

One Year Later

Threads of Injustice:

Investigating the precarious working conditions of garment workers in selected Export Processing Zones in Sri Lanka

Introduction

The Asian Forum for Human Rights and Development (FORUM-ASIA) and the Law and Society Trust (LST) undertook research between October and December 2022 to shed light on the enduring systemic, structural, and legal challenges encountered by manpower workers, commonly known as casual workers. This research also delved into the repercussions of the pandemic on garment factories situated in three Export Processing Zones (EPZs) located in the Western Province of Sri Lanka: specifically, Katunayake, Biyagama, and Wathupitiwala.

Sri Lanka's apparel industry has seen rapid growth¹ in exports in recent years, growing from USD 452 million in January 2019 to USD 487.6 million in January 2022. Despite constituting 44 per cent of the country's total exports and generating a substantial revenue of USD 5.6 billion² in 2020, this prosperity has not trickled down to the workers themselves. 15 per cent of Sri Lanka's workforce is in the apparel industry—comprising a majority 78 per cent women—and find themselves among the country's most underpaid and overworked labourers.

Between October and December 2022, a series of interviews and focus group discussions (FGDs) were conducted with 57 individuals, comprising 42 females,

¹ <https://economynext.com/sri-lanka-apparel-exports-in-5-year-record-in-january-2022-amid-war-clouds-jaaf-91036/>

² <https://groundviews.org/2020/10/24/pandemic-exposes-exploitation-of-vulnerable-apparel-workers/>

14 males, and one transgender person. This sample comprised 29 permanent factory workers, 25 manpower workers, and three experts specialising in labour laws. Each interview, conducted in person, followed a semi-structured format and was facilitated in local languages, Sinhala and Tamil. FGDs, on the other hand, were conducted separately for permanent and manpower workers from each of the three EPZs.

The research report—titled 'Threads of Injustice: Investigating the precarious working conditions of garment workers in selected Export Processing Zones in Sri Lanka'—was launched in Colombo in March 2023. It highlights the rampant labour law violations and hazardous working conditions that trap workers in a vicious cycle of poverty.

Research Findings

Research findings underscore the gendered vulnerabilities at play: fears of sexual harassment, abuse, and stigmatisation. For women and gender minorities, the workplace becomes a battleground where they face the double burden of striving for dignity and equality in the workplace while navigating systemic injustices.

Derogatory terms, such as *juki* girls, assigned to young women workers not only stigmatise their jobs but also deter other women from entering the workforce. This perpetuates a cycle of exclusion, denying women economic opportunities and further deepening the gender divide. The gendered power imbalance within the workplace has exacerbated these risks. Male mechanics and line managers often exploit their positions, coercing women workers into giving sexual favours or personal information in exchange for basic technical or professional support. The absence of functional

grievance mechanisms as well as the lack of support and mere acknowledgement from the human resources department foster a culture of intimidation and silence, where female workers fear repercussions for voicing their concerns or reporting their abusers.

The report also highlights the unequal and unfair treatment between permanent workers and manpower workers. The latter lacked adequate safety measures and training. Manpower workers were excluded from accessing support systems, leaving them highly susceptible to accidents without any accountability from the factories. This was particularly evident during the COVID-19 pandemic when manpower workers were not given an adequate supply of face masks and sanitisers.

With a disproportionately higher number of manpower workers than actual job opportunities, job insecurity remains rife. Unrealistic production targets have exacted a toll on both the physical and mental well-being of workers, leaving them with little to no time to even address basic biological needs, such as eating, drinking water, or even using the toilets, ultimately resulting in severe health problems. Taking a day off—even if the worker is sick—means no pay. This situation not only puts a worker's health at risk but also their financial stability.

Likewise, permanent workers face rigid hours. They also struggle to get a day off. This inflexibility becomes a major obstacle for women in the workforce as they also grapple with caregiving and domestic responsibilities. Oftentimes, women manpower workers cannot transition to permanent employment due to these constraints. The precariousness of their temporary jobs and uncertainty of income sources create a cycle of insecurity for manpower workers, especially women.

In addition, factories deploy multiple tactics to obstruct unionising efforts such as the surveillance, dismissal, and threatening of workers. All these create an environment of fear that hinders collective action. While some factories do have Workers' Councils, these are merely tokenistic bodies that do not safeguard the welfare of workers. Those who dare speak out often lose their jobs.

The research report serves as an important advocacy tool towards positive social change. It juxtaposes on-ground realities with the country's labour laws, highlighting shortcomings in terms of implementation. In addition, it offers concrete and pragmatic recommendations on how to ameliorate the working conditions of EPZ workers. Over the past year, there have been concerted efforts to bring about systemic changes and ensure that the struggles of workers are not merely documented but are addressed.

This one-year-later brief marks a continuation of these advocacy efforts. It provides an updated account of our interventions and their impact, contextualising it within

Sri Lanka's ongoing political and economic crisis. This brief has been developed through surveys—conducted by our implementation partner—among civil society members and apparel workers. It serves as a follow-up to our research mission and advocacy initiatives undertaken in 2022.

Context

In early 2022, Sri Lanka started experiencing a severe economic downturn marked by power cuts, fuel shortages, and a staggering 50 per cent³ increase in the annual inflation rate. This spurred protests in Colombo⁴, which soon swept across the country. Sri Lanka faced critical fuel shortages for essential services—including transportation and healthcare—as it had completely depleted its forex reserves. In the face of a massive public uprising, then-President Gotabaya Rajapaksa resigned in July 2022. Following his resignation, Ranil Wickremesinghe—who was previously Prime Minister—assumed the role of Acting President, despite his limited popularity among the public. Soon after, a state of emergency was declared in the country.

Though the intensity of protests eventually waned, Sri Lanka continues to grapple with a severe financial crisis. Its failure to meet an interest payment on foreign debt⁵ in May 2022 significantly tarnished its global reputation, hindering its ability to secure loans from international markets. With debts exceeding USD 7 billion to China and approximately USD 1 billion to India⁶ among key bilateral partners, the country entered into negotiations for these loans to be restructured. Consequently, the International Monetary Fund (IMF) offered a USD 3 billion loan in March 2023⁷, on top of the USD 600 million loan granted by the World Bank.⁸

The IMF loans focus on growing revenues and improving social protection while addressing Sri Lanka's deep-seated issues of corruption. The government has committed to debt repayment primarily through the reorganisation of state-owned enterprises. However, the IMF programme—alongside the government's response—poses a grave threat to further eroding people's economic and social rights.⁹ The government has announced salary reductions, the elimination of subsidies, and an increase in overall taxes. Moreover, the introduction of higher income taxes for top earners, ranging from 12.5 per cent to over 36 per cent¹⁰,—alongside increased taxes on essential commodities such as food and fuel—seeks to alleviate the economic crisis. These measures may severely affect public spending, especially at a time when the majority of the citizenry grapples with making ends meet amid soaring inflation. The government is also making cuts in the Employees' Provident Fund and Employees' Trust Fund (ETF)¹¹, the only savings of Sri Lanka's working class, as part of its domestic debt restructuring.

Despite addressing the prominent issue of fuel shortages, the country's underlying reality reveals a distressing situation: more than six million people are grappling with food insecurity. According to a report¹² by the World Food Programme in January 2023, an **alarming 32 per cent** of households are grappling with

severe food insecurity, a stark increase from the 9.1 per cent recorded in 2019. Food and fuel shortages persist as primary concerns for these households, with more than 51 per cent resorting to purchasing food on credit. Adequate dietary intake remains a huge challenge, with 30 per cent living on insufficient food consumption and 40 per cent managing with only limited portions. Female-headed households continue to face greater hardships compared to male-headed ones. Moreover, rural households face significantly higher levels of acute food insecurity compared to their urban counterparts, a disparity mirrored in income sources as well.

This unprecedented crisis and the subsequent measures have affected jobs and earnings in a labour market already burdened by high informality, youth unemployment, skill deficits, and lower female labour force participation. Initially, the pandemic hit almost 80 per cent of micro, small, and medium-sized enterprises (MSMEs) hard. The economic crisis of 2022 further impacted 89 per cent of these enterprises.¹³ As a result, there was a 20 per cent (one-fifth) contraction in employment within the surviving firms amid the multiple crises between 2020 and 2023. While small and medium-sized enterprises downsized, this primarily affected male employment, with little impact on female employment. This discrepancy arose because women were predominantly concentrated in micro-enterprises, typically comprising three or fewer workers. MSMEs have been weighed down by institutional weaknesses such as structural inefficiencies, poor governance, and corruption. For two decades, these challenges have only intensified, with its teeth still deeply embedded within the sector's current growth and operations.

The apparel industry is witnessing a significant decline in the employment of manpower workers. To maximise profits, there is a growing trend of relocating factory operations. Oftentimes, this comes at the expense of the rights and well-being of workers. To the detriment of their health, many workers have resorted to taking multiple part-time jobs just to supplement their income.

The Sri Lankan government is gearing up¹⁴ to introduce new labour law reforms as part of its broader effort to restructure the overburdened public sector. The anticipated reforms carry both positive and challenging aspects. While trade unions and various political parties have been opposing these reforms, the private sector has been more welcoming. One key amendment is the increase of the threshold for forming a trade union: from seven up to a range between 25 to 100 in any state agency. This might weaken the collective bargaining power of workers, making it particularly challenging to negotiate better working conditions, fair wages, and benefits.

As per the Ministry of Labour, a new process will also be instituted wherein a trade union's executive committee must conduct a poll among its members—which must secure a consensus of over 50 per cent—before initiating a strike. Likewise, the trade union must provide justifications for the strike. This could delay and deter strikes, which historically have been an important tool for workers to assert their rights.

The anticipated legislation seeks to curb workplace discrimination and grant state entities the authority to dismiss non-performing public employees, a prerogative which was previously unavailable. However, without proper regulation, this could lead to potential misuse and unfair termination.

In a significant move towards greater workplace equality,

13 https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-colombo/documents/publication/wcms_901205.pdf
14 <https://www.themorning.lk/articles/kdYY04O3khqLZPFNNiul>



the legislation also plans to introduce paternity leaves and rectify existing disparities in ordinances—such as the Wages Boards Ordinance and the Shop and Office Employees (Regulation of Employment and Remuneration) Act—emphasising workplace equality and the prevention of harassment and sexual violence.

Gender Disparity

In Sri Lanka, there are significant gender-based disparities in the division of unpaid care work¹⁵ and household chores. Recent surveys conducted by the Women and Media Collective¹⁶ reveal that care work is predominantly shouldered by women. This worsens gender inequality, especially amidst the country's economic collapse. Families are now compelled to make tough choices regarding their children's education due to rising expenses and poverty levels. As adolescent girls bear a disproportionate share of caregiving responsibilities, they are at an increased risk of having their education interrupted. A United Nations (UN) Women study¹⁷ revealed that Sri Lankan employers are reluctant to hire women when they are supposed to provide flexible working hours or maternity benefits. The perception that care work is solely a woman's burden puts women in a disadvantageous position in terms of accessing education and livelihood opportunities.

In May 2023, the National Labour Advisory Council (NLAC)—a crucial national-level body representing employers' organisations, unions, and the government—removed its only female member.¹⁸ Despite being established in 1994, NLAC welcomed its first female representation only in 2021 when Swasthika Arulingam became the permanent representative appointed by the United Federation of Labour (UFL). Her appointment was ground-breaking, marking the first time a federation of unions nominated a woman to represent them at the NLAC. However, the Minister of Labour introduced new arbitrary criteria tied to union membership for NLAC nominations and appointments. This sudden change prevented the UFL from receiving a nomination, resulting in the removal of Sri Lanka's only female advocate for workers. The decision faced substantial criticism from over 150 activists and more than 55 organisations.

These developments underscore the findings outlined in the report, emphasising the need to strengthen institutions and legislations, with a primary focus on safeguarding the rights of workers. Nevertheless, Sri Lanka faces a formidable challenge in translating legislative reforms into tangible benefits for its people due to misgovernance, corruption, and lack of political

15 <https://srilanka.un.org/en/251066-addressing-gender-gap-unpaid-care-work#:~:text=In%20Sri%20Lanka%2C%20there%20is,59.7%25%20of%20men%20and%20boys.>
16 <https://womenandmedia.org/recognizing-reducing-and-redistributing-womens-unpaid-care-work-in-sri-lanka/>
17 <https://asiapacific.unwomen.org/en/countries/sri-lanka/wee>
18 <https://www.ft.lk/front-page/Exclusion-of-women-from-National-Labour-Advisory-Council-comes-under-fire/44-748864>





will, among many other systemic issues. Overcoming these challenges requires a holistic restructuring. This includes the need for capacity building, the strengthening of democratic institutions, and the cultivation of a governance ethos rooted in transparency and integrity. Equally important is the empowerment of civil society, unionising and collective movements, especially since public awareness and participation could help bridge the gap between policies on paper and realities on the ground.

Capacity Building Initiatives and Other Interventions

Following the field research, a series of targeted interventions were done to drive meaningful change. Locally, the research findings served as a catalyst, inspiring the creation of many worker-centric initiatives and campaigns. These initiatives tackled the need for fair wages, improved working conditions, and workplace safety.

The country's economic and political crises have mobilised the masses, reawakened political activism, solidified existing spaces, and created new spaces for discussion and dissent on the restructuring of Sri Lanka. In addition, factory workers have expressed a heightened awareness about their rights and assertiveness as evidenced through the increased frequency of protests within factory premises.

On a national scale, the research report is being used as an evidence-based advocacy tool by labour rights activists and groups. Its recommendations were widely disseminated among parliamentarians and relevant government bodies, to influence forthcoming policy changes.

The report has been strategically used to empower the collective bargaining efforts at both local and national levels through engagements with Stand-up Movement Sri Lanka, Dabindu Collective, Shrama Abhimani Center, Revolutionary Existence for Human Development (RED), and the Commercial and Industrial Workers Union (CIWU). These meetings have also been used as an

opportunity to inform discussions around policy changes which are crucial to Sri Lanka's evolving economic and socio-political landscape, including the implications of IMF recommendations and the government's response to labour rights issues.

Workers have also recognised the significance of advocacy, particularly in response to new policies and directives from entities like the IMF. More broadly, the report adds to the discourse pushing for improving industry-wide standards for the rights of workers, especially in developing countries where cheap labour is often sought without due consideration for workers' well-being.

LST and FORUM-ASIA organised a series of interventions aimed at enhancing the understanding of workers of economic reforms, legal intricacies, workers' rights, and the pivotal role of unions in safeguarding worker interests. One such capacity-building workshop—organised on 27 and 28 May 2023 at Katunayake—gathered 46 participants, including workers, union leaders and members, civil society organisations (CSOs), and activists. The workshop delved into a diverse array of subjects, encompassing rights infringements, the structural outline of labour laws, advocacy strategies, and avenues for reform. It highlighted pioneering methods for lodging complaints about labour rights violations, such as the Wave App and Hotlines utilised by the Shrama Abhimani Center, RED organization, Dabindu Collective and CIWU. These innovative tools were showcased to empower workers, enabling them to readily report violations and seek prompt resolutions. Furthermore, leveraging the support of the Collaboration of Young Lawyers Association and Lawyers Collective Sri Lanka, a network of lawyers was established as part of a referral network to facilitate access to legal services in case of labour rights violations.

Similarly, several meetings with key CSOs and labour unions focused on coming up with ways to integrate the research findings into their respective work plans. In June 2023, LST co-organised an event to discuss Sri Lanka's proposed labour laws and their potential implications on the working class, particularly workers in informal sectors.

The labour rights advocacy group #UNITE campaigned for government transparency, urging the disclosure of hidden labour law reforms. In July 2023, various labour rights groups organised a protest at the Ministry of Labour to voice their concerns over unjust labour laws and misappropriation of the Employees' Provident Fund. In August 2023, LST in partnership with worker's organisations and trade unions conducted an awareness programme in Biyagama EPZ on the proposed amendments to labour laws, effectively informing workers about the proposed changes on holidays, wages, overtime regulations, and maternity benefits in both Sinhala and Tamil. These efforts not only sparked interest among participants but also inspired them to pursue leadership roles and actively engage with unions.

FORUM-ASIA has also been actively engaging with various UN fora. In March 2023, during the UN South Asia Forum on Business and Human Rights held in Kathmandu, FORUM-ASIA hosted a session discussing the challenges faced by women workers in informal sectors in Sri Lanka, Pakistan, and Nepal. During the session, an EPZ worker provided a powerful first-hand account of the systemic injustices prevalent in the apparel industry. The panel discussion shed light on the need to address these intersectional challenges as well as the need to protect and promote women's rights in informal economies.

At the 54th session of the UN Human Rights Council in September 2023, FORUM-ASIA facilitated the participation of a prominent lawyer and trade union activist who delivered a compelling oral statement on Sri Lanka's culture of impunity, systematic suppression of dissent, ongoing human rights violations, and widening economic disparity. In parallel, various meetings were organised with UN mandate holders and special rapporteurs. All these efforts aimed to raise the alarm on Sri Lanka's human rights concerns and create networking opportunities for grassroots defenders.

Conclusion

The research report helped shed light on the systemic challenges faced by Sri Lanka's apparel factory workers. Our continued advocacy and capacity-building efforts to

increase awareness about the plight of apparel workers and their representation of workers included worker-centric campaigns calling for fair wages, improved working conditions, and workplace safety.

Civil society groups and trade unions have strategically leveraged the report's recommendations to strengthen their collective bargaining and push for policy reforms.

Amid Sri Lanka's ongoing economic restructuring, urgent attention needs to be paid to the plight of workers. While anticipated labour reforms might hold promise for positive change, they also pose risks to the rights of workers as well as their collective bargaining power. While the future appears to be challenging, Sri Lanka holds immense potential to inch towards transformative socioeconomic change rooted in equity and inclusivity. We envision a future where the well-being of workers mirrors the country's economic growth; where the dividends of progress are equitably shared across socio-religious, gender and ethnic lines; and where equal and fair opportunities are afforded to all.