



▶ Research brief

October 2020

▶ The supply chain ripple effect: How COVID-19 is affecting garment workers and factories in Asia and the Pacific*

Key points

- ▶ The COVID-19 crisis is hitting the garment sector in Asia and the Pacific particularly hard, affecting millions of workers and enterprises in the supply chains and with observed “ripple effects” across a number of dimensions.
- ▶ As of September 2020, about one in two garment workers in the region lived in countries with required closures of all but essential workplaces, including garment factories. **Nearly half of all garment supply chain jobs in the region were dependent on domestic or foreign consumer demand from countries with highly stringent lockdown measures**, where sharp declines in retail sales were also observed.
- ▶ **Global garment trade virtually collapsed in the first half of 2020.** In some cases, imports from Asia’s garment-producing countries to major buying countries dropped by as much as 70 per cent. Cancellations of buyers’ orders were common at the onset of the crisis. Garment manufacturers also experienced disruptions of up to 60 per cent of their imported input supply.
- ▶ With thousands of supplier factories closed, either temporarily or permanently, worker lay-offs and dismissals were widespread. Factories that have since re-opened also saw reductions in their workforce capacity. **The typical worker lost out on at least two to four weeks of work with only three in five workers being called back to the factory.** Among those still employed in the second quarter of 2020, **declines in earnings and delays in wage payments were also common.**
- ▶ **Women make up the majority of the region’s garment workers and are disproportionately affected by the crisis** – further exacerbating existing inequalities on workload, occupational segregation, distribution of unpaid care work and earnings.
- ▶ **Although many factories took steps towards minimizing the risks of COVID-19 infection, in some cases, occupational safety and health measures were implemented inconsistently.**
- ▶ The garment sector in some countries continues to be marked by low levels of collective bargaining and significant restrictions of freedom of association. **Social dialogue has been effective only in countries with existing dialogue structures or initiatives in place.**
- ▶ **Governments in the region responded to the crisis by supporting workers and enterprises along various dimensions**, but it remains to be seen whether this support is sufficient. **The global *Call to Action* is an industry-wide effort to support factories and workers during the crisis**, requiring committed follow-up and action among garment supply chain stakeholders.
- ▶ **ILO policy recommendations and toolkits can provide governments and social partners with further guidance** as the crisis unfolds, and help the industry build a more resilient and sustainable post-COVID-19 future.

* This research brief was written by James Lowell Jackson, Jason Judd (both Cornell University, New Conversations Project in the School of Industrial and Labor Relations) and Christian Viegelahn (Regional Economic and Analysis Unit (RESA), ILO Regional Office for Asia and the Pacific). It is an output of a joint research project of ILO with Cornell University, coordinated by Jeffrey Eisenbraun, Arianna Rossi (both Better Work), Christian Viegelahn (RESA) and David Williams (ILO-SIDA Decent Work in Garment Supply Chains Asia project).

► Introduction

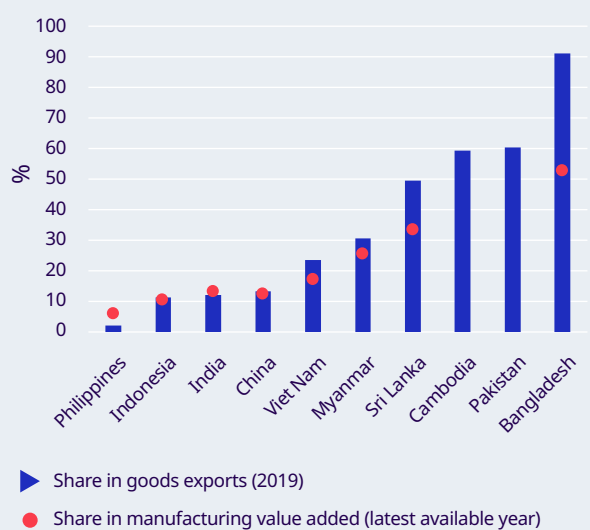
The purpose of this brief is to assess the impacts of the COVID-19 crisis on workers and factories in garment supply chains in Asia and the Pacific.¹ With countries worldwide recording peak levels of the virus and second waves now emerging in previously controlled incidences, the COVID-19 crisis continues to hit the industry hard, affecting thousands of factories and millions of workers in Asian production hubs.

The Asia and the Pacific region is particularly vulnerable to the adverse impacts of the crisis on the garment industry, as it accounts for 60 per cent of the world’s total apparel exports – a fact that has led it to be labeled the “clothing factory of the world” (ILO, 2017).² In some countries of the region, the garment sector accounts for more than half of manufacturing value-added and goods exports.

Overall, the garment sector accounted for 3.4 per cent of total employment in the region (compared with an employment share of only 1.6 per cent outside the region), or 21.1 per cent of manufacturing employment. The share of garment sector workers in total employment is highest in South Asia (4.3 per cent), followed by South-East Asia and the Pacific (3.7 per cent) and East Asia (2.6 per cent).

The majority of garment workers are women (35 million), and the garment sector employs 5.2 per cent of all working women in the region, or 27.9 per cent of all women working in the manufacturing sector. Nearly one in five women in Cambodia in employment, are employed in the garment sector (figure 2). In Pakistan and Sri Lanka, roughly one in seven women are employed in the sector and one in nine women in Bangladesh and Myanmar. In other countries of the region, female employment shares are higher than the overall share of the sector in total employment.⁴

► **Figure 1. The garment sector accounts for a large share of exports and manufacturing value-added**

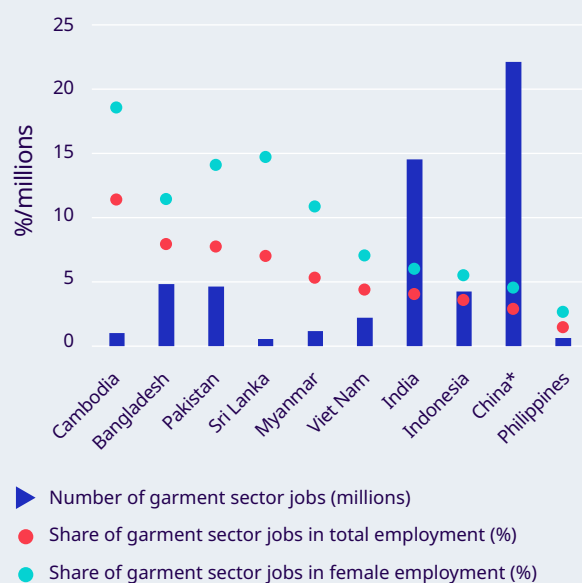


Notes: Data on exports and value-added refer to ISIC 13-15.
Source: UNCTAD, World Bank World Development Indicators database taken from UNIDO International Yearbook of Industrial Statistics.

Key employment figures

The garment sector in the Asia and the Pacific region is an important source of income and employment, including both formal and informal employment. In 2019, the region employed an estimated 65 million garment sector workers or 75 per cent of all garment sector workers worldwide.³

► **Figure 2. Millions of workers are employed in the garment sector; the majority of whom are women**



Notes: Data presented for China are ILO estimates for 2019. All other data points are based on the latest available data from national labour force surveys. Data refer to ISIC 13-15.
Source: ILOSTAT.

1 Unless explicitly stated otherwise, “garments” or “garment sector” refers to industries with ISIC code 13-15.
 2 ILO calculations based on UNCTAD.
 3 ILO estimates, based on available labour force survey data. For methodological details, see Appendix C of ILO (2020c). Regional estimates include all countries in the region.
 4 As many of these workers are internal migrants, the crisis is also spurring the growth of return migration flows, often to rural areas (Fair Wear Foundation, 2020). With few exceptions, foreign migrant workers are relatively uncommon in the garment sector of most countries of the region.

Examining the ‘ripple effects’ of the crisis

Asia and the Pacific was the first region to feel the impact of the COVID-19 crisis. Already shortly after the first infections were recorded in China, the novel virus spread within the region to Thailand, the Republic of Korea and Japan, before cases were later detected in other parts of the world. These developments prompted governments in the region and worldwide to introduce a variety of unprecedented measures such as workplace and shop closures as well as travel restrictions in order to help curb further spread of the virus.

COVID-19-related supply chain disruptions originating in one location can expect to have ‘ripple effects’ across the entire supply chain (ILO, 2020a, 2020b). The cumulative impacts of the crisis on garment supply chains are therefore both far-reaching and complex. Garment production not only serves domestic consumer markets, but large numbers of workers and manufacturers are embedded in global supply chains that produce garments for international fashion brands based in Europe, Japan, North America and elsewhere. As such, many of these jobs depend on steady global demand for consumer apparel and a stable retail environment not

only in domestic markets, but also abroad.⁵ Moreover, workers and manufacturers in the industry are dependent on a reliable flow of raw materials and inputs into production, often sourced from foreign suppliers.

Structure of the brief

Part I of the brief discusses three key channels through which COVID-19 has been impacting the garment supply chain and its factories and workers, presenting estimates for the Asia and the Pacific region as a whole. The following sections discuss the empirical evidence available on the actual impact of the COVID-19 crisis in ten major garment-producing countries of the region: Bangladesh, Cambodia, China, India, Indonesia, Myanmar, Pakistan, Philippines, Sri Lanka and Viet Nam. Part II focuses on the impact on exports and buyer orders. Part III presents key labour market impacts – covering factory closures, employment, wages, gender, safety and health as well as freedom of association. Part IV summarizes the policies and initiatives that governments and social partners in the region have adopted to mitigate the adverse impacts of the crisis. The brief then concludes with a proposal to move forward, given more recent calls for a collective rethink and redesign of the post-pandemic global garment industry.

► Part I: Key impact channels of the COVID-19 crisis

While the global pandemic has transformed nearly every facet of economic and social life in the region, the impact of the COVID-19 crisis on garment supply chains has been largely mediated through three main channels:

Factory closures

First, governments have been ordering mandatory closures of non-essential workplaces, which in most cases included garment factories. On 9 September 2020, 5 out of 33 countries or territories in the region with available data still had mandatory closures of all but essential workplaces in place in at least parts of the country.⁶ More than 31 million garment workers (48 per cent of total garment employment in the region) lived in these countries (figure 3). This is less than in April, when up to 20 countries or territories had such measures in place, where approximately 56 million workers (86 per cent) reside.

Falling consumer demand

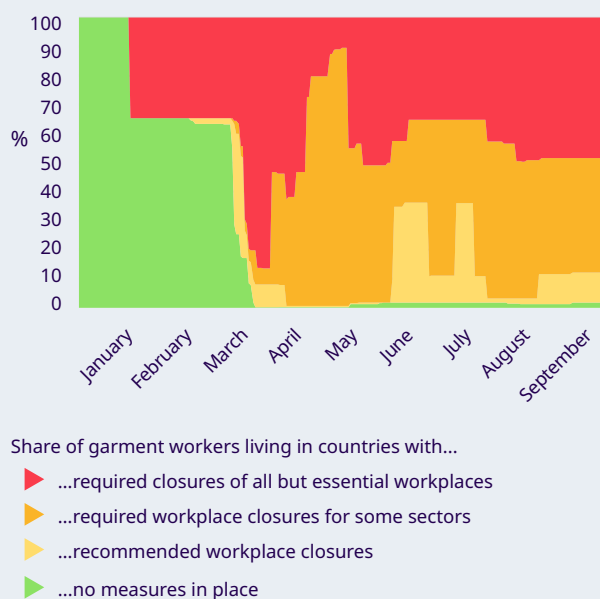
A second channel through which the COVID-19 crisis has been impacting garment supply chains, is the sharp drop in global consumer demand. The sudden decline was largely driven by losses in purchasing power, increased uncertainty that pulls back consumption, and lockdown measures such as the closure of clothing stores or different types of travel restrictions. Global consumer confidence collapsed at the fastest speed in recent history during March and April 2020, and has not fully recovered since (ILO, 2020a). Despite being eased in some countries, stringent COVID-19-linked lockdown measures remain in place in many others, which keeps the average stringency worldwide at high levels.

There is a clear relationship between the stringency of lockdown measures and consumer demand: In countries with the most stringent lockdown measures, annual retail sales growth has been lower by more than 25 percentage points, relative to countries with low levels of stringency. The difference is 10 percentage points for countries with a medium level of stringency (ILO, 2020a).

5 ILO estimates based on OECD Inter-Country Input-Output Tables suggest that at least one in two garment supply chain workers contributes to the production of garments destined for foreign as opposed to domestic consumption.

6 The Oxford COVID-19 Government Response Tracker does not distinguish between restrictions affecting only certain geographical areas of a country and restrictions affecting the entire country.

► **Figure 3. Millions of garment workers in the region live in countries with mandatory workplace closures**



Share of garment workers living in countries with...
 ► ...required closures of all but essential workplaces
 ► ...required workplace closures for some sectors
 ► ...recommended workplace closures
 ► ...no measures in place

Notes: The garment sector includes ISIC 13-15. Figure is based on data for 33 countries or territories in the Asia-Pacific region.
Source: ILO calculations based on Oxford COVID-19 Government Response Tracker database and ILO modelled estimates.

In 16 countries or territories within the region for which estimates are available, accounting for 87 per cent of the region’s labour force, an estimated 60 million workers have jobs in garment supply chains (defined as jobs that depend on domestic and foreign consumer demand for garments).⁷ This includes jobs in the garment sector itself, but also jobs in sectors that provide inputs into the garment sector, such as the agricultural sector (cotton, jute or silk), the chemicals sector (colour dyes or other chemicals for the treatment of garments) or different services sectors (design, marketing). When demand for garments falters, workers along entire garment supply chains are also affected.

As of 9 September 2020, 49 per cent of all jobs in garment supply chains (29 million) were dependent on demand for garments from consumers living in countries with the most stringent lockdown measures in place, where retail sales have plummeted (figure 4). This share is lower than at its maximum in the beginning of April, but has remained stable in recent weeks. Workers on these jobs are likely to suffer from job losses, working hour losses or income losses.

A further 31 million jobs (51 per cent) depended on consumer demand that is based in countries with a medium level of lockdown measures in place. These jobs likely experienced adverse fallouts given the decline of retail sales in this particular segment of countries, albeit to a lesser extent. Only 240,000 jobs (0.4 per cent) depended on consumer sales in countries with a low level of lockdown restrictions, where the impact on consumer demand is likely to be limited.

Supply chain bottlenecks

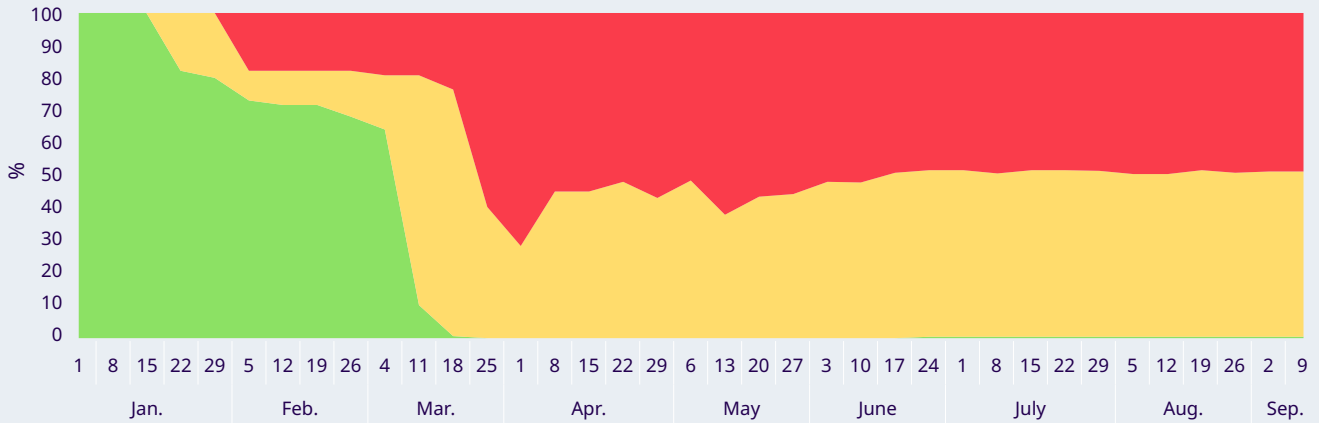
Garment supply chains are also impacted by workplace closures abroad, which lead to the third impact channel – supply chain bottlenecks. Workplace closures have, in many cases, caused supply chain disruptions and prevented imported inputs into garment production from arriving in time. The depletion of input inventories can present serious obstacles to maintaining garment production, and for garment workers to earn an income – regardless of whether the pandemic is under control in the country in which the factory is located.

The garment sector in countries that are highly dependent on imported as opposed to domestic input supply, and whose input supplier base is very much concentrated on one or very few countries, are also more vulnerable to disruptions of imported input supply. In this regard, the garment sector in South-East Asia and the Pacific is most vulnerable to imported input supply disruptions, as countries in this region – such as Cambodia or Viet Nam – import a large share of their inputs from a concentrated supplier base (figure 5).⁸ Many of the countries in this sub-region rely heavily on China as an input supplier, which renders them vulnerable to supply input shortages should the country face sudden workplace closures, in response to a second wave of infections, for example. The garment sector in East Asia and South Asia, driven largely by China and India, is on average less vulnerable to these risks as they source most of their inputs domestically.

As of 9 September, an estimated 30 per cent of foreign inputs into garment production were sourced from countries with closures of all but essential workplaces in at least some geographic areas, suggesting that the supply of some of these inputs is disrupted (figure 6). This is lower than the 60 per cent observed in the beginning of April but suggests that input supply disruptions remain a significant channel of disruption, especially in South-East Asia and the Pacific (47 per cent) and South Asia (41 per cent).

7 These 16 countries or territories are: Australia, Brunei Darussalam, Cambodia, China (People’s Republic of), Hong Kong (China), Indonesia, India, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Taiwan (China), Thailand and Viet Nam.
 8 See previous footnote for the list of countries included in the analysis of imported input supply disruptions.

► **Figure 4. Nearly half of all jobs in garment supply chains are dependent on demand from consumers that live in countries with strict lockdown measures**



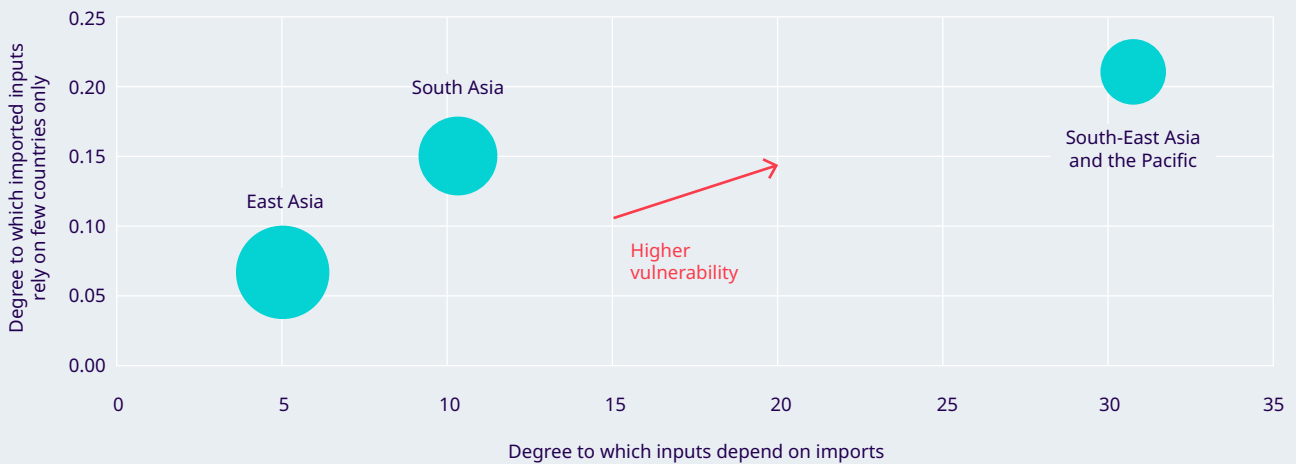
Jobs dependent on garment demand of consumers living in countries with a...

- ▶ ...low level of lockdown restrictions
- ▶ ...medium level of lockdown restrictions
- ▶ ...high level of lockdown restrictions

Notes: Footnote 2 lists the countries included in the estimates. Garment supply chain jobs are jobs dependent on consumer demand for products belonging to ISIC 13-15. See ILO (2020a) for details about the methodology.

Source: ILO estimates based on OECD Inter-Country Input-Output Tables and Oxford COVID-19 Government Response Tracker database.

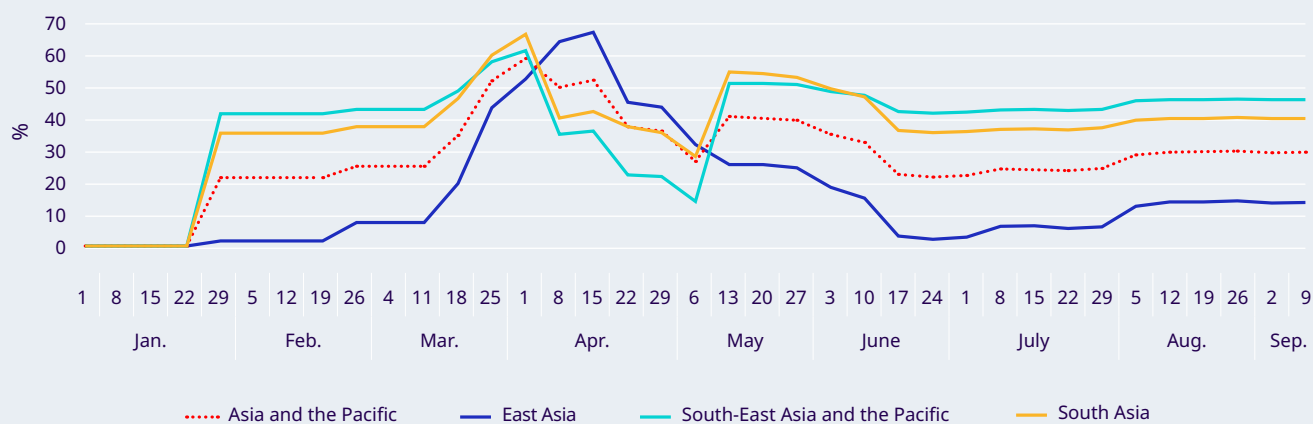
► **Figure 5. The garment sector in South-East Asia and the Pacific is most vulnerable to input supply disruptions**



Notes: The size of the bubbles shows total garment sector employment in the sub-region. The horizontal axis shows the degree to which inputs depend on imports, indicating to what extent the use of inputs could be disrupted by workplace closures implemented in foreign countries. It is measured by the employment-weighted average share of imported intermediate inputs in total inputs used for each country in the garment sector. The vertical axis shows the degree to which imported inputs are sourced from few countries only, which causes a problem in case exactly those countries impose workplace closures. It is measured by the employment-weighted average Herfindahl concentration index of imported intermediate inputs from source countries. Footnote 2 lists the countries included in the estimates. The garment sector includes ISIC 13-15. See ILO (2020a) for details about the methodology.

Source: ILO estimates based on OECD Inter-Country Input-Output Tables.

► **Figure 6. Input supply disruptions in the garment sector remains high in East, South-East Asia and the Pacific**



Notes: The figure shows the employment-weighted average percentage of imported intermediate input supplies that are sourced from countries with required closures of all but essential workplaces. Calculations are based on data for 64 countries that account for 74 per cent of the global labour force. Footnote 2 lists the countries included in the estimates. The garment sector includes ISIC 13-15. See ILO (2020a) for details about the methodology.

Source: ILO estimates, based on OECD Inter-Country Input-Output Tables and Oxford COVID-19 Government Response Tracker database.

► Part II: Impact on trade and supply chains

The collapse of garment trade

The impact of the COVID-19 crisis led global trade in garments to sharply decline in the first half of 2020. Major countries' imports from garment-exporting countries in Asia declined sharply, leading to widespread factory closures – both temporary and indefinite – and mass lay-offs of workers.

Imports of garments in the United States (US) declined by 26 per cent from January to June, compared with the same time period in 2019 (figure 7). Similar declines can be seen in the European Union (EU) and Japan import data (25 per cent and 17 per cent declines respectively). In total, these year-on-year import decreases represent a US\$17.5 billion decrease for the EU, a US\$17 billion decrease for the US, and a US\$2.6 billion decrease for Japan from 2019. These import markets are significant for garment-producing countries, as the EU, US, and Japan are the world's top three importers of apparel in 2018. Together, the three accounted for 61.5 per cent of world apparel imports in 2018 (Lu, 2019).

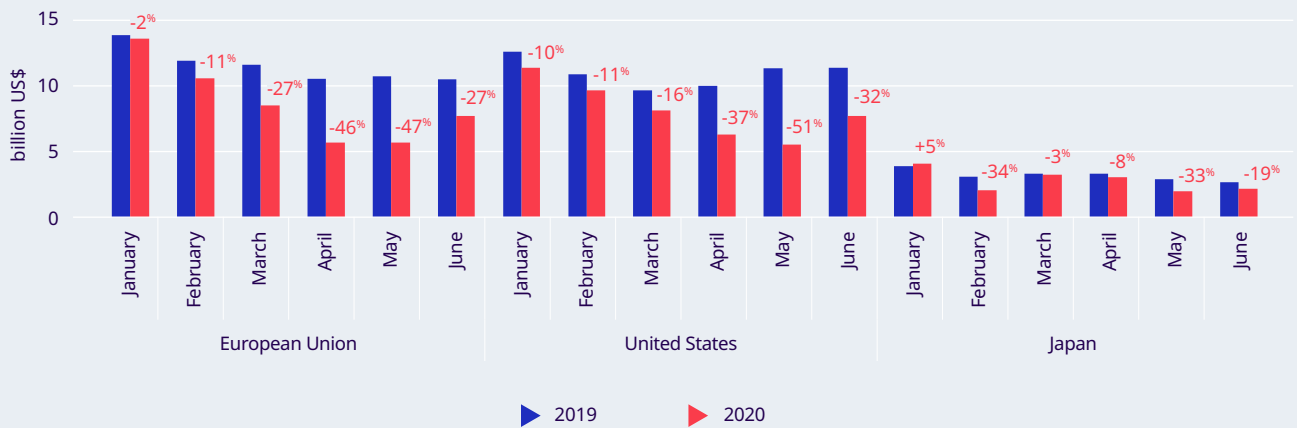
The timing and magnitude of these import declines vary significantly (figure 8). China began in January 2020 with a sharp 13 per cent drop in year-on-year exports to the EU, Japan and the US. In the same month, however, US, EU, and

Japan imports from Viet Nam, Bangladesh, and Indonesia increased. The decline in China's market share might have been initially picked up by these countries (Lu, 2020). However, starting in February 2020, imports from Viet Nam, Indonesia, India, and Bangladesh also fell significantly. By June 2020, total year-to-date imports from India and Bangladesh fell by as much as 41 per cent and 32 per cent respectively, when compared to the same period in 2019.

Total combined imports to the US, EU and Japan from ten major apparel and footwear producing countries in Asia also fell significantly between January and June 2020, when compared to the same period in 2019 (figure 9). The exception is Myanmar where an increase in exports to the US and Japan offset decreases in exports to the EU.⁹ The largest percentage decreases in exports were observed in China, India, the Philippines, and Sri Lanka. Moreover, comparative data on total import trade shows that the decline in garment imports fell more significantly than imports in other sectors and other types of goods. As such, the crisis has been especially severe and pronounced on the global garment trade and major supply chain producers in the region.

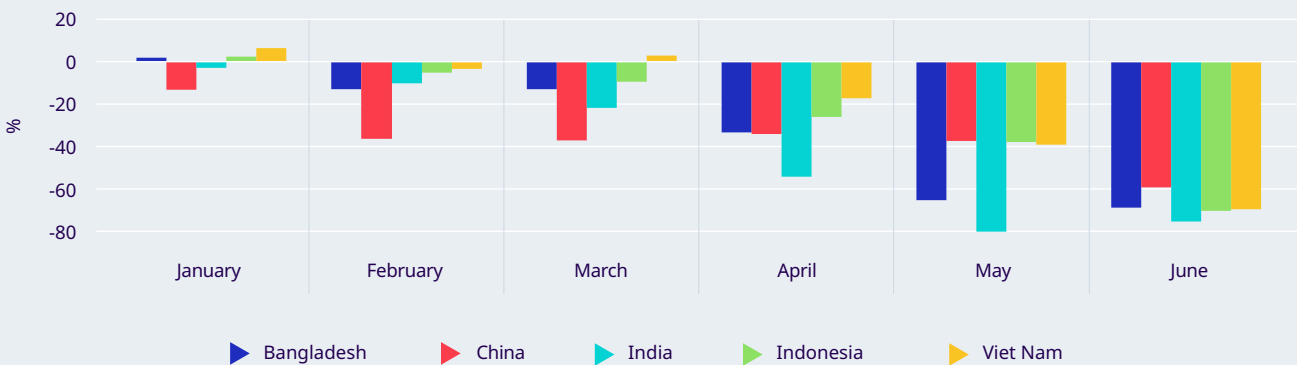
⁹ US apparel imports from Myanmar have been steadily increasing since 2016 since Myanmar was included in the global supply chain (GSP); the percentages appear high (in figure 9, for example) because imports for a long time were relatively low.

Figure 7. Total value of garment imports of European Union, Japan and United States (2019 and 2020)



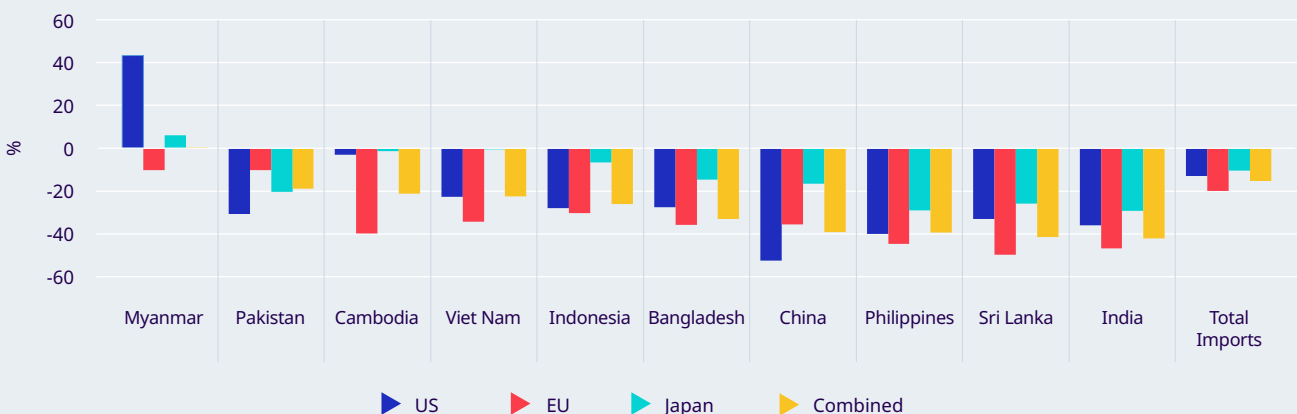
Notes: Imports refer to imports of products with the HS commodity codes 42, 43, 57, 58, 60, 61, 62, 64, 65 and 66.
Source: International Trade Commission, UN Comtrade.

Figure 8. Combined value of garment imports of European Union, Japan and United States from selected countries, 2020 (year-on-year percentage change)



Notes: Harmonized Schedule commodity codes 42, 43, 57, 58, 60, 61, 62, 64, 65, 66)
Source: UN Comtrade.

Figure 9. Total value of garment imports of European Union, Japan and United States from selected countries, January-June 2020 (year-on-year percentage change)



Notes: Harmonized Schedule commodity codes 42, 43, 57, 58, 60, 61, 62, 64, 65, 66)
Source: International Trade Commission, Eurostat.

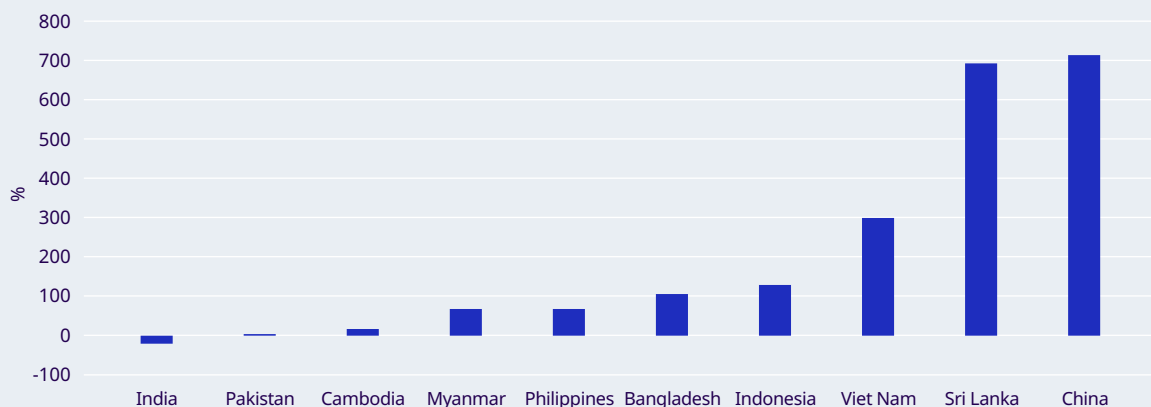
► **Box 1. Trade in masks has been on the rise**

The dramatic decrease in overall imports of garments from major producers in Asia was, in part, offset by a surge in imports of face coverings (Harmonized Schedule (HS) code 6307) (figure 10). Several factories shifted to producing face masks in order to meet global demand. From January to June 2020, the EU, Japan and the US imported nearly US\$29 billion worth of textile and surgical face masks from China and US\$999 million from Viet Nam.

The EU, Japan and the US experienced a 297 per cent surge in face mask imports from Viet Nam from January to June 2020 when compared to the same period in 2019, but the value of these imports only represented 6 per cent of the total value of Vietnamese garment exports to these markets. The increase in mask exports did not off-set the decline in garment orders, accounting for approximately 10 per cent of production (VITAS representative, interview, August 10, 2020). Similarly, face mask imports from Sri Lanka increased by 687 per cent but likewise represented only 6 percent of the total value of Sri Lankan textile, apparel and footwear exports during the same period.

Between January and June 2020, face mask imports from China increased by 708 per cent compared to 2019 and represented 49 per cent of the total garment export value to the EU, Japan and the US during the same period. This indicates a large shift by suppliers to mask production in China. COVID-19-related production of masks has supported a considerably larger portion of the Chinese textile and apparel industry compared to Viet Nam, Sri Lanka, and other countries.

► **Figure 10. European Union, Japan and United States imports of face masks from selected countries, January-June 2020 (year-on-year percentage change)**



Note: Data cover January to June 2020 and refer to HS code 6307.
Source: UN Comtrade and US ITC

Order cancellations have been common

At the initial outset of the crisis, many global buyers responded to falling consumer demand by seeking to reduce or cancel orders, hold shipments, and request discounts from suppliers – often by invoking *force majeure* clauses in supplier contracts.¹⁰ Several long-established retailers including Brooks Brothers, Debenhams, G-Star (US), J. Crew, JC Penney, and Neiman Marcus have declared bankruptcy or gone into administration (The Fashion Law, 2020). McKinsey estimated in April 2020 that up to one-third of global fashion buyers will

not survive the crisis (Amed et al., 2020). Reasons for buyer bankruptcies vary; analysts indicate that many companies had already been struggling to adapt to a changing retail environment and some large retail chains were deeply in debt before the pandemic (Mau, 2020).

Comprehensive data on the resulting decline in apparel orders by country is not available, but a Better Buying survey of 179 suppliers from 30 countries (including China, Bangladesh, India, and Pakistan) conducted in May 2020 found that 64 per cent of apparel factories received cancellations from customers. Among those surveyed, 18 per cent of respondents reported a complete loss of accounts receivable

¹⁰ A *force majeure* clause allows a party to a contract to free itself from obligations under the contract due to an unforeseeable circumstance, in this instance, the COVID-19 pandemic.

due to order cancellations (figure 11). The Better Buying report also found that 35 per cent of factories surveyed had buyers ask for discounts on existing orders of more than 20 per cent (Better Buying Institute, 2020a).

► **Figure 11. Value lost due to order cancellation, per cent of total**



Source: Better Buying Institute, 2020a.

Furthermore, a survey conducted in May 2020 among 250 factories participating in the ILO’s Better Work programme in Bangladesh, 38 per cent of factory respondents faced order reductions or were asked to hold shipments, 34 per cent experienced order cancellations, and 4 per cent could

not produce garments due to a lack of raw material. A similar May 2020 survey of 216 Better Work factories in Indonesia found that 28 per cent had existing orders reduced or held, 18 per cent had orders cancelled, and 24 per cent lacked raw materials or inputs needed for production. A Penn State Center for Global Workers’ Rights survey of suppliers in Bangladesh in late March 2020 found that in factories with cancelled orders, 72 per cent of buyers had not paid for raw materials and 91 per cent had not paid for the production cost of already-produced goods (Anner, 2020).

Furthermore, brands are reported to have insisted on longer payment terms. Better Buying found that over 57 per cent of suppliers received requests to extend buyer payment beyond the standard 45 days. Approximately 39 per cent of suppliers reported receiving payment extension requests of 60 days and more (Better Buying Institute, 2020a). A representative from the Garment Manufacturers Association of Cambodia (GMAC) remarked that average payment terms had reached 120 days in June 2020, with some having felt obliged to agree to an even longer term of 180 days (GMAC Representative, personal communication, July 23, 2020).

Some suppliers report that they are not in a position to ‘push back’ against these changes to contract terms and buyer policies. They indicate that litigating brands’ invocation of *force majeure* is not an option for them, not only for its slow pace, but also because of potential impacts on their reputation, relationships and viability (Nilsson, 2020). A survey of suppliers by Sedex – a leading social auditing tool and data platform – of its member companies found that 38 per cent of survey respondents in the garment industry felt that buyers were supportive during the pandemic (Sedex, 2020).

► Part III: Factory fallout and impacts on decent work

Thousands of factories closed at least temporarily, some of them indefinitely

The sudden drop in consumption and consequent fall in buyer orders forced many suppliers in the region to close their factories, either temporarily or indefinitely. To prevent the spread of the coronavirus, governments instituted lockdown orders of varying length and intensity in March and April 2020, prompting suppliers to close.

The exact numbers of factory closures are difficult for governments, industry associations and researchers to trace, given the still-fluctuating impacts of the pandemic. In Bangladesh, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), from March to April 2020, 348 factories closed down (BGMEA representatives, interview, July 22, 2020). In Cambodia, approximately 15-25 per cent of factories had no orders at the end of the second quarter of 2020, and more than one-quarter of GMAC’s member companies had not reopened by July 2020 (GMAC Representative, interview, July 23, 2020).

Surveys conducted by Better Work Bangladesh and Indonesia between March and May 2020 show the distribution of factory closure durations due to COVID-19 lockdowns or economic strain. In Bangladesh, approximately 60 per cent of suppliers closed for a period over 3 weeks with the largest proportion of suppliers (approximately 40 per cent) closing for between 26 and 35 working days (figure 12). This period falls in line with the approximate length of time during which all but essential workplace were supposed to be closed in Bangladesh, according to the Oxford COVID-19 Government Response Tracker Database.

Meanwhile, in Indonesia, approximately 70 per cent of Better Work participating factories closed for less than one month with the largest proportion (38 per cent) closing for less than 14 days. In total, among the Indonesian suppliers that were surveyed, lost working days led to approximately US\$70 million in lost or postponed business. The differences in factory closure durations between Indonesia and Bangladesh largely reflects differences in government policy; while Bangladesh issued a “general holiday” or lockdown, Indonesia did not institute a nationwide lockdown but imposed social restrictions on a provincial basis (see also Appendix 1).

Worker lay-offs have been widespread

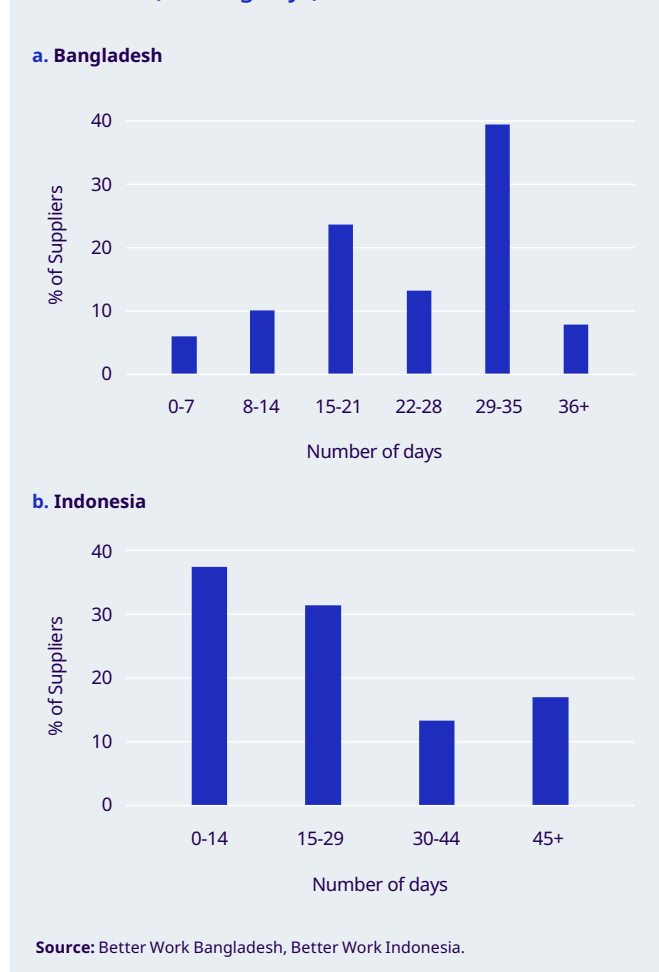
COVID-19's impact on suppliers through order cancellations, reduced demand and lockdowns have resulted in widespread worker lay-offs and dismissals. Lay-offs vary by country according to differing economic impacts and variations in government action to lay-offs (see Appendix 1).

Most suppliers in the countries covered in this report have had to lay-off at least some portion of their employees. Better Buying found that approximately 60 per cent of suppliers surveyed dismissed some employees. Close to half of all suppliers surveyed dismissed more than 10 per cent of their workers. A relatively small proportion of suppliers (2.1 per cent) surveyed had laid-off all of their workers (Better Buying Institute, 2020a). Data collected from factories in the Better Work Bangladesh programme indicate that up to nearly one-third of enrolled factories had reported some worker lay-offs early in the pandemic.

According to Indonesia's Ministry of Industry, 812,254 apparel and footwear workers or approximately 30 per cent of the apparel and footwear workforce had been laid-off by July 2020 because of the pandemic's economic impact (Kementrian Perindustrian, 2020).¹¹ A survey of 134 Indonesian garment factories reveals that the most common responses for factories were to reduce staffing levels temporarily, fire temporary staff, and cut wages. From these surveyed factories working hours per week have been reduced by an average of 15.6 hours since March 2020 (WageIndicator, 2020).

In Myanmar, reports indicate that of the country's approximately 600 garment factories, 44 remain closed resulting in approximately 22,000 workers unemployed (Peoples Dispatch, 2020). Similarly, in Cambodia, more than 150,000 workers – representing approximately 15 per cent of the country's garment workers – were reported to have lost their jobs during the pandemic (Khmer Times, 2020). A report by the Vietnam Textile and Apparel Association (VITAS) indicates that 80 per cent of suppliers have laid-off workers in April and May 2020 with further lay-offs expected in July through September (Fibre2Fashion News Desk, 2020a).

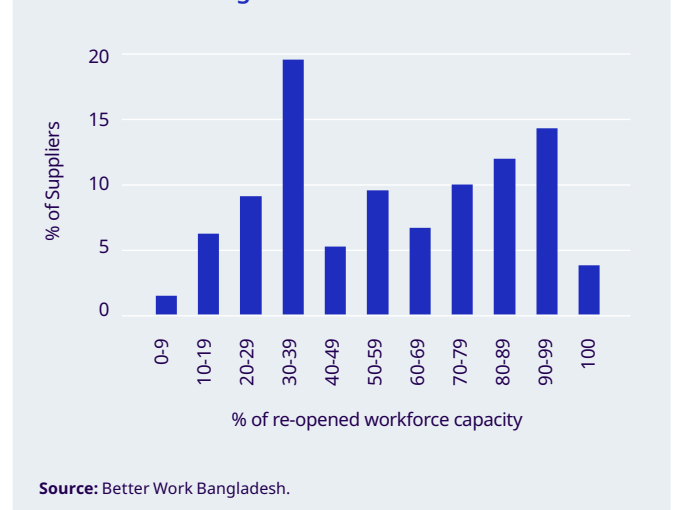
► **Figure 12. Factory closures in Bangladesh and Indonesia (working days)**



Factories are operating at reduced capacity

Factories operational at the start of the third quarter of 2020 – whether they had remained operational throughout or reopened – were reportedly not operating at their pre-pandemic capacity. Approximately 43 per cent of suppliers in Bangladesh are operating with less than 50 per cent of their pre-pandemic workforce (figure 13). Only 3.9 per cent of suppliers retained their entire workforce. The largest proportion of suppliers (approximately 20 per cent) are operating with between 30-39 per cent of the number of workers they had before the pandemic.

► **Figure 13. Distribution of workforce capacity reductions in Bangladesh**



11 This includes both temporary and permanent lay-offs, since the survey did not make a distinction between the two.

As of July, the average proportion of workers returning to work after re-opening was 57 per cent of factories' pre-pandemic total workforce (table 1). A total of 230,749 workers among Better Work Bangladesh's member factories were still not working as factories re-opened, representing approximately 41 per cent of total workers under the Better Work Bangladesh program.¹²

► **Table 1. Workers returning or still not working after factory re-opening in Bangladesh**

Category	Average	Median	Min	Max	Total
Share of workers working after re-opening (per cent)	57	51	5	100	n/a
Number of workers not working	1 109	808	0	8 383	230 749

Source: Better Work Bangladesh, 2020.

As some retailers re-opened in the EU and US, orders have been returning to garment-producing countries, including those in Asia and the Pacific. Bangladesh has seen a return in orders, particularly from buyers asking suppliers to execute pre-pandemic work orders. However, initial accounts appear to show differences in the distribution of resumed orders being received among factories - with larger firms recovering more orders than smaller and medium-sized firms (RMG Bangladesh, 2020a).

Bangladeshi media reports indicate that approximately 351 factories with a combined export value of US\$12.26 billion in the last fiscal year, were running at full-scale without job losses in July 2020. Meanwhile, a group of 341 medium-sized factories with an export value of US\$4.1 billion were reportedly running at 60 per cent of their capacity (Mirdha, 2020a).¹³

Reduced use of factory capacity is evident in Viet Nam as well. Viet Nam's garment industry is among the country's hardest-hit sectors, primarily because of order cancellations. According to the Vietnam Textile and Apparel Association (VITAS), 70 per cent of garment manufacturers reduced shifts and rotated workers in March, with an additional 10 per cent following in April and May (Nguyen & Le, 2020). In July 2020, VITAS reported that re-opened factories were operating at 50-60 per cent capacity and approximately 500,000 to 600,000 workers remained furloughed. The Association estimated a US\$8.5-12 billion loss to the industry by the end of 2020 - or approximately 22 to 31 per cent of the country's garment and textile exports in 2019 (VITAS representative, interview, August 10, 2020).

In Sri Lanka, the Joint Apparel Association Forum (JAAF) reported that supplier revenue fell by US\$780 million between March and July 2020, and is expected to fall to by an additional US\$1 billion by the end of 2020 - or 19 per cent of Sri Lanka's US\$5.3 billion annual apparel revenue. Most factories had re-opened by July 2020 following a lockdown instituted in March, though most are reportedly operating at 80 per cent capacity (JAAF representative, interview, August 4, 2020).

Among the associations surveyed for this report, there is uncertainty about the sustainability of new orders in the third quarter of 2020 and beyond as there are fears of a "second wave" of COVID-19. The JAAF predicts a W-shaped recovery in which production temporarily increases to complete pre-pandemic orders but then falls again in September and October 2020. A July 2020 survey taken by Better Buying of 147 suppliers from 30 countries¹⁴ reflects a similarly anxious dynamic: 92.5 per cent of respondents confirmed that buyers have placed new orders but 59.2 per cent reported an overall decrease of order volumes and 51 per cent reported smaller volumes at the same price, implying lower supplier revenues (Better Buying Institute, 2020b).

Wage cuts and delayed wage payments have been common

With the apparel industry in most countries reporting significant reductions in their orders, working hours and workforces between March and June 2020, worker earnings in the aggregate were down. For workers still employed in the second quarter of 2020, declines in earnings and delays in wage payments were common.

ILO Better Work Bangladesh data indicates that one in five workers received their wages later than the legally-mandated seven working days (table 2). The proportion of workers receiving late wages increased to one in three in April 2020.

► **Table 2. Wage payments received later than 7 working days in the next month in Bangladesh**

Month	Better Work Bangladesh factories		Better Work Bangladesh workers	
	Number	%	Number	%
March	57	22.8	107 922	18.1
April	80	32.0	165 765	27.8
May*	16	6.4	32 254	5.4

Note: There are 70 entries on May wage payment that are not updated, which may contribute to the low number of factories paying late. % refers to percentage of all Better Work Bangladesh factories.

Source: Better Work Bangladesh.

12 Available data did not specify the employment or benefit status of workers not returning to the workplace, nor their reasons for not returning.

13 According to data from UNCTAD, the total value of Bangladesh's garment exports was US\$33.6 billion in 2019.

14 Including China, Hong Kong (China), India, Bangladesh, the United States, Pakistan, among others.

Moreover, wages decreased, as revealed in phone surveys of 1,377 apparel workers in Bangladesh conducted by Microfinance Opportunities (MFO) and the South Asia Network on Economic Modeling (SANEM). The survey found that workers reported a lower median salary of Tk 5,522 (US\$65) in May versus Tk 9,500 (US\$113 USD) in April (Garment Worker Diaries, 2020). Lower wages affect workers significantly, particularly with food security. The MFO SANEM survey found that 77 per cent of respondents in June 2020 reported they ate less food than they should have because they did not have enough money for food. This proportion fell from 85 per cent of respondents in May 2020. Another survey by BRAC in Bangladesh of 1,200 garment workers found that only 50 per cent of workers received their full salary for March 2020, 42 per cent received a full salary in April, and 74 per cent of workers did so in May 2020 (ILO BRAC, 2020).¹⁵

For apparel workers depending in part or whole on government income-support programs, earnings were significantly lower than regular earnings and even minimum wage levels, making it difficult for workers to sustain themselves and their families (see Appendix 1 for country-by-country descriptions of government policy actions).

In total, an analysis by the Clean Clothes Campaign of wage gaps in Bangladesh, Cambodia, India, Indonesia, Myanmar, Pakistan, and Sri Lanka estimates that garment workers lost US\$3.19 to 5.78 billion in March through May 2020 due to layoffs and factory closures (Clean Clothes Campaign, 2020).

For instance, the Business and Human Rights Resource Centre reported that garment workers in India experienced a 57 per cent drop in wages (BHRRC, 2020). Furthermore, Care International finds that while the Cambodian government worked with employers to provide a US\$70 benefit to furloughed workers, only 41 per cent of surveyed workers in May had actually received the full benefit (CARE, 2020). An ILO Better Factories Cambodia (BFC, Better Work) survey of 375 workers in May and June 2020 found that 49 per cent experienced a reduction in income as a result of COVID-19 production disruptions, and 41 per cent report working fewer hours (Better Factories Cambodia, 2020).

Workers not receiving their salaries or receiving lower salaries has been a source of concern among local law enforcement agencies for potential unrest. In Bangladesh, the Industrial Police issued a report in late July 2020 showing 177 factories at-risk of unrest over failure to pay wages and Eid festival bonuses, and worker leave issues. According to the Industrial Police, 756 apparel factories had not paid June salaries to their employees (RMG Bangladesh, 2020b). In late August 2020, the Bangladesh Institute of Labour Studies (BILS) stated that “there was almost no labour unrest for payment and termination [in the garment sector]” (Mirdha, 2020b).

Women have been disproportionately affected

The health and economic impacts of the COVID-19 pandemic have also affected women workers disproportionately, presenting serious risks of reversing previous gains achieved towards closing some gender gaps. In Asia and the Pacific, the garment industry employs more than 5 per cent of all women workers, making the industry the largest employer of women among all industrial sectors in the region (ILO, 2020d). Female garment workers account for a large share in total employment in many Asian countries (see figure 2).

Not only has the disruption to the garment supply chain significantly affected women workers, the pandemic has exacerbated pre-existing inequalities. Many workers, especially women, have a double burden of combining both their paid and unpaid work responsibilities, shouldering a disproportionate share of household chores and care of children and other family members. In a Care International survey of 307 women garment workers in Cambodia, conducted in May and June 2020, 36 per cent of respondents reported that they bore a heavier workload than men during the pandemic and 13 per cent identified an increase in unpaid care work among the top three problems from the crisis (CARE, 2020).

Women continue to receive lower pay when compared with men. The MFO SANEM survey in Bangladesh found that in June, women earned a median salary of Tk 9,200 (US\$109) compared to Tk 10,000 (US\$118) for men in similar positions. Women workers also reported eating less food compared to men. 79 per cent of women reported they were not able to eat enough food in June compared to 70 per cent of men (Garment Worker Diaries, 2020).

While some factories re-opened, day care facilities remained closed, leaving working parents – and working women, in particular – in difficulty. Provision of nursery or child-care facilities in factories is a requirement under national law in several countries of the region. For example, under Indian law, factories with more than 30 women workers have to provide day-care facilities; manufacturers cite the closure of nurseries as a measure to limit the spread of the virus (Nagaraj, 2020). In other countries including Cambodia and Bangladesh, the pandemic’s impact on families and workers have brought into sharp focus the failure of governments to enforce compliance with child-care requirements enshrined in law (New Age, 2019) and the need to support affordable, professional and accessible care services for all workers.

There are also allegations – both before and during the COVID-19 crisis – that employers have dismissed pregnant workers and failed to pay maternity benefits. Since May 2020, the Sommilito Garments Sramik Federation has filed 50 lawsuits on behalf of terminated pregnant workers in Bangladesh (Politzer, 2020). The BGMEA has denied these accusations, questioned the validity of media reports, and expressed a desire to investigate the allegations of the dismissal of pregnant workers (BGMEA, 2020).

¹⁵ See ILO (2016) and ILO (2018) for more data and information on wages in the garment sector of the Asia and the Pacific region.

The pandemic has also increased the risk of gender-based violence and harassment (ILO, 2020e, 2020f). Since the outbreak of COVID-19, overall violence against women, particularly domestic violence, has increased (UN Women, 2020). Lockdown measures and economic difficulties have contributed to increased rates of domestic violence and limit workers' access to already limited supportive services. CARE International found that among women garment workers in Cambodia, 33 per cent report that COVID-19 has increased tension and conflict in their homes. CARE International notes that gender-based violence often goes underreported, and that their survey's finding that 2 per cent of women workers identified domestic violence as a problem is likely an underestimate (CARE, 2020).

Health and safety needs to remain a key priority

Throughout the surveyed countries, governments and industry associations have issued guidance for minimizing the spread of COVID-19 (see Appendix 1). Better Factories Cambodia worker surveys were used to test the reach of the messages about the pandemic and its relationship to their work within Cambodia. There is a high level of awareness of COVID-19, and more than 70 per cent of workers recalled receiving updates from employers while at work through loudspeaker announcements. Two-thirds received employer updates through posters or other means of written or visual communication (Better Factories Cambodia, 2020).

Employers' associations have taken steps to promote COVID-19 safety guidelines in member factories. In Viet Nam, in cooperation with ILO Better Work, VITAS and the Ministry of Labour and Social Affairs (MOLISA) circulated guidance on OSH provisions (VITAS representative, interview, August 10, 2020). In Sri Lanka, the JAAF reported that workers' temperatures were taken at work transportation points, sewing machines have been moved further apart, and seats in canteens staggered (JAAF representative, interview, August 4, 2020).

It is unclear what enforcement mechanisms for these provisions are in place, and the extent to which factories are implementing them. Although many factories have received guidance and reported taking steps towards minimizing the risks of spreading COVID-19, there is evidence that employers are inconsistently implementing OSH measures, particularly those relating to social distancing.

Results from the ILO Better Factories Cambodia (BFC) phone survey, designed to understand worker views on the implementation of COVID-19 related OSH measures, suggest that temperature checks are required upon entry into the factory and that face masks are provided in most cases, as indicated by 80 per cent of workers. However, only 20 per cent of workers reported that employers implemented social-

distancing measures by reducing gatherings in canteen or break areas. Only 14 per cent of workers reported that employers disinfected work surfaces, and 12 per cent reported that employers had re-configured production areas to ensure social distancing. As a consequence, one in two workers indicated that they were unable to maintain recommended social distance while at work and while commuting (Better Factories Cambodia, 2020).

Nearly half of workers surveyed by BRAC in Bangladesh reported that their factories had not given them any personal protective equipment (PPE). Furthermore, approximately one in four of the surveyed workers reported not being informed about paid sick leave or special leave provisions if they experience COVID-19 symptoms (ILO BRAC, 2020).

In Bangladesh, there are reports that some factories might have stayed open through lockdown without scope for proper social distancing (Islam, 2020). In India, there are reports that indicate that workers who did not return to their hometowns "are kept, rather confined, in company-run dormitories and [...] exposed to infections. The exporters fear that if these workers go away, then they may face an acute shortage of workers when work returns to normal" (SLD, 2020). In Cambodia, workers and labour advocates expressed concern over the risk of exposure to COVID-19 in the crowded trucks that regularly transport workers to and from factories (Moniroth 2020).

Freedom of association as a core labour right

Trade union membership in general tends to be relatively low in the region (due in part to high levels of informalization in many countries), according to the latest available data, which indicates a unionization rate of 1 per cent in Myanmar, 7 per cent in Indonesia, 10 per cent in Cambodia, and 15 per cent in Sri Lanka.¹⁶ The garment sector in Asia is also marked by low levels of collective bargaining at both the factory and sectoral levels.

Restrictions on freedom of association existed before the pandemic in most of the countries surveyed in this report. These are reflected in recent reports of the ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) – the impartial supervisory mechanism established to evaluate the application of international labour standards by ILO member states.¹⁷ In 2020, for example, the Committee asked the governments of Bangladesh, Cambodia, China, Philippines, Sri Lanka, to comment on observations and/or allegations made by ITUC concerning freedom of association, collective bargaining and industrial relations (ILO, 2020g).

¹⁶ Data available on ILOSTAT.

¹⁷ Bangladesh, India, Indonesia, the Philippines, China, and Viet Nam all received rankings of "5", implying no guarantee of freedom of association, according to the International Trade Union Confederation (ITUC) Global Rights Index in 2019. Three countries – Sri Lanka, Pakistan and Myanmar – were rated by the ITUC as a "4" with systematic violations of rights (ITUC, 2020).

A Business and Human Rights Resource Centre report identified nine cases of union member or leader dismissals in Myanmar, Cambodia, India, and Bangladesh (Khambay & Narayanasamy, 2020). A September 2020 Oxfam report noted that 1,200 workers in India were laid-off by a major supplier amid allegations of worker intimidation and union busting (Oxfam, 2020). While Global Framework Agreements¹⁸ have been helpful in addressing disputes by facilitating dialogue among unions, manufacturers, and brands, such resolution can be lengthy given the need to communicate with suppliers headquartered outside of the producing country, and the fluctuating leverage of brands by factory (IndustriALL representative, interview, August 14, 2020).

In Myanmar, while media reports highlighting union dismissals during the pandemic have resulted in brand interventions and some reinstatements (Paton, 2020), labour activists have argued that this strategy would likely be less effective in the case of sub-contractors and lesser known brands (Maung, 2020).

A pattern of restrictions on union activities and serious human rights abuses in Cambodia since 2016 resulted in a decision by the EU to withdraw some of the country's duty-free access to the EU market (European Commission, 2020). The Cambodian Alliance of Trade Unions (CATU) reported that four members were terminated for allegedly "inciting workers to commit crimes" (Sovuthy, 2020). A State of Emergency law promulgated on 29 April 2020 "allows the government to declare a state of emergency whenever Cambodia faces 'danger' and 'a great risk'" (Peytermann & Hughes, 2020).

In Bangladesh, local media reported in May 2020 that the government had called for increased surveillance of NGOs and unions (Hasnayeem, 2020), as well as having accused several international organizations of fomenting unrest in the sector.

Lockdown provisions have also limited union activity and organizing. In Bangladesh, labour law requires two meetings of members before a union can be registered. Given the lockdown, it has not been possible to organize these legally mandated meetings, and this has led to a slowdown of union registrations (IndustriALL representative, interview, August 14, 2020).

► Part IV: Policy responses in Asia and the Pacific

Governments in the region have responded proactively to the crisis

Government policy responses to the COVID-19 crisis follow a general pattern.¹⁹ Table A1 of Appendix 1 summarizes key workplace and fiscal policies employed in the first half of 2020 across five broad categories: industry shutdowns, worker income support, employment protections, worker leave, and industry subsidies. Most of the policies included in the table were designed to apply across all manufacturing sectors except in Bangladesh, Cambodia, Myanmar and Sri Lanka where policies were aimed at the apparel and footwear industries specifically (due to their significance to the domestic economy).

Table A1 of Appendix 1 is not comprehensive and focuses on measures taken to help mitigate the crises. It does not detail extant labour law and practices, except sick leave policies which have remained largely unchanged but very relevant. The table shows that most governments have enacted efforts to support garment sector workers and suppliers. Given the

unprecedented scale of the crisis, however, it remains to be seen and is too early to evaluate whether the measures taken have been sufficient to safeguard businesses and livelihoods, including those of the many women working in the garment sector.

International solidarity and support will be key for countries in the Asia and the Pacific region, especially those with limited fiscal space. Stimulus packages in advanced economies have been larger than those in developing economies and, as of June 2020, accounted for 88 per cent of the global fiscal stimulus (ILO, 2020h). However, support for workers and factories in developing countries, including those where garment manufacturing dominates the economy, should likewise be an important priority.

In terms of support, several industries and governments received loans and grants from – most notably – the EU and multilateral institutions including the World Bank, the International Monetary Fund and the Asian Development Bank. Approximately €9 billion (equal to about US\$10.6 billion) was committed in April 2020 to support health care

18 Global Framework Agreements (GFAs) refer to global agreements negotiated between trade unions and a multinational company which set forth labor, health, or environmental standards across a company's global supply chain. For more information visit: <http://www.industriall-union.org/what-is-a-global-framework-agreement>

19 The industry's experience in the 2008 financial crisis and the resulting slump in the global apparel trade is instructive for governments, social partners and researchers at work on responses to the COVID-19 crises in two important ways. One, policy responses developed in 2008 and 2009 to limit the industry-level and macroeconomic damage – themselves elaborations of policies first designed to stave off negative effects of the end of the Multi-Fibre Arrangement in 2005—have been recycled and expanded in the COVID-19 era. Two, the lack of reliable data and reporting on recent policy actions has made it hard to gauge their short-term impacts, which is a problem familiar to industry actors and observers involved in the responses to the 2008-09 financial crisis (Forstater, 2010).

systems and social protection measures including the wage subsidies mentioned above by governments in lower and lower middle-income countries (Borrell, 2020). These include €263 million for Bangladesh (or \$308 m. USD) specifically for cash assistance and social protection in the export-oriented industries and Cambodia (€487 million, or US\$571 million) — both leading sources of apparel for EU-based brands (EEAS, 2020b; Xinhua, 2020). The UK's Department for International Development (DfID) likewise announced an aid programme in August 2020 of €6.85 million, an unspecified part of which is appropriated to “improve health services for 80,000 factory workers in Bangladesh” (Beaumont, 2020).

In Myanmar, where 70 per cent of garments are exported to EU member states, the SMART Textile & Garments project funded by the EU is making direct payments ranging from MMK 35,000 to MMK 125,000 per month (or US\$26 to US\$92) to furloughed and laid-off apparel workers between April and December 2020. The EU based their estimates on the premise that “out of 700,000 workers in the apparel industry an estimated 350,000 are at risk of either being suspended without pay or losing their jobs permanently”, when creating the €5 million fund in March 2020. The fund is designed to provide “quick and unbureaucratic cash payments” for one to three months to up to 80,000 workers. The fund had made payments worth €2.5 million to 45,061 workers from May 1 to August 3 in 2020 (Fibre2Fashion News Desk, 2020b).²⁰

Trade unions in particular have challenged the scope and implementation of these policies (Salaverria & Gascon, 2020). As noted in the section above, delayed or inadequate payments to apparel workers—both employed workers and those on furlough or unemployed—have led to protests in Bangladesh, Cambodia, Indonesia and the Philippines among others. These tensions may be compounded by decisions to postpone scheduled 2020 minimum wage-setting processes in Myanmar and Cambodia (Khmer Times, 2020; Wathan, 2020).

Trade unions have also focused on the need for clearer requirements designed to protect production workers from the spread of COVID-19 related illnesses. In Sri Lanka, for instance, the Ceylon Federation of Labour in April 2020 urged “the authorities against any action that would resume production without first ensuring the safety and security of workers while at work, in the course of employment and while commuting to and from work” (Times Online, 2020). Like the guidelines issued in most of the countries in this report, the call for worker protections is broad. The mix of orders and non-binding guidance on lockdowns and factory-specific health measures range from hand-washing to air-purification improvements and changes in the length and timing of shifts (Fakhri, 2020; DFDL, 2020b). These guidelines contrast with lockdown orders issued for other activities in closed spaces including cinemas or universities (EconomyNext, 2020).

Policy and its implementation on these two issues—effective health measures and the propping up of employer viability and worker incomes—are critical for workers, employers and governments hoping to climb back to macroeconomic health in the short-term. They are also the key measures of long-term health of the industry and its workers (ILO, 2020i).

Social dialogue is key to finding solutions

Social dialogue to help shape responses to the crises has been productive in countries where existing dialogue structures or initiatives were in place. In Sri Lanka, the government formed a tripartite taskforce, which agreed to pay workers' salaries for March through June at 50 per cent of the basic wage (IndustriALL, 2020a). In Myanmar, a Freedom of Association protocol signed in November 2019 negotiated between ACT member brands and IndustriALL affiliate Industrial Workers' Federation of Myanmar (IWFM) proved to be a useful tool in the successful reinstatement of terminated IWFM members at two factories.²¹ The extant dialogue between unions and global apparel brands likely contributed to the relatively quick agreement between IndustriALL affiliates and employers (IndustriALL, 2020b).

In Bangladesh – again building from an existing ACT structure – the BGMEA and IndustriALL Bangladesh Council agreed to an MOU in May 2020, designed to avoid lay-offs and pay apparel worker salaries for April 2020. Interestingly, both IndustriALL and BGMEA representatives noted the confluence of manufacturer and union interests, driven in part by shared objections to the cancellation of completed and in-process orders by brands (Fair Fashion Think Tank, 2020; IndustriALL representative, interview, August 14, 2020).

In other countries, national-level social dialogue on COVID-19 responses is more aptly described as consultation than negotiation, and has led to broad declarations of cooperation. The ILO Better Work Indonesia programme recently facilitated a dialogue among garment and footwear unions – APINDO, API, and APRISINDO – resulting in a joint commitment to support the recovery of Indonesia's garment and footwear sector (ILO, 2020j). The commitment promotes compliance with occupational safety and health guidelines and social dialogue in addressing disputes (ILO, 2020k). In Pakistan, the Pakistan Workers Federation (PWF) and the Employers Federation of Pakistan (EFP) issued a joint declaration stating their intention to work together (ILO, 2020l).

In Cambodia, Myanmar and Viet Nam, the sectoral minimum wage-setting process has been delayed or resulted in fragmentation of stakeholders. In Myanmar, minimum wage discussions have been delayed until at least September 2020 (Wathan, 2020). In Cambodia, to the objection of unions, GMAC requested that the Ministry of Labour and Vocational Training

²⁰ Project partners include Amfori, the Centre for Economic & Social Development (CESD) and the Confederation of Trade Unions Myanmar (CTUM), H&M, C&A and Bestseller. Wave and Wing—relatively efficient and low-cost mobile-phone based banking systems—have been used to make emergency support payments to apparel workers in Myanmar and Cambodia, respectively.

²¹ ACT –or Action, Collaboration, Transformation- is a global agreement between fashion brands and retailers and trade unions aimed at advancing living wages for workers through industry level collective bargaining and purchasing practice reform.

(MOLVT) delay the scheduled minimum wage determination until 2021 (Reaksmeay, 2020). MOLVT intends to carry out a study concerning the effects of COVID-19 on workers in the garment sector before the annual wage discussion (Chheng, 2020). Meanwhile in Viet Nam, on August 2020 the National Wage Council voted not to increase regional minimum wages in 2021 and to hold regional minimum wages at their 2020 levels. The VGCL refused to participate in the vote stating that too little discussion had taken place. The union proposed a delay in the negotiations until more information about the pandemic was available but that proposal was rejected (Nguoi Lao Dong, 2020).

Collective industry responses to COVID-19

In the early months of the COVID-19 crisis, unions and labour advocates in Asia and around the world reacted to unilateral cancellation of apparel production contracts by brands with a demand that apparel buyers honour existing contracts, pay for orders in process and support supplier liquidity and worker incomes (IndustriALL, 2020c). As noted above, these public #PayUp campaigns moved dozens of major brands to honour contracts and engage in a new conversation about the demands of sustainability and decent work – as well as core commercial standards – in the global apparel trade.²²

ILO has helped to broker *COVID-19: Action in the Global Garment Industry* in an effort to help leverage collective international will and resources to provide health and economic support to garment exporting countries globally. The Call to Action was negotiated in April 2020 between the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union.

The 125-plus signatories to the Call to Action and its tripartite-plus Working Group, convened by the ILO and coordinated by IOE and ITUC, aim to “catalyse action from across the global garment industry to support manufacturers to survive the economic disruption caused by the COVID-19 pandemic and to protect garment workers’ income, health and employment”.²³ The longer-term goal is to spur “work on sustainable systems of social protection for a more just and resilient garment industry.

Specifically, signatories to the Call to Action have committed to “engaging with financial institutions, governments and donors, to support rapid and innovative fund-mobilization through emergency relief funds, credit and short-term loans to provide quick income-support to workers and individuals” (ILO, 2020m). The group has identified an initial group of eight priority countries—Bangladesh, Cambodia, Ethiopia, Haiti, India, Indonesia, Myanmar and Pakistan—most in need of recovery funds (ILO, 2020n). National-level Call to Action Groups have been established and priority actions include identification of industry needs with respect to income support and business continuity, and engagement with governments and international finance institutions to speed access to finance.

In May 2020, the Industrial Workers Federation of Myanmar and IndustriALL reached agreement with several European apparel brands to work toward “covering salary loss” of apparel workers from April to July. The agreement also requires signatories to support the development of social protection in the garment industry and promote compliance with health and safety regulations (IndustriALL, 2020d). Finally, brands and suppliers in the IndustriALL-led ACT process have committed to advancing ACT’s 2019 Freedom of Association Guideline (IndustriALL, 2019).

► Conclusion: The way forward for the garment industry

To tackle the COVID-19 crisis, the ILO has proposed a Policy Framework with four pillars, based on international labour standards: (i) stimulating the economy and employment; (ii) supporting enterprises, jobs and incomes; (iii) protecting workers in the workplace; (iv) relying on social dialogue for solutions (see ILO, 2020h). As the pandemic continues to take its toll on the health as well as the economic and social well-being of the world population, the continued mobilization of resources and action along those four pillars remains key to safeguard jobs and livelihoods, including those in the garment sector. Continued support for enterprises, as well as the extension of social protection to all, is key to mitigate adverse impacts of the crisis in the garment supply chain. Solutions need to be found to address the needs of all workers in the sector, including women which make up the majority of garment employment.

The ILO has also provided a variety of tools for support to its constituents (see ILO, 2020o for more details). The ILO–International Finance Corporation Better Work programme is monitoring the situation in its participating countries, and provides support to workers, factories and brands in addressing the crisis and protecting workers. The ILO has also convened forums for industry dialogue, discussion and exchange, as well as publishing a series of practical factory guides aimed at supporting business resilience through improved cash flow management, income and market diversification, workplace communication, and safety and efficiency in production (ILO, 2020p).

The ILO facilitated and supports the Call to Action, an international multi-stakeholder initiative which aims to spur industry-wide action to protect workers’ incomes, health and

22 Worker Rights Consortium: <https://www.workersrights.org/issues/covid-19/tracker/>

Multi-stakeholder coalition: <https://www.fairwear.org/covid-19-dossier/responsible-purchasing-practices/garment-industry-coalition-statement/>

23 This includes an obligation by brands to pay manufacturers for “finished goods and goods in production”.

employment and support employers to survive during the COVID-19 crisis, and to work together to establish sustainable systems of social protection for a more just and resilient garment industry. The Call to Action is a positive example of global industry-wide collaboration, but it will need ongoing commitment and coordinated stakeholder action to be effective in achieving its intended objectives.

The decline in consumer demand for garments as well as the requirement to close workplaces to curb the spread of the virus, which resulted in a sharp decrease in garment production and employment, have charted a downward trajectory steeper than the one seen during the 2008-09 financial crisis. The depth of those declines and the speed and shape of the eventual recovery in the sector will likely not be (fully) visible until 2021 or 2022. Researchers will also require more time and data to measure whether government and industry interventions have been effective and sufficient to alleviate the crises.

Given the scale of the pandemic and impact to date, the global garment industry may in the coming years face a structural realignment, shaped in part by trends that were already disrupting the sector prior to 2020. Public calls for a rethink of garment supply chains, towards greater equality, inclusivity and sustainability, are becoming louder, while technological

innovation is reshaping the possibilities for how and where production takes place, and the role the factory workforce plays in this process. This reconfiguration of the industry should also take into account long-standing challenges and address the need for investment in transportation and communication infrastructure, reliable power generation, education and skills development, all of which restrict the move of the industry into higher value-added products and services. More research is needed to fully understand the potential scenarios emerging as a result of the continued disruptions brought about by the pandemic.

It remains to be seen as to whether the post-pandemic global garment industry will undergo a fundamental restructuring to forge a new – and possibly more sustainable and resilient path – or whether it will revert back to a largely ‘business as usual’ scenario. Whichever trajectory the industry now takes, workers and enterprises will be on the frontline of its impact.

It is ultimately upon national governments, workers and employers to work together with other industry powerbrokers to find collective solutions for a human-centred future of the industry – a future that can deliver on its promise to be a transformative force for social and economic good across Asia and the Pacific.

▶ References

- AFP. 2020. "Coronavirus: Sri Lanka Extends Lockdown through May 11." *Khaleej Times*, 1 May.
- Amed, Imran, Achim Berg, Anita Balchandani, Saskia Hedrich, Felix Rölkens, Robb Young and Jakob E. Jensen. 2020. *The State of Fashion 2020 Coronavirus Update*, 47.
- Anner, Mark. 2020. *Abandoned? The Impact of COVID-19 on Workers and Businesses at the Bottom of Global Garment Supply Chains*. PennState Center for Global Workers' Rights CGWR, 27 March.
- Apparel Resources News-Desk. 2020. "Government Proposal on Workers' Wage For April." *Apparel Resources* (Bangladesh), 30 April.
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA). 2020. "BGMEA Refutes Accusations." *The Guardian*, 11 July.
- Beaumont, Peter. 2020. "Dfid Scheme Accused of Putting UK Aid In Pockets Of Wealthy Companies." *The Guardian*, 14 August.
- Better Buying Institute. 2020a. *Special Report, Payment and Terms and the Need for New Practices*.
- . 2020b. *Cost and Cost Negotiation and the Need for New Practices*.
- Better Factories Cambodia. 2020. Forthcoming: *COVID-19 and the Garment Sector in Cambodia: Workers' Perspectives*.
- BGMEA representatives. 2020. Interview with Cornell New Conservations Project. 22 July.
- Bhattacharjee, Partha Pratim and Tuhin Shubhra Adhikary. 2020. "Shutdown Likely to Stay till May 30." *The Daily Star*, 13 May.
- Borrell, Josep. 2020. "'Team Europe'— Global EU Response to COVID-19 Supporting Partner Countries and Fragile Populations." EEAS - European External Action Service - European Commission, 11 April.
- Business and Human Rights Resource Centre (BHRRC). 2020. "COVID-19 Tracker", available at: <https://covid19.business-humanrights.org>.
- BR Web Desk. 2020. "SBP Introduces New Refinance Scheme to Avoid Layoff of Workers." *Brecorder*, 10 April.
- CARE. 2020. *Garment Worker Needs Assessment During COVID-19*. CARE International in Cambodia.
- Cepeda, Mara. 2020. "House Approves P1.3-Trillion Economic Stimulus Package vs Pandemic." *Rappler*, 4 June.
- Chew, Amy. 2020. "Coronavirus: Indonesian migrant workers urged not to return home." *South China Morning Post*, 31 March.
- Chheng, Niem. 2020. "Ministry to Study COVID-19 Effects Before Wage Talks." *Phnom Penh Post*, 20 July.
- Clean Clothes Campaign. 2020. *Underpaid in The Pandemic: An Estimate of What the Garment Industry Owes its Workers*.
- David, Sen. 2020. "90 Percent of Garment Workers Turn Up for Duty on New Year's Day." *Khmer Times*, 13 April.
- DFDL. 2020a. "DFDL Cambodia: New Instruction on Suspension of Employment Contracts and NSSF Contribution Payments for Certain Enterprises Seriously Impacted by COVID-19." 22 April.
- . 2020b. "Myanmar Legal Update: COVID-19 - Important Employee-related Myanmar Laws & Compliance - 10 Key Questions." 1 April.
- EconomyNext. 2020. "Sri Lanka Coronavirus Health Rules for Factory, Manufacturing Businesses." *EconomyNext*, 2 May.
- European Commission. 2020. "Press Release on the Cambodia Loses Duty-Free Access to the EU Market". 12 August.
- Fair Fashion Think Tank. 2020. Fair Fashion Think Tank COVID-19 Podcast, June.
- Fair Labor Association (FLA). 2020. "Country-Specific Updates on Provisions for Workers in Response to the COVID-19 Pandemic", available at: <https://www.fairlabor.org/blog/entry/country-specific-updates-provisions-workers-response-covid-19-pandemic>.
- Fair Wear Foundation. 2020. "How Does Covid-19 Affect Women Garment Workers?", available at: <https://www.fairwear.org/covid-19-dossier/worker-engagement-and-monitoring/gender-analysis/>
- Fakhri, Syarifah R. 2020. "The New Normal: Indonesian Health Minister Issues COVID-19 Workplace Guidelines." *SSEK*, 27 May.
- Fibre2Fashion News Desk. 2020a. "Falling Textile-Garment Exports in Vietnam Threaten Jobs." *Fibre2Fashion*, 14 July.
- . 2020b. "EU Myan Ku Fund Pays Over 45,000 Myanmar Workers." *Fibre2fashion*, 13 August.

- Forstater, Maya. 2010. "Implications of the global financial and economic crisis on the textile and clothing sector", Sectoral Coverage of the Global Economic Crisis, International Labour Organization.
- Garment Manufacturers Association in Cambodia (GMAC) Representative. 2020. Interview with Cornell New Conservations Project (NCP). 23 July.
- Garment Worker Diaries. 2020. "Two Months On: The Impact of COVID-19 on Workers: Garment Worker Diaries." <https://workerdiaries.org>.
- Haider, Mehtab. 2020. "PM Imran Khan unveils Rs1.2tr relief package Fuels fall by Rs15 a litre." *The News*, 25 March.
- Hasnayeem, Nehal. 2020. "Fear of Disruption of Law and Order." *Bonik Barta*, 20 May.
- Hesan, Mehedi. 2020. "BB Creates Tk3,000cr Loan Fund for Workers' July Wages." *Dhaka Tribune*, 24 July.
- Illanperuma, Shiran. 2020. "Interview: Sri Lankan Exports Rebound Due to Gov't Policies: Official." *Xinhua Net*, 26 July.
- ILO. 2020a. *COVID-19 and Global Supply Chains: How the Jobs Crisis Propagates Across Borders*.
- . 2020b. *The effects of COVID-19 on trade and global supply chains*.
- . 2020c. *World Employment and Social Outlook Trends 2020*.
- . 2020d. *A Gender-Responsive Employment Recovery: Building Back Fairer*.
- . 2020e. *ILO Violence and Harassment Convention, 2019 No. 190: 12 ways It Can Support the COVID-19 Response and Recovery*.
- . 2020f. *Safe and Healthy Working Environments Free from Violence and Harassment*.
- . 2020g. *Application of International Labour Standards: 2020 Report of the Committee of Experts on the Application of Conventions and Recommendations, ILC109/III/B*.
- . 2020h. *ILO Monitor: COVID-19 and the World of Work*. Fifth edition.
- . 2020i. "Press Release on the Plug Social Protection Gaps in Developing Countries to Prevent Future Crises, ILO says". 14 May.
- . 2020j. "Signing Ceremony of the Trade Unions and Employers' Associations Joint Commitment and Tripartite Discussion on Common Efforts to Support the Recovery of Indonesia's Export Oriented Garment/Footwear Sector amid the COVID-19 Pandemic. Seminar, 6 August.
- . 2020k. "Press Release on the Employers and workers join forces to reinstate the past glory of Indonesian garment and footwear industries". 11 August.
- . 2020l. "Country Policy Responses: COVID-19 and the World of Work", available at: <https://www.ilo.org/global/topics/coronavirus/country-responses/lang--en/index.htm#ID>
- . 2020m. "COVID-19: Action in the Global Garment Industry; Call to Action", available at: https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm.
- . 2020n. "Press Release on the Garment Industry Call to Action Identifies Priority Countries". 14 May.
- . 2020o. *COVID-19 and the Textiles, Clothing, Leather and Footwear Industries*.
- . 2020p. *Guides for Garment Factories to Build Resilience During and After COVID-19*.
- . 2018. 2018. "Gender Pay Gaps in the Garment, Textile and Footwear Sector", ILO Asia-Pacific Garment and Footwear Sector Research Note Issue 9.
- . 2017. *From Obligation to Opportunity: A Market Systems Analysis of Working Conditions in Asia's Garment Export Industry*.
- . 2016. *Wages and Productivity in The Garment Sector in Asia and the Pacific and the Arab States*.
- ILO and BRAC, Bangladesh Rural Advancement Committee. 2020. *A Rapid Assessment in Times of COVID-19 of Workers and Workplaces in the RMG Sector*. International Labour Organization; BRAC.
- IndustriALL. 2019. "Garment Workers, Suppliers And ACT Brands Agree on Freedom of Association Guideline". 15 November.
- IndustriALL. 2020a. "Tripartite Agreement to Protect Sri Lankan Workers." *IndustriALL*. 25 May.
- . 2020b. "Union Successfully Fights Mass Dismissals in Myanmar." *IndustriALL*. 11 August.
- . 2020c. "COVID-19 - An Existential Crisis for the Garment Industry." *IndustriALL*, 23 March.

- . 2020d. "Protecting Workers in Myanmar." *IndustriALL*. 14 May.
- IndustriALL representative. 2020. Interview with Cornell New Conservations Project (NCP). 14 August.
- Islam, Muhummad A. 2020. "Coronavirus Measures Give Bangladeshi Workers for Global Clothing Chains a Stark Choice: Disease or Starvation." *The Conversation*, 30 June.
- ITUC. 2020. *2019 ITUC Global Rights Index*. International Trade Union Confederation.
- Joint Apparel Association Forum (JAAF) representative. 2020. Interview with Cornell New Conservations Project (NCP). 4 August.
- Kementerian Perindustrian. 2020. *Permasalahan, Peluang, Tantangan & Strategi Peningkatan Ekspor TPT di Tengah Pandemi COVID-19*. Kementerian Perindustrian Republik Indonesia.
- Khambay, Alysha and Narayanasamy, Thulsi. 2020. *Union Busting & Unfair Dismissals: Garment Workers during COVID-19*. Business & Human Rights Resource Centre.
- Khmer Times. 2020. "Savagely Battered Cambodia's Garment Industry Seeks Urgent Help to Stay Alive." *Khmer Times*, 15 July.
- Lu, Sheng. 2019. "WTO Reports World Textile and Apparel Trade in 2018." *FASH455 Global Apparel & Textile Trade and Sourcing*, 16 August.
- . 2020. "COVID-19 and U.S. Apparel Imports Updated: May 2020." *FASH455 Global Apparel & Textile Trade and Sourcing*, 6 May.
- Mau, Dhani. 2020. "All the Fashion and Beauty Brand Closures and Bankruptcies Caused by the Pandemic." *Fashionista*, 17 August.
- Maung, Ye Yint K. 2020. "COVID-19 Weaponized Against Unionists in Myanmar." *Tea Circle Oxford*, 9 July 2020.
- Medina, Ayman F. 2020a. "Cambodia Issues Regulations for Businesses Impacted by COVID-19 and EBA." *ASEAN Business News*, 11 March.
- . 2020b. "Indonesia Issues Second Stimulus Package to Dampen COVID-19 Impact." *ASEAN Business News*, 18 March.
- . 2020c. "ASEAN Incentives to Counter COVID-19 Impact." *ASEAN Business News*, 20 March.
- Mirdha, Refayet U. 2020a. "Orders are Finally Trickling in, But Garment Factories are Still Reaching Out for The Axe." *The Daily Star*, 14 July.
- . 2020b. "Misleading, Exaggerated, Dated." *The Daily Star*, 30 August.
- Moniroth, Morm. 2020. "Close-Quarter Commutes, Covid-19 Risks Leave Garment Workers Worried." *VOD*, 8 May.
- Nagaraj, Anuradha. 2020. "With Creches Shut, Mothers Forced Out of Garment Factory Jobs in India." *Reuters*, 30 June.
- New Age. 2019. "Female RMG Workers in Bangladesh Deprived of Maternity Benefits: Study." *New Age*, 20 October.
- Nguoi Lao Dong. 2020. "Không tăng lương tối thiểu vùng năm 2021?" *Thu Vien Phap Luat*, 6 August.
- Nguyen, Huong. 2020. "Matsuo Corporation Highlights Vietnam's Appeal to Japanese PPE Manufacturers." *Vietnam Investment Review*, 3 August.
- Nguyen, Jason and Quan Le. 2020. "Vietnam's Textile and Garment Industry Hit Hard By COVID-19." *East Asia Forum*, 19 May.
- Nilsson, Patricia and Emiko Terazono. 2020. "Can Fast Fashion's \$2.5tn Supply Chain Be Stitched Back Together?" *Financial Times*, 17 May.
- Nitta, Yuichi. 2020. "Suu Kyi Bets on Coronavirus Stimulus With Little Room For Error." *Nikkei Asian Review*. 13 April.
- Ovi, Ibrahim H. 2020. "Home Minister: RMG Workers Cannot Leave Workplaces During Eid Holidays." *Dhaka Tribune*, 16 July.
- Oxfam. 2020. *Power, Profits, and the Pandemic: From Corporate Extraction for the Few to an Economy That Works For All*. Oxfam International. <https://www.oxfam.org/en/research/power-profits-and-pandemic>
- Paton, Elizabeth. 2020. "Garment Workers in Unions Fear for Their Jobs." *The New York Times*, 8 May.
- Peoples Dispatch. 2020. "Union Intervention Wins Back Garment Workers' Jobs in Myanmar." *Peoples Dispatch*, 12 August.
- Peytermann, Lucie and Hughes, Eléonore. 2020. "Cambodia Tightens Repression Under Virus Cover: Rights Groups." *The Jakarta Post*, 10 July.
- Philippines Department of Finance. 2020. "Gov't Economic Team Rolls Out P27.1 B Package vs COVID-19 Pandemic." *News & Views*, 16 March.

- Philippines Department of Labor and Employment (DOLE). 2020. "Labor Advisory No. 12."
- Politzer, Malia. 2020. "We Are On Our Own: Bangladesh's Pregnant Garment Workers Face the Sack." *The Guardian*, 9 July.
- Reaksmey, Hul. 2020. "Garment Manufacturers Want to Delay 2021 Minimum Wage Negotiations Due to COVID-19." VOA, 25 June.
- Rehman, Zia. U. 2020. "Sindh Govt Bars Employers from Laying Off Workers During Lockdown Period." *The News*, 24 March.
- Remington, Chris. 2020. "Countries Urged to Back EU's Cambodia Action." *Ecotextile News*, 24 July.
- RMG Bangladesh. 2020a. "Lager Units Hope to Achieve 80% Of Annual Target Due to Less Work Orders." *RMG Bangladesh*, 14 July.
- . 2020b. "About 600 RMG Factories at Risk of Unrest Before Eid-UI-Adha." *RMG Bangladesh*, 23 July.
- Salaverria, Leila and Melvin Gascon. 2020. "Relief Funds ere Displaced Workers Sought." *Inquirer News*, 15 March.
- Sedex. 2020. *Sedex Insights Report COVID-19 Impacts on Businesses*.
- SM Web Desk. 2020. "Details of Tripartite Agreement Reached To Pro-Rate Wages." *The Morning - Sri Lanka News*, 9 May.
- Society for Labour and Development (SLD). 2020. *Garment Workers in India's Lockdown*.
- Sovuthy, Khy. 2020. "Garment Factories Accused of Union Busting Under Cover of COVID-19." *Cambodia News*, 22 May.
- Sutrisno, Budi. 2020. "Indonesia's Strategy to Combat COVID-19: What We Know So Far." *The Jakarta Post*, 3 April.
- The Economist. 2020. "The Philippines' Fierce Lockdown Drags On, Despite Uncertain Benefits." *The Economist*, 11 July.
- The Fashion Law. 2020. "Retail Woes: A Running List of Fashion Bankruptcies." *The Fashion Law*, 23 July.
- Times Online. 2020. "COVID-Hit Sri Lanka Not Ready to be Open for Work." *Times Online*, 22 April.
- Uddin, Akm Z. 2020. "Garment Workers' Salary Disbursement from Stimulus Package Starts from Today." *The Daily Star*, 3 May.
- UN Women. 2020. *COVID-19 and Ending Violence Against Women and Girls*. UN Women.
- Vietnam Textile and Apparel Association (VITAS) representative. 2020. Interview with Cornell New Conservations Project (NCP). 10 August.
- WageIndicator. 2020. "Corona Factory Survey Report." DecentWorkCheck.Org. <https://decentworkcheck.org/company-overviews/garment-factories-in-indonesia/garment-indonesia-data-visuals-covid-19-impact>
- Wathan, Min. 2020. "Myanmar Minimum Wage Decision Faces Three-Month Delay." *The Myanmar Times*, 20 May.
- Xinhua. 2020. "Team Europe Mobilizing 443 Mln Euros to Support Cambodia in COVID-19 Crisis." *Xinhua*, 11 June.

► Appendix 1: Government responses

► Table A1. Overview of government responses, selected countries in Asia and the Pacific

Country	Shutdowns, exemptions	Income/wage payments, supports ²⁴	Employment protection	COVID-19 related worker sick leave	Industry liquidity, subsidy
Bangladesh	Factory closures until 31 May 2020 but approx. 2,000 factories reopened in late April 2020 (Adhikary & Bhattacharjee, 2020)	60 per cent of wages to be paid for furloughed workers in April-July 2020 (Apparel Resources News-Desk, 2020), which corresponds to US\$57 based on current minimum wage of US\$95 per month for the ready-made-garments sector	Employers were not to terminate any worker before Eid holiday at end of July 2020 (Apparel Resources News-Desk, 2020)	Workers ordered to stay in factory areas during Eid festival (Ovi, 2020)	Government and private lending for wage payments until March 2021, at below-market, subsidized interest rates with two-year repayment (Udin, 2020; Hesan, 2020)
Cambodia	No official shutdown (David, 2020)	Government to pay US\$40 per month and requests the payment of US\$30 per month from employers until end of September 2020 for suspended workers, which together corresponds to 37 per cent of the garment sector minimum wage (US\$190)	Worker contract suspension terms eased, (partial wage payments maintained) and social insurance contributions suspended until Oct 2020 (DFDL, 2020a; Sutrisno, 2020)	Workers can receive paid sick leave with a doctor's note; will receive 100 per cent of wages during first month, 60 per cent during months 2-3; months 4-6 are unpaid (FLA, 2020).	Reduction (30 per cent) of corporate income tax payments up to 12 months (Feb 2021) (Medina, 2020a).
Indonesia	National social distancing mandated (March 2020), followed by provincial actions, but no lockdown ordered (Chew, 2020)	Social Security agency wage supports paid for 3 months, varying by province; West Java set at US\$68 equal to 55 per cent of the minimum wage (ILO, 2020)	n/a	Sick leave at 100 per cent of wage for 4 months for suspected or actual COVID-19 cases	Reduction of corporate (30 per cent) and worker (100 per cent) income taxes for 6 months (Oct 2020) (Medina, 2020b)
Myanmar	Factories ordered closed 12-30 April; reopened in May with inspections	EU-funded wage supports for impacted garment workers of on average US\$55 per month for April-June 2020, which corresponds to 65 per cent of the minimum wage; minimum-wage setting is postponed until September 2020 at the earliest (Wathan, 2020)	n/a	Sick leave of 30 days per year to include COVID-19 illness (Wathan, 2020); medical treatment for workers (including quarantine) extended to 12 months with 60 per cent of wages up to 12 months (ILO, 2020)	Government-subsidized loans to industry with interest rate of 1 per cent (Nitta, 2020)
Pakistan	March 2020 lockdown eased in April 2020	Wage supports of US\$18 provided to dismissed workers (Haider, 2020); although the government decreed that lay-offs are prohibited during lockdown with workers entitled to full minimum wage (ILO, 2020)	National government issued "no lay-off" order and full salary payments by employers during closure/ lockdown (ILO, 2020)	Sick leave of 16 days at 50 per cent of pay and 10 days of casual leave with full pay (Rehman, 2020)	Government offers loan deferrals and interest rate reductions for employers maintaining workforce and payroll (BR Web Desk, 2020)

24 Data on minimum wages are taken from the WageIndicator minimum wage rates, available at: <https://wageindicator.org/salary/minimum-wage>.

Country	Shutdowns, exemptions	Income/wage payments, supports ²⁴	Employment protection	COVID-19 related worker sick leave	Industry liquidity, subsidy
Philippines	March 2020 lockdown and social distancing; partially relaxed in June 2020; restrictions expected until July 2020 in some areas (The Economist, 2020)	CAMP stimulus program makes US\$103 payment, one time for all with reduced, suspended work, which corresponds to 68 per cent of US\$151 per month minimum wage in central Luzon (Philippines DOLE, 2020); social security program covers unemployment benefits (Philippines Department of Finance, 2020)	n/a	Additional sick leave counted against annual leave	ARISE stimulus package offers large employers wage subsidies, cash-for-work for displaced workers, zero interest loans, and loan guarantees for banks (Cepeda, 2020)
Sri Lanka	March 2020 partial lockdown eased in May 2020 but Free Trade Zone (FTZ) work continued (AFP, 2020; Illanperuma, 2020)	Days lost to COVID-19 impacts paid at 50 per cent of basic wage or at least US\$78 (SM Web Desk, 2020); current minimum wage in garment sector is between US\$66 and US\$82	n/a	n/a	FTZ and export processing designated "essential" and hence exempted from lockdown (Illanperuma, 2020)
Viet Nam	March 2020 lockdown eased in late April 2020	Dismissed workers receive VND 1 million (US\$43 per month), for 3 months; furloughed workers or those with fewer hours receive VND 1.8 million (US\$77 per month); employers must match government contribution and total wages received cannot be lower than 85 per cent of regional minimum wage (ILO, 2020); National Wage Council has voted not to increase the regional minimum wage in 2021, but the decision is pending government approval (Nguoi Lao Dong, 2020)	n/a	Leave without pay in lieu of lay-offs	Employers receive tax breaks, including delayed tax and land-use fees payments for five months; interest rates reduced by 0.5-1 percentage points; suspended social benefit contributions (Medina, 2020c)



Sweden
Sverige

Decent Work in Garment Supply Chains Asia project

Contact details

ILO Regional Office for Asia and the Pacific

United Nations Building
Rajdamnern Nok Avenue
Bangkok 10200, Thailand

T: +66 2288 1234
F: +66 2280 1735
E: BANGKOK@ilo.org
W: www.ilo.org/asiapacific