late tapping is allowed after 12 noon; however, through mutual agreement of the employer and employee at the estate level, it could commence not later than 11.00 a.m.

Tapping on the Day of Rest

If tappers are offered a task and tap on their designated day of rest, they are entitled to twice their normal rate for the task, scrap rubber, yield incentive and price bonus.[7]

It should be noted that the basic wage, the price bonus and the yield factor comprise the main income generating components of the rubber tapper's payment scheme. Despite the fact that the basic daily wage rate is now virtually unaffected by rubber price *movements*, it alone has never been sufficient to feed the tapper and family. The other elements in the payment scheme, however, continue to be linked, in one way or the other, to rubber price movements, land yield and worker effort. In addition, weather also affected earnings since a rainy day could prevent tapping and therefore deprive the tapper of the opportunity to earn income.

The fight for a monthly income was therefore a fight for an earnings level that was stable and cushioned from factors beyond the workers control.

THE QUEST FOR A MONTHLY WAGE

The early arrangement of linking the daily wage rate – the major component in the payment scheme – to rubber price movements not only led to severely fluctuating incomes but also meant that labour was

[7] That is, 2 x (basic wage + price bonus + incentive allowance + scrap rate).

sharing in the risk of uncertain prices, without a concomitant sharing of the profits derived from rising prices. It was therefore seen as essential to break the link between rubber price movements and earnings.

The Union began this task in 1956 by serving a month's notice to revoke the existing agreement (of 1955) and sought a fresh agreement that, among other things, demanded a daily minimum wage entirely free of rubber price fluctuations and additional earnings based on price and output factors. The Union did not get its demand, but it kept bringing this up from time to time in subsequent negotiations.

In 1958, it again resurrected its demand for a daily wage free from rubber price changes, and in 1959 the first step was laid when the wage rate varied only through one price zone and then remained constant afterwards. In 1963, the Union for the first time put a formal demand for the conversion of the daily rated pay to a monthly rated one. This time around, when employers rejected the demand, the Union called a strike. The subsequent mediation process resulted in an agreement in 1964 that rejected the demand for a monthly rated wage but gave the Union gains on some other issues.

After another lengthy struggle that began in 1966 and ended with an arbitration award in 1968, the Union finally succeeded in getting a daily wage rate (not a monthly wage) that was no longer linked to rubber price. Nonetheless, the ultimate aim of securing a stable and secure monthly income remained unfulfilled because of the insufficiency of the daily wage and the variability of the other components in the payment system.

The ethic riots of 1969 and the imposition of Emergency laws saw the Union holding in abeyance its demand for a monthly wage. Three collective agreements were signed without the issue being raised. However, in 1982, when a new agreement was due, the Union revived its demand for a monthly wage. After nearly three years of unsuccessful negotiations, the matter was referred to the Industrial Court in 1985. A year later, the Court handed down its decision, rejecting the Union's case.

The Court was reluctant to experiment with a new, but basically untested, pay scheme in a key industry like rubber. Besides, the Court heard that in the only case where a daily rated pay was converted to a monthly rate of pay, tappers' output had dropped during the wintering period from 12 percent to 15 percent; the average daily yield of the tapper had also fallen by 25 percent; and there were instances of tapping tasks and collections not completed and shallow tapping. The cost of management had also risen.[8] Apart from these reservations, the Court further held that the Union had not shown proof that workers under a monthly wage scheme are likely to perform as well, if not better, than under the prevailing daily rated system. Finally, it was pointed out that the NUPW had not implemented the scheme they were advocating in their own two estates (MOL, ICA 111/86: 32–34).

It has been suggested that the failure of the Union to adopt the monthly wage scheme in its own estates was the main reason for the Court to reject its claim (Ramachandran 1994: 279). While undoubtedly this fact damaged the Union's case, there is nothing in the Industrial Court Award to suggest that it was the sole or even the main reason for the rejection of the claim. In fact, the case was closely contested as reflected by the fact that at the end of the hearing, the decision by the panel hearing the case was deadlocked with two voting for the monthly wage and two against it. The casting vote of the President of the Court was required to break the deadlock and reject the Union's case.

Even if the Union had implemented the monthly wage scheme in its two estates, it is unlikely that the Industrial Court President would have been moved to vote in favour of a radical departure from what has prevailed over a century in the estates (Ramasamy, 1994: 141). The Court is essentially a conservative institution and, at least in the case of plantation workers, has not been an advocate of new or radical approaches.

Four years were spent by the NUPW in pursuing the monthly wage question from 1982 to 1986 without success. This was long enough for

[8] In 1974, workers employed in Rubber Research Institute's (RRI) Experimental Station were deemed to be employees of a statutory body and absorbed into the RRI Staff Union. They became eligible for the Scheme of Service that was applicable to workers in a statutory body. They began receiving a monthly salary in 1984 whereas prior to this, they were members of the NUPW and were paid on daily rated basis (MOL, ICA, No 111/ 86: 27-30).

another collective agreement to have been signed and implemented which might have raised the earnings of tappers somewhat. By pursuing the monthly wage issue, workers not only sacrificed income increases in the interim but also expended a lot of resources to finance the case in Court.

A CHANGE IN STRATEGY: THE AGREEMENT OF 2003

With the benefit of hindsight, it could be argued that an alternative to the monthly wage would have been to fight for a higher daily wage component that would have increased the level of stable and secure income. This was precisely what the Union did, after it paused to reconsider its strategy. Hence, in the subsequent agreement of 1999, it was conspicuously quiet about a monthly wage.

In 2003, the Union changed its strategy; it focused on the principle behind the demand for a stable monthly wage but did not insist strictly on the structure being changed. Nevertheless, it sought a minimum monthly earning of RM350.00, independent of outside factors. This approach allowed MAPA some room to manoeuvre. In the ensuing negotiations, MAPA succeeded in preserving the prevailing wage system that it seemed so comfortable with, but conceded a guaranteed payment of RM350.00 a month (excluding the price bonus and productivity incentive) when, because of yields and/or fewer opportunity days of work, the tapper's basic earnings did not reach this level. In order to prevent absenteeism, it was further specified that the tapper would only be eligible for this payment if he presented himself for work, regardless of whether the employer was able to offer it or not. Under this agreement that is currently in force, the other productivity-based elements remained intact.

In a sense, therefore, the Union finally obtained the 'safety net' that it had long sought for. Ironically, it did not come via a monthly wage; instead, it was forged from the existing payment framework!

As soon as the outcome of the 2003 Agreement was made public, it fuelled a debate with supporters hailing it as a significant achievement and detractors saying that RM350.00 was too low, some arguing that it was even below the poverty line.

Detractors forget the purpose of the 'safety-net' income; it was never the intention of the Union that workers should be paid only this. What it is meant to do is to provide workers a guaranteed level of income during a *highly unlikely set of circumstances* when the normal provisions of the payment system fails to generate satisfactory earnings. Thus, if on account of rain, weathering of trees or poor yields – all factors outside of labour's control – monthly earnings threaten to fall below RM350.00, the workers is assured of that threshold income. In fact, it can be shown (see subsequent discussion) that under normal circumstances, the tapper can earn substantially above this threshold income.

But is RM350.00 below the poverty line? The officially defined (2002) poverty line income (PLI) was RM529.00 per month (per household of 4.6 persons) in Peninsular Malaysia.[9] The PLI refers to monthly household income and not individual monthly income. In per capita terms, therefore, the PLI is RM115.00 per head, per month.

Although recent data on the number of working members per household and household sizes in estates are not available, Ramachandran's fieldwork data (1994: 203–205) are indicative. According to his findings, 87 percent of the 332 households he studied had more than one working member. Up to 79.8 percent of households had two to three working members. The weighted average of household size computed from his data is 6.1 persons. Assuming, on average, three members of the household are working, the guaranteed household income under the 2003 Agreement would be RM1050.00. Given the household size of 6.1 persons, this yields a per capita income of RM172.00 per month, quite above the PLI of RM115.00 per head. Even if only two members of the household of 6.1 persons worked, the per capita income of RM114.75 would just about match the PLI. It is worth adding that these per capita monthly income figures are well above that reported by Ramachandran (1994: 207) for a period reflecting conditions prior to the 2003 Agreement. His figures range from RM79.00 for a household of two to just RM70.00 for a household of six and RM64.00 for a household of 10 members. In any case, bearing in mind that the role of 'safety net' income is to come to the rescue in extremely unusual circumstances, it is more positively viewed as a significant 'first step' in the ultimate objective of obtaining greater income security for rubber tappers.

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[9] PLI figure was cited in *The Sunday Star,* 25th April, 2004: 25.

The more pertinent question is to inquire how much a rubber tapper can earn under the Agreement of 2003? Following the framework used by Navamukundan (2004: 20–22), Table 1 shows the maximum a tapper working in high yielding fields can earn in a month, at the average rubber price that prevailed in 2004 (RM473.80 sen/kg). The computation assumes the normal task size of 600 trees with the half-spiral, alternate daily (S2D2) tapping system.

Several useful conclusions can be derived. First, the maximum monthly earnings of a tapper depend very much on the intensity of effort (productivity). Given the rubber price, if it is assumed that the worker is very diligent and works on every opportunity available, including days of rest and public holidays, the maximum earnings possible per month is RM1389.65 – nearly four times the guaranteed threshold income.[10]

More realistically, a less diligent tapper who takes all the weekly days of rest but accepts double tapping will earn RM1124.75, which is a 19 percent decline in earnings compared to the maximum possible.[11] Finally, a tapper who performs only the (minimum) normal task and refuses double tapping and takes all the weekly days of rest, suffers a hefty 44.7 percent decline in earnings and receives only RM768.17 per month.[12] There is thus a strong built-in mechanism to extract effort from the tapper.

Second, apart from the tapper's own effort, price continues to influence earnings. For instance, a fifteen cent fall in rubber price (from the given level) will decrease the earnings of the most diligent worker by RM8.50 through a reduction in the price bonus obtained. Similarly, a RM1.54 drop in rubber price will set back earnings by RM98.60 for the diligent tapper as earnings from both the price bonus and the incentive payments decline.

Third, the fixed component of monthly earnings (or the employer's fixed cost obligation) varies from 38.2 percent for the most diligent worker to

10 This figure is obtained by adding all the bold-faced totals in Table 1.

11 By taking the weekly days of rest the tapper gives up (RM100 + 108.80 + 28.90 + 27.20) = RM264.90.

12 This is computed as (RM300 + 302.08 + 84.49 + 81.60) = RM768.17. The tapper forgoes the Outturn Incentive because the stipulated 26 tasks per month were not met.

39.1 percent for the least hardworking worker in our example, if the value of fringe benefits is excluded. The rest of the earnings are linked to rubber price, attendance for work and labour output.

Table 1: Maximum Monthly Earnings Possible under the 2003 Agreement

Payment Type		**Output (kg)**	**Computation of Earnings**	**Earnings**
1.				
Normal Task	24 tasks	736	(12.50) x 24 tasks	RM300
Double Tapping (2nd task)	7 tasks	159	(1.5 x 12.50) x 7 tasks	RM113.25
Weekly Rest days	4 tasks	129	(2 x 12.50) x 4 tasks	RM100
Total	**35 tasks****	**1024**		**RM531.25**

2. Incentive Crop (>11 kg per task)				
Normal Tasks	(736 kg)-(24 tasks x 11 kg)	472	(0.64) x 472 kg	RM302.08
Double Tapping (2nd task)	(159 kg)-(7 tasks x 11 kg)	82	(1.5x 0.64) x 82 kg	RM 78.72
Weekly Rest days	(129 kg)-(4 tasks x 11 kg)	85	(2 x 0.64) x 85 kg	RM108.80
Total		639		**RM489.60**

3. Scrap			
Normal Task	497	(0.17) x 497 kg	RM 84.49
Double Tapping (2nd task)	82	(1.5 x 0.17) x 82 kg	RM 20.91
Weekly Rest days	85	(2 x 0.17) x 85 kg	RM 28.90
Total	**664**		**RM134.30**

(continue on next page)

Table 1 (continued)

Payment Type		**Output (kg)**	**Computation of Earnings**	**Earnings**
4. Price Bonus (Per task)				
Normal Task	RM3.40*		(3.40) x 24 tasks	RM 81.60
Double Tapping (2nd task)	1.5 x RM3.40		(1.5 x 3.40) x 7 tasks	RM 35.70
Weekly Rest days	2 x RM3.40		(2 x 3.40) x 4 tasks	RM 27.20
Total				**RM 144.50**
5. Outturn Incentive (26 tasks/month)				**RM 90.00**
Total Earnings				**RM1389.65**

Source: Constructed Based on Provisions in MAPA/NUPW (2003)

Note: * Once rubber price exceeds 340 cents/kg the price bonus increases by 20 cents for every 20 cents increase in rubber price.
** Average tasks tapped is 33 for males and 35 for females in June 2004. (Navamukundan, 2004: 23)

Many plantations supply free housing, water, electricity and other such amenities. Although the quality of these services can vary widely across estates, they nonetheless represent a fixed cost to the employers and increase the proportion of income that remains unaffected by inflation in the worker's earnings package.

If an imputed value for fringe benefits (of say RM350.00 per worker[13]) is added on to the fixed component of the most diligent tapper, the fixed obligation of the employer will rise to about 63 percent of total earnings. Therefore, given MAPA's expressed willingness to raise its fixed cost obligation to 70 percent of total payments to workers (Audong & Tan, 2000: 52), there seems to exist some room for future bargaining with regard to the basic wage. This margin varies from 38 percent if fringes are not included to 7 percent, if they are, in the case of the most diligent worker.

[13] This is the estimate provided by MAPA and might be an overstatement. See Audong and Tan (2000: 53).

Finally, it is evident that the current earnings scheme is very much productivity oriented, with some 'prosperity' sharing occurring when rubber prices are high.

Some data are available to evaluate the increase in earnings between the 1995 Agreement and the Agreement of 2003. A MAPA (Audong & Tan, 2000: 46) study of the average earnings of tappers on its estates in 1998[14] reported that rubber tappers earned on average RM605.00 per month (excluding fringe benefits). After the agreement of 2003 came into effect, Navamukundan's study (2004: 23–24) reported that male and female tappers in an estate earned about RM745.80 and RM845.25 respectively, per month in June 2004 (again, excluding fringe benefits). Females earned more because they were allotted better yielding tasks with younger, easier to tap and more latex giving trees. A simple average of these earnings yields a figure of RM795.53 per month. Thus, between 1998 and 2004 (after the benefits of the 2003 Agreement came into effect), the average monthly earnings of the tapper increased by about 31.5 percent in nominal terms. More importantly, the consumer price index (CPI) increased by 10.6 percent over the same period, giving the tapper a reasonable increase in real earnings. Even if the CPI estimates are conservative, as some people argue, there is sufficient difference between earnings increase and the CPI increase to conclude that the real earnings of tappers have increased.[15]

CONCLUDING OBSERVATIONS

The legitimate quest for a guaranteed stable level of income for rubber tappers in Malaysia may have been delayed unduly because the solution was thought to lie in a monthly wage scheme. But on theoretical and practical grounds, a monthly wage scheme was inappropriate in an estate setting. This realization came only in 2003 when a guaranteed threshold income of RM350.00 a month was obtained within the context of the existing framework of payment.

14 These earnings reflect terms in the 1995 Agreement because the subsequent Agreement was signed only in 1999.

15 CPI used 1971 as the base year. CPI movements were derived from IMF (2001).

The threshold income, although not large, exceeds the poverty line income (per capita). However, it is better viewed as a guarantee of stable income in usual situations when weather, land yields and agronomy conspire to deny the tapper the usual level of earnings. To the extent that these situations will not arise frequently, and most households have at least two working members, the debate whether the threshold is sufficiently high or not may have less practical significance. Nonetheless, an important concession has been won from the employers and the Union can seek to improve on this in future negotiations.

Finally, reported average earnings under the 2003 Agreement are much higher than under the agreement before it both in nominal and real terms, suggesting some improvement in overall earnings were indeed achieved.

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