

ASIA FLOOR WAGE ALLIANCE

# General Wage Situation of Apparel Industry Workers in Sri Lanka

RPIR Prasanna

Department of Social Sciences, Faculty of Social Sciences and  
Humanities, Rajarata University of Sri Lanka  
&

R H Kuruppuge

Department of Management Studies, Faculty of Arts,  
University of Peradeniya,  
Sri Lanka

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### 1. General overview of the garment industry

The garment industry in Sri Lanka had a modest beginning in the 1960s as government took measures to promote the industry as an import substitute industry. The garment industry emerged as a leading industry of the country with the introduction of trade liberalization measures in 1977 and a variety of market oriented economic policy reforms. The policy reforms attracted the foreign investors, the East Asian garment exporters in particular, in the early stage and those exporters relocated their well-established garment factories to Sri Lanka [Kelegama,

2005]. The secured market condition established by the Multi Fiber Arrangement (MFA)<sup>1</sup> until 2005 was one of the important factors that made attract the foreign investors to the industry in early stage of trade liberalization and later the domestic capital.<sup>2</sup> This agreement made Sri Lankan apparel industry a preferential access in the United States of America (USA), European Union (EU) and Canada markets until 2005. During the period of MFA, 80% of exports to the USA were upon the quota system. The establishment of Free Trade Zones (FTZ) in different geographical regions with necessary infrastructure facilities and establishment of institutional facilities such as Board of Investment (BOI) (former Foreign Investment Advisory Council) and banking facilities were among other contributory measures adopted by the government for rapid growth of the industry. One of the interesting fact of this industry is that all of the political parties that were in power during the last 50 years, considerably supported and facilitated to the apparel industry unconditionally. This is not true for other similar industries. As a result, today, the BOI approved ventures account for almost 90% of Sri Lanka's total garment exports [Board of Investment, 2013].

Table 1 Overview of Sri Lankan garment industry— Macro data

Item	1990	2002	2011
Textile & garment exports (USD million)	643.5	2,425.5	4,191
as % of total exports	33	52	39.6
as % of industrial exports	64	67	52.4
Export market (as a % of total textile and garment export)			
United States	67	63	39.5
European Union		31	50.6
Rest of the world		6	9.9
Cotton yarn & textile imports (USD million)	427.8	1,477.6	2,320.7
Employment	102,000	330,000	283,000
No. of establishments (garments)	142	832	NA
Cumulative foreign investment (USD million)	36	NA	NA
Sri Lanka's share in the world market	1.00	1.34	NA

Source: Central Bank of Sri Lanka, Annual reports; Department of Census and Statistics, Annual reports; Sri Lanka Labor Department and Oxfam, Industrial survey reports. Kelegama (2005), compiled from Central Bank of Sri Lanka and Department of Census and Statistics.

The growth of Sri Lankan garment industry in the national economy of Sri Lanka has been noteworthy since 1980s in terms of contribution to GDP, export items, foreign exchange earnings and employment generations [Thilakarathne, 2006]. In 2011, the industry accounted for 7% of GDP and 24% of total industrial production, respectively [Central Bank of Sri Lanka, 2011].

In mid 1980s, the industry became a main sector of the country in terms of export volume, by overtaking the other traditional crops, tea and rubber. In 1992, the garment sector became main foreign exchange earner of the country [Kelegama, 2005]. In 2000, the industry accounted for 38% of total foreign exchange of the country while reaching to over 50% of total merchandized exports [Thilakarathne, 2006]. Today, it is the strongest manufacturing sub-sector that generates

foreign exchange to the country. In 2011, the share of exports of garment industry reached to a 39.6% of country's total export earnings with the value of USD 4,191 million from 3.6% in 1978 [Central Bank of Sri Lanka, 2011]. These earnings accounted for 52.4% of total merchandized exports in 2011.

In first two and half decades of trade liberalization, the USA was the main buyer of Sri Lanka's garments. For instance, 63% of total garment exports were exported to the USA market in 2002. This was largely due to the quota facilities received under the MFA. Since 2005, a significant turn in export destination of Sri Lanka's garment from USA market to EU market occurred due to the influence of complete phasing out of the MFA and benefits of the GSP+ scheme offered by the EU since 2005. Specifically, Sri Lanka was among two countries that received preferential access in the EU market under the GSP+ scheme.<sup>3</sup> Until 2007, USA bought over 50% of Sri Lanka's garments. According to Table 1, 50.6% of Sri Lanka's garments were exported to the EU market in 2011 while exporting 39.5% to the USA and 9.9% to rest of the world (see Table 1). According to country classification of garment exports, top ten countries had bought 90.1% of total exports in 2011 (see Table 2). According to survey findings of Department of Labor and Oxfam [2006] the top ten buyers are Gap, May Department, Nike, Columbia, Sportswear, Wall Mart, Next, Marks & Spencer, Tommy Hilfiger, Kellwood and Reebok.

Table 2 Percentage share of Sri Lanka's garment exports in top 10 import countries (2011)

Rank	Country	Export share (%)
(1)	United State of America	39.5
(2)	United Kingdom	23.1
(3)	Italy	12.1
(4)	Germany	5.2
(5)	Belgium-Luxemburg	3.2
(6)	France	2.1
(7)	Canada	1.8
(8)	Netherland	1.8
(9)	Sweden	0.9
(10)	Australia	0.6
Total export share of top 10 import countries		90.1

Source: Central Bank of Sri Lanka, 2011

The industry employment generation to the unskilled, young, migrant from remote areas and women labor force is incredibly important. Specifically, it is the main income source of most of economically marginalized households in the rural areas. Today, the industry provides approximately 283,000 direct employment opportunities [Board of Investment, 2013] and approximately a half million indirect employment opportunities becoming it as the largest single employment provider in the industrial sector. The gender basis employment structure reveals that 85% of industry workers are female workers and over 60% of them are in the age group

18-25 [Oxfam Community Aid Abroad, 2004]. Many studies have noted that workers long term reliance on this industry is low. Approximately 70% of the workers have less than five years work experience. Often the reasons for such short terms of service are the poor wages, monotonous and hard working conditions, marriage and its consequences i.e. lack of employment opportunities for the spouse, lack of affordable accommodation for a family unit in close proximity to the work place, long hours of work which are not conducive to mothers with young children and a lack of social recognition for the apparel industry workers [Oxfam Community Aid Abroad, 2004]. The five year working experience has become a clear cutline for leaving the industry because since then workers become eligible for gratuity and other benefits [Prasanna & Gowthaman, 2005].

According to the geographical distribution of the garment factories, since 1980s, the high concentration of the factories in the Western province, which is one of the nine provinces of the country, can be seen. Figure 1 shows the garment factory distribution at provincial and district levels and it clearly shows that 54.8% of garment factories are located in the Western Province. This is largely due to the better infrastructure facilities in the region and establishment of the two Free Trade Zones (FTZs); Katunayaka and Biyagama. In 1992, the government adopted measures to the garment manufacturers to move into other regions, providing a significant incentive package through BOI. The program aimed to overcome supply side constraints such as labor scarcity faced by the industry due to high concentration of the factories in the Western province and provide employment opportunities to rural population for the distributional purposes. This program was called 200 Garment Factory Program (GFP) and by 1995, the BOI had set up 163 factories under the GFP. In 1999, over 72% of garment factories were located in the Western province providing employment to 65% (i.e. 181,329) of total work force in the sector [Thilakarathne, 2006]. According to the garment industry survey report of the [Sri Lanka Labor Department and Oxfam, 2004], there were 750 garment factories consisting of 20% small, 53% medium and 28% large and extra large scale factories. However, it is recently evident that a drastic decline of number of factories in the post MFA period of the country due to combined effect: merge of vulnerable manufacturers with potential manufacturers and closure down of the factories due to the influence of the MFA phase out. The number of factories decreased from 735 garment factories in 2004 to 325 in 2008. Despite the decreased number of factories, the overall volume of Sri Lanka's export has grown and the earlier mentioned tier 1 firms have strengthened their international market position [Wijayasiri & Disanayake, 2008]. However, it would be noted that there was no recently done comprehensive survey on garment factories in Sri Lanka, which provide more disaggregate data about the industry.

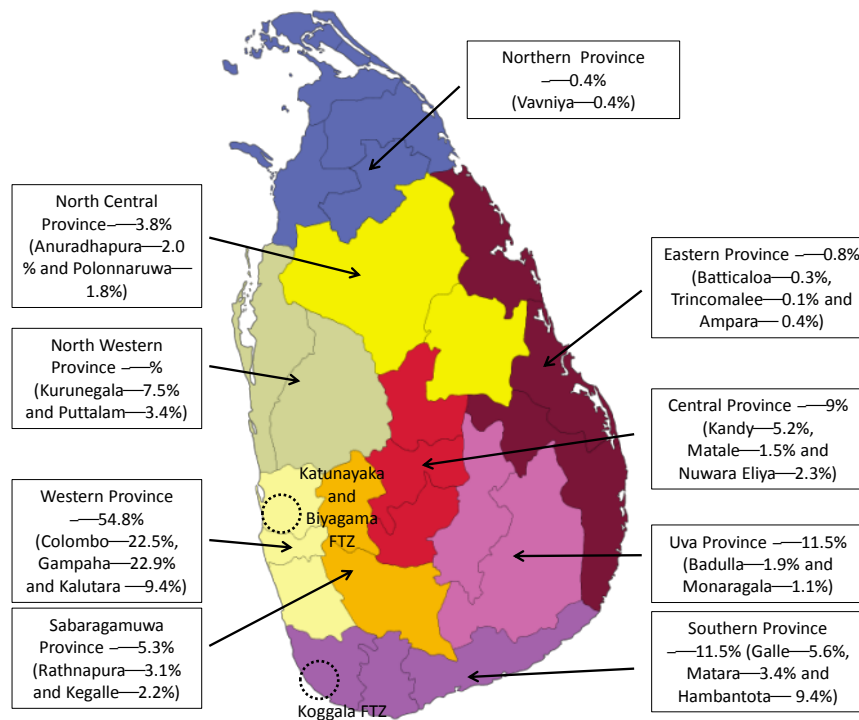


Figure 1 Distribution of garment factories by provinces (2004)

Source: Department of Labor and Oxfam (2004)

Sri Lanka garment industry has several key strengths. First, the industry is well-reputed in producing high quality garments, “niche products” due to a better educated and skilled labor force than many other Asian countries (Adhikari & Yamamoto, 2008). Second, the industry has an advantage as it does not rely on few product categories. For example, in 2008, top five export categories accounted for only 36.8% of total exports of garments [Prasanna, 2009].<sup>4</sup> Third, compliance with international labor regulations is strength of the industry. In 2004, EU granted a 20% duty concession for its compliance with international labor standards under the GSP+ scheme [Kelegama, 2009]. Fourth, relatively disciplined and skilled labor and a trainable work force and reputed international customer base, provision of required facilities, support & assistance by governments are the factors among other strengths.

Moreover, the industry has some weaknesses and most of them persist since 1980s. The main weakness of the garment industry is lack of geographical diversification in terms of its foreign markets due to the heavy dependence on the USA and EU markets. These two markets account for approximately 90% of total exports of garment. The limited contact with leading global buyers is also the weakness of the industry. The domestic manufacturers are highly dependent on intermediary buying agencies based in Sri Lanka. As reported, around 65% of garments are exported via these buying agencies [Kelegama & Wijayasiri, 2004]. Further to that it is reported that there were approximately 60 intermediary buying agencies when the final phasing out of period of Quota under ATC in Sri Lanka [Prasanna & Gowthaman, 2005].

Sri Lanka also lacks an established backward integration system in the supply chain since beginning. Thus, the industry is heavily dependent on import of textiles and accessories and it hinders production speed, adds cost and increases lead times, while reducing industry competitiveness at the global market. For instance, over 80% of the fabric requirements of the industry are met by imports [Sri Lanka Garment Buying Office Association, 2005]. It is also reported the high cost of utilities such as electricity, water, etc. The existing labor shortage is another weakness of the industry. This is mainly due to the poor image of the industry due to a variety of factors such as safety issues, sexual exploitation faced by the female workers, low minimum wages relative to the other sectors, etc. Moreover, insufficient international and bilateral trade agreements to support the industry, increasing cost of labor relative to other Asian countries, non-existence of Sri Lankan brand identity are among other weaknesses.

## 2. Wage situation of Sri Lankan garment industry workers

### 2.1 Minimum wage/ prevailing industry wage/ take home wage

The minimum wages of most of trades including the garment industry are set up by the wages board. In terms of BOI registered companies, wages may be reviewed by the BOI from time to time [Board of Investment , 2010]. Figure 2 presents trends of nominal wage rate since 1988. In 2013, the average worker in Grade III in the industry received a minimum wage of Rs. 9,325 per month., when present wage is compared to the year 1988 which the average wage was Rs. 1,150, it is increase of 759%. According to Prasanna & Kuruppuge (2013), prevailing industry minimum wage is reported as Rs. 9,555 and Rs. 8,452 in and out side the FTZs respectively in 2012. This minimum wage is relatively too low compared to other sectors, government sector in particular which is Rs18,110 in 2013. *(Case study 01 shown below describes garment sector workers impression of their salary).*

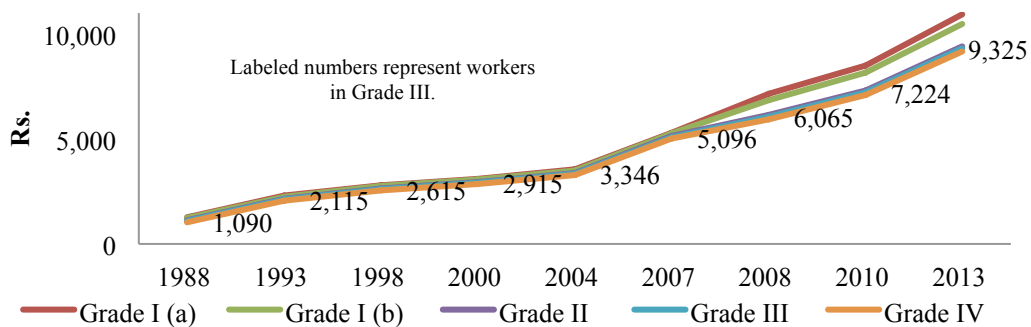


Figure 2 Trends of nominal minimum wage of garment industry workers: 1988-2013



Source: Minimum wage data (nominal) compiled by Leon Joseph, Secretary, National Free Trade Union; CPI data was obtained from World Development Outlook, IMF.

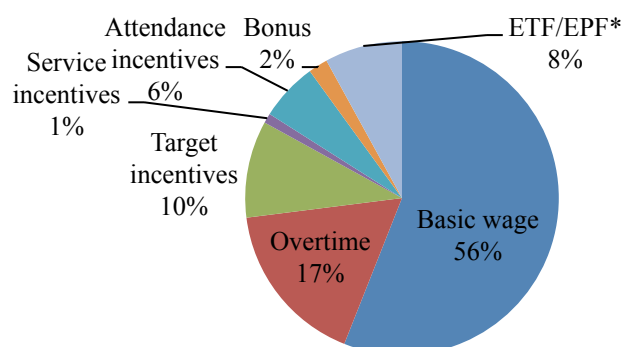


Figure 3 Distribution of workers gross income among industry different income modes  
Source: Prasanna and Kuruppuge, 2013

In terms of take home wage (gross income), the average workers in the industry had earned Rs. 16,132 (FTZs—Rs.17,145 and outside FTZ—Rs.15,118) in 2012 [Prasanna & Kuruppuge, 2013]. Specially, the basic wage accounts for 56% of gross income. The rest are represented by the overtime—17%, target incentives—10%, attendance incentives—6%, service incentives—1%, bonus—2% and ETF/EPF—8%. These percentages do not show much deviations from studies conducted in Sri Lanka. According to living wage study conducted by Prasanna and Gowthaman (2006), the industry worker had earned gross income of Rs. 7,743 in 2005. Even though the number had doubled from 2005 to 2007, the real value of the gross earnings had only increased by 6.4%.

## 2.2 Inflation and minimum wage adjustments

The maintenance of initial rate of a minimum wage by adjusting to rising cost of living (inflation rate) in the country is important to maintain the industry workers purchasing power and living standard. According to Central Bank Report for 2011, the real wages for workers in the apparel industry and commerce has increased by 10.3% during 2007 to 2011.

Figure 4 presents the trend of real minimum wage of the garment industry from 1988 to 2013. During last 25 years, the value of Consumer Price Index (CPI) has increased from 14.7 to 175.8 by 1,095% [IMF, 2013]. When real minimum wage compares with CPI changes the purchasing power of nominal minimum wage declined by 28% during the period of 1998 to 2013. Specifically, the industry workers consumption pattern has changed drastically in recent past. It indicates that authorities had failed to maintain the workers purchasing power by sufficiently adjusting minimum wage with inflation rate available in the country. At the same time, Sri Lankan Rupee (Rs.) had depreciated by 297% against the US dollar, resulting in an increasing of general imported consuming items. However, Figure 3 further shows a marginal improvement in real minimum wage since 2004.

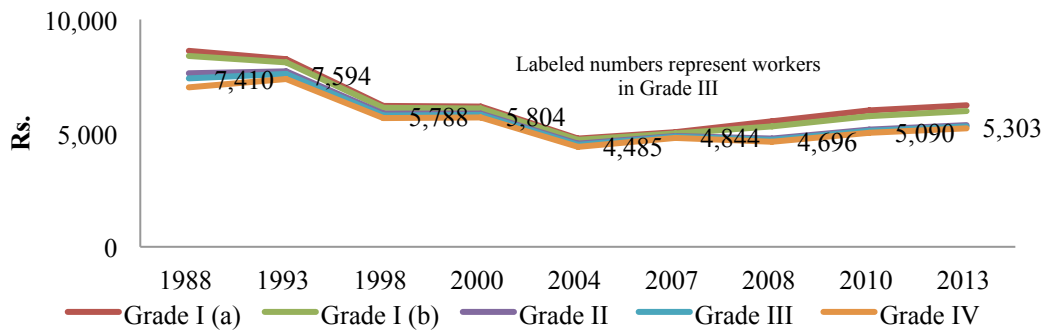


Figure 4 Trends of real minimum wage of garment industry workers: 1988-2013

Source: Compiled by Author(s) using the minimum wage data (nominal) and CPI data.

The worker interviews also indicted the real impact of inflation to workers' life style due to deteriorating purchasing power of gross earnings from the industry. These respondents are working in garment factories like Brandix and MAS located mainly in FTZ where they produce brands like Nike, Gap and M&S. Few important direct speeches from workers have been quoted as follows.

*Respondent 01, Machine operator/ Brandix*

"In addressing these salary related challenges, I have few options. Mostly what I do is to limit our secondary requirement like attending functions of relatives and friends. If still the expenses are high I choose the other option of limiting our primary requirements. Some time I have to limit our basic needs also up to a certain limit, for example limiting expenses on relatively high cost items in the weekly food basket such as meat, fish and fruits".

*Respondent 02, Machine operator/ MAS*

"I was compelled to marry late because of my poor salary which was barely adequate to meet my basic needs".

*Respondent 03, Machine operator/ MAS*

"Prices of items which I need to buy for our day today requirement are increasing rapidly. But our salary still remains unchanged for a long time. Instead, rules and regulations for OT and other income sources are coming into practice avoiding us receiving additional income. Because of that I have to dedicate my day today requirement or limit my expenses in order to balance my income and expenditure. Now I face a lot of difficulties in leading a happy family life. For instance, I can't remember a day which I went for a film or picnic with my family members".

In the analysis of above direct speeches of respondents, the mismatch of salary hike and inflation behavior could be identified. Further, it was evident that prevailing salary to workers are not enough to meeting employees' basic needs.

### **2.3 National subsistence threshold**

The latest Household Income and Expenditure (HIES) survey findings indicate the value of food poverty line as Rs. 2,071 in 2009/10, needed to obtain 2,030 kg calories per person. The average household size is 4 at the national level and thus, a household has to spend above Rs. 8,284 to cross a minimum standard of food consumption. The survey data further revealed that average household had spent Rs. 13,267 on food and drink and Rs. 17,399 on non food items in 2009. The mean household income per month is Rs. 36,451. However, it was reported the high income inequality in the country (Gini Coefficient = 0.49) and poorest 20% of the country shares only 4.5% of the total household income of the country (DCS, 2011).

### **2.4 Minimum wage setting machinery**

The concept of wages board was set by Wage Boards Ordinance No. 27 of 1941 of 19 September 1941, as amended up to Act No. 36 of 1982 which regulates minimum wages in the country. The country has 43 Wages Boards under the Labour Department, deciding wages and other payments for the apparel industry. According to section 22 of Wage Board Ordinance, minimum wage is calculated on daily, hourly, monthly, weekly and piece rate basis. Minimum Wage is based on the fixed number of 48 hours per week. Updating of minimum wages is decided by government, trade union representatives and employer on a tripartite basis after having a detail analysis about micro and macro economic variables such as industry, workers. The minimum wages are anyway being set annually. Minimum wages up ratings are based on wage indexation, consumer price indexation & (decent) living standard. Yet, labor unions of apparel industry are criticizing the methodology and system followed by Wages Boards in order to update the salaries of the industry workers. Mainly unions claim that the procedure and methodology of updating minimum salary is bias towards owners of factories. As a result, workers of the industry are every day in huge crisis to meet day today expenses with a small amount of monthly salary.

### **2.5 Living wage demands**

The rapidly rising cost of living that erodes the real wages has given rise to the attention for a more decent and fair wage structure in the industry. The labor organizations that work for the garment industry workers demands wage hikes continuously since 1980s by taking into account deteriorating condition of real wage rate due to continues increase of prices of good and services.

The year 2006 was a turning point of the garment sector in Sri Lanka in terms of living wage demand as the first study of sector specific living wage for Sri Lankan garment industry workers was conducted by Prasanna and Govthaman in 2006 on behalf of Apparel Industry Labor Rights Movement (ALaRM). Even though discussions had happened in between labor union and

employees to increase the salary of workers but no labor union had a basement to demand for a living wage. As a result of the new study, the ALaRM has been able to put the living wage number in wage negotiation campaign while socializing the concept of living wage effectively.

In parallel to this living campaign, the wage hiking campaign is led by a union front consisting of the Free Trade Zone and General Service Employees Union (FTZ&GSEU) and Progressive Union of Free Trade Zone Workers (PUFTZW). Their demand is for a monthly wage rise of around 2,500 rupees (\$US23) or 30 percent.

However, a number of barriers of implementation of living wage in Sri Lanka were identified by labor unions. Little support by the government and affiliated bodies, less enthusiasm of employers, decreased or limited bargaining power of employees are few of them. In the same time, changes of international and national market as well as phasing out of MFA and removal of GSP plus have made negative effect to the industry putting investors of apparel industry into dilemma in implementing the living wage practices in their factories. The main argument put forward by investors of the industry explaining why they can't implement living wage in their factories is that their profit margin of the business is very low because of high cost of factors of production, deferent levels of economies of scale as factories are running in different scales and some factories are running at the break even point of the business. They further emphasize that implementing of living wage in their factories under this difficult situation will trigger investors to leave the business or shift the business from Sri Lanka to another country which they can gain competitive advantage. In par with this idea, one of the owner manager of small garment factory, in an interview with the researcher mentioned that " it is difficult to run our business further due to increasing trend of operating cost and decreasing trend of profit making in the industry. We are also looking now avenues to shift from this industry to another. Our capital invest is a barrier to change among industries." However, the garment industry workers are still facing for huge wage dilemma due to increasing cost of living and inadequate attention of authorities to the living wage.

## **2.6 Living wage calculation and food basket research**

In Sri Lanka, sector specific living wage for Sri Lankan garment industry workers was, first, estimated by Prasanna & Gowthaman (2006) on behalf of the ALaRM in 2006, conducting the local area survey among 850 workers in the garment industry. The estimation had been done by understanding and quantifying workers' income and expenditure patterns while taking into account hidden costs. The adopted methodology in estimation was a modified Cost of Basic Needs (CBN) method adopted by Census and Statistical Department of Sri Lanka in derivation of poverty line for the country.<sup>5</sup> The study had provided two options in derivation of living wage for the industry workers by taking into account the existing literatures in the field. They

are as follows:

Option A:

$$\text{Living wage} = \frac{\text{Average household size} * \text{Adjusted cost of basic needs/person}}{\text{Average number of income receivers per household}} * (\text{Income} * \text{saving multiplier})$$

Option B:

$$\text{Living wage} = (\text{Adjusted cost of basic needs}) + (\text{Income} * \text{savings multiplier for savings} + \text{EPF} + \text{Durables}) \\ + (\text{A constant for embedding the worker in the family unit} + \text{hidden cost})$$

In this study, the living wage calculation had been undertaken under four steps.

- Selection of a recommended nutrient anchor specific for apparel sector women workers and determining a food consumption bundle based on the food consumption pattern of the workers. Identifying a reference group that straddles this level of consumption and calculating the cost of consuming the bundle given the average prices these workers face separately in Free Trade Zones (FTZ) and Outside Free Trade Zones (OFTZ).
- Identifying the average per capita non food expenditure of the reference group and adjusting them so as to ensure a dignified living.
- Incorporating a component for savings and durables using a multiplier determined based on actual behavior.
- Embedding the individual in the family context and accounting for the hidden cost by adding a constant (and alternatively discussing another method of calculating this component too).

Under the estimation option A, a married and unmarried garment industry worker in the FTZ should be able to earn Rs. 12,726 (USD 127) and Rs. 14,782 (USD 147), respectively in the surveyed year 2005 in order to achieve a dignified life as suggested by living wage ordinances in many countries. In terms of outside the FTZ, the married and unmarried industry worker should be able to earn Rs. 9,855 (USD 98) and Rs. 11,476 (USD 114), respectively in the surveyed year 2005.

By taking into account rapidly rising cost of living that erodes the real wages of the industry workers, the living wage for the garment industry workers were reassessed again in 2013 by Prasanna and Kuruppuge (2013), following the similar method adopted by Prasanna and Gowthaman in 2006. It shows that an industry worker in the FTZ and OFTZ should be eligible for Rs. 27,940 (USD 210) and Rs. 23,853 (USD 179) respectively in order to maintain a decent standard of living where they live. This is 43.2% increase compared to estimated living wage in 2006 (USD 125 for FTZ worker under the option B) in terms of US dollar. The increase of living wage for industry workers is basically associated with increase of cost of living, which is 79% during the concerned period (2005 to 2011). This derived number is relatively low to the mean household income of the country in 2009/10, which is Rs, 36,451 (USD 319).<sup>6</sup>

Moreover, the Asia Floor Wage (AFW) in 2009 calculated the floor wage for Sri Lankan garment industry workers by using food basket method which is typical to the industry workers. The prime consideration of the calculation was to determine typical food basket that can derive 3,000 calories level per worker a day. In the consideration of 3,000 calorie level adopted by the Asia Floor Wage Campaign, floor wage for Sri Lankan garment industry workers would be Rs. 34,387 (USD 258.5) in 2012.<sup>7</sup> This number is very closer to the mean household income of the country, though it is considered relatively higher calorie level in the estimation. These estimations have provided clear basis for labor organizations to make dialogue about wage issue of the industry and opportunity to make bargaining with manufacturers to enhance the workers economic and social recognition in the industry and country at large.

### **2.7 Overtime (national average)**

Any work performed in excess of the normal working day is treated as overtime work (BOI, 2010). One of the main claims to the garment industry workers is high dependency on overtime for their earnings relative to other sectors (*refer case 02 to see the impression of workers of their overtime*). According to Figure 2, overtime earnings account for approximately 17% of total income of the industry workers. The latest living wage assessment conducted by Prasanna and Kuruppuge (2013) revealed that on average industry worker works 1.56 hours of overtime in an every working day in terms of the workers in the FTZ. They earn on average Rs. 71.7 per hour overtime. In terms of the worker in the OFTZ, the worker receives Rs. 63.4 per hour overtime while working on average 1.62 hours of overtime in an every working day. It showed the workers high dependency on working in excess of 48 hours per week in the consideration of usual 6 working days per week. For instance, the average worker in the FTZ and OFTZ work 57.4 hours and 57.7 hours per week, respectively. It is 9.4 and 9.7 hours excess to regularly working of 48 hours per week as mentioned by the ILO. The main reason for working in excess of 48 hours would be low basic wage. Several empirical studies have shown that long working hours affects job satisfaction, increases the effects of stress-related problems as well as mental health problems (International Labour Organization – 2003). According to Department of Labor in Sri Lanka, legal working hours per week is 48 hours for six days. According to BOI labor standard and employment relation manual (2010), a factory worker entitle to annual holidays with pay, up to a maximum of 14 to 21 days according to determination of Wages Board. In addition, sick leave will be granted to the workers at the direction of management and in this connection, workers have to produce medical certificate. A female factory worker also entitle to maternity leave for 12 weeks (84 days) with pay, if the employee has no child or has one child at the date of such confinement. In case employee has two or more children or where confinement does not result in the issue of a live child, she shall be allowed 6 weeks (42 days)

leave with pay. In addition, the full moon Poya Day of each month and public holidays declared by the government are holidays with pay for monthly paid employees.

## **2.8 Barriers to unionization**

Most of the trade unions concern about insufficient progress in forming the unions in the garment factories as well as the industry at large. Yet, according to stipulated laws, a trade union representing the employees in any BOI enterprise shall have the right to enter into collective bargaining negotiations with the employer, on behalf of the employees whom it seeks to represent, with a view to concluding a collective agreement, provided the union has the right to bargain collectively with such employer in accordance with the provisions of the Industrial Disputes Act. The Act further says that every employer of employees in a BOI enterprise shall respect the right of the employees to form and join trade unions of their own choosing and to bargain collectively.

But interviews with trade unions pointed out several barriers to unionizations. They are: non availability of inadequate provisions to protect labor's right in legal Act, Bills and documents; forcing and threatening of workers by employers not to engage in union activities; lack of resources for prevailing labor unions and less coordination among them; stressful work condition which keep workers away from union activities as workers always give priority to their family than the job; and inadequate standards in the industry in terms of work condition which labor union would demand. For instance, in an interview with union, leader of a labour union mentioned that “ All gates of factories are closed to us. No permission for us to enter into their premises. We have no chance to address workers and workers also do not have chance to meet us. It is like an open prison”

Further, one of the mechanism used by the government to non unionize the workers of apparel industry is Joint Consultative Council / Employees' Council (JCC/EC) with a view to promote investments, Sri Lankan Government in 1978 established Greater Colombo Economic Commission (GCEC). In 1992, it was reconstituted as Board of Investment Sri Lanka by expanding its coverage geographically. With this labor relations system, BOI provided the employees with a non union voice representation mechanism. The newly introduced non union voice representation mechanism was initially referred to as Joint Consultative Councils (JCC) and later on it was changed as Employees' Councils (ECs). According to union activists, the evolution of ECs system can be divided into three periods based on year of the implementation. The first phase was from the year 1978 to 1994 in which the Joint Consultative Councils were in operations. The second phase was the 1<sup>st</sup> version of Employee's Council, which is from the year 1994 to 2004. The third phase is from the year 2004 to to-date in which the 2<sup>nd</sup> version of Employee's Council concept has been introduced.

By 2004, BOI wanted to get international recognition on Employee Council from ILO, since GSP+ (Generalized System of Preferences) system was about to be introduced. The guideline of the 1<sup>st</sup> version of ECs was not up to the expectations of the ILO. As a result of that, BOI drafted a new guideline on ECs by changing the composition of the Electoral Committee. ILO recommended to have an Electoral Committee consist of workers, instead of the previous system in which Electoral Committee was comprised of BOI officials and Officials from Department of Labor. According to this new guideline, not only the employer but also BOI and Department of Labour can not intervene in electing ECs members. The present EC guideline has been prepared according to the ILO convention No 135 Workers Representatives Convention. Industrial Relations Director of BOI stated that ILO recognized the present ECs system by recommending that “Sri Lanka is the only country in this region to introduce this concept in BOI and Free Trade Zones in order to enable non unionized employees to improve their terms and conditions through the process of consultation and collective bargaining which are effective means of social dialogue at enterprise level”. I would add here some critical comment as well. Unionists are very much against this system, please explain shortly their main criticisms – I see that below you have some criticism

It would also be good to add some examples of union repression in the FTZs. Here a section from a CCC paper from 2008: ‘In 2001, an appeal from the Free Trade Zone and General Services Employees Union (FTZ&GSEU) and Transnationals Information Exchange-Asia (TIE-Asia) requested international labour groups to send protest letters targeting the repression of union organising at 10 different factories operating in the free trade zones and producing for Nike, among others, of which six cases involved dismissal following the formation of a union. The campaign for workers’ freedom of association in free trade zones went on for six months. International pressure from the campaign groups and trade unions helped to convince the Board of Investment (BOI) to budge on the position of refusing to recognise unions in the Free Trade Zones (1994-2003) to the theoretical recognition of unions in its 2003/2004 guidelines. At an ILO-sponsored tripartite meeting, Sri Lanka’s Board of Investment agreed to write to all factories under its administration to inform them that ILO Conventions number 87 and 98 must be implemented. As a consequence, Sri Lanka’s media began covering the emergence of the democratic trade union movement.’<sup>8</sup>

## **2.9 Collective bargaining agreements (CBAs)**

Collective bargaining is one of the fundamental rights that have all workers in the world. Sri Lanka has endorsed ILO Conventions 87 and 98 on Freedom of Association and Collective Bargaining. The current CBAs in Sri Lanka is based on ECs which was established in mid 1990s, particularly in BOI registered firms. The guidelines of the ECs were drafted by the BOI.



According to labor activities, these guidelines had been drafted by taking into account input of employers based in the FTZs. In accordance with the BOI guidelines an ECs consists of a body of between 5-10 workers, elected by secret ballot, and who are responsible for the representation of collective bargaining and the settlement of industrial disputes. Eligible members are non-management / non supervisory personnel employed by the factory. They are provided with 2 hours per month to carry out their functions. There is no fee for members, and employers fund the ECs and its activities.

### **2.10 Barriers to collective bargaining**

In Sri Lanka, a minimum of seven workers is required to form a new union. The Industrial Disputes Act grants compulsory recognition to any union that represents over 40% of workers at any given workplace, which is too high a threshold based on recent ILO case law that considered even a 30% requirement as excessive (add source?). But in introducing first version of ECs in 1994, showing the good faith to workers for their bargaining, BOI laid down the objectives of ECs as, to secure mutual co-operation of the employees and employer in achieving greater efficiency and productivity in the enterprises and to represent workers in the enterprise, to promote voluntary negotiations between the employer and the EC in matters relating to the interests of the workers or the enterprise.

But the two studies that the researchers could find on ECs in Sri Lanka reveal contradictory results. First, Peiris & Ranaraja (2001) found that majority of the employees who responded were of the opinion that ECs served as a satisfactory mechanism for dispute resolution. The second study was conducted by the American Center for International Labor Solidarity (2003) on 'The Struggle for Workers' Rights in Sri Lanka'. It revealed that, management chooses most workers' council representatives and stacks the councils with supervisors and office (as opposed to shop floor) workers, management sets schedules and agenda for all meetings, management limits discussion topics to food quality, bathroom cleanliness, company picnics, and other side issues, management gets rid of council members who raise issues of wages, hours, and working conditions, and these councils are the brainchild of the BOI, set up by the government and private enterprise to attract and retain foreign investment in the EPZs.

In the same time evolution of JCC/EC also provide the better ground to understand the collective bargaining system prevailing in apparel sector. At the inception, GCEC in 1978 introduced the concept of Joint Consultative Council (JCC) which was a bipartite committee, consisted of both management and employee representatives. In this council, equal representation of management and employee was assured but the chairman of the JCC happened to be the CEO or a top manager of the respective enterprise. Employee representatives were elected by a secret ballot or by open word so that different sections of the enterprise are

represented. The JCC meet on monthly basis and employees could discuss their issues with the CEO and other management representatives. In this system, it is management who call the meetings and the tenure of the council was one year and the same member can be reelected only once in two years. The established JCC had to be registered under Industrial Relations Division of the GCEC/BOI.

However, JCC had no recognition under the labor legislation and it proved to be just a committee that didn't get legitimized legally, politically as well as socially. The management preferred JCC since they had control on the JCC as workers could not organize on their own and the chairman was a management representative. Further management could show the outsiders that have a mechanism to handle their worker's grievances. By 1994, there were international pressures from foreign buyers and International Labor Organization (ILO) to protect freedom of association of employees and at the same time opposition party also criticized JCC system claiming that employee voice representation is absent. Further trade unionist also claimed that freedom of association is absent in BOI zones. As a result of these pressures BOI had to change the JCC system (BOI IR Division).

With the change of the Government which was in power in 1994 political pressure was also influenced BOI to bring to an end the JCC system and introduced the concept of ECs in 1994. The core difference of EC when compared to JCC is that EC consists of only the worker representative and the EC is chaired by one of the workers. In 1994, BOI introduced a guide line on EC and according to that guideline, the EC members should be elected by the workers by a secret ballot. An Electoral Committee consists of BOI Officials and Labor Department Officers organized these ballots. Further, those organizations that had JCCs up to 1994 were converted into ECs within three months of the introduction of the guideline on ECs in 1994. This system operated till the year 2004, until changes made to the in 2004 as per the ILO guidelines, BOI drafted a new guideline on EC by changing the composition of the Electoral Committee. (maybe move this paragraph upward under the section 'barriers to unionization').

### **2.11 Spread of short-term contracts**

Labor legislation in Sri Lanka is very complex as it consists of many different legal norms such as labour laws, labour regulations, decisions of the Labor Court and the Appellate Court, and many different collective agreements. Due to this complexity, Sri Lankan labor legislation is extremely difficult to comprehend and oversee with relevant to short-term contract. Yet, in garment industry, short-term contracting is not the main form of employment in Sri Lanka. According to union activists, short-term, temporary or fixed-term employment that represents any employment with a fixed period of time or a specific task to complete can be seen four different ways in the garment industry in Sri Lanka. Those are part-time employment (any

employment with less than a standard working week), casual employment (any irregular employment), apprenticeship (employment under training) and seasonal employment (employment at a specific time of the year). If an employee belongs to above four categories is liable to leave the firm when the time period is over. In the same time, they mentioned that an employee can be terminated any time due to serious disciplinary issues, when the employee is in consent to leave the firm, or with the prior approval of the Labor Commissioner. Other than information mentioned above, comprehensive data on short-term contracting in the garment industry in Sri Lanka is not available. Yet, unionist in view that firms in garment industry are also increasingly issuing short term contracts instead of permanent contracts similar other industrial firm in Sri Lanka.

## **2.12 Relocation**

In 1992, with the establishment of a government statutory board known (BOI) for the enhancement of the garment industry, incentive packages such as tax incentives and tax exemptions were offered to expand the industry in massive scale (Kelegama, 2005). Considering the fact that industries have been concentrated in the Western Province, measures were taken to regionalize the industries in the successive periods. Special efforts were made to promote zones outside Colombo, and certain complimentary incentives were offered to the investors under this scheme. These include additional tax holidays, concessionary turnover tax, and lower ground rent. For example, government implemented 200 garment factory programs in early 1990s and later established several industrial parks in different location of the country.

## **2.13 Unlawful wage practices**

With the expansion of garment and textile as a profitable industry, the competitive pressure among firms shifted towards cost reducing strategies. The labor-intensive nature of the industry naturally finds putting more pressure on labor as the only available option. Labor costs are approximately amounted to 15-20% of the overall cost (Dheerasinghe, 2003; and Kelegama, 2005). Although, measures are needed to consider on labor saving strategies with the expansion of the industry, the competitiveness has been mostly focused on low cost labor and policy driven incentives. As a result, the state of job quality has been leveraged by the firms over the past decades. Therefore, the issues concerning wages of employment in the garment industry in Sri Lanka emerged in many facets. They are mainly stated as a list below as per the views of labor union activists.

- Getting extra hours of work from employees without payment
- Forcing workers to attend for over time
- Forcing workers to work on Holidays
- Target incentives which are paid to workers on piece base

- Salary deductions from workers for unofficial leaves

#### **2.14 Gender differentials**

The gender basis employment structure of the industry in the country indicates relatively high share of women workers in this prominent industry. The recent studies reported that 85% of workers in the industry are women workers. The majority of the workers are migrant workers from remote areas of the country, unmarried and young. These women workers are mostly with low educational qualifications and unskilled. The interviews with persons in industry management indicated that they mostly prefer unmarried young workers in the recruitment process. This preference is basically raised due to several reasons such as pregnancy, workers commitment to child care, etc. Moreover, the interviews with workers and trade union activists reported several gender-based discriminatory practices (*refer case study 03 to see the workers impression on this*)

- Discriminatory practices at the recruitment process: Giving priority to unmarried, young aged group, or any other. According to activists, all the Tier one garment factories like MAS, Brandix, give priority for young (just after schooling but above 18 years old) aged group at the recruitment.
- Discriminatory practices after the recruitments: Especially, with regard to pregnant, opportunities to marriage, etc. At the same time workers are exposed to problems like target pressure, inadequate salary, work pressure, and mistreatment from superiors; includes all matters relating to work according to union activists.
- Sexual intimidations or abuse.

#### **2.15 Informalization and wages**

Sri Lanka's labour market is becoming increasingly informalised including the garment industry. Traditionally Sri Lankan labor market was about fulltime jobs and sometimes people had one job for life. This is not the case anymore in all the industry. Now, firms are seeing more 'typical' workers because the typical structures are changing. Most of the time, employers are trying to recruit workers into their business on project base. Even sometime piece rate payment is also taken place in several industries. Workers also are motivated to attend for other odd jobs when they have free time due to various reasons. Some evidences can be seen in the apparel sector also. This is because businesses hire workers under many different arrangements as mentioned above instead of hiring in the traditional way. The result is increasing informalisation of the labor market in Sri Lanka covering all the industries including the garment industry.

#### **2.16 Unemployment time**

In Sri Lanka, it is rare to observe unemployment time of employed worker in the industry

as industry still receive adequate orders from their foreign buyers. It was expected that the MFA phase out would have negative impact on industry work force. However, industry underwent series of structural changes such as merging with large scale companies, switching from its low value items to high value (niche) items in garment export basket, changing export directions, etc. It is evident that there are currently approximately 30,000 vacancies for women workers in the industry, particularly in the FTZs. These existing vacancies clearly indicate that the industry labor market is in at disequilibrium position, specifically in attracting the women workers. The main reason for not attracting labors to the industry is the low wage rate coupled with lack of social recognition to industry workers. This has pressurized already employed workers in the industry in terms of excess labor supply to the factories in order to fulfill placed orders by the buyers. This situation is clearly indicated by the decreased employment level of the industry from 330,000 in 2002 to 283,000 in 2011 even though the industry export increased at a significant level in terms of both value and volume.

### **2.17 Ethnic/ caste/ migrant/ gender inequalities**

At present, there are no barriers to access the industry labor market in terms of ethnic category. During the phase of war, it was reported several incidence regarding barriers to employ in the industry in terms of Tamils people. For example, according to activists, due to language deficiencies all workers came from North and & East areas have been limited. Even some time it is difficult them to find meals and boarding places. These incidences were mainly occurred due to national security concerns. In post war period, there were no records of such incidence. According to observations by labor activists employment rate of Tamil nationalists is gradually increasing in the industry in the post war period. By taking into account this imbalance, government is also encouraging the investment in North and East provinces where majority of Tamil population lives.

Moreover, the geographical distribution of the garment factories shows high concentration of garment factories in the Western province of the country. For example, more than 60% of garment factories are located in Colombo, Gampaha and Kalutara due to relatively high infrastructure facilities and location of two FTZs in the region. As a result, most of the workers are migrant workers hailed from rural communities. The reason for this migration is that there are no sufficient employment opportunities for less educated and unskilled women in those areas. The economic hardship pressurizes those women to migrant to capital city and near by areas as most of garment factories are located in the Western province and the industry offers entry level jobs for unskilled labor. However, economists and sociologists raises some important issues of this labor migration in terms of population pressure in capital city and few township around the capital city, and problems of workers accommodation and sanitation

facilities such as water, electricity, toilets, etc., security of women workers and social recognition of the women workers (*refer case No 04 for more details*). By taking into account this issue and to increase the employment opportunities to rural labor force of the country, the government implemented 200 garment factory program (GFP) in early 1990s. After that, several industrial parks were located in different part of the country such as Polgahawela, Nittabuwa, Pallekale, etc. Moreover, traditionally women are the main work force of the garment industry. Today, women workers account for 85% of total industry work force.

## 2.18 Expenditure

Expenditure level and pattern of the workers in the industry is strongly conditioned upon the monthly earning of each worker. Table 1 shows distribution of workers expenditures among different modes as analyzed by Prasanna and Kuruppuge (2013). According to Table 2, per capita food consumption cost of garment industry workers in the FTZ and OFTZ, which required fulfilling recommended calorie level for moderately active worker in the labor force, are Rs. 4,636 (USD 35.2) and Rs. 3,162 (USD 23.8). As actual expenses on food are much lower compared to above figures, it is very questionable that whether majority of workers can reach recommended level of calorie. Per capita non-food consumption cost of the workers in the FTZ is Rs. 12,026 (USD 90.4) and it represents 72.9% of total cost of basic needs of the worker. In terms of the OFTZ, per capita non-food consumption cost is Rs. 11,744 (USD 88.3) which is 78.7% of the total cost of basic needs of the worker.

Table 3 Cost of basic needs of apparel industry workers in FTZ and OFTZ: Values in Rs.

Particulars	FTZ		OFTZ	
	Rs.	%	Rs.	%
Per capita food consumption to achieve recommended calorie level of 1,900 Kcal	4,676	28.0	3,162	21.2
Per capita non-food consumption cost	12,026	72.0	11,744	78.8
1. Clothing and textile & foot wear	1983	16.5	1,904	16.2
2. Housing	1500	12.5	1,500	12.8
3. Personal care and health	2594	21.6	2,383	20.3
4. Fuel and light	1136	9.4	467	4.0
5. Education, cultural and entertainment	516	4.3	444	3.8
6. Transportation and communication	2719	22.6	2,453	20.9
7. Other	1578	13.1	2,593	22.1
Total per capita cost of basic needs	16,702	100.0	14,906	100.0

Source: Prasanna and Kuruppuge (2013)

Note:

Cost of housing was determined based on field observations. According to field observations, workers are sharing the rooms. Therefore, we, in this study, determined Rs. 1,500 as cost of housing per month considering the all cost including rent and any other cost related to the housing incurred to the workers. Cost of other included the contribution to family, trade union and societies, payments of debits, expenditure on wedding/ funerals.

## **2.19 Health and nutritional status of workers**

The nutritional status of workers, women workers in particular, in the industry was found to be worse than that of workers in other occupations and industries and same age category of the country's population ([Amarasinghe, 2007]; [Peiris, 2008]). Conducting a cross sectional analysis using the randomly selected 652 women workers in five garment factories in the Katunayake FTZs area, Amarasinghe (2007) indicated 34.2% of workers were affected by chronic malnutrition as measured by Body Mass Index. The report also revealed that 44.7% of women garment industry workers were anaemic with low mean hemoglobin concentration. Among them, 55% were the married women workers. According to workers opinion survey conducted by Peiris (2008), 34% of garment workers have reduced the number of meals they take per day. This percentage is high in terms of women workers which is 39%. Moreover, 41% of workers (40% women and 42% male) have indicated that they visit a doctor more often now than before they joined the present job. These study findings indicates the deteriorating health condition of the workers in the industry due to various reasons such as low wages, excessive work time, etc. As the women workers accounts for approximately 85% of industry work force and as women health conditions affect their children, the worsening health of women adversely affects future generations too [Saravanathan & Sanjeevanie, 2008]. (*refer case 05 for more details.*)

## **3. Case studies**

### **3.1 Case study 1:**

#### **Case No 01 - R WY Rasanjalie**

I am Rasanjalie attached to Smart Shirts Lanka Garment, Katunayaka as a machine operator. I am from Kegalle, and 27 years old now. I came to Katunayaka after my Ordinary Level exam as our family had lot of financial difficulties. I have been here for more than 09 years now.

Working as a machine operator in this company is not a difficult task even though sometimes I have to work day and night. I am provided with certain facilities like meals, transport, and medicine from the company. Work environment is also not so bad when we become senior employees. If the targets are achieved, the pressure from the company to the employees also demolishes. Yet, two things are very difficult to be borne by the garment girls here. I myself is also suffering from those. First one is ugly boarding life at Katunayaka.

Boarding place should be a calm and quiet place to have a rest after work. But, it's a mess. I changed my boarding place several times, yet the result is the same. I cannot compare the people in the village and with the people in the EPZ area. I do not interact with the people here. Boarding owners just want our money and local men want to harass us. They all are strangers and have nothing to do with us because we are 'zone girls'. I have only our workers' community to trust by each other. We cannot stay in our rooms most of the time because men call us by our names or try to harass us physically. I want to do something else in our lives after working at factories. For instance, to read a magazine. Yet men do not allow us for it. When we are in a group they are afraid to harass us since we react. They harass us only when we are alone. That's why boarding place has become a good place for them. So, at night we walk in groups. Our village is not a place like that. I have tried to find a suitable job in the village without coming over here. But, there were no proper jobs, only jobs in agricultural field. In the paddy fields, we could only 'help'. We were not paid for our work even though we worked hard in paddy fields. I had to ask for money from my sister when I needed something. Most of the time, she could not help me.

The second problem is inadequate salary for workers. Prices of commodities are increasing day by day. But the salary remains unchanged for a long time. What can we do by getting around Rs. 16,000.00 per month? We do not want to be a burden to our poor parents. They cannot provide us with a dowry. Therefore, we save money for jewellery. Men still expect dowries from women. They say that they need only us when they start the love affairs but later, when we get married and face economic problems they fight with us, complaining 'What did you bring with you?' Then we have to go back to our homes . . . No, no, we cannot go home. I will be in Katunayake either way [all interviewees laughed]. So! It is best to collect our dowry first and then find a man to marry. If we take a dowry, they cannot oppress us because we have also contributed to the family economy and wealth. Therefore it is really good if we get a sufficient salary to cover up our day-to-day expenses and also save for our dowry.

### **3.2 Case study 2:**

#### **Case No 02 -S. Sahani**

I am Sahani from Anuradhapura. I am 22 years old. I am attached to Brandix Lanka Limited, Katunayaka. I have 02 years experience working as a helper in this company. I sat for my Ordinary Level Examination and could not proceed my studies further due to financial problems in my family. My father got paralysed when I was a small kid and I have another two sisters without a job. Because of the financial problems in the family, I was convinced to go for



a job.

Because of the drought we could not grow paddy for years, even for subsistence. As the eldest child in the family, I decided to get a factory job to support my family. My father felt that he was losing control of his daughter and his family by my decision to migrate. He said that his daughters should not work in factories and that he could still support his family. However, I arranged my job secretly. While I was in Colombo, my mother told my father that I was visiting relatives. When I got the job, I told him the truth and he did not approve, but nor did he prohibit me from leaving home. I think he finally realized that poor people like us cannot get a 'better' job than EPZ jobs. He does not have influence on any politician who could support me in getting a job, and in Sri Lanka everything depends on whether one can secure such support.

The very first week at the company was a very bad week. I knew nothing about apparel and started my carrier as a helper. At the beginning I had many problems. I was crying day and night during my first week of my carrier at Brandix. Anyhow, now the things are under control and I have adjusted to the environment. My only concern is about the salary. I am far away from my home town and is staying in a boarding place. Lot of expenses are there for myself. Expenses for boarding fees, meals, medicine, clothes, other day-today items and entrainment are few of them. At the same time four people, my parents and two sisters are also depending from me. They do not have any other income other than what they get from their 'chena' cultivation and they wait for my salary. As I know that my salary is too small to cater to the family requirements, I am forced to work overtime. If I cover a sufficient number of overtime hours my salary reaches to Rs. 18,000.00. If it reaches that amount, at least I can fulfil the minimum requirements of my family and myself. Now the company has implemented an overtime controlling methodology for workers in the company. That has very badly affected my salary.

### **3.3 Case study 3:**

#### **Case No 03 -L K A A Priyangani**

My name is Loku Kuruppu Arachchilage Anusha Priyangani. I am from Amunukole, Kobeigane, Kurunegala. Now I am 33 years old. I am married but currently we are living separately. I have to look after my parents as they are very old now. I joined Timex Garment Manufacturing Company at Wathupitiwala Industrial Zone in 2009. Before I joined Timex , I served as a Cashier in the Dubai International Art Centre during 2007-2008. Before that I was working as a quality controller in Slim Line Privet limited during the period 2002-2006.

I am working here at Timex as one of the Quality Checkers. I am expected to work all day, standing in one position for hours at a time with no break. Managers tell us that we should consider them as fathers or elder brothers. When we get home at night we are expected to do housework or cook for ourselves. But after work we are too tired to do anything else. Sometimes managers are trying to do what they want. Managers impose their own laws and regulations time to time, thinking only about their benefit. There are no written documents about these laws and regulations but they are imposed orally. Fortunately, at seminars arranged by a third party (e.g., NGOs), I learnt about our [industrial zone workers'] rights and particularly about women's rights. At the workplace, when managers try to cheat us on overtime payments or holiday payments I confronted with them. Now the managers know my knowledge of labor laws and workers' rights. Therefore, they do not force me to work if I say that I need sick leave. I do not abuse the situation either. I have negotiated between workers and managers in several cases. For example, there was an urgent production job and, supervisors asked us to continue work on night shifts, but most workers did not want to do so because they were too tired and as usually they do not earn extra income by doing overtime work. I negotiated with the managers to pay us one and half times the normal rate and convinced the workers to continue working and finished the production quota on time. I also talk to supervisors and managers on behalf of my colleagues who feel sick or need time off work due to family emergencies, since most of them are too afraid to talk to supervisors by themselves. Not only this, we encourage our friends to participate in seminars on health, harassment, and rights arranged by the third parties. We participate in campaigns for establishing and gaining recognition for trade unions at factories. Even though the law states that Industrial Processing Zones' workers have rights to unionize, employers still do not allow union activities inside factories.

### **3.4 Case study 4:**

#### **Case No 04 - L R Dayawathie**

My name is Dayawathie. I am 48 years old now. I am attached to MAS Holdings Company, Katunayaka as a machine operator. I have 10 years experience working in the position. My home is in Naiwala and I travel daily from my place to Katunayaka by the transport service provided by the company.

I think that Sri Lanka is a very male dominated society, unlike Western countries. Men see women who want to achieve something as immoral. Social and religious customs play a very big role in controlling our status. If you speak to an educated man, he does not want his wife to work, but to stay at home. Even one of our Prime Ministers (Mrs. Sirimavo Bandaranaike) had to do housework when she got home from the government office. Within

this male dominant society, whatever contribution we do as ladies, it is not counted enough by the society. I experienced this throughout my life time especially as a garment worker. This has become more serious now. My children also do not want to tell in the School that their mother is working in a garment factory. But if their father works in a garment factory, they would proudly say that my father is working in a garment factory. I think because of social order and ugly concepts prevailing in the society, people tend to do this way.

This situation has been prevailing due to some reasons. Even though most of the factory managers are good to us, we hear stories all the time about girls being harassed and abused in the factory. As a result many girls mysteriously leave the factory and we never see them again. We also hear a lot of similar stories from other factories. If a manager wants to do anything to us there is nothing we can do except to leave. Society has a very bad perception of women factory workers. They look down on us and consider us as immoral people. We are not accepted, and people disrespect us. We cannot walk on the road alone. Men think that we are playthings that can be used for their pleasure. Men interfere with us and touch us on buses if we travel by public transport. They do not think about us as people working for a living. We must walk to the factory in large groups because the local men constantly wait for us. We are a source of amusement to them and we hear stories of girls walking alone being grabbed and touched. I am very scared of the streets around my house, even though it is now my village.

I see another aspect of this. Society tends to say negative things about us because of their bad experiences about us. When girls come from villages, they feel garment life as a different world. Freedom is there and there is nobody to control them. They get used to fashion step by step. Sometimes they fall in love with boys. When their salary is not enough to cater to girl's own needs and their family, some girls even go for things which create a very bad image about garment workers in the society. Even if a married couple is walking together in the area, society thinks that they are an illegal couple searching for a place to stay temporarily. In order to build a good image among the society about garment girls, many things should be implemented in the zone.

### **3.5 Case study 5:**

#### **Case No 05 -Nadeesha Rathnayaka**

I joined with MAS Group of companies in 2008 as an ironer. I am from Kandy and currently I am staying in a boarding place near Katunayaka. I am 25 years old now and is still single. When I wanted to do a job at Katunayaka, I had lot of pressure from my parents, relatives, and friends not to leave my village to Katunayaka. But neglecting all pressure,

finally I came and started my work here with the help of one of my friends. Before I joined here as an ironer, one of my close relatives had read an article in a newspaper regarding an EPZ woman experiencing a bad health condition and had warned my parents when they got to know that I was interested in an EPZ job. They criticized my parents since they allowed me to migrate to Katunayake and put me at a risk of bad health condition.

As clearly pointed out by my relatives in my village, I started suffering from asthma, gastritis, eye problems, and dengue fever within two years of my stay in Katunayaka. I do not think eye problem as a direct result of my service in the factory. But all the others are a result of my service in the factory. In addition to my personal experiences, most of the other workers also suffer from different types of illnesses and diseases. Urinary track infections are common among the female workers. I think this problem occurs due to unsanitary facilities at boarding houses and because we do not drink enough water. We must work hard in order to earn more money and as a result sometimes we forget to drink enough water. Another common health problem that I experienced is headache. I guess that tension at the workplace due to repetitive work; overtime work, and supervisor pressure at the workplace cause such health problems. At the same time, we suffer from continuous cough because of dust inhaled from threads. Most of the girls including me have stomach problems too. I am suffering from gastritis due to lack of time to eat or prepare meals. Sometimes, I have to work even in the lunch time in order to achieve the targets and ultimately the lunchtime passes and eat only the dinner. Almost all the workers suffer from headaches and other diseases and occupational health problems like muscular skeletal disorders, mainly because of working conditions at the factories. During my first few months I experienced lack of ventilation, over-crowding noise, poor lighting and air-conditioning, and heat related problems in my factory. But now most of the things are corrected by the management and we have a better environment than before.

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<sup>1</sup> The MFA entirely phased out in 2005 within 10 years of period beginning in 1995 under the Agreement on Textiles and Clothing (ATC) of GATT.

<sup>2</sup> According to the Ministry of Industry (2004), distribution of ownership of the garment factories was as follow: Sri Lankan ownership—74%, foreign ownership—13% and joint ownership—10%.

<sup>3</sup> In 2011, the EU removed its GSP+ facilities with regard to Sri Lanka.

<sup>4</sup> These top five categories were HS 610910, HS 621210, HS 620342, HS 620462, HS 620469,

<sup>5</sup> See for more details – Prasanna & Gowthaman (2006)

<sup>6</sup> 1 USD = Rs. 114 in 2009.

<sup>7</sup> 1 USD = Rs. 133 in September 2012.

<sup>8</sup> Dent 2005: 59.

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