

## **Joint Trade Union Statement**

23<sup>rd</sup> December 2021

### **Historic MoU signed with JAAF for “bi-partite resolution” of workplace issues**

This is to announce that we the undersigned trade unions reached an understanding with apparel sector employers represented by the Joint Apparel Association Forum (JAAF) and inked a historic memorandum to resolve workplace issues through bi-partite negotiations for the benefit of the industry that includes both employer and employee and the national economy as well.

The need for such bi-partite negotiations in resolving disputes has been felt for a long time for many reasons. Most importantly it is needed to save the time and the complications of going through conflict resolution within a laboriously tangled bureaucratic process that serves little purpose for either party and often requires third-party intervention. Thus, discussions for a bi-partite dispute resolution mechanism were first proposed to JAAF in 2019 but the discussion has been prolonged because of the need to iron out rough edges.

Meanwhile, the COVID-19 pandemic necessitated urgent attention and the Hon. Minister of Labour at the time, Dinesh Gunawardena, convened the “*Tri-partite Taskforce on COVID-19 related Labour Issues*” in May 2020. This Taskforce chaired by the Hon. Minister was able to negotiate a principal issue. It was, “no employee should be removed from the pay-list on any COVID-19 related issue” and under the current Minister of Labour, Hon. Nimal Sripala De Silva, it was decided to “*establish bi-partite Factory Health Committees (FHC) to monitor and regulate the implementation of COVID preventive measures in all factories as announced by health authorities*”

While there were employee complaints about the lack of initiatives in their factories to establish FHCs and the labour department’s disinterest in implementation of the Taskforce decision, the second COVID-19 wave that broke out from the Minuwangoda and Peliyagoda fish market in October 2020, spread across the country disrupting production in the export manufacturing sector and impacted social life in the country with lockdowns and isolation in very many areas. This also resulted in an abrupt reduction of employment - very clearly in the apparel sector - leading to frictions and disputes between employees and management.

We, therefore, saw the necessity of re-opening the pre-COVID negotiations with JAAF that were re-initiated in May 2021. Discussions were not easy and were not expected to be easy. Yet with optimism, determination and expectations, both parties showed commitment and the need to compromise for bi-partisan resolution of workplace issues. After over seven months we were able to agree on a bi-partisan framework for future interventions with a clear memorandum of understanding that certainly marks a historic intervention in employer-employee relations.

This is the first time an industrial sector is represented in a bi-partite agreement with worker representatives. This is also the first time a bi-partite dispute resolution mechanism has been agreed upon between the two parties. This is also the first time both employer and employee representatives have agreed on workplace health management through bi-partite health committees in the apparel industry.

Beyond the COVID-19 pandemic and FHCs, the Statement of Interest signed between JAAF and our trade unions also agreed to “... resolve that JAAF and Trade Union members of the Trade Union Collective will work together to determine the impact of the pandemic on apparel workers in Sri Lanka and to discuss ways and means to address the issues related to the lost wages and other incomes of the employees.” While we do not see this as an easy task to achieve, the acceptance that employees have lost due wages and bonuses during the COVID-19 pandemic, and the bi-partisan approach agreed upon is what we appreciate and will work on.

Reaching out to the future, we have agreed “to establish a Bipartite Dispute Resolution Mechanism to address any alleged violations of worker rights” in factories and workplaces. It is important to note that for the first-time history “worker rights” have been accepted by employers and “The JAAF and Unions agree that Freedom of Association and the Right to Collective Bargaining which are enshrined in the constitution of Sri Lanka are fundamental Human Rights that must be respected by all parties.”

We believe that we have created a new opening for employer-employee relations to be fostered with mutual respect and with less friction. A new focus that could lead to modern bi-partisan democratic traditions in management providing a holistic approach to human resources in the apparel industry with human resource development and improvement, instead of the mere management of resources.

We, therefore, expect other industrial sectors and trade unions to replicate this approach of bi-partisanship in developing industrial peace and stability at less cost for mutual benefit and the benefit of the national economy.



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**Anton Marcus**

Joint Secretary

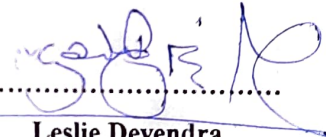
Free Trade Zones & General Services  
Employees Union



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**Palitha Athukoarale**

President

National Union of Seafarers Sri Lanka &  
National Union of Migrant Workers  
Sri Lanka



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**Leslie Devendra**

General Secretary

Sri Lanka Nidahas Sewaka Sangamaya