



**CHILD RIGHTS RISK ASSESSMENT  
OF THE TEXTILE AND APPAREL SECTOR SUPPLY CHAIN  
IN SRI LANKA**



**Save the Children**

**THE CENTRE**  
FOR CHILD RIGHTS AND BUSINESS

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Save the Children works in more than 120 countries to contribute to immediate and lasting improvements for children, in emergencies as well as development contexts. We want a world in which all children survive, learn and are protected. Through our work we strive towards achieving three breakthroughs in the way the world treats children; No child dies from preventable causes before their fifth birthday; All children learn from a quality basic education; and violence against children is no longer tolerated.

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# FOREWORD

Save the Children was founded in 1919, and is now present across 120 countries. Save the Children's foundation is set in securing every child's right to learn, survive and be protected. Almost 50 years ago, Save the Children Sri Lanka was established, and became an instrumental partner in aiding the local government, civil society organizations and the private sector in carrying out both humanitarian and development needs, creating a positive impact in the lives of many communities of children across the Island.

In 2021, owing to the second wave of the COVID-19 pandemic, many large manufacturing industries in Sri Lanka were forced to suspend operations due to the risk of the virus being spread in these densely populated work places. One such industry that was affected during this crisis was the textile industry.

In the last 20 years, the Sri Lankan textile and apparel industry has established itself as the single largest export revenue generator in the country. With nearly 5.3 billion USD export revenue in 2019, as well as employing 400,000 direct workers and 2 million indirect workers, it is easy to understand that it is one of the biggest job providers, as well as one of the core pillars, that supports Sri Lanka's economy.

Owing to the sheer scale and international demand that is expected of this industry, factories often have to outsource certain parts of the manufacturing process to small unregistered factories or individuals, in order to cope. These subcontracted companies often offer informal contracts that exploit, underpay and discriminate against workers. Often the common victims of these small factories are women, young workers, 'Manpower' workers, and more worryingly, children, whose fulfillment of basic needs are challenged by the poor working conditions of their parents.

In an effort to assess and understand the general workplace management and working conditions particularly for parent workers and female workers, and the child rights risks in the sector, Save the Children International (SCI) and The Centre for Child Rights and Business (The Centre) conducted a child rights risk assessment in Sri Lanka's textile and apparel supply chain from July to December 2021. Our approach to child rights in business stems from the Children's Rights and Business Principles, a global framework adopted by members of the UN Global Compact as a standard to ensure that child rights are safeguarded by business operations and children do not suffer from harm through business operations.

The aim of this report is to characterize and elaborate its key findings; many of them have brought to light wage discrimination, threats of abuse, and risks faced by children of the women and manpower workers, including risk of suffering from malnutrition and increases in school dropout. I hope that the evidence this study has produced will inform collaborative strategies among international development partners, private sector, the corporate sector and the government to devise sustainable long term solutions that will secure the rights of children and their families.

## **Julian Chellappah**

National Director  
Save the Children

# EXECUTIVE SUMMARY

The Sri Lankan textile and apparel sector has, for the last 20 years, transformed itself towards an ethical and eco-friendly export destination. With USD 5.3 billion export revenue in 2019 and employing 400,000 workers directly and over 2 million workers indirectly, the sector has grown to become the largest single source of export revenue and has the potential to create social and economic development by supporting industrial growth, providing employment and improving livelihoods. This sector also claims to have the highest per capita apparel exports in the South Asian region and is positioning itself as a fast fashion and logistics hub for the entire region.

The Sri Lankan textile and apparel supply chain includes multiple steps and processes, starting from the raw material and textile component phase, going through the apparel production phase and export/sales phase, before the finished product finally reaches the hands of an end consumer. Moreover, various stakeholder groups are involved and play a role in optimizing the sector's business performance such as the government, manufacturers and industrial associations, trade unions and civil movements, buyers including international brands and retailers, international organisations and consumers and consumer movements.

Informal employment remains a salient and persistent feature of the Sri Lanka labour market. In the garment industry specifically, formally registered factories often subcontract to informal enterprises or workers in order to meet demands, or to workers with no contract work in the formal sector alongside formal workers. In subcontracting work that is several layers deep, workers usually work on temporary, insecure, or informal contracts. The recent COVID-19 outbreak in the sector has also brought some of the ongoing challenges to light, including insufficient protection for workers during a crisis, discrimination against women and manpower workers, and an increased risk of child labour. Moreover, lack of independence of trade unions and an absence of family-friendly workplace activities can significantly hamper the industries' contribution to positive social impact for children, women and families.

On the other hand, the Sri Lankan textile and apparel sector began to re-brand itself along the lines of sustainable development since the mid-2000s. The most influential industry association in the sector, the Joint Apparel Association Forum (JAAF), has adopted the Garments Without Guilt Charter that is based upon three pillars: People, Planet and Profit. However, such a transformation cannot be done overnight, and in this context Save the Children Sri Lanka ("SCI") and The Centre for Child Rights and Business ("The Centre") conducted a child rights risk assessment in Sri Lanka's textile and garment supply chain from July to October 2021.

The assessment aims to understand the general workplace management and working conditions particularly for parent workers and female workers, and the child rights risks in the sector. Based on the examination of the working and living conditions of workers and their children, this assessment has identified the possible action areas that may contribute to and influence sustainable improvements in the lives of parent workers and their children in Sri Lanka's textile and apparel sector.

This assessment managed to gather insights quantitatively and qualitatively. A total of 388 workers in formal sector and 205 children of workers in formal sector completed the surveys. Qualitative data was derived from in-depth interviews, focus group discussions and self-administered questionnaires with parent workers, young workers and children of workers, industry association, civil society organisation such as trade union and civil movements.

We can summarise our **key findings** as follows:

- Wage discrimination exists and affects manpower and female workers the most. These two groups earn significantly less than male workers.
- Workers have been affected by the COVID-19 pandemic, with manpower workers hit hardest because of payment delays.
- Workers work extremely long hours that exceed the maximum working hours set forth in the law. Manpower and female workers work the same hours as contractual/permanent workers but are paid significantly less.
- The majority of manpower workers do not have a contract nor are they covered by social protection schemes such as Employee's Trust Fund (ETF) and Employee's Provident Fund (EPF).
- In terms of health aspects in the workplace, the majority of workers do not find toilets reasonably close to their workstation and still a large proportion do not have reasonable access to adequate toilets.
- Workers are still facing risk of threats and abuses at the workplace and a higher prevalence can be observed among the manpower workers.
- Interviewed children are at severe risk of suffering from malnutrition and related illnesses because of the low income of their parents. Medical costs associated with illness can exacerbate access to nutrition further.
- 34% of interviewed children of textile and apparel sector workers aged between 9 to 17 years old are out of school, and one of the main reasons for dropping out is the need to work.
- 68% of children had difficulty accessing online learning during the pandemic which increases the risk of them dropping out from school.



- The likelihood of children engaging in child labour is likely far higher than reported. At the same time, factories do not have systems in place to protect juvenile workers or are even excluding young workers from employment opportunities altogether, thus young workers are pushed to informal, less regulated sectors.
- Workers have an extremely low awareness of maternity benefits. Manpower workers who typically do not have employment contract often do not benefit from them.
- 90% of the parents with children under the age of 12 claim that their children are never left home alone, however, the hours most parents work unavoidably will make it difficult for them to be around.
- Children feel least safe in their communities, where violence is common.

The **recommended actions** to address the identified key risks are:

- 1 Offer stronger maternity protection
- 2 Commit to provide the “Decent Jobs for Youth” agenda
- 3 Promote comprehensive policies and robust practices related to child labour prevention and remediation
- 4 Promote a living wage within the textile and apparel industry
- 5 Strengthen education and childcare support
- 6 Strengthen protection systems at the workplace and in the community
- 7 Strengthen data collection on child rights

# 01

## INTRODUCTION



## 1.1 Background

The garment and textile industry has the potential to create social and economic development by supporting industrial growth, providing employment and improving livelihoods. The textile and apparel industry in Sri Lanka has grown to become the largest single source of export revenue in the country with over 400,000 direct workers and over 2 million indirect workers.<sup>1,2</sup>

Given the growing international outcries against sweatshop practices in the textile and apparel industry in the Global South as well as the high consumption of natural resources by the sector, Sri Lanka's textile and apparel sector aims to position itself as an eco-friendly and labour-friendly sector, which promotes ethical labour practices and environmentally-friendly factories in the garment sector.<sup>3</sup>

Not surprisingly, such a transformation cannot be done overnight, and the recent COVID-19 outbreak in the sector has brought some of the ongoing challenges to light, including insufficient protection for workers during a crisis<sup>4</sup>, discrimination against women<sup>5</sup>, and an increased risk of child labour.<sup>6</sup> The latter is more common amongst sub-contractors and suppliers where transparency is lacking. Moreover, lack of independence of trade unions and an absence of family-friendly workplace activities can significantly hamper the industries' contribution to positive social impact for children, women and families.<sup>7</sup> The COVID-19 pandemic has further highlighted the vulnerabilities of workers and is creating increased risks for children as the textile and apparel sector are considered among the worst affected by COVID-19 pandemic.<sup>8</sup>

## 1.2 Goal of the Study

In this context, Save the Children Sri Lanka ("SCI") and The Centre for Child Rights and Business ("The Centre") conducted a child rights risk assessment in Sri Lanka's textile and garment supply chain from July to October 2021.

The assessment aims to understand:

- The general workplace management and working conditions (i.e. wages, working hours, social security and healthcare, grievance mechanisms and family-friendly initiatives e.g. maternity protection, breastfeeding support, employer-supported childcare, etc.) particularly for parent workers and female workers; and
- The child rights risks (incl. child protection risks incl. child labour and employment protection for young workers, violence against children, as well as access to education, health and nutrition, childcare, water, sanitation and hygiene).

After examining the working and living conditions of workers and their children, this assessment identifies the possible action areas that may contribute to and influence sustainable improvements in the lives of parent workers and their children in Sri Lanka's textile and apparel sector.

### Box 1

#### What do we mean with "business impact on child rights"?

The Children's Rights and Business Principles (CRBP), significantly informed by the Convention on the Rights of the Child (CRC) and developed by Save the Children, the United Nations Global Compact and UNICEF, clearly show where and how business might impact children. Specifically, the impacts of business on children are multifaceted and can be felt at the workplace (children and their family members as employees), the marketplace (children as consumers) and the community level (children and their family members live in places where business operates), on a daily basis.

<sup>1</sup> EDB (2017). *Industry Capability Report : Sri Lankan Apparel Sector*, Export Development Board of Sri Lanka.

<sup>2</sup> JAAF (2020). *Statement by JAAF Chairman Mr. A. Sukumaran on the Impact of Sri Lanka's Apparel Industry due to the Prevalence of COVID-19*. Retrieved from: <https://www.srilankaapparel.com/statement-by-jaaf-chairman-mr-a-sukumaran-on-the-impact-on-sri-lankas-apparel-industry-due-to-the-prevalence-of-covid-19/>

<sup>3</sup> EDB (2015). 'Garments without Guilt' from Sri Lankan Apparel Manufacturers and Suppliers, <https://www.srilankabusiness.com/blog/garments-without-guilt.html>

<sup>4</sup> HRW (2021). *Sri Lanka: Protect Garment Workers' Rights During Pandemic*, <https://www.hrw.org/news/2021/07/12/sri-lanka-protect-garment-workers-rights-during-pandemic>

<sup>5</sup> Germant Institute for Human Rights (2018). *Bringing Human Rights into Fashion*, [https://www.institut-fuer-menschenrechte.de/fileadmin/user\\_upload/Publikationen/ANALYSE/Analysis\\_Bringing\\_Human\\_Rights\\_into\\_Fashion.pdf](https://www.institut-fuer-menschenrechte.de/fileadmin/user_upload/Publikationen/ANALYSE/Analysis_Bringing_Human_Rights_into_Fashion.pdf)

<sup>6</sup> An Op-Ed by Ms. Simrin Singh, Country Director of ILO Country Office for Sri Lanka and the Maldives mentioned that during pre-COVID-19, it was estimated 40,000 children - mostly in their early teens - were in child labour (i.e. one child in a hundred is child labour in Sri Lanka). She also said that COVID-19 has contributed to the increase of child labour for the first time in 20 years. Read more here: [https://www.ilo.org/colombo/info/pub/pr/WCMS\\_747824/lang-en/index.htm](https://www.ilo.org/colombo/info/pub/pr/WCMS_747824/lang-en/index.htm)

<sup>7</sup> Dissanayake, D, Perera, S & Wanniarachchi, T. (2017) 'Sustainable and ethical manufacturing : a case study from handloom industry', *Textiles and Clothing Sustainability*, 3:2, and Karunaratne, C. and Abayasekara, A. (2013) 'Impact of EPZs on Poverty Reduction and Trade Facilitation in Sri Lanka', *Asia-Pacific Research and Training Network on Trade, Working Paper*

<sup>8</sup> Jackson, L., Judd, J., and Viegelahn, C (2020), *The supply chain ripple effect: How Covid-19 is affecting garment workers and factories in Asia and the Pacific*, Research Brief, International Labour Organization

**Box 2**

**What is child rights?**

The United Nations Convention on the Rights of the Child (CRC) sets a solid foundation for child rights at the international level, and countries ensure that these rights are protected and reinforced by national laws and regulations. Generally, there are four types of child rights: the right to survival (to access good food, water, shelter, medical care, etc.); the right to the development of their full physical and mental potential (access to education, specific skills, engage in play and cultural activities, etc.); the right to protection from influences that are harmful to their development (to be protected from abuse); and the right to participation (to be heard, respected and understood, etc.)

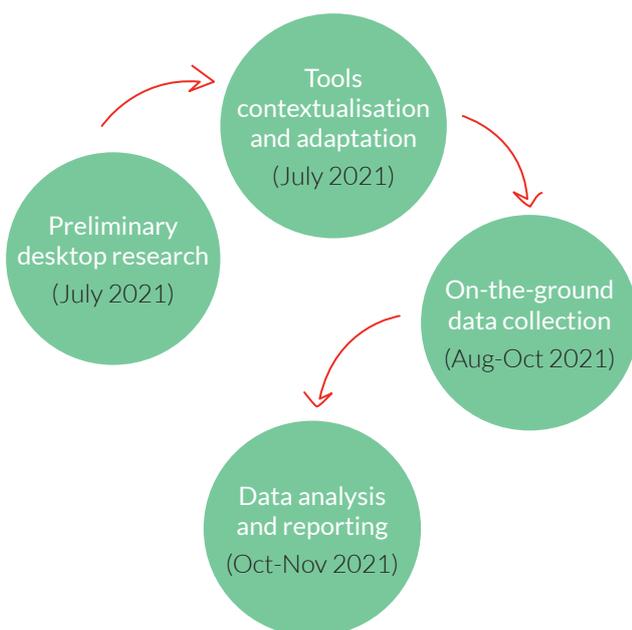
**1.3 Methodology**

**1.3.1 Approaches of the Assessment**

This assessment has adapted a child rights-centred approach, drawing on the areas identified in the United Nations Convention on the Rights of the Child (CRC), the United Nations' Guiding Principles on Business and Human Rights (UNGPR), and the Children's Rights and Business Principles (CRBP).

Both secondary and primary data is being used in this assessment. Please refer to Figure 1 below to understand the overall process of this child rights risk assessment:

Figure 1: Key steps of child rights risk assessment



The secondary data was collected through literature review or desktop research. It enabled the assessment team to gather information on fundamental aspects of the Sri Lankan textile and apparel industry including human and child rights issues of concern, the key stakeholders, as well as to inform the research tool adaptation and relevant information for analysis and reporting.

The primary data was collected through a quantitative survey and focus group discussions (FGD) with workers and their children, and key informant interviews.

The administration of primary data collection was supported by two local partners i.e. Dabindu Collective and Women's Centre that were trained on data collection and child safeguarding principles. Informed consent was obtained either verbally (during telephone/virtual interviews) and/or in writing (in self administered surveys, or physical interviews and FGDs). Whenever children were involved in this assessment, the consent of their parents/guardians was also obtained.

All key informant interviews were conducted online, while the FGDs and surveys used different methods. The FGDs were conducted in two ways:

- i. Facilitators conducted the FGDs onsite in small groups (4-6 people) to maintain physical distancing, or
- ii. Facilitators conducted the FGDs remotely where participants gathered physically in small groups (4-6 people) in a designated place.

The surveys were conducted in four ways:

- i. Respondents completed the survey online through QuestionPro
- ii. Respondents were interviewed by telephone by local partners
- iii. Respondents were interviewed face-to-face (mindful of COVID-19 protocol) by local partners, and
- iv. Printed questionnaires were distributed to be self-administered by respondents

Lastly, For the data analysis, this assessment adopted a matrix based on ISO 31000 risk criteria. The identified risks are assigned rankings in the order of probability (the likelihood of their occurrence) and magnitude (consequence, the strength of impact). A detailed description of how likelihood and consequence are defined and measured mathematically, and how the risk matrix is developed based on the likelihood and consequence of a risk, are explained in Appendix 1.

### 1.3.2 Intended Research Population

The key stakeholders and informants included in this assessment are factory workers in the formal sector and their children who informed us on the challenges and needs, as well as the impact of COVID-19 on them and their children. In addition, a smaller focus was put on homeworkers of the handloom sector/segment and their children with the purpose of enriching the discussion e.g. case study.

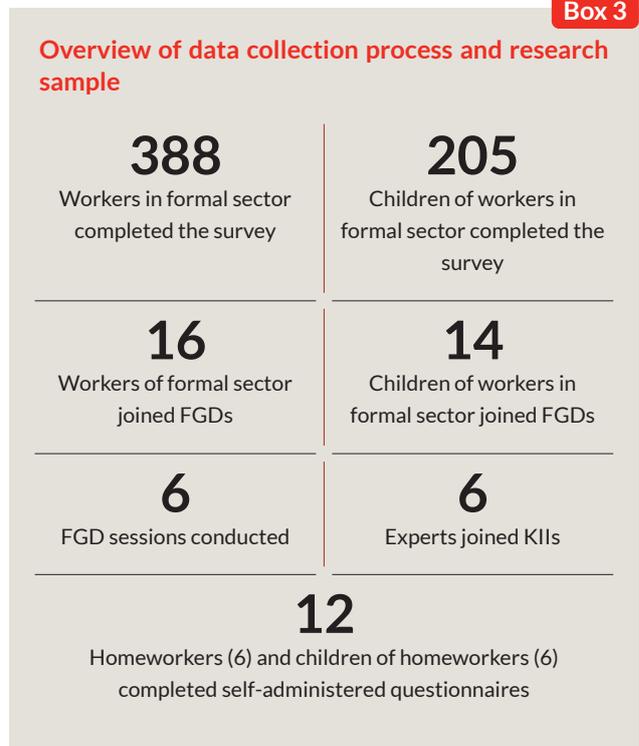
Besides the workers and their children, this assessment also targeted companies (e.g. buyers and suppliers) and business networks (e.g. industry association) that would inform us on the existing policies and practices in place to protect workers and their children.

Lastly, civil society organisations (e.g. NGOs, trade unions or workers collectives), relevant government agencies and community leaders (e.g. religious leaders, headmasters, etc.) were also included as target informants. From these stakeholders, we expected to obtain information concerning the key trends and gaps related to human and child rights in the textile and garment sector in Sri Lanka.

Please see Appendix 2 for a complete overview of data collection plan and status.

### 1.3.3 Research Sample

The box below provides an overview of the data collection process from August to October 2021:



For the survey, 388 workers in formal sector completed the worker surveys and 205 children of workers in the formal sector completed the children’s survey. A total of 30 people joined 6 FGD sessions targeting parent workers, young workers and children. See Table 1 below for a complete overview of the FGD participants.

Table 1: Focus Group Discussions

Participants	Location	Women	Men	Boys	Girls
Man-power workers	Biyagama FTZ, Gampaha District, Western Province	6			
Factory workers	Katunayake FTZ, Gampaha, Western Province	5			
Children of factory workers	Katunayake FTZ, Gampaha, Western Province			1	4
Children of factory workers	Kilinochchi, Northern Province			3	2
Young/younger workers*	Kilinochchi, Northern Province	1			4
Young/younger workers	Vavuniya, Northern Province	4			

(\*) These young workers are the children of textile and apparel sector workers, and these children work in other sectors to support themselves and their families

We also obtained information from six homeworkers of the hand loom sector/segment and six of their children who completed the self-administered short questionnaires. Lastly, we conducted six interviews with Dabindu Collective, Free Trade zone and General Service Employees Union (FTZ & GSE Union), Joint Apparel Association Forum (JAAF), Women's Centre, Selyn (a hand loom exporter), and a researcher on female workers in Sri Lanka's textile and apparel sector.

### 1.3.4 Methodological Limitations

The COVID-19 pandemic presented unprecedented challenges to on-the-ground data collection and the overall child rights risk assessments. Practical constraints included social distancing, travel restrictions, and a short time frame for data collection.

JAAF only agreed to provide answers related to the Garments Without Guilt (GWG) Charter and its implementation. In addition to this, the assessment team was not able to have successful interviews with the leading companies in the textile and apparel sector or the Export Development Board within the data collection period; however, this study findings will be shared with them. To compensate for the lack of input from unresponsive and/or lack of openness amongst a number of target informants, this assessment relies largely on secondary data and relevant first-hand information from other informants.

This assessment neither claims to portray the entire textile and garment sector in Sri Lanka nor does it attempt to quantify or generalise the adherence of business to legal frameworks. Nevertheless, the findings and recommendations identified through the assessment, though preliminary, capture important insights and emerging child rights trends in the textile and apparel industry, and the actual conditions of workers and their children and families.

## 1.4 Key Terms and Definitions

<b>Apparel</b>	The range of sewn products including wearable clothing, household and industry apparel.
<b>Child</b>	The <i>United Nations Convention on the Right of the Child (UNCRC)</i> defines a child as every human being below the age of 18.
<b>Child labour</b>	Work performed by a child that interferes with a child's health, development and wellbeing and denies him/her the right to quality education. Child labour covers situations in which a child is either too young to work (i.e. below the minimum working age) or is engaged in work that is hazardous or otherwise unacceptable or prohibited for all persons below the age of 18.
<b>Formal sector</b>	According to the ILO, the formal sector refers to all incorporated enterprises. <sup>9</sup> An incorporated enterprise is a business entity, which is registered in a particular country/state as a separate legal entity to its members or owners (also known as a limited liability company). <sup>10</sup> Thus, all workers in incorporated enterprises are workers in the formal sector. The formal sector in the textile and apparel sector in Sri Lanka includes export-oriented garment enterprises and medium and small-scale units producing garments for the domestic market. <sup>11</sup>
<b>Informal sector</b>	According to the ILO, the informal sector refers to all unincorporated enterprises that produce, at least partly, for the market and are not registered. <sup>12</sup> The informal sector excludes households that produce exclusively for their own final use. <sup>13</sup> The informal sector is characterised by very small firms and household units scattered throughout the country. <sup>14</sup>

<sup>9</sup> ILO, Indicator description: Informality, <https://ilostat.ilo.org/resources/concepts-and-definitions/description-informality/#:~:text=Informal%20sector%3A%20All%20workers%20in,all%20workers%20in%20incorporated%20enterprises>

<sup>10</sup> Chron (2019), What is the difference between incorporated and unincorporated business, <https://smallbusiness.chron.com/difference-between-incorporated-unincorporated-businesses-57463.html>

<sup>11</sup> Reinhold Plate, *Women working in the Free Trade Zone: The Textile and Garment Industry in Sri Lanka*, <http://library.fes.de/fulltext/iez/00061003.htm>

<sup>12</sup> ILO, Indicator description: Informality, <https://ilostat.ilo.org/resources/concepts-and-definitions/description-informality/#:~:text=Informal%20sector%3A%20All%20workers%20in,all%20workers%20in%20incorporated%20enterprises>

<sup>13</sup> Ibid

<sup>14</sup> Reinhold Plate, *Women working in the Free Trade Zone: The Textile and Garment Industry in Sri Lanka*, <http://library.fes.de/fulltext/iez/00061003.htm>

## INTRODUCTION

<b>Living wage</b>	According to the Global Living Wage Coalition, which is aligned with the ILO, living wage is defined as the remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living includes food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events.
<b>Parent workers</b>	Workers who have children under the age of 18. For the purpose of this research, the risks and recommendations contributed by or linked to parent workers are also relevant for non-parent workers (mostly women) who work in the textile and apparel sector to provide for the children of their siblings/relatives because the child's parents have passed away or incapacitated.
<b>Small and medium-sized enterprises (SMEs)</b>	In Sri Lanka, the category of SME is made up of enterprises, which employ less than 300 employees and which have an annual turnover not exceeding 750 million LKR.
<b>Supply chain</b>	A supply chain is a network between a company and its suppliers to produce and distribute a specific product/service to the final buyer.
<b>Textile</b>	The design and production of cloth and woven fabrics using natural or artificial fibre.
<b>Young workers</b>	Young workers are persons who have reached the age of 16 (are above the minimum working age) but are under 18 years, who are engaged in non-hazardous work.

# 02

## THE SRI LANKAN TEXTILE & APPAREL SECTOR AND CHILD RIGHTS

## 2.1 Understanding the Sri Lankan Textile and Apparel Sector

### 2.1.1 Overview of the Textile and Apparel Sector in Sri Lanka

The modern textile and apparel sector was set out as a formal industry in Sri Lanka during the late 1950s. It began as an import substitution industry under heavy control and ownership by the government, catering to the domestic market. The major turning point of this sector came with the economic liberalisation of the 1970s. The sector began to transform into an export-oriented industry and the implementation of industrial zones, such as Katunayake Export Processing Zone, became a major impetus for the sector's expansion.<sup>15</sup>

The Sri Lankan textile and apparel sector thrived upon the quota system implemented under the Multi-Fibre Arrangement (MFA) since 1978. Up until the late 1990s, Sri Lanka came to be known as a destination for international investors due to the abundance of cheap labour. This changed with the ending of the global quota system in apparel in the year 2005.<sup>16</sup> Since then, the sector has had to face the open competition from emerging exporters in Latin America, Africa, and South Asia.

In response to this competition, the Sri Lankan textile and apparel sector has, for the last 20 years, transformed itself towards an ethical and eco-friendly export destination. The sector also continued to benefit from the Generalized Scheme of Preferences Plus (GSP+) offered by the European Union (EU).<sup>17</sup> According to EDB, the Sri Lankan apparel sector has evolved from traditional exports and tailoring designs to providing sophisticated solutions, creativity and experience in BPO services, fashion and R&D.<sup>18</sup>

The Sri Lankan textile and apparel industry directly employs 400,000 workers and indirectly employs over 2 million workers,<sup>19,20</sup> the majority of which are women who have migrated from villages to the country's garment hubs.<sup>21</sup>

#### Box 4

#### Legal Framework on human rights and children's rights that are relevant for the textile and apparel sector in Sri Lanka

The laws mentioned below are not exhaustive but provide a snapshot of the existing legal framework, which will feed into our analysis and discussion in this assessment report.

- **Labour Code of Sri Lanka:** The Code regulates trade unions, termination of employment, wages, safety and welfare employment of trainees, maternity benefits, employment of women, young persons and children, compensation, employee's provident fund and employee's trust fund, payment of gratuity, fee-charging of employment agencies, service contracts, among others.
- **National Policy on Child Protection (2019):** Provides an overall framework of goals, guiding principles and values, policy goals and main strategies that can be adopted to ensure that all children in Sri Lanka are protected from abuse, exploitation, neglect and other forms of violence and harm, and that affected children receive appropriate care and support as they develop into adulthood. The policy will be implemented through multi-sectoral, multi-level, coordinated interventions across government, which also involves civil society, private sector and media stakeholders.
- **Employment of Women, Young Persons and Children (Amendment) Act (No. 24 of 2006):** This law strengthened the child labour law by increasing the minimum age of employment from 12 to 14 years and prohibiting the employment of children under 14 while enhancing the sentence for violating this provision. By Gazette No. 1667/47 dated 20.08.2010, 51 types of work have been published, which are hazardous to both the physical and mental health as well as the safety of persons under 18 years.

<sup>15</sup> Dheerasinghe (2009), *Garment Industry in Sri Lanka Challenges, Prospects and Strategies*, <https://pdfs.semanticscholar.org/f851/28a234ff8398e219d40ec671897f8d24c409.pdf?ga=2.5973243.950523046.1626857084-522100367.1626857084>

<sup>16</sup> EDB (2015), 'Garments without Guilt' from Sri Lankan Apparel Manufacturers and Suppliers, <https://www.srilankabusiness.com/blog/garments-without-guilt.html>; see also Dheerasinghe (2009), *supra* note 9

<sup>17</sup> EDB (2020), *Industry Capability Report: Sri Lankan Apparel Sector*, <https://www.srilankabusiness.com/ebooks/apparel-2020.pdf>; International Trade Administration (2021), *Sri Lanka - Country Commercial Guide: Textiles*, <https://www.trade.gov/country-commercial-guides/sri-lanka-textiles>; see Dheerasinghe (2009) & EDB (2015), *supra* note 9 & 10

<sup>18</sup> EDB (2020), *Sri Lankan Apparel Industry and Environmental Sustainability*, <https://www.srilankabusiness.com/blog/environmentally-sustainable-apparel-manufacturing.html>

<sup>19</sup> Sri Lanka Apparel (2020), *Statement by JAAF Chairman Mr. A. Sukumaran on the Impact on Sri Lanka's Apparel Industry due to the Prevalence of COVID-19*, <https://www.srilankaapparel.com/statement-by-jaaf-chairman-mr-a-sukumaran-on-the-impact-on-sri-lanka-apparel-industry-due-to-the-prevalence-of-covid-19/>

<sup>20</sup> Economynext (2020), *Sri Lanka apparel industry appeals for re-opening, salary support over Coronavirus Crisis*, <https://economynext.com/sri-lanka-apparel-industry-appeals-for-re-opening-salary-support-over-coronavirus-crisis-64784/>

<sup>21</sup> CCC (2021), *Sri Lankan garment workers suffer during pandemic, while brands and manufacturers continue to make profits*, <https://cleanclothes.org/news/2021/sri-lankan-garment-workers-suffer-during-pandemic-while-brands-and-manufacturers-continue-to-make-profits>

**Hazardous Occupations Regulations No. 1 of 2021:**

no person shall employ a person under eighteen years of age in any kind of hazardous occupations, such as: involving hazardous chemicals and agro-chemicals e.g. pesticides, machinery with sharp edges, in any location above 1.5 metres without safety measures and above 3 metres even with safety measures, involving lifting/carrying/moving heavy loads, involving the following operations in the manufacturing of textiles: yarn making, carding, spinning, weaving, melting of wax, mixing with dyes, putting in moulds and working with hydro extracting machines, and in the garment manufacturing: stacking, straight knife or band knife cutting, and finishing, pressing and ironing, etc.

**The National Day Care Centre Policy (draft):** This policy highlights the need for accessible daycare services in the country and encourages women to take up or return to employment through greater provision of daycare services. This policy is in line with the National Policy on Early Childhood Care and Development (2017), which also flags the need for affordable and quality childcare.

Some of the key unique characteristics and current trends in the Sri Lankan textile and apparel sector are highlighted below:

- a. The sector has shifted from being a mere export manufacturer into a holistic fashion solution provider catering to global needs and global brands.
- b. Since the late 2000s, the key players of the sector – such as Hirdaramani and MAS Group – have taken the lead in rebranding the sector as an ‘ethical and sustainable’ fashion destination in comparison to Sri Lanka’s regional counterparts e.g. Bangladesh, India and Vietnam.
- c. The sector has collectively adopted the ‘Garments without Guilt’ (GWG) as its major banner during the last decade, under the principles of ethical working conditions, free of child labour, free of forced labour, free of discrimination on any grounds, and free of sweatshop practices.<sup>27</sup>

The spatial distribution/expansion of the textile and apparel industry is largely confined to the southwest of the country,<sup>28</sup> with Colombo and Gampaha Districts of the Western Province having the lead in the sector, mainly due to the better infrastructure and short lead time of exports thanks to the proximity to the Colombo International Harbour and the Katunayake International Airport.<sup>29</sup>

The country has around a dozen major export processing zones (EPZ)/industrial park (IP) namely Biyagama EPZ, Horana EPZ, Kandy IP, Katunayake EPZ, Koggala EPZ, Malwatte EPZ, Mawathagama EPZ, Mirigama EPZ, Mirijavilla EPZ, Seethawaka EPZ, Polgahawela EPZ and Wathupitiwela EPZ.<sup>30</sup>

Katunayake EPZ and Biyagama EPZ (Gampaha District) collectively have the largest number of direct workforce and companies, followed by Seethawaka EPZ (Colombo District) and Koggala EPZ (Galle District). Many of the key textile and apparel factories are spread across the aforementioned four EPZs and Horana EPZ.

Sri Lanka has approximately 300 apparel manufacturing facilities across the country. They produce sportswear, lingerie, lounge wear, bridal wear, work wear, swim wear, children’s wear, etc. Most of the export-oriented clothing factories are SMEs, and they are scattered across the country.<sup>31</sup>

The Sri Lankan apparel sector recorded USD 5.3 billion in export revenue in 2019, contributing more than 45% to the total merchandise exports earnings of Sri Lanka.<sup>22</sup> The major markets in 2019 were USA (45%), UK (14%), Italy (8%), Germany (6%), Belgium (4%), Netherlands (3%), Canada (3%), Australia (2%), and others (15%).<sup>23</sup>

The Sri Lankan apparel sector boasts having the highest per capita apparel exports in the South Asian region, and the sector is positioning itself as a fast fashion and logistics hub for the entire region.<sup>24</sup>

The success of the textile and apparel industry can be attributed partly to the Sri Lankan government’s policy of attracting foreign investment by offering special incentives including special industrial zones, tax holidays and import duty exemptions.<sup>25</sup> Sri Lanka is also known as the world leader in ethical labour, environmental sustainability, and responsible manufacturing standards.<sup>26</sup>

<sup>22</sup> EDB (2021), *Industry Capability Report: Sri Lankan Apparel Sector*, <https://www.srilankabusiness.com/ebooks/apparel-2021.pdf>

<sup>23</sup> BOI, *Manufacturing: Apparel*, <https://investsrilanka.com/apparel/>; see also EDB (2020), *supra* note 11

<sup>24</sup> EDB (2021), *supra* note 15

<sup>25</sup> Chelina Capital Corporation (2013), *Textile and Apparel Industry of Sri Lanka – an Overview*, [https://www.academia.edu/4634295/Textile\\_and\\_Apparel\\_Industry\\_of\\_Sri\\_Lanka\\_an\\_Overview\\_Contents](https://www.academia.edu/4634295/Textile_and_Apparel_Industry_of_Sri_Lanka_an_Overview_Contents)

<sup>26</sup> Cooray (2020), *An Industry Misunderstood - Sri Lankan Apparel's Tale of Resilience & Global Leadership*, <https://www.srilankaapparel.com/an-industry-misunderstood-sri-lankan-apparels-tale-of-resilience-global-leadership/>

<sup>27</sup> EDB (2017), *Sri Lanka Apparel*, [https://www.slideshare.net/EDB\\_SL/sri-lankan-apparel-worldclass-fashion-garments-without-guilt](https://www.slideshare.net/EDB_SL/sri-lankan-apparel-worldclass-fashion-garments-without-guilt)

<sup>28</sup> EDB (2020), *supra* note 11

<sup>29</sup> Dheerasinghe (2009), *supra* note 9

<sup>30</sup> BOI, *Zones*, <https://investsrilanka.com/zones/>

<sup>31</sup> EDB (2021), *supra* note 15

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In a remarkable contrast, the hand loom and weaving segment production facilities are located in rural areas away from the Western Province.<sup>32</sup> Since late 2010s, there have been attempts to extend the spatial expansion of the Sri Lankan textile and apparel sector into the post-civil war Northern and Eastern Provinces of the country.<sup>33</sup> Textile and apparel factories have been established in the Kilinochchi and Vavuniya districts in the Northern Province of the country.

### 2.1.2 The Formal and Informal Textile and Apparel Sector in Sri Lanka

In Sri Lanka, only 30% of workers are employed in the formal sector and most of the workers are in the informal sector.<sup>34</sup> This assessment found at least two types of employment in the formal sector of the textile and apparel sector in Sri Lanka: regular workers (permanent or contract-based) and manpower workers. Regular workers refer to workers whose terms and conditions of employment are contained in a written contract signed by both the worker and the employer. Manpower workers refer to workers who are not directly hired by the company they work for but through a third-party agent. They are not given an employment contract either by the company they work for or the third party agents.<sup>35</sup>

In the textile and apparel sector, formally registered factories often subcontract to unincorporated enterprises in order to meet demands, or workers with no contract (such as manpower workers) work in the formal sector alongside formal workers.<sup>36</sup> In subcontracting work that is several layers deep, workers usually work on temporary, insecure, or informal contracts.<sup>37,38</sup> Informally employed and home-based garment workers are often 'invisible' in the global supply chain.

Informal employment remains a salient and persistent feature of the Sri Lanka labour market, and specifically, more than half of the jobs created between 2006 and 2017 consisted of informal wage employment.<sup>39</sup> As of 2017, informality rate for women is 64% and for men is

70%. Informal workers have more precarious employment arrangements and inferior working conditions. The rural sector has the highest share of informal workers. The North-Central Province has the highest share of informal workers (around 79%), followed by the Uva, Northern, North-Western, Southern, and Eastern Provinces, all of which have an informal employment rate of around 75%. The Western Province has the lowest share of informal workers at around 57%.<sup>40</sup>

### 2.1.3 The Textile and Apparel Supply Chain: Process and Activities

The textile and apparel supply chain includes multiple steps and players: starting from the raw material and textile component phase, it goes through the apparel production phase and export/sales phase, before the finished product finally reaches the hands of an end consumer (see Figure 2).

At present, Sri Lanka spends about US\$2 billion on imported fabric that is used in its export and domestic apparel industry every year, with the majority sourced from either China or India.<sup>41</sup> Sri Lanka has only seven textile and raw material factories capable of producing fabric for export and for conversion into garments for export.<sup>42</sup>

Sri Lanka's top imported products in 2019 included knitted or crocheted fabrics, cotton, man-made filaments, woven fabrics, man-made staple fibres and textile fabrics.<sup>43</sup>

In April 2021, the Sri Lankan government announced that the parliament halted the import of batik printed fabric and all textile fabrics with the purpose of bringing back hand loom textile and batik products manufactured in Sri Lanka.<sup>44</sup> Eravur Fabric Processing Park (Eravur Industrial Zone) is currently being established and aims to reduce material lead time with the availability of locally sourced fabric. This will in turn reduce input costs<sup>45</sup> and could boost the vertical integration in Sri Lanka's apparel industry.

<sup>32</sup> Dissanayake, D, Perera, S & Wanniarachchi, T. (2017), supra note 6.

<sup>33</sup> EDB (2020), supra note 11.

<sup>34</sup> World Bank (2020), *Informality, Job Quality, and Welfare in Sri Lanka*, <https://openknowledge.worldbank.org/handle/10986/34399>

<sup>35</sup> Priyanka Jayawerdana (2016), *Transforming "manpower employment" to decent work of greater quality*, <https://www.ips.lk/talkingeconomics/2016/02/19/transforming-manpower-employment-to-decent-work-of-greater-quality/>

<sup>36</sup> CCC (2015), *Facts on the Global Garment Industry*, <https://cleanclothes.org/resources/publications/factsheets/general-factsheet-garment-industry-february-2015.pdf>

<sup>37</sup> Ibid

<sup>38</sup> CCC, *Bad contracts*, <https://cleanclothes.org/bad-contracts>

<sup>39</sup> World Bank (2020), *Informality, Job Quality, and Welfare in Sri Lanka*, <https://openknowledge.worldbank.org/handle/10986/34399>

<sup>40</sup> Ibid.

<sup>41</sup> HKTDC Research (2021), *Sri Lanka: Tax Incentives Approved for Eravur Textile Park Investors*, <https://research.hktdc.com/en/article/ODAwMTYwMDU1>

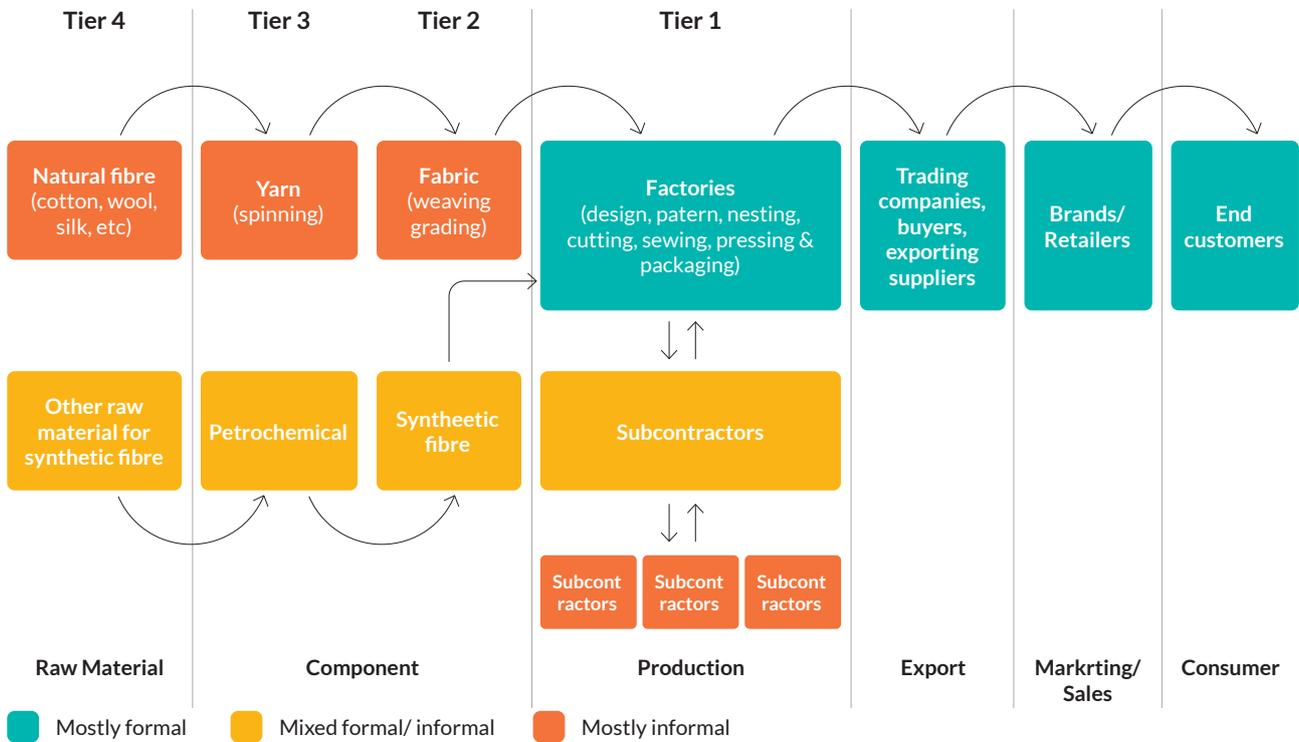
<sup>42</sup> Innovation in Textiles (2021), *Industry Talk: Transforming Sri Lanka's Textile Chain*, <https://www.innovationintextiles.com/industry-talk/transforming-sri-lankas-textile-chain/>

<sup>43</sup> OEC, <https://oec.world/en/profile/country/lka?depthSelector2=HS2Depth>

<sup>44</sup> Adaderana (2021), *Import of textile fabrics to be banned*, [www.adaderana.lk/news/72904/import-of-textile-fabrics-to-be-banned](http://www.adaderana.lk/news/72904/import-of-textile-fabrics-to-be-banned)

<sup>45</sup> BOI, <https://investsrilanka.com/textile-zone-eravur-batticaloa/>

Figure 2: The Textile and Apparel Supply Chain



In 2006, MAS Group already initiated an industrial zone focusing on the development and value addition of fabrics, namely MAS Fabric Park. The park plays a strategic role in the vertical integration of the MAS supply chain. Besides MAS, other top players in the industry also adhere to vertical integration, such as Brandix, Hirdaramani, Omega Line, and Smarts Shirts Lanka.<sup>46</sup>

**2.1.4 The Textile and Apparel Supply Chain: Actors and Stakeholders**

Throughout the textile and apparel supply chain, multiple stakeholders are involved. Together, they can play a role to optimise their collective business performance. Key stakeholders include (Figure 3):

1. Government: The Sri Lankan Government plays a key role in advancing the textile and apparel sector. The government has collaborated with industry associations since the 2000s to introduce fashion education to strengthen the apparel industry’s design and product development services. The government is also developing a textile zone, Eravur Industrial Zone

in Batticaloa, and has approved a slate of tax incentives for local and overseas fabric factories looking to set up in the zone.<sup>47</sup>

- 2. Manufacturers and industrial associations: The Industrial associations also play an important role in steering strategic decisions and influencing policies within the sector. They also function as coordinators to address sector-related issues through collaboration with the government. For example, the Joint Apparel Association Forum (JAAF) launched the initiative “Garments without Guilt” and has formulated a 5-point framework to coordinate the industry’s response to challenges stemming from the COVID-19 pandemic.<sup>48</sup>
- 3. Trade unions and civil movements: Unions in Sri Lanka have been actively campaigning for the safeguarding of human rights and the dignity of the sector’s workforce (e.g. Women’s Centre, TG CWU, Dabindu Collective, Stand Up Movement Sri Lanka, etc.). Despite that, allegations of “union-busting” are present throughout Sri Lanka at factories that supply global brands, especially amidst the pandemic.<sup>49</sup>

<sup>46</sup> See: [shorturl.at/fouEQ](http://shorturl.at/fouEQ); [shorturl.at/mszFZ](http://shorturl.at/mszFZ); [shorturl.at/ehmJ2](http://shorturl.at/ehmJ2); [shorturl.at/qCQ68](http://shorturl.at/qCQ68)

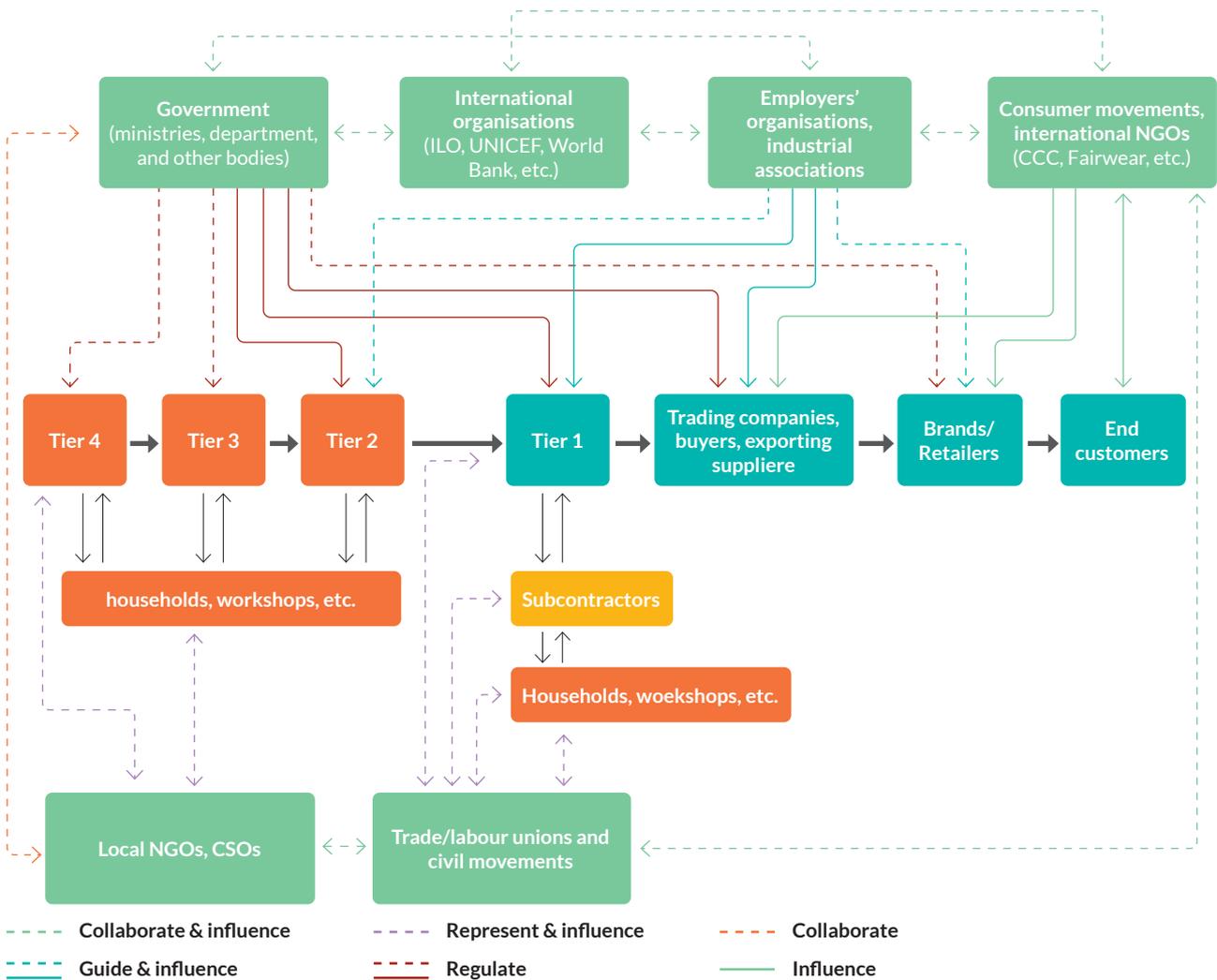
<sup>47</sup> HKTDC Research (2021), *supra* note 33

<sup>48</sup> Fibre2Fashion (2021), *Sri Lanka’s JAAF announces 5-Point Plan to ensure long-term growth*, <https://www.fibre2fashion.com/news/apparel-news/sri-lanka-s-jaaf-announces-5-point-plan-to-ensure-long-term-growth-275957-newsdetails.htm>

<sup>49</sup> Bright Green (2021), *Garment workers’ rights in Sri Lanka under threat during COVID pandemic*, [bright-green.org/2021/03/26/garment-workers-rights-in-sri-lanka-under-threat-during-covid-pandemic/](http://bright-green.org/2021/03/26/garment-workers-rights-in-sri-lanka-under-threat-during-covid-pandemic/)

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Figure 3: Stakeholders of the Textile and Apparel Sector



4. Buyers: International brands and retailers also play a key role in ensuring their fashion/apparel products are ethically produced. Many buyers sourcing from Sri Lanka have committed to transparency, for example, by signing the Transparency Pledge and disclosing their production locations such as C&A, Columbia, GAP Inc. Marks & Spencer, NEXT, Sainsbury's and Levi's.<sup>50,51</sup> When buyers publicly disclose information, it puts pressure on suppliers and allows anyone to scrutinise their policies and practices in the supply chain and hold them accountable for their claims and advocate for positive change. For example, early in 2021 labour unions in Sri Lanka filed a complaint to the Labour Commissioner against global brands such as Columbia and Levi Strauss & Co as well as its supplier, Hirdaramani, over wage and other violations to workers' rights.<sup>52</sup>

5. International organisations: International organisations (e.g. UN agencies, NGOs, etc.) play a role in promoting and raising awareness on human and child rights in the textile and apparel sector of Sri Lanka. They can influence and put pressure on relevant stakeholders e.g. government and companies to initiate necessary actions, policies and procedures to achieve the above. For instance, recently in October 2021, ILO and IFC had a discussion with Joint Apparel Association Forum (JAAF) where JAAF and its members committed to collaborate with 'Better Work' to support the apparel industry in building back better in the post COVID-19 environment.<sup>53</sup> Another example is the campaign conducted by Clean Clothes Campaign and its network in Sri Lanka that constantly call for actions from brands and suppliers to address the workers' challenges.<sup>54</sup>

<sup>50</sup> Transparency Pledge, <https://transparencypledge.org/aligned>

<sup>51</sup> EDB (2017), *Industry Capability Report: Sri Lankan Apparel Sector*, Export Development Board of Sri Lanka.

<sup>52</sup> Asia Floor Wage, Press Release on March 2, 2021, [https://asia.floorwage.org/wp-content/uploads/2021/03/Press-Release\\_Sri-Lanka-2.pdf](https://asia.floorwage.org/wp-content/uploads/2021/03/Press-Release_Sri-Lanka-2.pdf)

<sup>53</sup> Daily News, JAAF to work with ILO and IFC to support apparel through the 'Better Work' initiatives, <https://www.dailynews.lk/2021/10/21/business/262433/jaaf-work-ilo-and-ifc-support-apparel-through-%E2%80%98better-work-%E2%80%99-initiative>

<sup>54</sup> Clean Clothes Campaign, *Over 50 organisations call on brands, governments and employers in Bangladesh and Sri Lanka to keep workers safe*, <https://cleanclothes.org/news/2021/over-50-organisations-call-on-brands-governments-and-employers-in-bangladesh-and-sri-lanka-to-keep-workers-safe>

6. Consumers and consumer movements: Through consumer movements, consumers can influence the supply chain decisions. For example, consumer movements (e.g. National Consumers League, USA, and Ethical Consumer, UK), together with trade unions and labour rights organisations around the world, have joined a global campaign called #PayYourWorkers.<sup>55</sup> At the time of writing, the #PayYourWorkers campaign is currently calling out NEXT, which produces a significant proportion of its apparel products in Sri Lanka, to provide wage assurance to workers.<sup>56</sup> In June 2021, the same movement successfully put pressure on one of NEXT's suppliers in Katunayake, Sri Lanka, to

recognise FTZ & GSEU Trade Union as representative of its workers and will engage with them in collective bargaining.<sup>57</sup>

The Sri Lankan textile and apparel sector has been able to attract a large number of international players and brands as investors and collaborators. In the recent past, the Sri Lankan textile sector has experienced a rapid expansion through the rise of joint ventures between domestic key players and international brands and partners. For example, MAS Linea Aqua is a joint venture between MAS Holdings, Speedo International and Brandot International. Table 2 on page 17 lists the key players.

Table 2: Key Players of the Sector

Segment of the Sector	Key Players
<b>Apparel segment</b>	<ul style="list-style-type: none"> <li>• Brandix Apparel Ltd</li> <li>• MAS Group</li> <li>• Hirdaramani Group</li> <li>• Omega Line Ltd</li> <li>• Smarts Shirts Lanka Ltd<sup>58</sup></li> </ul>
<b>Textile segment</b>	<ul style="list-style-type: none"> <li>• Hayleys Fabric PLC</li> <li>• Ocean Lanka Pvt Ltd</li> <li>• Teejay Group</li> <li>• Stretchline Pvt Ltd</li> <li>• Trischel Fabric Pvt Ltd</li> </ul>
<b>Handlooms, weaving and accessories</b>	Selyn
<b>International players operating in Sri Lanka</b>	<ul style="list-style-type: none"> <li>• Australia : MGT Group, Forbes Fashion</li> <li>• Germany : Ahlers, Adlers, Triumph, ALT United</li> <li>• Hong Kong : Fountainset, Megatrend Development</li> <li>• Indonesia : Indorama – polyester yarn</li> <li>• UK : Textured Jersey, Martin Emprexx, Christy International</li> <li>• USA : Mast, Kellwoord, Shore to Shore<sup>59</sup></li> </ul>
<b>Key international brands sourcing from (buyers)</b>	Ann Taylor, Banana Republic, C&A, Calvin Klein, Chantalle Group, Columbia, Gap, Gloria Vanderbilt, Intimissimi, Lands' End, Marks & Spencer, Next, Old Navy, Polo Ralph Lauren, Sainsbury, The Limited, Victoria's Secret, Liz Claiborne, Jones New York, Tommy Hilfiger, Pink, Speedo, Abercrombie & Fitch, Levi's <sup>60,61</sup>

<sup>55</sup> #PayYourWorkers, <https://www.payyourworkers.org/coalition>

<sup>56</sup> Clean Clothes Campaign, Pay Your Workers, <https://cleanclothes.org/campaigns/pay-your-workers>

<sup>57</sup> Labour Behind the Label, A win for NEXT workers in Sri Lanka, <https://labourbehindthelabel.org/a-win-for-next-workers-in-sri-lanka/>

<sup>58</sup> EDB (2021), *supra* note 16

<sup>59</sup> Chelina Capital Corporation (2013), *supra* note 16

<sup>60</sup> EDB (2020), *supra* note 11; and EDB (2017), *supra* note 1

<sup>61</sup> Chelina Capital Corporation (2013), *supra* note 16

## 2.1.5 How COVID-19 Affects the Sri Lankan Textile and Apparel Sector

The COVID-19 pandemic has significantly impacted the Sri Lankan economy, with annual GDP growth sliding from 3.27% in 2018 to 2.26% in 2019 and -3.57% in 2020.<sup>62</sup> The COVID-19 crisis led to widespread losses in livelihoods, particularly in industry and services.

Out of 8.2 million people who were employed in 2019, around 27.3% of workers were engaged in the industry sector before the pandemic. The industry sector then experienced 42.5% pandemic-related job losses.<sup>63</sup>

The Sri Lankan apparel sector recorded only USD 3.9 billion in export revenue earned in 2020.<sup>64</sup> The Joint Apparel Association Forum (JAAF) reported that supplier revenue fell by USD 780 million between March and July 2020.<sup>65</sup> The export-oriented apparel industry experienced significant challenges due to low global demand and a shortage of raw materials at the early stages of the pandemic.<sup>66</sup>

Despite the global orders to manufacture face masks and surgical gowns during the pandemic, in April 2020, the Sri Lanka Apparel Exporters Association (SLAEA) estimated at least 30% of the workforce of the entire apparel industry was likely to get laid off.<sup>67</sup>

At the end of 2021, Sri Lanka's garment industry took a fundamental step towards improving the working conditions in the sector amid the COVID-19 pandemic. A Memorandum of Understanding (MOU) was signed between the Joint Apparel Association Forum (JAAF) and the South Asian country's worker unions, which includes the establishment of employer-employee health committees, stronger freedom of association and a dispute-resolution mechanism.<sup>68</sup> This is the first time an industrial sector such as JAAF is represented in a bipartite agreement with worker representatives.



<sup>62</sup> The World Bank, GDP growth (annual %) - Sri Lanka, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=LK>

<sup>63</sup> The World Bank (2021), The COVID-19 Impact on Livelihoods and Poverty in Sri Lanka: Background Note to Sri Lanka Poverty Assessment, <https://openknowledge.worldbank.org/handle/10986/35496>

<sup>64</sup> BOI, Manufacturing: Apparel, <https://investsrilanka.com/apparel/>

<sup>65</sup> ILO (2020), Research Brief: The supply chain ripple effect: How COVID-19 is affecting garment workers and factories in Asia and the Pacific, [https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms\\_758626.pdf](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms_758626.pdf)

<sup>66</sup> The World Bank (2021), *supra* note 49

<sup>67</sup> Jasmin Malik Chua (2021), Inside Sri Lanka's Historic Garment Worker-Rights Agreement, <https://sourcingjournal.com/topics/labor/sri-lanka-joint-apparel-association-forum-brandix-mas-holdings-worker-rights-320669/>

<sup>68</sup> Sunday Times (2020), Apparel industry to lay off 30% workforce, <https://www.sundaytimes.lk/200405/business-times/apparel-industry-to-lay-off-30-workforce-399059.html>

## 2.2 What We Know about Human Rights and Child Rights in the Sri Lankan Textile and Apparel Sector

### 2.2.1. Workers' Income

According to the Wage Indicator, 57,100 LKR (USD 280) is the minimum income required for a family of two parents, two children and one working parent to survive, and 28,600 (USD 140) is the minimum income required for a family of two parents, two children and two working parents to survive.<sup>69</sup>

But according to the Clean Clothes Campaign, the monthly minimum wage in Sri Lanka is only 13,500 LKR (USD 68) and the average earning of an experienced sewing machine operator or fabric cutter is about 23,500 LKR (around 120 USD), which is still below what is needed to survive.<sup>70</sup>

The latest data compiled from different legitimate sources show that Sri Lanka's minimum wage only accounts for 35% of the local living wage. This low rate means Sri Lanka lags far behind other Asian countries such as Indonesia (174%), India (121%), Bangladesh (66%), or even Myanmar (64%).<sup>71</sup>

This condition has been aggravated by the pandemic where workers have faced serious health risks and struggled with economic uncertainty. To respond to such risks, in May 2020, a tripartite agreement between the Ministry of Labour, employers and trade unions was reached where workers who are not deployed to work will be paid 50% of basic wage/LKR 14,500.<sup>72</sup>

However according to Industri All in 2021, workers have lost income, benefits and allowances, and have experienced delays in payment or, at times, the wholesale non-payment of their wages.<sup>73</sup> According to a survey conducted by Sri Lanka's Department of Labour, 32% of employers in the garment industry were unable to pay workers their salaries in May and June, 2020.<sup>74</sup> The Clean Clothes Campaign estimates that garment workers in Sri Lanka lost a total of approximately 40% of their normal wages

(around USD 24 million) in the months of March-May 2020, and one fifth of the 275,000 workers employed in the free trade zones also lost their jobs.<sup>75</sup>

Furthermore, the manpower workers who were hired through manpower agencies on a day-to-day ad-hoc basis (on daily wages ranging from 900-1200 LKR) were hit worse than the contractual or permanent employees during the pandemic. Many of them lost their daily earnings without proper support.

Women are also disproportionately affected by the COVID-19 crisis as roughly one in seven women are employed in the sector in Sri Lanka.<sup>76</sup> A 2015 study found that female workers of the textile and apparel factories are working more hours per week than other female workers who work in non-garment factories within the FTZs. However, when it comes to the earnings, those female workers in the textile and apparel factories have been earning a similar amount as the non-garment female workers.<sup>77</sup>

### 2.2.2 Working Conditions

The Clean Clothes Campaign reported that garment workers in Sri Lanka work long hours and often skip lunches/breaks to meet production targets and increase their earnings.<sup>78</sup> In 2015, surveys were conducted amongst over 1,800 female workers of the textile and apparel factories in six FTZ/EPZs.<sup>79</sup> The result showed that nearly 30% of the female workers had experienced some type of verbal abuse at work.

Amidst the pandemic, a 2021 study found that workers have experienced increased workload and work hours, and constant switching between different production lines.<sup>80</sup>

Garment workers also reported that they were forced to return to work despite showing symptoms of COVID-19. Workers who fainted even had water sprinkled on their faces and had to work again.<sup>81</sup> Over the course of the next two months, more than 10,000 cases of COVID-19 have been linked to factory outbreaks.<sup>82</sup>

<sup>69</sup> Wage Indicator, *Living wage series: Sri Lanka (September 2019)* <https://wageindicator.org/salary/living-wage/archive-no-index/sri-lanka-living-wage-series-september-2019>

<sup>70</sup> CCC (2021), *Sri Lankan garment workers suffer during pandemic, while brands and manufacturers continue to make profits*, <https://cleanclothes.org/news/2021/sri-lankan-garment-workers-suffer-during-pandemic-while-brands-and-manufacturers-continue-to-make-profits>

<sup>71</sup> Sheng Lu (2020), *Minimum wage level for garment workers in the world (updated in December 2020)*, <https://shenglufashion.com/2020/12/04/minimum-wage-level-for-garment-workers-in-the-world-updated-in-december-2020/>

<sup>72</sup> IndustriAll (2020), *Tripartite agreement to protect Sri Lankan workers*, <https://www.industriall-union.org/tripartite-agreement-to-protect-sri-lankan-workers>

<sup>73</sup> IndustriAll Sri Lanka Unions and Solidarity Center Staff (2021), *Overworked and Underpaid, Sri Lanka's Garment Workers Left Hanging by a Thread: Workplace Issues in the Sri Lanka Garment Sector*, [https://www.solidaritycenter.org/wp-content/uploads/2021/11/Workplace-Issues-in-the-Sri-Lanka-Garment-Sector.10.2021.FINAL\\_.pdf](https://www.solidaritycenter.org/wp-content/uploads/2021/11/Workplace-Issues-in-the-Sri-Lanka-Garment-Sector.10.2021.FINAL_.pdf)

<sup>74</sup> Wimalaweera (2020), *Department of Labour, Covid 19 & Beyond - The impact on the Labour Market of Sri Lanka*, [www.labourdept.gov.lk/images/PDF\\_upload/notices/survey%20report%202020.pdf](http://www.labourdept.gov.lk/images/PDF_upload/notices/survey%20report%202020.pdf); see also CCC (2020), *supra note 44*

<sup>75</sup> CCC (2020), *Un(der)paid in the pandemic. An estimate of what the garment industry owes its workers*, <https://cleanclothes.org/file-repository/underpaid-in-the-pandemic.pdf/view>

<sup>76</sup> ILO (2020), *Research Brief: The supply chain ripple effect: How COVID-19 is affecting garment workers and factories in Asia and the Pacific*, [https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms\\_758626.pdf](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms_758626.pdf)

<sup>77</sup> Hancock, Carastathis, Georgiou, and Oliveira (2016), *Female workers in textile and garment sectors in Sri Lankan Export Processing Zones (EPZs): gender dimensions and working conditions*, <https://sljss.sljol.info/articles/abstract/10.4038/sljss.v38i1.7386/>

<sup>78</sup> CCC (2021), *supra note 55*

<sup>79</sup> Hancock, Carastathis, Georgiou, and Oliveira (2016), *supra note 60*

<sup>80</sup> IndustriAll Sri Lanka Unions and Solidarity Center Staff (2021), *supra note 56*

<sup>81</sup> CCC et al. (2021), *COVID-19 Pandemic: A Pretext to Roll Back Sri Lankan Garment Workers' Rights*, [https://cleanclothes.org/file-repository/sri\\_lanka\\_brief\\_march\\_2021.pdf](https://cleanclothes.org/file-repository/sri_lanka_brief_march_2021.pdf); Daily Mirror (2020), *Workers who fainted had water sprinkled on their faces and had to work again*, <https://www.dailymirror.lk/news-features/Workers-who-fainted-had-water-sprinkled-on-their-faces-and-had-to-work-again/131-197861>

<sup>82</sup> CCC et al. (2021), *ibid*

## 2.2.3 Freedom of Association

In October 2021, the Free Trade Zones and General Services Employees Union (FTZ & GSEU) finally became the first union to successfully bargain a collective agreement with a factory in Sri Lanka's largest free trade zone, less than a year after a trade union branch office of the FTZ & GSEU was set up at the factory.<sup>83</sup>

Despite various corporate and multi-stakeholder initiatives incorporating an ethical code that aims to protect rights and standards of labour, there is widespread acknowledgement that Sri Lankan workers' ability to unionise is severely tested and thwarted.<sup>84</sup>

Unfortunately, in this time of crisis, many manufacturers have continued to suppress workers' union activities at factories, including by dismissing union activists, with current cases of union-busting and denying rights of collective bargaining at two Sumithra Hasalaka (Pvt) Ltd factories in Nittambuwa and Hasalaka, which supply to Next, George at Asda, SuperDry and Tom Tailors.<sup>85</sup>

## 2.2.4 Involvement of Children at Work

The Child Activity Survey conducted in 2016 estimated that around 103,704 children in Sri Lanka are engaged in economic activities, of which 37.1% are in the service sector, 33.8% in agricultural, and 29.1% in the manufacturing sector.<sup>86</sup>

Before the pandemic, about 40,000 children in Sri Lanka (mostly in their early teens) were in child labour.<sup>87</sup> While this number is not as high as some other countries in the region, many more children are at risk of being pushed into child labour now as a result of the COVID-19 crisis.

## 2.2.5 Garments Without Guilt

The Sri Lankan textile and apparel sector has been making efforts to rebrand since the mid-2000s. With growing international outcry against sweatshop practices, widespread modern slavery in the textile and apparel industry in the Global South and high consumption of natural resources by the sector, Sri Lanka's textile sector began to re-brand itself along the lines of sustainable development.

The Joint Apparel Association Forum (JAAF) of Sri Lanka adopted the Garments Without Guilt Charter. Garments Without Guilt (GWG) is based upon three pillars and associated human rights related to those three pillars: People, Planet and Profit.

According to the Export Development Board, nearly 80% of the local factories have achieved the GWG status since the adoption of the Charter. It is important to note, however, that applying for the GWG status is not a legal requirement and only a voluntary choice to be made by enterprises.

<sup>83</sup> Solidarity Centre (2021), *Sri Lanka Garments: First Collective Agreement in Free Trade Zone*, <https://www.solidaritycenter.org/sri-lanka-garments-first-collective-agreement-in-free-trade-zone/>

<sup>84</sup> Ruwanpura (2014), *The weakest link? Unions, freedom of association and ethical codes: A case study from a factory setting in Sri Lanka*, <https://journals.sagepub.com/doi/10.1177/1466138113520373>

<sup>85</sup> CCC et al. (2021), *supra note 64*

<sup>86</sup> Department of Census & Statistics Ministry of National Policies and Economic Affairs (2017), *Sri Lanka Child Activity Survey 2016*, [https://www.ilo.org/ipecc/Informationresources/WCMS\\_IPEC\\_PUB\\_30055/lang-en/index.htm](https://www.ilo.org/ipecc/Informationresources/WCMS_IPEC_PUB_30055/lang-en/index.htm)

<sup>87</sup> ILO (2020), *A time of crisis, a time to act*, [https://www.ilo.org/colombo/info/pub/pr/WCMS\\_747824/lang-en/index.html](https://www.ilo.org/colombo/info/pub/pr/WCMS_747824/lang-en/index.html)

# 03

## **KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR**

## 3.1 Overview: Which Rights Are at Risk?

This child rights risk assessment adopts a child rights-centred approach, based on the United Nations Convention on the Rights of the Child (CRC), fundamental conventions of the ILO, United Nations Guiding Principles on Business and Human Rights, and the Children's Rights and Business Principles (CRBP) co-launched by UNICEF, UN Global Compact and Save the Children. These international documents set solid legal and policy foundations for businesses to respect and promote child rights in their operations.

The child rights framework of this risk assessment has been tested, applied and continuously refined by Save the Children and The Centre in other country contexts, such as Bangladesh, China, Indonesia, India, Vietnam etc. Its large-scale application in the Bangladeshi ready-made garment sector and recent application in Sri Lankan tea plantation industry demonstrate its validity, both sectorial and geographical, to the Sri Lankan textile and apparel sector.

Refinements and adjustments were made to better examine the below impact areas that mainly affect child rights.

### 1 Workers' income, wages and working hours:

Assesses whether workers as parents or main household bread-earners can make a decent living and effectively support themselves and their family, including dependents, through current employment.

Furthermore, assesses whether workers as parents or main caregivers can maintain a balance between work and life and can fulfil their family responsibilities while being employed.

### 2 Social security, health(care) and protection at work:

Assesses whether basic employment-based social security and healthcare support are provided to workers and their families to protect workers from major workplace-related risks. Furthermore, assess workers' rights to decent work and dignity aspects such as aspects of health in the workplace.

### 3 Nutrition and health of children:

Assesses whether children's nutrition and health are guaranteed, particularly whether their parents or legal guardians' ability to support their children is guaranteed through employment.

### 4 Access to education:

Assesses whether children's access to education is guaranteed, particularly whether their parents or legal guardians' ability to secure such access is guaranteed through employment, whether working children's access to education is denied (child labour) or continuously promoted (development opportunities).

### 5 Child labour:

Assesses whether effective and sufficient measures are taken to prevent, remediate and eliminate child labour at the workplace.

### 6 Employment and protection of juvenile/young workers:

Assesses whether effective and sufficient measures are taken at the workplace to respect and protect children's (above the national legal minimum age but under 18) right to work and rights at work (in addition to general working conditions guarantees, special protection from workplace hazards and other development support).

### 7 Maternity protection and breastfeeding support:

Assesses whether pregnant workers and nursing mothers who have returned to work enjoy effective and sufficient maternity protection and support.

### 8 Childcare needs and gaps:

Assesses whether workers as parents or main caregivers face any particular challenges related to childcare while being employed and at work.

### 9 Protection risks for children:

Assesses children's protection risks at the workplace and in communities and homes where the textile & apparel workers live.

### 3.1.1 Workers' Income, Wages and Working Hours

According to the survey with workers, the monthly average wage of workers interviewed is **LKR 27,242 / USD 135**. It is significantly higher than the monthly minimum wage in Sri Lanka, which is 13,500 LKR (USD 68). According to Wage Indicator 57,100 LKR (USD 280) is the minimum income required for a family (two parents and two children) with one working parent to survive, and 28,600 (USD 140) for a family with two working parents,<sup>88</sup> which is 1.03-2.07 times more than the average salary of interviewed workers. Virtually no worker we interviewed earns the aforementioned living wage.

Wage discrimination exists and affects manpower and female workers most. These two groups earn significantly less than male workers.

The assessment results showed that **manpower** workers earn significantly less compared to regular workers and **female workers** earn less compared to males (even when keeping all other variables constant including weekly work hours, see Table 3), confirming the reports of wage discrimination against manpower workers and female workers. From the FGD with Sri Lankan Tamizh migrant workers, they moved to the Western Province for work because of the much lower wages paid in the Northern and Eastern Provinces. That means that mothers who are manpower workers in the Northern and Eastern Provinces are the most vulnerable group in terms of income. Additionally, the longer a worker works at the factory, the higher the salary gets.<sup>89</sup>

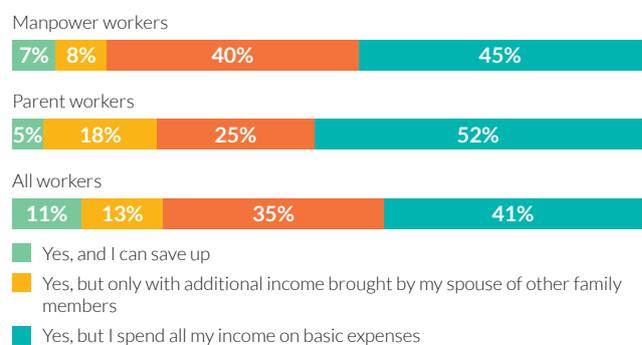
Table 3: monthly income after taxes and deductions (in LKR)

	Female workers	Male workers	Difference
Manpower workers	22,701	32,368	9,667
Regular workers	27,333	33,810	6,477
Difference	4,632	1,442	

41% of interviewed workers say their income does not cover their basic expenses. Parents are significantly less likely to save up or be able to pay for basic expenses,<sup>90</sup> and so are manpower workers<sup>92</sup> and female workers.<sup>92</sup>

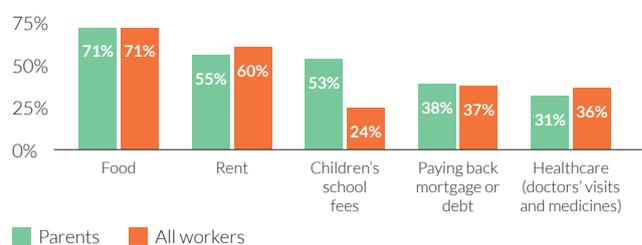
As shown in Chart 1, the majority (52%) of parent workers do not earn enough to cover their basic expenses, again, highlighting the financial hardships working mothers, especially manpower workers face. This challenge is also relevant for workers (mostly women) who are non-parents but working in the textile and apparel sector to provide for the children of their siblings/relatives (e.g. if the child's parents have passed away or are incapacitated).

Chart 1: Does your income cover your basic living expenses



According to UNICEF, low wages, long hours and lack of access to basic services (e.g. healthcare) can negatively affect children's survival, health, nutrition and education, which can lead to a long-term negative impact.<sup>82</sup> Not earning a living wage means that parents struggle to afford basic necessities for their families. As shown in Chart 2, a large majority of workers (71%) including parents (71%) often struggle to afford the most basic necessity – food – which is a strong indicator for poverty.

Chart 2: Which of the following are you often not able to afford?



<sup>88</sup> Wage Indicator, Living wage series: Sri Lanka (September 2019) <https://wageindicator.org/salary/living-wage/archive-no-index/sri-lanka-living-wage-series-september-2019>

<sup>89</sup> r= 0.1527, sig= 0.0028

<sup>90</sup> r= 0.1420, sig= 0.0052

<sup>91</sup> r= 0.0961, sig= 0.0592

<sup>92</sup> r= 0.1139, sig= 0.0252

**Box 5**

**A special focus on manpower workers' vulnerability**

Based on an FGD with manpower workers in formal sector, this group warrants special attention as they are likely the most vulnerable group in terms of work conditions, as highlighted below:

- They usually have to work long hours with the usual shifts ranging from 9 to 12 hours a day, but some shifts can last up to 15-16 hours.
- No clear job description. Their work mostly includes production/machine operating, but on some days they might have to do cleaning as well.
- There is no job security and social protection. For instance, if a female manpower worker becomes pregnant, she will not be allowed to work, and will receive no compensation/paid maternity leave whatsoever.
- Most aspects of their employment, including wages, are controlled by the manpower agent. There is no way of recovering lost/unpaid wages as neither factories nor the agents maintain any work record/documentation of these manpower workers, and there is no grievance mechanism available to them.

**Impact of COVID-19 on Worker Wellbeing**

Almost a third of all interviewed workers have been affected by the pandemic, with manpower workers hit hardest because of payment delays.

29% of interviewed workers reported being affected by the COVID-19 pandemic at work one way or another. Although we could not interview workers who were let go or forced to leave as a result of the COVID-19 pandemic, interviews and FGDs with workers revealed that it was common for new workers to be let go without compensation, and with the smaller workforce, remaining workers had to work harder to achieve targets, even when they were infected with COVID-19, and without any salary increase. In fact, many workers complained about stagnant wages over the years, with very little to no increase especially since the COVID-19 pandemic.

“ During COVID-19, our bonuses were reduced or entirely cut off. The factory reduced the number of employees. Those who had been working for less than 6 months were laid off without pay. Although the number of workers were cut, the targets got higher and have become almost unattainable. ”

- FGD with 5 female workers in formal sector

Manpower workers, who were already in a more vulnerable position, have been hit harder by the impact of COVID-19. The tripartite agreement between the Ministry of Labour, employers and trade unions from May 2020 addressing workers conditions amid the COVID-19 pandemic does not extend to manpower workers. In the past one year, significantly more manpower workers experienced payment delays (28%) compared to contractual or permanent workers (18%), a 56% difference.

According to FGDs with workers, during the COVID-19 lockdown, many had to survive on one meal a day. Some were given a lunch

“ We had to pay for taxis during the lockdown period since other modes of transportation were not available. ”

- Female manpower worker in formal sector

“ During the lockdown period, factories provided transport only to the town centres. Workers who lived away from the town centres had to hire tuk-tuks to reach the town centres or to commute back home from town centres. They have not been compensated for these expenses. Some factories indirectly reduced the attendance allowances and transport allowances of the workers. Without these allowances it was hard for the workers to commute to work. This was a mechanism to indirectly compel the workers to leave their work, so that the employers did not have to pay compensation. ”

- Free Trade Zones & General Services Employees Union (FTZ&GSE)

**Working hours**

All workers work extremely long hours that exceed the maximum working hours set forth in the law. Manpower and female workers work the same hours as contractual/permanent workers but are paid significantly less.

## KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

In line with the results of other studies in the Sri Lankan textile & apparel sector, interviewed workers work very long hours, an average of about 10 hours per day and 59 hours per week. Normal working hours per week according to law is 48 hours with additional maximum overtime hours of 12 hours<sup>93</sup>, which adds up to a maximum of 60 hours per week. However, 34% of workers say they work more than 60 hours per week. Workers also often cannot refuse an overtime request. As described by Women's Centre in the interview, 'compulsory overtime work' has become a widespread norm across the sector, including in garment factories outside FTZs.

We did not find any significant difference between the work hours of manpower workers and contractual/permanent workers, even though manpower workers earn significantly less than the latter. The same is true for female workers: they work the same long hours as male workers even though they earn significantly less (Table 3).

“ I am a manpower worker. I have no contract, and I work up to 12 hours a day, 6 days per week. I earn about 850 - 1100 LKR per day. My husband takes care of my child while I am at work. I was suspended from work without pay when I got pregnant while I was working at my previous garment factory. ”

- 39-year-old female worker

### 3.1.2 Social Security, Health(care) and Protection at Work

The majority of manpower workers do not have a contract nor are they covered by social protection schemes.

72% of contractual/permanent workers have signed an employment contract with their factories, whereas only 32% of manpower workers say they have, confirming reports that most manpower workers work on temporary basis and without contract.

From the FGD, the participants highlighted how factories are reluctant to hire someone above the age of 30 for unclear reasons and prefer them to work as manpower workers, and further, once someone works as manpower worker, the factory will be hesitant to recruit them as contractual/permanent workers. The factory pays the agent, and the factory manager/floor manager generally gets a commission for this. The agent decides the wage/rate to be paid to the manpower workers.

Despite JAAF's Secretary General mentioning in the interview that freedom of association is guaranteed as a cardinal principle in the Constitution of the Republic, and thus the GWG Charter, factories still hardly recognise the freedom of association and the right to collective bargaining. Referring to the interview with Women's Centre, only about three factories have recognised the right to unionise across all FTZs. In line with Women's Centre and numerous reports, trade unions also have a small presence among the interviewed workers. Very few workers (10%) are members of a trade union e.g. TGCWU, CMU, Free Trade Zones & General Service Employees Union, etc., and slightly more (25%) are part of a civil society-led movement e.g. Dabindu Collective, Stand Up Movement Sri Lanka, etc.

In general, the trade union and labour rights activists seem to oppose JAAF's GWG Charter. According to interviews with the Women's Centre, Dabindu Collective and the Free Trade Zone and General Service Employees (FTZ & GSE) Union, the charter does not reflect the actual situation of workers and their well-being in the sector. Moreover, the credibility and reliability of the charter cannot be guaranteed as the employers have full control over data and information, and the GWG suggests creating alternatives to unionisation that actually contradicts the ILO's definition of 'organisation of workers'.

As for the social protection schemes available for factory employees, such as Employee's Trust Fund (ETF) and Employee's Provident Fund (EPF), overall, only 68% of interviewed workers are covered under ETF and 55% under EPF. Every worker is entitled to a form that they can retain indicating their ETF/ETP registration, however, based on the FGDs and key informant interviews, we did not find this entitlement amongst the manpower workers.

The likelihood of workers being covered is linked to whether they are manpower workers, whether they have an employment contract with the factory and the length of work in the current factory. As shown in Table 4, manpower workers, the ones who have not signed an employment contract with the factory and the ones who worked a year or less in the factory, are far less likely to be covered by social protection schemes. That would put the demographic of new manpower workers who have not signed an employment contract in the most vulnerable position.

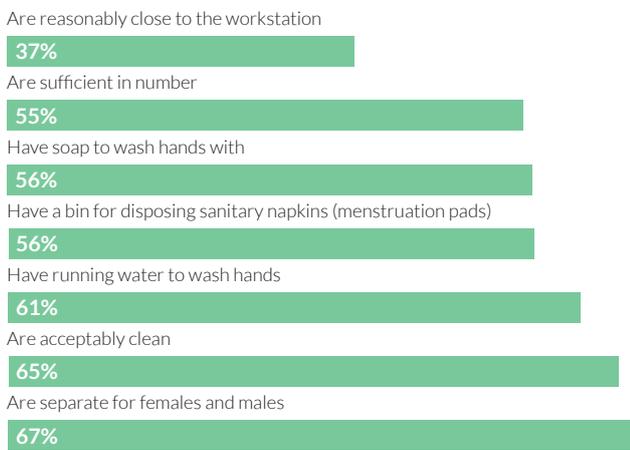
<sup>93</sup> Salary.lk, Working Hours and Holidays, <https://salary.lk/labour-law/leave-and-holidays/working-hours-and-holidays>

# KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

Employee's Trust Fund (ETF)		Employee's Provident Fund (EPF)	
Manpower workers	Regular workers	Manpower workers	Regular workers
25%	67%	28%	82%
No Contract	Contract	No Contract	Contract
35%	68%	49%	79%
a year or less	More than a year	A year or less	More than a year
43%	60%	56%	72%

Our survey shows some concerns related to the aspect of health at the workplace, which may affect workers' rights to decent work and dignity. In Chart 3 below, the majority of workers have reasonable access to adequate toilets at work such as separate toilets for females and males, sufficient in number, clean and equipped with soap and running water as well as trash bins. However, still a large portion between 33%-45% lack at least one of these conditions. The majority of workers (63%) do not find the toilets reasonably close to their workstation. This result amplifies the UN Special Rapporteur's recent statement that due to high delivery targets in the apparel industry, female workers sometimes continue to work non-stop foregoing bathroom breaks.<sup>94</sup>

Chart 3: Which of the following describe the toilets at work?



Workers are also at risk of threats and abuses at the workplace and a higher prevalence can be observed among the manpower workers. Our survey shows 19% of interviewed workers or their peers faced situations that make them feel vulnerable or threatened and 26% of manpower workers reported having been in such situations, which indicates that they are significantly more vulnerable.

“ A permanent employee at the factory made unwanted advances towards me, and when I rejected his advances, he threatened me, ”

- a female manpower worker

“ There is no safety whatsoever for manpower workers, ”

- a female manpower worker

“ People from the management harass female workers. They make unnecessary jokes, ”

- a female worker

Workers are also found to have insufficient knowledge related to their protection from inhumane treatment; for instance only 19% of interviewed workers are aware that an anti-harassment policy has been implemented, only 14% is aware of a focal person, and only 4% have ever joined training on anti-harassment (4%).

**Box 6**

**An SME going the extra mile to support workers**

Selyn Handlooms (“Selyn”), a Fairtrade certified SME focusing on handloom crafts and clothing manufacturer, employs about 200 employees directly and manages close to 1000 homeworkers within their network. To allow their direct employees to take care of their children, they set up day-care facilities and study room facilities for children of employees and male employees are granted paternity leave.

To support the homeworkers, the company permits flexible work arrangements e.g. individually/in group, flexible work hours, and paying them on a ‘price per piece’ rate based on the principles of Fairtrade. In addition, as a part of its key mission to empower women, Selyn provides local women with low interest loans and machinery at a lower price. A good example is the case of one of Selyn’s homeworkers, who with support from Selyn, got her handloom workshop registered as a business and now provides income opportunities to many women in the Kudalgamuwa area.

<sup>94</sup> UNHRC (2021), “End of Mission Statement by the Special Rapporteur on contemporary forms of slavery, including its causes and consequences on his country

visit to Sri Lanka, 26 November-3 December 2021”, <https://reliefweb.int/report/sri-lanka/end-mission-statement-special-rapporteur-contemporary-forms-slavery-including-its>

### 3.1.3 Nutrition and Health of Children

Interviewed children are at severe risk of suffering from malnutrition and related illnesses because of the low income of their parents. Medical costs associated with illness can exacerbate access to nutrition further.

Literature shows that income poverty (due to unemployment, low wages, or lack of education) can lead to household food insecurity, inadequate care, “unhealthy household environment, and lack of health services.” People of low socioeconomic status are most vulnerable to food insecurity since purchasing power serves as a main determinant of the ability to afford nutritional food sources. Households that cannot attain nutritious foods due to low income are most associated with inadequate diet and disease that leads to malnutrition.<sup>95</sup>

Undernutrition is a major underlying cause of illness and disease, and one that contributes to additional healthcare spending. Low-income households usually spend the majority of their total household income on food. In these cases, even the lowest out-of-pocket healthcare service can severely diminish the remaining income to be used for food supply, further perpetuating the issue of food insecurity.

Severe malnutrition can even result in many disease-related consequences, and effects on morbidity, mortality and disability all contribute to increased healthcare costs.<sup>96</sup>

As described earlier, since 71% of parent workers often struggle to afford food and 31% healthcare, the negative impact on the nutrition and health of children is likely substantial.

27% of the interviewed children said they usually have two meals or less per day, and 48% have animal-based protein (meat, fish, egg, canned fish and milk) on a daily basis.

35% of children reported having experienced at least one common health symptom such as diarrhea, vomiting, flu or itchiness in the past one month. Among them, flu was the most common illness among children (22%). Additionally, 15% of the children said they were infected by COVID-19. However, only 25% of children went to the doctor in the past six months.

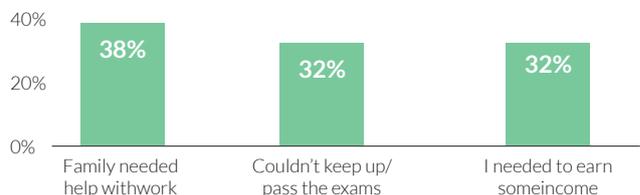
### 3.1.4 Access to Education

34% of children above the age of 12 are out of school, and one of the main reasons for dropping out is the need to work.

95% of children we interviewed are aged 12 and above, and 34% of them are out of school, which is more than twice as much as what their parents reported (only 16% of workers’ children aged 12 or above were out of school). We also found that 50% of the school dropouts happened before the age of 16, which is the compulsory school age. However, we did not find a significant difference in dropout rates between boys and girls.

As shown in Chart 4, a main reason for children to drop out is financial: they either need to help their family with work (38%) or work somewhere else to earn income (32%). As these are the children of textile & garment sector workers, it shows that a significant portion of the workers do not earn enough to secure 95 Black, Robert, et al. (2008): Maternal and Child Undernutrition: Global and Regional Exposures and Health Consequences education for their children.

Chart 4: Why did you drop out of school?



“ My father’s income was insufficient to spend on the education of 4 children. So I started to work at 14 and my two younger brothers attend school. ”

- 17-year-old girl working in T&A

“ I left home to escape from my abusive step-father. I started working to support myself at age 14. ”

- 15-year-old daughter of a textile and apparel worker who is working in other sector

<sup>95</sup> Black, Robert, et al. (2008): *Maternal and Child Undernutrition: Global and Regional Exposures and Health Consequences*

<sup>96</sup> Unite for Sight, *Module 5: Social Determinants of Malnutrition*, <http://www.uniteforsight.org/nutrition/module5>

# KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

“ Our father abandoned us. It was difficult for my mother to sustain the family from her income alone (in T&A sector). So I decided to leave school and start working to support my mother at age 16. ”

- 18-year-old girl working in T&A

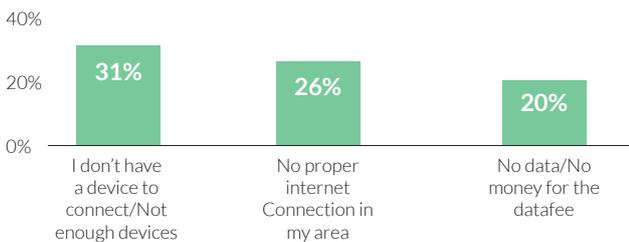
“ I have a single mother who cannot support all of us. So I started working at age 16 to support my two younger siblings. ”

- 17-year-old girl working in T&A

68% of children had difficulty accessing online learning during the pandemic and increased the risk of them dropping out from school.

COVID-19 presented a massive challenge in access to education, since families in textile & apparel sectors had limited access to mobile devices and internet needed for online classes. 68% of children faced difficulties with distant learning during the COVID-19 pandemic, of which, 46% had limited access to mobile devices and/or internet/data, and as a result, nearly half (49%) the children sometimes missed class in the past one month. This is aligned with the situation of children of four Sri Lankan Tamil participants in the FGD. None of their children have attended school lessons since the lockdown began in March 2021, as they cannot afford to buy a smart phone that allows them to attend online lessons.

Chart 5: Why did you miss school/distance learning?



The fact that the majority of children are challenged by online learning is a significant risk for access to education as children not being able to keep up in school is another key reason for dropping out.

**Box 7.**

**School during COVID-19**

- “Me and my brother both only have one mobile device. We can't do our school work at the same time with only one mobile phone between us.”
- “My parents can't afford a smart phone or data charges. So I borrow notes from my classmates who attend online lessons and copy them down.”
- “There is poor network coverage in the area. It's very difficult to attend online lessons.”
- “We are not allowed to ask many questions during online lessons. No-one checks our homework on a one-to-one basis as done in a physical classroom.”
- “Grasping online lessons are more difficult than learning in a physical classroom.”
- “We can only afford for some of us (7 children) to attend online lessons.”

The above information was obtained from FGDs with children in Katunayake FTZ of Gampaha District, Kilinochchi District, Kurunegala District and Vavuniya District in October 2021.

**3.1.5 Child Labour Risks**

The likelihood of children engaging in child labour is likely far higher than reported. At the same time, factories do not have systems in place to protect juvenile workers.

Before the pandemic, about 40,000 children in Sri Lanka (mostly in their early teens) were in child labour.<sup>97</sup> Even though this number is not high compared to child labour rates in other countries in the region, the ILO estimates that millions of children are at risk of child labour worldwide<sup>98</sup> due to COVID-19-related disruption to education and increased poverty, and thus, the risk in Sri Lanka including the textile & apparel sector could also have increased.

As the majority of parent workers in the formal sector (52%) cannot cover the families' basic expenses, workers' children are at increased risk of working at a younger age. When we talked to the parent workers, very few (only three) reported having children who are currently working. However, we learned that 34% of interviewed children are out of school (half left school before reaching

<sup>97</sup> LO, *A time of crisis, a time to act*, [https://www.ilo.org/colombo/info/pub/pr/WCMS\\_747824/lang-en/index.htm](https://www.ilo.org/colombo/info/pub/pr/WCMS_747824/lang-en/index.htm)

<sup>98</sup> Unite for Sight, *Module 5: Social Determinants of Malnutrition*, <http://www.uniteforsight.org/nutrition/module5>

16 and the other half left school between 16-17 years old). The top 3 reasons for them to leave school are: family needed help with work (36%), I needed to earn some income (33%), and couldn't keep up/pass the exams (32%). Thus, It is very likely that the children engaging in economic activities, even before reaching the minimum age of employment (16 years old), is much higher than reported by parent workers.

### 3.1.6 Protection of Juvenile/Young Workers

The minimum age of employment in Sri Lanka was raised from 14 to 16 in 2021.<sup>99</sup> The Hazardous Occupations Regulations No. 1 of 2021 protects children (i.e. a person under eighteen years of age) from any kind of hazardous occupation.

For factories in the export textile & apparel sector, it is usually a common practice to set the minimum age of employment to 18 to lower the risk of child labour as most factories do not have a policy and procedures in place to protect young workers. Because of this practice, young workers are often pushed to work in the informal sector in less regulated workplaces with poorer working conditions.

Our survey with workers found only one minor worked at the age of 17, and that only 6% were under the age of 18 when they started to work in their current factory. FGDs with young workers found that many young workers started to work in the textile & apparel sector because the single income from one of their parents who work in the same sector is not enough to support the family and pay for the education of all their siblings. Based on our observation in the North, while children may not be working in textile and apparel factories, we came across young workers (children of textile and apparel sector workers) who are working elsewhere because their parents' wages from the textile and apparel factories are insufficient.

This observation corresponds with the information shared by Sri Lankan Tamizh migrant workers during the FGD whose workers' wages in the North are comparatively lower. Not only are the formal factories reluctant to hire young workers, the support systems they have for workers cannot sufficiently protect them if they were to be hired. For example, only 36% of the workers who were under the age of 20 when they started to work at their current factory had an orientation/induction. According to FGDs with young workers, they have no access to a grievance mechanism, and the HR department hardly pays attention to concerns that the workers have raised to date.

### 3.1.7 Maternity Protection and Breastfeeding Support

Workers have an extremely low awareness of maternity benefits. Manpower workers who typically do not have employment contract often do not get maternity benefits.

The duration of paid maternity leave mandated under ILO Convention 103 is 12 weeks, which Sri Lanka has ratified. However, the number of days of maternity leave is reduced from 84 days (12 weeks) to 42 days (6 weeks) from the third child.<sup>100</sup> This reduction in rights is not compliant with the ILO Convention 103. Additionally, Sri Lanka does not have any arrangements to provide maternity benefits to informal sector workers and those in domestic and home wage employment. This constitutes the largest gap in social protection in this area.

“ I was suspended from work with no pay when I got pregnant. ”

– A 33-year-old manpower worker

77% of interviewed female workers took maternity leave while working at a factory, of which 63% took paid leave for 12 weeks and 23% took six weeks or less. Taking unpaid maternity leave is not common, as 78% the female workers who took maternity leave did not take any unpaid maternity leave.

As the maternity benefits do not cover informal sector workers, manpower workers who typically do not have any employment contract with the factory often do not benefit from them. According to FGDs, female manpower workers who are pregnant are often not allowed to work. They do not receive any paid maternity leave or compensation.

“ I'm pregnant and my manpower agent removed me from work and pays me 100 LKR per day. It's not enough for me to survive on. ”

– 33 year-old mother of one who is currently pregnant

Workers have very limited knowledge of maternity rights. Only 20% of interviewed workers are aware of the 12 week paid maternity leave at the factory. Even among the parents, only 32% (35% of mothers) are aware of the length of maternity leave.

<sup>99</sup> The Sunday Morning, *Minimum age for employment in Sri Lanka raised from 14 to 16*, <https://www.themorning.lk/minimum-age-for-employment-in-sri-lanka-raised-from-14-to-16/>

<sup>100</sup> ILO (2016), *Study on maternity protection insurance in Sri Lanka*, [https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms\\_636596.pdf](https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_636596.pdf)

## KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

### Breastfeeding

According to Sri Lanka Maternity Benefits Ordinance (2018 amendment), two paid nursing intervals should be allowed per 9-hour work shift for mothers nursing children less than one year old (in addition to meal intervals). Intervals should be at least 30 minutes if a 'creche' or other suitable place is provided and at least one hour otherwise. Additionally, nursing intervals should be taken at the employee's convenience.<sup>101</sup>

However, only 21% of female workers think female workers can take two breastfeeding breaks either as they choose or at a specific time. 74% of female workers (58% with children under the age of 18) do not know about the policy for breastfeeding breaks. 90% of female workers and 84% of mothers also do not know if there is a place to breastfeed in the factory. Such low awareness about the breastfeeding benefits at the factory indicates that workers have poor access to breastfeeding support at work. For instance, according to FGDs, female workers are also sometimes frowned upon by the floor leaders/supervisors/production managers when taking their breastfeeding breaks.

23% of the female workers who were ever pregnant while working at a factory did not breastfeed their last child and 21% breastfed up to 12 months (Chart 6). For the ones who breastfed their last child, they used exclusive breastfeeding for over 5 months on average.

Chart 6: For how long did you breastfeed your youngest child?



### 3.1.8 Childcare Needs and Gaps

90% of the parents with children under the age of 12 claim that their children are never left home alone, however, the hours most parents work unavoidably will make it difficult for them to be around. Based on our FGDs with children, it appears that they generally know that their parents having to work long hours and one child, in particular, shared that he feels poorly that he only gets to see his mother a couple of times during the year.

Children are mostly left in the care of grandparents or older siblings, and this result is aligned with information obtained from the FGDs, particularly amongst the Sri Lankan Tamizh migrant workers where childcare is being entrusted with grandparents in their hometown.

Very few parents (24%) have ever used day-care facilities for their children. Almost no parent worker used a government (2%) or factory day-care facility (2%), and a small percentage used private day-care (11%) and NGO-run day-care (9%). Only 11% of parents report having a day-care centre at their factory.

The 1939 Maternity Benefits Ordinance requires employers of more than a prescribed number to support childcare; however, the law does not specify such number de-facto translating to no legal obligation for employers.<sup>102</sup>

“ It is difficult to obtain leave/get permission from work to attend a parent-teacher meeting at schools for the well-being of our children. ”

- FGD with parent workers

“ We had to leave our jobs at a garment factory as it was difficult to care for our children. It's more convenient to work from home for that reason. ”

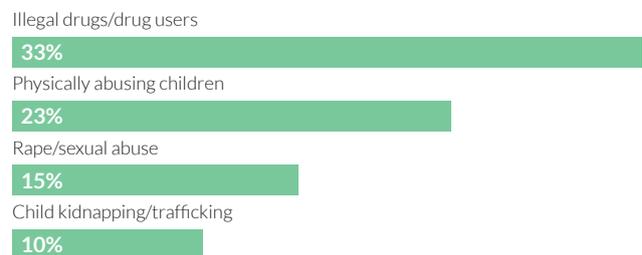
- Two homeworkers joining FGD

### 3.1.9 Protection Risks for Children

Children feel least safe in their communities, where violence is common.

64% of parent workers say there is no safe place outside home or school for children to play. Parents are mainly concerned with illegal drugs in the communities (33%), physical abuse (23%) and rape/sexual abuse (Chart 7), and only 11% think none of these child protection risks exist in their communities.

Chart 7: What potentials risks/dangers do you think exist in your community/neighbourhood for children?



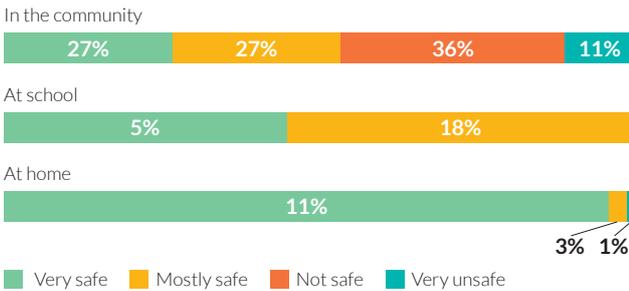
<sup>101</sup> IFC (2018), *Tackling Childcare in Sri Lanka: The Business Case for Employer-Supported Childcare*, [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/gender+at+ifc/priorities/employment/SriLanka\\_Tackling\\_Childcare](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/employment/SriLanka_Tackling_Childcare)

<sup>102</sup> Ibid.

# KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

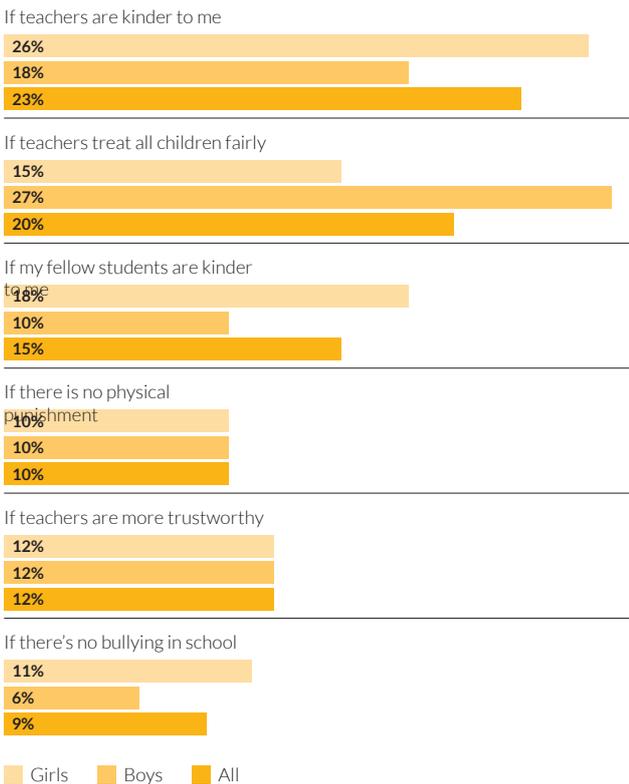
As shown in Chart 8, children mostly feel very safe at home (97%), but less so in school where only 55% feel very safe and the rest feel mostly safe. In the community is where children feel most unsafe: only 27% of them feel very safe and nearly half (47%) feel unsafe (Chart 8).

**Chart 8:** Please rate how safe you feel in the following locations?



For the reasons why children might feel less safe at school, Chart 9 shows what children think should happen to make children feel safer in school. According to children, teachers' attitude towards them seems to be the main thing making them feel unsafe. A smaller number of children also mentioned physical punishment and bullying in school. Even though most of these results are not significantly different for boys and girls, they feel differently about some aspects. For example, more boys feel that not all children are not treated fairly by the teachers, and more girls feel their peers are not kind enough to them.

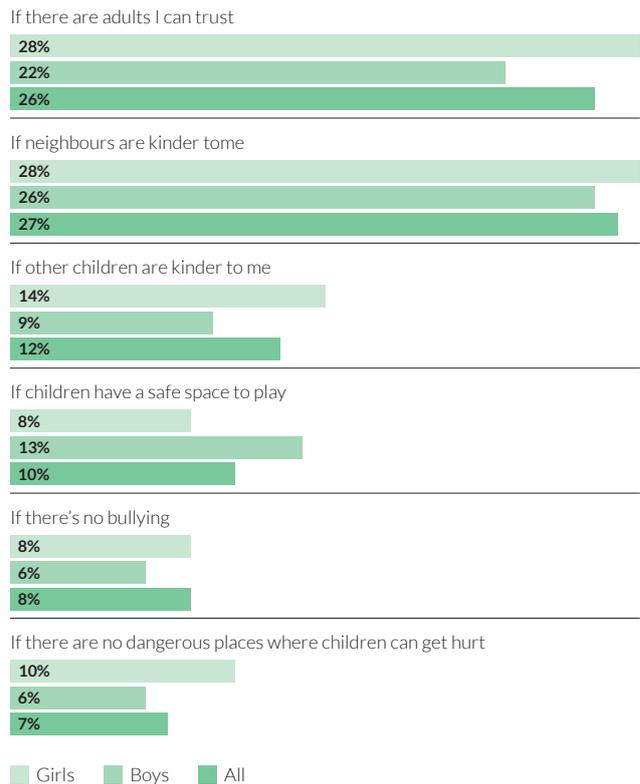
**Chart 9:** How would feel safer in school?



As for children's reasons to feel unsafe in communities and what they would like to change to feel safer, Chart 10 shows that it's less because of the environment around them or other children, but more because of their relationship with adults. For example, 30% said they would feel safer if there were adults they could trust.

Additionally, 45% of children said they witnessed a violent fight at least once and 29% of those said they often witnessed violence. 12% of those violent fights took place at home regardless of children feeling very safe at home. 87% of those children witnessed violence in their community, which explains why they feel significantly less safe where they live. Also, girls reported witnessing violent flights more frequently than boys.

**Chart 10:** How would you feel safer in the community/ neighbourhood?



# KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

## 3.2 Summary of Rights at Risk

Unit of Analysis	Risk	Contributing Factors	Potential Impact	Initial Risk		
				Consequence	Likelihood	Risk Ranking
1. WORKERS' INCOME AND WAGES	1.1 Wages far below living wage	Income gaps between workers in the formal and informal sectors; income uncertainty in the midst of COVID-19.	<b>Right to survival</b> Risks to children's health	3	3	M
	1.2 Most parent workers struggle to pay for basic expenses, and find it difficult to afford food and education for their children. Many families do not have enough mobile devices and/or internet/data for online classes.		<b>Right to survival</b> Risks to children's health  <b>Right to develop</b> Access to education	3	4	H
2. SOCIAL SECURITY AND PROTECTION AT WORK	2.1 Only a small portion of manpower workers are covered by social security schemes at work.	Social security coverage for workers in the informal sector is lower than the formal sector. Still a significant portion of contract/permanent workers do not have a signed contract with factories, and are less likely to be covered by social protection schemes.	<b>Right to survival</b> Risks to children's health	3	3	M
3. NUTRITION AND HEALTH OF CHILDREN	3.1 A large majority of parent workers report often struggling to afford food.  A significant portion of children have only two meals or less a day.	Stagnant wages Job losses due to COVID-19	<b>Right to survival</b> Risks to children's health	3	4	H
4. ACCESS TO EDUCATION	4.1 Educational expenses remain significant for parents  4.2 Significant portion of children in compulsory school age are out of school	Parents, already under pressure from reduced incomes, are struggling to pay for additional expenses caused by COVID-19 and the need for online schooling (devices, meals, etc.).	<b>Right to develop</b> With greater financial pressure and lower income, children are more likely to drop out of school early	3	3	M
5. CHILD LABOUR	5.1 Increased minimum age for recruitment in the formal textile & apparel sector		<b>Right to develop</b> Children's rights to work systematically denied	1	1	M
	5.2 Lack of special protection for juveniles, weak regulation in the informal sector	Increased minimum age for recruitment in the formal textile & apparel sector pushes children who've reached the legal minimum age to seek employment in the informal sector.	<b>Right to survival</b> Risks to children's health  <b>Right to protection</b>  <b>Right to develop</b> Children's rights at work	5	4	H

## KEY FINDINGS: HUMAN RIGHTS AND CHILD RIGHTS RISKS IN TEXTILE & APPAREL SECTOR

Unit of Analysis	Risk	Contributing Factors	Potential Impact	Initial Risk		
				Consequence	Likelihood	Risk Ranking
6. JUVENILE WORKERS	6.1 Systematic exclusion of juveniles in the formal textile & apparel sector	There is a real need for children from poor or deprived families to start working when they reach the legal minimum age	<b>Right to survival</b>  <b>Right to develop</b> Children's rights to work	3	3	M
	6.2 Lack of special protection for juveniles, weak regulation in the informal sector	The informal sectors are generally out of regulatory reach	<b>Right to survival</b> Risks to children's health  <b>Right to protection</b> Risks of harassment or exploitation  <b>Right to develop</b> Children's rights at work	4	5	H
7. MATERNITY LEAVE AND BREASTFEEDING	7.1 12-week maternity leave cut in half from 3rd pregnancy	Mothers' awareness of maternity rights and paid maternity leave remains low	<b>Right to survival &amp; to development</b> Mothers' capacity to ensure children grow, stay healthy and develop to their full potential.	3	3	M
	7.2 Significant portion of female workers do not breastfeed their children	The maternity benefits do not cover informal sector workers				
	7.3. Weak breastfeeding support at the workplace					
8. CHILD CARE BREASTFEEDING	8.1 Childcare remains largely a family responsibility	Childcare remains largely a family responsibility. Children are often left in the care of grandparents or other siblings	<b>Right to protection, and Right to develop</b> Children are not well looked after due to the lack of parental supervision and involvement.	3	3	M
	8.2 Very few alternative childcare options including factory day-care	Due to the gap in legal mandate, few factories provide day-care for employees				
9. CHILD PROTECTION BREASTFEEDING	9.1. Violence is common in communities. Therefore, a significant portion of children feel unsafe in their communities	Boy and girls might feel slightly different about certain aspects that make them feel unsafe in school and communities. Additionally, girls reported witnessing violent fights more frequently than boys.	<b>Right to protection</b>	3	3	M

# 04

## Recommendations

To address the key risks identified in the previous chapter, this section provides a range of concrete and actionable recommendations that could be put in place by the service providers and relevant stakeholders in the Sri Lankan textile and apparel sector, such as:

- Buyers (including brands and retailers), manufacturers in both textile and apparel, and the influential industry association in Sri Lanka e.g. Joint Apparel Association Forum (JAAF);
- Relevant public sectors such as, among others, the Cabinet Ministry of Labour, the Industrial Development Board (IDB), Export Development Board (EDB), the Ministry of Women and Child Development; and
- International organisations such as UN agencies and civil society organisations such as NGOs and trade unions.

For every recommendation, we created a table to indicate what risk area the recommended action would address, the scope, size of required investment, complexity and expected effectiveness and sustainability in tackling a risk.<sup>103</sup> The table's gradings are developed from a business perspective, meaning that we mainly consider e.g. the cost to business or the complexity for business to implement a certain recommendation (as opposed to what it would mean for government or CSOs).

The recommendations show how the textile and apparel sector, its suppliers and broader stakeholders can become active promoters of human and children's rights in and beyond the textile and apparel sector. The suggested measures are not comprehensive but are intended to serve as a discussion starter within the sector to address the key human and child rights risks.



<sup>103</sup> Legend: i) Green: low investment/complexity and great expected effectiveness, sustainability and scalability; ii) Yellow: medium investment/complexity/expected effectiveness/sustainability and scalability; iii) Red: high investment/complexity and low expected effectiveness, sustainability and scalability

# Recommendations

## 1. Offer stronger maternity protection

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Short term	12-week maternity leave cut in half from 3rd pregnancy, exclusion of workers in informal sector, low breastfeeding rate amongst workers and weak breastfeeding support from employers	Direct supply chain Sector-wide	Medium	Medium	High	High	High

A number of risks and challenges revolving around maternity protection in the textile and apparel sector can be addressed if all relevant stakeholders work towards better maternity protection.

### Buyers and their Sri Lankan suppliers should:

Grant paid maternity leave of 12 weeks as described in ILO Convention 103 which Sri Lanka has ratified, regardless of how many children the worker has. The period of maternity leave after the baby is born shall in no case be less than six weeks.

Provide strong breastfeeding support to nursing workers such as extending maternity leave to 6 months for optimal health of mother and baby, and/or improved onsite support at the workplace that allow nursing workers to continue breastfeeding their children when they resume work. The onsite support can be given by ensuring two paid nursing intervals per 9-hour work shift for nursing workers this is in line with the Sri Lanka Maternity Benefits Ordinance (2018 amendment) – and establish a lactation room with refrigerator where nursing mothers can express and store breastmilk hygienically and comfortably. Moreover, conduct capacity-building sessions on maternity protection including breastfeeding practices for factory management, HR personnel, all workers (male and female), and its direct supply chain.

### Government agencies should:

- Improve regulatory efforts for stronger maternity protection for all workers, including in the informal setting, in and beyond the textile and apparel sector.
- Ensure better compliance among employers to provide maternity protection including breastfeeding support according to the applicable law.

### Industry associations should:

- Promote maternity protection including breastfeeding in the textile and apparel sector according to the national law and international standards.

### Civil society organisations should:

- Advocate for an enhanced and adequate maternity protection system including breastfeeding support in the textile and apparel sectors for both formal and informal workers e.g. for an improved legislation (towards 6 months of maternity leave), or for stronger regulatory pressure on employers.

## 2. Commit to provide the “Decent Jobs for Youth” agenda

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Short to midterm	Systematic exclusion of young workers in the formal sector, and lack of protection and weak regulation in the informal sector.	Direct supply chain Sector-wide	Medium	High	High	High	High

To sufficiently provide a protective but non-discriminatory work environment for young workers in the textile and apparel sector in Sri Lanka, different stakeholders have a role to play in strengthening and facilitating the “Decent Jobs for Youth” agenda.

### Buyers and their Sri Lankan suppliers should:

- Respect and promote children’s right to decent and dignifying work in their daily operations such as adopting a strong young worker management system that includes a clear policy and procedure on recruiting and hiring young workers, a list of non-hazardous positions for young workers, provision of hard and soft-skills training for young workers, training for management and line leaders, a comprehensive grievance channel, etc.
- Use the business/commercial leverage to promote the Decent Jobs for Youth agenda among the supply chain, peer businesses and other business partners in order to gradually trigger systematic improvement.

### Government agencies should:

- Adopt a more holistic approach in combatting child labour without ignoring how appropriate work can also create benefits to help children improve the quality of life, especially marginalised children.

- Improve current regulatory efforts such as by developing a guidance for stakeholders in the textile and apparel sector to create a protective but non-discriminatory workplace for young workers.
- Create incentives for business to offer decent and dignifying work opportunities for youth.

### Industry associations should:

- Strengthen the messaging amongst employers around the importance of providing decent work opportunities for young workers to eliminate child labour in the supply chain.

### Civil society organisations should:

- Work together with relevant CSOs especially NGOs, trade unions and workers associations/organisations to advocate and convince the policy-makers to further promote the Decent Work Agenda for Youth.
- Lobby the business entities, especially the influential international buyers and the industry association to understand the importance of the Decent Jobs for Youth agenda.

### 3. Promote comprehensive policies and robust practices related to child labour prevention and remediation

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Short term	Real need for children from poor families to start working, especially when they reach the legal minimum age. Most of them are in the informal sector with less to no protection.	Direct supply chain Sector-wide	Low	Medium to high	Medium	High	High

The key stakeholders in the textile and apparel sector should take actions to promote comprehensive policies and robust practices to prevent and remediate child labour.

**Buyers and their Sri Lankan suppliers should:**

- Align existing child labour prevention policies with international and national legal standards, including the commitment to non-discrimination of young workers and to provide protection for young workers at work, strong age verification and/or vetting process during recruitment and hiring of workers, particularly those who will interact with children, cascading training model on child labour amongst the key personnel, etc.
- Develop solid child labour remediation policies and procedures with the best interest of the child considered. For instance, carry out remediation plan that includes sending children back to school and provide financial support to their family to make up the child’s loss of income.
- Use business leverage to promote and enhance compliance monitoring within business relationships.

**Government agencies should:**

- Improve strategy and regulatory efforts to eradicate child labour especially in the informal segmentation of the textile and apparel sectors.

**Industry associations should:**

- Refine and improve its “free of child labour” effort as it is a key component in the Garment Without Guilt (GWG) Charter.
- Coordinate and collaborate with relevant business actors and expert institutions, both at the international and national level, to research, explore and pilot effective ways to combat child labour in the informal sector.

**Civil society organisations should:**

- Facilitate and foster comprehensive policy-making and awareness-raising on child labour prevention and remediation by for example directing more attention towards the prevalence of child labour issues in informal sectors among policy makers.
- Lobby businesses, particularly international buyers and the influential industry association, to further prevent and remediate child labour in the textile and apparel supply chain, including the informal segment.
- Disseminate and promote comprehensive child labour solutions among the domestic civil society organisations and general public.

#### 4. Promote a living wage within the textile and apparel industry

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Mid to long term	Most parents struggle to pay for basic expenses incl. food and children's education due to wages lower than the living wage, no social protection for informal workers.	Direct supply chain Sector-wide	High	High	High	High	Medium

The key stakeholders in the textile and apparel sector should take actions to promote a “living wage” for workers.

**Buyers and their Sri Lankan suppliers should:**

- Optimise their wage calculation structure and wage system to achieve and promote a “living wage” for workers by:
  - Understanding workers’ major (family) expenditures and the pricing level in specific regions and communities to examine whether the current wage calculation structure and wage levels are sufficient for workers to maintain a decent living.
  - Have a discussion between buyers and suppliers on the pricing challenges and what would need to change so that workers can receive a living wage.
  - Explore short-term or mid-term possibilities, e.g. livelihood fund, to provide the most vulnerable workers with employer-based financial support.

Promoting a living wage within the textile and apparel sector can involve a high investment and complex process, given the fact that this intervention itself demands structural monetary and financial adjustments and many different players would need to be involved to find a sophisticated solution. However, once successful, it will have direct and high impact on both workers and their families and the industry development and may offer better protection to workers in difficult times e.g. COVID-19 pandemic. A well accepted living wage system within the textile and apparel sector will be easy to sustain, though its scalability to the lower supply chain and other industries may depend on other practical issues.

5. Strengthen education and childcare support

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Short term	Children of compulsory age are out of school due to parents' reduced incomes and challenges related to online schooling. Further, there are only a few childcare options so often children are left with grandparents or older siblings.	Direct supply chain Sector-wide	Medium	Medium	High	High	Medium

In an effort to further support children’s education (to make sure they stay in school as long as possible) and reduce workers challenges in childcare, the key players in the textile and apparel sectors can be more innovative and supportive, such as:

**Buyers and their Sri Lankan suppliers should:**

- Consider providing educational support for workers’ children, such as scholarships, factory-based after-school courses, factory-based summer school, in-kind supports, etc.
- Take actions in responding to workers’ challenges in childcare by introducing a childcare allowance, keeping workers informed of available community support, supporting local childcare services, etc.
- Promote positive parenting practices to increase workers’ awareness of early childhood education, role and participation of fathers in parenting, etc.

**Government agencies should:**

- Improve regulatory efforts to ensure better compliance amongst employers in supporting children’s education and childcare. This obligation should not only be for the formal workers, but also the informal workers.

For instance, government needs to better ensure that children can sustain their education so they would not have to resort to leaving schools. Another example, the government needs to clarify the “prescribed number of workers for companies to support childcare”, as the current law does not provide a specific number, which translates into non-compliance among employers.

**Industry associations should:**

- Foster collaborations between textile and apparel factories in the shared community to bridge gaps in children of workers’ childcare and education.
- Pilot, support or sponsor related educational or childcare projects in the Sri Lankan textile and apparel sector. Not only will this influence the key business actors, but it will also foster, promote and improve women’s, particularly mothers’ participation in the labour market.

**Civil society organisations should:**

- Advocate for a stronger regulatory pressure for employers to provide enhanced childcare and education support for children of workers in the textile and apparel sectors, both in formal and informal segments.

## 6. Strengthen protection systems at the workplace and in the community

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Short term	Workers and children are at risk of threats and abuses at the workplace and in the community, and a higher prevalence is amongst the manpower workers	Direct supply chain Sector-wide	Low	Medium	Medium	High	High

In an effort to further protect workers and their children at the workplace and in the community, all relevant stakeholders need to take actions.

### Buyers and their Sri Lankan suppliers should:

- Create a policy or code of conduct reflecting the company’s ethical guidelines that covers issues such as non-discrimination, protection from sexual harassment, intimidation and threats and make sure their sub-tiers conform to it.
- Establish a strong grievance procedure with clear remedial actions for workers and their children at all levels of the supply chain regardless of their employment status, allowing them to make complaints on any grievance that may harm or negatively affect them in anyway, especially if it happens in the workplace.
- Carry out a comprehensive vetting procedure and provide safeguarding training for workers who will interact with children directly e.g. caretakers at day-care, teachers in a factory school, etc.
- Invest in and/or set up directly a child friendly space onsite/near site for children of workers, so children can play in a safe environment outside school hours while their parents are still at work.

### Government agencies should:

- Improve regulatory efforts and ensure better protection for workers and their children, in both formal and informal segment of the textile and apparel sector, such as clarifications on employers’ obligation in providing a safe working and living environment for workers and families, widespread awareness-building, etc.
- Consider the specific vulnerabilities children of workers face and make direct interventions targeting long term behavioral change, to prevent violence in the community.

### Industry associations should:

- Pilot, support or sponsor related worker and child protection projects in the Sri Lankan textile and apparel sector. This will influence the key business actors.

### Civil society organisations should:

- Direct more attention from the policy-makers to the prevalence of potential and actual risks for workers, especially female and manpower workers, and their children.
- Advocate for a mother and child-friendly factory by providing support to companies to set up the necessary structures that enable them to mitigate risks in their business operations.

## 7. Strengthen data collection on child rights

Time-frame	Addressed Risks	Scope	Investment	Complexity	Effectiveness	Sustainability	Scale
Med to long term	All risks described in chapter 3 relate to workers' income and wages, social security and protection at work, children's nutrition, education and childcare, child labour and young workers, as well as maternity protection and breastfeeding	Direct supply chain Sector-wide	Low	High	Medium	High	Medium

For the textile and apparel sector to effectively deliver better child rights outcomes and mitigate negative child rights impacts, accurate and timely data provides a solid basis for action.

**Buyers and their Sri Lankan suppliers should collect information on:**

- Workers' livelihoods: general financial status of families and vulnerabilities (e.g. single parents, disability or sickness, multiple young dependents, etc.).
- Understand workers' needs and challenges related to community services, including day care, education, healthcare, water and transportation.
- School-attendance status, including grade, name of school, year/grade when they dropped out (if they are not in school), etc.
- Participation of children in (informal) work in the community, including timing and hours, e.g. after school or on weekends.

**Government agencies should:**

- Establish a continuous data collection and tracking mechanism or platform with relevant governmental agencies, e.g. Cabinet Ministry of Labour and Ministry of Women and Child Development to regularly monitor the child rights situation in the textile and apparel sector particularly and, generally, in other industries.

- Use the systematically collected data to create an evidence-based solution that benefits different stakeholders in the sector.

**Industry associations should:**

- Support and promote government programmes to strengthen data collection on child rights in Sri Lanka amongst the textile and apparel factories located in different FTZs throughout the country.

**Civil society organisations should:**

- Facilitate international and national exchanges on technical issues and provide technical support (particularly technical support from experienced international agencies such as the World Bank) where necessary.
- Advocate for a strong data collection process such as by offering expertise to design the tools carefully, promote the initiative through networks of trade unions/workers and NGOs, and utilise the collected data for evidence-based advocacy.

# 05

APPENDICES

## Appendix 1. ISO 31000 Risk Assessment Criteria Matrix

This child rights impact assessment is guided by a Risk Assessment Criteria Matrix based on ISO 31000. ISO 31000 is an international standard that provides principles and guidelines for effective risk management. The identified risks are assigned rankings in the order of probability (likelihood which they occur) and magnitude (consequence, the strength of impact).

### 1. Likelihood

As per ISO 31000, likelihood is defined as ‘the chance of occurrence’. In risk management terminology, the word ‘likelihood’ is used to refer to the chance of something happening, whether defined, measured or determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically (such as a probability or a frequency over a given time period). Further definition of likelihood rankings is provided in the table on the right.

Likelihood	Summary
1. Rare	Very unlikely in the current or in a changing environment. Conceivable but highly improbable. The aspect/event may occur in very exceptional circumstances.
2. Unlikely	Less likely to happen in the current or a changing environment. The impact could occur at some time. The aspect/event has happened elsewhere under slightly similar circumstances.
3. Possible	It could happen in the current or a changing environment. The aspect/event has occurred before here or in similar circumstances elsewhere.
4. Likely	It probably will happen in the current or in a changing environment. The aspect/event is expected to occur. The aspect/event occurs in most circumstances.
5. Almost Certain	Frequent occurrence in current or in a changing environment. The aspect/event has occurred. The aspect/event occurs in almost all circumstances.

### 2. Consequence

As per ISO 31000, consequence is defined as ‘the outcome of an event affecting objectives’. As outlined in the ISO standards: an event can lead to a range of consequences; consequence can be certain or uncertain and can have positive or negative effects on objectives; consequences can be expressed qualitatively or quantitatively; and the initial consequences can escalate through knock-on effects as shown in the table in the next slide.

Consequence	Social Impact
1. Slight	Slight impact on children’s rights or misunderstanding with parent worker(s) or community members. Written/verbal complaint from community.
2. Low	Low but ongoing impact on children’s rights, parent worker(s)’s well-being or community health/well-being.
3. Medium	Medium but ongoing impact on children’s rights, parent worker(s)’s well-being or beyond local community’s well-being that can be recovered quickly and without significant lasting reputational or relationship impacts.
4. High	Significant non-compliance and impact on children’s rights, parent workers’ well-being and community’s and well-being. National and international concerns. Sustained NGO/stakeholder activism resulting in reputational damage.
5. Extreme	Breach of national and international law. Severe non-compliance and severe negative impact on children and parent workers’ health and safety. Complete breakdown of relationship with key stakeholders. Sustained negative media coverage on a national and/or international level. Cessation or severe restriction of operations. Public outrage.

Initial risks are assessed and ranked as per matrix in the table below, and a colour-coded risk ranking is assigned (Low, Moderate, High, and Very High).

Likelihood		Consequence				
Level		1	2	3	4	5
		Slight	Low	Medium	High	Extreme
5	Almost Certain	Moderate	High	High	Very High	Very High
4	Likely	Moderate	Moderate	High	High	Very High
3	Possible	Low	Moderate	Moderate	High	High
2	Unlikely	Low	Low	Moderate	Moderate	High
1	Rare	Low	Low	Low	Moderate	High

Possible changes and control mechanisms are then identified to avoid or reduce the anticipated impacts. The proposed changes and control mechanisms focus on either reducing the likelihood of occurrence or decreasing the magnitude of the consequence so that the residual risk rankings are reduced to acceptable levels. The expected residual risks should rank lower in risks by one or two orders of magnitude after the proposed changes are adopted.

## Appendix 2: Data Collection Plan

Stakeholder groups	Preferred respondents/ interviewees	Assessment methods	Assessment focus	Data collection status
Workers and their children	<ul style="list-style-type: none"> <li>Factory workers (focusing on women &amp; young mothers)</li> <li>Young &amp; juvenile workers</li> <li>Children in the community</li> <li>Parents and caretakers of children</li> </ul>	<ul style="list-style-type: none"> <li>Online surveys for factory workers</li> <li>Online surveys for children of factory workers</li> <li>Virtual interviews</li> <li>FGDs for Selyn's women entrepreneurs and children</li> <li>Desk research</li> </ul>	<ul style="list-style-type: none"> <li>Awareness and risks of maternity rights, child rights, child protection</li> <li>Challenges and needs e.g. maternity protection, family-friendly workplaces, working conditions, wage, grievance mechanism, maternity and child protection, health &amp; safety, environment, etc.</li> <li>Perception of gender equality, child labour and education.</li> <li>COVID-19 impact on workers and their children and society along the supply chain</li> </ul>	<b>Collected;</b> 388 respondents for the worker survey, 205 respondents for the children survey, 6 FGDs with workers and children attended by 16 workers and 14 children, and 6 homeworkers of the handloom sector/segment and 6 of their children joined self-administered questionnaires.
Companies incl. buyers, suppliers	<ul style="list-style-type: none"> <li>Company heads</li> <li>CSR/Responsibility officers</li> <li>Compliance/Auditing /Legal officers</li> </ul>	<ul style="list-style-type: none"> <li>Virtual interviews</li> <li>Desk research</li> </ul>	<ul style="list-style-type: none"> <li>Supplier policies and practices on maternity and child rights e.g. breastfeeding, childcare facilities, family-friendly workplaces, flexible working hours, HR capacities etc.</li> <li>Understanding of business benefits for family-friendly workplaces such as worker retention, worker satisfaction, motivated workforce etc.</li> <li>Commitment of home countries for extraterritorial human rights due diligence</li> <li>COVID-19 impact on business, and the challenges faced by workers and their children and society along the supply chain</li> </ul>	<b>Collected;</b> One interview was conducted with the owner of Selyn. No successful interview could be conducted with big companies such as Hirdaramani, Brandix, Embarks/Who We Are.
Civil Society Organisations incl. NGOs, trade unions, etc.	<ul style="list-style-type: none"> <li>Organisation heads</li> <li>Corporate engagement officers</li> <li>Advocacy officers</li> </ul>	<ul style="list-style-type: none"> <li>FGDs</li> </ul>	<ul style="list-style-type: none"> <li>CSOs' assessment on business policies and practices to understand the key trends and gaps related to children's rights</li> <li>CSO leverage/freedom of association</li> <li>Currently identifiable best practices for maternity and child rights in the industry from the CSO perspective</li> <li>Trade union concerns</li> </ul>	Collected; four interviews were conducted with Women's Centre, DabinduCollective, a researcher on women's rights in textile and apparel, and with FTZ&GSE Union

## APPENDICES

Stakeholder groups	Preferred respondents/ interviewees	Assessment methods	Assessment focus	Data collection status
Business networks and audit company i.e. chambers of commerce and business/ industry associations	<ul style="list-style-type: none"> <li>Association/ Chamber heads</li> <li>CSR/Responsibility officers</li> <li>Membership/ corporate partnership officers</li> </ul>	<ul style="list-style-type: none"> <li>Virtual interviews</li> </ul>	<ul style="list-style-type: none"> <li>Sector policies and practices to understand the key trends and gaps related to children's rights</li> <li>Children-related and family-friendly workplaces collective policies and initiatives</li> </ul>	Collected; One interview was conducted with Joint Apparel Association Forum (JAAF)
Public sector	<ul style="list-style-type: none"> <li>Head of unit/ department</li> <li>Corporate engagement officer (if any/relevant)</li> </ul>	Virtual/in-person interviews	<ul style="list-style-type: none"> <li>Effectiveness of the existing policies/mechanisms</li> <li>Awareness and commitment to international frameworks</li> <li>Government assessment on the behaviour of textile &amp; apparel businesses facing government policies/initiatives related to children's rights and business at the country/regional/sector level</li> <li>Government assessment on the key trends and gaps related to children's rights and business, taking into account the COVID-19 context</li> </ul>	<b>Not collected;</b> our request and multiple follow-ups to Export Development Board (EDB) were not responded
Community leaders		<ul style="list-style-type: none"> <li>FGDs</li> </ul>	<ul style="list-style-type: none"> <li>Community awareness/cultural norms</li> <li>Educational resources/priorities</li> </ul>	<b>Not collected</b>

## Appendix 3: Additional Results

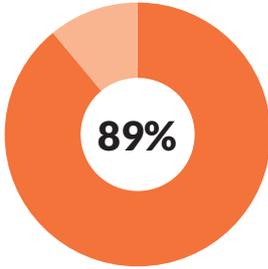
### Impact of COVID-19 on Worker Wellbeing

- A very small number of workers, all less than 10%, reported being laid off, being forced to go on paid or unpaid leaves, having their regular work hours reduced, having their pay rates cut or wages delayed. However, this result could very well be under-reported due to “survivorship bias”. As we only interviewed workers who are currently employed in the factories, the workers who were laid off and forced to leave ( or are still on-leave) may not have been captured in our analysis.
- Additionally, still a significant number, all above 10%, workers reported reduced overtime hours and having their benefits cut including the cash allowances and non-cash welfare programmes.

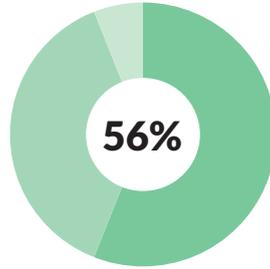
Table 1: At any time during the COVID-19 pandemic, has the pandemic affected your working situation or your peers?

	Yours %	Other workers' %	Manpower %
Laid-off	3	15	2
Forced to go on paid leave	6	14	10
Forced to go on unpaid leave	5	4	7
Reduced work hours below a normal working week	5	4	6
Reduced overtime hours	11	11	9
Reduced pay rates per hour/per piece	3	3	1
Delayed payment of wages	4	4	4
Cut on other cash allowance e.g. travel allowance, accommodation allowance, communication allowance	10	8	10
Cut on worker well-being support e.g. childcare, healthcare, free/subsidised lunch, training, etc.	11	8	11

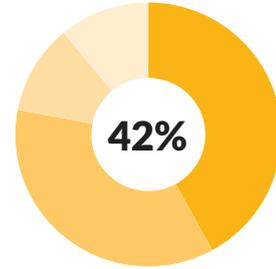
**Income and Spending**



of interviewed workers get a pay slip but only **65%** of **manpower workers** get one when receiving their wages



**clearly** understand how their wages are calculated, but **36%** only “sort of” understand it. For **manpower workers**, only **35%** **clearly** understand how their wages are calculated



of workers’ income is **not** enough to cover their **basic expenses**. **Parent workers (52%)** are less likely to be able to cover their basic expenses.

Only **11%** of interviewed workers and **5%** of parents are able to save up

**Social Protection Schemes**

**68%** of workers are covered by Employee’s Provident Fund (EPF)

- Manpower workers are much less likely to be covered by EPF. Only 28% of manpower workers are covered.
- The likelihood of being covered by EPF is directly linked with how long the worker has worked in the factory: the longer they have worked, the more likely they are to be covered by the EPF (r= 0.1158, sig= 0.0225).

**68%** of workers are covered by Employee’s Provident Fund (EPF)

- Manpower workers are much less likely to be covered by ETF. Only 25% of manpower workers are covered.
- The likelihood of being covered by ETF is directly linked with how long the worker has worked in the factory: the longer they have worked, the more likely they are to be covered by the ETF (r= 0.1577, sig= 0.0018).

**28%** of workers are not covered by any social protection scheme

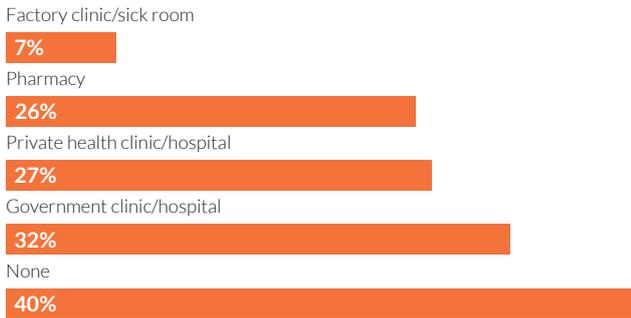
- Manpower workers are much less likely to be covered by any social protection scheme. 68% of manpower workers are NOT covered by any social protection schemes.

# APPENDICES

## Health & Safety

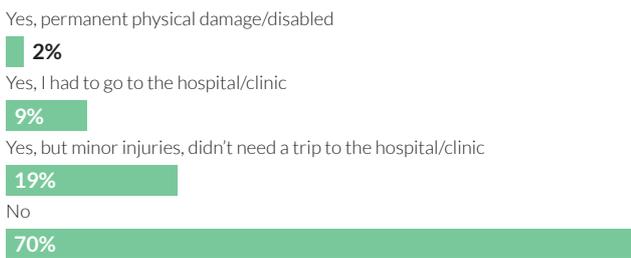
50% of the workers visited a health facility other than a pharmacy in the past six months to get themselves or their children checked out. More visited a government clinic/hospital than a private one, although the difference is not too big (5 percentage points). A very small number visited the factory clinic/sick room (7%).

**Chart 11:** Have you visited any of the following facilities in the last 6 months for you or your children



- 30% of workers experienced small and big injuries. Their gender, age, employment status and years of employment etc. did not have a significant impact on their likelihood of getting injured at work.
- 52% of injured workers took at least a day to recover from injuries before returning to work.
- 23% took more than a week, 15% took more than a month.

**Chart 12:** Have you experienced any work-related injuries?



“Workers are encouraged to visit only the MOH run clinics by the HR. Only these will be considered as paid leave. If they visit other privately run medical clinics even for their children, these will be calculated as no-Pay leave.” FGDs with female workers.

## Employment and Protection of Juvenile Workers

**Chart 13:** Which of the following support have you received at this job? (if started to work here at aged 20 or below)



**Chart 14:** Which of the following challenges/problems have you faced at work?



(workers who were aged 20 or below when they started to work at a factory)





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