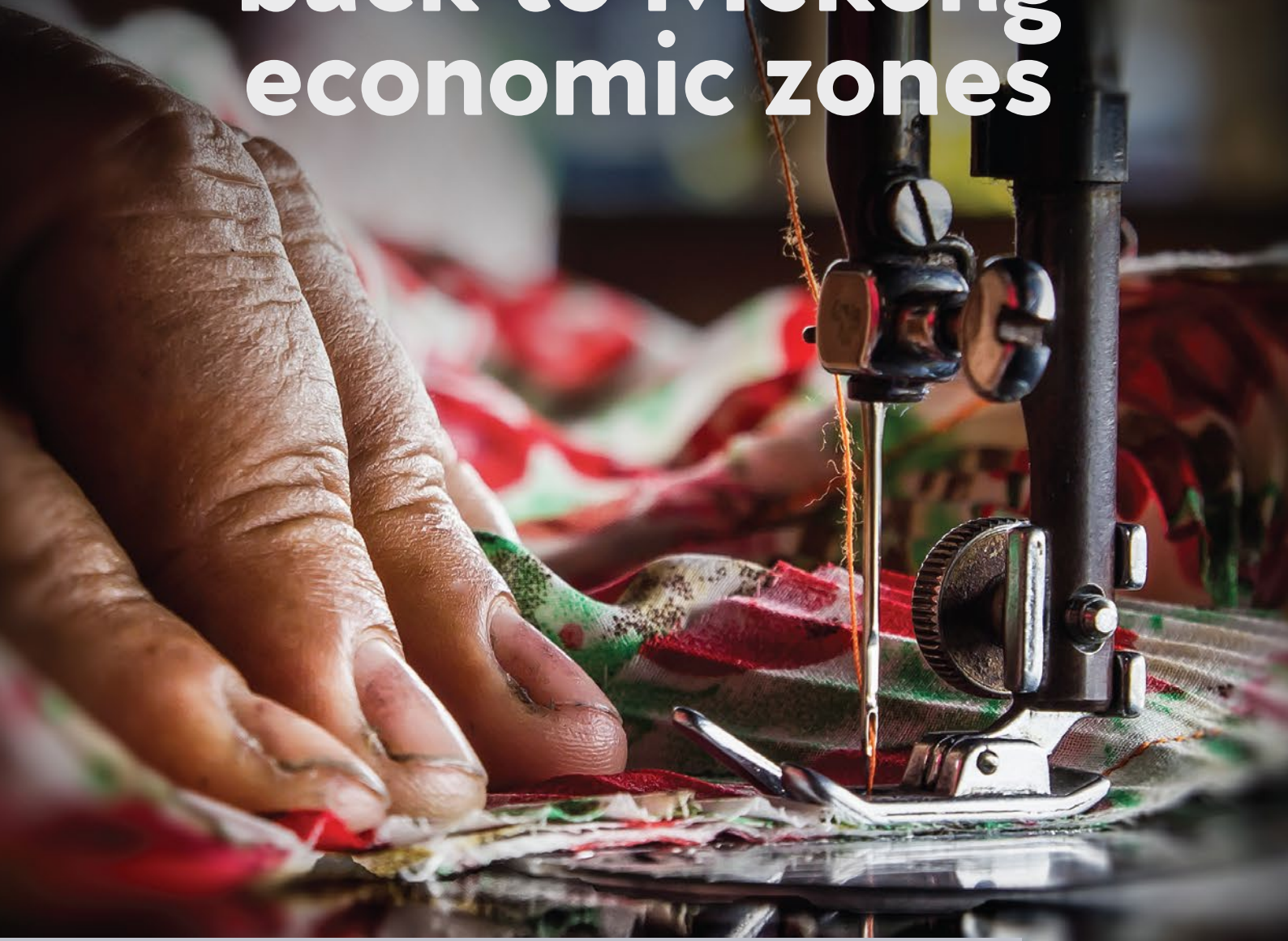


Bringing the ‘special’ back to Mekong economic zones



Garment factories set up within special economic zones in the Greater Mekong Sub-region are falling short of expectations for women and migrants.

Thousands of ‘special economic zones’ have been set up in three quarters of the world’s countries to attract foreign investment. These zones come with unique economic regulations, distinct from other parts of a country, offering tax incentives and lower tariffs to companies established within their borders.

The Mekong Migration Network (MMN) and Asian Institute of Technology

(AIT), supported by Canada’s International Development Research Centre (IDRC), investigated labour and migration issues, through a gendered lens, in SEZs established within the Greater Mekong Sub-region (GMS). This natural economic area around the Mekong River encompasses Myanmar, Cambodia, Vietnam, Thailand, Lao People’s Democratic Republic, and a part of southern China.

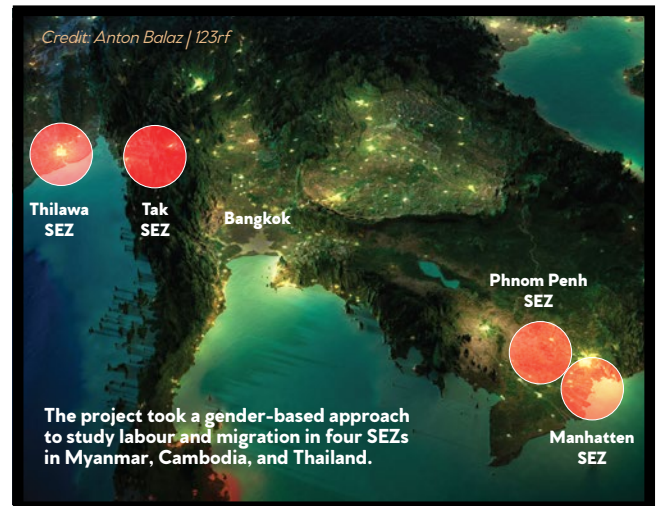
The garment industry in some SEZs attracts manufacturers seeking low production and labour costs.

SEZ development has been expanding in the GMS in recent years. Myanmar has three SEZs, while there are roughly 30 in Cambodia, ten in Thailand, and over 30 in other GMS countries. The garment industry is prominent within some SEZs in this sub-region, as investment privileges, quality infrastructure, and weakened labour protections are attractive for manufacturers seeking low production and labour costs.

Women represent the majority of this sector's workforce, but are often concentrated in the lowest paying positions with the least recognised skills. The challenges they face are compounded when they are also migrants. Within the GMS, manufacturing production in SEZs increasingly hinges on internal and cross-border migrant labour.

The IDRC-supported study focused its attention on the garment industries within Myanmar's Thilawa SEZ, Cambodia's Phnom Penh and Manhattan SEZs, and Thailand's Tak SEZ. It investigated whether the jobs created within these zones promote decent work (an International Labour Organization term meaning fair and secure employment) for women migrants. Between 2017 and 2018, the team surveyed

and conducted in-depth interviews with hundreds of respondents, including garment factory workers and owners, representatives of SEZ management committees, and members of employer associations, trade unions, and civil society organisations. Five key themes emerged.



Impacts on internal and cross-border migration

Labour migration is changing as more capital is invested in SEZs. The establishment of Cambodia's Manhattan SEZ has reduced migration out of the country, while the Phnom Penh SEZ, which is close to a major urban centre, is creating new rural-urban population movements. Myanmar's Thilawa SEZ is expected to become dependent on internal migrant labour from rural areas as markets in neighbouring towns are increasingly depleted. The Myanmar Government has also announced that

Social dialogue between employers, workers, buyers, government, and zone developers is key.





SEZ jobs will incentivise the return of cross-border migrant workers; an aspiration that has yet to be realised. Cambodia's Manhattan SEZ, on the border with Vietnam, has created local employment opportunities, reducing cross-border migration, while producing new internal rural-rural movements. Thailand's Tak SEZ, adjacent to the Myanmar border town of Myawaddy, is being developed, in part to capitalise on "cheap" migrant labour, with policies that sanction the employment of temporary migrant workers while limiting their movements.

Working conditions

There are substantial differences in the working conditions across the four SEZs. Wages and other entitlements are largely provided in accordance with the law in Cambodia's Phnom Penh and Manhattan SEZs. Some respondents from Myanmar's Thilawa SEZ reported labour rights issues, such as not receiving a copy of their contract or access to paid leave. The majority of respondents from Thailand's Tak SEZ reported that wages and working conditions are in violation of the country's labour laws.

The study team posits that working conditions are partly determined by how governments and SEZ management value and

market their workforce: whether as a show-piece for foreign buyers seeking to comply with labour standards, in the case of Cambodia, or as satisfying firms' desires for the lowest labour costs, in the case of Thailand.



Trade unions and workers' associations

Severe restrictions across all four SEZs limit workers' freedom of association and ability to operate trade unions. Respondents reported suppression of collective industrial actions, trade unions struggling to be established, and fear of retaliation when workers' associations are formed.

In Myanmar's Thilawa SEZ, Ms. Ei Ei, a 32-year-old garment factory worker says, "If we appointed worker representatives,

they could deal with the management if there are problems. But for now, there is no one because many of the workers come from rural areas and they are scared. We are still very far from having our own representative."

Trade union alliances and labour rights organisations outside the SEZs also expressed difficulties in accessing workers inside the zones to learn about their working conditions, share information on labour rights, and support potential cases of rights violations.

Skills development and recognition

Training programmes for garment factory workers have been introduced in all three countries, but most are on-the-job and centred on sewing specific garments.

Respondents also felt their skills were not recognised and did not lead to promotions or wage rises. "I'd say my skill level is 8 out of 10, but my wage is the same as a new worker," says Ms. Sophorn of Cambodia's Manhattan SEZ. Across the four study areas, the number of years worked in the garment industry did not lead to promotion within a job. The study found that workers were improving their employment earnings by working overtime or changing jobs.



An absence of dedicated daycare facilities often leaves workers in need of alternative means to care for their children.

Childcare

Childcare was largely absent in the studied SEZs. Factory-level daycare centers did not exist or were defective in Myanmar and Cambodia, even though national laws require them.

"I have never heard [of a factory nursery]," says 27-year-old Ms. Yu Yu, who works in a garment factory in Myanmar's Thilawa SEZ. "Workers can't take care of their own children. Some parents just leave their children around and it really surprises me. If I didn't have my mother, I would have to quit my job and it would be economically challenging for me."

Not there yet

The potential of Mekong SEZs to support decent work has not yet been realised. For this to happen, employers' implementation of labour law must be monitored and enforced. Regional standards for setting minimum living wages should be decided and implemented in Mekong countries. Pathways need to be designed for professional development and advancement. Social dialogue platforms for employers, employees, buyers, and SEZ management should be established to ensure safe and secure working environments. Workers should have access to core competency

training, such as on workplace communication, negotiation, problem solving, handling harassment, occupational health and safety practices, labour and human rights, gender equality, and self-confidence building. Daycare facilities should be established to ensure secure employment for working mothers.

"Special economic zones in the Mekong have fallen short of serving as 'demonstration areas' for countrywide labour reforms,"

report the Mekong Migration Network and Kyoko Kusakabe, professor of gender and development studies at the Asian Institute of Technology, Thailand. "It is paramount that Mekong country governments prioritise people's well-being over capital and uphold the right to decent work. The skills of garment factory workers must be recognised, and stakeholders across the region should facilitate their capacity development and social mobility."



Credit: Tep Mealea

Surveys and in-depth interviews were conducted with hundreds of respondents.

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