



Asia Floor Wage Alliance

Brands: Tariffs And Economic Crisis Don't Cancel Your Accountability To Workers!

May Day greetings to you all!

On this International Workers' Day, we rise in defiance of the rollbacks and repression of workers' rights across garment production countries in Asia. As economic instability deepens across global markets, fashion brands are once again maneuvering to cut costs—at the expense of the workers who sew their clothes and sustain their profits. May Day embodies both a tribute to the historic victories of the labor movement and a collective resolve to confront present injustices. This year, the celebration carries an urgent call to action — demanding accountability, justice, and dignity for workers in global garment supply chains.

Garment workers form the backbone of an industry that continually prioritizes profits over people. As global fashion brands respond to economic uncertainty, inflation, rising tariffs and unstable markets by unilaterally slashing orders, it is workers—especially women workers—who are forced to bear the cost.

Brands have shown us exactly how they respond to a crisis – and whose lives they value the least. They don't just react to a crisis – they leverage it to cut costs at the [expense of workers](#). During the COVID-19 pandemic, brands made unilateral sourcing decisions, slashed and cancelled orders, walked away from contractual obligations and engaged in wage theft – leaving workers without an income.

Asia Floor Wage Alliance affirms - **economic uncertainty does not absolve brands of their responsibility to workers in their supply chains.**

Mounting Challenges Across Asia, and Workers' Unyielding Resistance

Across garment production countries in Asia, brands are unilaterally reducing orders in response to rising tariffs and economic instability, with no regard for the impact on workers' livelihoods. Once again, we are witnessing brands offload the costs of instability onto workers. Earning



poverty-level wages, workers and their families cannot absorb the shocks of a global crisis they did not create.

Gender-based violence and harassment (GBVH) remains widespread and [worsens in times of crisis](#). Brands must not use economic instability as an excuse to avoid real solutions. They must move beyond surface-level interventions and commit to genuine protections for women workers. Without binding protections and worker and union-led monitoring, women workers face heightened risk of abuse and exploitation on the factory floor.

The climate crisis is further compounding these risks. [Extreme heat](#) in garment factories has led to increasingly inhumane conditions—causing fainting, miscarriages, and even deaths—while management denies responsibility and production demands continue.

In Myanmar, workers have suffered under authoritarian rule and brutal repression since the attempted coup in 2021. Many brands exited the country, while those that stayed failed to ensure fair wages. The minimum wage hasn't increased since 2018. In the wake of a devastating earthquake, the people face yet another tragedy. [Brands still sourcing from Myanmar have a responsibility](#) to guarantee workers are paid fair wages. Now more than ever, garment workers' wages are the only lifeline to workers and their families in the aftermath of disaster.

The garment industry continues to operate on a model that allows brands to shift risk onto workers—with brands cancelling orders and relocating production without any accountability. Rising tariffs and global trade volatility have only intensified this instability, leaving workers without employment and deepening economic insecurity across sectors.

In **Cambodia**, workers are calling for the protection of fundamental freedoms—including freedom of expression, assembly, and association—and an end to the criminalization and harassment of union members and worker activists. The Center for Alliance of Labour and Human Rights (CENTRAL) has reported that its members and other union leaders continue to face legal harassment for exercising these rights, highlighting the broader erosion of civic space.

In **India**, garment workers are confronting new threats to their rights under the central government's proposed labor codes, which include provisions to extend factory working hours from 8 to 12 hours a day, subject to worker consent. In Karnataka, Shahi Exports—one of the



country's largest garment manufacturers—has already approached the Labour Department seeking approval to implement a 12-hour shift system at its Peenya unit. This move has triggered strong opposition from garment workers, who argue that such a shift extension would worsen exploitation, damage workers' health, and severely impact their families as well. Cividep has [stated its concern](#) over the Factories (Karnataka Amendment) Bill, 2023, which could open the door to 12-hour workdays and night shifts for women. In a coordinated response, the Karnataka Garment Workers Union (KOOGU) and the United Garment Workers Union (UGWU) are mobilizing workers for a state-wide protest on May Day (May 1, 2025), demanding that the 12-hour workday proposal be withdrawn and that existing labor protections be upheld and enforced.

In **Indonesia**, steep tariff hikes have threatened export competitiveness in the garment sector, triggering mass layoffs and an increase in worker rights violations. In a bid to maximize profits, brands are resorting to arbitrary dismissals, wage deductions, and unpaid overtime. AFWA partner unions are urging brands to take responsibility for rights violations across their supply chains.

Proposed revisions to the Military Law (UU TNI) raise serious concerns about the shrinking democratic space for workers, particularly the potential for military interference in labor disputes and the suppression of worker dissent. On May Day 2025, AFWA's partner unions are gathering at the National Monument (Monas) and the Indonesian House of Representatives—calling on brands to take responsibility for rights violations across their supply chains and demanding the ratification of ILO Convention 190 to prevent and address GBVH on the factory floor.

In **Pakistan**, skyrocketing inflation has made survival impossible for workers earning poverty-level wages. Workers and unions are calling for the minimum wage to be fixed at PKR 75,000 per month, in line with the rising cost of living. Women workers are demanding secure, permanent jobs and workplaces free from GBVH. Meanwhile, the proposed Labour Code 2024 has raised serious concerns. Beyond the lack of consultation with trade unions, the new code removes the definition of permanent employment and introduces a range of intermediary employment categories—such as contractors, sub-contractors, and third-party contractors—through whom liability is shifted away from brands and suppliers. Workers will be denied their legal recognition as employees and will have no recourse to file complaints about wages, working hours, leave, or safety at work.



In **Sri Lanka**, the IMF-backed Economic Transformation Act has provoked strong opposition from workers and unions for accelerating the privatization of public institutions, weakening labor protections, and enabling the looting of social security funds such as EPF and ETF through domestic debt restructuring. The Ceylon Industrial Workers Union (CIWU) has called for the immediate reversal of these reforms and the creation of a new labor charter that guarantees job security, stops the looting of social security funds, and to compensate workers for two years of wage theft.

Stand Up Movement Lanka (SUML), in alliance with over twenty unions and civil society organizations, [has echoed these demands](#) while also calling for a Rs. 65,000 minimum wage, expanded sick leave, and an end to public sector austerity. The Dabindu Collective is demanding the enforcement of the 8-hour workday, paid sick leave, and protection from exploitative production practices. Their demands also include enforceable protections against GBVH, affordable workplace meals, and access to rest and water breaks to safeguard worker health.

In **Vietnam**, export orders are in crisis after the imposition of a steep 46% tariff in April 2025. Women workers—many of whom already earn poverty level wages—are now bracing for reduced hours and mass layoffs.

Enforceable Brand Agreements Show the Way Forward

Despite these challenges, recent victories illuminate a path forward to safer and violence free workplaces.

In Indonesia, women workers and their unions have secured a historic agreement. Signed in July 2024, the [Central Java Agreement for Gender Justice](#) is a worker-led, legally enforceable agreement that puts power in the hands of unions and workers. The agreement ensures provisions such as Worker Shop Floor Monitors, selected by unions, who track compliance on the factory floor; multiple independent grievance channels to report violations and business consequences for non-compliance. This follows in the footsteps of the [Dindigul Agreement](#) in India, now in its third year— Asia’s first enforceable supply chain agreement to prevent and address GBVH.



These agreements prove that **binding, enforceable, mechanisms led by unions are the only path forward to** safer and dignified workplaces.

We Reaffirm Our Commitment To Worker Rights, Demanding Accountability And Enforceable Protections

This May Day, we remind brands that protecting workers' rights is not optional—it is urgent, and it is non-negotiable.

- **Living Wages, Not Poverty Wages:** A cross-border living wage **is essential**—not only for meeting basic needs, but for ensuring that workers and their families can live a life of dignity and survive periods of crisis.
- **Gender Justice And Safety for Women Workers Are Non-Negotiable:** Ratify, implement, and integrate ILO Convention 190 in national law and factory practice. GBVH prevention must remain active and enforceable in every workplace—especially in times of economic instability.
- **Freedom to Organize Without Fear:** Protect union leaders from retaliation. Ensure workers can organize and strike—without surveillance, intimidation, or military intervention.
- **End Brands' Unilateral Race to the Bottom:** Brands must end exploitative purchasing practices that force factories to cut corners—such as last-minute order changes and cancellations, impossible lead times, and price pressures that drive down wages.
- **Guarantee Full Entitlements:** Uphold severance, social security, and legal dues for all workers affected by layoffs, order reductions, or closures. No worker should be denied their wages and entitlements.
- **Make Due Diligence the Law:** Governments must adopt and enforce mandatory Human Rights Due Diligence laws that hold brands legally accountable across global supply chains—even in times of crisis.



- **Binding Agreements Now:** Brands and suppliers must enter into legally enforceable agreements with unions and workers.

Standing Firm in Regional Solidarity Across Asia!

Today, as we commemorate past victories, we renew our resolve to fight the injustices facing the garment sector now. We refuse to accept the rollback of worker rights as inevitable. Economic hardship cannot justify compromising on worker dignity and fundamental rights.

This May Day, we affirm our commitment louder than ever: workers' rights are non-negotiable. We stand united, resilient, and unwavering—determined to build a future where dignity, justice, and fairness prevail for all garment workers across Asia and beyond.