

Sri Lankan Apparel Workers Lost Over 40% Of Their Usual Wages During March-May

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Amsterdam-based Clean Clothes Campaign sheds light on apparel workers' plight during lockdowns. Says they lost 33%, 81% and 9% of their usual wages in March, April, and May, receptively. Partially blames garment brands and retailers for rushing into reviewing and canceling orders. Says global supply chains owe apparel workers between the US \$ 3.2-5.8bn in unpaid wages, legally owed bonuses, and compensation. Clean Clothes Campaign urges global apparel brands and retailers to commit to a wage assurance

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Sri Lanka's apparel workers have lost estimated 40.8 percent of their usual wages or a total of Rs.4.64 billion during the March-May period, when the country went into a national lockdown to contain the threat of COVID-19, according to a recent report.

"Overall, we estimate that in the month's March, April and May, workers have lost a total of roughly 40 percent of their normal wages, a total of Rs.4.64 billion (the US \$ 24.05 million), despite the government program," Amsterdam-based Clean Clothes Campaign said in a recent report titled 'Un(der) paid in the pandemic - An estimate of what the garment industry owes its workers'.

Sri Lanka imposed a countrywide curfew on March 20, to contain the threat of the COVID-19 pandemic, which initially required the closure of all factories and offices in the country, except those providing essential services.

"The curfew severely impacted the Sri Lankan garment industry, which directly employs 275,000 workers in free trade zones, the majority of whom are migrant women from rural areas. Although the government committed a monthly relief payment of Rs.5,000 to those impacted by the curfew, many garment workers did not receive the allowance, as they were prevented by their employers from returning to their home communities before the curfew went into effect," the authors of the report said.

According to the findings, the country's apparel workers lost 33 percent, 81 percent, and 9 percent of their usual wages in March, April and May, receptively.

Clean Clothes Campaign, which is considered to be the largest global alliance of labor unions in the garment industry, partially blamed garment brands and retailers for rushing into reviewing and canceling orders with their manufactures, for the job losses and income loss in the industry.

"Garment brands and retailers around the world have responded to the lockdowns and economic insecurity caused by the pandemic by cutting down on or fully canceling their orders with suppliers. This means that the workers were left unpaid or with less than their full wages or even lost their jobs.

Because of their excessive power in global supply chains, brands and retailers can set the terms and prices in the factories they produce in and basically function as principal employers. Their measures to save money and decrease business risks in the face of a pandemic have created a situation in which workers pay the price for this crisis,” the report went on to say.

Among the seven apparel exporting regions included in the report, Sri Lanka’s estimated wage gap was the fourth highest during the three-month period. However, the country reported the lowest wage gap in May, among the seven regions, as the government relaxed restrictions for export activities in April and as the apparel manufacturers moved into PPE manufacturing.

Although a tripartite task force, composed of unions, employers and government officials, reached an agreement regarding wage payment in early May, to avoid job losses and ensure a minimum salary of Rs.14,500, Clean Clothes Campaign pointed out that the agreement was only applied to May and June and did not address the lack of funds available to pay wages in March or April.

Further, referring to a survey conducted by Sri Lanka’s Labour Department, which found 32 percent of employers in the garment industry were unable to pay workers their salaries in May and June, the Clean Clothes Campaign estimated that 107,200 workers were receiving a prorated amount of their normal monthly salaries.

“This means that 88,000 workers should have received the government assistance of Rs.14,500 (US \$ 75) and approximately Rs.88 million (the US \$ 456,000) in wages were lost during each month. The government also reported that by May, 70 percent of the garment workforce had returned to their job. Considering that 55.68 percent of factories reported under capacity production, it is possible to deduce that approximately 107,200 workers were making a prorated amount of their normal monthly salaries, the exact amount of which is impossible to calculate with the available data,” the report read. As per the calculations, global supply chains owed the apparel workers between the US \$ 3.2-5.8 billion in unpaid wages, legally owed bonuses, and compensation.

Clean Clothes Campaign urged the global apparel brands and retailers to commit to a wage assurance—a public commitment to ensure, by the most efficient means, that the workers in their supply chains are paid what they are owed and to enter into negotiations to establish a fund that would make sure workers can no longer be left jobless without their legally owed severance.

It has launched a campaign named ‘Pay Your Workers’, which focuses on global brands that most frequently appeared in reports from workers about worker rights violations during the pandemic. According to the report based on research done by the Clean Clothes Campaign and Worker Rights Consortium, with contributions from Solidarity Centre, major brands sourcing from Sri Lanka include Next (over 75 facilities), PVH, Gap, Asda, Tesco, Marks & Spencer, Benetton, Adidas and VF Corporation (30-50 facilities), Abercrombie & Fitch, American Eagle Outfitters, JC Penney, Kohls and Ralph Lauren.

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