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POLICYINSIGHTS

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BARRIERS AND OPPORTUNITIES FOR IMPLEMENTING PANDEMIC POLICIES TOWARDS A MORE RESILIENT AND INCLUSIVE READY-MADE GARMENT INDUSTRY

Key insights

Maintaining operations within the ready-made garment (RMG) industry in Sri Lanka during the coronavirus (COVID-19) pandemic was imperative, due to its vital contribution to the country's economy. Given health regulations and the difficulties in sourcing inputs, the industry faced many challenges during this time. These challenges were different for industries operating on various scales. Better preparation and more targeted assistance to the industry could have improved the welfare of the workers and the industry outcomes at this time. Therefore, identifying the implementation bottlenecks and policy gaps of the pandemic health protocol and the labour policies from the employer's perspective is crucial to better prepare for future pandemics. This study's findings emphasise the importance of enhancing knowledge translation, building skills on contingency planning and pandemic management, introducing gender-sensitive policy frameworks, and developing inclusive and coordinated decision-making processes.

Introduction

The ready-made garment (RMG) industry, a vital contributor to the economy, accounts for 7% of Sri Lanka's gross domestic product (GDP). It is the cornerstone of the country's economic structure, contributing 47.41% of the export income (EDB, 2024) and employing 4% of the labour force (DCS, 2019).

The apparel sector serves as a crucial source of formal employment for women, comprising 17.21% of the country's formal female workforce (DCS, 2019). Women account for 70% of the RMG workforce, underscoring the industry's significance in creating job opportunities for women. Considering its economic significance, this female-dominant industry operated under strict health and labour policies during the coronavirus (COVID-19) pandemic.

The industry faced significant challenges during the pandemic, experiencing a 22% drop in export value (JAAFSL, 2025), which significantly affected its financial stability and operational capacity. While the industry managed to function amidst the pandemic, addressing the increased vulnerability of the workers

was a significant challenge. **Companies operating at varying scales encounter distinct challenges dependent upon their capabilities and resources.**

The above setting highlights the need for an effective industry-level pandemic response to mitigate the health and economic impacts on workers in the RMG industry. **Moreover, the gender sensitivity of the policies needs attention. It is crucial to ensure that policies are not only practical but also inclusive and equitable.**

Against this backdrop, a recent IPS study assessed effectiveness and implementation gaps of pandemic policies in mitigating the industry's health and economic risks, aiming to enrich the apparel-specific pandemic health protocol and better prepare for a potential future pandemic. The research questions assessed were, "What were the major policy and implementation gaps in the industry and labour policies relating to the pandemic? And how can these be improved to reduce the adverse consequences?".

Both primary and secondary data were collected to answer the above research questions. Secondary data were sourced from the Human Resource Council

of Sri Lanka (HRCSL, 2020), Ministry of Health (MOH, 2020), Ministry of Labour (MOL, 2020), Joint Apparel Association Forum Sri Lanka (JAAFSL, 2025) and Labour Force Survey (DCS, 2019). Primary data were gathered through 16 Key Informant Interviews (KIs) conducted with various stakeholders, including employer organisations, government agencies, factory managers, and line-level employees. A thematic analysis was performed, getting insights from the human capability approach (Sen. A., 1985), which focuses on the importance of knowledge, capacity, policy, and process in enhancing the effectiveness of the pandemic response.

Results

The thematic analysis revealed key challenges faced by the RMG industry under the four themes: knowledge, capacity, policy, and process.

Knowledge Gaps

The study findings show inconsistencies in the way the information was translated. Companies were requested to follow health protocols with amendments without explanations regarding the necessity to do so. As a result, the enforcement of health guidelines was not uniform across companies. Further, the information was not distributed timely.

Capacity

The study findings show that, given the financial hardships faced by the companies at the time, not all firms possessed the capacity to follow the health and labour guidelines. Securing materials (such as face masks) was difficult due to shortages. Also, the production floor layouts in all factories were not conducive to ensuring social distancing and improved ventilation. The labour regulations require retaining employees without layoffs, to assure equitable work allocation each month, and to pay 50% of the basic salary or the minimum of Sri Lankan Rupees (LKR) 14,500. But companies received minimal support in adhering to these guidelines.

Policy

"Policy" reflects pandemic-related health care and labour policies in the RMG sector. The RMG sector

pandemic policies were generic and not tailor-made to accommodate issues pertaining to varying factory capacities, gender sensitivity, mental health and social stigma. Women workers in the apparel sector face dual burdens during pandemics, including job insecurity and increased care responsibilities.

Process

The "process" theme illustrates how the industry demonstrated resilience and flexibility in implementing health guidelines while achieving health and economic goals. Limitations were caused by inconsistent and industry-unsupportive health guidelines, poor inter-institutional coordination, inadequate monitoring of adherence to health and labour guidelines, and unequal access of factory employees to vaccination facilities.

Those challenges underscore essential lessons derived from the pandemic, thereby necessitating the implementation of resilience measures to ensure improved preparedness and effectiveness in policy response.

Recommendations

• Knowledge translation

- To ensure consistent, clear and timely knowledge sharing during a pandemic, it is essential to **strengthen existing information-sharing platforms into a continuous, industry-wide mechanism** that connects all registered factories and key stakeholders. This platform can be integrated into the factory registration and renewal process and to share updates on health protocols, import/export regulations, and operational challenges. During crises, it can be swiftly adapted to support emergency communication, facilitating the rapid dissemination and effective translation of health protocols, as well as the issuance of practical operational guidance tailored to companies of varying scales stakeholders such as the Ministry of Health, JAAFSL,¹ BOI Sri Lanka,² CCC,³ EDB Sri Lanka,⁴ media, and SMEs⁵ representatives should be involved to assure adequate, and effective participation.

¹ JAAFSL- Joint Apparel Association Forum Sri Lanka.

² BOI Sri Lanka- Board of Investment of Sri Lanka.

³ CCC- Ceylon Chamber of Commerce.

⁴ EDB- Export Development Board.

⁵ SMEs - Small and Medium-sized Enterprises.

• Capacity building

- Skill building for contingency planning and pandemic management for different scales of factories through managerial training and accommodating these areas in curricula such as Masters in Business Administration (MBA). The Ministry of Health, Ministry of Higher Education, Ministry of Labour, and higher education institutions can collaboratively design the content for the curriculum.
- In order to facilitate wage payments and ensure operational continuity, particularly for small and medium-sized apparel companies, the existing statutory funds can be more effectively utilised and allocated for pandemic relief efforts. Mechanisms can be established to temporarily reallocate funds such as:
 - Employees' Trust Fund (ETF) for direct wage support to employees.
 - EDB cess funds to subsidise operational costs for factories.

Coordinated efforts between the Ministry of Labour, Ministry of Finance, EDB, ETF Board, JAAF, trade unions, and SME representatives are essential to agree on the criteria, fund allocation, and implementation structure. For instance, during COVID-19, Czech Republic, France, and Spain rapidly sped up refunds on value-added tax (VAT) payments. Chile expanded loan guarantees through an existing SME credit facility to ensure liquidity for payroll and operations. Malaysia launched a 11.7 United States Dollar Billion (USD Bn) working capital loan guarantee fund—building on pre-existing loan guarantee systems to support COVID-19 affected businesses (Carranza, 2020). These models show that **repurposing and expanding existing mechanisms** can serve as an effective safety net during health crises.

• Policy

The below improvements need to be incorporated into future pandemic policies.

- Future policies should be tailored to fit the scale of operations in factories. Separate pandemic policy guidelines for large-scale factories and small to medium-scale factories need to be prepared with the involvement of the Ministry of Health, JAAFSL, CCC, BOI Sri Lanka, Ministry of Labour, Ministry of Finance, SMEs' representation, and the EDB Sri Lanka.

- The dual burdens of women workers should be recognised and incorporated into the pandemic policy guidelines and benefit schemes. For example, new childcare leave provisions were introduced by countries such as, Belgium (part-time), Cyprus, Greece, Luxembourg, Malta, Romania, Spain, Sweden, Switzerland, United Kingdom, United States, Uzbekistan, for workers with care responsibilities during the pandemic. Direct financial support to enterprises providing childcare services was included in the pandemic response packages for enterprises affected by the lockdown measures in Norway, Slovakia, Switzerland and some states in the United States (UNECE, 2020). In Sri Lanka, similar benefit schemes can be designed in partnership with the Ministry of Finance, Ministry of Labour, Ministry of Industries, EDB Sri Lanka, Ministry of Women and Child Affairs, Trade Unions, JAAFSL, and non-governmental organisations (NGOs).
 - Safeguarding mental health needs to be incorporated into the pandemic policy protocol with the involvement of the Ministry of Health, Ministry of Finance, Ministry of Industries, Trade Unions, JAAFSL, and NGOs.
 - The media should address social stigma in collaboration with the Ministries of Health and Finance.
- ## • Process
- Adequate representation of stakeholders in decision making committees (JAAFSL, SMEs, Trade unions, Female representatives, BOI Sri Lanka, EDB Sri Lanka, CCC, Women and Child Affairs Ministry and relevant key stakeholders), and hearing their voices should be assured.
 - Strengthen existing coordination platforms like social media groups, channels, for rapid collaboration among key institutions—like the Ministry of Health, EDB Sri Lanka, and BOI Sri Lanka—during a pandemic. This includes designating focal points within institutions, activating coordination protocols upon a public health emergency declaration, and enhancing digital platforms for real-time communication and decision-making. This approach avoids delays and aligns health and economic measures in crises.
 - Ensure equitable access to vaccination and testing facilities for companies of all scales, while effectively monitoring compliance with health guidelines. Practical support mechanisms should

also include: Use of simple digital tools like Google Forms or shared dashboards to collect data on compliance and healthcare access; collaborative monitoring by Public Health Inspectors (PHIs), factory management, and worker representatives to identify gaps without bias and enable real-time reporting.

The study findings emphasise the significance of effective knowledge translation and sharing, pre-pandemic preparedness, gender-sensitive policies, effective monitoring, and collaborative and inclusive policy-making to strengthen a more resilient and sustainable garment sector in the face of future crises.

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