



JOBS IN SEZs:

Migrant garment factory workers in Tak, Thailand

Special economic zone (SEZ) development in the Greater Mekong Sub-region (GMS) has been expanding in recent years. Designed to capture foreign investment and accelerate regional economic integration, three SEZs are being established in Myanmar, along with roughly 30 in Cambodia, 10 in Thailand, and over 30 in other GMS countries. The garment industry, a prominent labour-intensive industry within the sub-region, is operating in these spaces. SEZs, offering investment privileges, quality infrastructure, and weakened labour protections, are attractive locations for garment manufacturers seeking low production and labour costs. Although women represent the majority of the sector's workforce, they are often concentrated in the lowest-paying positions with the least recognised skills. The challenges that women workers face are compounded when they are also migrants, as migrant workers experience unique vulnerabilities. Within the GMS, manufacturing

production in SEZs increasingly hinges on both internal and cross-border migrant labour.

The Mekong Migration Network (MMN) and Asian Institute of Technology (AIT), supported by Canada's International Development Research Centre (IDRC), jointly implemented a research and advocacy project from 2016 to 2019, investigating labour and migration issues in Mekong SEZs through a gendered lens. Guided by the question of whether the jobs being created within these zones are promoting decent work for women migrant workers, this study developed four case studies of SEZs: Thilawa SEZ (Yangon Region, Myanmar), Phnom Penh SEZ (Phnom Penh, Cambodia), Manhattan SEZ (Svay Rieng Province, Cambodia), and Tak SEZ (Tak Province, Thailand), with a particular focus on the garment industry.

From May 2017 to July 2018, MMN project partners surveyed garment factory workers across the four study areas. 700 respondents

completed a questionnaire – 200 each in Yangon, Tak, and Phnom Penh, respectively, and an additional 100 respondents in Svay Rieng. Between July 2018 and February 2019, in-depth interviews with select women garment factory workers, along with key informant interviews with representatives of SEZ management committees, employer associations, factory owners, trade unions, and civil society organisations, were conducted in each location.

Based on the results of an analysis of the study's primary data as well as a literature review, four key themes emerged as requiring special attention in order to realise decent work for women migrant garment factory workers in Mekong SEZs. These areas were: working conditions, labour organising, skills development and recognition, and care work. The impact of SEZ development on workers' mobility was also highlighted in an analysis of these themes. Below, we highlight the findings in Tak SEZ.

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SEZs and Workers' Mobility



Thailand's Tak SEZ, adjacent to the Myanmar border town of Myawaddy, is being developed, in part, to capitalise off of existing "cheap" migrant labour and limit the mobility of migrants. This has been done by means of policies sanctioning the employment of temporary migrant workers and limiting their movements to select SEZ provinces such as through Section 64 of the Royal Ordinance Concerning the Management of Foreign Workers B.E. 2560. Section 64 allows Burmese nationals registered in Myawaddy and hold a border pass to stay and work in the border area of Thailand. However they are not allowed to move to other provinces/ districts and they are given short stay permit (one month) and work permit (three months). This is expected to make both employers easier to hire workers, but workers will have less employment securities, since they will not be covered by social security or gain long term contracts.

Working Conditions in SEZs



In Tak SEZ – where precarious labour arrangements and rights infringements were the norm prior to the area's designation as an SEZ – the majority of respondents reported wages and working conditions in violation of the labour law. Minimum wage is not paid for most of the respondents, and less than 10 per cent are entitled for any kind of paid leave. Compared to other SEZs in the study, the working condition in Tak SEZ has shown much worse level vis-à-vis the labor law. This study posits that differences in working conditions relative to national standards are determined, in part, by how governments and SEZ management value and market their workforce – whether as a showpiece for foreign buyers seeking to comply with labour standards, in the case of Cambodia, or as "disposable" workers satisfying firms' desires for the lowest labour costs, in the case of Thailand.



Labour Organising in SEZs

In Thailand, non-Thai workers are not able to organize their own labour union. Since almost all of the workers in Tak SEZ are Burmese migrants, it is not possible to form trade unions at Tak SEZ. Around 15 per cent of workers requested help from NGO, but in most of the cases, it was left up to the individual to negotiate directly with their employers.

Skills Development and Recognition in SEZs

In Tak SEZ, 30 per cent of respondents reported receiving skills training. However, most of the trainings respondents had received were on-the-job and centred around how to sew a specific garment. There was little evidence of skills standards being implemented in SEZ factories. Workers are confident of their skills but noted that their skills were not recognised, nor did they lead to position upgrades or wage increases. Even though there are workers who got promoted on the job, there is no relationship between number of years of experience in sewing and promotion, nor is there any relation between experience, promotion and current pay. The study found that the only way in which workers could increase their earnings were through working greater overtime hours or changing jobs. Although many respondents chose to work in the garment industry because of their interest or prior experience in



sewing, and accumulated skills on the job, channels for adequate skills recognition and career development were severely lacking.



Care Work Supports in SEZs

Despite the fact that the majority of women garment factory workers are of reproductive age, the study found that childcare supports were largely absent in SEZ and the role of mother that many workers perform is generally disregarded. In roughly half of respondents women workers cared for their children by themselves, showing that childcare done in the place of origin by other women are not the majority.



Photo credit: IDRC/Panos

Recommendations

In Tak SEZ, compared to SEZ in other countries, the working condition and other support for decent work is severely lacking. SEZs are expected to have the potential to support opportunities for decent work, the project's findings suggest that this potential has yet to be realised. In support of creating jobs that promote decent work and prioritise the rights and well-being of all workers, the following priority recommendations emerged from the study.

TO THE THAI GOVERNMENT:

1. Strengthen labour inspections and monitor the labour practices of factories. The focus of inspections should be on: minimum wage payment, deduction of wages, paid leave, overtime hourly rates, lower payment for trainees, confiscation of registration documents, and the practice of “deposits”.
2. Revise the labour law so that migrants can organise their own unions.
3. Revise Section 64 so that: (a) it allows workers to have stable employment by extending the stay permit period, (b) costs are reduced so that it becomes cheaper than the nationality verification scheme, (c) it allows dependents to accompany workers, and (d) it allows workers to register themselves and not be linked to employers.
4. Provide childcare facilities for workers' children.
5. Provide training to migrant workers for upskilling and reskilling.
6. Provide training to employers so that they are more aware of the labour law provisions, as well as the benefits of training workers.
7. Regularly promote and regulate social dialogue platforms for employers, buyers, employees, and governments to ensure safe and secure working environments.



TO THE MYANMAR GOVERNMENT:

1. Remove the requirement of having residency in Myawaddy in order to be eligible for a border passbook under Section 64.
2. Strengthen the monitoring of working conditions of Myanmar migrant workers in Mae Sot through active engagement of the Myanmar Labour Attaché.
3. Provide support to workers who launch a complaint to the Labour Inspectors.

TO EMPLOYERS:

1. Comply with the labour law in regards to minimum wage payment, overtime hourly rate payment, paid leave, and payment for trainees. Ensure that deductions are not applied and abolish the practice of “deposits”.
2. Ensure that copies of contracts and the original copies of registration documents remain in the possession of workers. This is a legal requirement.
3. Provide childcare facilities for employees.
4. Allow and support Workers' Welfare Committees to function as a discussion and negotiation forum between employers and employees.
5. Provide training to workers and ensure that the improved skills and experience of workers is reflected in their pay and opportunities for promotion. Tax exemption arrangements for training costs should be used more extensively.
6. Establish a mechanism for industry self-regulation. It is important to note that some employers are following the law and providing adequate working conditions and benefits to workers, while others are not. There is a need for employers to organise and hold each other accountable for compliance.