

# **Gendering in Garment Factories: Lives of Women in Economic Development**

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Good afternoon, everyone.

I am Aye Lei Tun, the Gender program manager from Enlightened Myanmar Research Foundation (EMReF). I'd like to thank the organizers of ASEAN Economic Integration Forum, particularly to Matthew Walton for giving me this opportunity. It is my pleasure to share the key findings of "Myanmar Garment Sector – Baseline study" which was supported by the Canda Foundation. Our research organization conducted this study from May to June 2017, led by the Andaman Research and Advisory Group, and recently we published the draft report (the full report is forthcoming in December 2017). In this study, we collected information regarding the demographic characteristics of garment factory workers; their economic situation such as saving, expenses, remittances; their engagement in labour unions; and their use of mobile technology. However, the key points of today's topic – "Gendering in Garment Factories – Lives of Women in Economic Development" has been taken from the findings of the main baseline study from a gender perspective. I am going to present these findings with two objectives: first, to better include the voices of poor women in the development process, and second, to reflect on the importance women's contributions towards the country's economy. With these findings, we hope to advocate for more sophisticated strategic policies and actions to empower women.

## **i) Background**

Gendering in Garment factories is important as long as women's labour is regarded as a cheap labour; the majority of factory owners are male, and those owners continue to seek the lowest cost of production through cheap labour. On the other side, consumers favour products which are manufactured by industries who can guarantee employees safety and welfare. The textile business could be one of the largest export industries of developing countries, because global manufacturing tries to outsource high-end fashion industry from rich countries to less developed countries. But you will see power imbalance and complex value chains, since power has shifted from producers to traders and retailers, while the workers have low benefit. The power has also shifted from marginalized group of women to other people with higher gender status.

As you know, a "Single-window" common market system developed by ASEAN Economic Community's (AEC) has encouraged countries in the region to innovate and strengthen more partnerships with like-minded investors to establish a production network for the textiles industry. Given the lower wages within the region, the rise of competitiveness has pushed larger industries to become more interested in expanding their businesses in Cambodia, Lao PDR, Myanmar and Viet Nam. Garment factories are supposed to offer many jobs for unskilled labour, but instead they might be exploiting workers without building capacity to produce higher value added products. The poor

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<sup>1</sup> This speech was delivered at the ASEAN Economic Integration Forum 2017 that took place on 14 and 15 September 2017 at UNCC, Bangkok. The views expressed are responsibility of the author(s) of the study and do not necessarily represent the views of the organizers of the ASEAN Economic Integration Forum 2017 or the members of the United Nations.

working conditions of workers in garment industries have been specially highlighted already in many studies. However, the adequate actions to change these conditions continue to be delayed. Thus, I am presenting the case study of Myanmar to remind, and draw attention to the need to promote the welfare of the poor unskilled female workers in the economic development process.

Media reports and forecasts would have you believe that Myanmar's economy is supposed to be booming tremendously at present or in near future. However, as a country which was locked under economic sanction for a decade, it's not easy to catch up with the economic development of other countries within the region. Although the garment market is important to the trade of Myanmar, its significant role declined after the imposition of trade sanctions in the 2000s. In 2012, Myanmar contributed to 0.002 percent of world clothing exports, while China contributed the biggest share with 37.8 percent, followed by 4.7 percent by Bangladesh, 3.3 percent by Vietnam, 3.3 percent by India, 1.1 percent by Malaysia and 1 percent by Cambodia<sup>2</sup>. After garment factories shut down due to trade sanctions, thousands of workers became jobless. This led to an increase of internal and external migration. Female workers were the most affected, and furthermore they had limited options with low skill to get a job securing a regular income. In the period of democratic transition and easing of sanctions, Myanmar's garment industry started growing again; in 2014, US\$1.5 billion was earned from textile exports. The share of foreign direct investment into textile businesses has also increased from 27% in 2014 to 29% in 2015.<sup>3</sup> According to the Myanmar Garments Manufacturers Association (MGMA), currently about 300,000 people are employed in textile industries – this number is expected to increase to over 1,000,000 workers by 2020. The major workforce (80%) of garment factories are female labourers.

But for the time being, in order to attract international investors and to compete the other markets within the region, Myanmar decreased wages to the lowest level. According to the Wage Indication Foundation's survey in 2015, the minimum wage in garment sector in Myanmar was US\$65 per month, while the minimum wage is US\$128 in Cambodia, and US\$145 in Viet Nam. In August, 2015, the government set a minimum wage of 3,600 Kyat (approximately US\$3 for 8 hours working time per day). But as the price of basic commodities rise, US\$3 is a very low amount for a person to survive daily. In this case, we examine other economic and social conditions in this study.

## **ii) Methodology**

We collected data from 778 participants from two townships Hlaing Tha Yar and Shwe Pyi Thar in Yangon from May to June, 2017. The main research question for this paper "how the social conditions and rights of female garment workers in Myanmar has been in the era of economic rise" was explored by means of secondary data collection from the main study.

## **iii) Findings**

### **a) Demographic data:**

Among the 778 workers we interviewed, the Bahma is the majority group who are working in the garment factories, while a few percentage of other ethnic groups such as Rakhine, Mro, Mon and Karen are also working. 98% of the respondents came from the different parts of the country to

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<sup>2</sup> Business Innovation Facility, Burma (Myanmar) Garment: Market Analysis and Strategy, August 2016

<sup>3</sup> Business Innovation Facility (BIF), Garment Market Brief by UK Aid

Yangon to work in the textile industries. Most are from the lower part of the Myanmar, because Yangon is also located in the lower part of the country. So, what we concluded from this finding is that the rise of garment factories encouraged the increase of internal migration by women.

The workers who are doing cutting, packing and quality control completed at least the primary education, and some levels of secondary education. But for sewing, we found two people who never went to school. For clerks and supervisors, the level of their education reached higher. The respondents ages varied from 17 to 35 years. When we interviewed them on how they got this job, most of them stated that they applied for this job through their friends or relatives who have been in garment factories. The main reason for applying for this job is they do not need to have higher education and work experience to get the job, and it can also pay regular income. Some of them want to learn more about sewing and designing. When they have learnt, they have a plan to open a small tailoring shop by themselves. The application process to appoint them at the factory takes around two days to two weeks. If an applicant knew someone familiar with the factory supervisor and could give some recommendations for them, they could get the job immediately. The job gives them a regular income, and this income is a little higher than the amount given by shoe industries. From this point, what we concluded is that garment factory creates more jobs for young women with low education. This trend is expected to continue as most of the young women from rural area who possess only low levels of education.

**b) Working conditions:**

The second finding is related to working conditions. Normally, they have only one-day off a week. There are different ways to calculate their salary: 68% of the respondents received the basic salary, plus overtime fees 900 Ks (approximately 80 cents in US\$) for one hour. 24% of the respondents were paid the basic salary plus fees for overtime and per unit of clothes, the other respondents received the basic salary plus fees per unit of the clothes. Mostly, their workload is already defined. For example, for sewing, they need to finish 30 clothes per hour. If they could not finish, they need to manage by themselves by working overtime.

When the government increased the daily basic wage from 2,700 Ks to 3,600 Ks, the owners gave more tasks to the workers. For example, they need to finish 40 to 50 pieces in an hour. Moreover, the workers are paid bonus 10,000 Ks (approximately 8 US\$) in a month for regular daily attendance. But if they are absent even for a day, 50% of that payment for regular daily attendance is deducted. Even if the workers are not feeling well, they try to come to the factory so to not lose that bonus.

Some factories give sick leave of up to 3 days without salary if the workers could show medical certificate from doctors. But most of the factories do not allow leave over 3 days, no matter whether employees have a medical certificate or not. If not, the absentee might be fired. Some industries provide a nurse and a small clinic for the health care of factory workers. But we found that the workers complained that they were not given adequate health care from this clinic, for example, even though they are sick, the clinic rarely gives them a medical certificate. However, the factory takes about US\$2 every month from them to cover their social welfare cost.

Moreover, even in the factories, the female labourers are not allowed to put make-up, lipstick, thanatkha (Burmese traditional make-up) to avoid staining the clothes. And in some factories, the female labourers are limited going the toilet too often, and their lunch time is only 30 minutes.

Sexual violence cases however are rare because most of the direct supervisors are also women. However, when we asked about their potential for promotion, almost all workers in the Focus Group Discussions said that their salary increase or role promotion highly depends on their supervisor's recommendation. So they need to get supervisor's favour. Here, we can see the power imbalance even in the same gender in garment sector.

**c) Remittances and savings:**

Third, regarding remittances and savings, most of them have to transfer money to their family. But since the factories do not provide transportation and accommodation, the rest of income goes to daily consumption. In our findings, 70% of the respondents could not save, the remaining respondents who can save money are working at the higher level, such as in the supervisor positions.

**d) Engagement with labour unions:**

The last finding is about their engagement with labour unions. 54% know what a labour union is, while 46% have never heard of labour unions. Some respondents engaged with the labour union in the past and asked through the labour union for their right of a one off-day. This case succeed through the negotiation of the labour union, however, the leaders of the worker groups were forced to leave the job, and other factory owners do not want to give job to such kind of active persons. That's why female workers are not interested to join the union since they are afraid to lose their jobs. And even in their workplace, they are always under surveillance by CCTV cameras. When the government investigation team comes to the factory to investigate the working conditions of the workers, the factory manager arranges a meeting with workers they selected with the investigation team. Those selected workers are given approximately US\$10 as a bonus to give good recommendation about the factory to the investigation team. So, the real facts never come out.

**iv) Conclusion:**

Labor exploitation and abuses in the garment sector are not a new phenomenon. It is an old story, even a little a cliché. However, the condition remains unchanged. To sum up, what I want to say is, if a country, including Myanmar, wants to boost their economy, first of all, they need to appreciate women's contribution, and have to consider the welfare of marginalized women. For the time being, the women workers from garment sector could make some income for their daily survival, but this amount could not cover the cost of social wellbeing. So, the growth of GDP is meaningless as long as the marginalized women's affairs are ignored. So, the country needs to provide a long-term strategic plan to enhance the capacity of unskilled labour to produce value-added goods. Myanmar aims to improve garment industries with a 10-year strategy, but the country has provided only Cut-Make-Pack (CMP) model, not reached high-tech yet. However, the aim to boost the industry seems to be fragile if they do not provide the fundamental capacity build-up, the well-being of workers, and lack of mechanism to empower their voices. The case study of Myanmar would reflect the sufferings of female workers in South-East Asia.

Thank you!