



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

***TIE ExChains Newsletter – Decent work even
in times of Corona***

08.04.2020



With this regular newsletter we inform about the situation of workers in the current corona crisis. The crisis is hitting precarious workers particularly hard. At the same time, workers worldwide are organising for their rights even during the crisis and are exerting pressure to cushion the social and economic consequences for employees. In this edition of the newsletter we report on current struggles in Spain, Germany, Sri Lanka and Colombia.

Spain:

Unions fight for continued payment of wages for Inditex retail workers until 15 April

Zara’s parent company Inditex is one of Spain’s largest companies in terms of turnover and employment. In its stores in Spain alone, the group employs around 25,000 people. Due to the current corona crisis, workers have been at home since 14 March. Originally, Inditex had aimed to apply for short-time work subsidies for all retail employees as of 14

March. However, these plans were met with widespread protest from trade unions and civil society. “Inditex has the financial resources to pay the employees’ salaries, even under the current conditions. The company cannot simply shift the responsibility for its employees in the current Corona crisis onto the taxpayer” criticises Javier Paraíso of the CGT union. Finally, Inditex backed out and guaranteed to pay all salaries without deductions for retail workers until 15 April. If the shops remain closed after 15 April, Inditex announced that it would put all employees on short-time work. However, under pressure from the unions, the company promised to complement the short-time work allowance from the state, which covers 70% of the regular salary, so that workers receive a payment equivalent to 100% of their regular salary. However, the many part-time employees with contracts for 20 or 24 hours a week are likely to face financial shortages. With a basic salary of not even 700 euros per month, they are dependent on additional income from regular overtime hours in order to make ends meet. These will



now be eliminated. Temporary employees in Inditex's stores have also been hit hard: since the beginning of March no temporary contracts have been renewed. "When the first colleagues had to leave in early March, we thought that it was due to the slow start of business this year. However, shortly afterwards the government ordered all stores to close, so we can't rule out that Inditex had already received information about the upcoming lockdown from the government," said Silvana Casas Salvador of the MIT union.

Fighting for health protection for the employees in Inditex's logistics centres

In contrast to the shutdown in the retail sector, work continues in Inditex's 11 logistics centres, albeit with a reduced workforce. Inditex logistics centres in Spain are the hub of the Group's global flows of goods. While fashion retailing has largely come to a standstill in Europe, 103 of the Inditex Group's 114 stores in China have already reopened, being supplied via the logistics centres in Spain. "As a trade union, we criticise the fact that Inditex clearly puts business before the health of its employees and the general good. Although the government ordered the shutdown of all non-essential economic sectors on April 1, Inditex is using a legal loophole to keep its logistic centres running. In Zaragoza, around 850 workers are still working in one shift, albeit only for two four-hour shifts per week. After we put pressure on Inditex, all workers are now given gloves and masks. But that is not enough. Due to the nature of the work, it is not possible to

maintain the minimum distance. We therefore demand the closure of the logistics centres with full wage compensation, or at least the complete disinfection of all equipment and surfaces at shift change," says Javier Paraíso, spokesman of the union CGT for Inditex's logistic centres. "Due to the legal situation, we cannot prevent the continued operation of the logistics centres. But at least we were able to ensure in negotiations with the company that no employee can be forced to work in the current situation. Employees who, for example, have family members who belong to risk groups can stay at home and still receive their full wages. In return, they do not have to return the company the full 40 hours per week, that they did not work, but only 8 hours per week at home. We have already achieved a lot with this," summarises Javier.

Germany:

H&M National Works Council and ver.di achieve social standards for introduction of short-time work in H&M stores

In Germany, the H&M National Works Council together with ver.di also succeeded in enforcing minimum social standards with regard to the introduction of short-time work. H&M has already applied for short-time working compensation for all employees as of 18 March – the date of official closure of all non-essential retail stores. However, the state's short-time working allowance is only 60% of the regular salary. Even for a full-time employee, this would only be around 940 euros

per month on average. In a stubborn marathon negotiation, however, the National Works Council was able to fight for some important standards that at least offer the approximately 13,000 employees of H&M's stores in Germany a minimum of security in the current crisis:

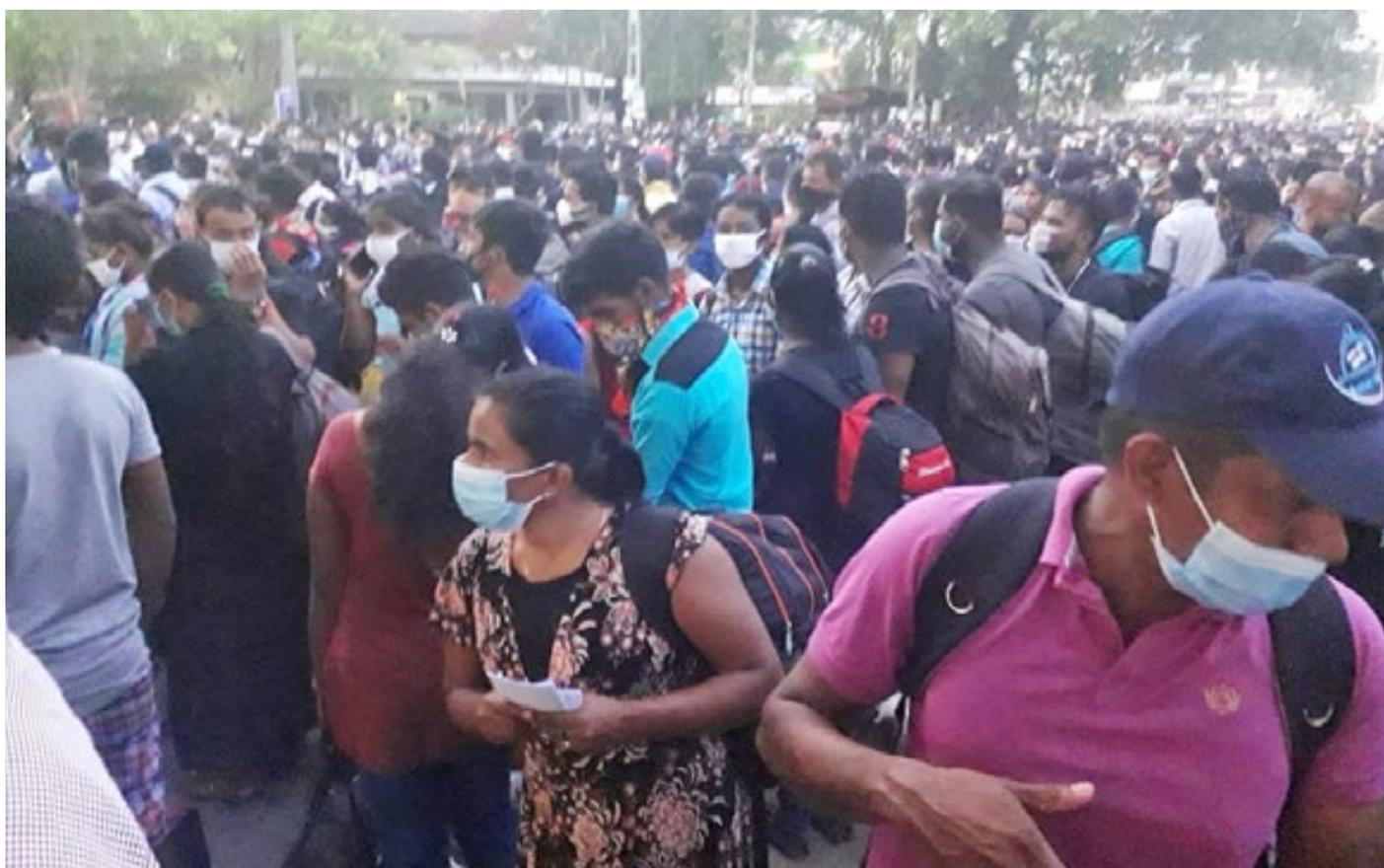
- In the March payroll period, the short-time working allowance for all employees will be complemented by H&M so that they receive a total payment equivalent to 100% of their regular salaries. In April and May, H&M will complement the short time work allowance to the extent that employees receive a payment equivalent to 90% of their regular salary.
- Working students and mini-jobbers receive a payment corresponding to the short-time working allowance and a subsidy by the company to reach a payment equivalent to 100% of the regular salary in March and a payment equivalent to 90% of the regular salary in April and May.
- No dismissals for business reasons are permitted until May 31, 2020. During the short-time working period, no temporary workers will be employed in the areas affected and no services will be outsourced. Any exception requires the written consent of the works council.
- If pregnant employees experience disadvantages in the calculation of the parental allowance, these disadvantages will be compensated by H&M in consultation with the employee for the duration of the allowance.

Sri Lanka:

Garment factories resist lockdown and endanger workers' health

In Sri Lanka's garment factories, production has been halted since 20 March by government order until further notice. Under pressure from the FTZ & GSEU and other unions, the government has ordered all factories to pay all wages in full for April. In addition, workers are entitled to a statutory bonus in April to mark the Buddhist New Year. It is not clear, however, whether the workers will receive this bonus. The US company NEXT has already announced that it will only pay 50% of the bonus to workers in its factories in Sri Lanka due to the financial losses caused by store closures in Europe and the USA.

Much of the garment production for the export market takes place in remote industrial parks or free trade zones. The workers live in hostels in very confined spaces. The FTZ & GSEU has therefore also pressured the authorities to organise the transport of the workers to their home villages. In the factories as well as in the hostels the risk of infection is high, because it is hardly possible for the workers to keep the minimum distance. Despite this fact, some factories have received special permits to continue production with a reduced workforce. "These special permits risk creating new clusters of corona infections among workers and their direct contacts in the factories, as it is simply not possible to keep





the minimum distance in the factories. We have therefore already received written complaints from workers in the factories concerned. We demand the immediate closure of all factories and the initiation of legal proceedings against all officials involved in issuing special permits for the continued operation of factories contrary to the government decree,” said Anton Marcus, General Secretary of the FTZ & GSEU union.

Colombia:

Workers are on their own without state aid

In Colombia, too, since 24 March, all non-essential establishments have been closed. Many employees have lost their jobs. Hotels, restaurants and transport companies in particular are laying off a large proportion of their workforces. The many workers in the informal sector, such as the numerous street vendors, are also seeing their income plummet and supermarkets have already been looted in some cities. Instead of introducing state support measures, however, the government has so far reacted primarily by increasing the military presence in the streets. At the same time, the state is taking advantage of the crisis to reform social legislation. The government is currently working on a new law to raise the retirement age from 62 to 65.

In the sectors where business continues, health protection for workers must first be fought for by the unions. “In our factory, which produces cardboard boxes, we have fought for three weeks to finally have protective gear made available. Now the number of workers has been reduced to a minimum in order to reduce the risk of infection. Since in our factory we have a strong union representation, we were able to enforce that we get paid the full wage despite the reduced working hours. In the supermarkets, however, you can still

see the employees working mostly without protective clothing. Only occasionally you see employees wearing masks or gloves – it is unclear whether they are given them by the company or have to buy them themselves,” says Ricardo Rueda from the union SINTRATUCAR.

Overall, it is clear in Colombia that the price of the crisis is paid primarily by the workers. Due to the already low salaries in most sectors, many workers can hardly make ends meet even when trade unions have been able to fight for continued payment of salaries. “In most cases the regular wages are not enough to live on. Many of our colleagues depend on extra pay from regular overtime. In addition, to continue receiving a salary, many employees are now forced to take their entire annual vacation of 15 days. Some even have to take their vacation for the next year already now. So many of us won’t have a single day off for the next two years. And those who no longer have any holidays left do not receive any money, neither from the company nor from the state. We are completely on our own and have to live on our savings. If we have no savings, we have to take out a loan and the banks are currently charging really high interest rates. The banks are now trying to make a profit from the crisis and we, the working class, are paying for it”, summarizes Jairo del Río from the union SINTRATUCAR.

International solidarity also in times of Corona

The Corona crisis shows that it is currently more important than ever that we organize ourselves together to defend our rights to decent working and living conditions. All over the world, it is the workers who are paying the price for this crisis. Only together we generate the power to counter the attempts of corporations to pass on the costs of this crisis to the workers.