

Garment Workers' Situation Report January 2026 – March 2026

The Dabindu Collective initiated this series of Situation Reports to document issues of apparel and garment sector workers, particularly women. This is the second quarterly report for 2026 documenting the status of women workers from garment factories in Katunayake, Biyagama, Kilinochchi, and Vavuniya from January 2026 to March 2026.

This report provides a background of Sri Lanka's economy and the apparel and garment sector's socioeconomic context. Situated within this context, the report delves into worker issues on the themes of wages, work hours, job security, climate crisis and labour conditions, occupational health and safety, SRHR, and sexual and gender-based violence in the world of work.

As a feminist labour and women's rights organization, Dabindu follows worker issues through the collective spaces that we host. Through structured and unstructured group discussions with workers based in the 4 locations mentioned above, and individual case handling, we document and report the issues present here. Based on ethical principles, we do not disclose private details of workers, and omit specificities that can be used to trace workers in order to protect them against retaliation from manufacturing companies and to protect the trust that workers place in us.

Context

The period of January - March 2026 reflects a moment of uneven recovery, where ongoing economic stabilisation efforts coexist with structural vulnerabilities that continue to shape women's participation and conditions within wage labour. Sri Lanka's macroeconomic environment during this period remained fragile, characterised by slowing growth, external shocks, and constrained fiscal space. While projections by the World Bank estimate GDP growth to decline to approximately 3.5 percent in 2026, recent data from the Central Bank of Sri Lanka indicate that the economy recorded a 5.0 percent growth in 2025 and showed signs of post-Cyclone recovery in early 2026. However, this recovery remains highly vulnerable to external disruptions. The aftermath of Cyclone Ditwah in late 2025 continued to affect livelihoods and infrastructure, particularly for already vulnerable communities, reinforcing uneven recovery patterns across regions and sectors.

At the same time, global geopolitical tensions intensified in late February 2026, contributing to sharp increases in global energy prices and trade disruptions. The Central Bank highlights that these developments necessitated upward adjustments in domestic energy prices, with inflation, though relatively low at 1.6 percent year-on-year in February 2026, expected to rise toward the target level of 5 percent in the coming months due to energy-related pressures. In response to fuel shortages and supply constraints, the government reinstated the fuel quota system in March 2026, imposing limits on fuel consumption that directly affected workers' mobility, commuting time, and daily expenses. Although the external sector showed some resilience, with gross official reserves increasing to USD 7.3 billion by February 2026, the Central Bank notes that ongoing geopolitical tensions pose continued risks to tourism, remittances, trade flows, and exchange rate stability.

Like many structural challenges shaping the economy, macroeconomic pressures; rising energy costs, transport constraints, and uncertain external conditions are not evenly distributed. They are experienced most acutely at the household level, where women workers, particularly in wage-dependent sectors such as apparel manufacturing, are required to absorb the combined effects of income instability, rising living costs, and constrained mobility, while continuing to manage unpaid care responsibilities.

The first quarter of 2026 also marked an important phase in Sri Lanka's labour policy landscape, with both legal advancements and increased advocacy for systemic reform. The ratification of ILO Convention 190 on the elimination of violence and harassment in the world of work represents a significant commitment by the state to address workplace-based violence, particularly affecting women workers. However, national-level discussions, led by trade unions and worker collectives, have highlighted that ratification alone is insufficient without corresponding domestic legislation, enforcement mechanisms, and accessible grievance processes. In this regard, the proposals advanced by the Free Trade Zone Labour Collective in March 2026 provide a comprehensive framework for rethinking labour governance in Sri Lanka. These proposals call for a transition toward a worker-centred labour law framework that is democratic, gender-just, sector-responsive, climate-conscious, and grounded in rights-based principles.

The reform proposals identify several structural gaps in the existing labour system. These include limited space for collective bargaining due to restrictive trade union recognition

thresholds, weak enforcement of working time regulations, and the expansion of precarious employment arrangements such as contract and manpower-based labour. The Collective advocates for reforms such as lowering the threshold for union recognition, enforcing an eight-hour workday and a 40-hour workweek, strengthening protections against arbitrary dismissal, and ensuring that labour laws respond to the realities of export-oriented sectors. Importantly, the proposals also foreground gender justice by recognising unpaid care work, calling for improved maternity protections, and emphasising the need for workplace policies that support women's participation in paid employment. In addition, the inclusion of climate-conscious labour governance highlights the growing need to integrate occupational safety and environmental risks into labour policy frameworks. These proposals reflect an emerging shift toward viewing labour rights not only as regulatory obligations but as central to achieving equitable and sustainable economic recovery.

Ongoing labour reform discussions in Sri Lanka reflect an attempt to address long-standing structural and institutional challenges within the labour market, particularly in sectors such as apparel. The proposed integrated labour law framework, currently under review by the National Labour Advisory Council seeks to consolidate previously fragmented legislation into a unified system covering trade unions, general labour provisions, occupational safety and health, and termination of employment. Framed as a means to promote industrial peace, improve efficiency, and align with international standards, the reforms also introduce provisions with direct implications for women workers, including clearer regulations on night work, social protection, and the possibility of employer-supported transport or safe accommodation where requested by workers and trade unions. At the same time, tensions between policy commitments and economic realities remain evident. Although a minimum wage increase to LKR 30,000 was gazetted for January 2026, its implementation has been delayed in practice due to industry-level constraints, with employers citing difficult economic conditions. This highlights a persistent gap between formal labour protections and their realisation, raising questions about the extent to which current reforms can substantively improve working conditions and livelihoods, particularly for women concentrated in labour-intensive sectors.

The gendered impact of health, workplace, and climate-related risks further complicates these dynamics. As women dominate production-floor roles in the garment industry, they disproportionately bear the burden of occupational hazards that are increasingly intensified

by climate variability. Heat stress, in particular, has emerged as a critical concern, with studies indicating that up to 81% of workers in apparel SMEs experience heat-related strain due to high humidity and inadequate thermal regulation. This not only results in immediate health effects such as dehydration, headaches, and fatigue, but also contributes to reduced concentration and a higher incidence of workplace injuries, including needle-prick accidents. Beyond heat, broader environmental risks, including flooding, extreme weather events, and inadequate infrastructure, expose workers to unsafe and sometimes contaminated working and living conditions, amplifying vulnerabilities to respiratory, gastrointestinal, and skin-related illnesses.

These overlapping risks intersect with persistent challenges related to sexual and gender-based violence (SGBV) in the world of work. Sri Lanka's ratification of the ILO Convention No. 190 represents a significant policy milestone, as it commits the country to adopting an inclusive, integrated, and gender-responsive approach to preventing and addressing violence and harassment. However, the effectiveness of such commitments depends heavily on implementation. Structural barriers, including fear of retaliation, limited trust in reporting mechanisms, and entrenched workplace hierarchies continue to prevent many workers from seeking redress. In this context, the convergence of climate stressors, workplace health risks, and gendered vulnerabilities underscores the need for labour reforms that move beyond formal legal alignment to prioritise enforcement, worker-centred protections, and resilient systems capable of addressing both environmental and social dimensions of risk.

Taken together, the period of January-March 2026 reflects a complex intersection of economic instability, labour reform, and structural inequality. For women garment workers, macroeconomic pressures, sectoral restructuring, and climate-related risks are not abstract phenomena but lived realities that shape their wages, working conditions, health, and access to rights. While ongoing policy developments, including labour law reforms and worker-centred proposals, signal important progress, the gap between legal commitments and implementation remains significant. The themes explored in this report must therefore be understood as interconnected dimensions of a broader challenge: ensuring that economic recovery translates into equitable, safe, and dignified work for women in Sri Lanka's garment sector.

Labour Rights & Employment Conditions

Labour rights concerns during the reporting period reflected how intensified production demands and insecure employment arrangements are reshaping working conditions across Katunayake, Biyagama, Vavuniya, and Kilinochchi. While statutory protections exist under Sri Lanka's Shop and Office Employees Act, the Wages Boards Ordinance, and relevant Gazette orders, workers' experiences indicate that workplace practices frequently bypass or dilute these protections, particularly in contexts of economic pressure and restructuring.

In Vavuniya, contract workers reported being required to meet production targets of up to 240 units per hour which is well above standard industry benchmarks, while being restricted to only 1.5 days of leave per month, with no flexibility for emergencies. In Kilinochchi, contract workers described being assigned targets of 80-100 units per hour while simultaneously operating two machines, alongside compulsory Saturday overtime. In Katunayake, the nature of labour violations appears more layered, particularly as they affect permanent workers whose contracts formally guarantee protections that are not realised in practice. Evidence points to three overlapping mechanisms. First, overtime allowances are recorded but not fully paid: production-linked payments are reflected on payslips, yet corresponding overtime rates are not consistently received. Second, the allocation of "leave" operates as a cost-management strategy rather than a benefit, reducing the number of payable working days and, consequently, monthly earnings. In some cases, this occurs alongside mandatory weekend overtime that is only partially compensated, while workers continue to perform physically demanding tasks. Third, target-driven pressures contribute to job insecurity, with reports of dismissals occurring without clear justification and productivity expectations set at levels that leave little margin for error. Even where overtime is compensated, rates remain low relative to the intensity of work and associated health risks, including exposure to dust and chemicals.

These practices are particularly significant in the current economic context. Although the national minimum wage was increased to LKR 30,000 per month from January 2026, gaps between statutory provisions and workplace realities limit its impact. Earnings are undermined when overtime payments are incomplete, working days are reduced without predictability, or employment is insecure. For women, who make up the majority of the production workforce, these shortfalls carry broader implications. Many workers contribute

to household income while also managing unpaid care responsibilities, meaning that fluctuations in wages have immediate effects on household stability. Structural constraints, including transport limitations and the rising cost of living following the 2022–2023 economic crisis, further reduce workers' capacity to absorb income variability.

In this context, what are often framed as technical irregularities in wage practices can be understood more broadly as mechanisms that sustain economic vulnerability within the workforce, particularly for women concentrated in labour-intensive sectors.

Occupational Safety, Health & Welfare (OSH)

Workplace health, safety, and welfare conditions remain uneven across garment sector workplaces, with several gaps observed in the implementation of existing regulations. In Katunayake, Biyagama, and Vavuniya, workers reported concerns related to food safety in factory-provided meals, including the presence of foreign materials such as glass, metal fragments, and, in some instances, spoilage. In several instances, complaints raised through internal mechanisms such as the ERB (Employee Relations Board) did not result in corrective action, indicating accountability gaps.

Concerns related to sanitation, water access, and rest facilities were particularly evident in Vavuniya. Workers described limited access to clean and adequate restroom facilities, restrictions around footwear in toilet areas, and practices that discouraged frequent water consumption. Break times were also reported to be relatively short in relation to long working hours, constraining opportunities for rest and personal needs. These conditions fall short of the minimum welfare provisions outlined in the Factories Ordinance, which establishes standards for workplace sanitation, ventilation, and worker welfare. Reports of limited access to appropriate medical care, including uniform treatment for different illnesses, further point to gaps in occupational health provision, particularly for contract workers.

Exposure to workplace hazards also remains a concern. In Katunayake, workers reported exposure to fabric dust and chemical residues, with associated symptoms such as persistent coughing and physical indicators consistent with prolonged exposure. In Biyagama, excessive heat generated by machinery was identified as contributing to uncomfortable and potentially unsafe working conditions. Available research suggests that a large proportion of

garment workers experience heat stress, dehydration, headaches, and respiratory issues linked to poor indoor air quality. These risks are likely to intensify amid broader climate variability, underscoring the need for more effective occupational safety and health (OSH) measures.

In response to such concerns, recent proposals for OSH reform, including those advanced by labour groups emphasise the need for stronger regulatory oversight, regular workplace monitoring, and expanded employer responsibility for worker health. Suggested measures include insurance coverage for both permanent and contract workers against occupational hazards, as well as more time-bound processes for compensation related to workplace injury and illness. Together, these discussions highlight the importance of strengthening both enforcement and accountability mechanisms to ensure that existing standards translate into consistent workplace practice.

Climate Disaster Impact

Climate-related vulnerabilities during the reporting period illustrate how environmental shocks translate into direct economic and health impacts for workers, particularly where institutional responses fail to provide adequate protection. The Free Trade Zone Labour Collective (FTZLC) has highlighted that the exclusion of workers, trade unions, and labour stakeholders from climate policy discussions has contributed to increased worker vulnerability. The two climate-linked cases documented in this period reflect this dynamic clearly: disaster relief was converted into a wage deduction, and workplace heat, intensified by broader temperature increases, emerged as an unaddressed occupational risk.

In Kilinochchi, workers affected by Cyclone Ditwah received dry ration relief as part of the disaster response. However, the value of these relief items was subsequently deducted from monthly wages. This effectively transformed humanitarian assistance into a cost borne by workers, undermining the purpose of relief interventions and shifting the burden of recovery onto those already affected by the disaster. In the absence of worker-sensitive disaster protocols, such practices highlight how climate shocks can deepen economic vulnerability rather than mitigate it.

In Biyagama, excessive heat generated within factory environments created unsafe and uncomfortable working conditions. While heat exposure is an occupational safety concern, it

is increasingly shaped by broader climate trends. National heat advisories issued in 2026 indicate rising heat index levels across Sri Lanka, with risks including dehydration, fatigue, and reduced physical tolerance. In enclosed production settings with limited ventilation, these conditions are intensified, increasing the likelihood of heat stress. Worker health data further indicates that approximately 81.25% of apparel SME workers report symptoms associated with heat stress, underscoring the scale of the issue.

Together, these cases demonstrate how climate-related risks are experienced at the workplace level, both directly and indirectly. Without clear regulatory responses and disaster-sensitive protections, environmental shocks such as cyclones and rising temperatures continue to translate into economic and health burdens for workers.

Social Justice, Equity, SRHR & Access to Rights

The cases in this section highlight how contract employment structures in Kilinochchi and Vavuniya shape access to basic rights, particularly in relation to health, reproductive well-being, and workplace equity. Workers in these contexts face constraints not only due to their employment status, but also due to gaps in the application of existing protections. The Free Trade Zone Labour Collective (FTZLC) links these challenges to limited collective bargaining coverage and the absence of gender-responsive labour governance frameworks.

A key concern relates to the treatment of health-related leave. In Kilinochchi, a worker who took approximately 10–12 days of sick leave was issued a formal warning letter and informed that no further leave could be taken for a period of three months. This reflects a punitive approach to illness that discourages workers from accessing necessary care, while also indicating the absence of effective sick leave protections in practice. Proposals for reform have emphasised the need for a minimum of 2.5 days of paid sick leave per month, highlighting the gap between policy recommendations and current workplace realities.

Reproductive health concerns are also evident. In Kilinochchi, a pregnant worker continued physically demanding, standing-based work in a production department until two days before childbirth. Subsequent health complications reported in relation to the newborn raise concerns about the adequacy of workplace accommodations during pregnancy. In another case, menstrual hygiene products provided at the workplace were subject to a salary deduction of approximately LKR 10 per unit, creating a direct cost barrier to accessing

necessities. These examples point to broader gaps in the implementation of reproductive health protections, particularly for contract workers who may fall outside the effective scope of existing legislation, such as the Maternity Benefits Ordinance. While national policies recognise maternal protections, their application within export manufacturing settings remains uneven.

Workplace equity concerns further reinforce these patterns. In Kilinochchi, a worker with over 10 years of service described promotion practices influenced by personal relationships with management rather than experience or performance. In the absence of transparent and merit-based systems, such practices limit upward mobility and reinforce structural inequalities within the workplace. The FTZLC has proposed measures, including stronger non-discrimination protections and increased representation of women in labour governance structures, to address these issues.

Overall, these cases demonstrate how gaps in enforcement and policy application restrict access to health, reproductive rights, and fair workplace practices.

Gender-Based Violence and Harassment

Gender-based violence and harassment during the reporting period reflect the distinctly gendered nature of workplace vulnerabilities, where women workers experience layered risks shaped by power, precarity, and social norms. As highlighted by the United Nations Population Fund, gender-based violence is not only an individual harm but a structural issue rooted in unequal power relations that are often reinforced within workplaces. This framing is evident in the patterns observed across cases, where violence and harassment are both direct and embedded in everyday interactions.

Across cases, those affected were predominantly contract workers, underscoring how insecure forms of employment heighten exposure to abuse while limiting the ability to seek redress. In Katunayake, a reported case involved a worker experiencing harassment within a context shaped by hierarchical workplace dynamics. In Vavuniya, multiple cases pointed to frequent verbal abuse by supervisors and other staff, alongside instances of inappropriate behaviour and advances by individuals in positions of authority. Workers also described how internal complaint mechanisms were used against them, creating fear around reporting and reinforcing silence.

In Kilinochchi, workers described environments where scolding and demeaning language were routine responses to unmet production targets. These practices, while often normalised, contribute to a broader climate of intimidation where workers feel unable to challenge abusive behaviour.

Conclusion

The themes documented across this report, unpaid wages, denied leave, unsafe food, workplace harassment, disaster relief converted into debt, are not isolated incidents. They are predictable outcomes of a labour system where the form of employment has outpaced the reach of legal protection. The garment sector's shift toward contract and manpower arrangements has occurred without corresponding legislative adjustment. Sri Lanka's National Social Protection Strategy (2025–2035) recognises this gap: informal and contract workers remain largely outside contributory social insurance schemes, and their inclusion through EPF and ETF coverage, flexible contribution mechanisms, and stronger Department of Labour outreach is identified as a core priority. It also commits to shock-responsive social protection, a gender-transformative approach, and at least 90% minimum wage compliance. These are important commitments, but national ambition does not automatically translate into practice at the factory level, particularly in a sector shaped by strong employer-worker power imbalances.

Translating these commitments into practice requires three shifts that current frameworks do not adequately provide. First, legal coverage must follow the nature of work rather than the form of the contract. Maternity protections, minimum wage enforcement, EPF and ETF contributions, and occupational safety and health standards should apply equally to contract and manpower workers. At present, linking entitlements to employment classification allows employers to avoid obligations by changing how workers are engaged rather than how they are treated. Second, enforcement must be independent of employers. Internal grievance mechanisms, whether for food safety or harassment, have often failed to deliver redress and, in some cases, have been used against those who report. Effective enforcement requires stronger labour inspection capacity beyond Free Trade Zones and grievance systems where workers' job security is not tied to the outcome. Third, policy must recognise the household as the unit of impact. Women workers carry unpaid care responsibilities alongside paid work, and when wages are withheld or jobs become insecure, the effects are immediate and

severe at the household level. Policies that overlook this reality risk underestimating both harm and required intervention.

Sri Lanka is not short of policy commitments. The convergence of International Labour Organization Convention 190 ratification, proposed labour law reforms, and a ten-year national social protection strategy signals a meaningful opportunity. However, openings close without implementation, and implementation requires the participation of the workers these policies are meant to serve. Union recognition thresholds that exclude many factory workers, complaint systems controlled by employers, and social insurance schemes that fail to reach contract workers are not accidental gaps but structural features of the system. Addressing them requires not only new legislation but a shift in relationships between the state, employers, and workers, one that recognises women on production floors as rights-holders whose lived experiences are essential to assessing whether policy is truly working.