

# THE IMPACT OF COVID-19 ON GARMENT WORKERS

LIVE UPDATE FROM INDIA AND BANGLADESH

Webinar 15th September 2020



This project is co-funded by  
the European Union

# FEMNET: Association and Team

- member-based women's rights association
- founded in 2007
- work for the economic, social and cultural rights of women worldwide
- focus on women in the garment industry
- member of the Clean Clothes Campaign (CCC)



# Three Pillars



Campaigning & Advocacy



Education & Counselling



#SolidarityWorks:  
Joint projects, campaigns with  
partners in Bangladesh and India

# Today's Speakers and Experts



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- Cividep (Workers' Rights & Corporate Accountability)
- Programme Director
- Bangalore, India



**Mary Viyakula**

- SAVE (Social Awareness & Voluntary Education)
- Executive Director
- Tamil Nadu, India



**Kalpona Akter**

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**Gisela Burckhardt**

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Deepika Rao

Programme Director

# Workers' Rights & Corporate Accountability (Cividep)

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# Covid pandemic spread in India

- almost 5 million cases and 90,000 deaths across India
- worst affected cities - Mumbai, Bangalore among others but now pandemic also fast spreading in rural India
- nationwide lockdown since 24th March - strictest in the world



Picture credit: DW.com, Economic Times); Empty roads enforced by police presence

# One of the largest migration on foot in history



# Textile Industry in India - Covid Impact

- drop in export demand, order cancellations, lockdown of factories, health scare and subsequent disruption of supply chains
  - 80% micro, small and medium enterprises - impacted heavily
  - 10 million jobs likely lost
- Industry demanding government relief
  - several state governments pushing through labour law relaxations



Picture Courtesy: The Wire.  
Workers outside closed place of work

# Situation in Bangalore

- factories have re-opened with reduced workforce
- majority of workers did not receive wages during lockdown months
- shortage of affordable food, job insecurity, impossible social distancing, spike in domestic violence add to health-related fears due to pandemic



Workers walk in front of Vidhan Soudha (Seat of State Legislature, Karnataka) Picture credit: The Caravan Magazine

## Relief work being carried out by GLU, Munnade and Cividep

### For immediate relief to workers:

- food stuff provision, cooking gas refill, phone recharges, cash transfer for rent support
- disease related awareness
- connecting workers to government relief and support agencies



## Relief work being carried out by GLU, Munnade and Cividep

### **For long-term relief to workers:**

- Tracking grievances through survey
- Advocating along with trade unions for government aid and employer responsibility
- Collaborating with international partners to put pressure on brands
- Supporting workers through legal aid to claim all statutory benefits as well as welfare provisions
- Documenting and analysing situation which is expected to lead to far-reaching consequences for the industry and its workers



A. Viyakula Mary  
Executive Director

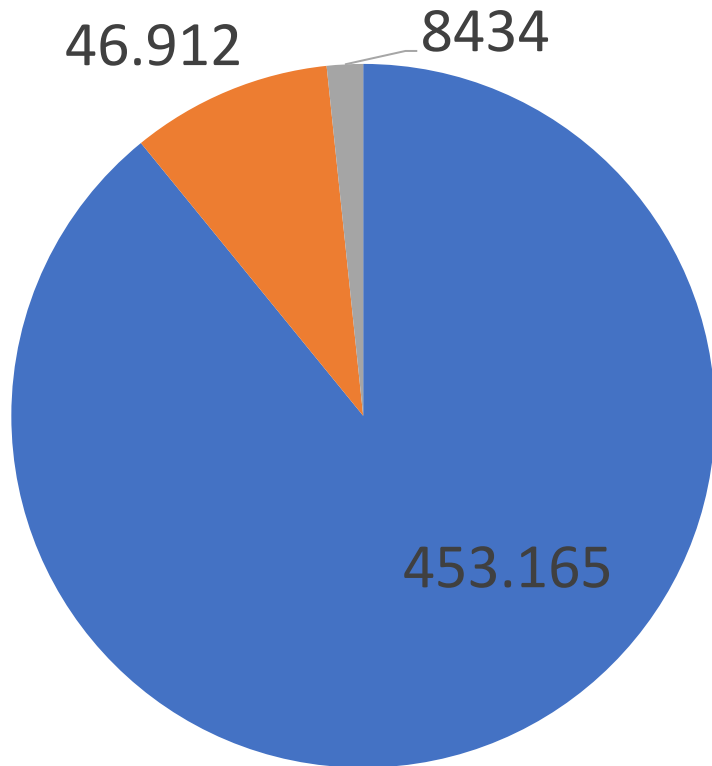
# Social Awareness Voluntary Education (SAVE)

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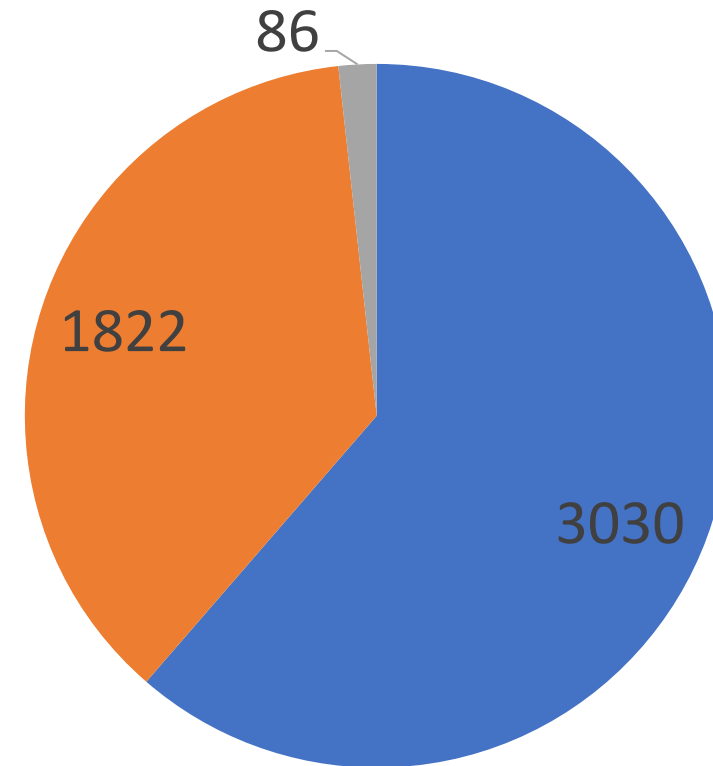
# Covid19 India – Tamil Nadu

## Tamil Nadu (508.511 infections)



Recovered Active Death

## Tiruppur (4938 infections)



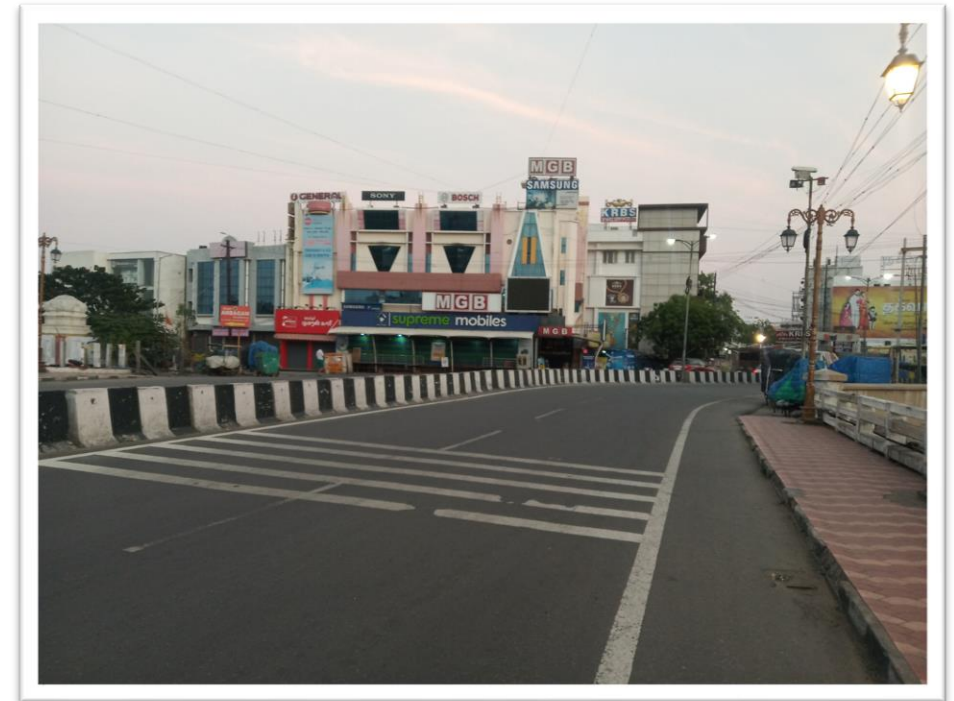
Recovered Active Death

# Impact on garment industry

1. factories were in full lockdown April to May 2020 and partially from June to August, re-opened 1<sup>st</sup> September
2. factories were working 1/3 capacity till mid-June since then gradually increase but:
  1. raw material shortage due to restrictions on vehicle movement
  2. lack of workers due to lack of transportation
  3. confusion about government rules
  4. roughly 50% of the orders from the US and 30% of orders from Europe were cancelled (March, April)

# Context

- Strict lockdown: restricted movement
- culture of illegal contracting system (around 80% in Tamil Nadu):
  - principal employer (factory) pays lump sum to agent/labour contractor
  - Contractor is paid based on piece rate and is acting as a supervisor in the factory
  - contract without any social security
- Contractors have great power - contract of one year or more in exchange for the ticket



# Impact on workers

- workers out of savings within a week, especially interstate migrants because their wages usually sent to families home in the villages (remittances)
    - not able to access basic food materials
    - restricted movement to access to basic needs
  - factories only willing to offer food only for hostel workers, others were denied lock down wages
- restricted movement and very little space for families
- psychological problems
  - 29 mass protests from May to June 2020 in Tiruppur only

**NO WAGES = NO FOOD**  
**NO RIGHTS = NO PROTECTION**  
**NO PROTECTION = DANGER OF INFECTION**

**#PayUp!** Don't let workers pay the price for the crisis

with donations from  
FEMNET emergency  
fund SAVE could  
support 3.153  
families









Thanks to all  
supporters for  
COVID-19  
emergency-aid



# Current Situation

- Less number of factories are running due to lack of business demand
- Hostel workers those who did not return home are continuing the work
- Young workers and children are brought back to workstation since schools are remained close
- Electronic Pass entry is required to move from one district or state to the other to track migrants and prevent the spread of infection

# Current Situation

- Standard operating procedure for factories and workers are given by the government
- Public transport still not fully available, interstate mobility is back since 7th September:
  - private buses charged Rs. 6000 to 8000
  - government transport corruption 000
- Migrant workers are slowly coming back from other states and districts by receiving Electronic Pass
- New Normal of washing hands, keeping distance, wearing face masks are felt challenges
- Nutrition is a major issue especially for children

# Advocacy & Lobby

## **SAVE lobbied the government to:**

- pay lock down wages
- Set up government-aided food distribution programmes and transport for inter- and intra-state migrants
- ESI (health insurance) to consider and pay the cost for lock down period
- access to EPF (pension fund)

# SAVE's future plans

- address the challenges of child labour, adolescent and worker exploitation / bonded and forced labour
- advocacy for registration of migrant workers
- develop culture of savings amongst worker
- access to formal, legal contracts and social security
- nutritious meal support for unemployed workers' children
- raise awareness on health for workers in the community and as well in the factories on COVID-19 prevention by providing hygiene equipment and masks
- develop social skills for factory HR and hostel staff (especially for sensitive situations, e.g. adolescent workers | women in night shifts)



**Kalpona Akter**  
**Managing Director**

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# CCC Report

2020

REPORT

## UN(DER) PAID IN THE PANDEMIC

An estimate of what the  
garment industry owes  
its workers

[Un\(der\)paid in the pandemic.](#)

[An estimate of what the garment industry owes its  
workers \(2020\)](#)

Gisela Burckhardt  
Chairwoman

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# Situation of German Clothing Industry

- Turnover of German clothing brands was reduced by 20% last half year, H&M made a loss of 500 million EUR in 2nd quarter of 2020
- Some brands are in critical situation - not only because of Corona - such as Esprit, Tom Tailor, Karstadt, shops have to close
- Other brands such as adidas benefitted from the Corona crisis, especially because of increased online shopping (doubling of turnover in first half year 2020), 600-700 million EUR profit is expected in 3rd quarter 2020

# Situation of German Clothing Industry

- 85% of textile companies applied for short-time compensation for their employees
- Reduction of sales tax from 19 to 16% , tax carry back (steuerlicher Verlustrücktrag), 25 billion EUR interim aid for SME
- BMZ supports 200 projects of companies in developing countries with up to 200.000,- EUR through its DeveloPPP.de COVID-19 programme.

# Measures taken so far

- **ILO call to Action:** all actors – governments, brands and retailers, manufacturers, employers organisations, trade unions can publicly support the call
  - a) accelerate access to credits and all other forms of support/ emergency relief fund to provide income to workers
  - b) brands should commit to pay manufacturers for finished goods and goods in production (but no mention of conditions)
  - c) strengthening of sustainable social protection systems and public infrastructure for social services
- ILO call is supported by some brands but the call does not imply any legally binding obligation

# Measures taken so far

- **German Textile Partnership** published „Guidelines for responsible purchasing practices in times of COVID-19“ on its website:  
<https://www.textilbuendnis.com/en/covid-19-leitlinien/>
- **German Textile Partnership** has established an incident list with complaints from partners about workers rights violations during Corona
- **German Government** (BMZ): 20 million EUR contributed to EU sector budget support of 93 million EUR to Bangladesh government for direct support of workers –BGMEA (business association) provides worker data to government, probably 200.000 workers will benefit from cash transfer via mobile phones

# European Strategy for sustainable textiles

More than 50 NGOs, including FEMNET, signed a call for a **“European Strategy for sustainable textiles, garments, leather & footwear”** in April 2020 to influence the EU strategy for Textiles, expected in 2021 (demand for EU legislation, tackling unfair trading practices, support to production countries, circular design & material efficiency, prevention and traceability of hazardous chemicals, mandatory green criteria for public procurement, etc)

<http://bit.ly/TextilesEU>

# Legally binding agreements are necessary

- Due diligence law (Lieferkettengesetz) in Germany, over 100 NGOs support the call to a legally binding agreement
- European governments and EU must make due diligence (Sorgfaltspflicht) mandatory for brands/retailers (legislation), including liability and sanctions when obligations are neglected



# Our demands

## Wage assurance

- Call to all brands: "Wage assurance" public commitment (letters to may brands)  
Brands and retailers should **publicly commit** to a payment of orders completed or in production, no renegotiations of terms for orders (price), no cancellation, extension of production times, no delay sanctions
- Protection of workers health if production takes place (personal protective equipment, physical distancing, adaption of transport)

# Our demands

**Emergency relief fund** with contribution from multilateral institutions, donor governments, brands in order to finance

- a) Short-term: emergency relief, credits, short-term loans to provide quick income to workers
- b) Long-term: to enhance social protection floors for workers (unemployment benefits, social security systems)

**Just transition to a new business model:** overproduction at the expense of the environment/our earth and exploitation of mostly female workers must stop, transformation to a sustainable and social business model needed.

# What you can do

- Corona Emergency Relief Fund:  
<https://femnet.de/corona-nothilfe.html>
- CCC Live Blog - Stay tuned:  
<https://cleanclothes.org/news/2020/live-blog-on-how-the-coronavirus-influences-workers-in-supply-chains>
- Tweet to brands on FashionChecker:  
[https://fashionchecker.org/take\\_action.html](https://fashionchecker.org/take_action.html)
- Which brands are doing what? Brand tracker:  
<https://www.workersrights.org/issues/covid-19/tracker/>

**PUTTING A  
SPOTLIGHT ON  
EXPLOITATION**

# Thank you

