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WHAT THE CRISIS MEANS FOR THE PEOPLE WHO MAKE COLLEGIATE APPAREL



CONSORTIUM

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The pandemic represents an unprecedented economic calamity for workers who make university logo products. Across the globe, factories have suspended or dismissed workers in the hundreds and thousands, often with little or no compensation. This includes many factories making collegiate goods.

As efforts to address this crisis proceed, we want to make sure we provide you with a clear picture of the human impact in the university supply chain.

The following are brief portraits of the circumstances of individual workers from collegiate apparel factories, gathered by the WRC's field team and relayed partly in workers' own words. We hope these snapshots will provide you with a fuller picture of what this crisis means for the workers who make university logo goods.

WORKER PORTRAITS

The workers whose stories you will read below are from Burma, Cambodia, Thailand, Guatemala, El Salvador, and Haiti and work in collegiate factories.¹ The sudden decrease in incomes that we are seeing globally has hit garment workers especially hard. Garment workers' low wages usually do not allow them to save money for a rainy day, let alone funds to survive months of unemployment. Their governments lack the resources for large-scale rescue programs, leaving these workers on their own. That is why it is <u>so vital</u> for brands, governments in wealthy countries like the US, and international financial institutions to step up with support.²

ESTHER: "I AM WORRIED FOR MY BABY"

Esther³ and her husband have worked at a collegiate supplier factory in Haiti for more than a decade. Their income supported their one-year-old son and several other family members. When Esther's brother died, she took responsibility for his son, as well, so she sends money to support her sister and nephew, who live in another part of Haiti.

Esther has been out of work since March 19. She was informed, by text message, that the factory was closing due to the pandemic, but has not been told whether she has been fired or simply suspended, and if she can expect to ever return to work. There has been no further contact from the factory, and she has not received either severance pay or any other compensation.

¹ We do not name these factories, or the licensees, because we have not reported publicly on specific violations of labor standards in these cases.

² For more information, see Scott Nova and Ineke Zeldenrust, "Who Will Bail Out the Workers That Make Our Clothes?," March 2020, <u>https://www.workersrights.org/wp-content/uploads/2020/03/Who-Will-Bail-Out-the-Workers-March-2020.pdf</u>.

³ Some workers' names have been changed at their request.

"I was not able to save any money prior to the pandemic," she reports. "It was impossible for me to save." Even in normal times, she reports, the salaries she and her husband receive were not always enough to cover the approximately 25,000 gourdes (US\$230)⁴ that was required to meet the family's basic needs for a month; she sometimes received help from friends or bought food and other necessities on credit.

Now, after more than three months without income, she and her husband are in debt and unable to pay their bills. "I used to pay back some money every two weeks when we received our payments, but now I do not even have money to feed myself," Esther told the WRC.



While some friends helped her initially, they are no longer able to do so. "We are suffering, and we are struggling to get food," Esther says. "I am worried more for my baby," who needs milk and cannot eat regular food." She is unable to afford milk for the baby or the bags of rice and beans she used to buy.

Esther explains, "I used to eat twice a day, but now it's not the same. We mostly eat once a day. When I was working, I could buy food on credit, but now that's not allowed since there's no work."

Esther is also unable to pay rent or to access needed medical care. "I feel ashamed, and I do not know what to tell the landlord," she says; being evicted "is my biggest worry." While Esther is enrolled in the national health care system, those clinics are closed because of the pandemic. Since she does not have money for a private clinic, she was unable to bring her son to the pediatrician when he recently fell ill. She told us, "I leave everything under God's control, because I really do not know what to do for now."

MARLAR: PREGNANT, JOBLESS, AND FAR FROM HOME

Marlar worked at a longtime supplier of university apparel in Thailand for seven years, until she was terminated in May. Originally from Burma, Marlar first came to Thailand to seek work as a housemaid when she was 14. "Later," she told the WRC, "I realized that I was trafficked and being sold." She ultimately escaped her situation and found work in a garment factory.

⁴ This report uses the exchange rate US\$1:108.20 gourdes, which was the rate on June 24, 2020.

Marlar is pregnant. Prior to the pandemic, she was sending some funds back to her aunts in Burma, while she and her husband struggled to set aside small amounts of money in anticipation of their child's arrival. Her husband, also Burmese, was employed at an industrial foundry in Thailand.

Marlar began feeling the impact of the pandemic in April when her factory suspended production on and off throughout the month, reporting that there were not enough orders to keep operating. In late May, the factory fired Marlar, telling her that the decrease in orders made layoffs necessary. The company provided no severance or notice pay. (Marlar is one of an estimated 300,000 Burmese migrant workers in Thailand who have lost their jobs during the pandemic.⁵)

When Marlar lost her job, she saw no prospects for near-term reemployment in the apparel industry. She decided to return home to Burma to have her baby there and to use the family's meager savings to open a small grocery stall with her husband.

But Marlar has been unable to get home, because of Covid-19-related border restrictions. Meanwhile, her husband, who returned home to Burma before the border closed, now cannot get back into Thailand to be with her.

Marlar is terrified that her savings will soon be exhausted. She hopes they will at least be enough to pay rent and to pay healthcare costs related to her pregnancy.



"At this moment, I'm selling everything I own that isn't essential, and trying to use that money to live," she says. "I was paid 3,700 baht [US\$120] for May.⁶ If I use it sparingly, I think I can pay for next month's rent." Marlar has been unable to find new work amidst the general economic crisis in Thailand, and she is particularly disadvantaged because she is pregnant and some employers will not hire pregnant workers. "I'm feeling so worried for my future," she says.

Marlar fears that, even if she can get home to Burma, there will be no money left to open a food stall and no income. "When I get back to [my home village], I will have to restart my whole life from zero," she told the WRC.

⁵ "300,000 Myanmar migrant workers in Thailand jobless due to COVID-19 pandemic," Philippine Daily Inquirer, May 28, 2020, https://business.inquirer.net/298514/300000-myanmar-migrant-workers-in-thailand-jobless-due-to-covid-19-pandemic.

⁶ The exchange rate used in this report is US\$1:30.9 baht, the rate as of June 23.

YERT: STRUGGLING TO SUPPORT FAMILY

Yert has worked at several garment factories in Cambodia over the past 13 years. Approximately 130 Cambodian garment factories, including the collegiate supplier where Yert works, suspended production in April because of a lack of orders, putting at least 100,000 workers off the job temporarily or permanently.⁷ She is currently on a two-month suspension, along with the rest of her coworkers.

In April, the government announced that these furloughed workers would receive \$70 per month, less than 40% of the minimum wage, with \$30 coming from the employer and \$40 from the government. Yert reports that she has received only half of the government's share of the compensation, and so is only receiving \$50 per month.

To conserve money, Yert has moved into a single room, which she shares with three other workers. The three pool money for food. Yert has drastically cut the amount of money she sends to support her elderly parents, who live in the countryside. Even so, she reports that she has no money for other expenses, including soap, toothpaste, and clothing.

"I worked as a garment worker for 13 years, but I have no savings," she says. "My [current] wage is not much, and I need to support my parents. My father's health has gotten worse in these last

few years, and he needs medical treatment. I am so worried that I don't have any money to take my father to hospital if he is not well again," she says.

While the suspension of production may end, Yert is not hopeful that she will be able to return to her normal income level, even if she is able to return to work. Given the lack of orders from brands, she fears she will be permanently laid off or, at best, that she will be offered shorter hours and reduced compensation, making it impossible to pay her own expenses, much less support her parents.



⁷ Hoekstra, Ate, "Coronavirus brings trouble to Cambodia's garment industry," Deutsche Welle, April 24, 2020, <u>https://www.dw.com/en/coronavirus-brings-trouble-to-cambodias-garment-industry/a-53284224</u>.

ALEXANDER: SUSPENDED AND STRUGGLING TO BUY FOOD

Alexander is from Guatemala but moved to El Salvador to seek work there. He has worked at a collegiate apparel supplier in El Salvador for 12 years. He supports his three small children and their mother, and also sends money back to Guatemala to support his own mother.

His employer suspended work in March and is still closed. While the factory paid workers for the first two months of the shutdown, he has not received any pay since May 12. As a result, he

has not been able to pay his rent or electric bill for the past month, and he and his family have slashed food purchases. They have stopped eating meat and are buying less of the other staples they normally rely on. While he had a small amount of savings at the beginning of the crisis, he has quickly gone through these savings to support the family.

The one source of income Alexander has had for the past month has been as a barber, cutting hair out of his house. While this has provided a bit of support for him and his family, it is not enough to make a real difference.

"My biggest fear is that [the government] will extend the shutdown period," Alexander told the WRC. "My children don't have food. I can withstand this hunger, but they cannot."



He says, "If this doesn't resolve soon, I am thinking of selling my barbers' tools. That would at least make it possible for me to buy a little more food for my children."

SILVIA: FROM POVERTY WAGES TO NO WAGES

An experienced embroiderer, Silvia has performed embroidery at home for a collegiate supplier factory in El Salvador for nine years. When she was a child, her family fled the violence of the civil war in her home region, moving to the rural area where she lives now with her husband and two adult children.

Silvia has not had any work since late March, and her husband has been suspended from his work as well. As a home worker, Silvia was paid per piece; her income depended on what work was available and how quickly she could perform it, and she did not have a permanent employment contract. She reports that she generally earned about \$50 per month, only one-sixth of the minimum wage for full-time work in El Salvador. With her husband's wages, their family was able to scrape by on about \$400 per month.



Now that income is gone. Silvia and her husband report that they cannot pay their utility bills and have been forced to reduce food purchases. While they used to buy some chicken and other meat before the pandemic, now they rely on eggs. "We're buying less beans, less corn—less of almost everything...," Silvia told the WRC. She and her husband have received some food aid from the government and from a women's organization, but it has not been enough. Silvia fears that her family will not have enough to eat in the months ahead.

CHAI: DECREASED WAGES AND UNCERTAIN FUTURE

Among those workers who are still employed, many have faced a sizable decrease in income. Chai has worked at a university supplier in Thailand for 10 years. While the factory is still operating, it canceled its night shift in April and placed all workers on rotating furloughs. Chai saw his wages drop by more than a third.

This is a particular burden for him because his wife lost her job last year and has been unable to find full-time work, causing their family to fall behind on their mortgage and other bills. Chai supports his wife and his four-year-old son, who has a developmental disability. While Chai is glad to still be employed, his income, insufficient even before the crisis, is now nowhere near enough to keep his family afloat. Chai has been able to get occasional night shifts at another factory, but the additional income is very small.

"My income is greatly reduced," Chai told the WRC. "Even when I was receiving 100 percent of wages and worked overtime orders, my income was not enough for my expenses." In addition to his economic fears, Chai worries about the possibility of contracting Covid-19 at work.

Chai and his wife have had to seek help from family members. He used to provide some financial support to his mother and grandmother, now he is relying on them to provide several meals per

week for his wife and child. In June, he and his wife decided that she should take their son and go to live with her mother.

Chai worries that if the pandemic continues, his factory may lay workers off, further worsening his situation. "I can say that before [Covid-19], my life was at zero, but now it is less than zero."

CONCLUSION

The WRC's field team has been in regular contact with workers from collegiate and non-collegiate factories in Asia, the Americas, and Africa as the pandemic has progressed. These six workers' stories are emblematic of what many workers are facing. Particularly worrisome is reports we are hearing from an increasing number of workers that they no longer have enough income to meet their families' nutritional needs.

The WRC has been working with our partners around the world to document the impact of this crisis and, more importantly, to urge apparel brands, including licensees, and other key actors to take essential steps to ameliorate the harms facing workers and their families. This starts with brands paying for orders⁸ that were in progress or already complete when the crisis hit, but, as we have reported, much more is needed to enable garment workers to weather this tornado of economic destruction.

We hope you find this information useful. We will continue to keep you posted on efforts to address the crisis at collegiate factories and across the apparel supply chain.

⁸ For more information, see Worker Rights Consortium, "More Brands Paying for Orders, Averting Destitution for Apparel Workers," June 2, 2020, <u>https://www.workersrights.org/communications-to-affiliates/more-brands-paying-for-orders-averting-destitution-for-apparel-workers/</u>.