

Research contributes to policy changes to support workers amid COVID-19 pandemic

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A worker in a garment factory in Bangladesh in 2015. Right now, workers in factories around the world are facing facing disastrous layoffs as brands cancel or postpone orders. Credit: Mark Anner

Mark Anner, associate professor of labor and employment relations at Penn State, has published the results of a recent study that found that during the COVID-19 pandemic, some global retailers are refusing to pay millions of factory workers, most of whom are women in developing countries, for work they have already completed.

Anner's research, which was done in association with the Worker Rights Consortium, contributed to [public pressure](#) and several companies have reversed their position and begun to pay their suppliers. This will help ensure workers will have the financial resources they need to support themselves and their families during the pandemic. However, a few outliers are still refusing to pay wages owed.

In countries where factories are a key industry, the report found that workers have been facing layoffs as brands cancel or postpone orders. Anner's report focuses on Bangladesh, where the coronavirus crisis has resulted in millions of factory workers being sent home without wages or severance pay.

Anner is one of the world's leading experts on sweatshops and workers' rights abuses in the [developing countries](#) as well as director of the Center for Global Workers' Rights in the School of Labor and Employment Relations at Penn State.

Anner notes that more than half of Bangladesh suppliers have had most of their in-process or already completed production canceled even though buyers have a contractual obligation to pay for these orders. A

majority of buyers refuse to pay for [raw materials](#), production cost, or contribute to the cost of paying partial wages or severance pay as required by the government of Bangladesh. As a result, more than half of factories surveyed report having to shutdown most or all of their operations. The report is based on responses to an [online survey](#) of 316 suppliers in Bangladesh.

"All parties are feeling the extreme burden caused by COVID-19. However, not all parties are equally situated to find the liquidity needed to cover their expenses," Anner said. "The hit on supplier [factories](#), who generally operate on paper-thin margins and have far less access to capital than their customers, is that much more extreme. And the burden on workers—who very rarely earn enough to accumulate any savings and who still need to put food on the table and possibly cover unforeseen health expenses—is enormous."

Anner added, "Years of low wages with no savings and little hope sustained [government support](#) will leave workers in dire situations ... Going forward, it is necessary to re-think how the industry does business."

As of April 1, several companies had responded to Anner's report and pledged their commitment to pay for all orders in production or completed. The full report, including the latest addendums, may be found [here](#).

Provided by Pennsylvania State University

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