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DISCUSSION PAPER

Learning from Crisis

Apparel industry experts on mitigating the COVID-19 pandemic and future crises

DECEMBER 2022

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Learning From Crisis:
Apparel Industry Experts on Mitigating the COVID-19 Pandemic and Future Crises

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ILR Global Labor Institute

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Introduction

The emergence of the COVID-19 pandemic in early 2020 triggered disruptions across the apparel industry's global supply chains. Operations halted in countries supplying material inputs, and retail demand plummeted. Apparel orders—some of them completed and already en route to brands and retailers—were cancelled. The fallout from these events included closures of thousands of retail stores and apparel factories, resulting in layoffs and furloughs affecting millions of workers.[1] Labor force survey data in 2020 confirmed that apparel and footwear production in Asia was among the manufacturing sectors most harshly impacted by working hour and employment losses (ILO, 2021). The shocks tested the capacity of policymakers and regulation, both public and private, to support livelihoods and then recovery in the industry.

These effects of the pandemic on apparel and footwear workers have attracted significant attention. The focus of much of this research has been to examine the immediate effect of the pandemic on suppliers and workers. Emblematic of this stream of research is Mark Anner's survey of Bangladeshi suppliers (Anner, 2022) which highlights how the extreme power asymmetries between global buyers and their manufacturers caused some of the factories to shutter and workers to go without pay in countries with limited social protection systems. A 2020 ILO/Cornell Research brief (ILO, 2020c) painted a similar picture across most Asian garment-producing countries. A follow-up paper (Judd & Jackson, 2021) tracked longer-

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1 Industry-wide estimates are unavailable, but pandemic employment impact reports in 2020—the most severe period for the industry—included more than 2 million apparel workers furloughed or dismissed in Bangladesh, 80 per cent of apparel exporters reported layoffs in Vietnam and layoffs affecting 30 per cent of apparel and footwear workers in Indonesia, 15 per cent in Cambodia, and 22,000 workers in Myanmar (ILO, 2020; Jackson & Judd, 2020). A 2021 report estimated 50 million workers lost wages between March 2020 and March 2021 (Neale & Bienias, 2021).

term changes in the global apparel industry with a view to assessing future trajectories. The authors articulate different scenarios: a 'Repeat' scenario in which long-evident patterns of industry governance, structure, and sourcing continue; a 'Regain' scenario, involving shifts in structure and sourcing but not governance; and a 'Renegotiate' scenario, in which industry actors negotiate changes to all three aspects of the industry.

This paper builds on these prior efforts. We ask two research questions here. First, what have industry actors learned during the pandemic for remediating its impacts and mitigating the effect of future crises on apparel suppliers and workers? And second, what policies and actions can advance sustainability and inclusivity in the global apparel sector? Answering these questions required obtaining the perspectives of apparel buyers, manufacturers, governments, unions and labor rights organizations in some of Asia's leading apparel-producing countries. In order to do this the International Labor Organization (ILO) and the Global Labor Institute at Cornell University (formerly the New Conversations Project) convened focus group discussions organized by constituency in May 2022. Participants in the discussions were representatives of four governments, six apparel brands and retailers, six manufacturers and manufacturers associations, seven unions, and six labor rights organizations. These participants come from Bangladesh, Cambodia, India, Indonesia, the Netherlands, Pakistan, Sri Lanka, the United Kingdom, and the United States. The countries represent substantial shares of world apparel exports and imports, and the thirty participants have decades of experience working in global apparel supply chains. (Annex 1 lists the questions to which participants responded).

Five themes emerged from these focus group discussions, though the apparel industry constituencies did not in all cases agree on the definition of the problem or how to deal with it. The first theme was that existing national social protection systems and ad hoc pandemic policies—important precedents in some apparel-producing countries—were on the whole inadequate as a response to the COVID-19 crisis and need urgent attention. The increased demands for severance and unemployment insurance brought to the fore tensions between industry actors over who should pay for effective social protection.

Second, participants noted a general deterioration in commercial terms—with significant impacts on workers—between apparel brands and retailers and the manufacturers supplying them in the months following the depths of the crisis. There are, of course, exceptions, and some brand-supplier relationships are reportedly stronger and closer since the beginning of the pandemic. This deepening of some relationships was the third theme and participants noted it in connection with the simultaneous consolidation and diversification of sourcing bases in the industry.

Fourth, the crisis and resulting 'campaigns' to mitigate its fallout drove increased international coordination within some worker and employer groups. This may help delineate parties for future policy-making and bargaining.

The final theme—a proposal by workers' representatives for a global severance fund—has provoked heightened industry discussions on the need for improved social protection, and which institutions should pay for it. Union and NGO representatives framed the crisis in terms of workers' income losses and food insecurity. Brand managers described retail job losses and creditor and investor pressures to sustain cash flow. This gap between experiences and lessons of the pandemic will need closing before a 'Renegotiate' scenario can move into view. A Southeast Asian unionist said of this challenge, "the global apparel industry is collapsing because of this thing [COVID-19], and the brand tried to be the victim, the supplier tried to be the victim, and the government tried to be the victim, and then we, the worker, we're under those people."

Structure of the brief

The paper presents these and other results of the discussions in three sections. The first summarizes national policies implemented during the first two years of the pandemic and their implications for long-term social protection in the apparel industry. Next, the paper addresses debates among apparel industry constituencies on policies for social protection, trade and human rights due diligence from an international perspective. The second section identifies changes to the sector during the pandemic and provides the context for a new generation of policy-making for the industry. The paper concludes by identifying lessons and recommends actions to advance policies for a more resilient and inclusive sector.

PART I:
How did the pandemic influence policy-making in the garment sector?

National Policies

The COVID-19 pandemic "generated the largest mobilization of social protection measures [worldwide] ever seen" (ILO, 2022). It tested the capacity of policy responses where apparel manufacturing is concentrated. Governments with large apparel sectors—most of them in Asia—implemented existing social protection programs and created new measures ad hoc to buoy workers and the industry in the economic crisis. No interventions functioned seamlessly, and the crisis exposed gaps in policy, coverage and delivery even as the scale of these government actions during the pandemic's outbreak extended the horizon of possibilities.

When the pandemic emerged, policies on unemployment insurance and severance pay varied across countries, as shown in table 1.[2] Efforts to mitigate the pandemic involved reducing work, raising immediate demands for unemployment insurance and severance and underlining their importance for future, similar crises. Severance programs were in place in all six countries with participants in the discussions, with variation in the amounts to which workers are entitled. Among the group, only India had an unemployment insurance system when the pandemic emerged. The crises prompted governments to expand elements of social protection. The Indonesian government enacted legislation to implement an unemployment insurance system in November 2020, but it is out-of-step with global norms that employers bear part of the cost (Judd et al., 2022: 3).[3] The Bangladeshi government initiated tripartite discussions on unemployment insurance, also in 2020, and in 2022 announced plans to gradually introduce insurance programs for unemployment, maternity, sickness, and occupational injury (*Bangladeshi Post*, 2022).[4]

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[2] For a review of national social protection systems see Judd et al., 2022.

[3] The Indonesian government passed an Omnibus Bill in November 2020 and released implementation regulations in February 2021. The bill includes a lump sum 'unemployment' payment equivalent to 45 per cent of wages for the first three months of unemployment and 25 per cent for the next three months from a government-funded unemployment social security insurance fund, i.e., the program does not require employer or worker contributions (Izzati, 2021).

[4] Article 15d of the Constitution of Bangladesh (1972) establishes a national government responsibility for securing social protections, including UI, for citizens.

Table 1. Unemployment and severance programs in place at start of COVID-19 pandemic

Country	Unemployment	Level	Duration	Severance	Severance Amount
Bangladesh	No	NA	NA	Yes	30 - 45 days per year of service
Cambodia	No	NA	NA	Yes	15 days full wages per year of service
China	Yes	Up to CNY 1,815 (US$257) per month	Up to 2 years	Yes	1 month full wages per year of service.
India	Yes	50% month wage	1 year	Yes	15 days full wages per year of service
Indonesia	No	NA	NA	Yes	1 mo. full wages per year of service
Pakistan	No	NA	NA	Yes	1 month full wages per year of service
Sri Lanka	No	NA	NA	Yes	0.5 month full wages per year of service
Vietnam	Yes	60% month wage	3-12 months	Yes	15 days wages plus one month/year of service

Sources: *WageIndicator, DecentWorkCheck.org, 2020; ILO, 2022b; Reuters, 2022; He & Liu, 2020; Crossley & Leng, 2020.*

Table 2. Overview of initial government COVID-19 responses (in countries with discussion participants)

Country	Shutdowns, Exemptions	Income/wage Payments, Supports	Employment Protection	COVID-19-Related Sick Leave	Industry Liquidity, Subsidy
Bangladesh	Factory closures until 31 May 2020 but approx. 2,000 factories reopened in late April 2020	60 per cent of wages to be paid for furloughed workers from April until July 2020, which corresponds to US$57 (garment min. wage of US$95/month)	Employers were not to terminate any worker before Eid holiday at end of July 2020	Workers ordered to stay in factory areas during Eid festival	Government and private lending for wage payments until March 2021, at below-market, subsidized interest rates with 2 year repayment

Cambodia	No official shutdown 2020, lockdown in capital and in two cities from April until May 2021	Government to pay US$40/month and requests US$30/month by employers until end Sep. 2020 for suspended workers. Together: 37 per cent of garment sector min. wage (US$190)	Worker contract suspension terms eased, partial wage payments maintained, and social insurance contributions suspended until October 2020	Paid sick leave: receive 100 per cent of wages for one month, 60 per cent during months 2-3, months 4-6 are unpaid	Reduction (30 per cent) of corporate income tax payments up to 12 months (February 2020)
China	76-day national lockdown in cities (Jan. -Apr. 2020) followed by regional lockdowns (Jan. 2020 - present)	Government returned a percentage of unemployment insurance (typically 50%) to companies with operational issues	Employers ordered not to terminate employment of those sick or in treatment. Employment contract extended if expired while employee is in quarantine	60-100% of daily wages depending on worker seniority, from 3 – 24 months	New loans, loan term extension and debt rollover for imperiled firms (20% of MSME loans extended) (Mar 2020). Social security payments exempted up to 5 months for MSMEs and cut by 50% for large firms
India	21-day national lockdown (March 2020), followed by natl/state lockdowns, (April-July 2020)	Food rations and permission for early withdrawals from Employee Provident Fund, 3-month reduction of EPF contributions	Employer subsidy of employee EPF contributions; No-termination, no-wage reduction advisory issued to employers; No order cancellation request issued to apparel retailers		Liquidity and credit support to businesses (May 2020), 5-month moratorium on loan payments, credit facility for MSMEs, production incentive for textiles
Indonesia	National social distancing mandated (March 2020), followed by provincial actions, but no lockdown ordered	Social Security agency wage supports paid for 3 months, varying by province; West Java set at US$68 equal to 35 per cent of the minimum wage (US$193)	n/a	Sick leave at 100 per cent of wage for 4 months for suspected or actual COVID-19 cases	Reduction of corporate (30 per cent) and worker (100 per cent) income taxes for 6 months (Oct. 2020)

Pakistan	March 2020 lockdown eased in April 2020	Wage supports of US$18 provided to dismissed workers; lay-offs prohibited in lockdown, workers entitled to full minimum wage	National government issued “no lay-off” order and full salary payments by employers during closure/ lockdown	Sick leave of 16 days at 50 per cent of pay and 10 days of casual leave with full pay	Government offers loan deferrals and interest rate reductions for employers maintaining workforce and payroll
Sri Lanka	March 2020 partial lockdown eased in May 2020 but Free Trade Zone (FTZ) work continued	Days lost to COVID-19 impacts paid at 50 per cent of basic wage or at least US$78; current garment min. wage US$66 - US$82	n/a	n/a	FTZ and export processing designated “essential” and hence exempted from lockdown
Viet Nam	March 2020 lockdown eased in late April 2020	Dismissed workers receive VND 1 mil. (US$43/mo.) for 3 months; furloughed workers receive VND 1.8 mil. (US$77 per month) plus employers’ match; total wages must exceed 85 per cent of reg. min. wage	n/a	Leave without pay in lieu of lay-offs	Employers receive tax breaks, including delayed tax and land-use fees payments for five months; interest rates reduced by 0.5-1%; suspended social benefit contributions

Sources: *ILO brief, 2020c; ILO brief, 2020d; ILO brief, 2022b; He & Liu, 2020; Crossley & Leng, 2020.*

Governments’ public health and economic responses followed a pattern: industry shutdowns, worker income support, employment protections, worker leave, and industry subsidies. Most of the policies included in the table were designed to apply across all manufacturing sectors except in Bangladesh, Cambodia, and Sri Lanka where—due to their significance to the domestic economy—policies were aimed at the apparel and footwear industries specifically.

Public health interventions also impacted apparel manufacturing.[5] Industry representatives in the discussions were the most appreciative: "Vaccinations were rolled out quickly because the industry was ruled essential," reported one manufacturers association representative. A second said, "Certainly everybody appreciates the government efforts… in succeeding in getting so much vaccines. I think that that was instrumental in the fact that we didn't really have that many waves."

In all six countries studied, governments also introduced ad hoc measures to keep capital flowing in the apparel industry. Debt payment deferrals, interest rate reductions, relief or extensions on tax payments, and new credit facilities were introduced to support business operations. In countries where apparel industrialists access capital offshore, like Cambodia, national measures to increase access to finance or restructure loans left out the apparel industry.

Box 1. Government-industry coordination and its limits

The vaccination of apparel factory workers in Vietnam involved coordination between the national government and global industry. According to government and brand representatives, buyers engaged the Vietnam and United States governments to push for vaccines for factory workers when Vietnam went on lockdown during the summer of 2021. The U.S. government sent vaccines and the Vietnamese government distributed them with a focus on apparel and footwear workers. A North American brand manager explained: "We worked to lobby…the government [and] the drug companies…We were able to get…more vaccines to be distributed to Vietnam." A senior policymaker commented that they "felt uncomfortable with a prioritization that was clearly interest-based."

Beyond the case of vaccinations in Vietnam, private-public coordination varied. Apparel brands and retailers sought support. As a brand manager reported, "we were negotiating with the government[s]…to say, 'Can you help with relief beyond that, beyond our ability to pay or beyond the ability of the supplier to pay?'" But government officials from apparel-exporting countries noted limits of their relationships with brands, especially for labor ministries. "We don't have much of a relationship with the buyers; the suppliers have that relationship," reported one official. Another official explained their role, saying, "We have to provide an enabling environment for investment."

5 Public health interventions focused on virus transmission prevention, illness treatment, and vaccination. Lockdowns disrupted production and employment temporarily, creating economic challenges. Lockdowns began in March 2020 in Bangladesh, India, and Pakistan where they were relaxed or lifted by April or May 2020, when manufacturing resumed. Sri Lanka exempted apparel and other export manufacturing facilities from its lockdown at that time. Cambodia and Indonesia avoided national lockdowns initially. When Cambodia later used a lockdown during a Spring 2021 coronavirus wave, its geographic targeting permitted manufacturing to continue, reported discussants from the country.

Government interventions at national scale during the pandemic, especially its outbreak, demonstrated the possibility of increased social protection. Discussion participants from all constituencies remarked on these expansions but highlighted gaps in policies and impediments to implementation. Urgent responses in the context of policy and information gaps led to unintended consequences and overlooked needs. The four themes that emerged are discussed below.

First, there were significant policy gaps. Lockdowns that included transportation systems left many migrant workers unable to return to their home communities or return safely to factories when manufacturing re-opened, especially in India. The absence of a legal mechanism supporting furloughs and an unemployment insurance system in Sri Lanka meant that the employers, workers, and government spent the early months of the pandemic working out a partial system.

Second, systems for distribution of crisis relief were—by general accord in discussions—inadequate. An NGO observer summarized the common view: "[M]ost of the programs were built on the false assumption that workers would somehow be registered, their employment relationship recognized, some sort of state mechanism that would enable disbursements, which doesn't exist or partially exists". Workers at legally registered businesses were able to receive financial support from their government. But informal workers, on the whole, were not. Large numbers of workers at partially- or un-registered businesses across South and Southeast Asia did not have access to public financial support. Reflecting on the effects of dispersed apparel manufacturing, a Southeast Asian government official noted, "we have so many micro, small, and medium enterprises that have not been registered. And so, as a result, it is difficult to assist those who are not registered, as we did not have sufficient data, and we don't have the exact number of workers."[6]

Third, the scale of economic support proved insufficient to address the needs of the apparel industry across South and Southeast Asia. Income supports for dismissed or furloughed workers were based on a percentage of applicable minimum wages, not on average monthly earnings which typically include significant overtime pay and bonuses. For example, suspended garment workers in Bangladesh were to receive 60 per cent of the monthly minimum wage of US$95, or 42 per cent of workers' average monthly earning in 2019 of US$135 (Haque, 2021). In Cambodia furloughed apparel workers were promised 37 per cent of the sectoral minimum wage (US$190 per month, or 31 per cent of their pre-pandemic average monthly earnings of US$228; ILO, 2019).

A government official lamented, "unfortunately, the government was not able to provide the necessary financial assistance to the employers to pay workers' wages." A Southeast Asian manufacturer noted, "being a least developed country, the government had limited amount of funds, only so much that you can

[6] Bangladesh and Pakistan were exceptions; for example, some informal workers were given one-off payments of BDT 2,500, or US$29 (Beazley, 2021; Gentilini et al., 2022).

do." A South Asian unionist went further: "[T]here is no protection. There is no unemployment insurance. There is no social protection. Workers were devastated at that time."

The fourth theme concerned policymaking for the future. Participants noted changes to systems in Indonesia and Bangladesh but all constituencies agreed that robust national social protection systems will not be in place in time for the next crisis, and that the pandemic had not accelerated sufficiently the pace of policymaking. For example, most of the governments continue working with the ILO on social protection policies, but participants lamented the slow pace: "It's a slow boat. I hope it helps", was the judgement of a senior brand manager.

To conclude, brand, manufacturer, union, NGO, and government participants in the discussions all firmly agreed on the need for social protection systems. But their views diverged regarding responsibilities for funding. Funding from international development partners is needed, said a Southeast Asian manufacturing association representative. From the perspective of North American and European brands, the funding question is for national governments which—in the words of a brand manager—"could do a lot more." Another brand manager expressed concern that "we don't continue to look at the private sector as being, 'this is the primary source of social protection.'"

International Policies

Concerns with national-level progress on social protection were reflected in the discussions by the attention to international policy on social protection, and possible connections with evolving trade and human rights due diligence regimes in the U.S. and Europe. The global reach of the apparel industry has given rise to global labour governance efforts, both public and private. Representative of the analyses and policy prescriptions in this vein are Sandra Polaski's recommendations for U.S. trade policymaking to improve protections for workers (Polaski, 2021) and the ILO compendium of labour provisions in trade agreements (Corley-Coulibaly et al., 2022). Implications for apparel worker social protection in E.U. human rights due diligence regimes are taken up, for example, by Judd and Kuruvilla (2022).

But discussion participants noted the lack of industry-wide standards for social protection. "We work in one of the most unregulated industries. There is no minimum standard [for social protection]. We really need it to raise the bar for the whole industry and labor conditions," said a European brand manager. This was a widely shared view among discussion participants, but the consensus ended there. Ideas for the design, implementation, and implications for actors in the industry varied.

One approach is to condition market access on compliance with human rights standards.[7] Both the United States and European Union have increasingly included labor standards requirements in trade agreements

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[7] Linkages between trade and labor standards regulations have a long history. The United States prohibited imports of goods made with forced labor in Section 307 of its Tariff Act of 1930 and added labor standards conditionality to its Generalized System of

and policies including bans on importation of goods made with forced labor—in effect in the U.S. and proposed by European Commission. The private regulation analog of this trade policy approach is apparel buyer sourcing policies that limit purchasing in countries that do not meet buyer standards for worker protections. These trade-labor (or sourcing-labor) ties do not set standards for national social protection systems but could, in reaction to the weaknesses of these systems in the pandemic, expand to include them.

A second and more recent international policy approach is mandatory human rights due diligence (HRDD)[8] of the type adopted in some European States and under deliberations by the European Union. Could new due diligence requirements include an expectation of adequate (i.e. enhanced) social protection systems for apparel, footwear and other workers? As in the trade example above, regulator expectations for effective (macro-level) due diligence might extend to evaluations of national level social protection systems. This idea had found proponents or optimists in the discussions organized for this paper. At the employer level, the prospect of enforcing or even tracking social protections for workers—notably, employer-funded severance during a pandemic—raised objections in discussion. Brand managers noted that human rights due diligence laws would require them to trace their supply chains and remediate labor standard issues with companies in their supply chains with which they do not have contracts granting them the right to information regarding terms and conditions of employment ("sub-suppliers"). As a North American brand manager said, "when we get to the yarn level, they're under no legal obligation to let us into their premises to do investigations."

A third approach is largely in the realm of private regulation, the range of measures—from buyer codes of conduct to collective agreements with unions—that regulate business activity parallel to and sometimes in interaction with public policy. While private regulation in the apparel industry has historically focused on working conditions, the pandemic triggered new proposals on industry-wide social protection that would be a mix of public and private regulation.[9] Participants focused on two contrasting initiatives: the ILO Call to Action and the Pay Your Workers-Respect Labour Rights proposal.

The ILO Call to Action

Preferences (GSP) program in 1984. The European Commission added labor conditionality to its GSP program in 1994. Increased international apparel trade and information on labor standards in the industry's global supply chains has increased attention to policies linking trade and labor standards in recent decades.

8 Business human rights due diligence as a policy builds on the United Nations Guiding Principles on Business and Human Rights, premised on the idea that assuring human rights in a global economy is only feasible if governments protect against abuses, companies respect rights, and everyone has access to effective remediation mechanisms (UNHRC, 2011). The Organization for Economic Cooperation and Development Guidelines articulates company 'respect' responsibilities as requirements to "identify, prevent, and mitigate" "actual and potential" human rights violations that are linked to their operations, products, or services even when the companies have not "contributed to or caused the human rights violation" (OECD, 2011: II(A)(10)). Currently, human rights due diligence is legally required in Argentina, Australia, Denmark, Finland, France, India, Indonesia, Pakistan and the United Kingdom, and the European Union is developing its approach.

9 See Judd et al., 2022 for comparative analysis of approaches to social protections in the apparel industry and Diller, 2020 on articulating national and international policies and distribution of responsibilities between national states and non-state actors.

In 2020, the ILO, International Organisation of Employers (IOE), and International Trade Union Confederation (ITUC) issued a "Call to Action" to catalyze action from across the global garment industry to help manufacturers survive the pandemic-induced economic disruption and to protect garment workers' income, health and employment (ILO, 2020). The initiative appeals to donor governments and international financial institutions to respond to inadequate financial supports for apparel workers and employers during the pandemic, with the objective of securing funds for increased credit access for manufacturers, unemployment insurance systems, and direct income support to workers (ILO, 2020).

In addition to the goal of remediating pandemic-related economic crises, the Call to Action identified the need for establishing sustainable social protection systems. A tripartite international working group governs the initiative, and national-level working groups convened by the ILO include employer and worker organizations. To date, the Call to Action has not raised independent funds but has collaborated with parallel E.U. and German government funding initiatives by organizing national working groups to support disbursement. With the E.U. and German funds, national Call to Action committees have arranged wage subsidies to protect employment, direct payments to furloughed workers, training programs, and contributions to administration of social protection systems in Bangladesh, Cambodia, Ethiopia, and Indonesia.[10]

The Call to Action now appears to aim chiefly at long-term policy implementation. Its COVID-19 pandemic 'remediation' response has been hampered by the voluntary nature of participation, lack of enforcement provisions or obligations for participating organizations, absence of an administrative secretariat, and funding shortfalls (Judd et al., 2022: 17-19). A manager of a brand signatory of the Call to Action assessed, "the plan was to try to secure funding for suppliers and also to support workers, but we didn't succeed." Union and NGO participants argued that the Call to Action "obstructed unions and labor rights organizations from being able to achieve demands with brands" by providing companies the opportunity to claim that they had already done their part by signing onto the Call to Action.

Pay Your Workers-Respect Labour Rights

Most unions and NGO participants instead backed variants of a private regulation solution—the Pay Your Workers-Respect Labour Rights global severance fund proposed by apparel worker unions and labor rights organizations. Unions and NGO representatives participating in the discussions for this paper described the effort as an evolution of the campaign that had convinced brands and retailers to pay $22 billion to suppliers, just over half the amount that they estimated was owed due to order changes at the outset of the pandemic.[11]

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[10] See Judd et al., 2022: Table 6 for details on these activities.

[11] See https://cleanclothes.org/file-repository/agreementsummarywithannex.pdf/view and https://www.payyourworkers.org/. Organizers report that more than 260 worker and labour rights organizations have endorsed the campaign call for brands, retailers, and manufacturers to participate in implementing the global severance fund proposal. Since its launch, the campaign also reports

The proposed initiative would establish a global fund to ensure wage payment, including outstanding wages owed during the COVID-19 pandemic, and to ensure severance payment when factories close or lay-off workers. Participation by apparel buyers would be voluntary but the agreement, once entered, would be legally binding. The fund would be overseen by a global governance committee. In countries where employers sign agreements to participate, the initiative would establish national committees that include government, employer, union, and brand representatives to oversee use of the contributed funds and their articulation with national social protection systems.

The proposed financial contributions by brands and retailers would be two-fold: a lump sum to pay back wages not paid during the pandemic and an annual contribution of 1.5 per cent of freight-on-board (FOB) prices paid to manufacturers. A proposed contribution by manufacturers is a to-be-negotiated percentage of their wage bill. The governance of the employer and brand contributions to the funds would have representation from brands, retailers, manufacturers, unions and others.

Brand and manufacturing representatives diverged in their responses to the Pay Your Workers-Respect Labour Rights proposal. One brand manager noted that the proposal creates "likely the most powerful space" to work out social protection approaches, adding qualified support for a version of the proposal built on private insurance "that will be hopefully just complementary of the national social security system[s]." A South Asian manufacturing manager agreed with the proposal's idea that "it's the brands that have to take the lead to make sure that they can pay the suppliers well," adding that he would favor direct payment to workers from a "contingency fund" to avoid "unscrupulous operators who may not pass it on."

Other brand managers balked at the proposal's emphasis on brands and retailers' contributions to their suppliers' severance obligations or wider social protection programs. Manufacturers' association representatives highlighted potential implementation issues: "Wouldn't that mean the employers can afford to take less care, not take responsibility, because someone will come in and clean up their mess?"

This and other industry-level solutions could build on or be buoyed by emerging policy mechanisms. The integration of social protection program participation in requirements for human right due diligence could advance the global severance fund initiative. And incentives or requirements for trade access to major markets could include standards for social protection. Both would help spur design and delivery of effective national social protection systems.

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that workers have gained recognition of a new union in Sri Lanka, obtained severance and backpay from brands that sourced from factories that closed in El Salvador and Thailand, and convinced employers in India's Karnataka state to comply with an increased minimum wage rate and pay workers tens of millions of dollars in arrears.

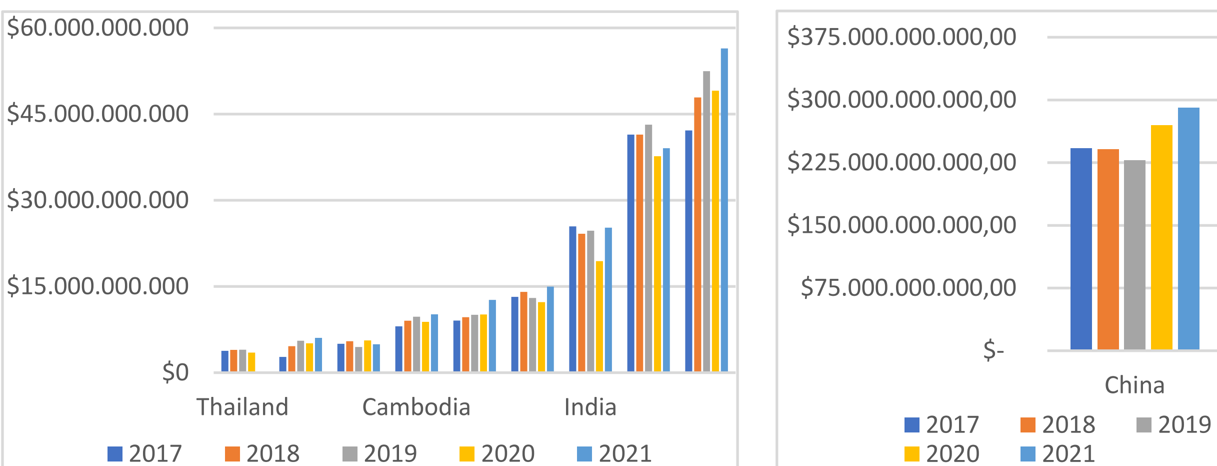
PART II:
How have pandemic-era changes in the sector influenced policy-making?

This section provides context for the policy views of discussion participants presented above by identifying changes to the organization and relationships of the apparel industry since the pandemic's outbreak.

Organizational changes

The first two years of the ongoing COVID-19 pandemic and attendant pauses in the apparel production did not substantially change its organizational structure, trade volumes and sourcing patterns. Trade data indicates that world apparel trade resumed recent levels following a pause in Spring 2020. Figure 1 presents export data from the largest apparel-producing economies in South Asia, Southeast Asia and China over the last five years.[12] Figure 2 presents the corresponding import data for the leading apparel-buying economies. The export and import figures indicate that apparel trade resumed in 2020 after the outbreak of the pandemic, and growth then accelerated in 2021.

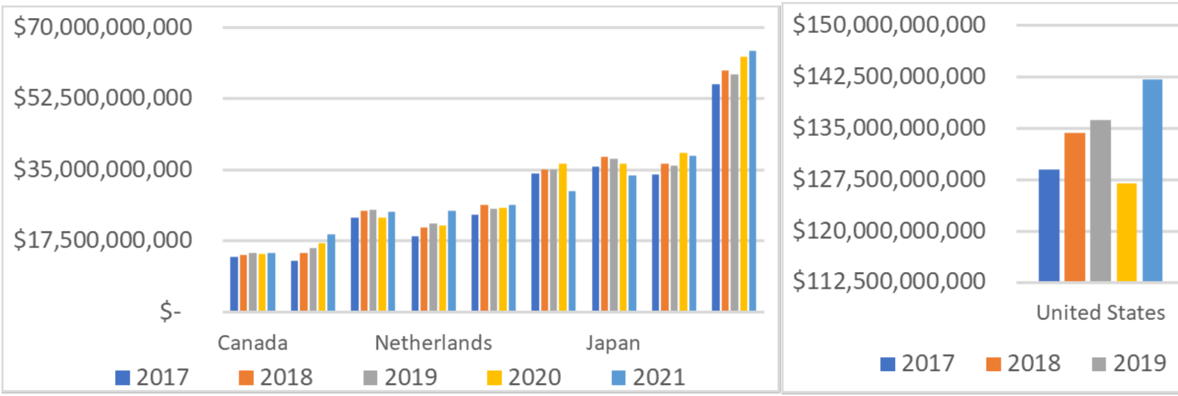
Figure 1. Apparel Export Trade Value (USD) of South and Southeast Asia countries, China, 2017 - 2021



Source: UN Comtrade.

[12] Trade here and subsequently in this report refers to sum trade value of products categorized under ITC HS Codes 60, 61, 62, 63, 64, and 65. Data for exports from Thailand in 2021 is not yet available on the UN Comtrade database. China is displayed separately, because its volumes are so large as to render other countries' volumes difficult to see in a chart.

Figure 2. Apparel Import Trade Value (USD) of largest country destinations, 2017 - 2021
Source: UN Comtrade.



Lockdowns largely stopped manufacturing in March and April 2020. Governments then introduced safety standards and designated the apparel industry as essential activity or established lockdowns outside areas where apparel manufacturing is concentrated. Participants in the discussion groups observed the quick resumption: "[t]he focus shifted from an emergency to taking the right precautions," was how a European brand manager characterized the period. The industry's dramatic fluctuations left many workers and some manufacturers in serious straits, as several discussion participants recounted (see box 2).

It took approximately six months for production to resume or approach pre-pandemic levels, according to participants. The fluctuations varied by country and even manufacturer, but Bangladesh's experience is indicative: apparel manufacturing contracted 81 per cent in April 2020 alone, and by August 2020 export earners surpassed August 2019 totals, US$3.24 billion compared to US$2.23 billion (*Financial Express*, 2020; Munni, 2020). In Cambodia, more than 100 factories closed—that is, failed—during the first six months of the pandemic and all were 'replaced' by 2021, reported a participating manufacturing association representative.

Zeroing in on the changes in apparel trade flows between 2019 and 2021 indicates how apparel-exporting and -importing countries weathered the pandemic macro-economically. Figures 3 and 4 show the percentage changes in trade value among leading exporters of South and Southeast Asia and China and among the leading importing countries.[13]

[13] Given trade data recording in value and recent attention to inflation, it is noteworthy that reducing trade values by estimates of inflation rates does not dramatically shift the displayed patterns. Adjusting export values by annual producer price inflation estimates by Ha et al. (2021) shifts two countries (India and Sri Lanka) from positive to negative changes in apparel export value over the two-year period, although inflation data is not available for all exporting countries. Adjusting import values by annual headline consumer price inflation estimates by Ha et al. (2021) shifts one country (U.S.) from positive to negative changes in apparel import value over the two-year period.

Box 2. Experiences in the apparel industry during the first six months of the pandemic

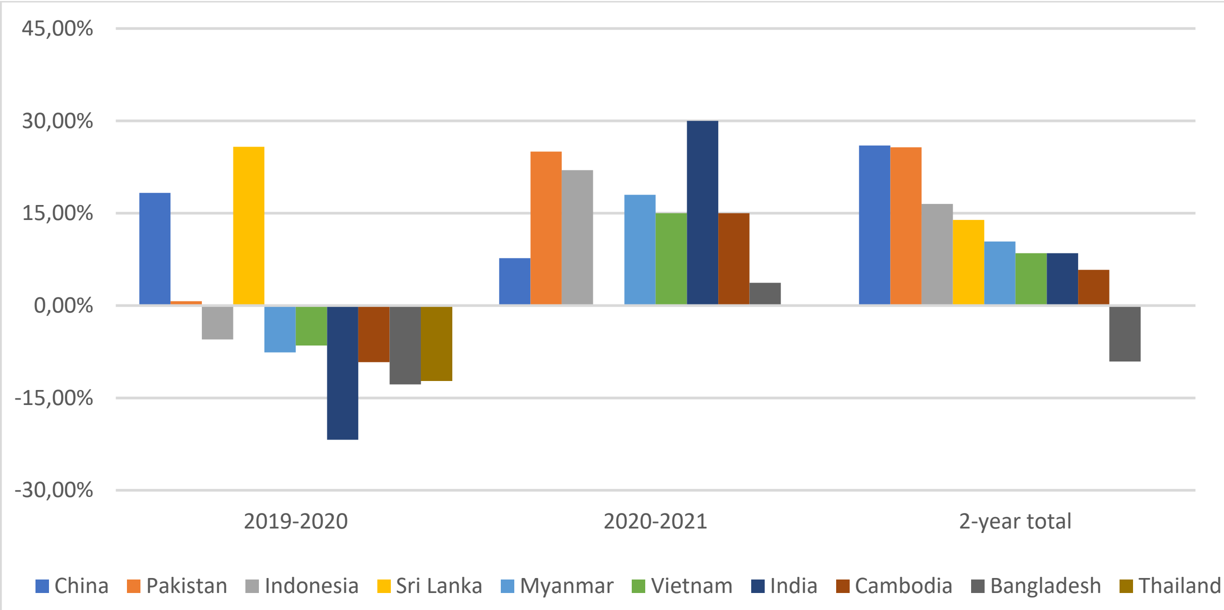
"It was absolutely true chaos at the beginning"

Participants across the board pointed to decisions regarding product orders as determinant. A Better Buying survey in May 2020 found that 64 per cent of apparel factories had production orders cancelled by customers, 18 per cent reported a complete loss of accounts receivable due to cancellations, and 35 per cent had buyers ask for discounts. A manufacturers association representative in Southeast Asia reported in a discussion organized for this paper, "two-thirds was cancelled or rejected." According to an industry-wide estimate, $40 billion of expected revenue did not arrive to suppliers in the initial month of the pandemic (Anner et al., 2020). Brands and retailers that cancelled applied contract clauses that provide them discretion to do so, noted a European NGO representative, citing a report on the practice (Vogt et al., 2020). Brand managers reported working with their preferred suppliers to suspend and extend payment terms, advance payments, and renegotiate contracts. "It was a compromise, and, again, it wasn't ideal," assessed one brand manager. Some brands paid for every order and discussants attributed order changes by others to demands on their companies to maintain cash flow levels from retailers and investors.

The case of a participating manufacturer was indicative of the disruption. "[W]e had some customers declare bankruptcy… we got 30 - 40 cents [from buyers] on the dollar" for payments owed from them, said the company manager, adding, "[T]here's a customer who owes us [US]$890,000." The manager continued, "So cash flows do get impacted. Financial stress gets transferred down to the supply chain. We had to turn to our [upstream] suppliers and ask them for 60-day forbearance," on payments for materials, "even our rent payments of a factory."

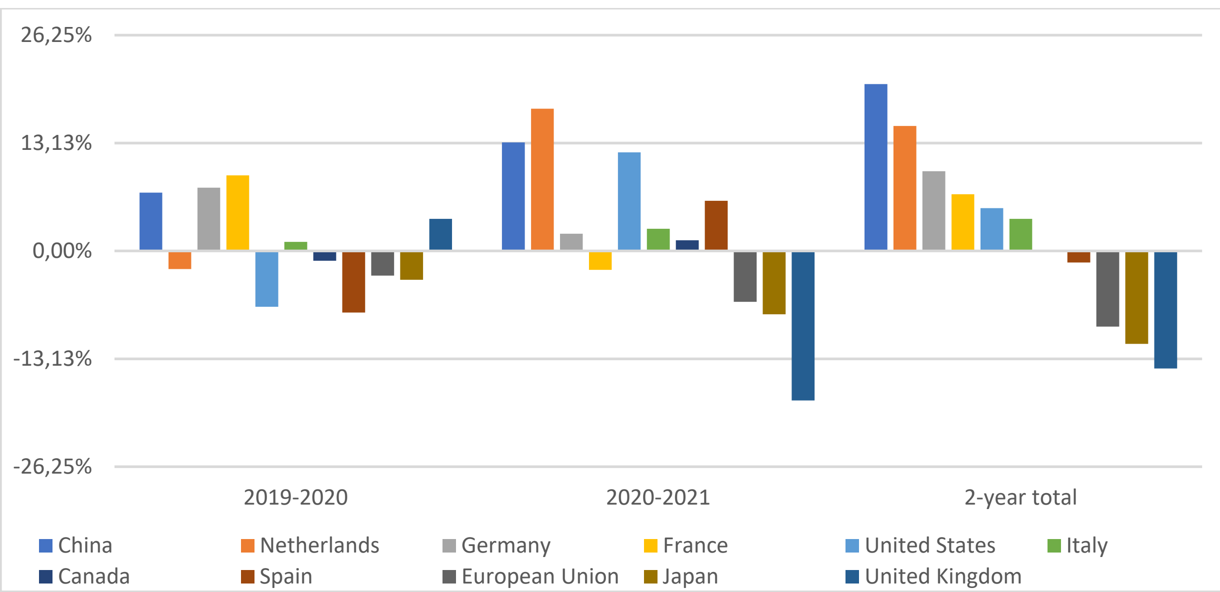
The delays and cuts in payments hit apparel and footwear workers hardest, and women in particular. An NGO representative pointed to a survey of more than a thousand workers in four countries, which found that 13 per cent of surveyed workers reported contract terminations, of whom, 80 per cent reported incomplete severance, and two-thirds reported that they were not paid anything (LeBaron et al., 2021). A Southeast Asian government official said that in their country, "tens of thousands of workers had their employment contracts postponed or suspended as a result" of dropped orders. From South Asia, an official reported, "first wave, 20,000 workers are jobless, laid off due to cancelled orders." An NGO representative from the region observed "cases where employers gave partial wages,

Figure 3. Changes (percentage) in apparel and footwear export value (USD), 2019 - 2021



Source: UN Comtrade.

Figure 4. Changes (percentage) in apparel and footwear import value (USD), 2019 - 2021



Source: UN Comtrade.

And driven by surges in apparel import demand in China, the U.S., Germany and France, all of the major apparel exporters represented in Figures 1 and 3—with the exception of Bangladesh—had topped their pre-pandemic annual export totals. Bangladesh, the second-largest location for ready-made garment manufacturing throughout the last decade, experienced the steepest declines in apparel export earnings during the period, notable given the sector accounts for 83 per cent of national export earnings, according to the country's central bank (Bangladesh Bank, 2021). (The recovery of exports in Myanmar is particularly notable given the military coup of February 2021 and the ensuing civil conflict.)

A manufacturing association representative reported during the discussions that a pre-pandemic shift in Cambodia's primary export destination from the European Union to the United States accelerated during the last two years, a trend indicated more widely in the trade data. A South Asian manufacturing manager reported a similar shift towards buyers in the United States: "U.S. buyers on the whole are perceived as more likely to pay as promised," said the manufacturer. The growth in China's apparel imports from Southeast Asia also belongs in an analysis of trade flows. A manufacturing leader in the region noted that China is the fastest growing apparel market for Cambodia, for example.

The long view of apparel and footwear imports by the U.S. and European Union show the two-decade dominance of Asian production and, in the pandemic period, growing shares in these markets for Bangladesh, India, and Vietnam and—for Europe—Turkey. Brand managers participating in the discussions pointed to labor competitiveness and investments in material import production as the anchors of the industry in the region. They also noted rising demand. Even as Chinese apparel and footwear exports to the U.S. and European Union resumed their long-term decline in 2021, Chinese exports have grown overall since 2019, indicating growth in other markets. Describing the trend, a brand manager said, "[T]here's a huge vortex now in Asia. It used to be Asia producing for the rest of the world [but] now the fastest growing disposable income levels are in India and China so those markets are going to ultimately dwarf Europe and North America. So what that means is near-shoring and on-shoring—it's really going to be in those countries [India and China]."

Consolidation and the benefits of bigness

A manufacturing manager in South Asia reported substantial closures of smaller factories, whose former volumes were absorbed by the companies that weathered the pandemic outbreak. The manager argued that consolidation "will be good for the industry, because bigger suppliers have the financial wherewithal to take care of the employees," adding that he "hopes that they [small suppliers] don't get built up again by the buyers, which always have the incentive to drop down prices by creating small suppliers." This possible trajectory is anticipated in the 'Regain' scenario in the second paper in this ILO/Cornell series on COVID's impacts in apparel production: "consolidation of suppliers remains the long-term [brand and retailer] strategy and extends to coordinating new factory investments with familiar manufacturers." (Judd et al., 2021). This type of industry concentration and consolidation is likely to accelerate in the absence of a 'Re-negotiate' scenario which rebalances risk and cost away from workers and small manufacturers to the largest players.

A manufacturing association representative noted potential dual incentives, suggesting that "buyers want to work with less, what they call 'preferred' suppliers, for less transaction costs, but each is doing a bigger volume of business with them, and that's also good for the factory." Brand managers reported tightening of relationships with their preferred suppliers during the last two years, and those that reported no reduction in suppliers represented companies that had significantly consolidated their supplier base over the last decade (Judd & Jackson, 2021). One brand manager noted that, for their firm, "more than 80 per cent of our strategic suppliers we are working with for more than ten years… [and our strategic suppliers] do more than 80 per cent of the total production." In addition to opportunities, consolidation also involves risks. As a manufacturing association representative observed, the factories "that have ten to fifteen thousand (15,000) workers, if any one of them fails, that's going to be quite a sight."

Brand managers reported "doubling down" on relationships with preferred suppliers, as one put it, referring to increased communications and awareness of practices of other brands that were creating problems for their suppliers. Manufacturer and manufacturer association representatives concurred: "those buyers [that] stepped up and worked with them… Certainly the relationship grew stronger, because now there's more trust." But they added that "on the other [end of the] spectrum, there are suppliers [for whom] all the relationships were broken… It's gone both for the better and for the worse."

Consolidation appears to increase bargaining power for large apparel manufacturers—this was attested to by two of the manufacturers interviewed for this paper—but commercial terms from brands and retailers for other suppliers reportedly deteriorated during the first two years of the pandemic. Some buyers required discounts on their orders, and many extended payment terms. According to a manufacturing association discussant, length of payment for orders increased from 30 or 45 days prior to the pandemic to 90 and even 120 days. A survey of suppliers found that order payments lengthened from averages of 43 days prior to 77 days when production resumed (Anner, 2020). Manufacturers and manufacturers associations noted that they expect these changes, and others, to endure: "turnaround time is getting shorter, smaller orders with the possibility of repeat orders… We talked about trying to give more certainty but… there's more volatility now… in the way orders are placed." "It's the new normal." As one association representative explained, "if a brand "place[s] an order for a million pieces, and their sales are no good, and they come back and need half…what do you do, sue? Maybe, you can try… You may win, but that's the end of your relationship with a buyer."

Growing manufacturer solidarity

There is some indication that the trend in commercial terms has led to international coordination among manufacturers associations, with unclear implications going forward. Associations began sharing information and participating in the Sustainable Terms of Trade Initiative (STTI), fifteen manufacturers associations from eleven countries where apparel manufacturing is concentrated.[14] The premise of the initiative is, "a more balanced commercial relation between a buyer and its suppliers is a prerequisite for achieving economically, socially and environmentally sustainable practices" (STTI, 2021). The participants

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[14] API, Indonesia; VITAS, Vietnam; CNTAC, China; GMAC, Cambodia; MGMA, Myanmar; BGMEA and BKMEA, Bangladesh; AEPC, India; PHMA, PTEA, TMA, Pakistan; IHKIB and TCMA, Turkey; ECAHT, Egypt and AMITH, Morocco. See https://sustainabletermsoftradeinitiative.com/wp-content/uploads/2022/02/2022-2-9-Purchasing-Practices-on-the-Rise-STTI.pdf.

established the goal of “commercial compliance,” meaning “purchasing practices that do not cause obvious and avoidable harm to manufacturers” (STTI, 2021).[15]

A representative of a participating association said, “It’s been a buyer’s market for the last 30 years. Manufacturers are losing money, are bleeding.” The representative added that through “basic information exchange… we realized our buyers are saying the same thing when they meet different suppliers in different countries”—that production is cheaper elsewhere. On where the nascent coordination goes the representative acknowledged, “I don’t know if our members will buy into this or they will undercut each other. They still have to compete,” adding “even though I am skeptical, we still just have to try to do something.”

Over the last two years, less favorable terms of exchange translated into less favorable employment terms. Multiple participants in discussions reported reductions in employment. A South Asian unionist said, “employers say that they have to get rid of workers, and the reason they gave was that most of the buyers and brands withdrew their orders or suspended their orders or they are now claiming a discount,” said a South Asian unionist. An international unionist reported observing increased overtime. Representatives of international and national unions and NGOs added that workers returned to lower overall compensation due to reductions and removals of attendance and production bonuses. An NGO investigation estimated that the combined effects of early pandemic cancellations and subsequent changes in commercial terms equated to a loss of US$11.85 billion for 40 to 60 million apparel workers between March 2020 and March 2021 (Neal & Bienias, 2021).

Effects of the pandemic on supply chain relationships

Perceptions of the state of relationships—between workers, employers, brands and retailers, and government—came through in the focus group discussions and indicate how policymaking might proceed in the industry.

UNION AND MANUFACTURERS:

Workers’ relationships with manufacturers involved substantial tension mixed with brief collaborations. During the period of order cancellations, manufacturers collaborated with labor organizations. “There was this common cause with employers’ associations and with individual employers who are seeing this shock with the sudden cancellation of orders, so they were giving us very detailed information about specific brands and the nature of the orders of those brands that have canceled,” explained a North American NGO representative, adding that the sharing stopped when orders resumed.

[15] Ibid.

Relations soured according to union and NGO discussants as production resumed with selective factory re-openings leaving some unionized factories closed, refusals to rehire union activists and pregnant workers, removal of bonuses, and heightened pressure to meet production quotas (Lebaron et al., 2022).

UNIONS, NGOS AND BRANDS AND RETAILERS:

Interactions between labor organizations and brands and retailers heightened awareness of their respective bargaining power. Brand managers reported increased communication with unions and NGOs, which the managers in discussions groups characterized as constructive. One manager acknowledged that the labor organizations "understood that they weren't going to be able to get everybody hundred per cent paid," adding, "I don't want to gloss over the fact that the brands and the tier one or two have stronger bargaining." Union and NGO representatives expressed frustration with what one summarized as "a lot of power by many, quote, 'responsible brands'" which led one unionist to ask, "[Why does] an industry that has made tremendous profit, that they could not pay for one month without having production?" And, it "brings us to a larger question of: What do we call sustainable business?"

BRANDS AND INVESTORS:

Another relationship brought into sharp relief by pandemic-related disruption of the apparel industry is that between buyers and their creditors and investors. Behind brand decisions concerning orders was pressure from retailers and creditors to sustain cash flow levels. Brand managers reported that they have less bargaining leverage with retailers than they did twenty or thirty years ago. In one manager's assessment, "that ultimately gets pushed to the weakest suppliers… going into cost of goods." "Nobody [in the industry] really benefits." Another brand manager pointed out, "[for] those of us who are publicly-traded, the rules of the game are that we're beholden to our shareholders, not to citizens."

THE INDUSTRY AND NATIONAL GOVERNMENTS:

In terms of relationships with governments, all participants in the discussion expressed appreciation for government measures to mitigate the impacts of the pandemic. Apparel brand managers as well as manufacturers and manufacturer association representatives noted instances of collaboration, such as on vaccination campaigns. From the governments' perspective, multiple officials noted that, in addition to the State's role in protecting public health, they see their role as "to provide an enabling environment for investment."

On financial assistance, the experience was mixed. Representatives from Indonesia and Sri Lanka reported meaningful assistance while representatives from other countries lamented the limited levels of financial support. Union and NGO representatives also noted appreciation for government efforts, adding concerns that funds allocated to employers did not always benefit workers and the limited capacities of governments "to say anything to brands," as one unionist put it. Government officials, for their part, noted that labor organizations' pressure on brands and retailers "can affect exports" and, while "they are monitoring working conditions," "it would be better if they went through the government."

Part III
Conclusions: Lessons learned and recommendations

Participants convened for focus group discussions by the ILO and the Cornell University Global Labor Institute—regardless of position in the global apparel industry—expressed desire for policies to mitigate the impacts of the current pandemic, address long-standing challenges in the industry, and prepare for future shocks. What would it take to build an inclusive and sustainable sector? These experiences, hopes and expectations largely diverged and these reactions indicate the state of policy development and how it might proceed.

They suggest that the industry is proceeding down a 'Repeat' path with a growing separation between the industry's largest or reputation-sensitive actors—both buyers and manufacturers—and the rest of the industry. The 'Repeat' scenario noted in the ILO/Cornell 2021 paper seems to fill the bill:

> [T]he pace of internal change will revert in the post-pandemic period to a familiar stroll. Fast and cheap fashion will continue to prove irresistible to most consumers. Pressure for shorter cycles will land predominantly on suppliers and their workers, and the buyer-supplier relationship for most brands and retailers will still be organized around price rather than shared risk. Sourcing patterns will continue to shift toward the low-wage, low-cost production centers in Asia and Africa. The excited chatter about near-shoring, large-scale automation and sustainable and resilient supply chains will remain largely unrealized.
>
> For workers, 'Repeat' depends on a return to pre-pandemic production levels but, as in the recovery from the 2008 – 2010 recession, employment for a constant level of production is likely to fall as seen in the production and employment graph above (Figure 15). Employers which operated on narrow margins in the pre-pandemic period may not recover and larger, better-capitalized and more efficient suppliers may absorb their orders without taking on their full workforces (Foster et al., 2014; IMF, 2018). Where larger suppliers are attentive to decent work standards, this kind of consolidation benefits workers at the 'marquee' end of the industry where a relative handful of brands, industry media and non-governmental organizations congregate (Judd et al., 2021).

A 'Regain' scenario is less in evidence based on discussions undertaken for this paper. It relies on increased near-shoring, automation and attendant bifurcation of jobs into higher and lower-skill and -pay positions that—according to discussion participants—have not occurred and are unlikely to become significant. "I don't see that in the near future," is how one apparel brand manager summarized the outlook.[16] 'Regain' is possible with a "recognition by major brands and retailers that changes to their processes, as opposed to minor operational adjustments and more pressure on supplier costs, are required to maintain or improve profits. And this recognition depends on signals to brands and retailers from investors, major suppliers, unions and campaigners, and regulators that a return to pre-pandemic norms is blocked" (Ibid.) The hope for a 'Regain' industry seems to rest in large part on the traction found by European due diligence and liability requirements, new labor-focused trade policies, and campaigns such as Pay Your Workers-Respect Labour Rights.

Both the 'Repeat' and 'Regain' scenarios put the 'V-shaped' recovery sketched by the aggregate trade data above into deeper context. A likely more accurate characterization is that of a 'K-shaped' recovery—that is, a quick return to the norm for large business and a divergent, downward trajectory for other segments of the industry. This uneven recovery has played out as the constituencies with the most lost in the pandemic to-date and the most to lose in future crises—workers and small, low-cost manufacturers—work to shift the industry to a 'Renegotiate' path. The STTI, Pay Your Workers-Respect Labor Rights campaign, the International Accord and, less directly but maybe more widely, the E.U. human rights due diligence project signal efforts to renegotiate the governance, structure, and sourcing practices of the apparel industry. While it is too soon to predict the uptake of specific aspects of these models, they have nevertheless helped spur policy debates on what it means to renegotiate for a resilient and inclusive apparel industry. Discussion participants' comments on these and the other policies illuminate some of the opportunities and challenges for new regulatory approaches in the sector.

Opportunities

The increased connectivity and collaboration between manufacturers' associations are new and come as the industry has seen substantial consolidation of production. More communication represents a potential step towards a set of defined representatives of manufacturing in industry-wide policy discussions. Similarly, the coordination by unions and labor rights organizations across borders to press for payments following order cancellations and to develop their industry-wide proposal for social protection could contribute to stronger, clearer representation of workers in the industry. From their perspective, brand managers also noted increased communication between themselves to address pandemic-related issues, and the International Accord (and former Alliance) as examples of concrete buyer coordination.[17]

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[16] The "2022 Fashion Industry Benchmarking Study" found that 53 per cent of the surveyed U.S. fashion brand executives reported sourcing garments from more than ten countries, a 16 per cent increase since 2021. By 2024, almost 40 per cent of surveyed business leaders reported that they intend to "source from more countries and work with more suppliers" (Lu, 2022b). However, trade data analysis by Lu shows declines in near-shoring by U.S. apparel brands in the first half of 2022. Apparel imports to the U.S. from the Western Hemisphere in that period are lower than in all years since 2019. Reductions in U.S. apparel imports from China appear instead to be benefitting the next largest producers—Vietnam, Bangladesh, Indonesia, India, and Cambodia (Lu, 2022).

[17] See https://bangladeshaccord.org/ and https://www.bangladeshworkersafety.org/.

Taken together, the increased coordination and the emergence of new proposals on social protection and the distribution of risk and cost could provide impetus for the industry's constituents to negotiate. At the national level, that would likely focus on well-built, public social protection programs. And at the global level, a severance fund or broader binding agreement via bi- or tripartite bargaining.

Challenges

The obstacles to advancing policies for an inclusive and sustainable apparel industry are hard to over-state. Participating representatives of brands, unions, and NGOs highlighted pressures on governments to "remain cheap" by not introducing polices that could raise production costs and drive investors to competitor countries. Private sector competition also raises challenges, including "this notion that you need to constantly find a lower price" as a manufacturing manager put it. Private-sector competition translates into resistance by brands and retailers to regulations, particularly policies that involve binding agreements with unions.

Another obstacle noted by all participating stakeholders is the absence of clear parties and a trusted forum for global, cross-party negotiations. And finally, a substantial share of major brands and retailers—online retailers and wholesalers for example—are not involved in policy discussions. This does not prevent substantive engagement but their absence can be an obstacle to a just and efficient distribution of risk and cost among brands and retailers themselves, as well as along the value chain.

A final challenge is the shifting geo-political landscape in which the fashion industry operates. The U.S.-China trade relationship has been changed by U.S. trade action, including the reaction to the Chinese government's forced labor regime in Xinjiang. The E.U. did not follow suit but the prospects of a forced labor ban on goods imported there are growing.[18] The Russian war in Ukraine, above-average inflation in major consumer markets and their wider economic impacts have reduced the global appetite for apparel.

Recommendations

The first two years of the COVID-19 pandemic have disrupted livelihoods in the apparel sector and highlighted the urgency of establishing effective social protection throughout the industry. The opportunities and challenges identified by industry actors in the focus group discussions and presented in this paper indicate how to move towards an inclusive and sustainable apparel sector.

[18] See https://single-market-economy.ec.europa.eu/document/785da6ff-abe3-43f7-a693-1185c96e930e_en.

In addition to advancing social protection within each country, there is a need for coordinated implementation of social protection systems to mitigate the competitive pressures felt by national governments concerned about losing apparel industry investments.

Future research should take stock of national and international level policies developed and implemented during the pandemic to-date. The urgency of the pandemic's outbreak led to unprecedented actions by many governments and attention to them, yet tracking these interventions, their scope, impacts, and mechanisms that contributed to effective implementation has waned over time. The shape of future crisis measures and social protection programs can be improved with more quantitative and qualitative research on the public policy actions (and private efforts) to date and their impacts.

One example is to assess and improve the mechanics for large-scale social protection programs. The issue of registering companies and their employees was an impediment to social protection interventions, underlining the value of analysis and implementation of approaches to increase registration.

Perhaps the largest question highlighted by actors in the apparel industry is the definition of roles, responsibilities and accountability for social protection systems. Further research can build on a recent paper outlining different social protection and bargaining models (Judd et al., 2022). As noted in Part I, industry-level approaches might build on existing and emerging policy mechanisms. These could include integrating social protection program participation into mandatory human right due diligence, incentives or requirements for trade access and Accord-like binding agreements. Industry-level responses also need to support national-level systems, for which they can build on the proposals by the Pay Your Workers-Respect Workers Rights and the Sustainable Terms of Trade Initiative.

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Annex 1:

1. Looking back at your experience of the COVID crisis, what changes in the first six months have had the deepest impacts? And in the 18 months since?

   How were the experiences of women workers and migrant workers, for example, different?

   How does your experience in apparel compare with what you have seen in other sectors?

2. How do your COVID experiences/lessons shape your demands and expectations for public policy and private regulation (brand/retailer policy)?
3. What are your demands/expectations for the other parties—workers, employers, buyers, regulators—in the post-COVID apparel industry?
4. How have your relationships with other constituencies changed as a result of COVID?
5. In broad terms, how has the industry (and specifically supply chains) been changed, reordered in the COVID response?
6. For the changes you have described or heard of, what are the important obstacles to making them real? What are the ‘bridges’ to overcome them?
7. What is the role of global/trade partner regulator?

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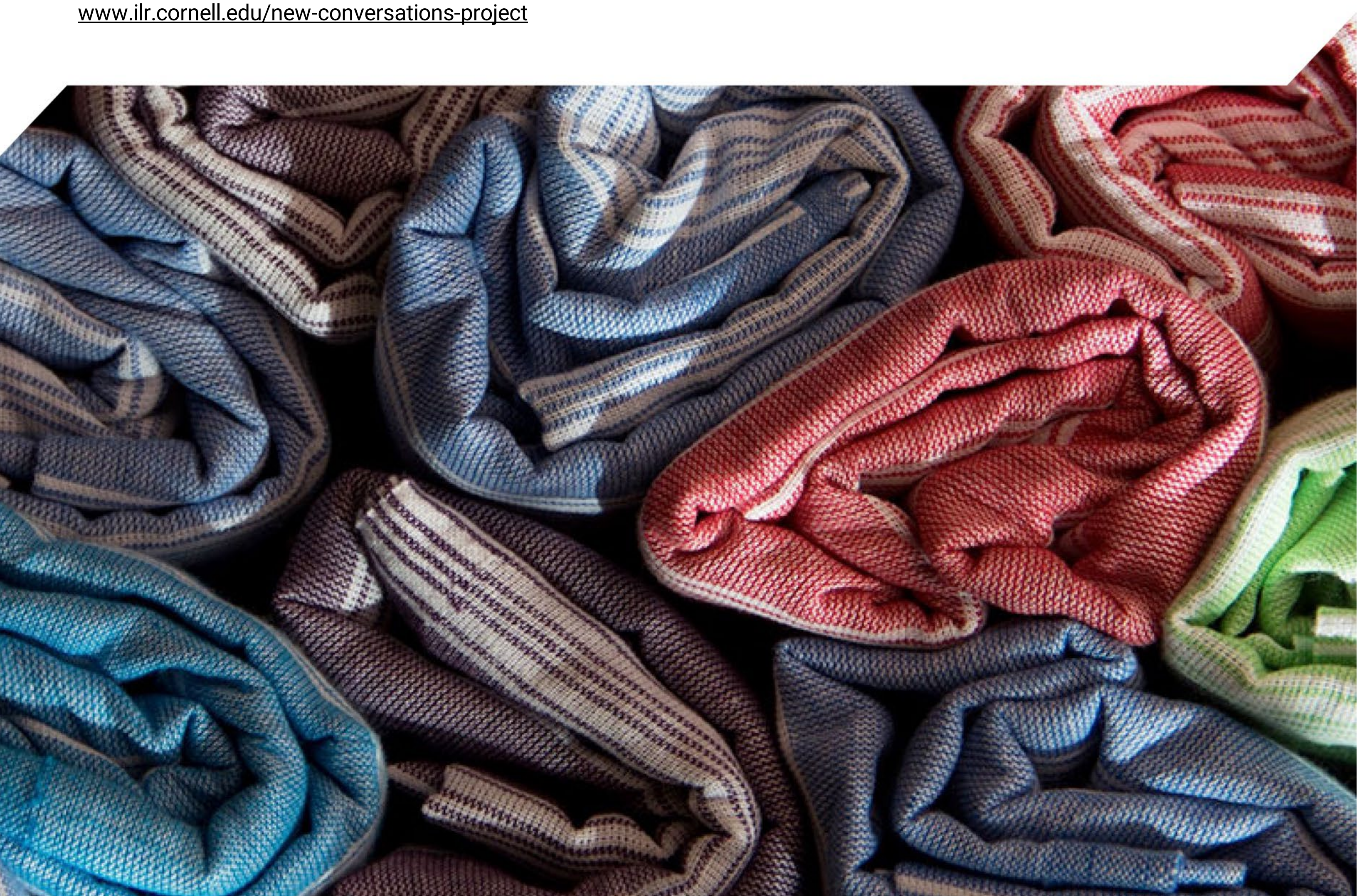

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