



JOBS IN SEZs:

Migrant garment factory workers
in the Mekong region



Founded in 2003, the Mekong Migration Network (MMN) is a sub-regional network of civil society organisations and research institutes working towards the protection and promotion of the rights of migrants and their families in the Greater Mekong Sub-region (GMS). The Asian Institute of Technology (AIT), founded in 1959, is a regional institution for higher education based in Pathumthani, Thailand.



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Mekong Migration Network (MMN)

Lead writers: Kyoko Kusakabe & Carli Melo

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P.O.Box 4, Klong Luang, Pathumthani, Thailand 12120

Tel: (+66) 25245000, (+66) 25160110-44

Fax: (+66) 25162126

Website: www.dds.ait.ac.th/jobs-at-the-border/

P.O. Box 195, Chiang Mai University,

Chiang Mai, Thailand 50200

Phone/Fax: (+66) 53 283259

Email: info@mekongmigration.org

Website: www.mekongmigration.org

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Carli Melo wrote chapters 1 and 2 of this report, while Kyoko Kusakabe wrote chapters 3, 4, and 5. Hayley Welgus edited the full report. Gautam Dadich made the map.

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TABLE OF CONTENTS

Acknowledgements	I
List of figures	V
List of tables	V
Acronyms	VII
Map of Study Areas	VIII
Executive Summary	IX
Chapter 1	
Introduction	1
1.1. Project Background and Methodology	1
1.2. Special Economic Zones	3
1.3. The Garment Industry and Women's Labour	4
1.4. Labour and Migration in the Mekong	5
1.5. Overview of the Chapters	7
Chapter 2	
Garment Factory Workers in a Myanmar Special Economic Zone	9
2.1. Myanmar's Special Economic Zones	9
2.2. Myanmar's Garment Industry	10
2.3. Labour and Migration in Myanmar	11
2.4. Study Areas	12
2.4.1. Thilawa Special Economic Zone	12
2.4.2. Hlaing Thar Yar and Shwe Pyi Thar Industrial Zones	13
2.5. Research Findings	14
2.5.1. Profile of Respondents	14
2.5.2. Migration and Work Histories	15
2.5.3. Working Conditions	16
2.5.4. Labour Organising and Dispute Resolution	22
2.5.5. Skills Upgrading and Validation	24
2.5.6. Care Work	25
2.6. Discussion and Recommendations	28
Chapter 3	
Garment Factory Workers in Cambodia's Special Economic Zones	31
3.1. Cambodia's Special Economic Zones	31
3.2. Cambodia's Garment Industry	32
3.3. Labour and Migration in Cambodia	33
3.3.1. Internal Migration	33
3.3.2. Working Conditions	34
3.4. Study Areas	37
3.4.1. Phnom Penh Special Economic Zone	37
3.4.2. Manhattan Special Economic Zone	38

3.5. Research Findings	39
3.5.1. Profile of Respondents in Phnom Penh	39
3.5.2. Migration and Work Histories	40
3.5.3. Working Conditions	42
3.5.4. Labour Organising	45
3.5.5. Skills Upgrading and Validation	45
3.5.6. Care Work	46
3.6. Manhattan Special Economic Zone	48
3.6.1. Profile of Respondents in Svay Rieng	48
3.6.2. Migration and Work Histories	49
3.6.3. Working Conditions	51
3.6.4. Labour Organising	52
3.6.5. Skills Upgrading and Validation	53
3.6.6. Care Work	54
3.7. Discussion and Recommendations	55
Chapter 4	
Garment Factory Workers in a Special Economic Zone in Thailand	59
4.1. Thailand's Special Economic Zones	59
4.2. Thailand's Garment Industry	60
4.3. Labour and Migration in Thailand	61
4.4. Study Area	64
4.4.1. Tak Special Economic Zone	64
4.5. Research Findings	67
4.5.1. Profile of Respondents	67
4.5.2. Migration and Work Histories	67
4.5.3. Working Conditions	69
4.5.4. Labour Organising and Dispute Resolution	72
4.5.5. Skills Upgrading and Validation	73
4.5.6. Care Work	75
4.6. Discussion and Recommendations	76
Chapter 5	
Sub-regional Discussion	79
5.1. Impact of SEZs on Workers' Mobility in the Mekong	79
5.2. Impact of SEZs on the Working Conditions and Labour Rights of Workers in the Mekong	80
5.3. Impact of SEZs on Workers' Skills Recognition and Development in the Mekong	82
5.4. Impact of SEZs on Workers' Ability to Care for Their Children and Other Family Members in the Mekong	84
5.5. Sub-regional-level Recommendations	85
References	86
Appendix	92

LIST OF FIGURES

Figure 2.1. International garment exports from Myanmar (total value)	10
Figure 3.1. Legal minimum monthly wage in Cambodia for garment workers (nominal wage and real wage) and annual textile and clothing export values	34
Figure 4.1. International garment and textile exports from Thailand (total value and export product share)	61
Figure 4.2. Number of registered migrant workers in Thailand (2013-2019)	63

LIST OF TABLES

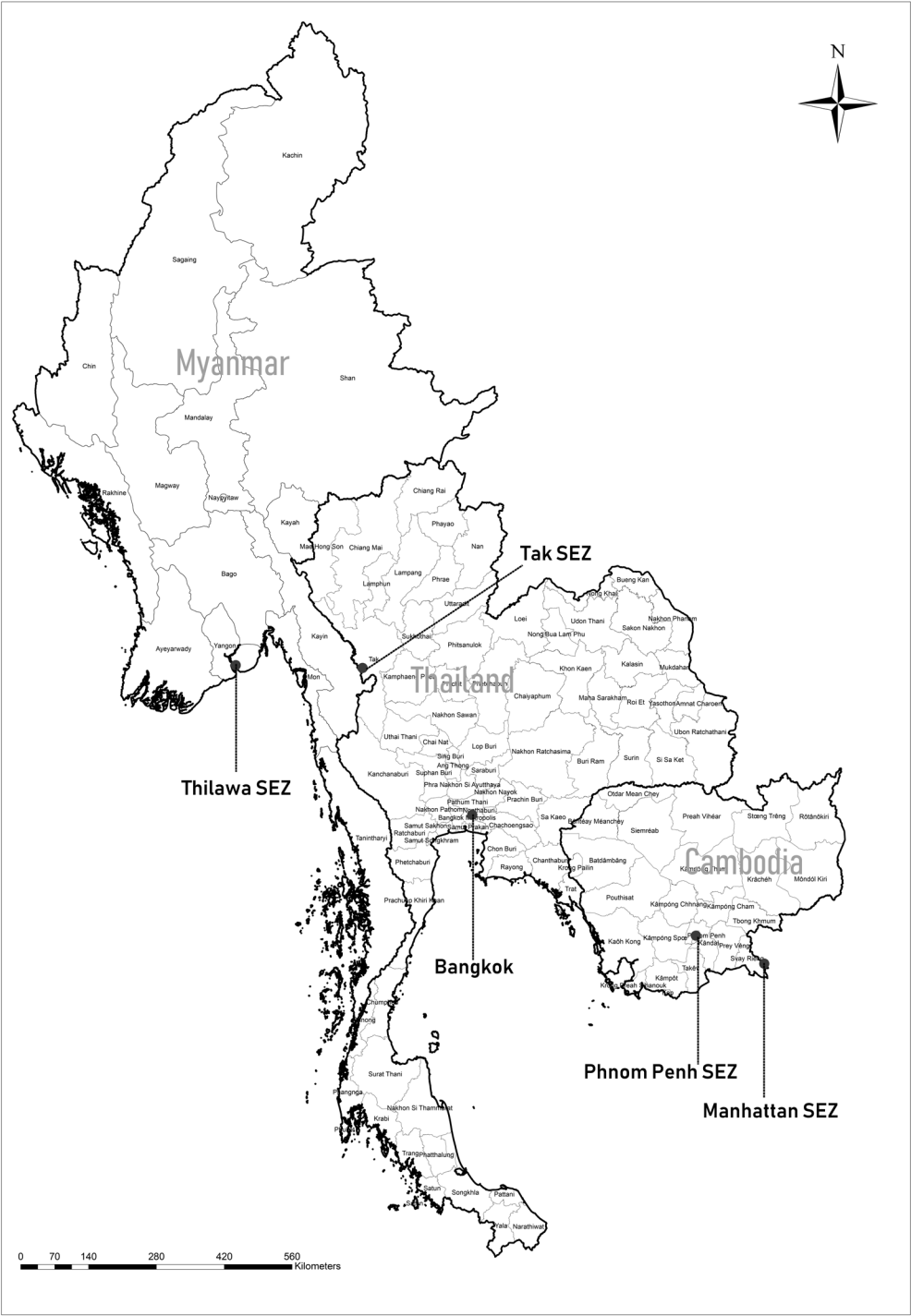
Table 1.1. Socio-economic data for Myanmar, Cambodia, and Thailand	6
Table 2.1. Profile of questionnaire respondents in Yangon (by location and sex)	15
Table 2.2. Average monthly earnings and average weekly overtime of respondents (by location and sex)	18
Table 2.3. Benefits, allowances, and deductions (by location)	20
Table 2.4. Entitlement to paid leave (percentage by location)	21
Table 2.5. Childcare arrangements (percentage by location)	26
Table 2.6. Remittances (by location and sex)	27
Table 3.1. Profile of questionnaire respondents in Phnom Penh (by location and sex)	40
Table 3.2. Work history of respondents (percentage of respondents by location and sex)	40
Table 3.3. Reasons for changing jobs (multiple responses; percentage of responses by location and sex)	41
Table 3.4. Average monthly earnings and average weekly overtime of respondents (by position, location and sex)	42
Table 3.5. Benefits and allowances (percentage by location and sex)	43
Table 3.6. Entitlement to paid leave (percentage by location and sex)	44
Table 3.7. Childcare arrangements of women respondents (percentage by location)	47
Table 3.8. Care givers for family members that need care (multiple choice; percentage by location and sex)	47
Table 3.9. Care plan of respondents (percentage by location and sex)	48
Table 3.10. Profile of women respondents in Bavet, Svay Rieng (by migration status)	48
Table 3.11. Reasons for working in the SEZ (percentage of women by migration status)	49
Table 3.12. Work history of respondents (percentage of women by migration status)	50
Table 3.13. Reasons for changing jobs (percentage of women by migration status)	50
Table 3.14. Average monthly earnings and average weekly overtime of women respondents (by position and migration status)	51
Table 3.15. Benefits and allowances (women respondents by migration status)	51
Table 3.16. Entitlement to paid leave (percentage of women by migration status)	52

Table 3.17. Reasons for working in the garment industry (percentage of women by migration status)	53
Table 3.18. Childcare arrangements of women respondents (by migration status)	54
Table 3.19. Care givers for family members that need care (multiple choices) (percentage of women by migration status)	55
Table 4.1. Number of migrant workers by type of registration in Phob Phra, Mae Sot, and Mae Ramat districts (as of 25 October 2018)	66
Table 4.2. Cost of registration under the Nationality Verification process and Section 64 border pass	66
Table 4.3. Profile of questionnaire respondents in Mae Sot	68
Table 4.4. Job history of respondents in Mae Sot (percentage of respondents by sex)	68
Table 4.5. Reason for changing jobs (percentage of respondents by sex)	69
Table 4.6. Benefits, allowances, and deductions	71
Table 4.7. Entitlement to paid leave (percentage by sex)	72
Table 4.8. Childcare arrangements (by sex)	75
Table 4.9. Remittances (by sex)	76
Table 5.1. Comparison of migration patterns across studied SEZs	80
Table 5.2. Comparison of working conditions across studied SEZs	81
Table 5.3. Comparison of skills training and promotion experiences across studied SEZs	83
Table 5.4. Comparison of care responsibilities of workers across studied SEZs	85

ACRONYMS

ACCP	ASEAN Common Competency Programme
ACMECS	Ayeyarwady- Chaophraya- Mekong Economic Cooperation Strategy
ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
BFC	Better Factories Cambodia
BOI	Board of Investment
CATU	Cambodian Alliance of Trade Unions
CBTA	Cross-border Transport Agreement
CDC	Council for the Development of Cambodia
CGTI	Cambodia Garment Training Center Institute
CMT	Cut-Make-Trim
CRUMP	Cambodia Rural Urban Migration Project
CSEZB	Cambodian Special Economic Zones Board
EBA	Everything But Arms
EU	European Union
FDC	Fixed-duration Contract
FDI	Foreign Direct Investment
FTI	Federation of Thai Industries
GDP	Gross Domestic Product
GMAC	Garment Manufacturers Association in Cambodia
GMS	Greater Mekong Sub-region
GSP	Generalized System of Preferences
ILO	International Labour Organization
JICA	Japan International Cooperation Agency
MGMA	Myanmar Garment Manufacturers Association
MHIS	Migrant Health Insurance Scheme
MJTD	Myanmar Japan Thilawa Development, Ltd.
MOLIP	Ministry of Labour, Immigration and Population
MOLVT	Ministry of Labour and Vocational Training
MoU	Memorandum of Understanding
MRS	Most Representative Status
MTSH	Myanmar Thilawa SEZ Holdings Public Ltd.
NESDB	National Economic and Social Development Board
NLD	National League for Democracy
NSSF	National Social Security Fund
NV	Nationality Verification
OEM	Original Equipment Manufacturer
OSSC	One Stop Service Centre
PPSEZ	Phnom Penh Special Economic Zone
QC	Quality Control
RMCS	Regional Model Competency Standards
SEZ	Special Economic Zone
SME	Small and Medium Enterprises
SPDC	State Peace and Development Council
SS	Social Security
SSB	Social Security Board
TSEZMC	Thilawa SEZ Management Committee
UDC	Undetermined Duration Contract
US	United States
USDP	Union Solidarity and Development Party
WCC	Workplace Coordinating Committee

MAP OF STUDY AREAS



EXECUTIVE SUMMARY

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. In Yangon and Phnom Penh, where garment factories are clustered in peri-urban industrial areas outside of SEZs, the questionnaire was carried out with workers employed both inside and outside of the SEZs in order to compare workers' experiences. Between July 2018 and February 2019, in-depth interviews with select women garment factory workers, along with key informant interviews with representatives of governments, 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 thorough 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.

SEZS AND WORKERS' MOBILITY

The relocation of capital to SEZs is producing changing forms of labour migration. Phnom Penh SEZ, located in close proximity to a major urban centre, is creating new rural-urban population movements within Cambodia. It is anticipated that Thilawa SEZ's dependence on internal migrant labour from Myanmar's rural areas will similarly increase in the near future as labour markets in neighbouring townships have been increasingly depleted. The Myanmar Government has also pronounced that jobs in SEZs will incentivise the return of cross-border migrant workers; an aspiration that has yet to be realised. Situated on the Cambodia-Vietnam border, Manhattan SEZ has created employment opportunities for local inhabitants in an attempt to reduce out-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 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.

WORKING CONDITIONS IN SEZS

The study found substantial differences in the working conditions across the four SEZs. In Phnom Penh and Manhattan SEZs, wages and other entitlements were largely provided in accordance with the law, while in Thilawa SEZ some respondents reported labour rights issues, such as not receiving a copy of their contract and or access to paid leave. 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. 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

Across all of the SEZs, there were severe restrictions on workers' access to the right to freedom of association and the operations of trade unions. Respondents across all locations reported cases of collective industrial actions being suppressed and trade unions struggling to be established. Trade union alliances and labour rights organisations outside of 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 IN SEZS

While skills training programmes for garment factory workers have been introduced in all of the studied countries, most of the trainings respondents had received, irrespective of location, 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. Respondents noted that their skills were not recognised, nor did they lead to position upgrades or wage increases. Across the four study areas, there was no relationship between the number of years worked in the garment industry and being promoted within a job. The study found that some of the only ways in which workers could increase their employment 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 SEZs and the role of mother that many workers perform is generally disregarded. Even though Myanmar and Cambodia's national laws require the establishment of factory-level day cares, these facilities either did not exist or were defective, and childcare responsibilities still fell predominantly on women workers. In roughly half of all studied cases, women workers cared for their children by themselves and, in the other half, the role of primary caretaker was assumed by the respondent's mother. It was found that childcare responsibilities were greater for migrant women relative to those from the local area, who had more options available.

RECOMMENDATIONS

Although Mekong SEZs may 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, this section outlines priority recommendations that emerged from the study, addressed to national governments of Mekong countries in general, as well as regional bodies, and employers' associations. Country-specific recommendations can be found in the country chapters of this report.

TO NATIONAL GOVERNMENTS OF MEKONG COUNTRIES:

1. Monitor and enforce the payment of national minimum wages to all workers.
2. Monitor and enforce employers' compliance with labour laws in SEZs.
3. Develop a regional living wage rate and implement this rate as the national minimum wage in Mekong countries.
4. Regularly promote and regulate social dialogue platforms for employers, employees, buyers, and SEZ management to ensure safe and secure working environments.
5. Work closely with employers' associations and trade unions to promote the use of sewing skills recognition standards regionally using the ASEAN Common Competency Programme and Regional Model Competency Standards. Promote the practice of increasing wages commensurate with workers' competencies and experience.
6. Develop and promote skills training for garment factory workers, targeting women and migrant workers. Training should be on core competencies, including, but not limited to, workplace communication, team work, career professionalism, negotiation, problem solving, managing workloads, handling harassment, occupational health and safety practices, labour and human rights, gender equality, and building self-confidence.
7. Identify the reskilling needs of workers and introduce capacity development programmes to meet these needs in order to increase workers' employability, particularly in light of future technological advances that will impact the garment industry.
8. Promote and assist with the establishment of day care facilities in workplaces and workers' communities. Raise awareness of the importance of childcare supports for women to be able to manage their roles and responsibilities effectively.

TO REGIONAL ORGANISATIONS:

1. Monitor the labour rights performance of employers in SEZs and exert pressure on employers to comply with national and international labour standards.
2. Work closely with national governments to promote the use of sewing skills recognition standards regionally using the ASEAN Common Competency Programme and Regional Model Competency Standards. Promote the practice of increasing wages commensurate with workers' competencies and experience.
3. Work closely with national governments to identify the reskilling needs of workers and develop capacity development programmes to meet these needs, specifically targeting women migrant workers.

TO EMPLOYERS' ASSOCIATIONS:

1. Establish a mechanism for industry self-regulation to monitor employers' adherence to legal standards. There is a need for employers to organise and hold each other accountable for compliance with laws.
2. Work closely with national governments to develop skills standards for garment factory workers and pathways for professional advancement that formally recognise workers' abilities and pay them accordingly.
3. Work closely with national governments to implement core competency skills training, as well as provide reskilling opportunities for workers during working hours.
4. Establish and maintain functioning day care centres in workplaces.



CHAPTER 1

INTRODUCTION

1.1. PROJECT BACKGROUND AND METHODOLOGY

Special economic zones (SEZs) have emerged as instruments for capturing investment and a key strategy in the pursuit of regional economic integration in the Greater Mekong Sub-region (GMS). The relocation of capital to these highly regulated production sites is producing changing forms of labour and migration. Expected employment opportunities in urban SEZs are creating new rural-urban population movements within GMS countries. The development of SEZs in border regions, in support of decentralisation efforts and migration management schemes, is impacting internal rural-rural migration as well as cross-border migration. Some governments within the sub-region have also proclaimed that jobs in SEZs will incentivise the return of cross-border migrant workers to their countries of origin.

The garment industry, widely regarded as the first rung on the industrialisation ladder, is a prominent labour-intensive industry within the GMS that is being established in these spaces. SEZs, offering tax incentives, high-quality infrastructure, and weakened labour protections, are attractive locations for foreign garment manufacturers seeking low production and labour costs. The industry and its supply chains are known for exerting downward pressure on the working conditions and wages of its workers, the majority of whom are women. Gender norms perpetuate gendered divisions of labour, which largely relegate women garment factory workers to the lowest-paying positions and prevent them from receiving adequate skills development and recognition. Often women must also balance the roles of income earner, mother, and daughter while receiving few to no provisions to support their care responsibilities. These challenges are compounded when women are also migrants, as both cross-border and internal migrant workers face unique vulnerabilities.

With these issues in mind, the Mekong Migration Network (MMN) and Asian Institute of Technology (AIT) jointly implemented a research and advocacy project from 2016 to 2019, supported by the International Development Research Centre (IDRC) of Canada. The primary objective guiding the project was to promote policies and practices that enhance the empowerment of women migrant workers in garment factories in Mekong SEZs. To explore the existing policies and practices shaping the working and living situations of women migrant garment factory workers, four case studies of SEZs in Myanmar,¹ Cambodia, and Thailand were developed.

The SEZs included in the study are: Thilawa SEZ (Yangon Region, Myanmar); Phnom Penh SEZ (Phnom Penh, Cambodia); Manhattan SEZ (Svay Rieng Province, Cambodia); and Tak SEZ (Tak Province, Thailand) (refer to the map for specific locations). Situated in border regions, Manhattan SEZ and Tak SEZ were selected to investigate the impact of precarious labour arrangements char-

¹ This report uses the official name 'Myanmar' when referring to the country and Burmese when referring to the citizens of the country irrespective of their ethnicity.

acteristic of border industrial zones, as well as to study the situation of cross-border migrant workers in the case of Tak SEZ. Thilawa and Phnom Penh SEZs, located in close proximity to major urban centres, dependent (or soon to be) on internal migrant labour, and largely regulated through central state institutions, acted as sites of comparison. These four zones were also chosen as study areas due to the high concentration of garment factories relative to other SEZs.

Preliminary studies of each location were conducted between November 2016 and February 2017 to consult key informants, carry out focus group discussions with garment factory workers, and establish the scope of the research (a list of key informant interviewees consulted for this project can be found in the Appendix). MMN project partners, all of whom work with migrants on a daily basis and have a wealth of expertise on migration issues, collaboratively developed a questionnaire with technical support from AIT. The questionnaire included questions on current living and working conditions, experiences in collective industrial actions, job and migration histories, and child and family care arrangements, among other themes that emerged during the preliminary studies.

From May 2017 to July 2018, project partners surveyed garment factory workers across the four study areas. 200 respondents completed the questionnaire in Yangon (175 women, 25 men), Tak (171 women, 29 men), and Phnom Penh (177 women, 23 men), while the questionnaire was conducted with 100 respondents in Svay Rieng (96 women, four men). In Yangon and Phnom Penh, where well-established garment factories are clustered in peri-urban industrial areas outside of SEZs, the questionnaire was carried out with garment factory workers employed both inside and outside of the SEZs in order to compare these workers' experiences.

MMN project partners and AIT established a set of criteria for selecting questionnaire respondents, which included: a maximum of five respondents per factory and one respondent per household; respondents with a minimum of one year of work experience with their current employer; respondents of 16 years of age or older; and respondents employed in factories varying in size. Project partners made concerted efforts to survey both women and men workers, as well as workers with children, as gender issues and care work were identified as focal points in this study. Across the four study sites, project partners identified respondents by visiting workers' houses and dormitories located outside of the SEZs (with the exception of Tak where workers live within the three districts designated as the SEZ) on Sundays; workers' only day off each week. Additional respondents were found using snowball sampling techniques. In addition, workers' rights organisations operating in the areas connected project partners with potential respondents.

Following a joint analysis of the results of the questionnaire, the scope of the study was further narrowed to four themes, which are highlighted in this report and include: working conditions, labour organising, skills development and recognition, and care work. Between July 2018 and February 2019, in-depth interviews with select women garment factory workers,² along with additional key informant interviews with governments, representatives of SEZ management committees, garment industry associations, trade unions, factory owners, and international

² Pseudonyms are used for in-depth interviewees throughout the report in order to protect their identity.

organisations, were carried out in each location to expound detailed qualitative data related to these themes.³

A literature review was conducted before and after fieldwork to supplement the study's primary data and broaden the researchers' understanding of the issues. This report aims to contribute to a knowledge base established by existing civil society and academic research on labour and migration issues related to SEZs and the garment industry in the Mekong. It strives to do so by addressing the overarching question of whether SEZs in the GMS are creating opportunities for decent work for women migrant workers.

1.2. SPECIAL ECONOMIC ZONES

SEZs are defined as spatially regulated areas with “administrative, regulatory, and often fiscal regimes that are different (typically more liberal) than those of the domestic economy” (Farole, 2011, p. 17). Also referred to as export processing zones, economic processing zones, free zones, or foreign trade zones, SEZs are largely designed to attract foreign and domestic investment by offering tax incentives, reducing controls on the movement of goods, and providing quality infrastructure. SEZs are typically located in coastal and urban areas to benefit from access to ports and labour, however, they are increasingly being developed in border regions to facilitate cross-border trade, capitalise off of existing “cheap” migrant labour, and manage movements of people (as seen in the case of Thailand presented in Chapter 4). SEZ development has escalated in recent years, increasing from nine zones globally at the end of the 1960s, to approximately 4,300 in over 130 countries by 2015 (Thame, 2017). The International Labour Organization (ILO) estimated that, in 2007, over 68 million workers worldwide were employed in SEZs (*Ibid*).

Within the GMS, SEZs have emerged as a mechanism to accelerate industrialisation and regional economic integration efforts. These efforts have been driven by various regional frameworks, programmes, and actors since the end of the Cold War. The Greater Mekong Subregion Economic Cooperation Program, established in 1992 with support from the Asian Development Bank (ADB), aims to foster private sector development through investment in infrastructure, trade, and tourism. Five of the sub-region's six countries are also member states of the Association of Southeast Asian Nations (ASEAN), an institution seeking to create a single market and production base in the region. In support of these initiatives, the ADB has been pushing the development of ‘economic corridors’ in the Mekong since 1998. Constructed to facilitate regional transportation and trade, these corridors are infrastructure, including roads, railways, and power lines, that traverse the GMS. SEZs have been developed as strategically located intersections along this network of corridors.

In a 2011 study on SEZs and women's economic empowerment in eight countries across Asia, Africa, and Central America, the World Bank suggests that “zone regulatory environments and infrastructure, by serving as ‘demonstration areas’ or catalysts for countrywide reforms, present unique opportunities to address the challenges faced by women in the workplace” (p.

³ Five in-depth interviews and seven key informant interviews were conducted in Yangon; six in-depth interviews and four key informant interviews were conducted in Phnom Penh; two in-depth interviews and two key informant interviews were conducted in Svay Rieng; and six in-depth interviews and six key informant interviews were conducted in Tak.

ix). However, SEZs have yet to serve as “demonstration areas” to test and advocate for policy reforms in support of women’s economic empowerment. Studies on the economic impacts of SEZs have acknowledged that few modern-day zones have matched or exceeded expectations set by SEZs established in the 1970s in China (ADB, 2015). Numerous zones have failed to contribute to national economic development, while others have remained as enclaves supporting jobs and export growth (*Ibid*). It remains to be seen whether SEZs in the Mekong can improve upon these trends.

1.3. THE GARMENT INDUSTRY AND WOMEN’S LABOUR

As the rate of globalisation increased in the 1980s, textile and garment manufacturers relocated to factories in the Global South with low production and labour costs. These labour-intensive export-oriented industries have become key pillars in developing and emerging countries’ economic development plans. These industries have also provided job opportunities to millions of people, the majority of whom are women (ILO, 2019b). While integration into global value chains has created employment and resulted in knowledge and technology transfer, it has also produced downward pressure on wages and working conditions. Furthermore, this integration has created challenges for attributing responsibility for rights infringements to actors at various stages of the production system (Arnold & Hess, 2017). As intricate supply chains seek to maximise profit, buyers demand lower production costs with shorter lead times, which contribute to manufacturers exerting pressure on workers to be more flexible, while paying exceedingly low wages. Labour standards are also being pushed down in an effort to capture and maintain mobile investment. In a “race to the bottom”, buyers move from higher-cost to lower-cost producing countries despite claiming to support decent wages and working conditions (MMN & AMC, 2013). The mobility of the garment industry has put pressure on countries to be competitive with regards to a number of factors beyond labour, including in attractive investment privileges, quality infrastructure, and easy access to raw materials (Arnold, 2007). Special economic zones represent an extreme form of this approach (Mayer & Pickles, 2010).

In 2016, Asian countries accounted for 62 per cent of global textile and apparel exports (ILO, 2019b). Cambodia, Thailand, and Myanmar – the focus of this study – are significant garment-producing countries in the region. The majority of garment factories across these three countries operate under a “Cut-Make-Trim” (CMT) production system. This system involves importing necessary materials and making garments according to client specifications. CMT production is associated with low-value added products, small profit margins, and global competition for low costs. Despite policy proposals to transition to higher-value added functions, low-value added garment production is supported by Cambodia and Myanmar’s development models. Cambodia’s economy in particular lacks diversity and is heavily reliant on textile and garment industries. Should employment in these industries be drastically reduced, there would be few alternative jobs available (*Ibid*). Thailand’s garment industry, once the country’s leading driver of manufacturing-based export growth, has failed to upgrade and lost its international competitiveness as a result of labour shortages and wage increases relative to neighbouring countries. In order to sustain the industry, manufacturers

have relocated to border regions where “cheap” migrant labour is more readily available and precarious labour practices are widespread (Goto & Endo, 2014).

Although women represent approximately 80 per cent of the garment sector’s workforce worldwide, they are often concentrated in the lowest-paying positions with the least recognised skills (ILO, 2018b). In the Asia-Pacific region, while the garment industry has been an important source of employment and economic advancement for women, it is also associated with sexual harassment, gender pay gaps, low pay, and poor working conditions (*Ibid*). Garment factory employers’ preference for hiring women can be understood as “wanting to make use of workers who, already constructed as ‘docile’ and ‘manageable’ within and through society, are cheap to hire, deemed easier to control and perceived to be less likely to recognize or resist discrimination” (ILO, 2019b, p. 6). These gender norms perpetuate gendered divisions of labour, justifications for low wages and a lack of training opportunities, and limitations on women’s upward mobility (Christian et al., 2013). As well, practices within the garment industry attributing the adeptness of women’s “nimble fingers” to nature opposed to skills learned through training, and classifying this work as “unskilled” or “semi-skilled”, expose views that women are “inferior bearers of labour” (Elson & Pearson, 1981). Studies have also found that some garment factory owners discriminate against women who become pregnant or have greater family obligations by means of job terminations, short-term contracts, and obstacles to obtain a promotion (ILO, 2018b). Despite the fact that the majority of women garment factory workers are of reproductive age, childcare supports are largely absent and the role of mother that many workers perform is disregarded.

The ILO’s 2018 report, *Game Changers: Women and the Future of Work in Asia and the Pacific*, states that future technological advances will profoundly shape labour markets and have both positive and negative impacts on women. In the garment sector, automation is anticipated to pose a threat to the millions of women employed as sewing machine operators and erode the comparative advantage that many manufacturers have fostered by using women as “cheap” physical labour (*Ibid*). While these changes may exert greater downward pressure on wages and working conditions, they could also be an opportunity to upskill and reskill⁴ workers to shift women to new higher-skilled jobs (*Ibid*), and challenge the social construct of women’s labour being “unskilled”. This transformation would require a concerted effort by governments and employers in the region to invest in training and skills development for the future of work and the livelihoods of millions of women and the families they support.

1.4. LABOUR AND MIGRATION IN THE MEKONG

Cross-border labour migration in the GMS is characterised by civil conflicts and growing gaps in socio-economic development, combined with porous national borders. Thailand is the main destination country in the sub-region with an estimated 3.9 million⁵ migrant workers from Myanmar, Cambodia, Lao People’s Democratic Republic (PDR), and Vietnam as of 2018 (Harkins, 2019). A period of large-scale labour migration to Thailand, which began in the 1990s, coincided

⁴ ‘Upskilling’ is defined as the process of providing additional training to improve the aptitude of a worker in their current position, while ‘reskilling’ is the process of teaching a worker new or improved skills to perform a different job or the same job in a different way.

⁵ This figure is likely to be underestimated as the movement of people across borders is not systematically recorded and many migrants remain undocumented.

with the country's decade-long economic boom from 1987 to 1996 and emergence as a middle-income country. Expanding wage and other socio-economic differentials between Thailand and neighbouring countries (as seen in Table 1.1.) can, in part, be attributed to these movements (*ibid*). Despite the regular channels for migration that have been established through bilateral agreements, migration continues to largely occur through irregular channels. This may be due to the high costs and bureaucratic hurdles associated with formal systems (MMN, 2017).

Table 1.1. Socio-economic data for Myanmar, Cambodia, and Thailand

INDICATORS (2017)	MYANMAR	CAMBODIA	THAILAND
Population (million)	53.37	16.01	69.04
Gross National Income (GNI) per capita, current prices (USD)	1,251	1,297	6,289
Minimum wage per month *(USD)	94	182	302
Human Development Index (HDI)	0.578 (Rank 148)	0.582 (Rank 146)	0.755 (Rank 83)
Ageing population, 65 years and above (% of total population)	5.73	4.41	11.37
Fertility rate (births per woman)	2.19	2.5	1.47

Sources: World Bank, UN Statistics Division, UNDP.

Note: * These figures represent statutory minimum wages at the time of writing. The minimum wage in Thailand varies by province; this amount was calculated using the average daily minimum wage across provinces, which is THB 315.97 or USD 10.05. The minimum wage per day in Myanmar at the time of writing was MMK 4,800 or USD 3.14. Daily wages for Thailand and Myanmar were multiplied by 30 days to produce the monthly wage.

Most of the migration in the GMS is internal (within the borders of a country). It is more frequently occurring in the form of rural-to-urban migration, but also involves rural-to-rural movement, particularly in the case of Cambodia (ADB & IOM, 2013). These migrations are partially linked to the development of national economies. Urbanisation and the emergence of an urban middle class in some GMS countries have produced an increase in the need for industry and service sector jobs in urban centres, which attracts migrants from rural areas wanting to improve their livelihoods. Anticipated job opportunities in newly established urban economic zones also impacts rural-urban migration. In addition, national strategies of decentralisation and rural development, including in the form of border special economic zones, have influenced rural-rural movements. Internal migration is also spurred by displacement as a result of ethnic conflicts, land grabbing for development, and natural disasters, among other factors.

Although labour migration is imperative to the economies of countries in the sub-region, mobility is ineffectively supported and facilitated, which produces vulnerabilities for migrants at each stage of the migration cycle. Labour migration governance systems are often designed to perpetuate migrants' temporary status, as seen in the case of Thailand (MMN, 2016). Cross-border migrants tend to rely on brokerage or agency systems to facilitate transportation and secure a job. These systems have the potential to lead to the exploitation of workers for profit. Once employed, migrants typically have little to no job security and face legal or social restrictions on forming trade unions. Often having borrowed money or sold assets to make the journey, there is great social and legal pressure to succeed (War on Want, 2012). Internal migrants face unique vulnerabilities as well, including challenges in some GMS countries with changing their official residence after migration, which is often linked to their

social protection entitlements (ADB & IOM, 2013). Both internal and cross-border migrants are relied on by their families for remittances, and women, in particular, often play the role of primary income earner while managing the care of children and ageing family members. Employers in the sub-region have capitalised on workers' vulnerabilities, while governments have failed to adequately protect and support them.

In light of public knowledge of the predatory practices of global value chains, the vulnerabilities of migrant workers, and workplace tragedies such as the collapse of the Rana Plaza building in 2013, calls for global action to achieve decent pay and working conditions have emerged. One initiative is the long-standing yet growing movement to demand a living wage. By definition, a living wage means "that a working person should never be unable to support themselves and their families" (CCC, 2014, p. 19). What is considered to be an adequate basic quality of life differs across place and time. As such, the Asia Floor Wage Alliance, an alliance of trade unions and labour groups, has calculated a living wage formula for Asia. This calculation is based on the assumptions that a worker needs to be able to support themselves and two other "consumptive units", with one adult or two children equivalent to one "consumptive unit"; an adult requires 3,000 calories per day to carry out their work; and, in Asia, food costs account for half of a worker's monthly outgoings (Asia Floor Wage, 2017). Despite endorsement of a living wage within numerous ILO documents, the UN Guiding Principles on Business and Human Rights, and supplier codes of conduct, there remains a huge gap between current statutory minimum wages, as well as actual wages paid, and living wage estimates across the region (CCC, 2014).

Another well-established concept guiding international labour standards, as well as this report, is that of decent work. The concept of decent work was introduced by the ILO in 1999 as a converging focus for its four strategic objectives: the promotion of rights at work; employment; social protection; and social dialogue (ILO, 1999). The establishment of the Decent Work Agenda was proclaimed to mark "the high road to economic and social development, a road in which employment, income and social protection can be achieved without compromising workers' rights and social standards" (ILO, 1999, ch. 2). In an effort to measure countries' progress towards achieving decent work, in 2008 the ILO published a framework of Decent Work Indicators. This framework covers ten substantive elements, which are associated with statistical and legal framework indicators designed to monitor progress (ILO, 2013). In an analysis of workers' situations in four Mekong SEZs, this report reflects on aspects of seven of these elements, namely: (1) adequate earnings; (2) decent working time; (3) combining work, family and personal life; (4) stability and security of work; (5) safe work environment; (6) social security; and (7) social dialogue and workers' representation.⁶

1.5. OVERVIEW OF THE CHAPTERS

The remainder of this report introduces readers to country-specific background information on SEZ development, the garment industry, labour, and migration, as well as the research findings from each case study, analyses, and national and sub-regional level recommendations. Chapter 2 presents the case study of Thilawa SEZ in Myanmar. Chapter 3 is dedicated to the studies of Phnom Penh SEZ and Manhattan SEZ in Cambodia. Chapter 4 presents the

⁶ While this report employs the concept of decent work, the authors acknowledge critiques of this framework, notably surrounding the relative vagueness of the concept, the inherent power that employers and states have over workers in a tripartite formation within a capitalist system (Moore et al., 2015), and constraints on workers' agency under the framework of "social dialogue" (Arnold & Hess, 2017).

final case study of Tak SEZ in Thailand. The report culminates with a sub-regional discussion, presented in Chapter 5, on the impacts of SEZ development in the Mekong on opportunities for decent work, including decent wages and working conditions, access to labour rights, skills development and validation, and care works supports, along with workers' mobility.

CHAPTER 2

GARMENT FACTORY WORKERS IN A MYANMAR SPECIAL ECONOMIC ZONE

2.1. MYANMAR'S SPECIAL ECONOMIC ZONES

Myanmar's three SEZs are designed to capture mobile investment, facilitate regional economic integration, and generate employment opportunities. Thilawa SEZ, located 23 kilometres southeast of Yangon, is the sole operative zone and the focus of this study. Financed by the governments of Myanmar and Japan, Thilawa SEZ has been functioning since 2015. Dawei SEZ, in southeastern Tanintharyi Region, has faced a series of financial setbacks and been stalled over the years. The western coast in Rakhine State is the site of Kyaukphyu SEZ, backed by Chinese investment, which has been progressing slowly since 2013 (ICJ, 2017).

The impetus driving SEZ development in Myanmar can be traced back to the military regime's post-1988 economic liberalisation policies, which laid the foundation for today's market-oriented economy. In the face of popular national dissent and international condemnation that manifested in Euro-American sanctions, the military State Peace and Development Council (SPDC) gradually loosened restrictions on imports and exports, and began courting private inter-Asian investment (Aung & Campbell, 2016). In its final months, the SPDC decreed two laws to establish SEZs: the 2011 Myanmar SEZ Law and the 2011 Dawei SEZ Law. It is believed that Senior General Than Shwe, chairman of the SPDC, was inspired to develop SEZs in Myanmar after viewing the results of a field study on China's SEZ model (ICJ, 2017; Thame, 2017). From 2011 to 2016, President Thein Sein's military-founded Union Solidarity and Development Party (USDP) ushered in a series of political and economic reforms, which endorsed SEZs as a mechanism for attracting foreign investment and creating jobs, and spearheaded SEZ development. Since taking office in March 2016, the National League for Democracy (NLD), led by de facto leader State Counsellor Aung San Suu Kyi, has stated its commitment to continuing the development of SEZs (State Counsellor Office, 2016).

The relevant legal frameworks governing SEZs in Myanmar include the 2014 SEZ Law and the 2015 Myanmar Special Economic Zone Rules, which revoked the 2011 Myanmar SEZ Law and the 2011 Dawei SEZ Law. In Myanmar, zone developers lease land from the state, which in turn is leased to investors. Under the 2014 SEZ Law, zones may be established by private, public or joint venture developers and are governed by the state through Management Committees. The law outlines the responsibilities of a Central Body, Central Working Committee, and Management Committees, which include administering One Stop Service Centres (OSSCs) in each SEZ. OSSCs are designed to house representatives of government departments from various ministries and streamline investment approvals (Myanmar Special Economic Zone Rules, 2015, Sec. 20-23). Investors in Myanmar's SEZs, who may be Myanmar citizens or for-

eigners, are granted investment privileges by means of the 2014 SEZ Law, as well as the 2012 Foreign Investment Law. Some of the provisions stipulated by the SEZ Law (2014) include land lease terms for 50 years that can be renewed for an additional 25 years, significant income tax exemptions, tax relief for some imported materials and goods, and exemptions on customs duties for certain exported goods produced within the zone.

The relatively recent ‘opening’ of Myanmar – a country that has been classified as “Asia’s Last Frontier” by foreign investors and governments (Embassy of Japan in Myanmar et al., 2018) – has drawn the attention of global supply chains in search of expanded labour pools and low-cost production. Myanmar’s three SEZs are designed to capture this investment. Since the initial development of these spaces, negative social and environmental impacts have been documented by civil society organisations and academics. Such impacts include land grabbing, the loss of local livelihoods, and labour rights violations (Aung, 2018; ERI, 2015; Thame, 2017).

2.2. MYANMAR’S GARMENT INDUSTRY

In 2017, Myanmar’s garment exports reached USD 2.7 billion accounting for almost three per cent of the country’s Gross Domestic Product (GDP) (SMART Myanmar, n.d.; World Bank, 2018). The value of garment exports has tripled over the course of a five-year period (see Figure 2.1, below) with the industry exporting USD 900 million in 2012 (SMART Myanmar, n.d.). At present, there are roughly 600 garment factories in operation across the country, employing over 400,000 workers (*Ibid*). According to the ILO (2019b), as many as 90 per cent of these workers are women. While the majority of Myanmar’s garment factories are clustered in Yangon’s industrial zones, other sizeable production centres are located in Bago, Patheingyi, and Mandalay (PV, 2016). Garments are also produced in six Thilawa SEZ factories and are poised for production in Kyaukpadaung SEZ (TSEZMC, n.d.; SOMO et al., 2017).

The history of Myanmar’s burgeoning garment industry is linked to the market liberalisation processes of the 1990s. Under the SPDC, private firms were authorised to engage in external trade, which led to the establishment of an export-oriented manufacturing sector (Kudo, 2008). Between 1990 and 2000, garments increased from 2.5 per cent of total exports to 39.5 per cent, becoming one of the country’s leading exported goods (*Ibid*). Before the imposition

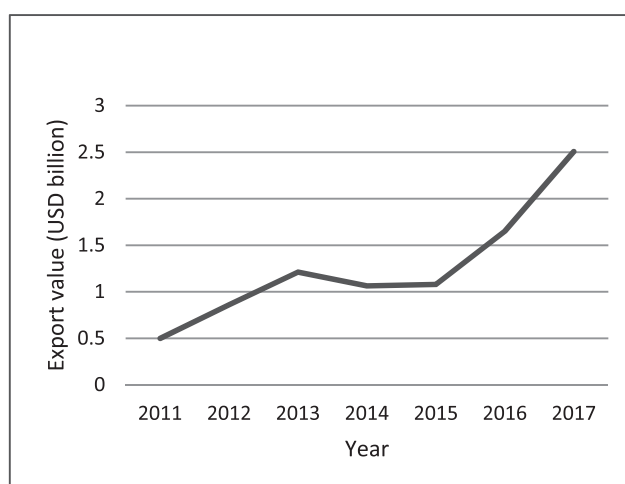


Figure 2.1. International garment exports from Myanmar (total value) (Source: World Bank WITS)

of trade sanctions in 2003, in response to human rights violations, the US was the biggest market of Myanmar garment products, absorbing 54 per cent of total exports in 2000, followed by the EU, which accounted for 37 per cent of exports in the same year (*Ibid*). With the loss of access to north Atlantic capital, private companies turned to Asian markets, notably Japanese and South Korean markets, to sustain the industry (PV, 2016).

Shortly following the induction of a quasi-civilian government in 2011, American and European capital was reacquainted with the country. Since 2013, Myanmar has benefited from preferential trading rights under the US and EU Generalized System of Preferences, which grants Least Developed Countries tariff-reduced market access. At the time of writing, the EU was the fastest growing market for Myanmar garments, consuming around half of the country's garment exports, however, the EU's recent consideration to impose trade sanctions on Myanmar in response to the ongoing humanitarian crisis in Rakhine State is a looming threat to this growth (Htwe et al., 2018). Within Myanmar, according to the Myanmar Garment Manufacturers Association (MGMA) membership list,¹ roughly half of the registered garment factories are foreign-owned or joint ventures between Myanmar and foreign companies. The majority of foreign-owned factories belong to Japanese, Korean, Taiwanese, and Chinese firms (as cited in SOMO et al., 2017). It is also known that some domestically registered companies are unofficially owned by foreign investors (Labour Rights Clinic et al., 2013; PV, 2016).

The Myanmar Government has made concerted efforts to support the development of an export-oriented garment industry. The garment sector is integral to the country's 2015-2019 National Export Strategy and the recent implementation of the new Myanmar Companies Law (2017) includes measures to attract greater foreign investment (Ministry of Commerce, 2015; Bo, 2018). Guided by a vision of becoming the "highest revenue earning industry in Myanmar," MGMA projects that the garment industry will employ 1-1.5 million workers by 2024 (MGMA, 2015, p. 9).

Despite the attractions of low production costs and a "cheap" labour force relative to its neighbours, Myanmar's nascent garment industry faces many challenges. Infrastructure problems, including volatile access to electricity and poor road connections, are often cited as major drawbacks (MGMA, n.d.). Additionally, Myanmar's integration into global supply chains has been accompanied by downward pressure on labour protection standards, which is well documented by civil society groups (ALR, 2016; Labour Rights Clinic et al., 2013; PV, 2016; SOMO et al., 2017). In order to support sustainable growth, the industry's widespread lack of compliance with national and international labour standards must be addressed.

2.3. LABOUR AND MIGRATION IN MYANMAR

Of the 54 million people living in Myanmar (Department of Population, 2019), over 24.6 million were reported to be contributing to the total labour force as of 2018. Women constitute approximately 40 per cent of this labour force (World Bank, 2019a). As of 2017, the country's labour force participation rate was 78 per cent, 6 percentage points higher for men than for

¹ Approximately 90 per cent of registered garment factories in Myanmar (540 factories out of 600) are members of MGMA. While membership is optional, it is necessary to benefit from duty-free exemption for export-oriented garment production with the exception of factories based in SEZs (SMART Myanmar, n.d.).

women, and the unemployment rate was 0.8 per cent at gender parity (ILO, 2017c). The ILO estimates that 51 per cent of the labour force participation rate is comprised of workers aged 15 to 24 (World Bank, 2019b). The agriculture sector absorbs the greatest percentage of the total workforce (51 per cent) followed by the service sector (34 per cent) and industry sector (16 per cent) (ILO, 2017b).

Internal migrants represent a significant portion of the country's population. The 2014 Myanmar Population and Housing Census reports that there were over 9 million internal migrants² in 2015 (Department of Population, 2015). The Census also unearthed that women migrate at a higher rate than men, representing 53 per cent of all internal migrants (*Ibid*). According to the Department of Population (2016) under the Ministry of Labour, Immigration and Population (MOLIP), over 70 per cent of internal migrants are below the age of 35. In regards to internal labour migration, the 2013-2014 Formal Sector Survey found that 39 per cent of Myanmar's formal sector workers had migrated from one state or region to another for employment purposes (LIFT, 2014). Movement across a state or region boundary is primarily rural-to-urban migration with Yangon and Mandalay being the main destinations (UNESCO et al., 2018).

Many of Myanmar's garment factory workers are internal migrants originating from Ayeyarwady Region, which is among the poorest regions in the country (UNESCO et al., 2018; PV, 2016). In 2008, the devastating impacts of Cyclone Nargis led many people to migrate in search of renewed livelihood opportunities to the industrial zones of Yangon (PV, 2016). The growth of the manufacturing sector in urban centres, coupled with escalating land acquisitions in rural areas for large-scale industrial development, is producing new patterns of migration (ILO, n.d.; PV, 2016). The Myanmar Government has asserted that jobs in SEZs will further shape these trajectories by incentivising the return of some of the country's 4.25 million cross-border migrant workers (Buchanan et al., 2013; IOM, 2017). The former USDP government suggested that "SEZs will provide jobs for returning migrants, refugees or even demobilised soldiers from armed groups" (Buchanan et al., 2013, p. 30). These ambitions have yet to be realised.

Myanmar's current labour landscape has been shaped by multiple forces, including authoritarianism, democratisation efforts, the integration of key industries such as garment into global supply chains, and a growing workers' movement (Arnold & Campbell, 2017). The legal framework regulating labour – a product of the country's colonial past, post-independence military rule, and post-2011 reforms – is found in many different laws and rules that are presently undergoing reform. Information on some of these forces and regulatory frameworks are presented in the research findings and discussion sections of this chapter.

2.4. STUDY AREAS

2.4.1. THILAWA SPECIAL ECONOMIC ZONE

Despite being the last of Myanmar's three SEZs to be endorsed, Thilawa is the first and currently only SEZ in operation. In December 2012, the governments of Myanmar and Japan signed

² The 2014 Myanmar Population and Housing Census defines internal migration as inter-township movement of more than six months.

a Memorandum of Cooperation, which led to the establishment of Myanmar Japan Thilawa Development, Ltd. (MJTD), a special purpose company founded to develop and operate the zone. The Japan International Cooperation Agency (JICA), a governmental agency tasked with developing the SEZ, represents the Japanese government in the project. JICA, along with three Japanese firms, controls 49 per cent of MJTD, while the remaining 51 per cent is controlled by the Thilawa SEZ Management Committee (TSEZMC) (the Myanmar government agency formed to oversee development) and Myanmar Thilawa SEZ Holdings Public Ltd. (MTSH) (a consortium of nine Myanmar companies) (TSEZMC, n.d.).

In support of an emerging manufacturing sector, Thilawa SEZ is being designed to accommodate 500 factories and employ 200,000 workers (TSEZMC, interview, July 2018). During an interview with the TSEZMC in July 2018, researchers were informed that 96 firms are approved, six of which are garment manufacturers,³ and 50 factories are currently operating. 47 per cent of investors are from Japan and the value of investment in the SEZ reached USD 1.47 billion in 2018 (*Ibid*). 6,220 workers, 64 per cent of whom are women, are currently employed in 43 SEZ factories (*Ibid*). According to the TSEZMC, Myanmar's "obedient" and "friendly" workforce is an attraction for foreign investors. Many of the factory workers employed in the SEZ are from the two neighbouring townships of Kyauktan and Thanlyin, however, the number of internal migrant workers from other states and regions is increasing as the labour markets in Kyauktan and Thanlyin have been increasingly depleted (*Ibid*).

2.4.2. HLAING THAR YAR AND SHWE PYI THAR INDUSTRIAL ZONES

In the 1990s, the SPDC government initiated a programme to relocate small and medium enterprises (SMEs) and people to peri-urban areas. In an effort to facilitate industry agglomeration, the Department of Human Settlement and Housing Development under the Ministry of Construction, along with various regional military commands, moved manufacturing operations to newly developed industrial zones around the major city of Yangon (Abe, 2014; Liu, 2019). Simultaneously, in 1990, a government-led operation resettled squatters previously occupying monastic grounds from Yangon's inner city to industrial zones. Upwards of 500,000 people were thought to have been moved in Yangon at this time (ILO, 2015a). Today, Yangon Region has over 20 industrial zones representing 65 per cent of the industrial zones and parks across the country (HKTDC, 2016; Liu, 2019).

Spanning 67 square kilometres, Hlaing Thar Yar is the largest industrial zone in Yangon Region (ILO, 2015a). Hlaing Thar Yar industrial zone was established in 1995 and, as of 2016, hosted over 650 domestic and foreign-owned factories, including garment and food processing factories (HKTDC, 2016). Located approximately 14 kilometres north of Hlaing Thar Yar, Shwe Pyi Thar industrial zone houses around 200 factories (HKTDC Research, as cited in Labbee, 2014). According to a representative of the Shwe Pyi Thar Industrial Zone Management Committee, the zone was developed in 1990 and is the oldest industrial zone in Myanmar (interview, November 2016).

³ These factories produce both knitted and non-knitted apparel and clothing items for export. Two companies are Chinese, three are Japanese, and one is a Japanese-Myanmar joint venture. For a list of Thilawa SEZ approved investors, see: <http://www.myanmarthilawa.gov.mm/list-investors>.

Hlaing Thar Yar and Shwe Pyi Thar industrial zones, which supply jobs to many people from other states and regions who have migrated in search of work, suffer many problems. Some of these challenges include ageing infrastructure, poor access to electricity, and soaring land prices as a result of speculation (Abe, 2014; Htun & Aye, 2016). Furthermore, inadequate housing facilities have led to a rise in the number of makeshift houses being built on vacant land around factories (Lin, 2015). Land ownership is also questionable as military officers and ‘crony businessmen’ continue to exercise an inexorable influence over the country’s economy (SOMO et al., 2017).

Since the enactment of new legislation legalising trade unions in 2011, Hlaing Thar Yar and Shwe Pyi Thar industrial zones have been the site of an emerging workers’ movement. The first major industrial action of the summer of 2012 occurred at a wig-producing factory in Hlaing Thar Yar when “nearly 2,000 workers launched a walkout over low wages, a filthy working environment, food that is unfit for consumption, and unfair treatment from superiors” (Labour Rights Clinic et al., 2013). This action, aided by media attention and the presence of high-profile activists, eventually resulted in an agreement with the employer (*Ibid*). Collective actions have also been carried out in Shwe Pyi Thar industrial zone, although with fewer recorded successes (*Ibid*). During a focus group discussion with garment factory workers from Shwe Pyi Thar, respondents expressed greater feelings of fear than workers in Hlaing Thar Yar, which stemmed from multiple crack downs on organising workers and the arrest of union leaders (November 2016).

2.5. RESEARCH FINDINGS

2.5.1. PROFILE OF RESPONDENTS

Of the 200 respondents surveyed from Thilawa SEZ (n=40), Hlaing Thar Yar industrial zone (n=79), and Shwe Pyi Thar industrial zone (n=81) garment factories, 88 per cent were women (n=175). With an average age of 24 years, 58 per cent of women respondents were single and 78 per cent did not have children at the time of the questionnaire. Most of the workers across the three study areas had low levels of education (7.7 years on average) with only 32 per cent having completed high school.⁴ Table 2.1. provides detailed profiles of respondents disaggregated by location and sex.

The states and regions of origin of surveyed workers differed across industrial zones. Most of the Thilawa SEZ garment factory workers were from Yangon Region (77 per cent), specifically from townships adjacent to the SEZ, while the majority of both Hlaing Thar Yar and Shwe Pyi Thar industrial zone workers originated from Ayeyarwady Region (67 per cent and 54 per cent respectively) followed by Bago Region (13 per cent and 12 per cent respectively). The 40 SEZ respondents worked in Thilawa’s six operative garment factories, which employed a minimum of 100 workers and a maximum of 2,000 workers.⁵ The majority of women workers in the SEZ were employed as sewers (48 per cent), while the majority of men worked as cutters (57 per cent).

⁴ At the time of the questionnaire, elementary school in Myanmar was from grades one to four, middle school was grades five to eight, and high school was grades nine to ten. The minimum number of years of education attained by a respondent was zero and the maximum was 13 with eight women respondents having completed a three-year bachelor’s programme at a university.

⁵ Hlaing Thar Yar respondents (n=79) were employed in seven factories and Shwe Pyi Thar respondents (n=81) were employed in 35 factories.

Table 2.1. Profile of questionnaire respondents in Yangon (by location and sex)

PROFILE OF RESPONDENTS		THILAWA SPECIAL ECONOMIC ZONE (n=40)		HLAING THAR YAR INDUSTRIAL ZONE (n=79)		SHWE PYI THAR INDUSTRIAL ZONE (n=81)		TOTAL
		WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
Number of respondents (n=)		33	7	69	10	73	8	200
Average age (years)		23.4	21.3	23.8	24.2	24.6	24.3	24
Average level of education (years)		8	8.3	7.7	9.5	7.1	9	7.7
Ethnicity*	Majority (%)	97	100	94.2	100	86.3	100	92.5
	Minority (%)	3	0	5.8	0	13.7	0	7.5
Marital status	Single (%)	51.5	85.7	63.8	80	56.2	62.5	60.5
	Married (%)	45.5	0	31.9	20	39.7	37.5	35.5
	Separated or divorced (%)	3	0	4.3	0	39.7	0	3.5
	Widowed (%)	0	14.3	0	0	0	0	0.5
Children	No children (%)	81.8	100	79.7	90	74	87.5	79.5
	1 child (%)	15.2	0	18.8	10	16.4	12.5	16
	2 children (%)	3	0	0	0	2.7	0	1.5
	3 or more children (%)	0	0	1.5	0	6.9	0	3
Housing	Dormitory (%)	0	0	34.8	40	19.2	50	23
	Rented room (%)	0	0	33.3	40	27.4	0	23.5
	Rented house (%)	36.4	0	1.5	10	21.9	12.5	15.5
	Owned house (%)	48.5	100	27.5	10	28.8	37.5	33.5
	Slum (%)	15.1	0	2.9	0	2.7	0	4.5

* The Bamar (also historically referred to as the Burmans and Burmese) are the majority ethnic group in Myanmar. Respondents also self-identified as belonging to minority ethnic groups, including the Shan (one per cent), Kayin (also known as Karen) (three per cent), and Rakhine (four per cent)

2.5.2. MIGRATION AND WORK HISTORIES

Of the Thilawa SEZ respondents who migrated to Yangon Region for the purpose of employment, 73 per cent moved in 2012 or later. The majority of respondents from both Hlaing Thar Yar and Shwe Pyi Thar industrial zones migrated in 2010 or later (72 per cent and 85 per cent respectively). The greatest number of surveyed workers reported moving in 2015 across all locations. When asked why they decided to move, responses were similar across zones with most of the respondents citing financial reasons, including a lack of job opportunities in their place of origin, a need to earn money to support their family, and a greater availability of jobs in Yangon.

When asked why they decided to work in the garment industry in particular, an interest in sewing and prior experience in sewing fell within the top three responses across all study areas. Other reoccurring rationales included the perception that work in the garment industry is easier relative to other industries and that it is generally easy to secure a job. four per cent of total respondents stated that work in the garment industry is “suitable for a girl”, highlighting the gendered nature of work in the garment sector.

When questioned about their motivation for choosing to work in the SEZ, 64 per cent of Thilawa SEZ respondents stated that it was due to living in close proximity to the zone, while 13 per cent indicated that it was due to having family or friends already working there. Three workers (8 per cent) noted that they were swayed to work in the SEZ because they believe factories inside the zone provide greater benefits to workers. 86 per cent of SEZ workers learned about their current job through their social networks, including from friends, relatives, and neighbours. Among Hlaing Thar Yar and Shwe Pyi Thar respondents, only 8 per cent (n=13) reported that they knew about SEZs, indicating that knowledge of SEZs amongst Yangon's non-SEZ industrial workers may be limited.

Among Thilawa SEZ respondents, 55 per cent of workers had only ever held one job, which was in a garment factory. On average, Thilawa SEZ workers had held 1.75 jobs and spent 1.61 years in each job (1.71 years, on average, for women respondents and 0.81 years, on average, for men). 87 per cent of these jobs had been within the garment industry. If a worker was previously employed in a garment factory and transitioned to a new job, 91 per cent of these new jobs were also in a garment factory. The main reasons cited for changing jobs included poor working conditions (23 per cent), low wages or the withholding of wages (17 per cent), and a desire to live near family (17 per cent). Three respondents had prior work experience in Mae Sot, Thailand, two of whom worked in the garment industry for an average of six years before returning to Myanmar to work in a Thilawa SEZ garment factory. One chose to return to Myanmar because she “wanted to stay at home,” while the other “came back to [her] homeland to take care of [her] parents.” The former respondent decided to work in the SEZ because of a job advert, while the latter said it was due to the ease of travel between her home and the zone.

When asked whether they had future plans, 55 per cent of Thilawa SEZ respondents said they aspired to save enough money to open their own business, 18 per cent claimed that they did not have plans, and 8 per cent intended to continue to work in a garment factory in the future.

2.5.3. WORKING CONDITIONS

Wages and working hours

At the time of the study, the legal minimum wage⁶ was fixed at MMK 450 (USD 0.33)⁷ per hour and MMK 3,600 (USD 2.64) per eight-hour workday (Notification on Minimum Wages No.2/2015). Overtime hours – working hours exceeding eight hours per day or 44 hours per week – must be compensated at double the minimum wage rate (Factories Act, 1951, amended 2016, Sec. 73). While the legal minimum wage prescribed by the National Minimum Wage Committee applies across sectors throughout the country,⁸ a contradictory provision exists in the Special

⁶ In May 2018, the National Minimum Wage Committee prescribed a new minimum wage of MMK 600 (USD 0.44) per hour and MMK 4,800 (USD 3.52) per 8-hour working day (as per Notification No.1/2018 dated 2 January 2018).

⁷ USD 1 was equal to MMK 1,365 at the time of the questionnaire (Central Bank of Myanmar, Reference Foreign Exchange Rates, dated 31 May 2017).

⁸ Employers in Myanmar cannot pay less than the minimum wage with the exception of enterprises with less than 15 workers and work during the initial training and probation periods. For more information on these clauses, please refer to the Minimum Wage Law (2013). The ILO Guide to Myanmar Labour Law 2017 (page 13) also provides a comprehensive overview of these provisions.

Economic Zone Law (2014), which states that the SEZ Management Committee “may determine the minimum wages of employee and staff” (Special Economic Zone [SEZ] Law, 2014, Sec. 70 (d)). However, another provision seemingly subverts the Management Committee’s ability to set a lower minimum wage by stipulating that the rights of the employer and employee shall be determined “in accordance with the existing labour laws including minimum wages, salary, leave, holiday, overtime charges, compensation for dismissal from work and workmen’s compensation” (SEZ Law, 2014, Sec. 70 (b)).

Given the study’s lack of data on basic wages (earnings excluding overtime payment, bonuses, and allowances), additional research is necessary to ascertain whether Thilawa SEZ workers are in fact being paid the legal minimum wage. Questionnaire findings, however, did reveal monthly earnings, which varied greatly from factory to factory and were dependent on the number of overtime hours worked, as well as an intricate system of allowances, bonuses, and deductions. Based on these findings (shown in Table 2.2.), there was a significant difference in the average monthly earnings of workers across the three zones during the low season for factory orders. On average, Thilawa SEZ workers earned the least with MMK 147,143 (USD 108) per month, while Hlaing Thar Yar workers earned MMK 157,227 (USD 115) per month and Shwe Pyi Thar workers earned MMK 169,338 (USD 124). These amounts corresponded with the average number of overtime hours respondents worked per week⁹ during this season. During the high season, Shwe Pyi Thar workers earned significantly more (MMK 196,125 or USD 144) relative to Thilawa SEZ (MMK 184,405 or USD 135) and Hlaing Thar Yar (MMK 185,691 or USD 136) workers despite the fact that respondents from Shwe Pyi Thar and Hlaing Thar Yar worked similar numbers of overtime hours per week.

Table 2.2. highlights disparities between the average monthly earnings of men and women workers across the three study areas. Although the sample size of men respondents for each location is small, and thus not representative of the majority of men garment factory workers, these differences in earnings may be attributed to gendered variances in employment positions, as well as in the number of overtime hours worked. Across the zones, the majority of men worked as mechanics (32 per cent) and, in this position, earned on average MMK 233,750 (USD 171) per month during the high season and MMK 205,639 (USD 151) during the low season. Women, on the other hand, were largely employed as sewers (59 per cent) and earned a high-season average monthly income of MMK 190,281 (USD 139) and low-season average monthly income of MMK 156,014 (USD 114). Position and overtime, however, do not account for all discrepancies and thus further research is needed to expound gender wage gaps.

Other studies have found that Myanmar’s current minimum wage of MMK 4,800 (USD 3.16) per 8-hour working day – which is typically regarded as a maximum wage by employers opposed to a floor wage (SOMO et al., 2017) – fails to support a decent living as costs of basic commodities steadily rise and as some garment factory workers, particularly internal migrant workers, allocate upwards of 50 per cent of their earnings to support two or more family members. Details on the findings of this study with regards to remittances can be found in section 2.5.6.

⁹ Overtime hours for factory workers who do not engage in continuous work must not exceed 20 hours per week (as per Directive No.615/2/a la ya-law 2/12 (1584), dated 11 December 2012).

Table 2.2. Average monthly earnings and average weekly overtime of respondents (by location and sex)

AVERAGE EARNINGS AND OVERTIME	THILAWA SPECIAL ECONOMIC ZONE			HLAING THAR YAR INDUSTRIAL ZONE			SHWE PYI THAR INDUSTRIAL ZONE		
	WOMEN (n=33)	MEN (n=7)	TOTAL (n=40)	WOMEN (n=69)	MEN (n=10)	TOTAL (n=79)	WOMEN (n=73)	MEN (n=8)	TOTAL (n=81)
Average monthly earnings during low season (MMK)	144,667 (USD 106)	162,000 (USD 119)	147,143 (USD 108)	158,538 (USD 116)	148,700 (USD 109)	157,227 (USD 115)	167,375 (USD 123)	187,000 (USD 137)	169,338 (USD 124)
Average monthly earnings during high season (MMK)	187,506 (USD 137)	168,383 (USD 123)	184,405 (USD 135)	185,691 (USD 136)	180,100 (USD 132)	185,691 (USD 136)	192,583 (USD 141)	228,000 (USD 167)	196,125 (USD 144)
Average weekly overtime hours during low season	1.5	2.1	1.6	6.7	7.5	6.7	8.8	9.6	8.9
Average weekly overtime hours during high season	12.2	3.9	10.8	14.2	13.7	14.2	14.4	14.4	14.4

Benefits, allowances, and deductions

Respondents' take-home earnings were also influenced by allowances, incentives, bonuses, and deductions (shown in Table 2.3.). Despite earning lower average monthly seasonal incomes than Hlaing Thar Yar and Shwe Pyi Thar respondents, Thilawa SEZ garment factory workers received the greatest benefits and allowances, which included transportation services or a monthly transportation allowance; food or a monthly food allowance; and accommodation (although housing benefits were subsequently deducted from some workers' salaries). In addition to these provisions and allowances, some workers across all locations received monthly and/or annual bonuses paid at an employer's discretion.

Ninety-two per cent of Thilawa SEZ workers were paid a monthly attendance allowance and/or a financial incentive for reaching production targets. Workers did not receive the attendance allowance for leave days taken. The directors of a Thilawa SEZ-based garment factory,¹⁰ explained that their factory provided a MMK 15,000 (USD 10.99) monthly attendance bonus to employees who did not take any days off of work; if a worker was absent for one day, their bonus was reduced to MMK 7,500 (USD 5.49), and if they were absent for two or more days, their bonus was eliminated entirely (interview, July 2018). Attendance and productivity incentives applied pressure on workers to not miss a single day of work, even when ill, and to complete daily production quotas by offering a pathway to increased wages – which continue to fall below the living wage.¹¹ A worker from an SEZ factory described the income she lost as a result of taking leave:

I took leave when my grandmother passed away. They deducted 5,000 kyat [USD 3.66] from my attendance allowance – attendance allowance is 15,000 kyat [USD 10.99] – and they deducted the daily wage of 4,800 kyat [USD 3.52].

Su Su, Thilawa SEZ woman garment factory worker, July 2018

¹⁰ The names of the factory and its directors have been anonymised for the purpose of this report.

¹¹ The living wage for an individual was MMK 193,400 (USD 142) per month in 2018 (Tradingeconomics, 2019).

Deductions to respondents' wages primarily occurred in the form of their monthly contributions to the Social Security Fund, which constituted two per cent of a worker's pay, with employers contributing an additional three per cent in accordance with the Social Security Law (2012). Factories with five or more workers are obliged to register with a Social Security Township Office of the Social Security Board (SSB) under the purview of MOLIP. They also must pay regular contributions in order to protect workers in case of sickness, maternity, paternity, death or workplace injury. When asked whether they had a social security card, only 53 per cent of Thilawa SEZ respondents answered yes despite 82 per cent having indicated that contributions were deducted from their pay.

Leave

The 1951 Leave and Holidays Act (amended in 2006) grants workers, per year, around 15 days of public holidays with full pay; 10 consecutive days of paid annual leave after 12 continuous months of work with at least 24 working days in each month; six full-paid days of casual leave;¹² and 30 days of paid sick leave after six months of employment upon presentation of a medical certificate. This act also guarantees mothers 14 weeks of maternity leave and fathers 15 days of paternity leave. If workers are not covered by the social security scheme, payment for this leave is the responsibility of the employer (ILO, 2017a) (for more information on maternity benefits, refer to section 2.5.6. of this chapter).

When asked whether their employer allowed workers in their factory to access paid leave, a greater percentage of workers from Thilawa SEZ factories responded in the affirmative compared to those from Hlaing Thar Yar and Shwe Pyi Thar industrial zones (shown in Table 2.4.). However, 30 per cent of Thilawa SEZ workers reported that sick leave is provided but unpaid, and 36 per cent stated that annual leave is either unpaid or they did not know whether it was provided at all. One SEZ worker stated, "there is no annual leave" in her factory, while another said they "can take ten days of unpaid annual leave each year." In regards to sick leave, an interviewee explained, "if we get a note from a doctor, we can take paid sick leave." In order to be eligible for sick leave with full pay, workers need a doctor's letter from a social security clinic (SOMO et al., 2017). Given the limited number of social security clinics, workers often go to local clinics (non-social security clinics) that are closer but require them to pay MMK 4,000-5,000 (USD 2.93–USD 3.66) for a doctor's note (workers' organisation representative, interview, July 2018). One interviewed worker recounted that securing such a letter from a local clinic is costly and, consequently, many workers choose to not make the journey and accept a loss of income.

Employment contracts

According to Section 72 of the SEZ Law (2014), an "employment agreement shall be signed by the employer and employee and shall be employed in accordance with the existing Labour Laws and Rules." The Management Committee has a mandate to ensure that the employment agreement is made in conformity with these stipulations (SEZ Law, 2014, Sec. 70 (a)). As such, all employers and employees must sign an employment contract within 30 days of the com-

¹² Casual leave is defined as "unexpected or sudden leave" and can be taken, for example, to attend the funeral of a family member or for issues relating to the health of a spouse or child. Questions related to casual leave were not included in this study's questionnaire.

Table 2.3. Benefits, allowances, and deductions (by location)

TYPES OF BENEFITS, ALLOWANCES, AND DEDUCTIONS	THILAWA SPECIAL ECONOMIC ZONE (n=40)		HLAING THAR YAR INDUSTRIAL ZONE (n=79)		SHWE PYI THAR INDUSTRIAL ZONE (n=81)	
	%	MMK	%	MMK	%	MMK
Transportation	95	–	28	–	95	–
Transportation allowance	28	10,625 (USD 7.78)	8	5,083 (USD 3.72)	9	9,429 (USD 6.91)
Food	50	–	11	–	0	–
Food allowance	25	14,500 (USD 10.62)	5	9,450 (USD 6.92)	1	5,000 (USD 3.66)
Housing	22	–	6	–	7	–
Housing allowance	0	–	0	–	1	5,000 (USD 3.29)
Attendance and productivity incentives	92	13,460 (USD 9.86)	66	9,929 (USD 7.27)	70	12,394 (USD 9.08)
Monthly bonus	15	14,833 (USD 10.87)	15	14,083 (USD 10.32)	5	7,875 (USD 5.77)
Annual bonus	13	61,000* (USD 44.69)	27	44,690* (USD 32.74)	22	28,556* (USD 20.92)
DEDUCTIONS	%	MMK	%	MMK	%	MMK
Transportation	0	–	4	5,333 (USD 4.08)	5	5,575 (USD 4.08)
Food	0	–	0	–	0	–
Housing	7	16,667 (USD 12.21)	0	–	1	15,000 (USD 10.99)
Social security contribution	82	2,210 (USD 1.62)	94	2,093 (USD 1.53)	97	2,183 (USD 1.60)
Labour organisation (union) dues	0	–	10	688 (USD 0.50)	0	–

*These figures represent average bonuses received annually while the other figures in these columns represent average allowances, bonuses or deductions given or subtracted on a monthly basis.

mencement of work as outlined in the Employment and Skills Development Law (2013). MOLIP published a prescribed employment contract template in August 2015 (and a revised version in August 2017), including 21 items that must be included in every contract (Luther, 2017). In addition, MOLIP's policies require three original contracts to be produced: one for the employee, one for the employer, and one to be submitted to the relevant Township Labour Office, or to the labour section of the One Stop Service Centre (OSSC) in the case of Thilawa SEZ-based companies (Park, 2018; Employment and Skills Development Law [ESDL], 2013; TSEZMC, 2015).

The questionnaire results revealed that an alarming 70 per cent of workers in Thilawa SEZ garment factories were not in possession of a copy of their employment contract at the time of the study (compared to 79 per cent in Shwe Pyi Thar and 52 per cent in Hlaing Thar Yar). Without copies of contracts in hand, workers lack important information about the rights and benefits they are entitled to under various labour laws and agreements.

Table 2.4. Entitlement to paid leave (percentage by location)

TYPE OF LEAVE	THILAWA SPECIAL ECONOMIC ZONE (n=40)	HLAING THAR YAR INDUSTRIAL ZONE (n=79)	SHWE PYI THAR INDUSTRIAL ZONE (n=81)
Entitled to paid sick leave (%)	60	54	26
Taken* sick leave (%)	52	47	50
Entitled to paid annual leave (%)	55	21	11
Taken annual leave (%)	12	11	10
Entitled to paid maternity leave (%)	88	65	49
Taken maternity leave (%)	0	13	2
Entitled to paid paternity leave** (%)	52	11	7
Taken paternity leave (%)	0	1	2

* The percentage of those who had taken leave is among all respondents who said that they had leave provisions, and not just among those who had paid leave.

** A significant portion of respondents from all locations did not know whether their employer provides paternity leave, either paid or unpaid (45 per cent in Thilawa SEZ; 67 per cent in Hlaing Thar Yar; and 85 per cent in Shwe Pyi Thar).

Workplace safety

Workers in garment factories in Thilawa SEZ overwhelmingly reported feeling safe in their workplace with only 12 per cent (five women respondents) reporting feeling unsafe (compared to 44 per cent in Hlaing Thar Yar factories and 54 per cent in Shwe Pyi Thar factories). However, researchers were informed of several cases of occupational injuries inside SEZ factories. 52 per cent of SEZ respondents indicated having personally experienced or witnessed an accident within their workplace; 76 per cent of these accidents involved a sewing needle piercing a worker's finger and 24 per cent were cases of fainting. The prevalence of work injuries in Hlaing Thar Yar and Shwe Pyi Thar industrial zones was slightly higher with 66 per cent and 68 per cent, respectively, having experienced or seen an accident.

On 15 March 2019, Myanmar's parliament enacted the Occupational Safety and Health (OSH) Law, which the ILO (2019b) deemed "a major step towards safer and healthier workplaces in Myanmar." It remains to be seen whether the implementation of this new law, which will require employers to establish OSH committees at the workplace level, will better protect workers from occupational injuries, diseases, and deaths.

Despite working fewer hours of overtime relative to the other locations, workers from one factory in Thilawa SEZ described extreme amounts of pressure placed on them by their supervisors and managers to work harder and longer to meet production targets, particularly following the May 2018 increase in minimum wage. One of the respondents compared her workplace to a jail, exclaiming that they "are like prisoners." The hostile attitude of and verbal abuse from supervisors were also listed as one of the primary aspects respondents disliked about their workplace.

What happened to our lunch break is that before we were given one hour. Right before and after the 4,800 kyat [USD 3.52] wage raise, they gave us 45 minutes. But now they told us in meetings...for our lunch break, just take 15 minutes and work for the rest of the time...We are like prisoners. Our workplace has become like this now. It's gotten worse since the wage increased to 4,800 kyat. They are watching, walking in circles, and checking all the time whether we are working or not.

Yu Yu, Thilawa SEZ woman garment factory worker, July 2018

2.5.4. LABOUR ORGANISING AND DISPUTE RESOLUTION

Freedom of association

Drafted with guidance from the ILO, the 2011 Labour Organization Law grants workers the right to form, administer, and join trade unions. The right of every citizen to form associations and organisations is also enshrined in Section 354 (c) of the 2008 Constitution. Myanmar's ratification of the ILO Freedom of Association and Protection of the Right to Organise Convention (No. 87) in 1955, and the UN's International Covenant on Economic, Social and Cultural Rights in 2017, further protects workers' right to freedom of association.

Absent of any provisions in the SEZ Law (2014) suggesting otherwise, these legal documents apply to Myanmar's special economic zones. As such, trade unions may be formed by a minimum of 30 workers¹³ in a workplace situated in a SEZ. While there are over 1,670 registered workplace-level labour unions across the country (MOLIP, n.d.), including in Hlaing Thar Yar and Shwe Pyi Thar industrial zones¹⁴, in a July 2018 interview with representatives of the Thilawa SEZ Management Committee, researchers were told that there were no unions active within the confines of the SEZ.

A worker expressed during an interview that there was no movement to organise in her factory because workers, she believed, were fearful of retaliation.

We don't have a trade union or an organisation like that. If we had an organisation, it would be good. When there are problems, we wouldn't have to deal with them directly. If we appointed worker representatives, and if there are problems, they could deal with the management. It would be good for us, but for now there is no one because many of the workers come from rural places and they are very scared. They are scared to death even from hearing news from outside, like from one factory that is on strike in Hlaing Thar Yar. We are still very far from having our own representative.

Ei Ei, Thilawa SEZ woman garment factory worker, July 2018

¹³ If there are less than 30 workers in a given workplace, workers may form a trade union together with workers from another workplace within the same sector and region. In such a case, 10 per cent of all of the workers in workplaces seeking to form a union together must vote in favour of said union (ILO, 2017, p. 33). The ILO has criticised clauses restricting cross-sectoral industrial unionism and requiring unions to have at least 30 workers in a particular workplace for not being in agreement with international standards (Arnold & Campbell, 2017).

¹⁴ 31 per cent of respondents from Hlaing Thar Yar industrial zone and 7 per cent from Shwe Pyi Thar industrial zone reported having trade unions in their factories with only 8 workers (10 per cent) from Hlaing Thar Yar acting as members of a union.

During interviews, members of external labour and civil society organisations illuminated their inability to access workers in the SEZ to learn about their working conditions, share information on labour rights, or support potential cases of rights violations.

The government only cares about investment and does not care about workers...At the moment, there is no arbitration process in the SEZ. The zone [management] committee has to solve [labour disputes] and that becomes a problem. That is why we can't help. We can't help with solving cases. We have some cases from Thanlyin [Township]. First, we have to ask them whether they work in the special economic zone. If they are in the zone, although we are willing to assist them, we have very limited access.

Workers' union network representative, Yangon, July 2018

Despite a lack of experience participating in collective industrial actions relative to workers in Hlaing Thar Yar and Shwe Pyi Thar industrial zones,¹⁵ 67 per cent of Thilawa SEZ respondents believed that collective actions, such as collective bargaining and strikes, were important with 'to secure labour rights and greater benefits' and 'to allow workers to be heard by their employers' cited as the main reasons.

Dispute resolution mechanisms

The SEZ Management Committee is the primary arbitrator in negotiating and mediating labour disputes that arise in the SEZ between employers and employees. If no resolution is reached, disputes shall be handled in accordance with the 1929 Trade Disputes Act¹⁶ (SEZ Law, 2014, Sec. 76). According to the Thilawa SEZ Management Committee, as of July 2018, all labour disputes had been settled by the Labour Department at the OSSC in the SEZ and, therefore, had not progressed to the courts, conciliation bodies or arbitration bodies as per Myanmar's labour laws (interview, July 2018). The International Commission of Jurists (2017) argues that the legal framework for SEZs does not establish a special procedure to implement the mediation of labour disputes and, therefore, it is "unclear if this undermines or is complementary to effective redress mechanisms under existing laws".

In line with Myanmar's labour laws, the first attempt at resolving labour disputes is through direct negotiation between employers and employees at the workplace level by means of Workplace Coordinating Committees (WCCs). The 2012 Settlement of Labour Dispute Law (which repealed the 1929 Trade Disputes Act) specifies that workplaces with more than 30 employees must establish a WCC, which "shall promote the good relationship between the employer and worker or labour organization" (Sec. 5). WCCs are comprised of members representing in equal numbers the employer and trade unions or workers in the absence of a union. Two representatives of workers are to be nominated by each union or workers themselves if there is no union (Settlement of Labour Dispute Law [SLDL], 2012, Sec. 3). Workplace

¹⁵ 12 per cent (n=5) of respondents from Thilawa SEZ reported previously participating in collective actions relative to 40 per cent from Hlaing Thar Yar industrial zone and 28 per cent from Shwe Pyi Thar industrial zone; however, this question was not time sensitive and, thus, responses may reflect workers' experiences in former workplaces outside of these zones.

¹⁶ The Settlement of Labour Dispute Law (2012) repealed the Trade Disputes Act (1929), however, section 58 of the Settlement of Labour Dispute Law states that the "rules, procedures, notifications, orders and directives issued under the Trade Disputes Act, 1929 may be applied continuously unless and until they are not contrary to this Law."

grievances shall be submitted to the WCC with the objective of negotiating and concluding collective agreements within five days (SLDL, 2012, Sec. 6).

The study found that while some garment factories in Thilawa SEZ had WCCs, in one factory there was, reportedly, a lack of genuine representation of workers on the committee as the employer appointed a worker representative “because they knew [the workers] didn’t like them” (Yu Yu, interview, July 2018). Moreover, it should be noted that, in practice, the effectiveness of the WCC system remains unknown as there is, in part, no available data on the number of WCCs, a lack of penalties for failing to form a WCC, and limited information to assess whether WCCs are an effective tool for worker participation and the implementation of the law (Lin et al., 2019).

2.5.5. SKILLS UPGRADING AND VALIDATION

The questionnaire data revealed that the more years respondents had worked in the garment industry, the greater their earnings were relative to those with fewer years of comparable work experience. While this may imply that work experience is of value, the results of the study found that there were no explicit efforts being made by management personnel to upgrade workers’ skills, formally validate acquired skills, or retain workers with greater work experience. In-depth interviews exposed that increases in wages were often achieved by changing jobs, which may, in part, explain why Thilawa SEZ workers were only employed in a factory for 1.61 years on average before relocating to a different garment factory.

The SEZ Law (2014) denotes that “[t]he investor shall arrange the training and course relating to the relevant subjects by the type of business for the improvement of the skill of the citizen staff” (Sec. 73). This law also stipulates that the expenses associated with conducting trainings “to the skilled worker or semi-skilled worker or the staff of the management sector” by investors operating in the SEZ’s Free Zone are deductible from taxable income (Sec. 52). The Employment and Skill Development Law (2013) further supports the implementation of occupational training by employers to enhance the skills of workers (Sec. 14).

In practice, only 20 per cent (n=8) of Thilawa SEZ respondents had received skills training from their current employer (compared to eight per cent from Hlaing Thar Yar industrial zone and seven per cent from Shwe Pyi Thar industrial zone). Six of these workers reported receiving skills training on sewing, while two were trained on how to repair machinery. Findings from in-depth interviews with workers strongly suggested that most of the skills training was conducted informally by fellow employees outside designated working hours. One interviewee explained:

We have to learn by ourselves. They do not provide training. During lunch breaks, we have to ask who knows how to sew...that point. There are people who are willing to teach us and there are people who won’t teach us.

One interviewee, Su Su, described her factory’s internal system for differentiating skill levels based on a worker’s ability to complete intricate sewing tasks and operate more complex machinery. The pay rate for producing a dozen pieces varied according to the allotted skill

level. However, despite gaining the necessary skills during lunch breaks, being elevated to the next level was not guaranteed as it depended on whether there was a need for more workers at that level. It was also influenced, she explained, by a system of favouritism practiced by supervisors.

Only 10 per cent of the total questionnaire respondents reported having ever received a promotion – a pay raise or position upgrade – throughout their history of employment in the garment industry. Only two respondents from Thilawa SEZ reported receiving a promotion; only one of which was while working in a Thilawa SEZ-based garment factory. Interviewees indicated that being promoted to the position of line leader or supervisor was a rarity as there were few positions available in factories (with one interviewee specifying that there was one line leader for every 100 sewers) and given that management wanted to keep experienced sewers in their current position in order to maximise outputs.

Although there are a number of promising initiatives being implemented by the public, private, and non-profit sectors to develop, standardise, and certify garment factory workers' skills, as well as to provide skills training applicable to other vocations,¹⁷ these efforts seemingly have yet to reach many of the garment factory workers both inside and outside of Myanmar's SEZs. Despite receiving minimal support, this study revealed that some SEZ workers were proud of their skillsets and regarded themselves as professional sewers. One respondent, when asked to rank her vocational skills between one (associated with a low level of skills) and 10 (a high level of skills), stated:

I would get over nine because I understand [how to sew], not like others. I do not need much time. They only have to show me once. I also correct their mistakes when they make errors.

2.5.6. CARE WORK

Childcare

As previously noted, the majority of respondents did not have children (80 per cent). Of the 41 respondents with children, six were employed in Thilawa SEZ-based garment factories, while 15 were working in Hlaing Thar Yar industrial zone and 20 in Shwe Pyi Thar industrial zone. Only two of the respondents with children were men (one in Hlaing Thar Yar garment factory and one in Shwe Pyi Thar). The average number of children per worker was 1.4 and the average age of these children was 9 years. Although the 1951 Factories Act (amended in 2016) mandates factories with over 100 women workers who are mothers of children under the age of five to provide a day care centre with assistance from the Ministry of Social Welfare, Relief and Resettlement (Sec. 50), none of the questionnaire respondents worked in a factory providing such a facility, nor did any of the 41 respondents receive other child-related benefits.

¹⁷ For example, in an effort to prepare for Myanmar's entry into the AEC, the National Skills Standard Authority (NSSA) under MOLIP is facilitating technical and vocational training and skills tests for a range of trades to develop the capacities of both domestic and potential cross-border migrant workers (MMN, 2016; Yadana, 2018). MOLIP is also urging individual garment factories in Yangon to establish assessment centres in order for workers to earn NSSA-issued skills certificates (Htwe, 2018). Other initiatives include MGMA's Myanmar Garment Human Resources Development Center, which offers basic sewing training and supervisor training to workers at no cost; the Aung Myin Hmu Project's Garment Skills Training Centre; and SMART Myanmar's implementation of the ILO's Sustaining Competitive and Responsible Enterprises (SCORE) training programme in SMEs, including garment factories, which involves in-factory training on workplace cooperation between employers and employees (MGMA, n.d.; LIFT, 2017; SMART Myanmar, n.d.).

Table 2.5. Childcare arrangements (percentage by location)

CHILDCARE ARRANGEMENTS	THILAWA SPECIAL ECONOMIC ZONE (n=6)	HLAING THAR YAR INDUSTRIAL ZONE (n=14)*	SHWE PYI THAR INDUSTRIAL ZONE (n=20)
	%	%	%
Respondent (Yangon Region)	33 (n=2)	21 (n=3)	45 (n=9)**
Respondent (different state/region)	0	0	5 (n=1)
Respondent's mother (Yangon Region)	17 (n=1)	0	0
Respondent's mother-in-law (Yangon Region)	0	14 (n=2)	5 (n=1)
Respondent's mother (different state/region)	0	21 (n=3)	10 (n=2)
Respondent followed by respondent's mother (Yangon Region)	17 (n=1)	21 (n=3)	5 (n=1)
Respondent followed by respondent's mother-in-law (Yangon Region)	0	0	5 (n=1)
Respondent followed by respondent's mother (different state/region)	0	7 (n=1)	10 (n=2)
Respondent (Yangon Region) followed by respondent's mother (different state/region)	17 (n=1)	0	0
Respondent (different state/region) followed by respondent's mother (Yangon Region)	0	0	5 (n=1)
Other arrangements	17 (n=1)	14 (n=2)***	10 (n=2)

* One case was removed from the total due to an error with the data.

** One of these cases is a man respondent.

*** One of these cases is a man respondent; his child was cared for by his aunt in Yangon.

The study found that childcare was primarily being done by women workers themselves along with their mothers and mothers-in-law. Table 2.5. illustrates the different childcare arrangements of respondents across the study areas. The responsibility of childcare for Thilawa SEZ workers was largely shouldered by women respondents or their mothers in Yangon Region. The arrangements made by workers from Yangon's industrial zones involved greater variation as some children were cared for in a respondent's state or region of origin, also by a female caregiver.

With a lack of factory and community-based childcare facilities, women workers struggled to balance the responsibilities of childcare and work. Interviewees from Thilawa SEZ described how, given the dearth of childcare options, some women workers felt forced to resign from their jobs:

No, I have never heard [of a nursery in a factory]. I think it would be great to have one, but I have never heard of it. 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.

Yu Yu, Thilawa SEZ woman garment factory worker, July 2018

I think once workers have children, it is difficult for them. With children it is hard for them to do overtime. For childcare, those who live with their parents ask them to take care of their children. Those who don't have this have to quit their job. Their husbands also have to work. Some children are being cared for by their parents and some are being taken care of by their relatives.

Su Su, Thilawa SEZ woman garment factory worker, July 2018

Table 2.6. Remittances (by location and sex)

REMITTANCES	THILAWA SPECIAL ECONOMIC ZONE		HLAING THAR YAR INDUSTRIAL ZONE		SHWE PYI THAR INDUSTRIAL ZONE	
	WOMEN (n=16)*	MEN (n=1)	WOMEN (n=52)	MEN (n=9)	WOMEN (n=50)	MEN (n=6)
RECIPIENT OF REMITTANCES**	%	%	%	%	%	%
Parent	100 (n=16)	0	83 (n=43)	100 (n=9)	90 (n=45)	83 (n=5)
Sibling	38 (n=6)	0	33 (n=17)	22 (n=2)	28 (n=14)	17 (n=1)
Child	6 (n=1)	0	12 (n=6)	0	8 (n=4)	0
Grandparent	6 (n=1)	100 (n=1)	10 (n=5)	11 (n=1)	6 (n=3)	17 (n=1)
Parent-in-law	6 (n=1)	100 (n=1)	2 (n=1)	0	2 (n=1)	0
Aunt or uncle	13 (n=2)	0	2 (n=1)	0	0	0
Spouse	0	0	0	0	4 (n=2)	0
Niece	0	0	0	0	2 (n=1)	0
AVERAGE AMOUNT REMITTED IN 2016 (OVER 12 MONTHS)	MMK	MMK	MMK	MMK	MMK	MMK
	854,375 (USD 626)	240,000 (USD 176)	1,036,275 (USD 759)	1,041,111 (USD 763)	1,121,660 (USD 822)	875,000 (USD 641)
REMITTANCES AS A PERCENTAGE OF AVERAGE ANNUAL EMPLOYMENT INCOME	%	%	%	%	%	%
	43	12	50	53	52	35
AVERAGE NUMBER OF PEOPLE REMITTANCES SUPPORT	#	#	#	#	#	#
	2.81	2	2.14	2.22	2.27	2.5

* These figures represent the total number of respondents from each group who reported sending remittances.

** In some cases, respondents reported remitting money to more than one recipient, which is reflected in the table.

According to the Social Security Law (2012), after one year of work and six months of contributing to the Social Security Fund, female employees are entitled to six weeks of prenatal leave and eight weeks of postnatal leave, for a total of 14 weeks of maternity leave (Sec. 25). In addition to free medical care in permitted clinics and hospitals, employees shall receive a cash benefit at 70 per cent of their average wage over the previous 12 months (Social Security Law, 2012, Sec. 27). When asked whether their employer allowed workers in their factory to access paid maternity leave, 88 per cent of Thilawa SEZ workers responded positively compared to 65 per cent from Hlaing Thar Yar industrial zone and 49 per cent from Shwe Pyi Thar industrial zone. However, only 12 of the total women respondents with children (n=39) had taken maternity leave at the time of the questionnaire, none of whom were employed in the SEZ.¹⁸

¹⁸ It should be noted that these women may not have been working in their current workplace or qualified for maternity benefits at the time their child was born and, thus, would not have been captured in this figure.

Family care and remittances

The vast majority of respondents across all zones (87 per cent) had family members, including children, who required care. The most common family members in need of care were respondents' mothers (82 per cent), fathers (54 per cent), and siblings (17 per cent), closely followed by grandparents (14 per cent). In the case of Thilawa SEZ, the primary caregiver of these family members tended to be the respondent (62 per cent). In Hlaing Thar Yar and Shwe Pyi Thar industrial zones, the primary caregiver was typically another relative; in the majority of cases, it was a female relative such as the respondent's mother or sister. These differences are likely attributed to the fact that most of the Thilawa SEZ workers are originally from townships bordering the SEZ and live with their families. When asked what plans they had to care for their family members in the future, almost all respondents (89 per cent) reported that they planned to send money.

67 per cent of all surveyed respondents were regularly sending remittances at the time of the study. Although only 43 per cent of Thilawa SEZ respondents reported remitting (compared to 78 per cent from Hlaing Thar Yar and 69 per cent from Shwe Pyi Thar), when the data was disaggregated by place of origin it showed that 75 per cent of SEZ workers originating from other states and regions (six women respondents) sent money. Table 2.6. presents information on remittances. While this data is disaggregated by sex, it should be noted that the number of men respondents for each location was small and not a representative sample of this subset of workers. Of the Thilawa SEZ respondents who sent remittances, the average amount that was sent in 2016 was significantly less than the other industrial zones; however, when place of origin was considered, the average amount sent by respondents from other states and regions (n=6) was MMK 1,018,333 (USD 746) – 51 per cent of their average annual earnings – which was analogous to workers in other zones.

2.6. DISCUSSION AND RECOMMENDATIONS

It is apparent that although Thilawa SEZ has created employment opportunities for some workers, these jobs currently fail to uphold standards of decent work in regards to working conditions, access to freedom of association, and care work supports. There is also a lack of adequate skills development and recognition efforts within SEZ factories. It is evident that there is significant space for improvement in regards to these themes, both in Thilawa SEZ and in Myanmar's garment industry as a whole. In support of developing opportunities for decent work in SEZs that prioritise the rights and well-being of workers over foreign investors, this section outlines priority recommendations that emerged from the study addressed to the Myanmar Government, Thilawa SEZ Management Committee, factory owners, and buyers.

RECOMMENDATIONS

To the Myanmar Government:

1. Implement a labour law awareness campaign in collaboration with trade unions and labour rights organisations targeting garment factory workers and employers, including those in SEZs.
2. Prioritise and fast track the process of issuing social security cards to all workers contributing to the Social Security Fund.
3. Develop a garment industry-wide skills recognition programme to formally validate the acquired skills and work experience of garment factory workers.
4. Increase the statutory minimum wage to a living wage rate.

To the Thilawa Special Economic Zone Management Committee:

1. Conduct more frequent, regular, and unannounced labour inspections of factories in the SEZ jointly with the labour section of the One Stop Service Centre.
2. Provide comprehensive training to factory management personnel operating in the SEZ on national labour laws and regulations, workplace cooperation between management and employees, and effective supervisory skills.
3. Provide comprehensive training to workers in SEZ factories on national labour laws, their rights under these laws, and processes for reporting and settling labour disputes.
4. Grant trade unions and labour rights organisations access to workers in SEZ factories.
5. Develop of a model childcare facility for workers in the SEZ.
6. Encourage SEZ factory owners and their buying companies to pay their employees a living wage.

To factory owners:

1. Comply with national labour laws and regulations, including by allowing workers to form, manage, and join trade unions and independently nominate worker representatives for Workplace Coordinating Committees.
2. Pay workers a living wage.
3. Provide skills training to workers during working hours.

To buyers:

1. Support their suppliers in paying their employees a living wage.



CHAPTER 3

GARMENT FACTORY WORKERS IN CAMBODIA'S SPECIAL ECONOMIC ZONES

3.1. CAMBODIA'S SPECIAL ECONOMIC ZONES

SEZs were first approved in Cambodia in 2005, with the issuing of Sub-decree No.148 on the Establishment and Management of the Special Economic Zone. According to the Sub-decree, the purpose of establishing SEZs was to “improve the investment climate conducive to the enhancement of productivity, competitiveness, national economic growth, export promotion, [and] employment generation in order to reduce poverty.” (Council for the Development of Cambodia, 2005).

It has also been argued that SEZs were intended to diversify Cambodia's industry through foreign direct investment (FDI) (Warr & Menon, 2015), and to link Cambodian industry to the global production chain (Royal Government of Cambodia, 2015). According to the Council for the Development of Cambodia (CDC), with the establishment of SEZs, FDI had increased significantly especially from Japan whose investment purportedly accounted for 80 per cent of total SEZ investment (CDC, interview, February 2017). The Cambodian economy is now heavily dependent on FDI, with net inflows at 12.6 per cent of gross domestic product (GDP) in 2017 – the highest in the Mekong region¹ (World Bank, n.d.). Cambodia also enjoys the benefit of the Generalized System of Preferences (GSP) scheme of the US, as well as the Everything But Arms (EBA) status under the GSP scheme of the EU, which provide duty free access to these respective markets. In 2019, however, the EU started a process to suspend Cambodia's access to the EBA scheme, due to its human rights and labour rights record (European Commission, 2019).

At the time of writing, there were around 30 SEZs approved in Cambodia and more than 15 in operation.² They are located across the country, including in the capital, Phnom Penh, in coastal areas, and in the border areas with Vietnam and Thailand. All are owned, developed, and managed by private investors – including local, foreign, and joint ventures.

Sub-decree No. 148 states that the Cambodian Special Economic Zone Board (CSEZB), which

¹ Net FDI inflows in 2017 were: Myanmar 7.0 per cent, Lao PDR 9.5 per cent, Vietnam 6.3 per cent, and Thailand 1.8 per cent.

² The number of SEZs varies across sources. Xinhua's 10 May 2018 report (http://www.xinhuanet.com/english/2018-05/10/c_137167520.htm) quoted Nut Unvoannra of CDC saying that 32 SEZs have been approved and 19 are in operation. During this study's interview with CDC on 6 February 2017, researchers were informed that 43 SEZs have been approved and 15 are in operation. Open Development Cambodia's dataset as of November 2015 identified 34 registered SEZs (<https://opendevelopmentcambodia.net/topics/special-economic-zones/>).

sits under the CDC, oversees SEZs in Cambodia. The government provides a “One-Stop Service” centre to provide government document services and supervision. According to the CDC, as of 2018, SEZs have generated more than 104,000 jobs (Ngouon & Mao, 2018). Ninety-five per cent of production workers in SEZs are women (Warr & Menon, 2015). In Phnom Penh, the manufacturing sector outside of SEZs is dominated by the garment industry, whereas the range of industries that operate inside Phnom Penh SEZs is more diverse, producing such products as electrical equipment, plastics, motorcycles, and processed foods (Phnom Penh Special Economic Zone 2019).

3.2. CAMBODIA'S GARMENT INDUSTRY

The value of garment exports was USD 7.15 billion in 2017,³ which represents a 8.96 per cent growth from 2016, and contributed to around 65 per cent of total exports (ILO, 2018c). The EU is the largest market for Cambodia's garment exports (45.4 per cent), followed by the US (24.8 per cent). The EBA scheme cancellation, if it is enforced, has the potential to significantly impact Cambodia's garment industry. Concern over the country's heavy reliance on the garment industry is reflected in the country's Industrial Development Policy 2015-2025, which aims to increase non-textile exports to 15 per cent by 2025. However, textiles and garments continue to be listed as a priority sector in the policy for linking the sector to global markets and developing stronger backward linkages domestically.

In order to maintain preferential access to export markets in the US and Europe, exporting garment factories are required to be under the Better Factories Cambodia's certification programme. Better Factories Cambodia (BFC) is a partnership with the ILO and the International Finance Corporation.⁴ It started in 2001, and conducts independent assessments of working conditions in Cambodia's garment factories, issuing certificates of compliance. As of 2019, 557 factories are registered with BFC (Better Factories Cambodia, n.d.-a.). All factories – including those in SEZs – have to join this scheme and also be a member of the Garment Manufacturers Association in Cambodia (GMAC) if they are exporting. BFC helps to fill an important gap in terms of monitoring while government labour inspection remains extremely weak. However, BFC only covers large exporting factories and not the small sub-contracting factories where labour rights violations are rife (Human Rights Watch, 2015). While BFC appears to be making efforts to assess the actual working conditions of factories through unannounced visits, their reports for individual factories are not publicly available therefore it is difficult to verify with labour unions or workers the extent to which conditions have been accurately captured (*Ibid*).

It is a requirement of SEZ developers to provide training to workers in cooperation with the Ministry of Labour and Vocational Training (MOLVT), according to Article 12 of the SEZ Sub-decree. As such, GMAC opened the Cambodia Garment Training Center Institute (CGTI) in May 2017 inside the Phnom Penh SEZ.

CGTI's training is focused more on middle to higher management with training in industrial engineering, production management, lean management, cross cultural management, and pattern making. However, there is little focus on lifting workers from lower to middle manage-

³ Note that this ILO figure is slightly different from the World Bank database used in Figure 3.1.

⁴ See <https://betterwork.org/where-we-work/cambodia/> for more details.

ment. Aside from CGTI, training in sewing is offered as part of the Technical and Vocational Education and Training project under the MOLVT. Better Factories Cambodia also offers training courses for employees ranging from managers to workers. In 2015, it provided 76 training courses to 1,863 participants (Better Factories Cambodia, n.d.-b.). There are numerous other private small training centres, as well as NGOs, running sewing classes.

3.3. LABOUR AND MIGRATION IN CAMBODIA

3.3.1. INTERNAL MIGRATION

In 2019, the population of Cambodia was over 16 million. The largest city is the capital Phnom Penh, with a population of 2 million⁵ (World Population Review, 2019). In 2017, the international migrant stock was 1.1 million (UNESCO et al., 2018), but internal migration is much more significant; in 2018, net migration per day was -82 (*Ibid*). This is compared to Myanmar's -55, which is significant considering the fact that Myanmar's population is far larger than Cambodia's (around 53 million). According to an internal migration report by UNESCO et al. (2018), in 2013 most migration in Cambodia (58.4 per cent) was rural-rural, while rural-urban migration only accounted for 24.5 per cent. Among rural-urban migrants, Phnom Penh was the destination for only half in 2011 (Ministry of Planning, 2012). The majority of the migrants in Phnom Penh (59 per cent) came from Kandal, Kampong Cham, Prey Veng and Takeo provinces (*Ibid*), and women were 15 per cent more likely to move to Phnom Penh compared to men (*Ibid*). Significantly, 86 per cent of all migrants moving to Phnom Penh secured employment within the first month (*Ibid*).

UNESCO et al. (2018) also noted that internal migrants are three times more likely to be single, and tend to be better educated than non-migrants. The Cambodia Rural Urban Migration Project (CRUMP) survey (Ministry of Planning, 2012) showed that among migrants in Phnom Penh, one in five of those with children under 15 have a child living elsewhere, and in more than 80 per cent of cases, the child is with the other parent. That is, in nearly 20 per cent of cases, children of migrants are left with their grandparents or other non-parent care takers. As for parents of migrants, the survey found that migrants generally tend to leave parents back home when there are other siblings living nearby. The CRUMP survey concluded that this is "strong evidence suggesting that household rather than individual decision-making is at work when it comes to the decision to migrate" (p. 28).

The Ministry of Planning (2013) found that women migrants in Phnom Penh were 9.43 times more likely to remit than men and, when compared to the broader population of women migrant workers, garment workers were 6.1 times more likely to remit than service/ entertainment workers.

⁵ It should be noted that the last census was in 2008. This study found that there are workers in Phnom Penh who have not changed their household registration from their home province to Phnom Penh, therefore the actual number of people living in Phnom Penh might be higher.

3.3.2. WORKING CONDITIONS

Wages

In Cambodia, the minimum wage is only applicable to textile, garment and footwear sectors.⁶ Before 2014, the minimum wage in Cambodia was only reviewed every four or five years. As a result, the real wages of garment workers had fallen by 22 per cent in the decade between 2001 and 2011 (<https://cdn.americanprogress.org/wp-content/uploads/2013/07/RealWageStudy-3.pdf>). The inadequate wages triggered nationwide strikes by the end of 2013, which in January 2014 was subjected to a violent crackdown resulting in the death of five garment workers (Workers Rights Consortium, 2014). On this tragic background, changes in the adjustment of the minimum wage were institutionalised with an annual revision of the minimum wage occurring every fall (<https://www.phnompenhpost.com/national/brands-back-wage-bump-unionist>).

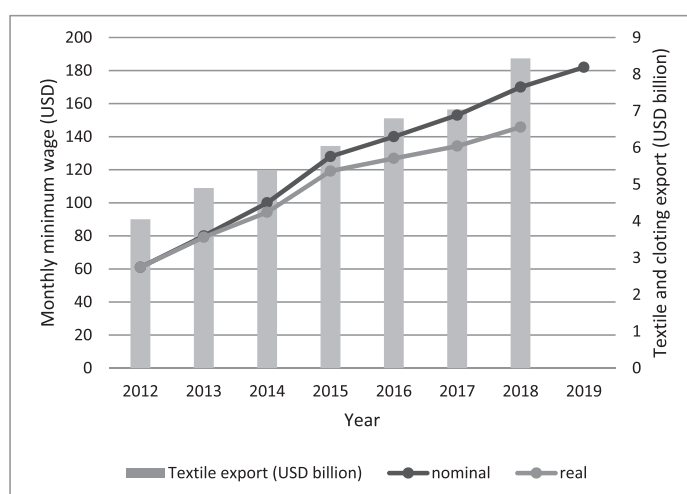


Figure 3.1. Legal minimum monthly wage in Cambodia for garment workers (nominal wage and real wage) and annual textile and clothing export values

Source: Calculated from NIS (n.d.) and the Ministry of Labour and Vocational Training (2019) data for wages. World Bank data from 2012 to 2016 was referenced for export values, and retrieved from <https://wits.worldbank.org/CountryProfile/en/Country/KHM/Year/2016/TradeFlow/Export/Partner/WLD/Product/all-groups>. For 2017 and 2018 export data, it is calculated on the basis of Textile Excellence (2019)'s report (deducting 12 per cent for footwear exports, based on 2016 export data). Retrieved from: <https://www.textileexcellence.com/news/cambodias-garment-exports-increase-24/> (accessed on 25 May 2019).

The minimum wage as of January 2018 was USD 170⁷, while probationary workers⁸ were to receive USD 165 per month. It has increased steadily over the last few years both in nominal and real terms (Figure 3.1). It is noted that while minimum wages continued to increase, so did the value of exports, therefore it seems that minimum wage increase has not affected the industry.⁹ In 2018,

⁶ Those working on piece rate will be paid on the basis of goods produced, but if the income is lower than minimum wage, the employer has to top up the amount so that the daily wage will be equal to the minimum wage (Article 2 of the Ministry of Labour and Vocational Training Prakas No. 396, on determination of minimum wage for workers/ employees in the textile, garment and footwear industries for 2018).

⁷ Minimum wage increased to USD 182 in January 2019. However, as interviews for Phnom Penh were conducted in 2017, USD 153 is used as a reference, while for Manhattan SEZ, USD 170 is used as a reference.

⁸ According to Labour Law 1997 Article 68, the probationary period cannot be more than three months for regular employees, two months for specialised workers and one month for non-specialised workers.

⁹ Even though the minimum wage increase does not seem to be affecting export value, in order to support businesses to introduce increased minimum wage, in November 2017, the government introduced an exemption of Export Management Fees (EMF), which is a fee exporters are required to pay to obtain a document of the Certificate of Origin, and a nine-year profit tax exemption for garment factories (ILO June 2018c).

the ILO examined whether minimum wage increases had affected other payments, such as allowances and overtime, that workers received, thereby potentially nullifying the effect of minimum wage increases. It did not find such a trend, and on average the base rate (pay without any allowances, incentives or overtime payments) made up around 65 per cent of the total take-home pay.¹⁰

Contract types and seniority payment

Labour Law Article 67 states that unless otherwise mentioned, all contracts are undetermined duration contracts (UDC), however starting around 2005-2006, factories began to hire more fixed-duration contract (FDC) workers (Yale Law School, 2011). Labour Law Article 89 mandates severance pay for UDC workers, who are to be paid 15 days a year compensation if they worked for more than 12 months continuously, up to six months of wage and fringe benefits. This clause is vague with regards to FDC workers, and has made it difficult for them to claim severance pay (Yale Law School, 2011; Nop, 2017). However, amendments to the Labour Law in June 2018¹¹ have helped erode some of the differences between UDC and FDC ; Article 89 stipulates that seniority payment is to replace severance pay.

There are two types of seniority payment: new workers who began employment in or after 2019 are to be paid seniority compensation equal to 15 days of wages and fringe benefits every year (made across two payments per year of 7.5 days each). For workers who began working prior to 2019, employers are to pay 30 days per year (made across two payments per year of 15 days each)¹² of the average net wages as additional seniority payment to the annual seniority payment. The maximum payback shall not exceed the value of six months of the average net wages of each year.

However, while the gap has closed between FDC and UDC contracts regarding the issue of seniority pay, FDC workers remain disadvantaged in terms of higher work insecurity. Article 67 stipulates that FDC contracts “can be renewed one or more times, as long as the renewal does not surpass the maximum duration of two years”. The interpretation of this clause with regards to whether two years applies to each contract or the total length of multiple contracts has been contested, and concern has been raised that this system perpetuates the contracting of short term FDC workers (Nop 2017). Yale Law Clinic (2011) argued that the prevalence of FDC workers leads to increased insecurity of workers and threatens labour productivity.

Occupational health and safety

Garment factories face challenges with regards to occupational health and safety, and unsafe transportation. The National Social Security Fund (NSSF) (2016) reported that in 2015, there were 1,806 fainting cases in 32 factories, amounting to 3.9 per cent of the workers in these factories. NSSF (2018) reported that in 2017, 2,326 workers fell victim of traffic accidents with

¹⁰ The study is based on the ILO's payroll record based on 25 factories in 2016 and 32 factories in 2017. It does not specify the size of the factories or whether it includes small sub-contracting factories.

¹¹ A pension scheme is planned under the law on social security schemes and was expected to be launched in 2019, but the detailed scheme was not yet announced at the time of writing this report.

¹² Thirty days apply to textile, garment and footwear manufacturing sectors and the payback is 15 days (7.5 days each, twice a year) for other sectors.

36 deaths. Of these traffic accidents, 952 involved garment and footwear sector workers. According to Labour Law Article 229, relevant ministries are responsible for monitoring and enforcing occupational health and safety standards.

Leave

Labour Law Article 166 stipulates that workers are entitled to 1.5 days of paid annual leave per one month of continuous service. For every three years of service, workers are to be awarded one additional day of annual paid leave. Article 169 provides for special paid leave for a maximum of 7 days in an event affecting workers' immediate family. The Labour Law states only that workers are entitled to paid sick leave, and that paid sick leave regulations need to be included in internal work rules. The standard work rules approved by the Ministry of Labor specify that workers should get 100 per cent wages for one month of illness, 60 per cent for two to three month of illness, and no wages for four months and longer (Notification 14).

Maternity leave and childcare support

Under the Labour Law, mothers are entitled to 90 days of paid maternity leave after one year of uninterrupted service. According to Article 183, employers must provide 50 per cent of wages during this leave. If the employee is registered under the NSSF and paid contribution for at least nine months, she is entitled to an additional allowance of KHR 400,000 (USD 100) per child,¹³ as well as free anti-natal care, free delivery, and an additional 70 per cent of the minimum wage added to the 50 per cent from the employer.¹⁴

Article 184 of Cambodia's Labour Law 1997 states that for one year from the date of child delivery, mothers are entitled to one hour per day during working hours to breastfeed children. Breaks for breastfeeding are not to be calculated within normal breaks (Article 185). Article 186 states that enterprises with at least one hundred women or girls have to build a nursing room and a day care centre. If the company is not able to set up a day care centre for children over eighteen months of age, female workers can place their child in any day care centre and charge their employer for the cost. The Arbitration Council estimated that payment of childcare is equal to USD 15 per month (AA No.56/04, No.68/04, and No. 83/04 in GMAC legal pointer, 2018). However, this study has found that such provision of day care centres does not seem to be functioning¹⁵ (see sections 3.5.6 and 3.6.6 for details on these findings). When childcare facilities do exist, Bent Gehrt of the Worker Rights Consortium indicated that they are "often only a tiny room with two sofas and a fridge, even when there are thousands of workers" (interview, 2019). It should also be noted that the transportation conditions of workers in the back of a crowded truck do not allow for women workers to bring children to their workplace, even if there was a day care centre at the factory.

¹³ Ministry of Labour and Vocational Training No. 404 LV/PrK; NSSF, *Inter-Ministerial Prakas on Implementation of Health Care Scheme Through Health Equity Fund System for Informal Workers and Provision of Additional Allowance for Female Workers When Delivery*.

¹⁴ Based on information from NSSF hotline accessed on 30 May 2019.

¹⁵ An interview with GMAC in February 2019 indicated that Cambodian families do not like to leave their children in nurseries. An interview with the Provincial Labour Office in Svay Rieng in February 2019 indicated that it is difficult for individual factories to provide day care centres. This office encourages factory owners to give payment instead.

Trade unions

The Law on Trade Unions was adopted on 4 April 2016. Articles 50 and 54 give exclusive rights to negotiate with an employer to the union that has been certified as the most representative status (MRS). Unions with MRS should have 30 per cent or more of the total workers as members. In an interview with an alliance of trade unions in November 2016, it was indicated that it is difficult for non-employer-supported unions to recruit new workers, as employers “recommend” that new hires join the employer-supported unions. Hence, employer-supported unions tend to be larger and obtain MRS status, thus this clause makes it impossible for non-employer-supported unions to effectively work for the workers. Article 59 states that minority unions are prohibited from demanding collective bargaining rights or to engage in any labour-rights related activities.

The Cambodia Industrial Development Policy 2015-2025, in referring to the need for skills training for workers, said, “The aim is to help workers avoid falling in to the informal channel where they are trapped, indebted and at the mercy of unscrupulous unions”. Such wording indicates that unions are not viewed favourably by the government, and presumably nor by companies. This raises concern that there is little space where workers can discuss their concerns and negotiate with employers.

Furthermore, SEZ management and companies have demonstrated preferences to keep SEZs union and strike-free (Thame, 2017; Warr & Menon, 2017). In an ADB report, Warr & Menon (2015) observed that:

The SEZ is a fenced area with restricted access from outside. This provides a security benefit which means that workers are safe within the zone area, and also that firms can be shielded from striking demonstrators, who can sometimes be a security threat for firms located outside the SEZs.

As questioned by Bent Gehrt of the Worker Rights Consortium: “What exactly are the workers safe from within the zone?” (interview, 2019).

3.4. STUDY AREAS

3.4.1. PHNOM PENH SPECIAL ECONOMIC ZONE

Phnom Penh Special Economic Zone (PPSEZ) is registered with the Ministry of Commerce and obtained a license in 2006. It was developed by a Cambodia-Japan joint venture, and the first tenant started operation in 2008. Despite the presence of many garment factories outside the zone in Phnom Penh, as well as the fact that the tax incentives are almost the same inside and outside the SEZ, some companies chose to invest inside the SEZ because of the one stop service assistance from the government, because foreign companies are able to have long lease of land inside the zone, because of facilities and infrastructure. The zone developer helps in recruitment of workers as well.¹⁶ According to the PPSEZ (2019), there are 14 investor nations, however 49 per cent of the total factories are Japanese companies. There are

¹⁶ Interview with Phnom Penh SEZ developer.

91 manufacturing factories, among them 18 are in textiles, clothing, leather, and footwear.¹⁷ PPSEZ (2019) estimated that there are around 18,500 workers who work in PPSEZ.

From the point of view of investors, high electricity costs and competition with employers outside the zone to recruit workers with sewing skills is a challenge¹⁸ (PPSEZ Management Committee, interview, February 2019), as wages are the same inside and outside the SEZ. According to PPSEZ (2019), canteen and dormitory constructions are used as strategies to attract workers.

In December 2013, thousands of garment workers organised a strike in front of the zone to demand a minimum wage of USD 160, up from USD 95. The violent crackdown that followed resulted in injuries to six workers and seven police officers (Cambodia Daily, 2013; Worker Rights Consortium, 2014). According to reports, military police violently repressed SEZ workers who tried to join the striking workers outside the zone.

3.4.2. MANHATTAN SPECIAL ECONOMIC ZONES

In 2018, there were eight SEZs operating in Bavet District, Svay Rieng Province. The advantage of this location is its proximity to Ho Chi Minh City's port (70 kilometres from Bavet). As of February 2019, there were 199 enterprises in Svay Rieng – 29 garment manufacturers, and 26 footwear manufacturers. All except six were located within SEZs. There were 70,208 factory workers (44,998 women) in Svay Rieng Province (Svay Rieng Provincial Labour Office, interview, February 2019). For investors, one of the biggest benefits of SEZs is the one-stop government service (Manhattan SEZ management, interview, February 2019). Bavet District is far from Phnom Penh, so if they are able to do all the government paper work without having to go to Phnom Penh, it is deemed easier (*Ibid*).

The SEZs in Bavet District, Svay Rieng, have contributed to creating non-farm employment in the local area. According to the Department of Employment (interview, February 2017), of the 400,000 working age people registered in Svay Rieng Province as of 2016, 62,000 are working outside the province (16,458 abroad, and 53,292 in other parts of Cambodia). 57,000 people are working in factories, 95 per cent of which are located in Svay Rieng Province itself. In 2016, employment in SEZs in Svay Rieng increased by 16.8 per cent, and employed 35,000 people at the time of the interview (73 per cent of whom were women). The Department of Employment also claimed that 95 per cent of workers commute from villages. Prior to the establishment of SEZs in 2005, more than 90 per cent of people in Svay Rieng were working in the agriculture sector, however this figure has fallen to 65 per cent. As more youths have gravitated towards factory work, local farmers are increasingly mechanising agricultural practices in order to replace manual labour (*Ibid*).

According to the Svay Rieng Provincial Labour Office, SEZ factories were paying minimum wage, and none were forced to close as a result of minimum wage increases, indicating they

¹⁷ Nine are from Japan, four are from China, four are from Taiwan and one is from Netherlands (PPSEZ, 2019). Note that the top garment investors in Cambodia are from Hong Kong, Malaysia, and Taiwan (UNCTAD, 2013a). Japanese investment is concentrated in PPSEZ.

¹⁸ However, Phnom Penh SEZ developer does not see that there is any competition for workers between SEZ-based factories and factories outside SEZ.

were able to absorb the costs associated. Employers paid slightly higher amounts in transportation support than employers in Phnom Penh (USD 8 as compared to USD 7) in order to attract workers to work in Bavet rather than going to Phnom Penh (Svay Rieng Provincial Labour Office, interview, February 2019). In order to support women workers with children, the provincial office issued guidance to factories to pay them USD 10 per child towards childcare fees for a period of 18 months (*Ibid*).¹⁹ As of 2019, budget allocated by the central government has enabled the labour office to offer skills training to factory workers for free. At the time of this study, 21 trainees had taken part, however all were men. The Provincial Labour Office said that women workers did not attend as the training was on machinery which they found irrelevant to their jobs, and also because it was conducted during weekends at the provincial centre (which they reportedly found difficult to travel to).

Manhattan SEZ was established in November 2005 by Taiwanese investors, and covers 1.57 square kilometres with 33 factories, as of 2019 (Manhattan SEZ management, interview, February 2019). Investors in Manhattan SEZ are from: Taiwan (55 per cent) and Mainland China (21 per cent), with the remaining 24 per cent from the US, Japan, Malaysia, Vietnam, and Hong Kong combined. Among the 33 factories, eight are garment factories, and three are shoe factories (*Ibid*).

Manhattan SEZ has experienced a series of labour conflicts, the most controversial of which occurred in February 2012. Workers staged protests to demand higher wages and, in response, the Svay Rieng governor shot at the protestors, injuring three women workers. A subsequent series of strike actions occurred in Bavet in 2013. This started a wave of strikes that spread to Phnom Penh in December 2013 (Worker Rights Consortium 2014). Then in 2015, 8,000 workers in Bavet once again participated in protests, seeking increased minimum wages (Deutsche Welle, 2015). A combination of the implementation of the Law on Trade Unions in 2016, a network of employers that has worked on early detection of strikes (Manhattan SEZ management, interview, February 2017), and the exclusion of labour activists from SEZs, have led to restricted labour union activities in SEZs in Bavet District. According to the Department of Employment (interview, February 2017), in 2016, there were 18 cases of labour disputes in SEZs and nine cases of collective actions, but they did not develop into strikes. All cases were solved at the provincial level.²⁰

3.5. RESEARCH FINDINGS

3.5.1. PROFILE OF RESPONDENTS IN PHNOM PENH

Table 3.1. shows the profile of the respondents of this study in Phnom Penh. As the focus of this study was on SEZs, respondents were selected from inside and around the SEZ area, enabling comparisons between those working inside and outside the zone. All of the respondents lived in rented rooms and commuted only short distances to work. Generally, workers' level of educa

¹⁹ The recommendation in Svay Rieng of USD 10 per month is below the Arbitration Council's recommendation of USD 15. The Svay Rieng Labour Office reportedly came to this amount based on the results of a survey of the factories in the province.

²⁰ The Department of Employment reported that during their inspections of factories, they spotted the misuse of probation periods. Some employers paid only 50 per cent of wages during the 15 days of the probation period. The department claimed that it talked to the employer in these cases to correct this practice.

Table 3.1. Profile of questionnaire respondents in Phnom Penh (by location and sex)

PROFILE OF RESPONDENTS		SEZ		OUTSIDE SEZ		TOTAL
		MEN	WOMEN	MEN	WOMEN	
Number of respondents		15	84	8	93	200
Average age (years)		21.53	28.02	26.25	26.56	26.78
Average education (years)*		8.13	6.21	6.88	5.91	6.25
Marital status (%)	Single	80	33.3	62.5	50.5	46.0
	Married	20	56	37.5	45.2	47.5
	Separated/divorced	0	8.3	0	0	3.5
	Widowed	0	2.4	0	4.3	3.0
Children (%)	No child	93.3	51.2	50	64.5	60.5
	One child	6.7	15.5	25	18.3	16.5
	Two children	0	22.6	25	14	16.5
	3 or 4 children	0	10.7	0	3.2	6.5

* In Cambodia, primary education is for six years, while junior high is for three years, and secondary school is for three years. Vocational/technical school is for two to three years and bachelor's is for four to five years.

Table 3.2. Work history of respondents (percentage of respondents by location and sex)

JOB HISTORY*	SEZ		OUTSIDE SEZ	
	MEN (n=15)	WOMEN (n=84)	MEN (n=8)	WOMEN (n=93)
Only present factory	73.3	38.1	25	26.9
Two garment factories	20	48.8	25	45.2
Three garment factories	0	9.5	12.5	7.5
Four garment factories	0	1.2	0	5.4
Five garment factories	0	0	0	1.1
Others**	6.7	2.4	37.5	14.0

* All garment factories were located in Phnom Penh.

** This includes having: worked in other sectors before working in a garment factory; worked in other sector before working in garment factory and then changing to another garment factory; started working in a garment factory, changed to another sector, and then returned to work in a garment factory.

tion was low, and women had received significantly fewer years of formal education than men for both SEZ and non-SEZ workers. Half of the women respondents were married, and most of those who were married had children.

3.5.2. MIGRATION AND WORK HISTORIES

On average, internal migrants working in PPSEZ had moved to Phnom Penh from other provinces later than internal migrants working outside the SEZ. The average year of coming to Phnom Penh was 2013 for PPSEZ workers, and 2011 for non-SEZ workers. Almost all of these migrants reported that their reason for coming to Phnom Penh was to look for job due to lack of opportunities back home.

Among women respondents, the most common reason cited for choosing work in a garment factory was because of their existing sewing skills (53.8 per cent of women working in PPSEZ, 42.9 per cent of women working outside the SEZ). Others chose the garment industry because it was considered to be easier than other job options, or because they did not have other choices.

79 per cent of respondents working outside the SEZ knew about SEZs.

Table 3.2., above, shows the work history and movement between jobs of the study respondents. As seen in this table, most women respondents moved around factories within the garment sector in Phnom Penh. Despite the fact that some workers changed workplaces multiple times, they tended to move from one garment factory to another. The average length of years that respondents worked in one workplace was around 2.8 years.

While it is often believed that workers select garment factories because of a lack of other employment options (ILO, 2019a), findings from this study indicate that there still seems to be some agency exercised by women to actively choose to work in the garment industry. As can be seen in section 3.5.4, women workers were often quite confident of their sewing skills and were conscious of their abilities. It can be inferred that women workers may have consciously tried to capitalise on their skills and experience in their occupation choices.

Table 3.3. Reasons for changing jobs (multiple responses; percentage of responses by location and sex)

REASON	SEZ		OUTSIDE SEZ	
	MEN (n=4)	WOMEN (n=69)	MEN (n=8)	WOMEN (n=93)
Low pay	0	34.8	37.5	18.3
Workplace problems	25	11.6	0	17.2
Factory closed/ fired/ contract expired	0	7.2	12.5	15.1
Wanted to work in another country	25	2.9	0	3.2
Health problems	25	11.6	12.5	9.7
Take care of family member	0	5.8	12.5	4.3
Childbirth	0	8.7	0	4.3
Marriage	0	4.3	0	3.2
Went back home	0	2.9	0	7.5
Wanted to stay with family/ far from home	0	0	0	5.4
Followed friends and relatives	25	4.3	0	3.2
Other	0	5.8	25	8.6

As can be seen in Table 3.3., most of the reasons given for changing jobs in the past were work related, such as low pay and other problems in the workplace. The second most common reason cited was health problems. Women tended to refer to family related issues more than men did when quitting jobs. Again, this points to the importance of supporting care work responsibilities of women. Women's constraints with regards to moving far away from home were also reflected in their low preference to work in another country. More men respondents (78 per cent) had considered working in another country than women respondents (54

per cent). The reason women provided for not considering working abroad was because they did not want to move far away from their family.

Most respondents reported future plans to start a small business (87.9 per cent for SEZ workers, 70.9 per cent for non-SEZ workers). Only 2.8 per cent of women outside the SEZ, and none inside, said that they want to continue with their present occupation. It is important to note that garment workers tended to stick to garment factory work, but they also felt that they were not able to continue this occupation long term. The current way workers are treated in factories makes it impossible for workers to see a career in the garment industry.

3.5.3. WORKING CONDITIONS

Wages

According to the ILO (2018c), workers in the garment, textile and footwear sectors earned, on average, above the minimum wage as base pay²¹ in 2016. Similarly, respondents in this study, both inside and outside the SEZ, were paid the minimum wage of USD 153 (as of 2017) as a base wage (Table 3.4.) and were able to receive additional income either through overtime payment, or by producing more (in the case of piece-rate workers). In-depth interviews with PPSEZ workers showed that overtime was not forced, but rather performed upon request

Table 3.4. Average monthly earnings and average weekly overtime of respondents (by position, location and sex)

AVERAGE EARNINGS	POSITION*	SEZ		OUTSIDE SEZ	
		MEN (n=15)	WOMEN (n=84)	MEN (n=8)	WOMEN (n=93)
Average monthly earnings (USD)	Sewer	157	155	156	163
	QC	-	153	153	158
	Supervisor	-	153	-	157
Average monthly earnings during high season (USD)	Sewer	243	246	241	247
	QC	-	230	255	254
	Supervisor	-	240	-	210
Average monthly earnings during low season (USD)	Sewer	204	199	196	190
	QC	-	180	185	200
	Supervisor	-	200	-	181
Average weekly overtime hours during high season	Sewer	10	10.4	14.6	11.7
	QC	-	10	10	11.1
	Supervisor	-	10	-	11
Average weekly overtime hours during low season	Sewer	2	2	4.5	3.9
	QC	-	-	10	0
	Supervisor	-	4.5	-	-

* These were the top three positions among the respondents.

²¹ This is without including allowances and overtime payment. In their study, they found hardly anyone who was not paid minimum wage for people who were fully employed (not part-time workers). However, they did not specify what kind or size of garment factories were in their payroll database.

from the workers themselves.²² Based on data from the 2016 Cambodia Socio-Economic Survey, women workers in this sector earned 13 per cent less than men. This study did not show significant differences in wages based on gender, however it should be noted that the number of men respondents was low, and therefore not necessarily representative.

As seen in Table 3.4., sewers tended to receive higher pay, since they were often paid extra according to the amount that they produced. However, the work was reported as being stressful and those who did not want to work under such pressure preferred to work in quality control (QC):

I do not want to move to sewing because I heard that the sewing section has more pressure and that tailors are verbally abused if they work too slowly.

Kim, non-SEZ woman garment factory worker, February 2019

Employment contracts and benefits

Around 80 per cent of respondents said that they had a copy of their employment contract²³. Fewer women had a copy of their contract compared to men (76.7 per cent for women, 95.7 per cent for men) both inside and outside the SEZ. All respondents were covered by social security. Table 3.5. shows the benefits (in kind) and allowances (cash) that the respondents received.

Table 3.5. Benefits and allowances (percentage by location and sex)

TYPES OF BENEFITS	SEZ				OUTSIDE SEZ			
	MEN (n=15)		WOMEN (n=84)		MEN (n=8)		WOMEN (n=93)	
Benefits and allowances	%	USD	%	USD	%	USD	%	USD
Transportation benefit	0	—	1.2	—	0	—	4.3	—
Transportation allowance (average amount per month)*	100	7.00	97.6	7.10	100	7.50	100	7.40
Food	13.3	—	7.1	—	0	—	2.2	—
Food allowance (average amount per month)	6.7	5.00	50.9	8.90	62.5	10.30	55.9	12.00
Housing allowance (average amount per month)	66.7	7.00	60.7	7.70	37.5	10.70	39.8	9.20
Childcare	0	—	0	—	0	—	2.2	—
Childcare allowance (average amount per month)	0	—	6.0	9.40	0	—	10.8	10.00
Bonus (average amount per month)	100	11.00	92.9	10.20	100	11.50	92.4	9.90

* Ministry of Labour and Vocational Training Notification No. 230 on 25 July 2012 makes provision for transport and housing allowance of USD 7 per month. Since the questions regarding transportation and housing allowances were asked separately, some respondents might have referred to the same allowance in their response to both questions.

²² However, this needs to be understood with caution. The question asked was: "Can you say no to overtime work?" This doesn't cover situations where the decision to accept or reject overtime was taken because transport was organised at a certain time. It is important to note that the time interviews took place was during the low season, and respondents said that there was not enough work. It is possible that during high season there may be more pressure for workers to work overtime against their will.

²³ This needs to be interpreted with care. It seems that some respondents misunderstood, thinking instead that their job application form was a contract.

Table 3.6. Entitlement to paid leave (percentage by location and sex)

TYPE OF LEAVE	SEZ		OUTSIDE SEZ	
	MEN (n=15)	WOMEN (n=84)	MEN (n=8)	WOMEN (n=93)
Entitled to paid maternity leave (%)	100	97.5	100	98.8
Taken paid maternity leave (%)	0	16.3	0	19.8
Entitled to paid paternity leave (%)	100	95.9	85.7	85.7
Taken paid paternity leave (%)	7.7	2.8	14.3	8.3
Entitled to paid sick leave (%)	93.3	95.2	75.0	93.4
Taken paid sick leave (%)	100	97.5	100	96.6
Entitled to paid annual leave (%)	100	100	100	92.4
Taken paid annual leave (%)*	93.3	98.8	100	100**

* Percentages of those who have taken leave are based on a denominator of all those who said that leave is paid.

** This includes six respondents who did not have paid annual leave, but still took leave.

Almost all respondents received transportation allowances, and significantly more respondents outside the SEZ received food support in the form of cash, while SEZ workers tended to receive food as in-kind support. Significantly more respondents in the SEZ received housing allowances. No respondents had experienced deductions from their wages, except for payment for social security. Hardly any childcare services were reported, despite the fact that employers are legally required to provide childcare facilities at the workplace.

Leave

Paid leave was provided in the factories the respondents worked in, and most reported having taken annual and sick leave (Table 3.6.). It is worth noting, however, that not many women had taken maternity leave. In-depth interviews suggest that some women resign from their job in order to return home to deliver their baby, instead of taking maternity leave. Upon stopping breastfeeding, most return to seek work again. In these cases, there is concern that women might lose their accumulated seniority because of interrupted work.

Workplace safety

About 95 per cent of respondents said that they had experienced or seen an accident in their workplace. Significantly more women respondents in PPSEZ than outside the SEZ had experienced or seen an accident in their workplace, most of which were fainting. 78 per cent of respondents reported feeling unsafe in the workplace. Among women respondents, significantly more respondents in PPSEZ said that they felt unsafe (82.1 per cent, as compared to 72 per cent of workers outside the SEZ).²⁴ The most common reason given for this was because of the smell of the fabric (58.8 per cent of responses).²⁵ Around 44 per cent of respondents said that they felt unsafe during their commute to work, primarily because of fear of thieves and gangs (55.6 per cent for men, 61.2 per cent for women) and traffic (44.4 per cent for men, 38.8 per cent for women).

²⁴ There were too few men to conduct an analysis.

²⁵ Note that it was not entirely clear to researchers why the smell of fabric made some respondents feel unsafe, but it is hypothesised that strong chemical smells perhaps made them feel dizzy.

3.5.4. LABOUR ORGANISING

Significantly more non-SEZ women respondents (31.2 per cent) had participated in collective actions, such as protests, strikes, and collective bargaining, than SEZ women (13.1 per cent). The most common purpose for collective actions was negotiating wages. Despite the fact that few people had actually participated in collective actions, more than 90 per cent of respondents said that collective actions are important, and 75 per cent said that they are important for ensuring labour rights. This sentiment was aired by more women inside the SEZ (83 per cent) than outside the SEZ (68 per cent). More than 70 per cent of respondents said that they had trade unions in their workplace, however significantly more non-SEZ workers (90 per cent) said that there were trade unions compared to SEZ workers (63 per cent). In cases where trade unions existed, it was reported that almost all employees were members. Of those who were members, 93 per cent paid fees for their membership. Despite the fact that trade union presence was stronger outside the SEZ, non-SEZ workers seemed to have varied views on trade union activities (see boxed text, below). It might be the case that non-SEZ workers have experienced government crackdowns in response to trade union activities, and have therefore become more apathetic about trade unions.

If I have any problems, I can go directly to the management and talk. The union will not help and I can solve the problem better in this way..... The fee is not large, but there is no benefit in joining the union

Nary, non-SEZ woman garment factory worker, February 2019

I have never participated in a demonstration... But thanks to demonstrations, wages are going up every year.

Theary, non-SEZ woman garment factory worker, February 2019

A representative of a workers' rights organisation (interview, November 2016) described the difficulty in organising collective actions inside SEZs:

In SEZs, when they want to do a protest, they can't ask other workers to support them. During a protest, the employers will block the entrance of the zone so that outsiders cannot come in. In short, with SEZs, workers' conditions are getting worse..... In the zones, since the employers are well organised, labour leaders have a hard time looking for a new job once they quit one factory since their name will be blacklisted. Outside the zone is okay, since they will not be known.

3.5.5. SKILLS UPGRADING AND VALIDATION

Article 12 of the SEZ Sub-decree states that zone developers are obliged to provide training to workers in cooperation with the MOLVT. Findings from Warr and Menon (2015) show that SEZ factories give more training than non-SEZ factories. These results were echoed in this study, which found that most (88 per cent) SEZ women respondents had received skills training on sewing (86.7 per cent) and or checking fabric (93.3 per cent).²⁶ Aside from these two topics, no other types of training had been received.

²⁶ For non-SEZ women respondents, 60.8 per cent received sewing training and 82.3 per cent received training on how to check fabric.

With regards to career progression, only one woman (located in the SEZ) had ever been promoted among all the respondents. The ILO (2018c), based on calculations using a payroll dataset in 2017, found that each additional year of experience in an employee's current factory leads to a USD 3.18 increase for union members and a USD 3.66 increase for non-union members. Among the respondents of this study, there was a correlation between the year of starting to work in a garment factory and their earnings during high season.²⁷ It might be the case, however, that workers can increase their earnings through managing to sew more pieces. That is, increases in wages over time might not be due to any recognition of skills improvement, but because of the number pieces that they sew.

Yes, they recognise me [my skills]. They always admire me because I sew clothes after the Chinese supervisor told me only one time and then I can do it by myself..... [They promote us] if not by skill, they will promote someone who has leadership skills and can control workers in the group

Jariya, PPSEZ woman garment factory worker, March 2019

This quote shows that workers' skills and ability to sew were recognised informally, but were not rewarded through promotion in position.

3.5.6. CARE WORK

Childcare

As seen in Table 3.7., most women respondents relied on their own mothers back home to provide childcare support. It is noted that more women outside the SEZ were able to manage to find childcare arrangements in Phnom Penh. It is hypothesised that they might have been able to develop better support networks in Phnom Penh since they moved to Phnom Penh relatively earlier than SEZ women. Women tended to deliver their babies in their home province, and leave their children in the care of their own mothers, and come back to work in Phnom Penh. This further highlights the limited childcare arrangement options for women migrant workers. Childcare issues cannot be solved by maternity leave alone; if there is no one to help take care of children after delivery, women migrant workers might not be able to return to work after delivery, regardless of their leave entitlements.

According to respondents, strikes and demonstrations have focused more on wages, while day care centre provisions were not highlighted. However, this absence does not necessarily indicate that the workers feel that there is no need for child care. As one respondent said:

And another thing, I want my employer to build a childcare place because it's comfortable for women workers who have children

Jariya, PPSEZ woman garment factory worker, March 2019

²⁷ This is based on data for 68 respondents.

Table 3.7. Childcare arrangements of women respondents (percentage by location)

CHILDCARE ARRANGEMENTS	SEZ WOMEN (n=76)	OUTSIDE SEZ WOMEN (n=52)
	%	%
Respondent (Phnom Penh)	2.6	7.7
Respondent (province) followed by respondent's mother (province)	71.1	53.8
Respondent (Phnom Penh) followed by respondent's mother (province)	5.3	3.8
Respondent (Phnom Penh) followed by respondent's mother (Phnom Penh)	0	3.8
Respondent (province) followed by respondent's mother-in-law (province)	6.6	5.8
Respondent (Phnom Penh) followed by respondent's mother (province)	0	3.8
Respondent (Phnom Penh) followed by respondent's mother-in-law (Phnom Penh)	5.3	0
Respondent (province) followed by respondent's husband (province)	2.6	7.7
Other arrangements	6.6	13.5

Note 1: This table shows how children experienced a change in care taker from the person who took care of them when they were first born, to a second person (such as the respondent's mother) who later took over childcare.

Note 2: Since there were very few men with children (one SEZ respondent and six non-SEZ respondents), this table shows only women respondents.

Family care and remittances

Nearly 95 per cent of respondents said that they had family members that they needed to care for. Most of the respondents said that they need to take care of their own parents. As seen in Table 3.8., most respondents relied on their sisters to take care of family members back home. It tended to be the sisters (as opposed to brothers) who remained as care givers to parents.

Almost all respondents (96 per cent) said that they send money back home. For 2016, women remitted more than men (women USD 1,245; men USD 1,014). While sending money is considered as one of the ways to take care of family members back home (Table 3.9), women tended to plan to return home to take care of family members in person more than men.

Table 3.8. Care givers for family members that need care (multiple choice; percentage by location and sex)

CARE GIVER	SEZ		OUTSIDE SEZ	
	MEN (n=19)*	WOMEN (n=96)	MEN (n=8)	WOMEN (n=100)
Sister (%)	52.6	54.2	50.0	42
Brother (%)	42.1	25.0	0	22
None (%)	5.3	8.3	37.5	18
Respondent (%)	0	2.1	0	2
Female relative (%)	0	5.2	12.5	8
Male relative (%)	0	5.2	0	8

* Number of responses

Table 3.9. Care plan of respondents (percentage by location and sex)

PLAN	SEZ		OUTSIDE SEZ	
	MEN (n=14)	WOMEN (n=82)	MEN (n=7)	WOMEN (n=84)
Respondent to return home and care for them (%)	50.0	75.6	42.9	70.2
Bring them to live with respondent (%)	0	12.2	14.3	4.8
Send money (%)	50.0	20.7	42.9	23.8
Relatives to care for them (%)	0	12.2	0	0
No plan (%)	0	12.2	0	1.2

Table 3.10. Profile of women respondents in Bavet, Svay Rieng (by migration status)

PROFILE OF RESPONDENTS		LOCAL WOMEN	MIGRANT WOMEN	TOTAL
Number of respondents		37	59	96
Average age (years)		31.95	29.44	30.24
Average education (years)		8.08	6.88	7.42
Marital status	Single (%)	10.8	23.7	20.0
	Married (%)	86.5	72.9	77.0
	Separated/divorced/widowed (%)	2.7	3.4	3.0
Housing	Rented room (%)	0	88.1	55.0
	Own house (%)	100	11.9	45.0
Children	No child (%)	10.8	37.3	28.0
	One child (%)	27.0	40.7	33.0
	Two children (%)	45.9	18.6	31.0
	3 or 4 children (%)	16.2	3.4	8.0

3.6. MANHATTAN SPECIAL ECONOMIC ZONE

3.6.1. PROFILE OF RESPONDENTS IN SVAY RIENG

The increase in the number of factories in Svay Rieng has attracted many young people to work in factories rather than on paddy fields. As seen in Table 3.10., the workers surveyed were relatively young, although most were married and had children. In Bavet, there was a large number of workers who commuted to work from their home villages. In this study, the percentage of respondents who had migrated from elsewhere is over representative of the general population of factory workers in Svay Rieng, since this study consciously tried to interview more migrants due to its focus on labour migration. Among local workers, almost all of the siblings of respondents were also working in factories. In the case of Sophorn, for example, all seven of her siblings (except for one who was studying) were working in factories. None had gone to Phnom Penh; all had remained in Svay Rieng. Their preference for factory work had implications on the way their family did farming, since none of them were available for farm labour.

As there were only four men respondents (one local man, three migrant men), the sample size was too small to make any meaningful analyses. Therefore, the following figures were based on the 96 women respondents (37 local women, 59 migrant women) only. In the following,

Table 3.11. Reasons for working in SEZ (percentage of women by migration status)

REASONS	LOCAL WOMEN (n=38)	MIGRANT WOMEN (n=59)
More benefit/ higher pay	42.1	94.9
Many jobs	23.7	1.7
Close to home	23.7	3.4
Followed others	10.5	0

“local women” (women respondents who were from the local area and were commuting from home to the SEZ) and “migrant women” (women respondents who had migrated from other provinces either for work or for marriage)²⁸ will be compared.

Migrants were significantly younger than local women, while local women had higher levels of education than migrant women. There were more single women and also women with no children among migrant workers. All the migrant women came from equally poor or poorer provinces such as Takeo, Kampong Thom, Prey Veng, Kampot, and Kampong Chhnang.²⁹

3.6.2. MIGRATION AND WORK HISTORIES

There were 62 respondents (three men, 59 women) who had moved to Bavet from other provinces. On average, they moved in 2014 (the earliest moved in 2008, while the latest was in 2016). Most respondents came to work in the SEZ because of financial reasons. Only four women (6.8 per cent) came following their spouses and relatives.

There was a perception that there is a lot of work in Bavet. As one interviewee said:

There is a lot of work in Bavet and it is easy to look for work. There are many factories, and without education one can get work. But if one is more than 35 years old, it might be difficult to get a new job. But if they continue, they can continue until whatever age.
Sophea, local woman garment factory worker, February 2019

Table 3.12. shows that upon entering the garment industry, workers continued working in garment factories. It also indicates that Bavet has attracted workers who previously worked in Phnom Penh.

On average, respondents worked in one workplace for five years. As seen in Table 3.13., reasons for changing jobs included not only pay, but also because of family reasons. Even though wages were not the only reason or main reason for changing jobs for respondents, wage levels were still significant factors influencing workers’ levels of satisfaction. In general, satisfaction levels were not high among respondents.

Only 16 per cent said that they were very satisfied or somewhat satisfied. 42 per cent said they felt neutral and 42 per cent were somewhat dissatisfied. The largest cause of dissatisfaction was because of low pay (75.9 per cent of cases). Dissatisfaction among migrant workers

²⁸ Those who were married lived in houses that they owned (seven women). Others (52 women) live in rented houses.

²⁹ According to ADB (2014), these provinces have higher poverty rate than Svay Rieng.

Table 3.12. Work history of respondents (percentage of women by migration status)

JOB HISTORY	LOCAL WOMEN (n=37)	MIGRANT WOMEN (n=59)
Only present factory *	24.3	47.5
Two garment factories in Svay Rieng	54.1	22.0
3 garment factories in Svay Rieng	0	1.7
4 garment factories in Svay Rieng	5.4	0
5 garment factories in Svay Rieng	2.7	0
Garment factory in Phnom Penh followed by a garment factory in Svay Rieng**	8.1	25.4
Other***	5.4	3.4

* Includes those who were farming before.

** Includes those who changed garment factories in Phnom Penh and in Bavet.

*** Includes one migrant respondent who used to work in Thailand in a car material factory.

was significantly higher than among local workers, among women respondents. 58 percent of migrants said that they were somewhat dissatisfied while it was just 19 per cent for local workers. This might have been because of the heavier financial responsibilities of migrants to send money home (see section 3.6.6.).

Nearly 80 per cent of respondents said that they wanted to go back home to start a small business once they were able to save enough money to do so. Only two respondents (women) said that they wanted to continue working in a garment factory. Few (15 per cent) said that they wanted to work in another country – mostly in Korea, and some in Thailand and Japan – due to better pay. The primary reason cited for not wanting to go to work in another country was needing to take care of family members (90 per cent of responses).

Table 3.13. Reasons for changing jobs (percentage of women by migration status)

REASON	LOCAL WOMEN (n=47)	MIGRANT WOMEN (n=97)
Low pay	17.0	7.2
Health problems (respondent)	6.4	0
Health problems (other family members)	2.1	2.1
Workplace problems (no leave)	2.1	1.0
Child birth	6.4	3.1
Marriage	4.3	17.5
Went back home	10.6	0
Factory closed	12.8	1.0
Not happy with job	0	2.1
Wanted to change to a new place and moved to Bavet	29.8	39.2
Followed friends and relatives	2.1	18.6
Other	6.4	8.2

Table 3.14. Average monthly earnings and average weekly overtime of women respondents (by position and migration status)

AVERAGE EARNINGS AND OVERTIME	POSITION*	LOCAL WOMEN	MIGRANT WOMEN
Average monthly earnings (USD)	Sewer	171	171
	QC	170	170
	Translator	200	—
Average monthly earnings during high season (USD)	Sewer	265	237
	QC	250	227
	Translator	350	—
Average monthly earnings during low season (USD)	Sewer	211	200
	QC	171	211
	Translator	275	—
Average weekly overtime hours during high season	Sewer	9.8	8.2
	QC	10	9.3
	Translator	9	—
Average weekly overtime hours during low season	Sewer	2.5	2.0
	QC	2.0	2.5
	Translator	2	—

* There were 87 women sewers, eight women QC workers and one woman translator.

3.6.3. WORKING CONDITIONS

Wages, working hours, and benefits

Respondents working in factories in Manhattan SEZ received minimum wages, similar to the factories in Phnom Penh. Table 3.14. shows earnings at the time of the study, before the most recent minimum wage increase. There was no difference in wages across sex, but there was a statistically significant difference in wages by position. There was a significant difference in

Table 3.15. Benefits and allowances (women respondents by migration status)

TYPE OF BENEFITS	LOCAL WOMEN (n=37)		MIGRANT WOMEN (n=59)	
	%	USD	%	USD
Benefits and allowances				
Social security (possess card)	24.3	—	94.9	—
Transportation	8.1	—	0	—
Transportation allowance* (average amount per month)**	100	15.00	13.6	14.00
Food	5.4	—	0	—
Food allowance (average amount per month)*	78.4	13.20	96.6	13.00
Housing (average amount per month)*	2.7	13.00	86.4	13.00
Childcare (average amount per month)*	64.9	9.80	5.1	8.30
Bonus (average amount per month)*	89.2	8.00	98.3	10.00

* Average allowances were calculated only for those who received allowances.

** Ministry of Labour and Vocational Training Notification No. 230 on 25 July 2012 makes provision for transport and housing allowance of USD 7 per month. Since the questions regarding transportation and housing allowances were asked separately, some respondents might have referred to the same allowance in their response to both questions.

Table 3.16. Entitlement to paid leave of respondents (percentage of women by migration status)

TYPE OF LEAVE	LOCAL WOMEN (n=37)	MIGRANT WOMEN (n=59)
Entitled to paid maternity leave (%)	100	100
Taken maternity leave (%)	35.1	23.7
Entitled to paternity leave ³² (%)	75.7	98.3
Taken paternity leave (%)	16.2	1.7
Entitled to paid sick leave (%)	100	100
Taken sick leave (%)	86.5	93.2
Entitled to paid annual leave (%)	100	100
Taken annual leave (%)	97.3	100

the number of overtime hours performed, based on position. Sewers were able to earn higher wages than QC workers because they earned more if they produced more.

Almost all respondents (97 per cent) had a copy of their contract,³⁰ and all were covered by social security, although far fewer local women workers had a social security card (Table 3.15.). Migrant workers received housing support, while local workers received transportation support. Transportation was organised by private service providers, and workers needed to pay them for the service. More local workers received a childcare allowance than migrant workers, most probably since they tended to live with their small children, while more migrant workers left children back in their place of origin.³¹ Being able to commute from home was considered a great advantage when they were able to get childcare allowance.

Table 3.16. shows the type of leave that respondents were entitled to. During the interview, workers confirmed that it is not difficult to get paid maternity leave.

Workplace safety

More than 80 per cent of respondents said that they had experienced or seen an accident in their workplace. Among those who had seen accidents, more than 90 per cent of respondents said they have seen workers faint. More than 80 per cent of respondents said that they have seen a sewing needle pierce a worker's finger. Two women have witnessed a machine cut off a worker's hand. Most respondents have seen accidents, but only 14 per cent of respondents said they felt unsafe in their workplace. Among this 14 per cent, reasons cited for safety concerns were occupational health and safety (64.3 per cent), verbal harassment at the workplace (28.6 per cent), and traffic safety (15.6 per cent).

3.6.4. LABOUR ORGANISING

Only five respondents (all women) had participated in collective actions (three local women, two migrant women). In three cases, it was related to wages and two cases were related

³⁰ As in Phnom Penh, it was not very clear how respondents understood the expression “copy of contract”.

³¹ Since the payment for child allowance is instead of providing a day care centre, if the child is not with the worker, they will not be able to benefit from it.

³² It is not clear what taking paternity leave means in this context, but it has been left to reflect the questionnaire responses.

to workplace pressure. Even though very few respondents actually participated in collective actions, 86 per cent of respondents thought that collective actions are important. Significantly more migrant women respondents (100 per cent) believed that collective actions are important compared to local women (62 per cent). 77 respondents said that there were trade unions operating in the factory they worked in, and 76.8 per cent were members of a trade union.

3.6.5. SKILLS UPGRADING AND VALIDATION

It is interesting to note the high number of respondents who received training; more than 95 per cent of respondents received skills training, mostly (67.7 per cent) on sewing. Nearly 80 per cent of respondents learned about occupational safety, and more than 80 per cent learned about the labour law. Over 10 per cent said that they learned about the policies and rules of the factory. As can be seen in Table 3.17., around a quarter of the respondents chose garment factory

Table 3.17. Reasons for working in the garment industry (percentage of responses by migration status)

REASON	LOCAL WOMEN (n=40)	MIGRANT WOMEN (n=104)
Got a job in a garment factory	45	51
Had experience in sewing	25	18.3
Easier job	7.5	24
Followed relatives and friends	10	2.9
To support family	12.5	3.8

work because of their pre-existing skills. If they had sewing skills to begin with, it was easier to be selected for a job compared to others without skills (Sophorn, interview, February 2019). Whether or not such skills lead to the career development of workers is another matter. Among all the respondents, only two women said they had ever been promoted. Sophea (interview, February 2019) said that fixed-duration contract workers got seniority payment at the end of each contract, but that seniority status does not carry over from one contract to the next, so they end up receiving the same wage as before on subsequent contracts. Respondents did tend to have high confidence in their own skills, even though many were shy to admit so:

I put my skills level at 8 out of 10. But my wage is the same as newly joined worker.

Sophorn, local woman garment factory worker, February 2019

Promotion was an unclear process, and workers believed it depended on whether one was liked by the leader or not. Sophorn's husband was promoted to be a leader, and she thought that this was because he was liked by the boss. At the same time, workers did not necessarily express a desire to move to a better paying position; Sophorn said that she would rather stay in QC even though she knew that sewing could earn more, since she did not know whether she would be able to sew enough to earn more than what she currently made. Sophea also said that she did not want to get promoted since it was easier to be a worker than a supervisor, as there was less pressure.

Table 3.18. Childcare arrangements of women respondents (by migration status; n=number of children)

CHILDCARE ARRANGEMENTS	LOCAL WOMEN (n=60)	MIGRANT WOMEN (n=50)
	%	%
Respondent (<i>Svay Rieng</i>)	10.0	40.0
Respondent's mother (<i>Svay Rieng</i>)	30.0	6.0
Respondent's mother-in-law (<i>Svay Rieng</i>)	3.3	2.0
Respondent's husband (<i>Svay Rieng</i>)	23.3	0
Respondent (<i>Svay Rieng</i>) followed by respondent's mother (<i>Svay Rieng</i>)	18.3	0
Respondent (<i>Svay Rieng</i>) followed by respondent's mother-in-law (<i>Svay Rieng</i>)	1.7	2.0
Respondent (<i>other province</i>)	3.3	8.0
Respondent (<i>other province</i>) followed by respondent's mother (<i>other province</i>)	0	40.0
Other arrangements	10.0	2.0

There were some factories, though, that had clearer pathways for promotion. Sophea's factory had a training scheme, where if workers went through the training, there was an opportunity to get promoted. The training was conducted during work hours 1-2 times a month, 2-3 hours at a time. Among those who went through the training, 2-3 people had actually been promoted. However, despite the fact that there were more women workers in the factory, those who attended the training tended to be men.

Notably, there was a relationship between the number of years worked in a garment factory and earnings during high season. However, as this correlation was significant only during high season (and not during the low season), and did not bear any relationship with promotions, the higher earnings might have been due to workers producing more pieces during peak season - rather than recognition of their years of experience.

3.6.6. CARE WORK

Childcare

As can be seen in Table 3.18, local women reported a variety of childcare arrangements, while migrant women tended to bear the responsibility of childcare themselves. Migrant women tended to bring their children with them to Svay Rieng to take care of them there, which was a different pattern from Phnom Penh. It was observed that migrant women had more responsibilities for taking care of children than local women, who tended to have other people around to assist.

Some women workers found childcare support to be a decisive factor with regards to their choice of workplace. Sophorn, who had a six-month-old child, would have preferred to work at a smaller factory near her house (not in the SEZ) since it would be easier for her to balance childcare and work:

There is no breastfeeding room in the [SEZ] factory, and there is no provision for lactating mothers to leave work early.³³ There is no childcare centre. If the factory near my village re-opens, I would like to move there.

Sophorn, local woman garment factory worker, February 2019

Table 3.19. Care givers for family members that need care (multiple choices) (percentage of women by migration status)

CARE GIVER	LOCAL WOMEN (n= 40)	MIGRANT WOMEN (n=66)
Sister (%)	27.5	78.8
Respondent (%)	62.5	9.1
Brother (%)	5	7.6
Male relative (%)	2.5	3
Female relative (%)	2.5	1.5

Family care and remittances

There were significantly more migrant women who had family members who needed care (98.3 per cent) than local women (78.4 per cent). As can be seen in Table 3.19, the general pattern was for other women to assume the responsibility of care work during the absence of the respondent. The sense of responsibility that migrant women faced could also be seen in the amount of money that they sent home; migrants were making significantly larger contributions to family back home than local workers. Local workers contributed on average USD 41 per month while migrant workers contributed USD 68 per month.

3.7. DISCUSSION AND RECOMMENDATIONS

Cambodia has a number of special economic zones. This study looked specifically at Phnom Penh SEZ and Manhattan SEZ, which were found to have different characteristics. Phnom Penh SEZ had greater diversity in terms of the sectors operating within the SEZ, and comparatively fewer garment factories. There were many garment factories situated outside the zone which paid the same wages as those inside. Most of the workers in Phnom Penh SEZ were internal migrant workers. In contrast, Manhattan SEZ was largely dominated by garment factories, and many of the workers were based locally and commuting from home each day. There were few factories located outside the zone, therefore SEZ factories were deemed the only options for workers — although there are a number of SEZs in Bavet District itself. In both SEZ locations in this study, minimum wage standards were adhered to, as well as paid leave provisions. As noted by the World Bank (2011), these SEZs can serve as a “demonstration area” for better workplaces. However, beyond compliance with the law, there was little that demonstrated a forward-looking labour management policy on the part of employers.

Cambodia’s Law on Trade Unions has put many restrictions on trade union activities, and it has deprived workers of effective channels for dialogue with employers (see section 3.3.2.). It has become difficult for non-employer-backed unions to recruit members and initiate negotiations with employers, or for outside unions to support workers. As Yale Law School (2011)

³³ For this particular respondent, she was not able to request one hour off, which lactating mothers are entitled to under the labour law.

pointed out, the collapse of negotiation channels between employers and employees can be an obstacle for increased productivity.

Even though the workers themselves recognised their own skills, they were still considered “unskilled” workers and their level of experience was generally not recognised, nor were trainings provided to upskill or reskill them. Workers did receive higher wages commensurate with longer experience in some instances, but such a trend was only seen during the high season, suggesting that it was only because they produced more during this period. As others have noted, the niche that Cambodia has carved out has been to brand itself as a producer with higher ethical standards than its neighbours, through introducing a system for monitoring working conditions (Yale Law School, 2011). The industry has proven its ability to weather the increases in minimum wage in recent years and still increase exports. In order for Cambodia’s factories to maintain their strength within the global industry, skills upgrading is a must – not only for sewing but for general skills competency. From the government’s perspective, if it is to attempt to diversify the country’s export industry, the reskilling of workers is essential. Neglecting women garment factory workers in terms of skills development is a missed opportunity for the women themselves, for the factories they work in, and the economy as a whole.

How factory employers manage factory workers needs to change in order to facilitate skills upgrading and reskilling. GMAC (interview, February 2019) noted that such under-investment in skills development for workers was because of the short-term appointment of managers. Managers are expected to show improvement in productivity within a short period of time, while return on investment in skills development requires more time. Hence, there is little incentive for managers to invest in human resource development.

Across study sites, women workers bore heavier burdens than men in terms of childcare and family care. When women were not available to perform this duty, they depended on their mothers and sisters. In Manhattan SEZ, it was apparent that local women had more childcare options than migrant women. It was noted that few women took maternity leave or were availed child allowances, as many resigned from their jobs for the duration of childbirth and lactation periods. Despite the fact that the law stipulates the provision of childcare facilities in factories, none of the factories that the respondents of this study worked in had functioning day care centres. By improving access to childcare facilities, women workers will have more opportunities to continue working after having children.

RECOMMENDATIONS

To the Cambodian government:

1. Invest more heavily in improving working conditions, skills development, employer-labour relations, and employment opportunities for women in Cambodia. SEZs may provide an opportunity to serve as a showcase for this.
2. Revise the Law on Trade Unions so that all unions are able to recruit members and initiate cases, and for various channels of communication to be made available for workers to negotiate with employers.

3. Promote social dialogue between employers, workers, buyers, and zone developers to discuss issues of labour rights and business. Social dialogue shall be done in a "tripartite-plus" format.
4. Provide training to garment factory workers to improve their competency and employment opportunities. Training should not be limited to sewing, but rather should be expanded to include general competencies, such as managing work and supervising, to prepare workers to be more versatile and advance to leadership roles. It is also important to equip workers with transferrable skills so they are better prepared to shift functions as Cambodia's industries diversify.
5. Require employers to conduct needs assessments and training programmes for workers. As mentioned above, this should not be limited to sewing skills, but rather should cover general competency skills.
6. Help develop promotion scales for garment factory workers so that workers' skills are recognised and reflected in their pay, and so that garment factory workers can have avenues for career progression.
7. Ensure that day care centres are functioning in factories, and that workers are able to easily and safely bring their children to use these services. If factories cannot provide day cares themselves, communal day care centres should be organised either within the community or within the SEZ.
8. Ensure safe transportation for workers through the implementation of an inspection programme of vehicles used by workers, and by specifying standards requiring seating and maximum numbers of workers allowed on vehicles.

To employers:

1. Allow various trade unions to have space to recruit workers to join their union. Allow outside unions to come to support unions inside SEZs.
2. Provide training to workers in collaboration with the government and GMAC. Training needs to be provided within working hours to ensure that women workers can attend.
3. Introduce a promotion scheme for workers that recognises improvements in skills and creates career paths for workers.
4. Provide functioning day care centres. If individual factories cannot provide this, SEZ zone developers need to organise in consultation with communities and labour unions, facilities that factories can jointly utilise.

To buyers:

1. Continue closely monitoring the working conditions of the workers of their suppliers. Support activities of various labour unions in the factory to ensure that the voices of workers are being heard.



CHAPTER 4

GARMENT FACTORY WORKERS IN A SPECIAL ECONOMIC ZONE IN THAILAND

4.1. THAILAND'S SPECIAL ECONOMIC ZONES

Thailand started its regional development model in the late 1960s, when the growth pole model was applied (Pongsawat, 2007). In the 1980s, special economic and infrastructure zones were established in the Eastern Economic Corridor and, since the “from battlefield to marketplace” policy of Chatichai Choonhaven in 1989, Thailand has been a strong proponent of regional trade facilitation. In the 1990s, tax exemptions were introduced as incentives, and the country was classified into three economic zones based on their priority in promoting investment. The 7th National Economic and Social Development Plan (1992-1996) promoted SEZs to enhance trade and economic growth in the border areas. Five border provinces (Chiangrai, Tak, Nongkai, Mukdahan, and Ubon Ratchathani) were selected as target provinces under this plan. While Thailand experienced a large surge in manufacturing during the 1980s and 1990s, the growth was concentrated in the Bangkok area. Therefore, the subsequent National Economic and Social Development Plan (1997-2001) further emphasised SEZs as a key industrial decentralisation strategy.

In 2002, the ASEAN Integration System of Preference (AISP) was introduced (Krainera & Routray, 2015), which facilitated regional integration. The Bagan Declaration was signed in November 2003 with four countries (Thailand, Lao PDR, Cambodia, and Myanmar), which stated their commitment to bilateral and regional development cooperation. The Ayeyarwady – Chaophraya – Mekong Economic Cooperation Strategy (ACMECS) was also signed in 2003, which started the concept of sister cities across borders, that would offer mutual assistance to achieve economic growth. However, by 2005, the realisation that these regional economic policies and tax incentives were not effective set in, and so a new special economic zone bill was proposed to establish Special Border Economic Zones. Ultimately, the bill was withdrawn due to strong opposition against creating a centralised administrative and planning agency for SEZs (Pongsawat, 2007). During a period of political conflict from 2005 to 2014, development slowed with the notable exception of development under the Cross-border Transport Agreement (CBTA), which was partially ratified by Thailand in 2013 (Krainera & Routray, 2015). Then, in 2014, the National Council for Peace and Order took over the government, and General Prayut Chan-O-Cha announced his intention to move forward with the establishment of SEZs. In his national broadcast on 30 May 2014, General Prayut said:

In addition, special economic zones will be established to support small factories along Thailand's borders and rural areas. This is to provide economic opportunities not only for Thais but also our neighbours, which could help prevent illegal migrants from crossing into inner provinces of Thailand, thereby giving more work opportunities to Thai nationals.

Ministry of Foreign Affairs of the Kingdom of Thailand, 2014

The establishment of border SEZs commenced in two phases in ten locations. Phase 1 locations included the provinces of: Tak, Nong Khai, Mukdahan, Sa Kaeo, Trat, and Songkha, which started as pilot projects in 2015 (NC-SEZ announcement No. 1/2558). Phase 2 followed in 2016, with pilots in: Narathiwat, Chiangrai, Nakhon Phanom, and Kanchanaburi (NC-SEZ Announcement No. 2/2558). Border SEZ development has now been included in the ACMECS Master Plan (2019-2023), the drafting of which was initiated by Thailand along with four other ACMECS member states (Royal Thai Government, 2018).

Zones are designated by the National Committee on Special Economic Zone Development, which is chaired by the prime minister, while the National Economic and Social Development Board (NESDB) and the Board of Investment (BOI) have been assigned to discuss the details of investment activities. One-stop-service centres, improved infrastructure, investment incentives (tax and non-tax), and foreign labour regulations are all introduced in SEZs. Industrial estates will form part of the SEZs, governed by the Industrial Estate Authority of Thailand (Industrial Estate Authority of Thailand, 2015). The Ministry of Foreign Affairs as well as the Ministry of Labour are also part of the board, with the Ministry of Labour tasked to seek ways to manage migrant workers in border SEZs (Royal Thai Government, 2016).

Between 2015 and 2019, there were 63 project applications for investment promotion activities from BOI with a total investment of THB 10.62 billion (USD 332 million) (NESDB, 2019). The government has allocated a total of THB 40.35 billion (USD 1.26 billion) during this period to an SEZ integrated budget and other related budget plans (*Ibid*).

4.2. THAILAND'S GARMENT INDUSTRY

In the 1980s, the government began a model of export-oriented industrialisation (Pearson & Kusakabe, 2012), and by the mid-1990s, manufacturers accounted for over 80 per cent of total exports. When looking specifically at trends in garment and textile exports over the past two decades, it can be seen that in 1989, garments and textiles occupied around 16 per cent of all exports. While the export value of this sector has remained fairly constant, its relative importance to Thailand's total exports has gradually decreased since the mid-1990s (Figure 4.1.), and by 2016 it accounted for only three per cent of exports. However, while garments have been decreasing in importance for export, it should be noted that the apparel retail market in Thailand grew at 3.5 per cent year on year between 2011 and 2016 – triple the global growth rate. In 2016, Thailand's export partners were: ASEAN member states (23 per cent), US (16 per cent), EU (13 per cent), Japan (11 per cent), China (7 per cent), and others accounting for the remainder (30 per cent) (BOI, 2018).

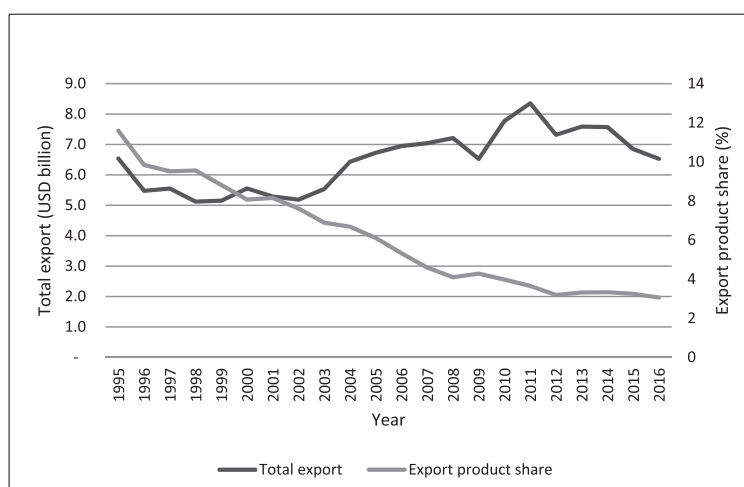


Figure 4.1: International garment and textile exports from Thailand (total value and export product share)

(Source: World Bank WITS)

The garment industry in Thailand employs approximately 800,000 to 1 million workers under more than 2,000 companies (Fibre2fashion, n.d.; BOI, 2018), however it is unclear to what extent the many migrant workers that comprise this workforce are included in these figures. Production and selling of ready-made garments is the sixth largest sector employing migrant workers.¹

Clean Clothes Campaign (2015b) stated that the biggest issues in Thailand's garment industry are “[d]iscrimination of foreign workers” and the “weak stand of trade unions”. Only five per cent of garment workers are trade union members (*Ibid*), and the number of trade unions in Thailand decreased slightly from 408 unions per 100,000 companies in 2013 to 396 per 100,000 in 2016. Union membership also decreased during this period, from 7.5 per cent in 2013 to 7 per cent in 2016 (Areerat, 2017). One contributing factor is that Thai trade unions have been considerably weakened through the introduction of dispatched workers,² since the changes in the labour law in 1998 (Kusakabe, 2011), which specify that dispatched workers are not considered as full-time workers of a factory, and are not entitled to join the labour union of a factory.

Gender-based discrimination is yet another prevalent issue in the garment sector; despite the fact that it is a heavily female-dominated industry, women's wages are lower than men, at only 76.7 per cent of men's wages (Huynh, 2015).

4.3. LABOUR AND MIGRATION IN THAILAND

Since the 1990s, increasing numbers of workers from neighbouring countries (Myanmar, Cambodia, and Lao PDR) have come to work in Thailand. The opening up of Thailand's borders with Cambodia and Lao PDR in the early 1990s, as well as the economic and political turmoil that plagued Myanmar since the late 1980s, have pushed migrants to look for new

¹ The largest sector is construction, followed by services, agriculture, and agriculture processing.

² Dispatched workers are hired by labour dispatchment companies that send their workers to factories under a contract between the factory and the dispatchment company. There is no contract between the factory that workers are working in and the workers themselves, meaning that workers are not considered employees of the factory.

opportunities in Thailand. In 1992, the Thai government started to register temporary migrant workers from neighbouring countries to allow them to work under “special circumstances” (Section 12 of the Alien Employment Act B.E. 2521 (1978) and Section 17 of Immigration Act B.E. 2522 (1979)). Since then, there have been frequent changes in migrant labour registration schemes. These changes have been ad hoc and, as Grimwade and Neumann (2019) referring to the World Bank (2017) note, “the Government had struggled to formulate a long-term migration policy, instead relying heavily on periodic regularizations or irregular migrants and a nationality verification process”. Harkins and Ali (2017) argue that discriminatory attitudes towards migrant workers are widespread in Thai society, and it is common for migrants to not be considered entitled to the same pay as Thai citizens. Such attitudes are also reflected in the government’s oppressive policies; General Prayut Chan-O-Cha has introduced a stricter migration policy since taking power in 2014. According to Harkins (2019), the government considered the previous migration policy in Thailand to be too lax, and deemed registration policies necessary to reduce irregular migration.

The most recent Royal Ordinance on the Management of Foreign Workers Employment B.E. 2560 (2017) led to severe crackdowns on irregular migrants, punishing heavily both the workers and the employers. The ordinance was amended in March 2018, after coming under severe criticism from employers and civil society alike, to lower the maximum fine and remove the imprisonment terms on foreign workers working without work permits. As of 2018/2019, there were different categories of registered migrants as outlined below.

Memorandum of Understanding (MoU)

Thailand signed MoUs with neighbouring countries (Cambodia, Lao PDR, and Myanmar), under which migrants can come to Thailand through recruitment agencies who are certified by the Ministry of Labour of Thailand. Employers need to register and request workers, and workers are registered under a particular employer. An employment contract under this MoU lasts for two years and can be extended for another two years. Grimwade and Neumann (2019) posit that while the government would prefer all migrant workers to be under the MoU scheme, it is not realistic as the costs are too high and the procedure is too complicated and time consuming.

Nationality verification

Many migrants come to work in Thailand without going through the MoU scheme, and often without any documents, either because they do not know how to apply or because it is too costly and time-consuming (Smith & Lim, 2019). Until March 2018, there was a series of efforts made by the government to register migrants who came to Thailand outside of the MoU process. Such migrants were given a registration card (known as a ‘pink card’), and were instructed to verify their nationalities and obtain a certificate of identity, with which they could apply for a visa and work permit. By March 2018, all pink card holders were to be under the nationality verification (NV) procedure.

Border pass (Section 64 of the Royal Ordinance on the Management of Foreign Workers Employment B.E. 2560 (2017))

People living in the border areas of neighbouring countries are able to cross the border for temporary work, as addressed in Section 64 of the Royal Ordinance on the Management of Foreign Workers Employment B.E. 2560 (2017) (the Royal Ordinance repealed the Working of Alien Act B.E. 2551 (2008)). Section 64 has made it clear that those who can apply for this status are those who enter with a border pass or who have an official document to enter Thailand from their country of origin. With a border pass, migrants are allowed to stay in Thailand for 30 days within a designated area along the border. The pass must be renewed every 30 days, and if migrants are to work, they need to go through a health check and obtain a 90-day work permit under a particular employer. This scheme was intended to make it easy for borderland employers to hire migrant workers. However, because of the frequent renewal process, the cost for workers is not much cheaper than the NV process (see section 4.5. for more details).

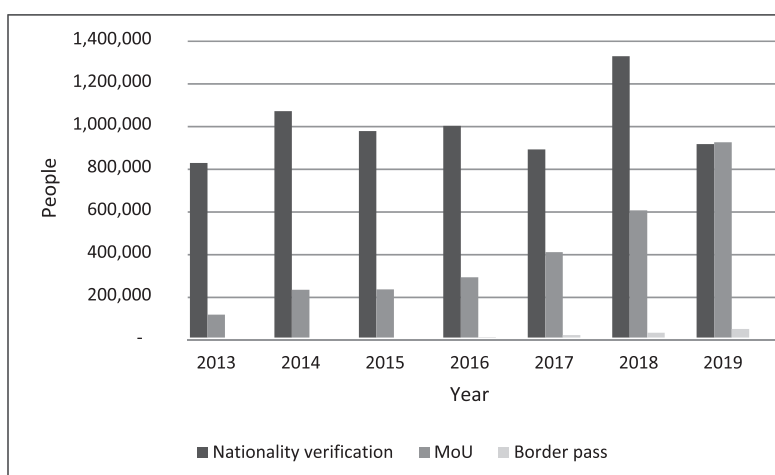


Figure 4.2. Number of registered migrant workers in Thailand (2013-2019)

(Source: Department of Employment, Thailand)

The data is for January of each year. This does not include workers registered under One Stop Service Center. This data includes migrants from Cambodia, Laos and Myanmar. Since 2019, it also includes Vietnamese migrant workers. The border pass system was previously associated with Section 14 of the Working of Alien Act B.E. 2551 (2008), but, since 2018, is linked to Section 64 of the Royal Ordinance of the Management of Foreign Workers Employment B.E. 2560 (2017).

As of January 2019, according to the Department of Employment, the total number of migrant workers from neighbouring countries³ was 3,057,954 (Figure 4.2). This includes 905,985 under the NV scheme (44.2 per cent women), 914,683 under the MoU process (42.9 per cent women) and 40,228 under the border pass scheme (40.9 per cent women).⁴ Among the NV-registered workers, 62,614 workers (of whom 53,535 are Myanmar nationals, and 52 per cent are women) were working under 16,380 employers as of January 2019. Under the MoU system, there were 59,714 workers (of whom 38,538 are from Myanmar, and 56 per cent are women). There were

³ The special provision was originally for Cambodia, Lao PDR and Myanmar citizens. Since 2019, the government included Vietnamese workers in this category.

⁴ In 2018/2019, there are extra categories to accommodate those who could not finish the NV process in time, which amounts to 1,187,803 people. There is also a one-year permission granted to fisheries workers, which includes 3,173 people.

only 117 workers (59 per cent women) under 29 employers working with border passes, most of whom were Cambodian nationals (87 per cent).

Migrant workers are legally entitled to receive the same minimum wage as Thai nationals. New minimum wage rates issued in April 2019 range by province from THB 310 to 330 (USD 9.70 to 10.30), amounting to an average of THB 316 (USD 9.90) per day. The highest minimum wage rate (THB 330 or USD 10.30) applies to Chon Buri, Phuket, and Rayong, while 22 provinces have the lowest rate at THB 310 (USD 9.70) per day. Among the six provinces designated as SEZs for the first pilot phase, only Tak has been assigned the lowest minimum wage of THB 310 (USD 9.70) per day.

Migrant workers are able to access two types of health insurance in Thailand. One is the Social Security (SS) scheme under the Ministry of Labour and the other is the Migrant Health Insurance Scheme (MHIS) under the Ministry of Public Health. In order to be covered under SS, migrants need to pay five per cent of their monthly wages. They then receive the same coverage as Thai citizens for health services, maternity, disability, death benefits, as well as children's allowances, pension, and unemployment. For the MHIS, an annual health screening examination is required. Migrants pay THB 500 (USD 16) for a health examination, then THB 1,600 (USD 50) in premiums per year. As of November 2018, 862,870 migrants were enrolled in the MHIS (nine per cent of them being dependents) and, as of September 2018, 1,107,426 were covered under SS (Moungsookjaroeun & Kertesz, 2019).

It is noted that in Thailand, migrant workers have little recourse for negotiation with employers. The Labour Protection Act B.E. 2541 (1998) states that only Thai nationals can form labour unions; migrants therefore cannot organise their own unions, making it virtually impossible for their voices to be heard. In a place like Mae Sot in Tak Province, where there are hardly any Thai workers in factories, it is technically impossible to form a union.

4.4. STUDY AREA

4.4.1. TAK SPECIAL ECONOMIC ZONE

Tak SEZ is located more than 80 kilometres from the Tak provincial centre, but just across the border from Myawaddy, Myanmar. It is located on the transnational Asian Highway, and is a trade and logistics hub linking South Asia to Southeast Asia. The road network from Yangon to Bangkok passes through Mae Sot, and is not only a passage for goods, but also a path taken by many of those who have fled Myanmar over the years, be it Japanese soldiers after World War II, or student activists during the 1988 Uprising in Myanmar. Tak was designated as a Zone 3 area during the 1990s, giving it the highest level of tax incentives for investors. In the late 1990s, the Thai government promoted Mae Sot as a migrant labour-based export processing zone (Campbell, 2018). A sharp increase in the number of factories was then seen after the 1997 Asian Economic Crisis as many garment factories in Bangkok were hard hit and closed down, and some relocated to Mae Sot in search of cheap labour (Pearson & Kusakabe, 2013). Tsuneishi (2005) notes that the whole set up of border SEZs is to “relocate agriculture and labour intensive industries from the centre to there and to utilize the cheap labour and resources of the neighboring countries and finally to stop the inflow of the illegal migrants and the relevant problems” (p. 7). As was seen in the quote by General Prayut in the previ-

ous section (4.1.), Mae Sot was established to confine migrant workers to border areas and, through this, it has become a site to maintain the low wage work of migrants. Such working conditions have in turn led to an exodus of migrants from Mae Sot, which Campbell (2018, p. 167) describes as, “aspects of migrant workers’ struggles against the particular forms of regulation they confronted along the border”.

Three districts (Mae Sot, Phob Phra, and Mae Ramat) in Tak Province were designated as a pilot special economic development zone in 2004 but were only provided with tax incentives (Krainera & Routray, 2015). In 2014, the area was re-established as a border SEZ. With this status, much public spending has been put into infrastructure development; a second bridge between Myanmar and Thailand over the Moei River was completed in 2019, and there are plans for road construction and improvement on both sides of the border, expansion of the Mae Sot airport, and construction of a second customs house. A 1.34-square kilometre industrial zone has also been designated (Industrial Estate Authority of Thailand, 2016), although land disputes still continue with local residents (Areerat, 2016). There are 13 target businesses and industries for SEZs, and Tak SEZ covers all of them (Industrial Estate Authority of Thailand, 2015). This includes agriculture, textiles and leathers, furniture, logistics, and tourism, among other industries.

According to the Tak SEZ office (interview, November 2018), in 2015, there were four investments requested (one Taiwanese and three Thai), all of which were from garment manufacturers. In 2016, there were 18 investments (one Taiwanese, one Chinese, and the rest Thai) of which five were for garments, textiles, and footwear. In 2017, there were six investments (one Indian, one Korean, one Japanese, and the rest Thai) of which three were for garments and textiles. In 2018, the number of factories that were registered under the Federation of Thai Industries (FTI) in Tak was around 120, and 90 per cent of them were garment factories (FTI, interview, November 2018). The members of FTI are those with more than 30 workers, and do not include smaller factories. It should be noted that many of the Mae Sot factories are small, mostly Original Equipment Manufacturers (OEMs) for Bangkok-based factories (Krainera & Routray, 2015).

Tak Province’s minimum wage as of 2019 is THB 310 (USD 9.70) per day. According to FTI, there are now no workers earning less than the minimum wage, since the Ministry of Labour has become stricter in the past few years (FTI, interview, November 2018). However, MAP Foundation’s 2017 study showed that factory workers in Mae Sot earned an average wage of THB 6,000 (USD 188) per month,⁵ which was far lower than the minimum wage of THB 300 (USD 9.40) at the time. Some workers interviewed in this study claimed that they are required to sign two different wage receipts, each with different figures, as a way for employers to evade minimum wage requirements.⁶ Study findings also show that some factories pay minimum wage but make large deductions, which results in much lower earnings than minimum wage for workers. It is noted that Section 76 of the Labour Protection Act B.E. 2541 (1998) prohibits deduction of wages

⁵ This is equivalent to THB 250 (USD 7.8) or less per day.

⁶ During an in-depth interview, Su Hlaing said that she signed one form saying she was paid THB 170 per day and another saying THB 300. She reported that she could not complain to her employer about this. With these two forms, when there is a labour inspection, employers are able to present documents showing that workers are paid minimum wage.

except for tax, labour union dues, debt owed to savings cooperatives, deposits for damage, or contributions to the Provident Fund. One example of a factory shared by FTI showed the payment of minimum wage at THB 310 with overtime, amounting to THB 8,209 (USD 257) per month, but with the deduction of accommodation, food, utilities, and documents totalling THB 3,100 (USD 97) per month, the net amount received by the employee was only THB 5,408 (USD 160).

Border pass in Tak SEZ (Section 64 of the Royal Ordinance on the Management of Foreign Workers Employment B.E. 2560 (2017))

As seen in Table 4.1., there was a total of 76,000 workers registered in the three districts of Tak SEZ as of November 2018. The number of workers registered under Section 64 (border pass) has increased due to the fact that those who were not able to register for NV or those whose employers did not want to register them for NV had to come through Section 64. Employers prefer Section 64 because they are able to hire workers for a short period of time anytime they need workers (International Labor Rights Forum, 2018).

Table 4.1. Number of migrant workers by type of registration in Phob Phra, Mae Sot, and Mae Ramat districts (as of 25 October 2018)

TYPE OF REGISTRATION	DISTRICT			TOTAL
	MAE SOT	MAE RAMAT	PHOB PHRA	
Nationality Verification	20,059	980	2,334	23,373
MoU	6,134	3	5	6,142
Section 64 (border pass)	44,260	571	1,658	46,489

(Source: Tak Department of Employment, document obtained during an interview, November 2018)

Despite the fact that Section 64 was intended to make it easier for migrants to register (Tak Department of Employment, interview, November 2018), a comparison of the costs of two years' registration with the NV process demonstrates that Section 64 is not less expensive (Table 4.2.). These figures represent the official fees in Thailand, however the cost in Myanmar as well as the amount charged by agents may vary.

Border passes must be obtained in Myanmar and, according to Myanmar regulations, only those whose household is registered in Myawaddy are eligible. Since most migrants are not from Myawaddy, many rely on agents to complete their paperwork in Myanmar, which can

Table 4.2. Cost of registration under the Nationality Verification process and Section 64 border pass

ITEM	NATIONALITY VERIFICATION PROCESS (THB)	SECTION 64 BORDER PASS (THB)
Health check up	500 (USD 15.63)	500 (USD 15.63)
Health insurance	3,200 for two years	500 for 3 months; 900 for 9 months; 1,600 for 1 year
Work permit	100 for a request; 1,800 for a two-year work permit	225 for a 3-month work permit; 100 for a processing fee
Visa/ immigration fee	500 for immigration fees; 80 for non-Thai identification card issuance	
Total	6,180 (two-year work permit) (USD 193)	3,400 (if renew work permit four times for a one-year stay) (USD 106)

(Source: The Nation (20 April 2018); FTI, interview, November 2018; Tak Chamber of Commerce, interview, April 2019; Tak Immigration Office, interview, May 2019)

be expensive (Maximillian, 2018). Additional costs of time and money are also sustained by workers to go to the border check point to renew their stay permit every month. Migrant workers under Section 64 also have difficulty accessing compensation for work-related injuries, severance pay, the social security scheme, maternity benefits, and any other social services because of their temporary status (*Ibid*). They are not able to bring their dependents, and they are not able to travel to other parts of Thailand.

4.5. RESEARCH FINDINGS

4.5.1. PROFILE OF RESPONDENTS

Respondents were interviewed in 31 factories. Table 4.3. summarises the profile of respondents. Overall, women respondents had slightly lower levels of education than men. Married women were more heavily represented than single women, as a conscious decision was made to attempt to interview more respondents with children in order to obtain data on childcare arrangements. At the time of data collection, there were not many respondents who were registered under Section 64. This might be because Section 64 was only recently introduced in Mae Sot at the time of the study.

4.5.2. MIGRATION AND WORK HISTORIES

On average, men who participated in this study came to Mae Sot in the year 2011 (the most recent migrant came in 2015, and the first was in 2005), while women came, on average, in 2009 (most recent in 2017, first in 1987). Most people came after 2005 (only 14 per cent came before this). The most common reasons why they migrated were due to economic conditions (lack of employment back home, and the need for economic opportunities accounted for 78 per cent), while some followed relatives and friends (11 per cent). Study findings revealed that once workers come to work in garment industry, it is very common for them to remain in this sector; even when they change jobs, it is usually just from one garment factory to another (Table 4.4.). Garment factory jobs appeared to be the preferred employment option, even when the pay was below a liveable level. For example, Soe was working in a garment factory that paid THB 170 (USD 5.30) per day. This was not enough for her to live on, but instead of quitting the garment factory job, she worked in a noodle shop washing dishes on holidays. She said:

At the moment, factory work is not really going well. When I don't have OT [overtime], I go and wash dishes at noodle shops and I get 200 [Thai baht]. As long as I get money, I am happy to do any job. If the factory work pays me over 6,000 or 7,000, I won't have to go look for other jobs. I can work with dignity. But for this, I feel degraded because I have to wash the plates, eaten by other people and I also have to sweep. How can I put this, I don't want to do all of the low end jobs.

Soe, Tak SEZ woman garment factory worker, November 2018

Around 40 per cent of men and 49 per cent of women respondents had never changed jobs, while 13.7 per cent of men and 12.3 per cent of women said that they had changed jobs three times or more. One respondent changed jobs 11 times. 60 per cent of the respondents had changed their job from one garment factory to another. On average, respondents worked in one job for 3.5 years.

Table 4.3. Profile of questionnaire respondents in Mae Sot

PROFILE OF RESPONDENTS		MEN	WOMEN	TOTAL
Number of respondents		29	171	200
Average age (years)		28.1	27.95	27.97
Average education (years)		7.66	6.59	6.74
Ethnicity	Burman	26	138	164
	Other	Karen (1), Rakhine (1), Mon (1)	Shan (5), Karen (6), Rakhine (12), Mon (2), Muslim (8)*	36
Marital status (%)	Single	17.2	45.0	41.0
	Cohabiting	6.9	1.2	2.0
	Married	69.0	47.4	50.5
	Separated/divorced	3.4	5.3	5.0
	Widowed	3.4	1.2	1.5
Housing (%)	Dormitory	58.6	43.2	45.5
	Rented room	34.5	46.2	44.5
	Owned house	6.9	8.2	8.0
	Rented house	0	2.3	2.0
Hold Valid Documents (%)	Pink card	24.1	31.0	30.0
	Temporary passport with visa	3.4	9.3	9.0
	Work permit with MoU	0	2.9	2.5
	Certificate of identity with visa and work permit	10.3	4.7	5.5
	10-year card	0	2.3	2.0
	Section 64	6.9	5.3	5.5
	Employee card	0	1.8	1.5
	No document	20.7	21.1	21.0
Children (%)	No children	44.8	63.2	61.5
	One child	31	22.2	23.0
	Two children	24.1	11.1	12.5
	3 or 4 children	0	3.5	3.0

* While 'Muslim' is not an ethnicity, it has been included as this was the response provided by respondents.

Table 4.4. Job history of respondents in Mae Sot (percentage of respondents by sex)

JOB HISTORY	MEN (n=29)	WOMEN (n=171)
Garment factory in Mae Sot	41.4	48.5
Two garment factories in Mae Sot	20.7	23.4
Three garment factories in Mae Sot	10.3	10.5
Four or more garment factories in Mae Sot	3.4	1.8
Garment factory in Myanmar followed by garment factory in Mae Sot*	6.9	3.5
Garment factory in Bangkok followed by garment factory in Mae Sot	0	0.6
Domestic work in Thailand followed by garment factory in Mae Sot	0	4.1
Other work in Thailand followed by garment factory in Mae Sot	0	5.8
Other	17.2	1.8

* This includes one to three garment factories in Mae Sot.

As seen in Table 4.5., more men (73 per cent) changed jobs because of workplace-related issues⁷ than women (49 per cent), while more women (26 per cent) referred to family-related issues (including issues related to child birth, marriage, and the need to go back home) than men (9 per cent). An example of a family-related issue can be seen in the case of Aye Mon. Aye Mon used to work in a glove factory in Bangkok and was earning THB 12,000 (USD 375) per month. The job was stable and she could take sick leave with a pay of THB 460 (USD 14.30) a day. However, she needed to leave the job and come to Mae Sot because her mother became ill and she felt responsible to take care of her, since she is the eldest child. In Mae Sot, she worked in a factory for THB 3,000-5,000 (USD 94-156) per month. It should be noted that the comparisons between men and women in these findings may provide some insight into possible gendered differences within the sample population, however they cannot be considered as representative due to the small sample size of men respondents.

Table 4.5. Reason for changing jobs (percentage of respondents by sex)

REASON	MEN (n=22)	WOMEN (n=114)
Low pay	31.8	29.8
Health problem	0	3.5
Workplace problem	27.3	10.5
Childbirth	4.5	7.9
Marriage	4.5	6.1
Returning home	0	12.3
Factory closed	13.6	33.3
Not happy with work	13.6	8.8
Other*	18.1	7.9

* "Other" includes moving to another factory to work with friends, passport expired, followed relative, strike at factory, child's school was too far, etc.

4.5.3. WORKING CONDITIONS

The average monthly income during high season for men was THB 7,017 (USD 219) while for women it was THB 6,746 (USD 211). During the low season, it was THB 5,392 (USD 169) for men and THB 4,891 (USD 153) for women. Only one respondent was paid the minimum wage of THB 305 per day.⁸ The average daily wages among men was THB 174.70 (USD 5.46) (median THB 155 or USD 4.84) while for women it was THB 173.70 (USD 5.43) (median THB 150 or USD 4.69).⁹ Men received higher pay than women in all types of work (including as sewers, cutters, packaging workers) although the differences were not statistically significant.¹⁰ Sewers received the highest pay (on average¹¹ men received THB 5,365-6,904 or USD 168-216 per month; women received THB

⁷ Workplace-related problems included rules that were too strict, problems with group leaders, having to stand for a long time, verbal harassment from supervisors, too much pressure, and difficult tasks. Pay-related problems included low pay and not getting paid.

⁸ In 2017, at the time of the questionnaires, the minimum wage for Tak Province was THB 305 per day.

⁹ This is based on the daily-paid workers; 19 men and 143 women (81 per cent of respondents).

¹⁰ Note that the number of men respondents was small and is therefore not representative.

¹¹ This is the average for the particular position for high season and low season. There were 26 men sewers (89.7%) and 142 women sewers (83%).

4,809-6,848 or USD 150-214) compared to workers in quality control (QC)¹² (THB 5,375-6,500 or USD 168-203 for women) and packaging¹³ (THB 4,500-6,000 or USD 141-188 for men, THB 3,300-4,333 or USD 103-135 for women).

A larger range could be seen among women than among men in terms of how much they earned. Some women were paid much lower than men, while some women were able to earn much more than men. Findings suggested that women had various other aspects beyond wages that they needed to take into consideration when accepting employment, such as family matters. One in-depth interview respondent, Tein Wan, said that she was earning much less than before, since the work in the factory was decreasing. However, she reported feeling comfortable in her current workplace, as it allowed her to balance work and family responsibilities, so she was therefore continuing to work with low pay, despite hearing rumours that the owner was planning to close down the factory in Mae Sot to shift the production base to Lao PDR.

It is noted that women did significantly more overtime work during the high season (24.8 hours on average per week for women, 20.7 hours for men). According to the Labour Protection Act B.E. 2541 (1998) Section 23, employees are to receive at least one and a half times the hourly wage rate for overtime. However, among this study's respondents, fewer than 10 per cent received the overtime wage rate according to the law. The same clause also stipulates that the same rate of 1.5 times applies to piece-rate workers for overtime. However, among our respondents, there were no piece-rate workers who received an overtime rate that was different from their regular piece rate.

Section 10 of the Labour Protection Act says that an employer can take a security deposit for work only when the nature of work requires the employee to be responsible for money or property, and if they do receive a security deposit, the employer is to pay back the security plus interest. Study findings indicated that there is a practice in Mae Sot which requires employees to work for some days without pay as a "deposit", and no respondents reported that they received any reimbursement when they resigned. Since garment factory workers are not responsible for money or property, they should not be required to pay a so-called "security deposit" to employers. According to respondents, women paid on average 10.3 days of free labour (minimum one day, maximum 20 days among the 149 respondents) and men paid 9.4 days on average (minimum three days, maximum 17 days among 27 respondents) as "deposits".

¹² There are 20 women QC workers (20%), and no men QC workers.

¹³ There are 2 men (6.9%) and 3 women (1.8%) who work in packaging.

Table 4.6. Benefits, allowances, and deductions

TYPES OF BENEFITS AND ALLOWANCES		MEN (n=29)		WOMEN (n=171)	
BENEFITS AND ALLOWANCES		%	THB	%	THB
Transportation benefit		17.2		2.9	
Transportation allowance		0		0	
Food benefit		65.5		65.5	
Food allowance (average amount per month)		3.4	300 (USD 9.38)	4.1	300 (USD 9.38)
Housing benefit		65.5		48.5	
Housing allowance (average amount per month)		10.3	175 (USD 5.47)	5.8	244 (USD 7.63)
Childcare benefit		0		0	
Childcare allowance (average amount per month)		0		0.6	400 (USD 12.5)
Financial incentives (average amount per month)		58.6	209 (USD 6.53)	32.7	216 (USD 7.75)
Social security	Covered	0		11.1	
	Do not know	93.1		80.1	
Migrant health insurance scheme (covered)		31.0		54.4	
Bonus*		20.7		7.0	
DEDUCTION**		%	THB	%	THB
Social security contribution (average amount per month)		0		9.4	270 (USD 8.44)
Transportation (average amount per month)		6.9	50 (USD 1.56)	2.3	111 (USD 3.47)
Food (average amount per month)		31.0	169 (USD 5.28)	18.7	237 (USD 7.41)
Housing (average amount per month)		27.6	143 (USD 4.47)	17.5	258 (USD 8.06)

* Bonus is calculated either per year or per month.

** Other deductions include money for police (four women), electricity and water (four men, 12 women), and deductions that workers did not know the purpose of (three men, four women). On average, such deductions amounted to THB 460 (minimum THB 60, maximum THB 950) for men and THB 517.1 (minimum THB 60, maximum THB 3030) for women.

Many workers did not receive food or housing allowances but some had food and housing deducted (Table 4.6). According to Section 76 of the Labour Protection Act, employers are prohibited from deducting these costs from wages. Only one (woman) respondent had a written copy of her employment contract.

Respondents claimed that they were entitled to leave, yet very few reported receiving paid leave (Table 4.7).¹⁴ Most respondents said that they had maternity leave in their workplace, but very few mentioned that this was paid leave and few had taken maternity leave themselves. Findings implied that for many migrant workers, maternity leave meant that they could return to their position after delivery. Fewer women had taken annual leave than men.

¹⁴ According to the Labour Protection Act B.E. 2541 (1998), workers who have worked uninterrupted for one year are entitled to no less than six days of annual holiday, and if they work less than this, they are given holidays on a pro rata basis.

Table 4.7. Entitlement to paid leave (percentage by sex)

TYPE OF PAID LEAVE	MEN (n=29)	WOMEN (n=171)
Entitled to paid maternity leave (%)	3.4	6.4
Taken maternity leave* (%)	8.0	16.0
Entitled to paid paternity leave (%)	0	4.7
Entitled to paid sick leave (%)	3.4	9.9
Taken sick leave* (%)	82.8	67.5
Entitled to paid annual leave (%)	0	1.8
Taken annual leave* (%)	65.0	39.5

* The percentage of those who had taken leave is among all respondents who said that they had leave provisions, and not just among those who had paid leave.

Around half of the respondents had experienced or seen accidents in the workplace (58 per cent of men, and 44 per cent of women), such as needles piercing fingers, electric shocks, and fainting. Around 20 per cent felt unsafe in the workplace (24 per cent of men, and 20 per cent of women), but in most cases this was due to job insecurity. Around 16 per cent said they felt unsafe travelling to and from their workplace (10 per cent of men, and 18 per cent of women), mainly because of gangsters and police.

Almost half of all workers surveyed liked the rules of their factory and the working conditions (46 per cent),¹⁵ while 23 per cent reported liking the work itself. A quarter of respondents did not like their bosses, and many reported not liking the rules and labour relations (21 per cent) or the pay (20 per cent).¹⁶

4.5.4. LABOUR ORGANISING AND DISPUTE RESOLUTION

According to the Labour Protection Act B.E. 2541 (1998) Section 123, an “employee is entitled to lodge a complaint... to the Labour Inspector of the locality where the employee works”. Section 124 states that “the Labour Inspector shall investigate the facts and make an order within sixty days from the date of receipt of the complaint”. Section 96 states that in a business with 50 employees or more, the employer must establish a welfare committee which includes at least five employee representatives, who are elected by workers. This committee is to recommend and supervise the welfare arrangements for employees, and shall meet once every three weeks or upon request from more than one-half of the total number of committee members or the labour union. There is no clause that says welfare committee members need to be Thai citizens. No respondents in this study reported such committees functioning in Mae Sot and, as previously detailed, migrant workers are not able to form their own union.

With the absence of functioning welfare committees, workers appeared to have few avenues for discussion of issues related to work. Nearly 90 per cent of workers said that they discussed work issues with their boss, while 18 per cent (35 per cent of men, and 15 per cent of

¹⁵ Among valid responses (n=143).

¹⁶ Among valid responses (n=101).

women) had participated in collective actions, mainly related to wage increases (84 per cent), and more than 90 per cent of respondents said that they were successful in their collective actions. However, only 3 per cent of respondents said that there was a union in their workplace, and none were union members. As discussed earlier in this chapter, non-Thai workers are not able to form trade unions, and in the specific workplaces of the study respondents there were hardly any Thai workers (who would be able to form a union). Only one per cent (two women) said that they requested help from a trade union for work-related issues. Nearly 15 per cent (21 per cent of men, and 14 per cent of women) requested help from a non-governmental organisation. Some respondents indicated that they were not hopeful about the effectiveness of trade unions. For example, Su Hlaing said that employees in her workplace had once attempted to collectively negotiate by themselves with their employer to keep their Certificate of Identity card. However, instead of providing the Certificate of Identity cards, the employer tried to identify the leader of the negotiation, and wanted to fire them. Su Hlaing believed that even if they had had a trade union, the situation would still have unfolded in the same manner, and that even if employees are aware of their legal rights, it is not possible to demand them of their employer (Su Hlaing, interview, November 2018).

Due to the lack of options for airing grievances or for collective actions, negotiation with employers often depended on individual workers' ability to negotiate. For example, Tein Wan thought that she would be able to negotiate to receive maternity leave since she was able to speak Thai. However, Tein Wan claimed that when she informed the manager about her pregnancy, the manager reprimanded her for 2-3 hours. Despite this, she was still ultimately successful in obtaining maternity leave for three months, as she had the ability and courage to demand this of the manager. "Other workers cannot do this, since they are scared. If they are scolded, they will cry" (Tein Wan, interview, November 2018).

4.5.5. SKILLS UPGRADING AND VALIDATION

30 per cent of respondents reported receiving skills training when they joined the factory. Such training generally lasted around one week upon joining the factory. Some factories paid trainees in piece rates, which earned them only THB 35-40 (USD 1.10-1.25) per day since their sewing skills were not high. Tein Wan said that it was only when some senior workers negotiated with head managers on her behalf that she was able to earn a daily wage of THB 180 (USD 5.60) during the training period. However, she reported that it normally took three months to master the skills, yet the training period only lasted for one month, and from the second month, they were paid piece rates. This situation, therefore, resulted in new employees earning very low wages during their second and third months before having fully mastered the required skills.

Overall, few respondents received training through their employment.¹⁷ Some respondents received training on sewing clothes (eight men, 28 women), while others were trained on how to check fabric, labels, and the quality of clothes (seven women). Fire prevention training is required by the Occupational Safety, Health, and Environment Act B.E. 2554 (2011) to be provided to workers, yet only 5 men and 14 women reported receiving any such training. According to one source, the Thai government has a budget for training, and for 2019, the Tak

¹⁷ Ministerial Regulation No. 5 B.E.2541 (1998) issued under the Labour Protection Act B.E. 2541 (1998) states that employees are entitled to training leave for up to 30 days or up to three times per year.

Office for Skills Development had a budget approved to train 1,500 Thai workers under the SEZ development (Tak Office of Skills Development, interview, November 2018). While this training budget does not cover migrant workers, employers are entitled to a 200 per cent tax deduction for the cost of any training, including the training of migrant workers, under Royal Decree No. 656.¹⁸ Five thousand people were reportedly trained in Tak in 2017 under this scheme. The largest training was on sewing (Tak Office of Skills Development, interview, November 2018).

Findings indicated that migrant workers were generally quite proud of their skills level. For example, Tein Wan said that she had worked for more than 17 years so if she were to assess her own skills, she would give herself 10 points out of 10. Other respondents also expressed confidence; Soe assessed her skills as 7 or 8 out of 10:

For me, I can operate most of the machines and know how to sew everything... In general, I know five different machines to operate... There is no machine in the factory that I don't know how to operate. Once I started working in the factory, I knew how to operate machines there.

Soe, Tak SEZ woman garment factory worker, interview, November 2018

Respondents often chose employment in a garment factory not out of pure lack of choice, but also because they felt confident of their sewing skills. 41 per cent of respondents (31 per cent of men, and 43 per cent of women) said that they chose to work in the garment industry because they had experience in sewing.

However, their skills were not necessarily reflected in their pay or promotion. Zin Mar said that there were wage increases every year, but that they were not applied equally to all workers. Tein Wan said that skills development was not automatically recognized or reflected in their pay. According to Tein Wan, some workers ended up earning less when they changed jobs, despite having strong skills and experience:

Skills do not get reflected in pay and I am paid only at a piece rate. If there is a piece rate, there is no promotion. There is no promotion in the factory. Some worked for 20 years, and were receiving 250 baht. But now their pay is 180 baht per day.

Tein Wan, Tak SEZ woman garment factory worker, interview, November 2018

Although more than half (63 per cent) of the workers in this study had been promoted¹⁹ at least once, there was no relationship between the year of starting the job and whether or not one received a promotion²⁰. There was also no difference between experience in getting promoted and current pay, both in high and low season. Interestingly, it was not the case that workers necessarily wanted to get promoted either. Aye Mon said:

¹⁸ This is only for 55 second-tier tourism provinces, one of which is Tak Province.

¹⁹ "Promoted" in this study in Mae Sot was defined as getting promoted from "easy" sewing tasks to more difficult pieces, or as being moved from the cutting section to the sewing section. This led to higher income.

²⁰ The average year of starting was the same for both those who were promoted and those who were not. For women, those who were promoted actually joined later, on average, than those who were not.

I do not want to be a line leader because there is more responsibility... I can earn more doing piece rate work if there is work to do.

Aye Mon, Tak SEZ woman garment factory worker, interview, November 2018

However, it should be noted that during the high season, workers with greater work experience received higher earnings. As Aye Mon said, it might be because experienced workers were able to complete more pieces and hence had higher earnings, and not because of any formal recognition of their skills.

4.5.6. CARE WORK

Childcare

Knodel et al.'s (2015) study in Samut Sakorn in central Thailand showed that more than 70 per cent of migrants with children left at least one child in Myanmar. However, as seen in Table 4.8, that was not a common pattern among respondents; in most of the cases, the worker herself took care of her own children.

According to one study respondent, it cost around THB 1,500 (USD 47) per month to hire someone to look after their children (Soe, interview, November 2018). As an alternative to hiring others, some workers relied on family members or neighbours. With a well-connected community, Tein Wan said that finding childcare was not difficult for her in Mae Sot, since she has been living here for a long time, and it is now like her hometown.

However, as Section 64 does not allow for dependents to accompany migrant workers, it raises the concern that strict enforcement of Section 64 may create difficulties for migrant workers in finding childcare, since they are not able to bring their dependents and childcare takers to Mae Sot. Previously, the border area used to make it relatively easier for care takers to stay with workers, and the large concentration of migrants provided workers with other childcare options (Pearson & Kusakabe, 2012).

Table 4.8. Childcare arrangements (by sex)

CHILDCARE ARRANGEMENTS	MEN (n=22)	WOMEN (n=93)
	%	%
Respondent (Myanmar)	4.5	11.8
Respondent (Tak)	36.4	33.3
Respondent (Myanmar) followed by respondent's mother (Myanmar)	4.5	24.7
Respondent (Tak) followed by respondent's mother (Myanmar)	13.6	16.1
Respondent (Tak) followed by respondent's mother (Tak)		3.2
Respondent's mother (Myanmar)	9.0	5.4
Other	31.8*	5.4**

Note: This table shows how children experienced a change in care taker from the person who took care of them when they were first born, to a second person (such as the respondent's mother) who later took over the childcare.

** Includes: wife in Myanmar (three cases), wife in Tak (one case), wife and mother (one case), and mother-in-law in Myanmar (two cases).*

*** Includes: mother in Tak (one case), kindergarten (one case), sister (one case), mother in Myanmar followed by respondent in Tak (one case), and respondent in Myanmar followed by my mother-in-law in Myanmar (one case).*

Family care and remittances

Table 4.9. Remittances (by sex)

REMITTANCES	MEN (n=20)	WOMEN (n= 126)
RECIPIENT OF REMITTANCES	%	%
Spouse	5.0	0
Child	35.0	26.2
Parent	75.0	77.0
Sibling	10.0	17.5
Grandparent	5.0	10.3
Parent-in-law	45.0	7.1
Niece	0	0.8
Nephew	0	1.6

Note: One respondent can remit to numerous people. Therefore, the total percentage does not add up to 100.

Care responsibilities of migrant workers not only included childcare and care of people who lived with them, but it also involved sending money back home to support family members in Myanmar (Table 4.9.). On average, respondents remitted back home USD 880 in 2016. This amounted to more than 40 per cent of their total earnings.

Only 6.6 per cent (12 women, one man) said that they had family members that needed care, which were often their own parents. Interviews suggested that women tended to feel more responsible for taking care of their parents, as was seen in the case of Aye Mon who came back from Bangkok to Mae Sot to look after her mother. As previously noted in this chapter, however, the experience of men in this study cannot be generalised due to the small sample size.

4.6. DISCUSSION AND RECOMMENDATIONS

Mae Sot has long been targeted as a border development zone, and was designated as one of the leading border SEZs in the first phase of Thailand's border SEZ approach. It is the most developed border SEZ among all the SEZs in Thailand, with two international bridges, an airport, and a cross-border highway. It hosts more than 120 "recognised" factories in its area. However, despite its formal status as a border SEZ, migrant workers in Mae Sot still face many challenges with regards to working conditions. Although some factories pay the minimum wage and legal rates of overtime payment, most of the factories that this study's respondents were working in did not pay minimum wage, and the overtime hourly rate was not in accordance with the law. Respondents did not receive paid leave, and some experienced deductions from their wages for housing, food, and transportation costs. Many also reported a practice of employers taking a "deposit", whereby workers were required to work for free for a certain number of days as a form of security deposit. This is not a legal practice for production workers. Workers' welfare committees, which are supposed to comprise of elected employee representatives, did not seem to be functioning; none of the respondents referred to this committee as a mechanism for problem solving in the workplace.

It would seem that both employers and the Thai government view the availability of migrant workers as one of the strengths of Tak SEZ. Section 64 is supposed to make it easier for

migrant workers to come to work in Tak, however the temporary nature of this scheme (which allows only a one month stay per permit) does not appear to have any positive impact on the working conditions, the negotiation power, or the long-term human resource development of workers. The overall cost associated with Section 64 border passes is higher than that of regular worker registration due to the need to renew documents frequently. It does not allow dependents to migrate either, potentially creating difficulty with regards to childcare. According to respondents, childcare responsibilities are carried out mainly by women workers themselves.

RECOMMENDATIONS

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.

CHAPTER 5

SUB-REGIONAL DISCUSSION

This report has examined whether and how SEZs have contributed to decent work standards for migrant workers in garment factories, by looking at workers' mobility, working conditions, skills development and recognition, and care work responsibilities,¹ through an in-depth study and comparison across four SEZs in the Mekong region. The findings have informed concrete recommendations that respond to the need to meet decent work standards for all workers, and to prepare workers for lifelong learning and higher employability, as per ILO's recent policy documents (ILO, 2018a; ILO, 2019c). This study is also in line with Goal 8 of the Sustainable Development Goals (SDGs), to "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", as well as SDG Goal 5 to "Achieve gender equality and empower all women and girls".

There is growing interest in special economic zones, as can be seen in the most recent UNCTAD World Investment Report (2019), which includes a theme on SEZs, reviewing the impact of SEZs so far, and exploring how SEZs contribute to the SDGs. UNCTAD's report in 2015 (UNCTAD, 2015) shows that promotion of environmental and social/labour issues in export processing zones (also referred to as special economic zones) remains very weak. The World Bank (2011) points out that "the zone regulatory environment and infrastructure, by serving as 'demonstration areas' or catalysts for countrywide reforms, present unique opportunities to address the challenges faced by women in the workplace and female entrepreneurs" (p. ix). SEZs have the potential to enhance work standards and support the SDGs. However, this study has shown that, currently, the studied SEZs fall short of serving as "demonstration areas" (World Bank, 2011) for decent work for women and men in the respective countries, and, currently, are not preparing the workforce for the future of work.

5.1. IMPACT OF SEZs ON WORKERS' MOBILITY IN THE MEKONG

The pattern of development of SEZs is strongly linked to migration patterns and vice versa. The SEZs included in this study were all established in areas where and to such a size that it would not be possible to recruit the necessary number of workers from within the local popu-

¹ Among the ILO's Decent Work Agenda, labour migration is not highlighted as a particular focus, but since migrants are vulnerable workers, decent work for migrants, as well as maintaining decent work while being mobile (including issues such as transferring social security across borders), are important themes that need attention under the Decent Work Agenda. Childcare is included under "combining work, family and personal life" in the ten substantive elements of Decent Work (although in the indicators for Asia and the Pacific, this element of childcare is entirely ignored. See ILO [2008]). Skills development is not elaborated under the Decent Work Agenda, but it is a security of work issue. As in ILO (2002, p. 3), security includes "job security (a niche designated as an occupation or 'career', and the opportunity to develop a sense of occupation through enhancing competences)" as well as "skill reproduction security (widespread opportunities to gain and retain skills, through innovative means as well as apprenticeships and employment training)".

lation of the surrounding areas, thus necessitating migrant labour. SEZ promotion is often discussed in the context of increasing FDI and creating employment (UNCTAD, 2018). However, what is often neglected is that the high concentration of employment that is created by SEZs can only be fulfilled by moving people from other places to work in the zone, which has the potential to change the patterns and volume of migration. In Myanmar, while there were more workers from the surrounding area in Thilawa SEZ at the time of the study, the Thilawa SEZ Management Committee said that they expect the number of internal migrants to increase as the local labour market has become saturated. In Phnom Penh, there were a number of internal migrant workers already working in the SEZ. In Bavet, even though they tended to recruit many local workers, there were still many internal migrant workers coming from other provinces to work, and there was an expectation that local workers would not migrate to other places, but rather stay and work in Svay Rieng. In Tak, all the workers were cross-border Myanmar migrant workers.

Table 5.1. Comparison of migration patterns across studied SEZs

THILAWA SEZ	PHNOM PENH SEZ	MANHATTAN SEZ	TAK SEZ
70% from surrounding area, but signs of increasing numbers of internal migrants	Internal migrants as well as local workers	Local commuting workers (some back working in from Phnom Penh and Thailand) and few internal migrants	Cross-border migrants from Myanmar

The establishment of Manhattan SEZ and other SEZs in Bavet, Svay Rieng Province, have changed the livelihood patterns of households around the area by creating non-farming job opportunities. This is expected to lead to less migration to Phnom Penh and other destinations.² The main reason why Tak SEZ was established was to take advantage of access to Myanmar migrant workers. Establishment of the SEZ in Tak, as seen in section 4.4., confines migrant workers to the area, and by limiting their mobility, limits their options to move to higher paying jobs, keeping wages low. Such labour migration governance in Tak SEZ attracts investment that is labour intensive and further perpetuates the increased need for "cheap" migrant labour. Thilawa SEZ and Phnom Penh SEZ also expect more internal migration to happen in order to feed their labour demand, and to act as an incentive for the return of cross-border migrants. The effect of SEZs on migration patterns needs to be noted, since it will create new needs for housing and social services, as well as concerns related to the rights of migrants in different areas.

5.2. IMPACT OF SEZs ON THE WORKING CONDITIONS AND LABOUR RIGHTS OF WORKERS IN THE MEKONG

As seen throughout this report, some SEZs do employ a large number of workers and contribute to employment creation. However, what kind of employment is being created in SEZs, and what working conditions they offer, are larger questions. As seen in Table 5.2., there is a substantial difference in working conditions across the different studied SEZs. In Cambodia, the wages and benefits offered in the studied SEZs were in accordance with the law, while in Thilawa SEZ, there were some questionable practices reported by respondents. In Tak SEZ, most of the respondents reported labour standards below what is stated in the labour law.

² Such changing trends in migration were also seen in coastal fishing communities in Cambodia, where garment factories are built and youth stay in their villages rather than migrating (Kusakabe and Prak, forthcoming).

Some factories located in Tak SEZ practiced mandatory deductions from wages for housing and food expenses, which legally cannot be made without written agreement from workers.

The question that is, therefore raised is: what creates such differences across SEZs in terms of working conditions? By focusing on economic and technology transfer effects, Warr and Menon (2015) argue that the impacts of SEZs vary according to “the stage of development of the host country”. That is, for low-income countries, SEZs become an enclave, while in more advanced economies, SEZs are linked to outside-SEZ economies and create backward linkages. However, this does not necessarily explain the variances in working conditions across the SEZs in this report. Thailand is more advanced economically compared to the other two countries, but findings show that Tak SEZ has the worst working conditions. This study suggests that the differences in the labour effects of SEZs in different countries and sites stems from how each SEZ sees and treats workers. Tak SEZ in Thailand appeared to attempt to effectively entrap migrant workers into the zone and maintain the advantage of low labour costs. The zone was dominated by cross-border migrant workers, whom it tended to treat with “partial citizenship” (Pongsawat, 2007). Such a perspective has led to the suppression of wages for migrant workers in the SEZ. In Phnom Penh and Manhattan SEZs in Cambodia, workers were seen as a showcase to outside buyers in order to secure the advantage of obtaining preferential treatment in exporting garments. Despite the fact that respondents in the two studied SEZs in Cambodia were paid minimum wage and provided paid leave, non-employer-supported unions had difficulty operating and outside trade unions were not able to access workers inside the SEZs. The workers in these zones were not given a wider choice of unions since there was no visibility for non-employer-supported unions. In Thilawa SEZ in Myanmar, the sample size for this study was small, and the zone was still in its infancy at the time of

Table 5.2. Comparison of working conditions across studied SEZs

CONDITIONS	THILAWA SEZ	PHNOM PENH SEZ	MANHATTAN SEZ	TAK SEZ
Wages	Minimum wage (USD 2.64 per day)?*	Minimum wage (USD 153 per month)**	Minimum wage (USD 170 per month)**	Below minimum wage (USD 9.5 per day) (paid \approx 57% of minimum wage)
Benefits	Transportation and attendance incentive (>90%); Food (50%); Housing (>20%)	Transportation and bonus (\leq 100%); Food and housing (>50%)	Housing for internal migrants (>80%); Childcare (>60% for locals, 5% for internal migrants)	Transportation (5%); Food and housing (>50%); Finance incentive (37%)
Entitlement to paid leave	Maternity leave (>80%); Sick/ annual/ paternity leave (>50%)	\approx 100% for maternity/ paternity/ sick/ annual leave	100% for maternity/ paternity/ sick/ annual leave	Maternity (6%), Paternity (5%), Sick leave (9%), Annual leave (1.5%)
Possession of copy of employment contract	<30%	80%	\approx 100%	\approx 0%
Existence of trade unions in factories	No trade unions	62.6% have trade unions	>70% have trade unions	3% have trade unions (but none are members; migrants are prohibited from forming own unions).

* The study was unable to provide evidence to determine whether factories are paying workers at least the minimum wage.

** In Phnom Penh SEZ, data was collected in 2017 when the minimum wage was set at USD 153 per month. In Manhattan SEZ, data was collected in 2018 when the minimum wage was USD 170 per month.

data collection, so it is difficult to make strong assertions at this point or to predict the likely future trajectory. However, in the study sites outside the SEZ in Myanmar's industrial zones, evidence was seen of workers being treated as “disposable” (Wright, 2006), pushing them to change work frequently; it is hoped that Thilawa SEZ will not follow suit.

5.3. IMPACT OF SEZS ON WORKERS' SKILLS RECOGNITION AND DEVELOPMENT IN THE MEKONG

In The future of work in textiles, clothing, leather and footwear (ILO 2019a), the ILO argued that:

For workers, education and training will become increasingly essential to secure employment in the TCLF³ industries, or to find employment in other sectors if the industries decline in their country. Special attention should be given to those working in the TCLF industries today, the young women and migrants that tend to have a low level of education and are locked in low-paid production line work without the opportunity to progress into management or supervisory roles. (p. 17-18)

The ILO (2019a) called for a “complete change of mindsets in industries” that so far have heavily depended on low-wage workers, to invest in the capacity development of workers. One of the pillars in a human-centred agenda for the future of work (ILO, 2019c) is increasing investment in people’s capabilities. It argues for “a universal entitlement for lifelong learning that enables people to acquire skills and reskill and upskill” (p.11).

Garment factory workers in the Mekong region are often considered to be workers at the bottom of the pyramid, supporting global value chains through cheap labour (ILO, 2019a). In the countries included in this study – especially Cambodia – governments are planning to decrease their dependency on the garment industry by attracting diverse FDI inflows, but such a move is difficult given that these countries still largely depend on women’s “cheap” labour, without providing adequate support for up-skilling, reskilling, or recognition for their existing skills. In order to diversify industries and prepare workers for future technology and market changes, broader access to education and training is needed to prepare workers to be more versatile for new employment opportunities (ILO, 2019a).

Although not used widely, Regional Model Competency Standards (RMCS) for the garment industry have already been developed (ILO, 2016). RMCS sets a regional reference to establish national competency standards and formally recognise skills. Introducing such standards is important, especially for migrant workers so that their skills gained during migration can be recognised upon return to their place of origin. In fact, Thailand's Ministry of Labour and Social Welfare has already established competency standards for the garment industry. Myanmar has also developed standards and a certification system for the garment industry through the National Skills Standard Authority under the Ministry of Labour, Immigration and Population. The ASEAN Common Competency Programme (ACCP) for the textile and apparel industry was initiated in 2009 for six countries – Malaysia, Thailand, Lao PDR, Cambodia, Indonesia, and Vietnam – and provides workers with a certificate equivalent to a college degree (ILO, 2016).

³Textile, clothing, leather and footwear.

RMCS is valuable as it also includes core competencies that are not garment specific, including skills that are transferable across industries, such as skills related to workplace communication, personal discipline, grooming, hygiene, and problem solving for work-related activities (ILO, 2016).

Trainings for garment factory workers have also been introduced in all of the studied countries. However, most trainings are on-the-job and centre around how to sew a specific garment (not necessarily increasing the skill sets of attendees). There are training courses available outside the factories, but if workers are to access them, they usually do so to gain basic sewing skills. Among the study respondents, there was no indication of workers receiving training to upgrade their sewing skills, or for re-skilling purposes. In Svay Rieng, Cambodia, researchers heard that women, because of their reproductive responsibilities, had difficulty attending trainings organised outside the factory and outside regular working hours. There was little evidence of competency or skills standards being implemented in factories, and respondents noted that their skills were not recognised and did not lead to position upgrades or wage increases.

Table 5.3. Comparison of skills training and promotion experiences across studied SEZs

	THILAWA SEZ	PHNOM PENH SEZ	MANHATTAN SEZ	TAK SEZ
Skills training (%)	20	>80	>90	33
Promotion (%)	2	1	2	63
Average number of years in one job	1.6	2.7	5	3.5

In Manhattan SEZ, according to findings, there were hardly any opportunities for upgrading positions. However, during the low season, those who had more work experience had higher earnings. This might have been because workers in Manhattan SEZ stayed in one factory for a longer period of time than workers in other SEZs, since a larger proportion of workers were from the local area. In Tak SEZ, more respondents reported having been “promoted” but, upon further investigation, these “promotions” transpired to be incremental pay raises, and not truly position upgrades or substantial wage increases. There was no clear relationship between number of years of experience and whether a respondent had been promoted. There was also no relationship between respondents’ current pay and their experience of promotion. During the high season, workers with more years of experience earned higher wages. A similar pattern of higher pay with more experience during high season was seen in Phnom Penh SEZ, but not as strongly as in Tak SEZ. In these two zones, it might be the case that more experienced sewers can sew more pieces, and that results in increased earnings if there is more demand for work. In Thilawa SEZ, those with more experience earned more both in high season and low season. Some workers in SEZs had previously worked outside SEZs, and had changed jobs looking for better pay. Workers stayed in one job for an average of less than two years. With the absence of position promotion opportunities, workers tried to job hop in search of increased earnings.

Workers in all four study sites were conscious of their skills, and one of the main reasons why they were working in the garment industry was because they liked sewing or had experience in sewing. When they changed jobs, they tended to change to another garment factory.

Given that regional and national competency standards exist, training courses such as the ACCP have been developed, and workers are conscious of their skills, the necessary elements are present to realise the expectation of SEZs to act as a model for non-SEZ factories to follow. A systematic linking of competency standards, training, and payment to develop a career path for garment workers can encourage workers to contribute to garment factories in a more stable and sustainable way. Evidence is lacking of any efforts from the respective governments in this study to reskill garment workers to prepare them for other employment opportunities to support the diversification of industries.

5.4. IMPACT OF SEZS ON WORKERS' ABILITY TO CARE FOR THEIR CHILDREN AND OTHER FAMILY MEMBERS IN THE MEKONG

As the ILO Future of Work report (2019c) states, it is necessary to promote long-term investment through changing business incentive structures so that human development and well-being are given priority. Childcare support for garment factory workers is an important component so that the next generation receives adequate care while their parents earn a living.

Except for in Tak SEZ, paid maternity leave was provided for more than 80 per cent of respondents from the SEZ study sites. Maternity leave is extremely important, and childcare support after maternity leave ends is crucial for workers to continue working. As seen in Table 5.4., aside from Phnom Penh SEZ, women respondents were the primary care takers of children, with some help from their own mothers. Some women workers quit their jobs at the time of childbirth, and did not return to work due to a lack of childcare options. As such, these women did not make use of maternity leave, even in cases when it was available to them. For some of the cases in Tak SEZ, it might also be the case that it was because maternity leave was unpaid. An anticipated problem in Tak SEZ, as more workers become registered under Section 64, is that their employment will likely be on the basis of short-term contracts of only three months, hence they will not have access to maternity leave. Findings saw that local women, as well as women who had been in the location of their employment for a long period of time, were able to arrange a greater variety of support options for childcare, compared to migrants. Migrants had fewer options for childcare, and hence have a greater need for this form of support. The government cannot assume that all parents of migrant workers are available and willing to take up the care of grandchildren, nor that migrant workers are happy to live separately from their children, and that the provision of public support is not necessary (see also Pearson & Kusakabe, 2014). It is noted that in all locations, women referred to family-related reasons for quitting jobs more than men did.

Despite the fact that SEZs, especially those in Myanmar and Cambodia, generally claim to provide holistic support for factories, and even though Myanmar and Cambodia have laws that mandate workplaces to have day care centres under certain requirements, there has been little effort made in this regard. Again, this reflects the limited interest of SEZs to address social issues (UNCTAD, 2013b); a concern that warrants more attention.

Table 5.4. Comparison of care responsibilities of workers across studied SEZs

RESPONSIBILITY		THILAWA SEZ	PHNOM PENH SEZ	MANHATTAN SEZ	TAK SEZ
Childcare *	Women**	50%	5.2%	13% for local women, 40% for internal migrant women	41.4%
	Respondent + mother	50%	87%	20% for local women, 44% for internal migrant women	35.3%
Remittances***		>40% remit; 43% of annual income	96% remit; >40% of annual income	50% of local women remit, 96% of internal migrant women remit, \approx 15% of annual income for local women, \approx 30% for internal migrant women	>70% remit. >40% of annual income

* Percentage of the total number of children of respondents. For Manhattan and Tak SEZs, there were other arrangements, including only a respondent's mother (for migrant workers in Tak SEZ and local women workers in Manhattan SEZ) and only a respondent's husband (in Tak SEZ).

** This includes both women respondents themselves and men respondents' wives.

*** Percentage of total respondents for each location.

5.5. SUB-REGIONAL-LEVEL RECOMMENDATIONS

In this chapter, sub-regional-level recommendations are listed. For national-level recommendations, please see respective chapters. Sub-regional-level recommendations are addressed to organisations operating in the sub-region, including United Nations agencies, the Asian Development Bank, World Bank, ASEAN Secretariat, bilateral organisations and non-profit international organisations, such as the World Free & Special Economic Zones Federation (FEMOZA).

RECOMMENDATIONS

1. Monitor the labour rights performance of employers in SEZs and exert pressure on employers to comply with national and international labour standards.
2. Support the development of a regional living wage mechanism and promote the use of this mechanism in establishing living wages in Mekong countries.
3. Encourage respective governments of Mekong countries to regularly promote and regulate social dialogue platforms between employers, employees, buyers, and SEZ management to ensure safe and secure working environments.
4. Work closely with national governments to promote the use of sewing skills recognition standards regionally using the ASEAN Common Competency Programme and Regional Model Competency Standards. Promote the practice of increasing wages commensurate with workers' competencies and experience.
5. Develop and promote skills training for garment factory workers, targeting women and migrant workers. Training should be on core competencies, including, but not limited to, workplace communication, team work, career professionalism, negotiation, problem solving, managing workloads, handling harassment, occupational health and safety practices, labour and human rights, gender equality, and building self-confidence.
6. Work closely with national governments to identify the reskilling needs of workers and develop capacity development programmes to meet these needs, specifically targeting women migrant workers.
7. Promote and assist with the establishment of day care facilities in workplaces and workers' communities. Raise awareness of the importance of childcare supports for women to be able to manage their roles and responsibilities effectively.

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APPENDIX

LIST OF KEY INFORMANT INTERVIEWS ¹

MYANMAR

1. Workers' rights organisation, Yangon, November 2016
2. Workers' rights organisation, Yangon, November 2016
3. Department of Labour, Ministry of Labour, Immigration and Population, Shwe Pyi Thar Township, Yangon, November 2016
4. Department of Labour Relations, Ministry of Labour, Immigration and Population, Shwe Pyi Thar Township, Yangon, November 2016
5. Shwe Pyi Thar Industrial Zone Management Committee, Shwe Pyi Thar Township, Yangon, November 2016
6. Garment factory management, Thilawa Special Economic Zone, Yangon, July 2018
7. Thilawa Special Economic Zone Management Committee, Yangon, July 2018
8. Myanmar Garment Manufacturers Association, Yangon, July 2018
9. International Labour Organization, Yangon, July 2018
10. Workers' union network, Yangon, July 2018
11. Workers' rights organisation, Yangon, July 2018
12. Workers' rights organisation, Yangon, July 2018

CAMBODIA

1. Workers' rights organisation, Phnom Penh, November 2016
2. Workers' union network, Phnom Penh, November 2016
3. Village head, Phnom Penh, November 2016
4. Better Factories Cambodia, International Labour Organization and International Finance Corporation, Phnom Penh, February 2017
5. Cambodia Special Economic Zone Board, Council for the Development of Cambodia, Phnom Penh, February 2017
6. Department of Labour, Ministry of Labour and Vocational Training, Svay Rieng, February 2017
7. Manhattan Special Economic Zone Management, Svay Rieng, February 2017
8. Workers' rights organisation, Phnom Penh, February 2019
9. Workers' union network, Phnom Penh, February 2019
10. Garment Manufacturers Association in Cambodia, Phnom Penh, February 2019
11. Phnom Penh Special Economic Zone Management, Phnom Penh, February 2019
12. Manhattan Special Economic Zone Management, Svay Rieng, February 2019
13. Department of Labour, Ministry of Labour and Vocational Training, Svay Rieng, February 2019

¹ The names of civil society organisations, union networks, garment factory owners, and a village head have been anonymised to protect their identity.

THAILAND

1. Department of Employment, Ministry of Labour, Mae Sot, November 2016
2. Immigration Office, Mae Sot, November 2016
3. Tak Special Economic Zone Office, Mae Sot, November 2016
4. Tak Chamber of Commerce, Mae Sot, November 2016
5. Federation of Thai Industries, Tak Chapter, Mae Sot, November 2016
6. Department of Employment, Ministry of Labour, Tak, November 2018
7. Department of Labour Protection and Welfare, Ministry of Labour, Tak, November 2018
8. Federation of Thai Industries, Tak Chapter, Mae Sot, November 2018
9. Labour Attaché, Embassy of the Republic of the Union of Myanmar, Mae Sot, November 2018
10. Tak Special Economic Zone Office, Mae Sot, November 2018

EXCHANGE RATES

The following exchange rates were used in the report:

USD 1 = 1,365 MMK for Myanmar

USD 1 = 32 THB for Thailand

USD 1 = 4,000 KHR for Cambodia

