



# COVID-19 Pandemic: A Pretext to Roll Back Sri Lankan Garment Workers' Rights

## March 2021

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# 1. Introduction



Beginning in February 2020, as the impact of COVID-19 began to unfold around the world, garment manufacturers and governments began to use the pandemic as a pretext to suppress workers’ rights. In Sri Lanka - where the export apparel and footwear industry directly employs at least 275,000 workers<sup>1</sup> and represents 40% of the country’s total exports<sup>2</sup> - the situation was no different. Faced with unprecedented economic uncertainty, garment manufacturers began to circumvent their responsibilities to their employees and the government failed to enforce its own law. Chief among the responsibilities factory owners have collectively avoided, they have:

- 1. Failed to set up COVID-19 Bipartite Health Committees mandated by the decision of the Labour Ministerial Tripartite Task Force (Task Force).

<sup>1</sup> Praja, Sri Lankan Garment Workers Face Difficulties During and After Covid-19 Curfew, June 3, 2020, <http://praja.lk/economy/sri-lankan-garment-workers-face-difficulties-during-and-after-covid-19-curfew/>.

<sup>2</sup> Sri Lanka garment and textile export up over 5% in 2019, *Just Style*, February 18, 2020, [https://www.just-style.com/news/sri-lanka-garment-and-textile-exports-up-over-5-in-2019\\_id138136.aspx](https://www.just-style.com/news/sri-lanka-garment-and-textile-exports-up-over-5-in-2019_id138136.aspx).

2. Unlawfully retaliated against workers who have acted collectively to advocate for improved conditions.
3. Failed to pay workers their full, regular wages, equal or higher than pre-pandemic.
4. Failed to pay workers their annual bonuses.

Sri Lanka is home to some of the world's largest garment manufacturers, just three of which - MAS Holdings, Brandix, and Hirdaramani Apparel - employ over half of Sri Lanka's garment workers. Among the major brands sourcing from Sri Lanka are: Amazon, ASOS, Gap, L Brands, Levi Strauss, Lidl, Lululemon Athletica, Marks and Spencer, Nike, Next, Patagonia, PVH, Tesco.<sup>3</sup> Nevertheless, the deteriorating worker rights situation in the country has been largely ignored by the international community.

The purpose of this brief is to bring the situation to light and ensure that workers' rights are upheld at a time when they are most desperately needed. The brief is not a comprehensive assessment of all of the issues facing the industry since the pandemic began, it does however highlight the most urgent concerns for workers and the roles brands, manufacturers, and the Sri Lankan government must play to eliminate them. Specifically, as is detailed in the sections below, labor groups are calling on the brands and the Joint Apparel Association Forum (JAAF) to engage seriously with worker representatives to implement existing protocols that would protect workers' health and livelihoods.

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<sup>3</sup> Apparel Exporters Association, Major Customers, <https://www.srilanka-apparel.com/major-customers>.

## 2. COVID-19



On 18 March, the Sri Lankan government declared a national curfew, which lasted until 11 May,<sup>4</sup> during which time most of the country's garment factories were closed. District-level curfews and restrictions were reintroduced periodically, forcing some factories to temporarily close, through the end of the year.

JAAF later reported that, during this acute period of the pandemic, their members experienced a loss in earnings of close to \$2 billion.<sup>5</sup> Indeed, it is widely recognized that brands' failure to pay suppliers for completed and in-progress orders exacerbated the devastating economic circumstances for suppliers and workers across the globe.<sup>6</sup> As a result, the Clean Clothes campaign estimates that, in the months of March, April and May, garment workers in Sri Lanka lost a total of approximately 40% of their normal wages -- equivalent to US\$24 million -- and one fifth of the 275,000 workers employed in the free trade zones lost their jobs.<sup>7</sup>

<sup>4</sup> Colombo Page, *Resumption of civilian life and office work to begin from May 11*, May 1 2020, [http://www.colombopage.com/archive\\_20A/May01\\_1588349980CH.php](http://www.colombopage.com/archive_20A/May01_1588349980CH.php).

<sup>5</sup> Fashionating World, *SRI LANKAN APPAREL INDUSTRY TO LOSE 100,000 JOBS: JAAF*, August 10, 2020, <https://www.fashionatingworld.com/new1-2/sri-lankan-apparel-industry-to-lose-100-000-jobs-jaaf>.

<sup>6</sup> Anner, Mark, *Leveraging Desperation: Apparel Brands' Purchasing Practices during Covid-19*, October 16, 2020, <https://www.workersrights.org/wp-content/uploads/2020/10/Leveraging-Desperation.pdf>.

<sup>7</sup> Clean Clothes Campaign, *Un(der)paid in the Pandemic: An Estimate of What the Garment Industry Owes its Workers*, August 2020, <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>.

## **Tripartite Task Force Established**

On 10 March, following a call by worker representatives, the Labour Ministry established a tripartite taskforce (Task Force) to address the growing economic and health crisis in the country's private sector.<sup>8</sup> Members of the Task Force include representatives from the Ministry of Labour, Board of Investment, Employers Federation of Ceylon (EFC), JAAF and four trade unions. The Task Force first met on 17 March.

Among the first decisions reached by the Task Force was to press employers to pay their workers' wages for the month of March *before* the factories closed for the nation-wide curfew at the end of the month.<sup>9</sup> Despite the Task Force's advice, workers consistently reported that many factories failed to pay their workers for the months March and April 2020, leading to thousands of migrant workers being left without enough money to return to their villages or pay for room and board elsewhere during the nation-wide curfew.<sup>10</sup>

In the months that followed, the Task Force established additional guidelines to protect workers during the pandemic. The sections below detail the key achievements and guidelines of the Task Force.

### **3. Employment & Wages**

On 5 May, the Task Force reached an agreement designed specifically to safeguard both workers and employers' interests related to employment and wages.<sup>11</sup> In the agreement, employers agreed to:

1. Not to terminate workers during the pandemic.

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<sup>8</sup> Clean Clothes Campaign, *March 2020 Covid blog*, March 2020, <https://cleanclothes.org/news/2020/march-2020-covid19-blog>.

<sup>9</sup> IndustriAll Global Union, *Sri Lankan union protects workers amid Covid-19*, March 31, 2020, <http://www.industrialunion.org/sri-lankan-union-protects-workers-amid-covid-19>.

<sup>10</sup> Clean Clothes Campaign, *March 2020 Covid blog*, March 2020, <https://cleanclothes.org/news/2020/march-2020-covid19-blog>.

<sup>11</sup> IndustriAll, *Tripartite agreement to protect Sri Lankan workers*, May 25, 2020, <http://www.industrialunion.org/tripartite-agreement-to-protect-sri-lankan-workers?fbclid=IwAR2HlixRT2xvxZ34VUtubGzafV5XOaH10p1t2H5X7a4niAueXPU4ZkzjR3w>.

2. Provide 50% of workers' basic wages or LKR 14,500 (US\$77), whichever is more beneficial to workers if and when the factory did not require their services during this time.
3. Contribute to employees' provident fund (EPF) and employees' trust fund (ETF).

This agreement was extended to October 2020 and again through March 2021. Regarding the agreement's extension, the Task Force specifically stipulated that, if a factory did not require the services of any employee (per point 2 above), the employer must apply and receive prior authorization by the Department of Labour.<sup>12</sup> Nevertheless, trade unions reported widespread contravention of this process by JAAF members, with several thousand workers known to have lost their jobs<sup>13</sup> as well as factories failing to obtain pre-approval from the government before paying furloughed workers at the reduced rate.<sup>14</sup>



#### **4. Health & COVID-19 Prevention Measures**

When national curfew restrictions began to be relaxed and factories reopened in April 2020, trade unions warned of the

<sup>12</sup> Tripartite notes on file with the CCC.

<sup>13</sup> Fashionating World, *Sri Lankan Apparel Industry to Lose 100,000 Jobs: JAAF*, August 10, 2020, <https://www.fashionatingworld.com/new1-2/sri-lankan-apparel-industry-to-lose-100-000-jobs-jaaf>.

<sup>14</sup> Task Force notes on file with the CCC.

renewed risk of the spread of COVID-19 in garment factories. In a joint letter to the President of Sri Lanka on 20 April, unions raised concerns about the level of discretion given to employers to “decide who should report to work and their number” and lack of well-structured regulatory and monitoring mechanisms.<sup>15</sup>

Trade unions made a series of recommendations and proposals – both through the Task Force structure and directly to JAAF -- for measures to prevent the spread of COVID-19 and to protect workers. Among these recommendations was a call for COVID-19 Bipartite (employer and employee) Health Committees to be established in each factory to put in place and monitor compliance with safety measures. Critically, unlike other health committees, the proposal stipulated that the committees would consist of an equal number of company and worker representatives, including union representatives where unions exist. On 16 November, the Task Force agreed to require all factories to establish a COVID-19 Bipartite Health Committee by 15 December 2020.<sup>16</sup>

## **5. Brandix Outbreak**

In October 2020, workers at a factory owned and operated by one of Sri Lanka’s largest garment manufacturers, Brandix, tested positive for COVID-19. Brandix employees reported feeling compelled<sup>17</sup> to return to work despite their condition.<sup>18</sup> Over the course of the next two months, the outbreak at the Brandix factory led to 10,000 cases – half the total number of cases in the whole country – throughout the southwest region of the country.<sup>19</sup>

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<sup>15</sup> Letter on file with the CCC.

<sup>16</sup> Task Force notes on file with the CCC.

<sup>17</sup> Daily Mirror, *Workers who fainted had water sprinkled on their faces and had to work again*, October 14, 2020, <http://www.dailymirror.lk/news-features/Workers-who-fainted-had-water-sprinkled-on-their-faces-and-had-to-work-again/131-197861>.

<sup>18</sup> Reuters, *Garment workers on front line of Sri Lanka coronavirus outbreak*, November 4, 2020, [https://news.trust.org/item/20201104000609-ve3w9/?mc\\_cid=c5195bd1c9&mc\\_eid=a11c7061d2](https://news.trust.org/item/20201104000609-ve3w9/?mc_cid=c5195bd1c9&mc_eid=a11c7061d2).

<sup>19</sup> Zinara Rathnayake and Ruby Lott-Lavigna, Vice, *COVID is Exposing How the Global Fashion Industry Values Workers*, November 19, 2020, [https://www.vice.com/en/article/z3vnpa/sri-lanka-covid-brandix-coronavirus-outbreak?fbclid=IwAR1bXB\\_KpDxOCBfCvmYreDwUMpStatRQb9KbHBiMBhilPSbbicuMimlzPUc](https://www.vice.com/en/article/z3vnpa/sri-lanka-covid-brandix-coronavirus-outbreak?fbclid=IwAR1bXB_KpDxOCBfCvmYreDwUMpStatRQb9KbHBiMBhilPSbbicuMimlzPUc).

The Brandix case demonstrates the industry's vulnerability to the spread of COVID-19 as the nature of the manufacturing process not only requires large groups of workers to be in close proximity to each other, but also because workers often reside together in close quarters -- either in independent rooming houses or dormitories -- making it impossible to maintain safe distances from one another. The Brandix case further demonstrates how garment workers often feel unable to advocate for their safety and to avoid dangerous working conditions, which can lead to devastating consequences. Two investigations were launched into the Brandix outbreak, one by the Ministry of Labour and the other by the Sri Lanka Attorney General. However, to date, the government has yet to provide the findings of either investigation.

## **6. JAAF's refusal to meet with unions**

Throughout 2020, Sri Lankan labor unions, concerned that the manufacturers were not implementing the measures -- specifically concerning the employment, payment of wages and establishment of the Bipartite COVID-19 Health Committees -- agreed upon in the Task Force, requested to meet with JAAF. Given the Task Force's scope covering all industry sectors, it was important to the unions that they discuss, bi-laterally, with the employers the implementation and cooperation specific to the garment sector. According to the unions' written request, the purpose of the meeting is to work cooperatively in the implementation of those measures.<sup>20</sup> JAAF only agreed to meet with the unions once, on 27 October, despite the unions' multiple requests to meet again.

## **7. Key outstanding issues**

Garment manufacturers in Sri Lanka have made a concerted effort to use the pandemic as a guise and pretext to roll back protections for workers throughout the industry. Outlined below are four ways that manufacturers have consistently suppressed or avoided protections for workers.

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<sup>20</sup> Letter to JAAF on file with the CCC.



**i. Failure to Implement the decision of the Tripartite Task Forces' to set up Bipartite COVID-19 Health Committees**

As noted above, in November 2020, in the face of public pressure following the Brandix outbreak and subsequent outbreaks in free trade zones and rooming houses, the Task Force required every factory to establish a COVID-19 Bipartite Health Committee. The purpose of these committees is to ensure that management and labor work together to follow the guidelines established by the Task Force.<sup>21</sup> In an effort to strengthen the role of the new health committees, on 26 October 2020 trade unions submitted detailed recommendations to JAAF for how the health committees should function.<sup>22</sup>

Despite the Task Force's agreement, to date, unions have identified only 2 factories in which COVID-19 Bipartite Health Committees have successfully been established. Unions argue that the scale of the outbreaks could have been avoided by forming the recommended committees.<sup>23</sup> The case for Bipartite COVID-19 Health Committees that meaningfully involve workers in developing and monitoring measures to protect their health is demonstrated by recent COVID-19 outbreaks in garment factories that do not have these committees.

In February 2021 positive cases of COVID-19 were identified at Mas Kreeda Vaanavil and Mas Intimates Vidiyal in Kilinochchi -- supplying Nike, PVH, Amazon, and Target. In November 2020, before infections occurred, one worker's concerns about the adequacy of COVID-19 control measures were reported in a news article, saying there was no social distancing and "We are wearing a normal kind of mask which is made of residual fabrics after cutting cloths for garments. These masks are not in good quality even. This situation shows [the company is] ignoring coronavirus prevention guidelines. The factory administration does not care about our lives." <sup>24</sup>

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<sup>21</sup> Task Force meeting minutes on file with the CCC.

<sup>22</sup> Unions' letter to JAAF on file with the CCC.

<sup>23</sup> People's World, *Employers fail to control COVID, but Sri Lankan army rounds up workers instead*, October 22, 2020, <https://peoplesworld.org/article/employers-fail-to-control-covid-but-sri-lankan-army-rounds-up-workers-instead/>.

In February 2021, positive COVID-19 cases were found, and workers' groups wrote to the Labour Department about inadequate PCR testing, failings in contact tracing, that management were not closing any sections or lines, had not set-up a COVID-19 health committee and were not putting in place adequate safety measures – especially for pregnant women. The fact that factory managers instructed workers to come to work but not travel anywhere else (including not going to markets) reveals they were fully aware of the risks of an outbreak but were not adjusting their factory production arrangements to reduce these risks for their workers or home communities. Indeed, a local Tamil news outlet quoted some health officials as saying that one of these factories in particular was not cooperating with health officials in sharing information.<sup>25</sup>

These persistent problems in major factory groups in Sri Lanka were raised in two separate letters by Sri Lankan and international unions and labour rights groups to the International Finance Corporation (IFC) ahead of a decision to provide a 50 million USD loan to the Brandix group. The letters urged the IFC to make the loan conditional on the Brandix management taking necessary health and safety measures, such as the establishment of bipartisan health committees in conformity with the guidance of the Ministry before disbursement of the loan, as well as other measures to ensure workers' rights are respected in line with ILO norms.<sup>26</sup>

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<sup>24</sup> World Socialist Web Site, *MAS factory workers in Kilinochchi, Sri Lanka, discuss concerns over pandemic*, November 27, 2020, <https://www.wsws.org/en/articles/2020/11/28/vana-n28.html>.

<sup>25</sup> Pagetamil, February 20, 2021, <https://pagetamil.com/2021/02/20/%E0%AE%95%E0%AE%BF%E0%AE%B3%E0%AE%BF%E0%AE%A8%E0%AF%8A%E0%AE%9A%E0%AF%8D%E0%AE%9A%E0%AE%BF-%E0%AE%86%E0%AE%9F%E0%AF%88%E0%AE%A4%E0%AF%8D%E0%AE%A4%E0%AF%8A%E0%AE%B4%E0%AE%BF%E0%AE%B1%E0%AF%8D%E0%AE%9A/>.

<sup>26</sup> On 16 March 2021 Clean Clothes Campaign, Labour Behind the Label, Workers United, War on Want, Maquila Solidarity Network and AFL-CIO wrote to the IFC urging for the establishment of bipartisan health committees. On 23 March 2021, Stand Up Workers Union, Dabindu Collective, Revolutionary Existence for Human Development, Ceylon Mercantile Union, Commercial and Industrial Workers' Union, and National Union of Seafarers – Sri Lanka sent a brief, <https://globallaborjustice.org/brief-ifc-investment-in-brandix-lanka-brief-ifc-investment-in-brandix-lanka-ltd/> to the IFC accompanied by a public statement: <https://globallaborjustice.org/sri-lankan-unions-demand-post-covid-19-world-bank-group-investment-in-garment-sector-protect-workers/>.

## ii. Union-Busting and Worker Terminations

Workers in Sri Lanka have faced “systematic violations of rights” by employers for decades<sup>27</sup> and COVID-19 created even more precarious working conditions. At a time when workers require more protection and representation than ever before, unions play a critical role of safeguarding workers’ rights. For example, in November 2020 workers employed by Star Garment Group (Star) tested positive for COVID-19. Star Garment Group management, whose workforce is unionized with FTZ & GSEU, worked together with the union to organize the orderly closure of the factory. The factory also provided quarantine and care facilities for affected workers. As a result, Star Garment was able to re-open its factory in December. The union and management at Star have also established a COVID-19 Bipartite Health Committee, as per the mandate of the Task Force.

Unfortunately, instead of embracing unions’ vital role in combating the spread of the disease, many manufacturers, including for example Isabella Private Limited, which produces for Hugo Boss,<sup>28</sup> have continued to suppress workers’ union activities at factories, including by dismissing union activists. This is by no means an isolated case, with current cases of union-busting and denying rights of collective bargaining at two Sumithra Hasalaka (Pvt) Ltd factories in Nittambuwa and Hasalaka, which supply to Next, George at Asda, SuperDry and Tom Tailors.

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<sup>27</sup> ITUC, *2020 ITUC Global Rights Index*,

[https://www.ituc-csi.org/IMG/pdf/ituc\\_globalrightsindex\\_2020\\_en.pdf](https://www.ituc-csi.org/IMG/pdf/ituc_globalrightsindex_2020_en.pdf). See page 12

<sup>28</sup> IndustriALL, *IndustriALL Global Union Calls on Isabella Private Limited Sri Lanka to reinstate dismissed workers immediately and respect their right to organise*, August 28, 2020, [http://admin.industriall-union.org/sites/default/files/uploads/documents/2020/SRI\\_LANKA/industriall\\_global\\_union\\_letter\\_to\\_isabella\\_private\\_limited\\_sri\\_lanka\\_28-08-2020.pdf](http://admin.industriall-union.org/sites/default/files/uploads/documents/2020/SRI_LANKA/industriall_global_union_letter_to_isabella_private_limited_sri_lanka_28-08-2020.pdf).

At Lanka Leather Fashion (Pvt), which, according to worker testimony and documentary evidence, produces for Michael Kors (Capri Holdings) and Roundtree & Yorke (Dillard's, Inc), formed a trade union to respond to worsening working conditions including increasing targets, being prevented from using washrooms and no process to open a dialogue with their employer. Despite several letters from the union to try and resolve problems without strike action management has delayed and refused to meet them.



In January 2021 workers at the Katunayake factory of Next Manufacturing Limited (a company wholly owned by Next plc, largest clothing retailer in the UK) formed a branch of the FTZ & GSEU trade union. Workers experienced various threats and forms of intimidation to resign from the union. Despite this nearly half of the factory workers have joined, surpassing the threshold for representative status established by Sec. 32A(g) of the Sri Lankan Industrial Disputes Act, and Next should accept the trade union as

representative of its workers for collective bargaining and engage in negotiations with them. When after three months Next had not recognized the union, public campaigning began in the UK. Following this public action there are signs that Next will begin dialogue with the union, and we hope that this will result in full recognition and collective bargaining status for the trade union at Next Manufacturing Limited finally being confirmed.

The Esquel Group is a large Hong Kong based manufacturer which in the spring of 2020 began to coerce workers at its Yakkala factory to take retirement or accept a transfer to another factory. The company stated that the closure was due to a lack of orders during the pandemic. However, the Yakkala factory was one of the few unionized factories in Sri Lanka and the union believes the company was using the pandemic as a way to get rid of the unionized workforce. Esquel has since closed that factory, unilaterally reduced the attendance allowance of the workers that

had transferred and refused to negotiate with the union. The company also told employees that anyone who spoke out about the problems at the factory would face disciplinary action.

Esquel's major buyers, PVH, Gap, and Ralph Lauren, have recently declared that they will withdraw from all Esquel factories in Sri Lanka, which will likely cause the loss of 4,500 jobs. The brands have been asked to postpone their departure until they secure a responsible alternative to factory closure and massive loss of jobs, and to take responsibility for ensuring that all workers are provided with adequate compensation, including payment of all outstanding bonuses, wages and severance, and that Esquel management negotiate a responsible termination agreement with the workers and their union.

### **iii. Factories Failing to Provide Workers' Regular Wages**



As stated above, in August 2020, the Clean Clothes Campaign (CCC) estimated in its “Un(der)paid in the Pandemic” report that the 275,000 Sri Lankan workers employed in the free trade zones

lost 24.05 million USD in wages during the months of March, April and May.<sup>29</sup>

Since then, as stated above, not all factories are working at full capacity, which means that, per the May agreement, while many workers may remain on the payroll, they are nonetheless receiving far less than their regular, pre-pandemic wages. Moreover, unions report that, in contravention to the May agreement, factories have terminated workers and are not paying workers appropriately. Although no comprehensive assessment of the payment of wages to workers in Sri Lanka has been done, through robust bipartite engagement, JAAF and the unions could monitor the issue closely.

Cases of irregular wages include Sumithra Hasalaka (Pvt) Ltd supplying Next, SuperDry, George at Asda, Tom Tailor. Smart Shirts (Lanka) Ltd, producing for LL Bean, has allegedly failed to pay workers the legally required minimum wage as well as their annual bonuses.

There have been mass dismissals from Hirdaramani Mercury Apparel (Pvt) Ltd in Katunayake, where the workforce of approximately 1,400 was reduced to 400 in February 2021, and in addition there are issues concerning non-payment of full wages, overtime or bonus.<sup>30</sup>

At the same time workers at Hirdaramani Fashions (Pvt) Limited in Vavuniya producing for H&M and River Island have seen their production targets increase, were told bonuses they depend on will be cut if they don't work public holidays; and lines have been operating until 1:00am during October 2020 to meet order deadlines. This has had an extremely negative impact on workers' family lives, especially as many are single mothers.

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<sup>29</sup> Clean Clothes Campaign (2020) Un(der)paid in the Pandemic: An Estimate of What the Garment Industry Owes its Workers. (p. 28). Available at: <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>.

<sup>30</sup> Asia Floor Wage Alliance press release of case filed with Labour Commissioner for investigation February 2021

#### **iv. Failure to Provide Annual Bonuses**

Since the pandemic began, workers have consistently reported not receiving their annual bonuses, which are usually provided by employers in April or December.<sup>31</sup> Although the payment of an annual bonus is not required by law, except when part of a collective bargaining agreement, a large majority of garment workers historically received one from their employers every year.<sup>32</sup> Indeed, according to workers, apparel companies often publicize their company's practice of paying annual bonuses when recruiting workers. As such, workers depend on their annual bonus to supplement their regular low wages. The failure of employers to provide bonuses has resulted in labor agitation and strikes as workers are desperate to survive the crisis. There are numerous examples of denied bonus payments. At Next Manufacturing Ltd. a factory owned by NEXT, workers walked out in December, until NEXT agreed to pay the workers their annual bonus.<sup>33</sup> Workers at Chiefway Katunayake (Private) Ltd were denied their bonus in April 2020, and when told the December bonus would also not be paid they protested. In early 2021, according to worker representatives, Chiefway agreed to pay some of the bonus however 25 workers involved in the protest for their bonus have been dismissed for alleged misconduct.

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<sup>31</sup> Business and Human Rights Resource Centre, June 2, 2020, <https://www.business-humanrights.org/en/latest-news/sri-lanka-workers-at-35-factories-face-unpaid-wages-forced-resignations-wage-deductions-during-covid-19/>.

<sup>32</sup> Estuyo Arai, Readymade Garment workers in Sri Lanka: Strategy to Survive in Competition, [http://www.ide.go.jp/library/English/Publish/Download/Jrp/pdf/140\\_3.pdf](http://www.ide.go.jp/library/English/Publish/Download/Jrp/pdf/140_3.pdf).

<sup>33</sup> War on Want: Next plc UK reports huge profits yet denies Sri Lankan garment workers their 'bonus', January 7, 2021, <https://waronwant.org/news-analysis/next-uk-reports-huge-profits-yet-denies-sri-lankan-garment-workers-their-bonus>.

## 8. Conclusion and Recommendations



The COVID-19 pandemic has caused a massive crisis in the global garment industry as brands and retailers closed stores, cancelled orders from their suppliers, and refused to pay for work already in production, and even for work that was completed and shipped. Billions of dollars were lost, factories closed, laying off many thousands of workers, often without paying back wages and severance, in countries without any systems of social protection.

Manufacturers used the pandemic as a pretext to roll back protections and benefits to workers, while brands denied any responsibility for the workers whose labor had created their fantastic wealth. These actors appear to operate with an increasing sense of impunity in an industry employing some of the world's poorest people. This is true in many countries of Asia, Africa and Latin America, and it is true in Sri Lanka.

Absent prompt and genuine collaboration between manufacturers and workers, and an acceptance of responsibility by the global apparel brands, the situation in Sri Lanka will continue to



deteriorate. In order to effectively address the deteriorating situation detailed in this report, it is imperative that brands and retailers engage with their suppliers and with the unions in Sri Lanka, and together develop a plan to help workers survive the crisis. We call upon the brands and retailers that produce their goods in Sri Lanka to ensure that their suppliers pay their workers their full wages and other benefits, including the annual bonuses, and that they direct their suppliers, working through the JAAF, to meet promptly with FTZ & GSEU to negotiate and agree on a binding set of rules for:

- Implementation of COVID-19 Bipartite Health Committees in every factory, with worker representatives chosen by the workers themselves, with the participation of unions where they are present.
- Guarantee of employment and payment of full wages (past and future) at all JAAF member factories, including during temporary suspensions.
- Require member factories to provide workers customary annual bonuses.
- Guarantee payment of full severance when member factories close permanently.
- End member factories' anti-union campaigns and direct factory management to recognize and bargain with unions where they have met the membership threshold for collective bargaining.
- Adopt a regular meeting schedule between JAAF and FTZ & GSEU to monitor the implementation of these measures.

If buyers simply reiterate their general support of compliance or fail to require meaningful corrective action from their suppliers, these violations to workers' rights will continue.

We therefore urge *all* brands sourcing from Sri Lanka to press JAAF to engage with the unions and stick to their commitments.

We also urge buyers to commit to an in-depth, ongoing monitoring of the engagement of JAAF with the FTZ & GSEU and worker representatives, ensuring brand representation in all

negotiations between JAAF and the unions or other mutually acceptable mechanism. In order to do so, we ask that brands sourcing from Sri Lanka make this public commitment:

*We will direct our Sri Lanka suppliers to support social dialogue between the Joint Apparel Association Forum (JAAF) and trade unions, by means of regularly scheduled meetings to discuss issues raised by the COVID-19 pandemic and other labor relations issues; and*

*We will ensure that our local/regional representatives attend and participate in the meetings between JAAF and trade unions for the entire duration of the pandemic, in order to monitor and encourage sincere and serious social dialogue; and*

*We will regularly report on the progress of social dialogue to the undersigned stakeholders.*

If brands' fail to act now, suppliers in Sri Lanka and around the world will have received the message that it is open season on workers' rights, livelihood and health.

*Report published on 24 March 2020 by:*

*AFL-CIO  
Clean Clothes Campaign  
Labour Behind the Label  
Workers United  
Maquila Solidarity Network  
War on Want  
USAS*

*Images:*

*- p. 2, 4, 13: Garment workers rally on different locations in Sri Lanka on 20 March 2021, during the #PayYourWorkers #RespectLabourRights week of action. - FTZ & GSEU*

*- p. 6: Picture taken during #PayYourWorkers week of action in November 2020. - Women's Centre*

*- p. 12: Workers walking out of Next Manufacturing Lld. Factory because of non-payment of bonuses. - Dabindu Collective.*

*- p. 16: Garment workers rally during #PayYourWorkers week of action November 2020. - FTZ & GSEU*