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Conference Theme: Global Supply Chains and Implications for labour

Abstract:

Export Processing Zones, Economic Liberalisation and the Impact on Labour in Sri Lanka

This year marks forty years of economic liberalisation policies in Sri Lanka. Following the structural adjustment programmes initiated by the World Bank and International Monetary Fund in 1977, Sri Lanka moved towards an industrialised export-oriented economy. The first of the Export Processing Zones (EPZ) was set up in 1978 and now more than 10 EPZs located near urban centres are in operation. Subsequently, there has been a sharp increase in migration of labour, including significant number of women workers, from rural to urban and transnational locations. Garment exports, where a majority of migrant labour is absorbed by factories located in EPZs, became one of the main foreign exchange earners for Sri Lanka. With the integration of global supply chains, workers are also linked to the EPZs in precarious forms of employment via sub-contracted and informal production activities in the hidden assembly-lines.

A look back at the decades after liberalisation reveals the deterioration of labour standards and exploitation of rural labour. Trade Unions have played a defining role in the history of labour in Sri Lanka. However, the setting up of EPZs was also a strategy to circumvent the strong tradition of labour protections ensured to workers. The weakening of the labour movement along with the implementation of liberalisation and global value production over the years have contributed to the current predicament of distressing labour conditions in Sri Lanka.

This paper will discuss the changes to labour configuration and labour conditions in forty years of economic liberalisation, by focusing on garment factory workers in EPZs in Sri Lanka. The paper draws from my Master's thesis as well as recent workshops and interviews with garment factory workers. It will present a historical overview of the early years of the shift towards liberalisation, of the first IMF structural programme in 1977 and the changes in the rural economy, including the push factors contributing to their migration from rural to urban areas, and the pull factors of global value production drawing workers to EPZs. While disruptions in the configuration of global value production are visible, the current Sirisena-Wickremesinghe regime is pushing for continuing an accelerated programme of global integration via global value chains and enhancing labour 'flexibility' via labour reforms.

The central question in the paper is the challenges for organised labour with the acceleration of neoliberal policies by the Sri Lankan Government, changes to global supply chains and the rise of economic nationalism. It will engage the recent theorisation of global supply chains and possibilities for labour organisation, struggles and resistance against anti-labour state policies. The paper hopes to contribute to the discussions on contemporary forms of labour organising and the strategies of trade unions challenging labour reform by the state.

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