



## **Women in Informal Employment: Globalizing and Organizing (WIEGO), Asia Floor Wage Alliance (AFWA), HomeNet South Asia (HNSA) and HomeNet South East Asia (HNSEA) Demand a COVID-19 Supply-Chain Relief Contribution from Brands for All Garment Workers July 2020**

### **Brands Must Take Social Responsibility**

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global research-policy-action network of informal economy worker organizations that includes organizations that organize homeworkers in global and domestic supply chains. Its members include HomeNet South Asia (which has 53 members in eight countries) and HomeNet South East Asia (which has members in six countries). The Asia Floor Wage Alliance (AFWA) is an Asian labour-led labour and social alliance across garment producing countries (such as Bangladesh, Cambodia, India, Indonesia, Pakistan and Sri Lanka) and consumer regions (USA and Europe) for addressing poverty level wages, gender discrimination and freedom of association in global garment production networks.

AFWA, WIEGO, HNSA and HNSEA jointly demand that global brands in the fashion industry make a Supply-chain Relief Contribution (SRC) to *all* garment workers in their supply chains during the COVID-19 crisis. Workers include time-rated, piece-rated, subcontracted and home workers.

In April 2020, AFWA made a demand for an urgent and initial response by fashion brands to the COVID-19 humanitarian crisis, through a one-time brand [Supply-chain Relief Contribution \(SRC\)](#) for supply chain workers, most of whom are women. A Supply-chain Relief Contribution (SRC) should be a quantified amount: an additional 2% of total sourcing by the particular brand in the preceding 12 months from the respective factory. This SRC supplements any shortfall in the estimated 60 days of wages lost from the beginning of the COVID-19 crisis until 30 June 2020. The SRC is based on the total labour cost of garment production, including the labour costs of aspects of production that are subcontracted to homeworkers.

The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector recognizes that homeworkers are legitimate workers in supply chains and that they should receive equal treatment to factory workers: “Homeworkers should be viewed as an intrinsic part of the workforce entitled to receive equal treatment and therefore should be formalised in order to achieve good terms and conditions of employment.” In Asia more than half of all factories subcontract aspects of production to smaller workshops and to homeworkers. In India alone it is estimated that five-million homeworkers are engaged in production for garment and textile supply chains. A recent survey of 340 garment factories in Delhi and Bengaluru showed that 58 per cent of surveyed factories outsource to homeworkers.

AFWA believes that brands are responsible for ensuring that all workers throughout their supply chains (including time-rated, piece-rated, subcontracted and home workers) enjoy labour rights and are paid a living wage. AFWA's position is premised on the well documented fact that brands' purchasing practices determine the wages throughout the supply chain.

The COVID-19 crisis has revealed the scale of informality and subcontracting, including to homeworkers, that sustain global garment supply chains. Homeworkers have not received payments for work already performed prior to lockdown and as the most vulnerable workers in the chain, are facing extreme hardship.

The AFWA, WIEGO, HNSA and HNSEA jointly call upon brands to address the extreme vulnerability of such workers at this time of acute humanitarian crisis and to pay the SRC. An SRC can be extended to subcontracted workers, including to homeworkers, by calculating the piece rate that was paid to the particular homeworkers in the two months preceding lockdown.

WIEGO, HNSA and HNSEA endorse the SRC demand and will undertake to identify the homeworkers within particular brands' supply chains and to build claims for homeworkers to SRC. The SRC should be paid directly to homeworkers and not through suppliers.

The SRC is a relief contribution and in no way substitutes brands' existing contractual commitment or obligations to pay severance contributions in cases of downsizing, retrenchment and closure.

### **A Binding Agreement with brands for Wage Assurance**

AFWA, WIEGO, HNSA and HNSEA believe that any agreement with a brand and/or retailers must be binding.

We are in solidarity with global labour rights and human rights organizations and networks who, together with garment workers, are campaigning and advocating for brands' purchasing practices to be transformed to ensure decent work for all workers in their supply chains.