

Impact of Covid-19 on Decent Work

Wage Digitization Digest-5th 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 July 15 – July 31, 2020.

Macro Global Trends

- 1. Worker protection:** In Cambodia, workers' rights continue to deteriorate. The EU has threatened to suspend the "Everything But Arms Agreement" (EBA) trade agreement due to human rights concerns, repression of opposition voices through jail threats, union busting, and potential amendments to labor laws that will suspend many workers benefits and protections ([Camboja](#)). In India and Bangladesh, unions fear that relaxed terms around factory closures will allow factory management to further lay off workers without contention ([Ecotextile](#)).
- 2. Redefining long-standing labor laws:** The states of Punjab and Gujarat have amended the Industrial Disputes Act of 1947 to allow factories that employ less than 300 workers (previously 100) to close without seeking permission ([Ecotextile](#)). The government of India has decided to expand the definition of "inter-state migrant worker" to include workers with family income of less than Rs 18,000 per month to ensure that no one gets left out of the social security net in the future ([KSG](#)).
- 3. Worker unrest:** At a global scale, worker protests have continued, demanding owed wages, better work protections, and wage assistance during the COVID-19 crisis. In India, worker protests continued to demand owed wages and in response to union busting ([Dhaka Tribune](#)). In Cambodia, protestors voicing opposition to lay-offs are facing jail, such as Cambodian union representative Soy Sros. In Bangladesh, protests have continued, organized by unions and labor organizations demonstrating against mass layoffs and unpaid wages. In Pakistan, police have been actively repressing ongoing worker protests.
- 4. Migrant workers:** In India, the Garment Exporters Association of Rajasthan (GEAR) has expressed that there are labor shortages as migrant workers either unwilling or unable to return to the garment factories where they used to work before the government-imposed lockdown. According to the Association, many factories have offered workers accommodation, insurance and/or a 20% raise, but to little avail ([Livemint](#)). As a result of Thailand's tightened border control, dozens of Cambodian migrant workers have been arrested for trying to enter the country illegally to find work ([The Thaiger](#)). In Bangladesh, migrant workers' families are in "dire straits" as over 60% of households surveyed did not receive any remittance over the last three months ([The Daily Star](#)).
- 5. Digital literacy training for coffee farmers:** Hanns R. Neumann Stiftung (HRNS) increased the use of digital support to smallholder coffee farmers through digital training sessions, videos, webinars, a radio show, and online classrooms. Decreasing prices, labor availability, market access, community health are some key concerns cited by respondents as well as increasing poverty, bad weather, and cost of living. Respondents in Ethiopia and Indonesia across age groups and gender found digital trainings useful. In Indonesia, there is potential for digital leapfrogging as availability of smartphones

is ubiquitous and (SMS) apps are used frequently. However, farmers still face connectivity issues with smartphones. ([International Communicaffe](#)).

- 6. Digital payments in garment:** In Bangladesh, a survey of 1,285 workers employed in factories (mainly garment) across Bangladesh were asked how they navigated digital barriers. 79% had a mobile money account or bank account. The survey found that women were twice as likely to seek help from family members or factory management for losing a mobile phone, losing a debit card, and questions about deposit amounts. In April only, 1 in 4 workers (28%) were paid digitally. In May and June, 3 in 4 workers were paid digitally (77%) ([Garment Worker Diaries](#)).

High-Level Country Insights

Bangladesh:

According to the BGMEA's most recent data, the garment industry in Bangladesh is likely to lose or face deferred payments worth over \$3 billion. A UNDP working paper stated that over 60 million people in Bangladesh need to receive time-bound temporary cash payments to cope with the devastating financial impact of the coronavirus pandemic. According to the report, the hardest hit are in the informal sector ([The Daily Star](#)). BGMEA and BKMEA have sent a joint letter to the Finance Minister urging the government for another round of low-cost loans for another three months in order to help them pay wages to workers as the sector is still struggling to stay afloat amidst the coronavirus crisis ([The Daily Star](#)).

Cambodia:

The Cambodian government has encouraged newly laid-off workers from the garment industry and migrant workers who returned to Cambodia to work in small-scale farming, as the government shifts its focus to this sector amidst the coronavirus pandemic, with skepticism from researchers that this will benefit vulnerable workers ([The Diplomat](#)). The Council for the Development of Cambodia (CDC) has approved the construction of a new garment factory in Cambodia, which is expected to create almost 400 jobs, possibly indicating confidence from foreign investors.

Workers' rights continue to deteriorate with potential suspension of the EU's "Everything But Arms Agreement" (EBA) scheme due to human rights concerns, repression of opposition voices through jail threats, union busting, and potential amendments to labor laws that will suspend many workers benefits and protections. According to the World Bank, Cambodia stands to lose as much as \$650 million if the EBA were to be suspended in full ([Camboja](#)). With the EBA withdrawal, 43% of workers (nearly 225,000 people) plus 20% of workers in footwear factories (more than 20,000 people) would become unemployed.

Ethiopia:

Shints ETP Garments at Bole Lemi industrial park in Addis is now employing union busting tactics and actively discouraging employees from joining the Industrial Federation of Textile Leather and Garment Workers Trade Union. Union membership has dropped from 3,800 to 2,500. The ILO report, "COVID-19 and the garment and textile sector in Ethiopia: workers perspective" found that: 59% of workers surveyed said their income had been reduced in March/April; 44% of workers indicated they have had to spend a

portion of their savings to cover current living expenses; 80% of workers said that they feel safe at the workplace considering COVID-19 safety measures ([ILO](#)).

India:

Garment industry continues to see a sharp fall in orders. The Garment Exporters Association of Rajasthan (GEAR) has expressed that there are labor shortages due to migrant workers either unwilling or unable to return to the garment factories, even when offered accommodation, insurance and/or a 20% raise, but to little avail. As worker protests continue, LabourStart has launched a campaign in partnership with IndustriALL and other civil society organizations and global unions to combat the fact that India has suspended labor laws and attack workers' rights ([LabourStart](#)).

Labor laws are being re-assessed. The states of Punjab and Gujarat have amended the Industrial Disputes Act of 1947 to allow factories that employ less than 300 workers (previously 100) to close without seeking permission ([Ecotextile](#)). The government of India has decided to expand the definition of "inter-state migrant worker" to include workers with household income under Rs 18,000 and travel to another state for work, to ensure that no one gets left out of the social security net in the future ([KSG](#)).

Indonesia:

In the garment industry in Indonesia, from the ILO Better Work data, since the previous digest, timeliness and amount owed in wage payments have slightly improved for workers that are still receiving pay. ([Better Work](#)). During the COVID-19 pandemic, the increased use of digital by Hanns R. Neumann Stiftung (HRNS) may serve as an enabler for digital leapfrogging as availability of smartphones is good and (SMS) apps are used for economic activities. However, internet connectivity remains an issue ([International Comunicaffe](#)).

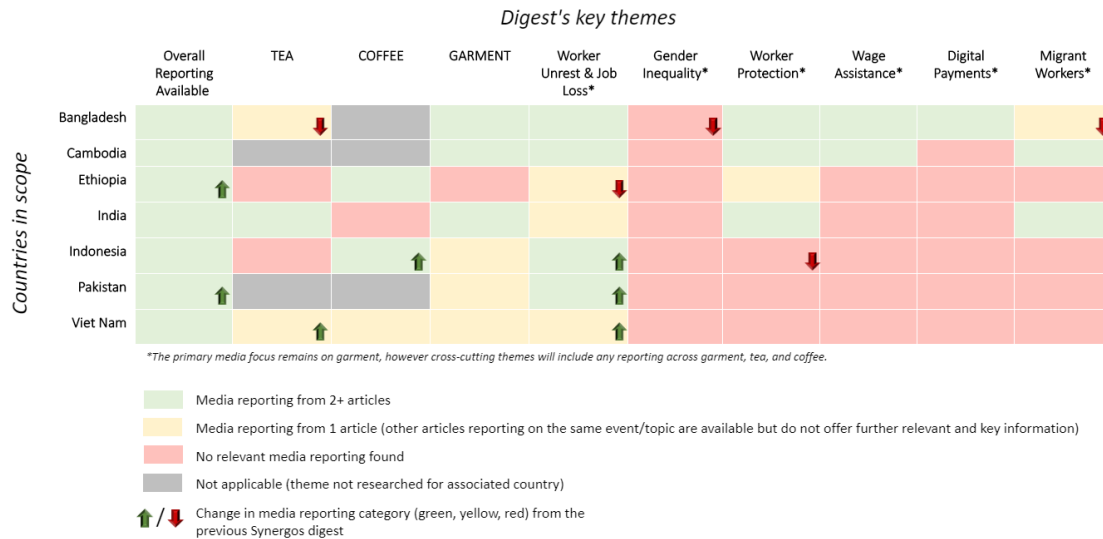
Pakistan:

Police have been actively repressing ongoing worker protests. Without contracts, the resources to pursue legal recourse, and the ability to protest safely, there is little garment workers in Pakistan can do in response to labor violations ([Remake](#)). Through the Clean Clothes Campaign Network COVID-19 emergency fund, home-based workers in garment have received raw materials to make income-generating products. ([Homenet Pakistan](#)).

Viet Nam:

In Viet Nam, due to decreased demand, it is expected that the textile, garment are expected to see more job losses in the second half of the year; coffee prices took a hit; tea exports have recorded substantial growth.

Gates Weekly Digest 5 (July 15-31, 2020) News Availability



Additional Recommended Articles

1. Garment Worker Diaries, [Three Months In: Back to Work in Times of COVID-19](#), Jul 30
2. The Daily Star, [Families of migrant workers in dire straits](#), Jul 28
3. The Diplomat, [Will Cambodia's Shift in Focus to Small-Scale Farming Work?](#), Jul 29
4. ILO, [COVID-19 and the Garment and Textile Sector in Ethiopia: Workers' Perspectives on COVID-19 Response](#), Jul 16
5. Dhaka Tribune, [Asia's garment workers say virus used as cover to smash unions](#), Jul 15

Detailed Country Insights

Bangladesh

Economy: Large garment factories in Bangladesh are starting to receive a greater volume of work orders and are hopeful that, if the current work order inflow remains stable, they will be able to achieve around 80% of their target for exports at the end of this year. The country's small and medium garment companies, however, are still struggling to stay afloat ([RMG Bangladesh](#)). Meanwhile, New Age Bangladesh reports that garment manufacturers have said that the \$41-billion export earnings target set by the government for the fiscal year of 2020-21 is only achievable if the government provides the necessary policy support to exporters, such as the ones mentioned above, amidst the coronavirus pandemic ([Newage Bangladesh](#)). According to the BGMEA's most recent data, the garment industry in Bangladesh is likely to lose or face deferred payments worth over \$3 billion amidst the coronavirus pandemic. Overall, \$1.93 billion of order cancellations or delays have been made by buyers from the European Union, \$574 million by US buyers, \$52 million by Canadian buyers, and \$620 million from other markets ([RMG Bangladesh](#)).

A UNDP working paper has suggested that over 60 million people in Bangladesh need to receive time-bound temporary cash payments to cope with the devastating financial impact of the coronavirus pandemic. The UN organization recommends Tk 2,100 per month for the next few months so that the beneficiaries, mainly poor and the newly impoverished, can stay at home which will help to slow the spread of the virus. According to the report, the hardest hit are in the informal sector. Meanwhile, another survey, conducted by BRAC, revealed that the earnings of 51% households in Bangladesh plunged to zero amidst the coronavirus pandemic ([The Daily Star](#)).

Worker Protection: The Home Minister of Bangladesh has announced that garment workers will not be allowed to leave their workplaces during the upcoming holidays for Eid-ul-Azha in a bid to stop further spread of coronavirus. The minister also urged factory owners to pay the Eid bonus and June's salary before the end of this month ([Dhaka Tribune](#)). Furthermore, another report states that the Government of Bangladesh has asked garment factory owners to complete payments of festival bonuses for the upcoming Eid-ul-Azha and half of July's salary by 27 July and 30 July, respectively ([The Daily Star](#)).

Worker Unrest & Job Loss: Protests have continued, organized by unions and labor organizations demonstrating against mass layoffs and unpaid wages. Representatives of labor organizations, including the Garment Workers' Trade Union Centre (GWTUC), held rallies urging garment factory owners to pay workers their wages of July and Eid allowances before 25 July ([Newage Bangladesh](#)). Over 10,000 garment workers have been laid off from various factories in Gazipur in the last six months. Most layoffs occurred amidst the coronavirus pandemic ([Sangbad 24](#)).

A survey of 1377 garment workers in Bangladesh found that, in June 89% of garment workers reported they worked some time during that month. This is a slight increase over May (84% working), and a large increase over April (49% working). The proportion of workers who did not work in June and reported this as being due to a factory closure was about 1 in 4 in June (24%), down from about 1 in 2 (52%) in May. In June, 88% of garment workers reported that they received wages, a proportion which remained unchanged from April and May ([Garment Worker Diaries](#)).

Wage Assistance: BGMEA and BKMEA have sent a joint letter to the Finance Minister urging the government for another round of low-cost loans for another three months in order to help them pay wages to workers as the sector is still struggling to stay afloat amidst the coronavirus crisis ([The Daily Star](#)). The Bangladesh Bank (BB) has created a loan fund of Tk3,000 crore to pay for garment workers' wages for the month of July, which will be disbursed to the mobile banking wallets or bank accounts of workers. Of the Tk3,000 crore stimulus package, Tk1,500 crore will be financed by the central bank itself, while the rest will be disbursed from the funds of various disbursing banks ([Dhaka Tribune](#)).

Around 600 garment and textile factories are yet to pay monthly wages, bonus allowances and resolve leave issues. Data across Industrial Police and the BGMEA differ. According to the Industrial Police, many factories might face labor unrest ahead of Eid-ul-Adha for these reasons. Industrial Police data shows that a total 756 RMGs and textiles factories have not paid workers' salaries for June. Of those, 279 are BGMEA factories, 391 are BKMEA factories and 86 factories are under the BTMA ([RMG Bangladesh](#)). Meanwhile, according to the BGMEA, a total of 1465 garment factories had paid their workers for June, while workers from 461 factories were yet to receive their salaries ([Dhaka Tribune](#)).

Migrant Workers: According to a report by the Bangladesh Civil Society for Migration, migrant workers' families in Bangladesh are in "dire straits" as over 60% of households surveyed did not receive any

remittance over the last three months. In addition, the report found that, for 57% of families, remittance is the only source of income. Based on these findings, the Bangladesh Civil Society for Migration recommended extended cash support to the distressed families ([The Daily Star](#)).

Digital Payments: A survey of 1,285 workers employed in factories (mainly garment) across Bangladesh were asked how they navigated digital barriers. 79% had a mobile money account or bank account. The survey found that women were twice as likely to seek help from family members or factory management for losing a mobile phone, losing a debit card, and questions about deposit amounts ([Garment Worker Diaries](#)). A survey of 1377 garment workers in Bangladesh examined impacts of COVID-19 on employment, pay, food security, illness & injury, and financial transactions. In April only, 1 in 4 workers (28%) were paid digitally. In May and June, 3 in 4 workers were paid digitally (77%). Cash continued to dominate almost all financial transactions, with the exception of outgoing transfers: 51% of transfers to individuals outside their household were made digitally ([Garment Worker Diaries](#)).

Tea: Many tea workers have struggled with a lack of wage payments. Workers went unpaid for 13 weeks at the Kaliti estate, the estates also did not provide the masks, soap, and sanitizer for protection. Food aid was provided by nearby tea estates, a local office, and voluntary group. Local government has since intervened to make sure arrears payments were made though some still have not received them ([UCA News](#)).

Cambodia

Economy: The Asian Development Bank (ADB) predicts Cambodia will suffer 390,000 job losses this year due to the COVID-19 pandemic ([KHMER Times](#)). The Cambodian government has announced that it is preparing 5 year development strategies for the garment, footwear and bags sector (2020-2025) that aims to set common development directions, increase independence, strengthen the appraisal and stability of the garment, footwear and bags sector to further promote the sector's sustainability and environment ([KHMER Times](#)). The Cambodian government has encouraged newly laid-off workers from the garment industry and migrant workers who returned to Cambodia to work in small-scale farming, as the government shifts its focus to this sector amidst the coronavirus pandemic. This has been seen as a strategy to support the continuation of the benefits from the EU's tariff-free trade privileges under the "Everything But Arms Agreement" (EBA), as the EU will continue to support Cambodia's rice and agricultural products. Researchers, however, argue that Cambodia's recent shifts in focus on agriculture amidst the coronavirus pandemic may be of little benefit and likely will not be enough for all laid-off workers from the affected sectors. Instead, this boost will likely benefit companies with privileged access to land for rice cultivation and agriculture crops ([The Diplomat](#)).

The Ministry of Economy and Finance (MEF) has announced that it will establish a \$200 million credit guarantee fund to ease the cash flow and working capital pressures of businesses in all sectors and provide additional financing of up to \$300 million to promote growth in key sectors, such as the apparel sector, during and after the COVID-19 crisis ([KHMER Times](#)). The Council for the Development of Cambodia (CDC) has approved the construction of a new garment factory in Cambodia, which is expected to create almost 400 jobs. According to the CDC, the \$2.1 million investment demonstrates the "confidence of foreign investors in Cambodia (...), especially during this COVID-19 crisis." ([KHMER Times](#)).

Worker Protection: Workers rights continue to deteriorate with potential suspension of the EU's EBA scheme due to human rights concerns, repression of opposition voices through jail threats, union busting, and potential amendments to labor laws that will suspend many workers benefits and protections. With the state of the EBA scheme with the EU still undetermined, local rights groups, such as the Center for Alliance of Labor and Human Rights (Central) and Adhoc, have called on the government of Cambodia to take the EU's concerns regarding human rights seriously, in order to preserve the EBA scheme.

EU's concerns over human rights in Cambodia reflect local rights groups fears over government and factory responses during the pandemic that have repressed worker voices, suspended rights, and taken part in union busting. Protestors voicing opposition to lay-offs are facing jail, such as Cambodian union representative Soy Sros. Another Cambodian workers' leader, Pav Sina, said more than 2,000 laborers with his union had seen their contracts terminated ([Dhaka Tribune](#)). Soeng Senkaruna, senior investigator at civil rights group Adhoc, made clear that the Government's decision to ignore the EU's demands shows that it intends to continue its path of rights abuses ([Camboja](#)). The UN released a letter seeking answers over government actions of intimidation against those voicing opposition that could create a "chilling effect on freedom of expression", the letter reads ([VOD](#)). Hor Nam Hong, Cambodian Deputy Prime Minister, announced that Cambodia and China will sign a free trade agreement before 12 August, ahead of the European Union's partial withdrawal of the Everything-but-Arms (EBA) agreement ([Vietnam +](#)).

The Ministry of Labor and Vocational Training met with employers and union representatives to continue discussions on draft amendments to the Labor Law, where union representatives made clear that the amendment would hurt workers. Union representatives argued that the proposed amendments to the Labor Law signify a crucial loss of benefits for workers as it would reduce workers' night shift pay, reduce public holidays for workers and give more power to employers in dispute resolutions because they would be allowed to choose to solve issues through the court or arbitration. There will be two more meetings to further discuss the amendment in August ([The Phnom Penh Post](#)).

Worker Unrest & Job Loss: According to the World Bank, Cambodia stands to lose as much as \$650 million if the EBA were to be suspended in full ([Camboja](#)). An estimate was made that EBA withdrawal would reproduce similar impact on the sector as the COVID-19 crisis. With the EBA withdrawal, 43% of workers (nearly 225,000 people) plus 20% of workers in footwear factories (more than 20,000 people) would become unemployed. The economic impact of the coronavirus pandemic has, so far, affected over 150,000 garment workers ([Euractiv](#)). Factory owners and trade unions are calling on the government to do more to support the industry and former garment workers who are facing abject poverty. The Garment Manufacturers Association in Cambodia (GMAC) warned that the situation has not yet improved, despite lockdown easing in western countries, with "scores more factories and tens of thousands of additional workers at imminent risk." ([EcoTextile](#)).

Thousands of workers from 13 closed garment and footwear factories have protested amidst the coronavirus pandemic because owners failed to pay workers' the salaries and benefits that they are owed. According to the Center for Alliance of Labor and Human Rights (Central), the 13 now-closed factories employed around 15,000 workers; some workers received compensation, others did not. Workers that held demonstrations are from Hana (Cambodia) 1 factory, New Best Global Textile Co., Ltd, Dignity Knitter and Eco Base factories, Thai Ya Garment factory and Violet Apparel (Cambodia) Co Ltd. According to representatives from Hana 1 and New Best Global Textile, all payments owed to workers were settled on 10 July and, according to workers from Thai Ya factory, payments were settled on 15 July.

Workers from Dignity Knitter and Eco Base factories as well as Violet Apparel are yet to receive their wages or benefits. One of the main reasons why garment workers are not being paid benefits is related to a directive sent by the Labor Ministry to GMAC in June which stipulates that factories that suspended operations or closed due to the coronavirus pandemic did not need to provide workers notice payments or compensation ([Camboja News](#), [KHMER Times](#)).

Wage Assistance: The government of Cambodia has allocated \$28 million for the second round of payments for the equity card scheme, set to benefit some 610,000 poor and vulnerable families ([KHMER Times](#)). They will also continue disbursing \$40 to laid-off workers from the garment, tourism and aviation sectors until the end of September through their cash scheme to assist poor and vulnerable households after a report demonstrating the immense impact of COVID-19 on these sectors in comparison to other parts of the economy ([KHMER Times](#), [Noan Sereiboth](#)). According to the Minister of Social Affairs, Veterans, and Youth Rehabilitation, the cash transfer program for poor and vulnerable households amidst the coronavirus pandemic has reached 94% of recipients in the first round of distributions. Around 530,000 out of 560,000 poor and vulnerable households had received the financial support ([KHMER Times](#)).

Migrant Workers: 28 Cambodian migrant garment workers have been safely repatriated to Cambodia from Jordan today with successful cooperation between CENTRAL, Gap and the Cambodian embassy in Egypt ([Central Cambodia](#)). As a result of Thailand's tightened border control, dozens of Cambodian migrant workers have been arrested for trying to enter the country illegally to find work ([The Thaiger](#)). Many industries have resumed work after the coronavirus lockdown and are working at just half of their capacity as most migrant workers are yet to return. Meanwhile, local workers, who demand higher wages than migrant workers, are being trained to "fill the immediate gap" ([Money Times](#)).

Ethiopia

Worker Protection: Shints ETP Garments at Bole Lemi industrial park in Addis Ababa has had a change in management and are now employing union busting tactics and actively discouraging employees from joining the Industrial Federation of Textile Leather and Garment Workers Trade Union. Shints employs 4,414 workers at Bole Lemi has also stopped deducting union dues from wages. Union membership has dropped from 3,800 to 2,500. Further, it is raising concerns on health and safety, including Covid-19 prevention measures at the factory, after 60 workers, presently in quarantine, tested positive for the coronavirus ([IndustriALL](#)).

Worker Unrest & Job Loss: The ILO has published a report titled "COVID-19 and the garment and textile sector in Ethiopia: workers perspective", which reveals that a global collapse in demand for garments and subsequent factory closures. Based on semi-structured interviews with garment workers, the report found that: 59% of workers surveyed said their income had been reduced in March/April; 44% of workers indicated they have had to spend a portion of their savings to cover current living expenses; 80% of workers said that they feel safe currently at the workplace considering the COVID-19 safety measures ([ILO](#)).

Coffee: During the Coronavirus pandemic, Hanns R. Neumann Stiftung (HRNS) increased the use of digital support to smallholder coffee farmer families in project regions through phone calls, digital training

sessions, videos, webinars, a radio show, and online classrooms. Dialogue through messenger groups also increased. Respondents in Ethiopia across age groups and gender found digital trainings useful. Ethiopia farmers are still on the lower end of smartphone access, with 10% of farmers owning one while more than half of farmers in Brazil, Central America and Indonesia have smartphones ([International Comunicaffe](#)). However, farmers still face connectivity issues with smartphones. The same survey also measured challenges smallholder farmers are facing across major coffee producing countries, including Indonesia. Decreasing prices, labor availability, market access, community health are some key concerns started by respondents as well as increasing poverty, bad weather, and cost of living. Due to COVID-19 nearly half of all farmers have already been forced to change their farm management plans with the biggest problems being a lack of access to farm labor (64%) and lack of access to farm inputs (62%) ([Daily Coffee News](#)).

India

Economy: Punjab's garment industry has seen a 70% drop in orders amidst the coronavirus pandemic, with recent massive losses for winter wear, which are normally produced during this time. Most factories are running at just 30-35% of their capacity. The sharp fall in orders for winter garments is a double blow for the industry, which already suffered a setback with buyers cancelling or putting on hold orders for summer wear due to the coronavirus pandemic, garment manufacturers said. In response, manufacturers have urged the government to extend moratorium on the payment of loan installment and to waive fixed electricity charges ([Industry Live](#)).

Worker Protection: The states of Punjab and Gujarat have amended the Industrial Disputes Act of 1947 to allow factories that employ less than 300 workers (previously 100) to close without seeking permission from the country's labor department in advance. Unions fear that these relaxed terms will allow factory management to further lay off workers without contention ([Ecotextile](#)). In Karnataka, where 20% of garment production occurs, the Euro Clothing Company II factory that let go its entire workforce of 1,200 is the sole factory that has majority union workers (900) out of the more than 20 factories Gokaldas, the parent company, operates ([Dhaka Tribune](#)). Union leaders have said that companies are skimping on health and safety while reopening factories as they keep putting business before workers' rights. As India's coronavirus cases exceeded one million last week, unions point out that similar spikes in infections in reopened factories are putting workers at risk ([Thomas Reuters Foundation](#)). LabourStart has launched a campaign in partnership with IndustriALL and other civil society organizations and global unions against the fact that many states in India are using the coronavirus pandemic as an excuse to suspend labor laws and attack workers' rights ([LabourStart](#)).

Worker Unrest & Job Loss: Protests have continued in India with concerns of unpaid wages and union busting. In southern India's Karnataka state -- home to 20 percent of India's massive garment manufacturing sector -- union leader Padma has sat every day cross-legged outside her factory Euro Clothing Company II to protest its closure since early June ([Dhaka Tribune](#)).

Migrant Workers: The government of India has decided to expand the definition of "inter-state migrant worker" to ensure that no one gets left out of the social security net in the future. The definition will now include all workers whose monthly family income is less than Rs 18,000 and who go to another state. According to a study by the labor rights organization Aajeevika Bureau, migrant home-based women

workers are working for as little as Rs 10-15 for over eight hours a day amidst the coronavirus pandemic. In Ahmedabad, one of India’s textiles hubs, home-based workers explained that they were struggling to survive because their wages had gone unpaid and debts were mounting ([KSG](#)).

The Garment Exporters Association of Rajasthan (GEAR) has expressed that labor shortage has created a mess with migrant workers either unwilling or unable to return to the garment factories where they used to work before the government-imposed lockdown due to grim implications of a plummeting economy and fears of getting stuck again in city hotspots if COVID-19 resurges. According to the Association, many factories have offered workers accommodation, insurance and/or a 20% raise, but to little avail. Manufacturers said that, as a result, most of the orders placed have been deferred to the next season, as there are no workers available at the moment ([Livemint](#)).

Tea: Though tea prices have risen by 25-40% on an average, industry executives say that lockdowns in the tea growing regions coupled with irregular movement of cargo and a drop in crop size is affecting the cash flows of tea companies. Workers’ festival bonuses are likely to come up as a major issue of conflict on plantations as financially hit workers will press harder for a higher bonuses from plantation owners also facing major economic blows ([The Economic Times](#)).

Indonesia

Worker Unrest & Job Loss: ILO Better Work has updated the number of workers impacted across 4 provinces in Indonesia. Compared to numbers reflected in Synergos’ Week 3 Digest (June 19 – July 4, 2020), the number of garment workers impacted across all categories have increased only by a few thousand in a month. However, timeliness and amount owed in wage payments have slightly improved for workers that are still receiving pay. 143, 467 garment workers in Indonesia Better Work factories are facing some kind of interruption at work ([Better Work](#)).

Total garment workers impacted in DKI Jakarta, Banten, West Java, Central Java & Yogya, Better Work

	Mass Leave	Swap Day	Stoppage with “No Work No Pay”	Stoppage with “Reduced Wage”	Temporary closure	Permanent closure	Termination of Permanent Workers	Termination of non-permanent contracts	Impact on Annual Festive Bonus Payment	Impact on Regular Wage Payment
Documented as of July 1, 2020	36,281	0	37,876	54,238	6,851	0	3,175	7,722	65,114	33,443
Documented as of July 31, 2020	35,069	0	40,379	50,049	5,522	0	3,801	8,500	66,770	27,852

Data Source: [ILO Better Work](#)

Coffee: During the COVID-19 pandemic, Hanns R. Neumann Stiftung (HRNS) increased the use of digital support to smallholder coffee farmer families in project regions through phone calls, digital training sessions, videos, webinars, a radio show, and online classrooms. Dialogue through messenger groups also increased. Respondents in Indonesia across age groups and gender found digital trainings useful and more than half of farmers reported owning a smartphone. It seems that coffee communities are on the edge of a sort of digital leapfrogging as availability of smartphones is good and (SMS-)Apps are used for economic activities. However, farmers still face connectivity issues with smartphones ([International](#)

[Comunicaffe](#)). The same survey also measured challenges smallholder farmers are facing across major coffee producing countries, including Indonesia. Decreasing prices, labor availability, market access, and community health are some of the key concerns started by respondents as well as increasing poverty, bad weather, and cost of living. Due to COVID-19, nearly half of all farmers have already been forced to change their farm management plans with the biggest problems being a lack of access to farm labor (64%) and lack of access to farm inputs (62%) ([Daily Coffee News](#)).

Pakistan

Worker Unrest & Job Loss: Tens of thousands of workers have lost their jobs during the COVID-19 pandemic, driving workers to protest in front of factory gates to demonstrate their outrage at unpaid wages. Their employers – many of whom are suppliers to international brands – responded with mass layoffs and gun fire ([Open Democracy](#)). Repression of worker protests is clear in areas such as Karachi, where police intervention has put an end to workers' protests. After 15,000 workers were fired from one factory, workers began protesting for better wages and safer working conditions. Open fire from police ended the protest ([Remake](#)). A recent tweet (that has now been deleted) shared that some workers have attempted to continue protesting, such as workers from Artistic Garment Industries who recently protested against unpaid wages ([Twitter \(now deleted\)](#)). Because many workers lack official contracts, they are easily laid off. Without contracts, the resources to pursue legal recourse, and now without the ability to protest safely, there is little garment workers in Pakistan can do in response to labor violations ([Remake](#)).

Wage/General Assistance: Through the Clean Clothes Campaign Network COVID-19 emergency fund, home-based workers working in garment and textile have received raw materials to make different products for income generation ([Homenet Pakistan](#)).

Viet Nam

Worker Unrest & Job Loss: According to a recent report by the Ministry of Industry and Trade, Vietnam's textile and garment sector could see more job losses in the second half of the year due to order cancellations by global buyers. Another report by the Vietnam Textile and Apparel Association (VITAS) revealed that, so far, 80% of businesses in the garment industry laid off personnel in April and May, and that more cuts are expected in the third quarter ([RMG Bangladesh](#)).

Tea: Vietnam's tea exports to major markets globally during the first half of this year recorded a robust growth, reaching 58,000 tonnes worth US\$90 million, amid the impact of the COVID-19 epidemic, according the Agro Processing and Market Development Authority ([VN Explorer](#)).

Coffee: Vietnam coffee prices were subdued due to weak demand and ample supplies in other locations such as Indonesia and Brazil though global prices rose this week. Still prices are up in Vietnam compared to the previous week due to a surge in London prices ([Reuters](#)).

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.

This digest is commissioned by the Bill & Melinda Gates Foundation as a component of ongoing dialogue on the importance of wage digitization to accelerate financial inclusion and promote women's economic empowerment. You can learn more about responsible wage digitization by visiting: [BSR HERProject](#), [Better than Cash Alliance \(BtCA\)](#), and Microfinance Opportunities (MFO).

