

Impact of Covid-19 on Decent Work

Wage Digitization Digest-3rd Edition

The Wage Digitization Digest is a monthly desk-based intelligence report produced by Synergos that sources from English-language media spanning a monthly timeframe specified in the digest. The report covers the impact on workers during Covid-19, in garment, coffee, and tea industries; with a focus on digital wages, gender equity, and worker wellbeing across Bangladesh, Cambodia, Ethiopia, India, Indonesia, Pakistan, and Vietnam. This month's research covers news sources from June 15 – June 30, 2020.

Macro Global Trends

- 1. Global economic impact of COVID-19:** Job loss has become more pervasive as major brands and buyers are required to delay, put on hold, or entirely cancel their orders, leading to factory closures. In Bangladesh, it is estimated that over 40% of garment workers (1.8M) will lose their jobs in coming months ([Vice](#)), 400 factories in Cambodia have suspended their operations, leaving over 150,000 workers jobless ([Khmer Times](#)), and 40% of garment workers in Karnataka State in India have lost their jobs ([The Hindu](#)).
- 2. Labor violation concerns:** As the economic impact of COVID-19 widens globally and deepens in value chains, labor protections for workers continue to be threatened. In Cambodia, the Garment Manufacturing Association in Cambodia has called for a suspension of the minimum wage guarantee ([Khmer Times](#)). In India, state governments continue to suspend labor laws, allowing extended hours and underpaid labor, and tea plantation workers are denied wages, leading to widespread food scarcity. In response to the growing numbers of COVID-19 cases in Bangladesh, there have been some precautionary measures put in place, including BGMEA establishing COVID-19 centers for garment workers and family and ILO supporting the launch of a comprehensive safety and training package.
- 3. Widespread worker unrest:** Workers and unions continue to protest the rapid firing and deterioration of job conditions across Bangladesh, Cambodia, India, and Pakistan. In several countries, and Bangladesh in particular, due to COVID-19 precautions, protests have been rapidly dispersed or shutdown.
- 4. Gendered effects of COVID-19:** In Bangladesh and India, women are disproportionately affected by firings and have been denied access to essential benefits. Women with children have been denied maternity leave, subjected to intense physical labor even when pregnant and laid off due to factory daycare suspensions.
- 5. Digital payment trends:** In Bangladesh, mobile money transactions dipped by 27% in April compared to March likely due to economic stagnation ([New Age BD](#)). There was an initial surge in mobile payment methods but as the economic hardship is fully felt across the country, overall consumer consumption is down, showing a correlation between use of digital payments and the country's economic health.

High-Level Country Insights

Bangladesh: According to data from the BGMEA, major brands (1,931 total) have either delayed, put on hold, or entirely cancelled their orders, leading to factory closures; estimated that over 40% of Bangladeshi garment workers (1.8M) will lose their jobs in coming months ([The Daily Star](#)). There has been a steady increase in protests due to limited worker protection, missing wages, and firings. In response to and overall slowing in economic activity, there was a decrease in usage of mobile money transactions by 27% between March to April ([New Age BD](#)). To respond to the rapid spread of COVID-19 in factories, the ILO is working with the BGMEA and the BKMEA to launch a comprehensive safety and training package, the RMG “Learning Hub” which will focus on three core areas to help the RMG industry better protect and monitor workers and their working conditions. ([Better Work](#)).

Ethiopia: A study done at Hawassa Industrial Park surveying 3,163 women working in the garment sector over the past two months (Apr-May) revealed only a little over half (56%) of respondents were still working ([OSF Home](#)). In the coffee industry, the rise in exports was most likely due to a lag between export orders and shipment; between March and April, coffee exports fell by 7% ([International Growth Centre](#)). To minimize the risk of COVID-19 spread, farmers are depending more heavily on family labor to care for the crops, rather than outside workers.

Cambodia: Tensions continue to rise between labor unions and the Garment Manufacturing Association in Cambodia (GMAC) over minimum wages; the GMAC has called for a suspension of the minimum wage guarantee of \$190/month; the Clean Clothes Campaign Network has found that 93% of surveyed brands failed to provide evidence that they are paying a living wage and there is low compliance with to the transparency pledge ([Khmer Times](#)). Due to limited wage assistance and protection measures, worker protests have continued. The government is gearing up to train workers on technical skills for different jobs due to factory closures.

India: PM Modi declared that the government would launch a Rs 50,000 crore employment scheme to provide income support to migrant workers who returned to their home states during the COVID-19 lockdown ([The Wire IN](#)). Meanwhile, migrant workers are being offered transportation, advanced payments, food, and accommodation if they return to contractors in urban centers ([Mumbai Mirror](#)). Workers continue to mass protest forced layoffs and missing wages. In the tea sector, India’s tea output has fallen by 54% from a year earlier as restrictions to curb the spread of COVID-19 reduced plucking in the top producing north-eastern state of Assam. Non-payment of wages and restricted supply of food has been rampant in tea plantations across India, leading to protests by tens of thousands of tea plantation in the state of Assam in April and West Bengal in June ([Reuters](#)).

Viet Nam: According to the employers' organizations, garment orders in April 2020 and May 2020 have decreased by 20% and 50% respectively ([Vietnam Net](#)). Since the second half of March, many big clients from the US and the EU have asked Vietnamese enterprises to delay deliveries or cancel contracts. In the coffee sector, total coffee exports were up 3.7% in volume and 2.5% in value in the first half of 2020 compared to 2019, but overall domestic coffee prices have decreased. Lower domestic prices have meant that farmers could not sell coffee within local markets, leading to challenges for traders and exporters in purchasing coffee for export ([Vietnam News](#)).

Indonesia: There has been little to no media reporting in English on the effects of COVID-19 on the garment sector between June 19 – July 4. The following is an update based on ILO Better Work’s factory data. From the previous data chart shared on June 22nd, an additional 9 factories were documented under mass leave with the number of affected workers increasing to 36,281 from 34,179 workers (+2102 increase). Four more factories are added under stoppage with “no work no pay.” The significant increase comes from an update for the Central Java province ([Better Work Indonesia](#)).

Province	Mass Leave		Swap Day		Stoppage with "No Work No Pay"		Stoppage with "Reduced Wage"		Temporary closure (official notice of temporary closure with indication of possible permanent closure)		Permanent Closure		Termination of Permanent Workers		Termination of non-permanent contracts (PKWT): PKWT is not extended or terminated before the end period		Impact on Annual Festive Bonus (THR) Payment		Impact on Regular Wage Payment (Delay Payment/Installment, etc)	
	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers
DKI Jakarta	0	0	0	0	2	1254	0	0	0	0	0	0	0	0	4	910	2	454	1	454
Barnten	1	1046	0	0	1	800	1	400	0	0	0	0	0	0	0	0	3	1446	2	1446
West Java	17	24319	4	0	19	25212	13	21087	7	6851	0	0	1	1740	21	5371	47	36431	15	17498
Central Java &	13	10916	0	0	12	10610	14	32751	0	0	0	0	2	1435	6	1441	30	26783	6	14045

Note: Between June 19 July 4, media reports on the effects of COVID-19 to Indonesia’s and Pakistan’s garment sector were not found in English. We will be monitoring the news in the upcoming days and reaching out to local colleagues to gain a deeper understanding of the real-time situation.

Detailed Country Insights

Bangladesh

Factory Closures: According to data from the BGMEA, 1,931 brands have either delayed, put on hold, or entirely cancelled their orders since the beginning of the COVID-19 pandemic. The total value of these orders has been estimated to represent around \$3.7 billion coming from suppliers across the US, the EU, and Canada ([The Daily Star](#)). Approximately 97.3% of buyers have failed to pay ([Vice](#)). Major brands include Primark, Gap, Marks & Spencer, H&M, Global Brands Group (GBG), and Next. GBG cancelled orders worth \$4.61 million from 11 suppliers ([Dhaka Tribune](#)).

Factory owners are days away from having to close factories due to missing global buyer payments. 80% of orders have gone with no compensation ([The Guardian](#)). Six garment factories in Chattogram are about to lose work orders worth over \$3.2 million as they are based in the COVID-19 red zone that has been on lockdown since the 16th of June. The factories in question are HKTG Garments Ltd, Kattoli Textile Ltd, Vanguard Garments Ltd, HB Fashion, Gartex Garments Ltd, and MN Clothing Ltd ([RMG BD](#)).

Job Loss: Factories are spending thousands in costs and have no income, driving owners to fire 10,000+ workers in the last few weeks. A large group of workers are still missing a month or two of wages in addition to being dismissed ([The Independent UK](#), [The Guardian](#), [RMG BD](#)). According to Kalpona Akter, founder of the Bangladesh Centre for Worker Solidarity, over 40% of Bangladeshi garment workers, which is around 1.8 million workers, will lose their jobs in the coming months ([Vice](#)).

Worker Unrest: Workers and unions continue to protest against the rapid firing and deterioration of jobs but due to COVID-19 precautions, protests are easily dispersed under COVID concerns ([The Guardian](#), [Industrial Workers of the World](#)). There were more than 100 protests and demonstrations in Bangladesh's six industrial zones, mainly over unpaid wages. Around 1,004 factories, 436 of which as textiles and RMG factories, are yet to receive their wages for the month of May. The data revealed that 134 BGMEA

factories did not pay May's wages, even though the Association claims that only 40 factories failed to pay. It further concludes that 266 BKMEA-factories and that 36 BTMA-factories had not paid as of Monday, the 29th of June. The employers' associations said that the factories that failed to pay were mostly small in size and were not covered by the government's relief program ([RMG BD](#)).

Worker Protection: According to Industrial Police data, a total of 417 workers from 174 factories in six industrial zones have tested positive, and five workers have died from COVID-19. Of the 417 workers, 311 are garment workers from 99 factories registered with the BGMEA, BKMEA and BTMA. Data from the Department of Inspection for Factories and Establishments (DIFE), however, only showed 280 workers infected ([The Financial Express](#)). Amidst the surge of COVID-19 cases and fatalities, Wari in Dhaka has been put under lockdown ([The Business Post](#)). In Chittagong, the BGMEA has announced that it will set up a COVID-19 isolation center ([Dhaka Tribune](#)). In Chattogram, BGMEA has opened a 50-bed hospital in the Export Processing Zone (EPZ) of Saltgola ([New Age BD](#)).

The ILO is working with the BGMEA and the BKMEA to launch a comprehensive safety and training package, the RMG "Learning Hub" which will focus on three core areas to help the RMG industry better protect and monitor workers and their working conditions during the COVID-19 crisis ([Dhaka Tribune](#)).

Economy/Value Chain: Across the country, reports are stating around 36M people have lost their jobs, 16M have become 'new poor.' ([Dhaka Tribune](#)). According to World Vision Bangladesh, nearly 95% of Bangladeshi households' income has been impacted in the past three months with 78.3% of daily wage earners reporting a decrease in income ([Dhaka Tribune](#)).

Bangladeshi garment exports have declined by 18.45%, the highest decrease in its history. The main cause of decline is the cancellation of orders by global buyers ([Dhaka Tribune](#)). Some factory owners report that they are receiving new orders, albeit at much lower levels than usual. The BGMEA is hopeful that, by December, member factories will be getting 70% purchase order of their capacity ([RMG BD](#)).

The ILO, other UN agencies, and BGMEA have created a task force with interested buyers to support the production of level-1 PPE equipment in the country, both as a response to the immediate Covid-19 crisis and as a future investment in higher-level PPE production capacity in the long-term ([Better Work](#)).

Wage Assistance: The EU wants to create an incentive package in conjunction with the government's aid to help RMG workers under the country's social security reform programs. They intend to allocate 93 million euros to support these programs ([The Business Post](#)). Although the EU has offered a €113 million grant so that around one million retrenched workers be paid at Tk3,000 for three months, the government's unwillingness to develop a model for the wage disbursement has left retrenched workers, mostly from the garment sector, in uncertainty. Instead of the disbursements, the government wants to create a welfare fund with the grant ([Dhaka Tribune](#)). Presidents of the BGMEA and the BKMEA have signed a joint letter urging the government to allocate funds for the payment of salaries and allowances to workers for July, August and September in order to sustain the country's economy ([RMG BD](#)).

Gendered Effects of COVID-19: Women in factories are facing higher firing rates and denied benefits such as maternal leave. Sommolito Garment Sramik Federation protested in Dhaka against forced resignations and firing of pregnant women in factories ([Sommolito Garment Sramik Federation](#)) and thousands of workers set fire to Evergreen BD Ltd for firing workers with seniority who are entitled to higher salaries and denying maternity leave to pregnant women ([The Daily Star](#)).

Wage Digitization Trends: Mobile money transactions dipped 27% in April compared to March likely due to economic stagnation. There was an initial surge in mobile payment methods but as the economic hardship is fully felt across the country, buying is down. MFS transactions by RMG workers and other laborers who usually send money home dropped as those workers have left Dhaka and headed to their villages. The number of registered clients of MFS operators, however, has increased by 3.1 % with increases being noticed in March and April ([New Age BD](#)).

Ethiopia

***Reporting on the effects of COVID-19 to Ethiopia's garment sector remains limited. We are awaiting to hear back from our colleagues in Ethiopia to gain a deeper understanding of the situation.*

Job Loss: A study done at Hawassa Industrial Park surveying 3,163 women working in garment over the past two months (Apr-May) revealed that 56% of respondents were still working, 24% were on paid leave, and 42% of those still working were working the same number of hours. Awareness of COVID-19 was high. Overall levels of food insecurity are high with 40%-60% of respondents saying they have worried they do not have enough food in the last seven days. Only 7% were on unpaid leave and 2% were terminated. 11% voluntarily left according to the survey ([OSF Home](#)). Close to 14,000 workers have been given paid leave. To mitigate the impact, firms in industrial parks have shifted to the production of Personal Protective Equipment (PPE). Hawassa Industrial Park has increased the production of facemasks to 20,000 pieces per day in April ([International Growth Centre](#)).

Coffee: For coffee, the rise in exports was most likely due to a lag between export orders and shipment. However, between March and April, coffee exports fell by 7%. Informal discussions with exporters indicate that new orders have indeed been declining, implying that we will see the effects in the coming months ([International Growth Centre](#)). As food prices rise, farmers in Ethiopia are citing risk of hunger & farm workers demanding higher wages to meet the costs. To minimize risk of COVID-19 spread, farmers are using family labor to care for the crops rather than hiring new workers ([New Frame](#)).

Cambodia

Worker Protection: The Garment Manufacturing Association in Cambodia (GMAC) has called for a suspension of the minimum wage guarantee of \$190 per month and minimum wage negotiations planned for July due to the economic impact of the pandemic. GMAC requests that wage be negotiated amongst employers and workers directly until the situation normalizes. Other industry associations have come out in support of GMAC's call. In response to these claims, union leaders warned that suspending the minimum wage would possibly lead to worker exploitation ([Khmer Times, Cambodianess](#)). In response to GMAC's call for annual wage negotiations to be delayed, garment factory unions and workers have called on the government to adhere to its schedule to negotiate a minimum wage increase for workers this year ([Camboja News](#)). In contrast, labor unions are urging brands to raise workers' low wages. The Clean Clothes Campaign Network has found that 93% of surveyed brands failed to provide evidence that they are paying a living wage to any of their suppliers while 63% do not disclose the names or addresses of suppliers or only partially comply with the transparency pledge ([Khmer Times](#)).

Workers are also facing increased debts and are struggling to pay loans back. Tens of thousands of garment workers have had their hours and wages slashed. The majority of the union workers are already eating less and taking more loans to make loan payments ([The Cambodia Daily](#)). Of the 162 workers surveyed, only four didn't have any debts. Of the workers that had debts, almost every worker said that they wouldn't be able to repay their debts if their work was suspended, adding that their lives were worse now than before they took the loan ([Licadho](#)).

In favor of supplier companies, the Ministry of Labor and Vocational Training has announced that businesses closed due to the COVID-19 pandemic do not have to pay "damages" and "prior notice payments" to their workers. The Ministry said that factories and enterprises have cause to terminate employment contracts due to COVID-19 hardship with the Labor Law stating that "economic hardship or any special difficulties that cause the suspension of activities for longer than two months allows for the suspension of employment contracts." Union leaders state that this announcement removes worker protections and employer accountability to worker benefits ([The Phnom Penh Post](#)).

Job Loss & Worker unrest: The Cambodian garment industry employs around 1M workers, 80% being women, in about 1,100 factories and branches. About 400 garments, footwear and travel goods factories in Cambodia have suspended their operations, leaving over 150,000 workers jobless amidst the coronavirus pandemic. The Garment Manufacturers Association in Cambodia (GMAC), the Cambodia Footwear Association and the European Chamber of Commerce in Cambodia, who reported these figures in a joint statement, warned that numbers would likely go up ([Khmer Times](#)). Thousands of workers have been protesting in front of factories across the country regarding unpaid wages, forced unpaid leave, missing benefits, and layoffs ([The Cambodia Daily](#), [The Cambodia Daily](#)). Workers wishing to air their grievances to the PM office have been redirected to the Ministry of Labor. Due to amounting demonstrations, the Labor Ministry has accepted some petitions and told workers to wait for a solution ([Khmer Times](#)). A joint statement by the Garment Manufacturers' Association in Cambodia, Cambodia Footwear Association and the European Chamber of Commerce in Cambodia stated that unemployed garment workers will be receiving a stipend of \$30 a month from factories, and \$40 from the government ([UCA News](#)).

The Ministry of Labor and Vocational Training has organized soft skills training courses for over 8,500 workers from different factories, in order to prepare workers for new jobs when the industry returns to normal. The two-day courses focus on communication and negotiation skills, teamwork, labor law basics, labor dispute resolution procedures, basic workers' rights, benefits of the National Social Security Fund and Occupational Safety and Health (OSH): COVID-19 preventive measures ([Khmer Times](#)).

Wage Assistance: More than 1,000 garment workers are waiting to find out their fate after going six months without pay. Employees were promised back in March that their pay would be compensated plus back pay, but never received it. Union officials said that sewing machines and other equipment were being sold off to pay the workers ([The Cambodia Daily](#)). Trade union leaders have pointed out that the distribution of the government's relief efforts has been too slow and the process is too complicated ([La Croix Intl](#)). According to Ministry of Labor, the ministry has made seven rounds of disbursements of out-of-job allowances to workers of the garment and tourism sectors who have lost their source of income because of the virus. The disbursements totaled to \$3.9 million and have benefitted 169,161 workers across garment and tourism ([Khmer Times](#)). The government has paid \$60-\$100 million to suspended workers as of 10 June. MoLVT has allocated \$60-\$100 million for suspended workers and retraining

programs as part of its COVID-19 stimulus plan. As of mid-June, 50% of employees have returned to work. 108,779 workers from 343 factories received compensation in three rounds of subsidies. Last month, the government said over 17,000 suspended workers in the garment and tourism sectors had been identified for subsidies in the 4th round ([Better Work](#)). A joint statement by GMAC, Cambodia Footwear Association and the European Chamber of Commerce in Cambodia stated that unemployed garment workers will be receiving a stipend of \$30 a month from factories, and \$40 from the government ([UCA News](#)).

India

Wage Assistance: Prime Minister Narendra Modi has said that the government will launch a Rs 50,000 crore employment scheme to provide income support to migrant workers who returned to their home states during the coronavirus lockdown. This massive rural public works scheme will empower and provide livelihood for 125 days to the returnee migrants, Nirmala Sitharaman, Finance Minister, said ([The Wire IN](#)).

Migrant workers returning/Jobs: Migrant workers have started to return to the urban areas where many used to work before the COVID-19 outbreak but are doing so on their own terms. Contractors have assured payment in advance, transportation, meals, and accommodation being provided for and some have even promised to arrange for their transport back, were a lockdown to return. Workers have said that these new terms will allow them to save 25% more than they used to ([Mumbai Mirror](#)). Those who stayed in the urban cities on assurances from their contractors are now back to work but, given the labor shortage, find themselves working longer hours for the same pay ([The Wire IN](#)).

Job Loss & Worker Unrest: According to the Garment and Textile Workers Union, around 40% of garment workers in Karnataka have lost their jobs amidst the coronavirus crisis. There are inconsistencies across factories in paying a percentage of their workers and different companies are expecting orders to return after August. The Labor department has told the union that there are no directions from the government about relief for garment workers and that the unions would have to take it up with the Labor Minister ([The Hindu](#)).

Tens of thousands of garment workers have forcibly resigned or been fired across factories in Karnataka and Chennai and there are reports of workers facing 65%+ salary cuts or missing wages for the month of June. Some workers shared they would be willing to take the salary cut if they could keep their jobs. Others have been offered relocations to other factories in neighboring districts ([The New Indian Express](#), [TB Labor IN](#)). Many workers have demonstrated for the past two weeks, demanding their jobs back ([The Independent UK](#)).

Worker Protection: The Society for Labor & Development India has published a new report titled "Garment Workers in India's Lockdown: Semi-starvation and De-humanization Lead to Exodus". The report states that garment exporters in India, abandoned by fashion brands and with no support from central and state governments, in turn, abandoned their workers. Workers reported conditions of semi-starvation, being de-humanized, treated as bonded labor, denied means of travel, and some even restrained from traveling. The report concludes that this has led to an unprecedented "collective bargaining by exodus" ([Society for Labor and Development India](#)).

Economy/Value Chain: India is now the second largest producer of PPE after China, manufacturing 450,000 PPE suits a day for the domestic market in May and aiming to hit 2M by end of June. The Indian govt has announced that they will allow the exportation of millions of PPE suits by end of June. 50% of PPE is produced in Bangalore, followed by Tiruppur in Tamil Nadu. Over 600 Indian companies are now certified to produce PPE. While the turn to PPE is enabling the reemployment of thousands, there are rising labor concerns for a majority low-income women workforce with Indian state governments suspending labor laws that have permitted companies to extend work days to 12 hours and engage in forced labor ([The Conversation](#)).

The High Court has asked the Central government to show details of the portal it has proposed to set-up for the registration of migrant workers and fixed the next hearing on the matter for the 22nd of July. The article states that this order is likely to accelerate the government's plan to develop Shramik Setu, an online portal that will also have an app version, to register migrants ([The Print IN](#)).

Gender Inequality: As factories reopen but their creches remain shut, parents are being forced to give up their jobs in garment factories in India. In some cases, management has forced mothers to quit in the name of safety. The women-led Garment Labor Union shared that many mothers of toddlers are increasingly targeted and added that the closure of creches is illegal and violates a worker's basic rights ([Reuters](#)).

Tea: India's April tea output fell 54% from a year earlier to 39.02 million kilograms (kg) as restrictions to curb the spread of the novel coronavirus reduced plucking in the top producing north-eastern state of Assam, the state-run Tea Board said on Monday. India's tea output is likely to drop by 120 million kgs or 9% in 2020 as lockdown measures initially forced plantations to suspend plucking during the opening harvest - the prized first flush - and then operate with about half the workforce ([Reuters](#)).

Non-payment of wages and restricted supply of food during the coronavirus lockdown has been rampant in tea plantations across India. Tens of thousands of tea plantation workers north-eastern state of Assam staged protests at the end of April and now West Bengal in June over the issue. Workers on tea estates throughout the region say they have not received their wages, despite government guidelines that they should be paid in full during the lockdown period ([International Committee of the Fourth International](#)). The state has yet to fix the minimum wage for thousands of tea workers in the Bengal state. Workers are protesting to demand the revision of wages; current daily laborers are paid Rs 176 a day ([Telegraph India](#)).

Indonesia

***Between June 19 and July 4, 2020, media reports on the effects of COVID-19 to Indonesia's garment sector were not found in the English language. We will be monitoring the news in the upcoming days and reaching out to local colleagues to gain a deeper understanding of the real-time situation.*

Updated Better Work Indonesia impact numbers on member factories as of July 6, 2020: from the previous data chart shared on June 22nd, an additional 9 factories were documented under mass leave with the number of affected workers increasing to 36,281 from 34,179 workers (+2102 increase). Four more factories are added under stoppage with "no work no pay." The significant increase comes from an update for the Central Java province.

Province	Mass Leave		Swap Day		Stoppage with "No Work No Pay"		Stoppage with "Reduced Wage"		Temporary closure (official notice of temporary closure with indication of possible permanent closure)		Permanent Closure		Termination of Permanent Workers		Termination of non-permanent contracts (PKWT): PKWT is not extended or terminated before the end period		Impact on Annual Festive Bonus (THR) Payment		Impact on Regular Wage Payment (Delay Payment/Installment, etc)	
	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers	No of Factories	Impacted Workers
DKI Jakarta	0	0	0	0	2	1254	0	0	0	0	0	0	0	0	4	910	2	454	1	454
Banten	1	1046	0	0	1	800	1	400	0	0	0	0	0	0	0	0	3	1446	2	1446
West Java	17	24319	4	0	19	25212	13	21087	7	6851	0	0	1	1740	21	5371	47	36431	15	17498
Central Java &	13	10916	0	0	12	10610	14	32751	0	0	0	0	2	1435	6	1441	30	26783	6	14045

Source: [Better Work Indonesia](#)

Pakistan

***Between June 19 to July 4, 2020, media reports on the effects of COVID-19 to Pakistan's garment sector were not found in English. We will be monitoring the news in the upcoming days and reaching out to local colleagues to gain a deeper understanding of the real-time situation. From previous media reports in early June, protests were actively met with force by the police.*

Job Loss & Worker Unrest: Haqooq-e-Khalq Movement (HKM), a Pakistan-wide campaign for the enforcement of the fundamental rights in our constitution through grassroots organizing, momentum and pressure, reports that 2,200 garment workers from the Ibrahim Fabrics Ltd in Faisalabad have been fired and are protesting in front of the Punjab Assembly demanding reinstatement ([Haqooq-e-Khalq-Movement](#)).

Viet Nam

Economy & Value Chain: In 2020, the export turnover of the textile-garment industry is forecast to drop by 8.5 billion USD while that of the leather-footwear-handbag sector may fall 5.5 billion USD ([VN Explorer](#)). According to the employers' organizations, garment orders in April 2020 and May 2020 have decreased by 20% and 50% respectively. Since the second half of March, many big clients from the US and the EU have asked Vietnamese enterprises to delay deliveries or cancel contracts, and that, with demand decreasing sharply, the textile and garment industry is expected to continue facing difficulties for the time being. In the first half of April, garment exports only brought turnover of \$739 million, a decrease of 35.4 percent compared with the same period last year ([Vietnam Net](#)). In addition, most of the affected businesses and workers report that they have not been able to get access to support package of the Vietnamese Government. In response, employers' organizations VITAS and LEFASO, Vietnam Chamber of Commerce and Industry (VCCI) and the national trade union VGCL have signed what has been described as a "historic joint statement in the Vietnamese Garment Industry", which points out an action plan towards a sustainable industry, ratifying international conventions and compatible with the socially responsible requirements ([CNV International](#)). The statement calls for collaborative action amongst parties to build an agenda and roadmap that encourages strategic partnerships to support the industry ([VN Explorer](#)).

Job Loss: In the garment, footwear, and textile industries, more than 1 million of the 4.3 million employees in these sectors have become jobless while the rest have worked at only 50-60% capacity, and

thus their income has also decreased by 40%. Meanwhile, more than 75% of workers in the two industries are women. In 2020, the export turnover of the textile-garment industry is forecast to drop by 8.5 billion USD while that of the leather-footwear-handbag sector may fall 5.5 billion USD ([VN Explorer](#)).

Coffee: In Viet Nam, contracting COVID-19 is less of a concern but impact of low coffee prices on long-term income looms over the business. Some farmers cite changing to other crops due to low profitability in coffee ([New Frame](#)). Total coffee exports were up 3.7% in volume and 2.5% in value in the first half of 2020 compared to 2019, but overall domestic coffee prices have decreased and continue to do so. The lower prices on the domestic market meant farmers could not sell coffee, which led to a difficulty for traders and exporters in purchasing coffee for export. The Ministry of Industry and Trade is implementing various solutions. Coffee has been a key export to African countries for Vietnam leading the ministry to study the market demand for that area ([Vietnam News](#)).

About the Digest

This digest is produced by the Advisory arm of [Synergos](#), which provides strategic counsel, research, and insights for socially minded organizations. If you would like to be added to the mailing list, please contact advisory@synergos.org. All information is public and can be forwarded.

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