

Sri Lanka Joint Apparel Association Forum Right of Reply to Clean Clothes Campaign

Reading the Clean Clothes Campaign (CCC) Report “Still Un(der) Paid: How the garment industry failed to pay its workers during the pandemic” which was published in July 2021, we have to express our profound disappointment with the conclusions and statements in the report related to the apparel industry in Sri Lanka.

Our first disappointment is that the CCC writers did not even speak to members in the apparel industry or the individual associations represented by the Joint Apparel Associations Forum (JAAF). Any report that professes to present an independent view – which we presume the CCC intends given that it covers so many countries – at the very least, speak to all sides. Instead, the CCC relied entirely on certain representatives of trade unions and anecdotal incidents. It must be mentioned that the report has a reliance on sources credited as the authors for Sri Lanka, who do not represent our industry associates.

The report has been meticulous in reporting the methods it had used to calculate the unpaid wages or bonuses in the footnotes. We wish you had displayed the same meticulousness in checking the data used to apply those calculations. That would have given the report and its conclusions the credibility it appears to have abandoned.

The report acknowledges that CCC has made assumptions in its calculations. That transparency is refreshing, but it does not absolve the CCC of the responsibility to add a caution, that the conclusions based on the assumptions it made may not reflect reality.

So we are taking this opportunity to correct the inaccurate record and incorrect data you presented, and responding to your conclusions in order.

The number of workers in the apparel industry. Your report states there are 500,000 workers. Yet several independent reports¹ put the number at 350,000 to 400,000. Your assumption is 20 – 30 per cent higher. That’s not a small error, and the source of the number you presented appears to be hearsay.

Job Losses. Your report cites 100,000 as estimated job losses. Again, the basis on which you arrived at these estimates appears to be hearsay. A report published by the Ministry of Labour titled "Covid-19 and beyond - The Impact on the Labour Market of Sri Lanka" in May 2020 estimated **total job losses** at 300,000 out of 3.5 million private-sector workers. The correct number of job losses would be available with the Ministry of Labour, and it’s unclear if any attempt was made to correlate the numbers estimated with the actual numbers.

¹ <https://www.southasiamonitor.org/cooperationtrade/sri-lankas-apparel-sector-stares-mass-unemployment>

Your report has taken a number cited as what was expressed as a fear in August 2020² out of context and presented it as today's fact without substantiating or validating it. So, the rest of the report which estimates that amount of unpaid wages is based on fear, not data.

The only conclusion we can draw is that all your estimates are simply speculative, making it both unwarranted and irresponsible.

Unpaid wages. The report also makes another unsubstantiated and irresponsible assumption when it claims that most workers who lost their jobs have not been paid compensation. It arrives at a very large number of unpaid severance dues based on the case of 497 workers who were in fact paid an average of 15 months of compensation, as per law. The fact that the only real data used for the report shows that compensation was paid to employees who were terminated, gives further doubt to your assumption that no compensation was paid to the estimated 100,000 who lost their jobs.

In May 2020, a **unique** tripartite agreement was reached between the industry and the Ministry of Labour to ensure that employers do not terminate workers' employment during the pandemic and pay 50 per of workers' basic wages, or LKR 14,500, if workers are furloughed. This agreement has ensured that the industry was able to prevent mass loss of jobs amidst a time of extreme national and global crisis. Yet your report insists on overstating the job losses.

In light of the above, the basis of all your estimates on the size of the workforce in Sri Lanka's apparel industry, job losses and claims of unpaid wages, is unclear. As the preceding paragraphs have shown, the conclusions in your report are unverified and speculative, harming the reputation of an industry that has worked hard on building it.

International institutions of repute – like the World Bank and the European Commission have, on record, acknowledged Sri Lanka's ethical and sustainable manufacturing practices as a standard for other apparel exporting countries to follow.

Again, we are extremely disappointed that your report chose to publish unverified and unsubstantiated conclusions without at the least talking to the very people you are writing about. We reiterate our statement about the irresponsibility of such an article.

We request the CCC circulate this response from JAAF to all those entities the report was disseminated to. We believe that those entities deserve a proper representation of the facts.

JAAF is the apex body of the apparel industry associations in Sri Lanka and hence represents the entirety of Sri Lanka's export apparel industry encompassing all manufacturers. We

² <https://www.ft.lk/top-story/Apparel-industry-fears-100-000-job-losses-post-COVID-19/26-704360>

would therefore like to mention that JAAF is always available for discussion and dialogue in the event CCC requires information or data for any future research or articles. Please do not hesitate to contact the undersigned if you have any queries.

Yours faithfully,

JAAF

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