



# Impact of Covid-19 on Decent Work

## October Wage Digitization Digest- 8<sup>th</sup> 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 Viet Nam. This month's research covers news sources from Sep 29 – Oct 27, 2020.

## Macro Global Trends

- 1. Economy:** There continue to be signs of economic recovery, particularly for larger garment factories, however, the second and third waves of Covid-19 in major export markets such as the U.S. and Europe has renewed fears of decreased orders and job loss. In Bangladesh, the government's Covid-19 stimulus package has primarily benefited export-oriented and large industries, while MSMEs are still waiting for relief, making it difficult for them to withstand the losses incurred by the pandemic. 37% of workers who worked in micro, small and medium enterprises (MSMEs) have lost their jobs, either temporarily or permanently, in the last month, as MSMEs experienced a drop of 94% in sales. 21% of MSMEs have temporarily shut their business amidst Covid-19 outbreaks ([The Daily Star](#)). In Viet Nam, the national index of industrial production increased by 2.4% year-over-year (as of Q3). The main driver of the rise, the processing and manufacturing sector, went up by 3.8% ([KHMER Times](#)). Although nearly 100% of factories are up and running in Viet Nam, most are operating at a much lower capacity, particularly the smaller factories.
- 2. Labor Rights:** Labor rights activists continue to fight back to defend workers' rights in response to government actions to amend labor laws to deal with the economic impacts of Covid-19. In Cambodia, the union leader and activist Rong Cchun who was arrested in August has yet to be released. On Oct 19<sup>th</sup>, the UN Special Procedures sent communications to the government requesting a reply to his arrest ([Business Human Rights](#)). The Court of Appeal denied bail to all five activists, who were charged with incitement to disturb social security, saying that "imprisonment is necessary to prevent them from committing further offences." ([Camboja News](#)). The government of Bangladesh has taken the initiative to amend the Bangladesh Labour Act 2006 further to address concerns raised by the European Union over specific labor issues, including freedom of association and rights to collective bargaining. In order to address these changes, the Ministry of Labor has formed a tripartite committee ([Newage Bangladesh](#)). Bangladesh's garment workers' representative has resigned from the tripartite committee formed to review labor rules because the government is constantly protecting the interest of factory owners and ignoring the workers' proposals. In Indonesia, the ILO's decent work country program for 2020-2025 has taken effect ([Just Style](#)). In stark contrast, the Indonesia parliament approved a highly contested omnibus bill that amends 75 labor laws in favor of business investment, stripping worker protections on pay, contracting, and benefits ([New York Times](#)).
- 3. Worker Unrest:** Worker unrest has increased due to unpaid wages, factory closures, and furloughs compared to August-September 2020. As protests continue, worker unions continue to become

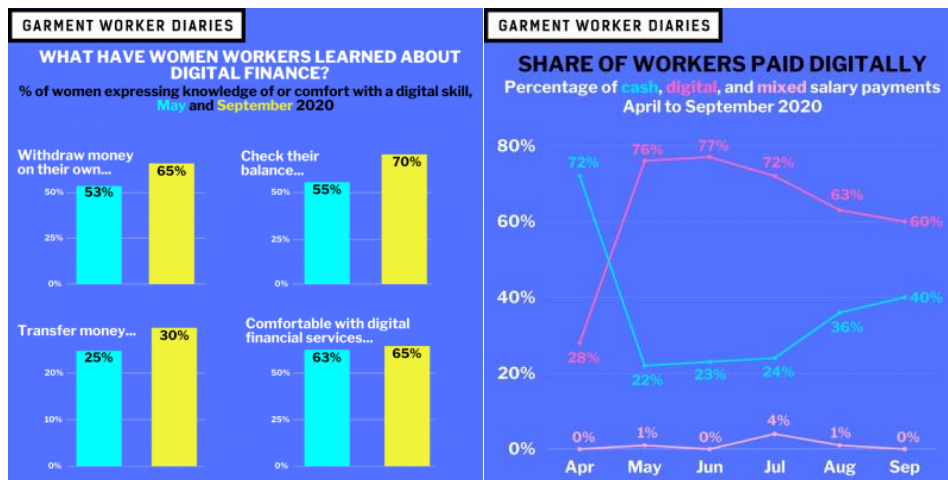
more organized and attract larger numbers to demand owed wages and better working conditions. In India, garment workers at Thumukunta protested in demand of higher wages, resulting in violent clashes between workers and the police ([Youtube](#)). Asia Floor Wage Alliance (AFWA) reports that garment workers gathered outside Chelsea Mills in Gurgaon to protest against management's decision to illegally terminate many women workers under false charges. In Indonesia, hundreds of protesters have been detained after heated demonstrations swept across Indonesia in response to an omnibus law that would amend 75 laws, ultimately reducing wages, removing entitlements, and eroding workers' rights ([New York Times](#)). In Viet Nam, Namyang International announced it was suspending production and labor contracts due to economic hardship caused by Covid-19. The workers initially went on strike demanding adequate compensation and after a series of negotiations agreed to formally leave their jobs in return for 2 months' salary, 50% Tet bonus, and all other benefits, including social insurance contributions. 15 pregnant workers would receive 4 months' salary but did not agree and continued negotiations. ([Vietnam Labor Update](#)). While global tea prices are rising again, tea workers in Bangladesh and India have been protesting over many months for higher wages and better working conditions. In Bangladesh, tea workers just managed to get an increase in daily wages to TK120 (\$1.42 USD) a day from TK102 (\$1.20 USD). While in India, tea workers make \$2.25 USD a day despite government promise to raise wages to \$4.89 USD/day since 2018 ([The Guardian](#)).

4. **Digital Wages:** In Bangladesh, according to the Garment Worker Diaries, from May to September 2020, while the share of workers paid digitally dropped from 76% (May) to 61% (September), workers reported similar experiences with digital wage payments. However, a focus on female garment workers showed an increase in digital capabilities from May to September, varying based on age and educational level. Female workers who were younger (34 and under) as well as those with secondary school or higher learned faster with what they are able to do with their accounts than their counterparts. The data came from 457 women respondents in Bangladesh ([Garment Worker Diaries](#), [Garment Worker Diaries](#)).
5. **Gender Equity:** During the timeframe of this digest, there continues to be limited reporting on the gendered impacts of Covid-19. In Cambodia, a study found that more than half of workers from surveyed garment factories reported that there is inadequate reporting system for sexual harassment exists in their factory, suggesting that grievance procedures and anti-harassment training still have significant room for improvement in Cambodia ([Just-Style](#)). In Bangladesh, the Bangladesh Garment Textile Leather Workers Federation (BGTLWF) has signed an important agreement with Adams Apparels which will reinstate twelve workers who were dismissed when the employer found out that they were pregnant. BGTLWF filed a complaint on behalf of the workers to the BGMEA, seeking its intervention. After comprehensive negotiations between BGMEA, Adams Apparels and the BGTLWF, the employer and the union reached an agreement. Workers are to be paid compensation and be reinstated ([Industrial](#)). According to a study of 430 workers from 21 factories by Manusher Jonno Foundation, over 30% of female workers said that they were subjected to sexual harassment at workplaces amidst the pandemic ([The Daily Star](#)).

# Bangladesh

No coffee news weeks of 9/30-10/23

**Digital Wages:** From May to September 2020, while the share of workers paid digitally dropped from 76% (May) to 61% (December), answers about their experiences with digital wage payments were similar. However, a focus on female garment workers showed an increase in digital capabilities from May to September, varying based on age and educational level. Female workers who were younger (34 and under) as well as those with secondary school or higher education learned what they were able to do faster than their counterparts. The data came from 457 women respondents in Bangladesh ([Garment Worker Diaries](#), [Garment Worker Diaries](#)).



**Health:** According to the Swiss organization Global Alliance for Improved Nutrition (GAIN), around 43% of workers in the Bangladesh's ready-made garments industry suffer from malnutrition ([Dhaka Tribune](#)). Factories have been introducing Covid-19 precautions, but workers are still concerned of infection while at work. A rapid survey on garment workers in Bangladesh titled "The Impacts of Covid-19 on the Lives of Workers in the Garment Industry" found that: 87% of respondents said their factory has introduced new precautions against Covid-19, including giving workers new PPE; 59% of respondents still feel that they are somewhat likely or very likely to get infected by the virus in their factory ([Migration news](#)). The BGMEA asked its member-factories to prepare for a possible second wave of the outbreak if the country experiences a surge in Covid-19 infections this winter. The BGMEA asked its members to inform the report of infected workers through the hotline of the trade body or to its health in-charge ([Newage Bangladesh](#)).

**Economy:** Bangladesh's export earnings in the July-September period of the current financial year 2020-21 grew by 2.58%. The Export Promotion Bureau stated that ready-made garment exports from Bangladesh remained stable July-September 2020 and the BGMEA shared 95% of garment factories are back in operation ([Sourcing Journal](#), [Fibre2Fashion](#)). However, leather and leather goods and leather-footwear exports have continued to fall, with a 11.49% drop in leather goods between July-September and leather-footwear exports decrease by 6.83% ([Newage Bangladesh](#)). Despite renewed orders, prices are still low with buyers asking for 20-25% discounts ([Sourcing Journal](#)). In addition,

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manufacturers are bracing for another slowdown in orders due to Covid-19 and political events in Europe and the U.S. Some manufacturers report that they have ceased to receive new orders and some are yet to receive any since the beginning of the outbreak ([The Daily Star](#)).

The government's Covid-19 stimulus package disproportionately supported export-oriented and large industries while MSMEs are still waiting for relief, making it difficult for them to pull through the losses incurred by the pandemic. Small and medium garment factories are yet to see the rebound in apparel shipments compared to larger factories with about 300 small factories have remained shut mainly due to lack of work orders and over 1000 are struggling to receive new orders ([The Daily Star](#), [The Daily Star](#)). Experts and businesses recommended that the government adopt an alternative stimulus package disbursement process for micro and small enterprises ([Newage Bangladesh](#)).

**Wage Assistance:** According to a study of 430 workers from 21 factories by Manusher Jonno Foundation, 99.8% of respondents from 21 factories received wages for March and April this year but none had received their full salary. Over 90% said that they did not get wages and allowances as per the labor law ([The Daily Star](#)). The government has announced that it will provide Tk3,000 (\$35.37 USD) per month (for a maximum of three months) in cash assistance to workers who lost their jobs in the garment, leather goods and footwear industries amidst the Covid-19 pandemic. The assistance will utilize funding from the EU and German government ([TBS News, Newage Bangladesh](#)). The allowances for laid-off garment workers are yet to be disbursed as the associations concerned are yet to provide the list of employees to the Ministry of Labour ([The Daily Star](#)). The Ministry of Labor and Employment disbursed Tk 1.82 crore (\$214,807 USD) from its central fund to compensate families of 91 garment workers who died in different factories across the country. The ministry also approved financial assistance of Tk 25.89 lakh (\$30,557 USD) from its emergency fund to pay for the wages and allowances of garment workers from a now-shuttered garment factory ([The Business Standard](#)).

**Jobs:** Garment workers in Bangladesh who lost their jobs, at least 70,000 across 106 factories, amidst the Covid-19 pandemic are still struggling to pay rent and cover daily expenses. While the BGMEA reports that 70,000 workers have been laid-off since April, trade unions say estimate that the real figure is about 150,000 with senior workers in the industry experiencing drastic salary cuts ([Apparel Resources, UCA News](#)). A new survey reports that 37% of workers who worked in micro, small and medium enterprises (MSMEs) have lost their jobs, either temporarily or permanently, in the last month, as MSMEs experienced a drop of 94% in sales amidst the Covid-19 crisis. 21% of MSMEs have temporarily shut their business amidst the Covid-19 outbreak ([The Daily Star](#)). Although about one-third of the one million garment workers who were either furloughed or laid off have since been rehired, many are struggling without overtime pay, which often accounts for 20% of their monthly income ([Reuters](#)).

Furthermore, according to the Sommilito Garments Sramik Federation, some laid-off garment workers have cases been rehired by their former factories but on worse terms, with lower pay and benefits. Workers are also fearing a second wave of job loss due to rising virus numbers in the U.S. and Europe; almost 70% of workers from a study of 430 workers across 21 factories said they felt the threat of job loss ([The Daily Star, Devidiscourse](#)). While it is still unclear if there is a new wave of

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factory closures, workers from Diganta Sweaters in Gazipur, which produces for H&M (a major EU and U.S buyer), demonstrated after management announced that factory operations would be suspended during November and December due to lack of orders. The company said that it would pay workers' basic salary during this time, but workers are afraid that they will be fired ([BdNews24](#)).

**Worker Unrest:** 165 workers from the Sidco Group have been illegally dismissed from the group's factory in Jamgora, Ashulia, after having demonstrated in demand of last month's salary. According to workers, the company has failed to pay salaries on time for the last couple of months. The terminated workers did not receive any notice before being dismissed, which goes against the law. Industrial police will sit with factory authorities and workers in order to settle the matter ([The Daily Star](#)). Hundreds of protestors, most of whom are female garment workers, gathered in Dhaka on 17 October, calling for a new labor law that would put an end to workplace harassment and thus protect women from sexual harassment and abuse within factories ([ANews](#)).

**Poverty:** According to a rapid analysis on Bangladesh's RMG sector conducted by Plan International, GAA and Awaj Foundation, the income of at least one-third of garment workers interviewed for the study dropped by around 53% amidst the Covid-19 pandemic, compared to 2019. The survey, which is based on the answers of 115 workers, 72% of whom are women, from four factories, also found that: 98% of respondents had to spend a larger sum of their wages on health and safety equipment and were thus forced to cut on food and education expenses; At least 27% of the respondents decreased their spending on food, suffering from nutritional deficiency as a result; 43% of respondents struggled with economic hardship, illness, and mental strains amidst the Covid-19 pandemic; Regular job benefits, such as offerings during Eid and the provision of food and transportation by factories, dropped; More than half (52%) of respondents were in debt, many of whom had to increase their debts in order to survive amidst the Covid-19 pandemic ([Dhaka Tribune](#)).

**Gender Equity:** The Bangladesh Garment Textile Leather Workers Federation (BGTLWF) has signed an important agreement with Adams Apparels which will reinstate twelve workers who were dismissed when the employer found out that they were pregnant. BGTLWF filed a complaint on behalf of the workers to the BGMEA, seeking its intervention. After comprehensive negotiations between BGMEA, Adams Apparels and the BGTLWF, the employer and the union reached an agreement. Workers are to be paid compensation and be reinstated ([Industrial](#)). According to a study of 430 workers from 21 factories by Manusher Jonno Foundation, over 30% of female workers said that they were subjected to sexual harassment at workplaces amidst the pandemic ([The Daily Star](#)).

**Labor Rights:** The government of Bangladesh has taken a move to amend the Bangladesh Labour Act 2006 further to address concerns raised by the European Union over specific labor issues, including freedom of association and rights to collective bargaining. In order to address these changes, the Ministry of Labor has formed a tripartite committee ([Newage Bangladesh](#)). Shortly after, the Bangladesh's garment workers' representative resigned from the tripartite committee after being left out from several discussions, inciting that the government is prioritizing factory owner interests and ignoring workers' proposals. IndustriALL Bangladesh Council warned that "[i]f the government goes

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for unilateral amendments to the labor rules, [it] would announce tougher movements and (...) the issue would be raised at international forums” ([Newage Bangladesh](#)).

**Migrant Workers:** Amnesty International has called for the immediate release of at least 370 migrant workers, who were arbitrarily detained between July and September following their return to Bangladesh. Bangladeshi authorities have failed to present any credible evidence of these workers' supposed crimes and failed to specify any criminal charges ([The Daily Star](#)). Amnesty International made clear that this is a "clear violation of Bangladesh's human rights obligations” ([Amnesty.org](#)). Over 200,000 migrant workers in Bangladesh have so far returned to the country in the last six and a half months. Most returned from Saudi Arabia, United Arab Emirates, Qatar and Oman ([Newage Bangladesh](#)).

**Tea:** The emerging tea sector is playing an effective role in improving the living standards of thousands of people in the Karatoa Valley ecological zone, comprising five northern districts of Bangladesh- Panchagarh, Thakurgaon, Dinajpur, Nilphamari and Lalmonirhat districts. Because of favorable weather and conditions, tea cultivation has increased, gradually replacing tobacco farming. Tea produces a profitable crop just three years in and will continue to produce for 50-60 years making it low maintenance ([The Daily Star](#)). Meanwhile, tea is being cultivated in 167 gardens in the country, which is not enough compared to the domestic demand of the country ([Bangladesh Post](#)). Tea growers are expanding into the Barind tracts as tea market prices increase. Expansion has raised concerns of green activists as the centre of the Harargoj Reserve Forest in Moulvibazar, almost 2,174.35 acres of land, is on the way of being processed as a tea garden ([Dhaka Tribune](#)).

Tea garden workers continue to face low wages despite a reported increase in domestic demand for tea. Workers in 21 gardens across the Moulvibazar district and other districts observed a 2-hour work abstention demanding a hike in wages and bonus ahead of Durga Puja ([Dhaka Tribune](#), [The Daily New Nation](#)). After a series of dialogues, tea workers will receive a wage increase to TK120 (\$1.42 USD) per day from TK102 (\$1.20 USD) a day ([The Business Standard](#)).

**Coffee:** After successful cultivation of coffee in Tangail, Cox's Bazar and the Chattogram Hill Tracts in Bangladesh, farming of coffee has reached Rangpur. Within five years Bangladesh could export coffee after meeting local demand ([The Business Standard](#)).

# Cambodia

*No tea or coffee news weeks of 9/30-10/23*

**Economy:** According to the World Bank, poverty rates are likely to increase for the first time in twenty years as Cambodia's economy is projected to contract by 2%. A UNDP report state that poverty levels could nearly double to 17.6% of the population, meaning that 1.3 million will likely be sent back into poverty amidst the pandemic ([VOD, VOD](#)).

**Jobs:** Despite decreased export levels, the Council for the Development of Cambodia (CDC) has approved a total of four new investment projects in Phnom Penh to generate over 6,300 jobs for locals. Two of these new projects are garment and footwear factories. Although some workers will be hired by these new factories, these new jobs are still far from compensating for the number of jobs lost amidst the Covid-19 pandemic ([KHmer Times](#)). In contrast, workers who lost their jobs in the garment sector have started to work in lower paying jobs - such as construction and agriculture. Many are yet to find any job. Cambodian Labor Confederation (CLC) warned that job losses will continue to grow and urged the government to monitor and review factory closures, as it is unclear whether some owners have merely used Covid-19 as an excuse to shut down their already-struggling factories without paying workers. Due to flooding across Cambodia this month, about 16,000 factory workers are currently unable to go to work ([VOD](#)).

**Wage Assistance:** The government of Cambodia has extended support measures to aid the garment and textile industry until the end of the year. The government will continue to pay \$40 per month to garment workers who have been laid off amidst the pandemic for another three months. Garment factory owners are expected to continue to add another \$30 per month, so that each laid-off worker receives \$70 a month ([KHMER Times](#)). More broadly, Germany will support Cambodia with \$7 million invested into the IDPoor program, supporting the government's cash-transfer to all families in the economy that have been severely affected by the economic impacts of Covid-19 ([Cambodiansess](#)).

**Labor Rights:** Labor rights groups and unions have warned that Cambodia's move to scrap workers' bonus and holiday entitlements is likely to hurt the poorest workers affected by Covid-19. The government intends to abolish the labor laws which give higher rates of pay for night shift workers and move public holidays that fall on weekends to weekdays ([Reuters](#)). Meanwhile, farmers, migrant laborers and factory workers are reporting that micro-loans have led them into debt traps, dangerous migration, and landlessness, an issue that has only exacerbated due to economic consequences of the pandemic ([Reuters](#)).

The union leader and activist Rong Cchun who was arrested in August has yet to be released despite protests and the urgings of embassies and the UN. On October 19<sup>th</sup>, the UN Special Procedures sent communications to the government requesting a reply to his arrest ([Business Human Rights](#)). The Court of Appeal denied bail to all five activists, who were charged with incitement to disturb social security, saying that "imprisonment is necessary to prevent them from committing further offences."

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All activists were arrested during or following demonstrations for the release of union leader Rong Chhun ([Camboja News](#)).

**Worker Unrest:** Over 1200 dismissed garment workers from Violet Apparel continue to protest over unpaid compensation. The factory closed its doors at the start of July and is yet to pay its workforce for lieu of prior notice, unused holidays and seniority indemnity, which workers are entitled to according to national law ([Ecotextile](#)).

**Migrant Workers:** The International Organization for Migration (IOM) and the Korea International Cooperation Agency (KOICA) will provide aid to Cambodian migrant workers returning to Prey Veng from Thailand with quarantine facilities, distributing personal hygiene kits and essential food supplies and helping workers with healthcare related issues. According to official figures, over 110,000 migrants have returned to Cambodia since March, including more than 1000 migrants to Prey Veng. Most workers returned due to business closures and job losses in Thailand and neighboring countries ([Phnom Penh Post](#)). Mental health concerns are rising amongst migrant workers with 70% of respondents from a survey of 1200 Cambodian migrant workers in Thailand showed symptoms of depression. Workers showed high levels of stress, depression and a low quality of life ([VOA](#)).

**Gender Equity:** A study found that less than half of workers from surveyed garment factories find that an adequate reporting system for sexual harassment exists in their factory, suggesting that grievance procedures and anti-harassment training still have significant room for improvement in Cambodia ([Just-Style](#)).

## Ethiopia

*No relevant English media reporting 9/30-10/8; No tea or coffee news week of 10/9-10/16; No garment or coffee news week of 10/17-10/23*

**Jobs:** The Center for Effective Global Action released results from a survey with 3,896 female RMG workers in Hawassa Industrial Park (HIP). Out of 3,896, 41% of respondents who were employed in January 2020 were put on leave or terminated; 91% of those who lost their jobs have been unable to find a new job; 28% migrated away from Hawassa, mostly back to rural areas; 52% were worried about not having enough food. ([The Center for Effective Global Action](#)).

## India

*No coffee news week of 9/30-10/23*

**Economy:** India's textile industry, encompassing garment, has been seeing levels of improvement since July, increasing by over 32% in comparison to June. However, export levels from April to August remain at -47% compared to the year prior and an expected decline of 20-25% in turnover. The domestic market is worse off with a foreseen decline of 30-40% in revenue ([Fibre2Fashion, Sourcing Journal](#)). As the second biggest employment generator in the country after agriculture, around 30-

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40% of workers, mostly women, in the sector have lost their jobs since March ([The Daily Star](#)). While over 90% of factories in Tirupur are back in operation, in other areas, such as New Delhi–Noida region, only 60% are currently open ([Sourcing Journal](#)).

**Jobs:** The Uttar Pradesh Chief Minister announced that Gorakhpur will be developed into a "textile hub" by focusing on the ready-made garment industry to generate employment for many of the estimated 12,000 migrant garment workers who returned to Uttar Pradesh during the Covid-19 lockdown earlier this year ([One India](#)).

**Tea:** Out-of-home consumption is slowly picking up since the opening up, but it is still behind by 35% compared with the pre-Covid level, said Viren Shah, the chairman of the Federation of All India Tea Traders Association (FAITTA) ([Economic Times](#)). The Assam government has announced an interest subvention of three per cent on the working capital loan taken by the tea estates, providing a subsidy of ₹7 per kg (\$0.09 USD) ([Economic Times](#)). The pandemic has highlighted the need for wage reform in tea as thousands of workers have been protesting low wages and quality of life. This year, the Indian government is pushing through a measure to end payments "in kind" to help increase wages of tea workers. While in kind payment has been accepted under the ILO, certain stipulations must be met which are not being met on India's tea estates resulting in poor health outcomes for workers ([Coop News](#)). Tens of thousands of tea plantation workers in Assam went on strike to demand higher pay as the government has still not fulfilled its promise on a wage increase from \$2.25 USD/day to \$4.89 USD/day ([The Guardian](#)). Meanwhile it is approving and implementing subsidies to the industry ([Reuters](#)). The Saili Tea Estate in West Bengal's Jalpaiguri district suspended operations on Monday, leaving around 1,500 people jobless ahead of the festive season, officials said ([The New Indian Express](#)).

Vahdam Teas, has partnered with an education tech company to digitally tutor less privileged children of tea estate workers. By the end of the academic year, the partnership plans to expand to 20 tea estates and cover about 50,000 children across tea-growing regions in India ([Economic Times](#)).

**Migrant Workers:** Many inter-state migrant workers are returning cities to get work as there is little work available in rural areas. A survey by Inferential Survey Statistics and Research Foundation found that out of 2917 migrants, nearly 68% of migrant workers wanted to come back to the towns and cities where they worked before the outbreak. Remittances have picked up to 80-85% of pre-pandemic levels after having dropped by 80-90% in the initial weeks of the lockdown and passenger traffic on Indian Railways has also picked up ([Bloomberg/Quint](#)). Drawing lessons from the Covid-19 lockdown, Telangana is looking to make registration of migrant workers compulsory. With a new policy in development, any employer employing five or more migrant workers will have to register with the Labor Department and obtain a license. In a move to encourage the return of migrant workers to the state, the government will also make it compulsory for the employers to pay for workers' transportation ([Times of India](#)). The Center of Global Development has published research on digital cash transfers for stranded migrants, drawing from lessons from the state of Bihar's Covid-19 Assistance program that reached over 2 million people within several weeks. Major lessons include

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the lack of a unified social registry to identify individuals, complex design, and access to cash out points as serious constraints ([Center for Global Development](#)).

**Wage Assistance:** India's government has told the Supreme Court that it will waive certain interest levies on loans up to 20 million rupees (\$272,888) under a Covid-19 support plan - a move which is expected to bring relief to millions of borrowers ([The Daily Star](#)).

**Worker Unrest:** Garment workers have continued to protest in front of factories demanding higher wages and reinstated jobs after being terminated with little to no notice. Workers are reporting that factories are targeting older workers that have been working in factories for over several years, hiring new ones to avoid paying certain wage levels. Clashes across Anantapur District, Hindupur Industrial Estate, Gurgaon, and Gurugram continue, involving several thousand workers ([Youtube](#), [The Hindu](#), [Asia Floor Alliance](#), [Times of India](#)). Workers protesting at Texport Garments factory in Hindupur Industrial Estate also reported that working conditions at these factories for women are very bad and that the company only grants additional pay when workers work on all 26 working days in a month ([The Hindu](#)).

## Indonesia

*No tea and coffee news week of (9/30-10/23)*

**Labor Rights:** The International Labor Organization in Indonesia has launched its Decent Work Country Program (DWCP), which aims to promote decent work and productive employment. The program will run from 2020-2025 with immediate effect and, according to key labor actors, has taken the impact of the ongoing Covid-19 pandemic into account. The government's Ministry of manpower along with key union and trade organizations have signed ([Just Style](#)).

In stark contrast, the Indonesia Parliament gave final approval to a sweeping omnibus bill that amends 75 labor laws and regulations. The measure is backed by Indonesia's president, citing that the measure leads the way for greater investment and new jobs to help restore the economy. However, over 2 million workers organized by unions have been protesting this measure as amending these regulations will reduce severance pay by half, cut mandatory leave, allow longer work hours, and permit the hiring of contract and part-time workers in place of full-time employees ([New York Times](#)). In addition, the measure weakens environment regulations protecting Indonesia's rain forests from burning. Unions have stated they will go to court to try and block the law's implementation ([New York Times](#)).

**Worker Unrest:** Hundreds of protesters have been detained after heated demonstrations swept across Indonesia in response to this omnibus "new jobs" law that weakens environmental protections and workers' rights. The law would amend 75 laws undoing regulations to attract investment ([New York Times](#)). Labor unions have vowed to continue their protests until the government cancels the law. According to unions, at least 2 million workers have turned out for the protests. ([The Guardian](#), [Facebook](#)).

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## Pakistan

*No coffee news week of 9/30-10/23; No garment news week of 9/30-10/16; No tea news week of 9/30-10/9 and 10/17-10/23.*

**Labor Rights:** Six factory workers suffocated from fumes while trying to clean a chemical tank at a garment factory in Karachi. No arrests have yet been made but police have reportedly identified six suspects including the factory's general manager, administration manager, security supervisor and a contractor ([Ecotextile](#)).

## Viet Nam

*No news this week (9/30-10/2); No tea news this week (10/3-10/16), No coffee news this week (10/9-10/16); No tea news this week (10/17-10/23)*

**Economy:** According to Vietnam's General Statistics Office, the country's national index of industrial production advanced 2.4% year-on-year in the first nine months of this year. The main driver of the rise, the processing and manufacturing sector, went up by 3.8% ([KHMER Times](#)). Although nearly 100% of factories are up and running in Vietnam, most are operating at a much lower capacity. According to the Ministry of Industry and Trade of Vietnam, the export turnover of the textiles and apparel sector was down 12% in the first seven months of the year ([Sourcing Journal](#)). Hanoi and Ho Chi Minh City have reported some tentative signs of post-Covid-19 labor market recovery. In September, the Hanoi job-center received nearly 7500 requests for unemployment insurance - 2000 less than in August, representing a decline of 21%. In Ho Chi Minh City, job centers gave advice to over 314,000 workers and introduced jobs to 67,000 people; 30,000 successfully found new jobs. 137,000 applications for unemployment insurance were received ([Vietnam Labor Update # 81](#)).

**Poverty:** Workers facing financial difficulties due to Covid-19 are falling into illegal loan shark traps. In Dong Nai province, southern Vietnam, the provincial police say that this has become a serious issue due to Covid-19, as workers find themselves facing financial hardships and do not know where else to turn. Illegal loan sharks will lend large amounts of money, but with interest rates of 180%. When borrowers are unable to pay the money back, lenders threaten violence against them and their families ([Vietnam Labor Update #82](#)).

**Jobs:** The General Statistics Office released a report on the impact of Covid-19 on labor and employment in the third quarter of 2020. The report reveals that 31.8 million people aged 15 or over have been negatively affected by Covid-19, through being fired, furloughed, having reduced working hours, or loss of incomes ([Vietnam Labor Update #80](#)).

**Worker Unrest:** 1035 garment workers have agreed to leave their jobs at Namyang International, a Korean-owned garment factory employing 1050 workers located in Amata Industrial Zone, following strike action. On 19 September, the factory announced that, due to difficulties caused by Covid-19, the company was suspending production and all labor contracts. If workers agreed to formally leave

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their jobs, they would receive an extra 2 months' salary, 50% Tet bonus, and all other benefits, including social insurance contributions, would be properly paid. On 21 September, 1000 of the workers went on strike demanding 6 months' basic salary, a redundancy payment of 1 month for every year they had worked at the factory, support for workers' young children, Tet bonuses and all other payments. Following negotiations the company announced a more generous offer two days later: workers who agreed to leave would receive 3 months' salary, 50% Tet bonus, extra redundancy payments, payments for all remaining annual leave, full September salaries, and all other benefits, including social insurance. Pregnant workers would receive 4 months' salary; on this last point, workers did not agree. By 25 September, 1035 had agreed to leave the company, while 15 pregnant workers were still negotiating. Workers from Mekong Fibre, a Hong Kong-owned factory in Long Giang Industrial Zone, went on strike after three Chinese experts were brought to work from China without undergoing mandatory quarantine ([Vietnam Labor Update](#)).

**Coffee:** The ongoing global health crisis has left the Vietnamese coffee export industry in the lurch due to continued falls in price. Since late April, the consecutive decline in export prices has significantly hurt Vietnam's coffee exports, especially amid the resurgence of the pandemic. In addition, Covid-19 has forced Vietnam's key importers – the EU and the US – to slash coffee imports from the Southeast Asian nation ([Tienphong News](#)). Under the EU-Vietnam Free Trade Agreement (EVFTA) that came into force on August 1, tariffs on all coffee products from Vietnam were eliminated. Analysts expect EVFTA to give a big boost to Vietnam's coffee exports to the world's largest market. Coffee is one of the country's 13 major agricultural exports and contributes 3% of its GDP and creates more than 600,000 jobs. ([Vietnam Net](#)). Increased rain have helped coffee plants and traders are expecting long awaited improved prices before selling ([tuoi tre news](#)).

## Global

**Remittances:** Global remittances are projected to decline by about 20% this year, which showcases how migrant workers have been affected by the economic impact of the ongoing Covid-19 pandemic. Gary Rynhart, senior official at the ILO, explained that "[j]ob losses have often hit migrant workers hardest, because they are more likely to work in informal jobs which can lack safety nets, in case of job loss or illness." In addition to the threat of job losses, the Covid-19 pandemic has also highlighted the poor conditions that many migrant workers live in, as workers in crowded dormitories have been disproportionately affected ([Mercatornet](#)).

**Tea:** Due to the Covid-19 pandemic as well as inclement weather, tea prices are on the rise worldwide. In Sri Lanka, tea prices were nearly 20% higher than this time last year. Prices in India are approximately 70% higher than the same time last year. The main reason is lower crop yields due to govt shutdowns and flooding. There have been efforts to boost consumption of cheaper tea from Kenya and other countries. But industry insiders say a large-scale shift will be difficult because teas from different countries have different tastes ([Nikkei Asia](#)).

**Global Buyers:** The Center for Global Workers' Rights (CGWR) and the Worker Rights Consortium (WRC) have published a new paper titled "Unpaid Billions: Trade Data Show Apparel Order Volume

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and Prices Plummeted through June, Driven by Brands' Refusal to Pay for Goods They Asked Suppliers to Make." They estimate that buyers, in the initial weeks of the crisis, reneged on their financial commitments on roughly US\$40 billion in orders - with devastating implications for suppliers and workers. As a result of cancelled orders, millions of workers faced reduced hours of work and thus reduced income, temporary suspension of work, or job termination. According to an analysis of trade data, there has been a loss of close to US\$2 billion in workers' wages ([Center for Global Workers Rights](#)).

## Other

**Coffee in Kenya:** Kenya's famous coffee industry is being targeted by armed gangs who carry out orchestrated, large-scale heists. Coffee farmers report how some thefts have turned violent, and farmers' cooperatives have resorted to tightening security to protect their livelihoods. There are suggestions that the so-called 'coffee cartels' are protected by influential figures in politics, business and the police ([Defend Truth](#)).

## Additional Recommended Reading

1. Bangladesh: Hoskins, Tansy, "[Can Workers Reset the System?](#)" New Internationalist, Oct 6, 2020. Web.
2. Ethiopia: Meyer Johannes Christian, Hardy Morgan, Witte Marc, Kagy Gisella, Demeke Eyoual, "[The Market-Reach of Pandemics: Evidence from Female Workers in Ethiopia's Ready-Made Garment Industry](#)," Sept 7, 2020. Web.
3. India: Human Rights Watch, "[No #MeToo for Women Like Us: Poor Enforcement of India's Sexual Harassment Law](#)," Oct 2020. Web.
4. Global: EMERGE, "[Covid-19 and Gender Research in LMICs: July – September 2020 Quarterly Review Report](#)," Center on Gender Equity and Health, University of California San Diego School of Medicine, Oct 22, 2020. Web.

## 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](mailto: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 \(MFO\)](#).



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