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**Analysis of an Oxfam International
Campaign on Garment Workers in Sri
Lanka, 2002 – 2007**

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Abstract

From 2002 until 2006, the international development agency Oxfam ran a major global advocacy campaign called 'Make Trade Fair'. This paper looks at one aspect of that campaign that took place in Sri Lanka and involved the formation of a coalition of unions and NGOs to protect the rights of garment workers, as the industry went through a major restructuring that involved job losses. The campaign also aimed to improve working and living conditions for these workers, and to advocate for them to be paid a 'living wage'. The paper looks at the successes and failures of this campaign, and identifies some of the factors that contributed to or limited its achievements. It also looks at the role that Oxfam played as an active participant in the coalition and the campaign.

About the author

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Garment industry in Sri Lanka¹

In the last two decades Sri Lanka's labour market has been radically transformed as the result of a government policy of privatisation and investment liberalisation. This has been characterised by an emphasis on attracting foreign direct investment, and on manufacturing labour-intensive goods for export. One of the manifestations of this has been the establishment of areas of concentrated foreign investment known as Free Trade Zones (FTZs) or Export Processing Zones (EPZs) in which investors enjoyed special benefits. The three largest were established in 1978 (Katunayaka), 1984 (Biyagama), and 1991 (Koggala). In 1992, the entire country was declared an Export Processing Zone.

The major industry in these EPZs is the manufacture of ready-made garments for export. Because of its relatively cheap labour, well-educated workforce, and good access into European and American markets via tariff concessions (see below) Sri Lanka became a major supplier of garments to the world market. By 2002 there were an estimated 300,000 workers employed in the garment industry in Sri Lanka, including 100,000 or so in the EPZs, the overwhelming majority of them women.² While women constitute some 35 percent of the overall work force in Sri Lanka, in the garment industry they dominate, particularly in the unskilled work categories. The majority of them are young, single rural women who have few other employment opportunities.

The working conditions inside these garment factories and the workers' housing conditions are often very poor, with complaints ranging from safety hazards to harassment and unreasonable production targets. Some of the more prominent problems include:

- Compulsory overtime, of up to 60 or 90 hours per month, when delivery deadlines need to be met.

- Very low hourly rates of pay, which encourage workers to work long hours in order to bring their total income up to a reasonable amount.
- Excessive fines and penalties, including for not reaching production targets.
- Poor or non-existent occupational health and safety practices, which leads to accidents and damaged health.
- Precarious employment with little job security.
- Repression of the right to organise, to form a union or bargain collectively.
- Harassment of women workers in the factory and where they live.
- Over-crowded, inadequate boarding house accommodation.

Workers in the garment sector are in a weak position. Their general level of awareness in terms of their rights is often low, and their ability to organise collectively to gain improvements without being fired is yet to be demonstrated.

Restructuring threatens massive job losses

Despite these numerous problems and abuses, the EPZs do provide many thousands of workers with employment and a means of earning an income. Although working conditions need to be dramatically improved, it is in nobody's interest to see the industry and the jobs it creates disappear. But this is what appeared to be about to happen in 2002, as a result of a change in the international rules of trade that threatened the access of Sri Lanka's ready-made garments into the United States and European Union.

Many decades ago an arrangement known as the Multi-Fibre Agreement (MFA) was put in place by the United States and European Union to limit the importation of cheap garments from the South and protect domestic jobs. The limiting was done by allocating import quotas to individual producing countries for products made from cotton, wool or synthetic fibres. While this limited access for most countries, in Sri Lanka's case it encouraged growth, for the quotas it was allocated were significantly larger than its then small garment industry produced. The quotas in fact guaranteed an attractive level of access to those important markets. But the MFA and its quota system did not meet the non-discrimination rules of the World Trade Organization (WTO), which stipulate that a benefit extended by a member country to one of its trading partners must be extended to all. The MFA gave better treatment to some countries than to others, via differing quotas, and hence was incompatible with WTO rules. Under an agreement reached in the WTO in 1994, the MFA was to be phased out over a ten year period from 1995 to 2005.

For Sri Lanka this meant it would lose the advantage it had long enjoyed over other garment exporting countries in terms of access to Northern markets. When the MFA and its quota system were phased out, Sri Lankan exporters would have to compete on equal terms with all other garment exporting countries, some of which were more competitive in terms of labour costs or delivery times. The fear was that buyers would abandon Sri Lanka and take

their orders to countries where labour was cheaper (e.g. China) or where productivity and turn-around times were better (e.g. India). The advantage that India has over Sri Lanka is that it produces its own cotton and textiles, whereas Sri Lanka has to import this basic raw material. The industry in Sri Lanka would then lose large numbers of jobs and factories would close. It appeared that the country's garment industry, which accounted for more than half of Sri Lanka's export earnings, was under serious threat, and that up to 100,000 workers could lose their jobs.

While the MFA was supposed to be phased out in stages over the ten-year period, so that countries like Sri Lanka would have time to adjust, in practice the Northern countries procrastinated so that by 2002, eight years into the process, very little had happened. Consequently, the Sri Lankan government and garment industry was complacent, and had done little to prepare for the change. The prospect was that when the 2005 deadline was reached, there would be a sudden disappearance of the quota system and a sudden and catastrophic loss of orders and jobs. There was an urgent need for the government and industry to put in place a plan of action that would minimise job losses by improving the competitiveness of the industry, and measures to ensure that the thousands of workers who did lose their jobs would receive a redundancy package and some assistance to retrain or find another job.

In response to this, Oxfam in Sri Lanka as early as 2002 decided on a campaign to raise awareness of the potential impact of the MFA phase-out and to motivate the government and garment industry to start preparing.³ Its initial strategy was to establish a series of dialogues involving the various stakeholders.⁴ This was to be done in stages:

1. Running an initial two-day workshop on the impact of the MFA phase-out with trade unions and worker-oriented NGOs, to build consensus.
2. Using the consensus position, drawing others in and building a coalition, and establishing a research team.

3. Organising a seminar with government and business groups.
4. Bringing all of these groups together for a joint seminar to discuss the draft research.
5. Organising a final seminar to present the research findings and agree on proposals for action.

After the initial two-day workshop with trade union and NGO representatives, held outside Colombo in August 2002, an informal group was established to take this process forward, consisting of the leading figures from the key unions and worker-oriented NGOs. It was referred to as the Core Advisory Group.⁵

But by this stage Oxfam's agenda had widened beyond that of the MFA phase-out to include labour rights in the garment industry more generally. This was due to the fact that there was a large international Oxfam campaign running at the time (the 'Make Trade Fair' campaign) that was at that stage focusing on the rights of workers who made garments for the global export trade - and Oxfam in Sri Lanka decided to be a part of it.

Establishing a coalition

When it began this work in Sri Lanka, Oxfam was faced with a group of potential partners – trade unions, labour NGOs and women's groups - who were disunited and, by their own admission, not operating in a cooperative or strategic manner. There were many reasons for this, including capacity differences, turf wars and personality clashes. Additionally, there was an atmosphere of competition, generated by the need that each organisation felt to impress the international donor organisations on whom it relied in order to obtain further funding.

It was clear that if progress was to be made in protecting the rights of workers in the face of the restructuring, and in a situation in which employer groups were strong and influential, and the government was focused on the needs of investors, not those of labour, there needed to be a group that could act collectively and cohesively and campaign over a long period. From Oxfam's perspective, the basis for such a group lay in the organisations that were represented in the Core Advisory Group. Consequently Oxfam invested heavily in turning this group, which only came together when Oxfam asked them to, into an effective coalition that could engage in long-term coordinated joint campaigning. There had long been a recognition among those in the Group that this level of cooperation and coordination was desirable, even essential, so they were not unwilling participants in the process. Oxfam was merely facilitating something that they were keen to do anyway.

In the second half of 2003, the Core Advisory Group was brought together a number of times in order to build a sense of trust and to identify some clear objectives and activities that they could undertake jointly over the coming months, and which would then be funded and supported by Oxfam. The participants, after much discussion of rival proposals, were unable to reduce the list of priorities to less than four. Each organisation's representatives had an issue about which they felt passionate (usually one on which they were

already working), and simply advocated that it be the issue to be selected. At the same time none was willing to openly criticise the issues being pushed by the others. Hence, what was emerging was not so much an agreement on collective action, as an aggregation of each organisation's priority issue. Eventually, however, compromises were made and four issues were identified that everyone could agree on. These were:

Compensation. Making sure that the adverse impacts of industry restructuring on workers due to the phase-out of the MFA were mitigated. Ensuring that a comprehensive and adequate compensation package with transparent processes was put in place for workers who lose their jobs. Also, lobbying of international buyers and 'brand name' garment retailers to act responsibly during the phase-out. For this, they looked to Oxfam to provide the necessary international links, and possibly direct campaigning in the North on their behalf.⁶

Living wage. Bringing to the national agenda the concept of a 'living wage', a social wage that recognises hidden costs and is enough to fulfil basic needs without overtime, and which is recognised by the government and employers as a legitimate basis for setting wage levels.

Living conditions. Ensuring dignified living conditions by creating a healthy and secure environment for women workers.

Freedom of Association. Creating an environment that affirms the internationally recognised right of workers to form unions and bargain collectively.

It took a long time for a sense of trust and a willingness to work together to develop amongst the group. But it did develop, due in no small part to the persistence of the Colombo-based Oxfam staff. A significant event in this regard was the adoption in early 2004 of a name for the joint group. What had

been the 'Core Advisory Group' for Oxfam took on a public identity of its own as the 'Apparel-industry Labour Rights Movement' or ALaRM for short. In February 2004 ALaRM received its first public exposure at a major media event in Colombo.

Joint campaign launched

As part of Oxfam's international 'Make Trade Fair' campaign, there was to be a worldwide launch in a number of countries in February 2004 of an Oxfam report on the rights of women garment workers ('Trading Away Our Rights'), and it was suggested by the members of ALaRM that the report be launched in Colombo as well. The question arose of whether the launch should be an Oxfam event or an ALaRM one. Normally in a situation like this, Oxfam would stay in the background and support its local partner organisations and allies to take the front running. But on this occasion the feeling on the part of ALaRM members was that the event and the issues would attract more attention from the government and industry if it was launched in the name of an internationally reputable organisation like Oxfam, rather than if it was done by local unions and organisations. Furthermore, the report being launched was an Oxfam one, not an ALaRM one. Hence the event became a dual one – the launch of the Oxfam report in Sri Lanka, and the official launch of ALaRM.

Thus, on 18 February 2004, an official launch and media briefing was held at the World Trade Centre in Colombo. The key message was that despite being the backbone of the country's economy, the 300,000 workers in the garment industry were working under very poor conditions. At a time when the industry was facing major restructuring due to the MFA phase-out, the report attempted to "set the standard for responsible business practices that respects the rights of women workers". It aimed to show what was necessary if the benefits of trade were to reach the poor.⁷

The launch was a spectacular success, with around 120 people attending, including representatives from the Labour Department, the Board of Investment, garment manufacturers' associations, trade unions, foreign embassies, the World Bank and other international donor agencies. Print and electronic journalists from all three languages (Singhala, Tamil, English) attended and media coverage was extensive. Most of the major newspapers

carried the story, and several TV channels featured the event in their evening news. Five radio stations included items in their news bulletins on the day, and on succeeding days, including follow-up interviews with Oxfam spokespersons. As a result a number of organisations sought meetings with Oxfam and ALaRM representatives.

A few days after the media launch there was a mass campaign launch for workers organised by ALaRM. The aim of this was to raise awareness among the workers themselves of the potential impact of the MFA phase-out, to introduce ALaRM as a credible and accessible workers' representative, and to explain the four issues it was going to work on. The event was a popular one in that it featured song and dance items and an alternative fashion show demonstrating the hidden talents of the workers. About a thousand workers attended.

ILO Task Force

As a result of this publicity plus pressure from ALaRM and Oxfam, the local representatives of the International Labour Organization (ILO)⁸ became interested in the potential impact of the MFA phase-out. As a result it hosted on 21 July 2004 a multi-stakeholder conference to highlight and discuss the issues. One outcome of the workshop was the formation of a high-powered Task Force under ILO sponsorship, whose members included the Secretary to the Minister of Labour, the Commissioner of Labour, Secretary General of the Joint Apparel Associations Forum (JAAF), the Industrial Relations Officer of the Board of Investment (BOI) and representatives from the Ministry of Finance, Ministry of Trade and Ministry of Industries. It also included five members of ALaRM, and an Oxfam representative. The presence of the latter and of the NGO members of ALaRM was unusual and was challenged by some, as ILO activities normally only involve representative of governments, business and workers - not NGOs.

The Task Force met on a regular basis during the rest of the year and eventually produced a comprehensive report with a number of recommendations, including constructive dialogue between worker representatives and employers, activating government and other stakeholders to ensure the payment of compensation and other entitlements, retraining and placement of workers, and job saving mechanisms. However the employers' groups and the Board of Investment, who were never very keen on the whole Task Force process, were certainly not happy with its report and recommendations. According to ALaRM members, they tried to delay and prevent its release.⁹ Then, on Boxing Day 2004, Sri Lanka was hit by a disastrous tsunami and the Task Force was forgotten for many weeks and months as national attention focused on responding to the disaster. When the worst was over and things had started to return to normal, ALaRM tried to revive interest in the report. But by this time the ILO, in the face of the opposition from the business groups and parts of government, was not willing

to push it. The result was that the report was shelved and no action was ever taken.

Factories surveyed

One outcome of the Task Force discussion however was that the Department of Labour, which is responsible for conditions in Sri Lanka's factories, also became interested in the possible effects of the MFA phase-out. Realising it had very little information about the number and location of garment producing factories in the country, or how many workers were involved, it decided (with encouragement and assistance from Oxfam) to undertake a large scale survey of all the garment factories in Sri Lanka using its country-wide network of offices.

Oxfam provided the required technical input and financial assistance. 150 Labour Officers were given training on the reason for the survey, research methodology and interviewing techniques. They were then sent out to visit every garment factory in their area of responsibility, and to fill out a questionnaire (jointly designed by the Department and Oxfam) about each enterprise and its structure, production process, workers, the Northern companies for whom it manufactured, and so on. As a result, some 745 factories were surveyed in October 2004. The results were analysed and tabulated by Oxfam using a computer program designed for the purpose, and the results handed over to the Department. The Assistant Commissioner of Labour later said that this data, which would not otherwise have been available, was of great use to the Department, and had been widely distributed and used. She herself used it regularly in her presentations, and managers and owners of factories have been asking for copies.¹⁰

The process was repeated two years later in 2006, in order to obtain accurate information on what had happened in the intervening period. The final phase-out of the MFA internationally occurred at the end of 2004; hence, data from this survey will provide a picture of the actual impact on the industry and workers two years after the phase-out. From a campaigning point of view, these surveys have had two important benefits:

- A comparison of the details of the 2004 and 2006 surveys will enable those factories that have closed in that period to be identified, including their location and who owned them.
- They have meant that local Labour Officers have had to visit every garment factory in their district twice, which did not always happen in the past, and determine the basic situation in each.

Coalition activities

While this was happening in 2004, the member organisations of ALaRM continued to meet to share information and plan future activities, which often involved lengthy discussions of issues and approaches. Each member organisation was requested to send two representatives to these meetings. At a meeting in May 2004, a significant development occurred during an in-depth discussion on the conduct of training programs and awareness raising among workers. The discussion brought out the differences in methods and principles used by individual organisations, and these were critically analysed.

Eventually, some general principles to be adopted by all members were agreed upon. The programs could be conducted by partners individually or collectively, but they would use joint manuals and share resource persons and trainees so as to complement each other and encourage the cross-fertilisation of ideas. This was something of a breakthrough in that sufficient trust had now been built up that members felt comfortable constructively criticising one another and being criticised, and discussing one another's different approaches. It was also the first time that they had agreed to use a common approach (in this case, to training), rather than pursue their own individual approaches.

Training programs were initiated for 'second level' activists within the ALaRM member organisations in order to build their capacity as active leaders. Several of the ALaRM organisations are built around a single dynamic individual, and the absence of a second level leadership in these organisations was a potentially serious problem. These training courses represented an effort to do something about that, to train up promising young people from the ranks, usually workers or former workers, who could eventually take over if and when the leader departed. For the more knowledgeable people within ALaRM a series of 'Learning Sessions' were organised in which an expert would come and talk to the group about an issue of interest or importance.

In Sri Lanka as in many countries, May Day (May 1), is a day of celebration for organised labour. In 2005 ALaRM decided to celebrate the occasion in a non traditional way. Those workers within the apparel industry who are affiliated to trade unions would normally celebrate with street rallies involving banners and slogan shouting, and other activities with their respective unions. But the majority of the workers are not unionised and would not normally take part in such events. Union-organised events are often seen as very political and therefore a little threatening by the majority of women workers who feared repercussions. To overcome this, ALaRM members decided to hold a non-traditional event - a procession in the Katunayake EPZ with music and cultural events instead of the usual slogans and banners. The aim was to introduce ALaRM to more workers, to overcome the fear of participating in union events, and to hopefully encourage more participation in future events.

During the months of June and July 2005, one of the ALaRM member organisations, Dabindu Collective, which runs a centre for workers, conducted a survey of about 100 boarding houses in the Katunayake EPZ area to gather information about the poor living conditions faced by workers. This was in order to have evidence to take to the local authorities (the Public Health Officer, Police, Municipal Council and the Board of Investment) to demand that sanitary and security conditions in the area be improved. Problems that the survey revealed ranged from unhygienic conditions in boarding houses to poor street lighting and robberies and sexual harassment of women workers in the streets at night. Two meetings were held with the Board of Investment, police and others to discuss what could be done, and a generally positive response was received. The public health authority took some steps to improve conditions in the boarding houses and the police to improve security on the streets. But the initiative was not followed up and as a result there have been no permanent changes.¹¹

What happened to jobs in the first year after phase-out

The MFA officially came to an end on 31 December 2004. Over the next twelve months, Oxfam and AlaRM monitored the effect on garment exports from Sri Lanka, and on factory closures and jobs. The result was a report released by AlaRM in December 2005.¹² This found that, although it was too early to assess the eventual impact, the threat of widespread closure and large-scale unemployment had not yet materialised. There were at least 3,000 jobs lost during the period, but the Sri Lankan apparel industry had survived its entry into full-blooded global competition, but with mixed results. Export statistics up to September 2005 indicate that the country had increased its garment export to US, its biggest export market, in value terms while sustaining a slight reduction in volume. In the UK, Sri Lanka had lost market share both in volume and value terms. In Sri Lanka:

- 15 factories employing over 3,000 workers had closed during the year.
- Less than four of these factories had paid any form of compensation to workers who lost their jobs.
- 14 out of the 15 were in rural areas, where the workers would be hard pressed to find any alternative paid employment.

A draft analysis of the research was released at a press briefing and gathering of stakeholders on the 14 December 2005 in Colombo. The report called upon employers and government to fulfil their responsibility towards workers by putting in place mechanisms to help them face the restructuring. The research results were supported by having at the press briefing women who had actually lost their jobs and who could narrate their personal experiences. This combination attracted a lot of attention and coverage by the media was extensive. The event was attended by about 70 participants including government officials, employers, buyers, trade union representatives and others. There was media coverage on four television channels and press coverage in all three languages in about 14 newspapers.

By mid 2006, the Department of Labour was reporting that some 50 factories had in fact closed down in the post MFA period, and approximately 10,000 workers had been retrenched. As the economic situation in the industry became tighter, for the smaller factories in particular, wages and working conditions for those workers who remained deteriorated. Overall the value of Sri Lanka's apparel exports had increased, as there was a trend towards more high value-added niche market products. It was, however, mainly the larger factories that were equipped to adapt to this market, and hence they were gaining and expanding, while the smaller factories were struggling to survive and many were closing.¹³

Signature campaign

In 2006 ALaRM members organised a signature campaign to demand that the government grant to garment workers the allowance that had been given to other private sector employees. In 2004 the government had given public servants a pay increment of 2,500 rupees as a 'budgetary relief allowance' to help them cope with the rapidly rising cost of living. In August 2005 it was persuaded to authorise similar relief payments for private sector employees, but only 1,000 rupees. However the garment industry persuaded the government to allow the payment to be deferred for five months in the case of garment workers, and for the 1,000 rupees to be reduced by the amount of any recent raise granted. The industry's excuse was the negative impact of the MFA phase-out on their export sales.

In response, ALaRM initiated a signature campaign, demanding that garment workers receive the full increment and receive it immediately. The way in which this campaign was approached was innovative in that, instead of the usual method of collecting signatures by visiting boarding houses discretely, it was done very publicly as a way of encouraging workers to be more confident in protesting openly. A central feature of the signature gathering campaign was the six musical events staged in the three main EPZs. The aim was to attract workers by providing entertainment but also to provide an opportunity to explain the issues and collect signatures. In all a total of just under 25,000 signatures were collected from private sector workers, including apparel workers, and handed over to the Presidential representative on 8 March 2006 (Women's Day).

Establishing a ‘living wage’

One of the four issues that ALaRM had decided to focus on in 2003 was the promotion of the idea of a ‘living wage’ as a basis for determining wage rates in the garment sector. This was defined as “a social wage that recognises hidden costs and is adequate to fulfil the basic needs of a worker from an eight-hour working day”. To determine what constituted a ‘living wage’ in different circumstances (in rural or urban areas, with and without children to support, etc), it was necessary to survey a representative sample of garment workers to see how much they did actually spend on basic necessities such as food, accommodation and transport.

Staff from ALaRM member organisations and worker activists were recruited to go out to boarding houses and interview workers about their expenditure. The survey was carried out in September and October 2005 and covered approximately 850 workers from nine districts. However the analysis of the data took nearly a year. It was in September 2006 that ALaRM released its report on a ‘living wage’ for garment workers, at a presentation and media briefing in Colombo. Its basic message was that the average female garment worker needed to earn 10,000 to 12,000 rupees per month if she was to meet basic necessities, including proper nutrition - but in practice the average basic wage in the industry was only around 5,000 rupees, which workers could increase to around 7,500 rupees by working long hours of overtime. The result was widespread poor nutrition and over-work, which was taking a heavy human toll. The event received good media publicity, in ten newspapers, one radio station and two TV channels.

The report was released in September in the hope that it would influence the review of national minimum wages by the Wages Board and the annual salary increment by the Board of Investment, which occurs every November. This however did not happen, and the concept of a ‘living wage’ was not taken into consideration. Nonetheless, ALaRM members were able to use the figures in

individual negotiations over wage increases, and the report did stir up debate in the media and elsewhere. A buyers' representative (from the US supermarket chain Walmart) who was present at the launch of the report was quoted as saying that, in a situation of increased competition from other cheaper labour countries, Sri Lankan manufacturers had to keep production costs as cheap as possible, and that while employers would like to pay a little more they were precluded from doing so by cost factors.¹⁴

Tensions over Workers Councils

By 2007, two NGO members of ALaRM who had been engaged in awareness raising programs with workers over a period of 12 months were able to mobilise a group of about 45 workers who are attached to the Workers' Councils in eight different factories. Workers' Councils are organisations that are being promoted by the government and the industry as an alternative to unions, as the official representatives of workers in a particular workplace. Their members are not democratically elected by the workers, but appointed by the employer. This close involvement by NGOs with Workers' Councils was not well received by the trade unions members of ALaRM and created some tensions within the coalition. The trade unions were of the opinion that such NGO activities were legitimising Workers' Councils and consequently undermining the basic right of workers to form unions. The NGOs on the other hand argued that, as very few garment factories have unions, and as this situation is unlikely to change in the future, it is better to have some contact with and ability to raise awareness with workers via a functioning Workers' Council than none at all. At the time of writing, a compromise position had been proposed, but not yet agreed, that in a situation in which workers have no recourse to unions, it is acceptable to use (but not promote) Workers' Councils as an entry point to reach workers.

In the meantime the situation of the garment industry in Sri Lanka and of the workers who rely on it, remains precarious. In 2007, more than two years after the MFA was phased out, the industry is still restructuring, and more adjustment is still to come as the restrictions that are still in place on China's garment exports are eventually removed. Many factories, mainly smaller ones outside the EPZs, are closing down, usually without notice to the workers and without the company's statutory payments to the Employees' Provident Fund etc having been made. The economic impact of the phase-out is being used by employers to push for a weakening of worker protections and poorer conditions for those who remain – increased daily production targets, longer

hours of overtime, cut-backs in benefits, suppressed wages and social security payments, delays in the payment of salaries, and on-going anti-union activities.¹⁵

What the campaign achieved

Effective coalition formed

One of the more significant achievements of this campaign has been that a disparate set of organisations working with garment workers have, despite their differences, been able to hold together for four years and speak with one authoritative voice about the problems facing workers in the garment sector. Not only that but they have increased that unified voice by attracting new members to the ALaRM coalition, including some of the larger trade unions in Sri Lanka. When it was originally formed in 2003-2004 there were six member organisations, but by 2007 this had increased to ten, with two more seeking membership, which means a doubling in size within four years.

There are however pressures tending to undermine the cohesion of the coalition, the most obvious being the tensions over Workers Councils. In a sense this is a manifestation of more serious on-going tensions, between unions and NGOs, and between individuals. However the factors tending to split the coalition are, at the moment, outweighed by the advantages of staying together, which include:

- The high profile that they have acquired as ALaRM, and which most of them never had as individual organisations.
- The access that they have acquired as ALaRM to government and to a lesser extent industry that they did not have before.
- The networking and sharing of information that occurs when they meet together.
- The access to Oxfam and its funding, international networks and research capacity.

ALaRM has now acquired the capacity to produce and launch influential reports such as the 'living wage' report, that are taken note of by the government and industry, even if they do not agree with them. And they are

able to organise large scale joint activities such as the 2006 signature campaign. Many of ALaRM's activities are innovative in the sense that they are things that these organisations have never done before. Examples include the cultural events and concerts that were organised to attract workers, and the strategic use of media including running briefings for journalists and paying for spots on radio and TV and in the press. ALaRM's level of activity increases and decreases from time to time, but is nevertheless high compared with any other similar coalition in the country.¹⁶

Enhanced credibility for civil society groups

ALaRM is now established as a credible voice on issues facing garment workers in Sri Lanka - as evidenced by its inclusion in the ILO Task Force and the attention, both favourable and unfavourable, that its activities generate from the media, the government and the industry. In achieving this status, it has also helped open up the 'democratic space' in Sri Lanka for civil society groups in general by demonstrating that such groups can and do have useful things to say that need to be listened to. A key factor in ALaRM's success in this regard has been its ability to produce, with support from Oxfam, well-researched authoritative reports that command attention. It has been the combination of the human resources, credibility and worker support base of ALaRM and the analytical skills and funding of Oxfam that was the key to this success.

Terms of debate changed

In 2004 when ALaRM was launched there was little awareness or discussion in Sri Lanka of the potential impacts of the quota phase-out on the country's garment industry. What discussion there was centred on increasing market access by improving the industry's competitiveness or concluding free trade agreements with countries like the United States. Into this situation, first Oxfam (in 2002-2004) and then ALaRM (in 2004-2007) created a public awareness that the implications could be much more serious in terms of job losses, and that it required more attention. This was picked up by the ILO which

established a Task Force and involved the government and industry in serious discussions. In other words, Oxfam and then ALaRM were able to bring to public attention an important issue that was being neglected, and to inject into the debate a perspective that was not being heard, namely that of the workers who would potentially be negatively affected.

This process continued over subsequent years as ALaRM released other reports that received wide publicity, such as the 'living wage' report. This changed the terms of debate in that it introduced the idea of wages being determined on the basis of what a worker needed in order to meet basic needs, rather than on the basis of what the economy or the business could afford or was willing to pay, as is normally the case in Sri Lanka. The concept of a 'living wage' has now become well established in the sense that the term is now increasingly used by different stakeholders, even if they do not accept it as a practical idea. The report also attempted to highlight the fact that women are often the sole income earners in families, and that the income they earn is not just a supplement to that of the main family income earner (conventionally presumed to be a male), but in many cases is the primary income of a family – which is why it must be enough to meet basic needs.

Challenges, limitations and failures

Government and industry remain unmoved

There is no evidence that ALaRM has been able to significantly influence the policies of the government or the behaviour of employers and buyers.

However, these latter do appear to be well aware of what ALaRM is saying and doing, even if they do not agree with or accept it.

ALaRM is working in a very difficult political situation in Sri Lanka, with a government that is more interested in ensuring the country is attractive to investors than in protecting the rights of workers. The garment manufacturers are well organised, strongly opposed to trade unions, and supported in this by a sympathetic government. They have been successful in shutting out worker representation from a number of decision making forums that deal with productivity improvement, image building, de-regulating labour standards etc. Many employers are unscrupulous, as evidenced by the number that have closed their factories prematurely and fled without making the payments that they are legally obliged to make to workers and their pension funds. The Labour Department that is supposed to police this is weak and lacks the resources and will to properly enforce labour regulations.

In a situation like this, the unions need to be politically strong and effective. This strength, if it is ever to develop, will have to come through workers organising and demanding their rights in the streets. But on present indications this is a long way off. As in many other developing countries, the workforce is by-and-large unorganised. Why garment workers in Sri Lanka generally tend not to join unions is unclear. Reasons commonly given are that they are wary of political activities, or scared of being sacked, or too tired after a long day's work to go to meetings. All of these assertions need to be tested and, on the basis of the findings, a new and innovative strategy put in place for recruiting workers.

Factory closures not followed up

Smaller factories are still closing without proper notice being given to workers and there continues to be large-scale defaulting on the payments due to workers who lose their jobs. Most of the closures are happening outside the main EPZs, scattered in more remote locations where ALaRM members do not have good contacts or networks. Hence, members only sporadically hear of closures, and by the time they do, workers have often dispersed to the various regions from which they came and are uncontactable. This has meant that the monitoring and follow up efforts to ensure that workers have been treated properly have been very patchy. Only about 10 cases have been followed up by ALaRM members. Hence there is a need for their networks to be extended beyond the EPZs and into those other parts of the country where garment factories are now located. The analysis of the 2004 and 2006 factory surveys will assist in identifying which factories have closed in the last two years and where they are, but will not tell us how the workers were treated during closure, nor where they are now. Advertisements in local newspapers could perhaps help in this regard and enable some cases to be identified and followed up.

However there is a danger that the emphasis on closures will mean that insufficient attention is given to the workers who remain in employment. In many cases their wages and conditions have deteriorated, particularly in small factories, or those located outside the established EPZs. While particular cases of factories where there is a problem are taken up by individual ALaRM members, there has been no systematic follow-up on what is happening to working conditions since the phase-out.

The role of Oxfam

The role of Oxfam in this campaign has been multifaceted – facilitator, funder and member of the coalition – and in all three roles, the assistance it has provided has been an important factor contributing to its success. It was Oxfam that first brought the members of ALaRM together in 2002, and it has been Oxfam staff in Colombo who have devoted huge amounts of time and energy to nurturing it. It has been Oxfam's technical ability to analyse survey data for the various reports that ALaRM has launched that have largely contributed to the latter's reputation and credibility. Also important has been the funding that Oxfam has been able to provide for ALaRM's various activities, the technical learning sessions it facilitates, and its ability to translate materials to and from Sinhala and English.

Oxfam's name and international reputation was used to good effect in the campaign, particularly in the early stages. In February 2004 when ALaRM's name was unknown, the launch of the first report was in Oxfam's name, which was a major factor in the considerable interest it attracted. Subsequently, Oxfam was able to play an intermediary role between the trade unions and labour NGOs on the one hand, and the government, industry and local representatives of the ILO, World Bank, etc on the other. For example the Department of Labour, which has an ambivalent attitude to unions, because of past conflicts¹⁷ was perfectly happy to work with Oxfam (rather than ALaRM) on the two factory surveys and to take Oxfam money to enable them to happen.

However the potential to use Oxfam and its international links to assist the campaign at an international level was not fully utilised. For example, the Oxfam presence in Europe and the United States could have been used to pressure the 'brand name' clothing companies that source products from Sri Lanka to act responsibly, to not withdraw their orders prematurely, and to ensure that their suppliers acted ethically. But this did not happen. At one

stage Oxfam staff in Europe were asked by the campaign in Sri Lanka to lobby the European Commission to modify its 'rules of origin' so as to allow more Sri Lankan garment exports into Europe. Some effort was devoted to this in Europe, but it was not sustained.

The most negative aspect of Oxfam's role in this campaign is that ALaRM is now quite dependent on it for funding and research capacity – and there is no likelihood of this decreasing in the foreseeable future. There are no moves afoot to make it self-supporting or independent. On the contrary, the tendency is in the other direction; some member organisation who suddenly lost their funding from another international donor have become dependent on Oxfam funding not just for ALaRM activities but for their core programs as well. This is an undesirable trend and should be reversed as soon as possible.

¹ This paper was originally presented to the Institute of Commonwealth Studies International Workshop: 'The impact of transnational non-governmental public actors (NGPAs) on policy processes and policy outcomes: translating advocacy into sustainable policy engagement' held at the Brunei Gallery, SOAS, 11th – 12th September 2007. The Workshop was funded by the ESRC-NGPA Programme and the Commonwealth Foundation.

² Central Bank of Sri Lanka, Annual Report 2002 at 103. Board of Investment, Sri Lanka, website "Performance Highlights 2002".

³ In this report the name 'Oxfam' is used to refer to any and all of the Oxfam affiliates. In fact most of the work referred to in this report was done by Oxfam Community Aid Abroad, which later became Oxfam Australia. But it was done in the name of, and with substantial financial support from, two other affiliates, Oxfam Great Britain and Novib (later Oxfam Novib), under the auspices of the Oxfam International Regional Strategic Team for South Asia.

⁴ Burns, M. *Proposal for a Multi-stakeholder dialogue in Sri Lanka on the preparation for and likely impact of the phasing out of the MFA*. Oxfam. August 2002.

⁵ Atkinson, J. *Labour Rights in Sri Lanka. Report for OI Trade Campaign, Labour Wedge Team, of findings of field visit by Jeff Atkinson, 24-28 August 2002*. Oxfam Community Aid Abroad, August 2002.

⁶ Oxfam International. South Asia Labour and Trade (SALT) Report to RST Meeting, 15-16 December 2003.

⁷ Oxfam International. Invitation letter to the launch, 10 February 2004.

⁸ The International Labour Organization (ILO) is the tripartite UN agency that brings together governments, employers and workers of its member states in common action to promote decent work throughout the world.

⁹ Interviews with ALaRM members, Colombo, July 2007. B. Gowthaman, Kalani Subasinghe, Palitha Atukorale and Anton Marcus.

¹⁰ Nadeeka Wataliyadda, Assistant Commissioner of Labour, interviewed in Colombo, July 2007.

¹¹ Interview with Dabindu Collective, Katunayake, July 2007.

¹² Prasanna and Gowthaman. *The impact of phasing out the Multi Fibre Arrangement on Sri Lanka apparel industry*. AlaRM, Colombo, Dec 2005.

¹³ Report by South Asia Labour and Trade team to Oxfam's South Asia Regional Strategic Team, June 2006.

¹⁴ Quintus Perera, *Asian Tribune*, 9 October 2006.

¹⁵ Report from South Asia Labour and Trade team to Oxfam's South Asia Regional Strategic Team, February 2007.

¹⁶ Interview with Oxfam Country Manager, Gowthaman, Colombo, July 2007.

¹⁷ Interview with Ms. Nadeeka Wataliyadda, Assistant Commissioner of Labour, Colombo, July 2007.