

# exCHAINS



*Solidarity along the supply chain:  
From production to retail, workers unite!*

## *Good life, health and work here and along the value chain – also in times of Corona*

It seems to be hard these days to have any other topic than the Corona virus. The economic and social consequences in the retail sector are enormous. While workers in food retailing can barely keep up with filling up the shelves and are working overtime, the rest of the retail trade remains closed. Employees are confronted with short-time work and loss of income.

But that's not all: companies such as the Bestseller Group (including Jack & Jones, Vero Moda, Only) have laid off 750 workers, S.Oliver 170 workers. Zara's parent company Inditex posted record after-tax profits of 3.4 billion EUR in the 2018/19 financial year and record sales in recent months. Now, the company has announced that it will temporarily lay off all 25,000 workers in its Spanish branches after 15<sup>th</sup> April if the state of emergency extends beyond that date. The state is then to take over a large part of the wage costs. The employees in the company's logistics centers are to continue working despite protests.

In Germany, large companies such as H&M or Primark currently still pay 100% of wages. However, it can be assumed that they are using the crisis to push through planned restructuring. Zara has recently announced short-time work.



But what is the situation along the value chain among our brothers and sisters in South Asia? According to media reports, the world's leading garment retail companies have suspended or cancelled orders worth around 1.4 billion euros at more than 1,000 production sites at short notice. On March 23, Primark announced that it was cancelling all orders with its suppliers. Previously, similar reports had been made by H&M and Inditex. According to the global trade union federation IndustriAll, clothing companies are refusing to pay for orders that have already been produced but not yet delivered and are invoking emergency clauses in their supply contracts.

The consequences in Sri Lanka, India and Bangladesh are factory closures. The existence of our colleagues is threatened. From **Sri Lanka**, our comrades from FTZ&GSEU report that the government has imposed a nationwide curfew and closed down factories - partly because of strikes by workers. However, many workers in the Export Processing Zones cannot return to their home villages and have to stay at the boarding houses. These are overcrowded and promote spreading of the virus. Furthermore, factory companies had originally promised to continue to pay wages in the event of factory closure. Now they are withdrawing this promise in view of the order cancellations. They



also want the legal limit on overtime to be raised at the end of the corona crisis to compensate for lost production. The FTZ&GSEU therefore demands that companies be legally obliged to continue to pay wages if factories close down due to the corona crisis. In addition, all workers should be able to return to their former jobs after the crisis. The union rejects a softening of the overtime regulations.

These struggles are also happening in **India**. All over the country, factories have been closed down by the government, including in the garment industry. However, this was only done after some hesitation. In the Mandya district in the Indian state of Karnataka, for example, workers were supposed to continue working in the textile industry under pressure from the garment companies. In Bangalore, groups of workers protested in front of garment factories that they had to go to work despite health risks and demanded time off work with full pay. Meanwhile factory closures are being implemented and the garment companies guarantee to pay wages at least until the end of the closures on march 31. However, struggles are already beginning as to who should pay the costs of the crisis. According to the companies, continued wage payments are to be taken from the workers' social security funds. Workers after the crisis are to rework the working hours of the closure.

In **Bangladesh**, factories close for lack of orders and workers lose their income. Together with other unions, our brothers and sisters from the NGWF are demanding that all factories still in production close down to reduce the risk of infection. The health of the workers is a priority. Companies should be obliged to continue to pay wages and bonuses to secure the livelihood of the workers. Immediately, companies should distribute necessary protec-

tive clothing such as masks, gloves and also disinfectants to the workers while production is still running.

**Health protection** also applies when suppliers produce protective clothing and masks in the future, as announced by H&M and Inditex. Workers in South Asia refuse to continue to work in poorly ventilated factories close together without protection.

Companies are putting the health and lives of millions of workers in the world at great risk. Instead they have to ensure that workers - whether in Europe or South Asia - continue to receive full wages, keep their jobs and that the crisis is not used to restrict workers' rights or health protection. Companies put forward "barrier gestures", transferring the responsibility to individuals. Instead, it is the whole organization of work that must be reviewed, in terms of the health of each and every one.

We will continue to report in the coming weeks. Solidarity also applies in times of Corona!

**Let us support and make known the struggles of all the regions of the world.**

**Let us not allow the most precarious, to pay for the health crisis**

**Occupational health and safety also in the supply and logistics companies**

**All workers, regardless of their status must have a guaranteed income of 100%, with a guaranteed minimum for all based on the cost of living in the country.**

**Let us take our affairs into our own hands, in the workplace and in our own lives!**

