

GARMENT WORKERS IN MYANMAR
THE COVID-19 CRISIS AND BEYOND

A social media analysis of workers' grievances using
Social@risk™



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Summary

Wages in the Myanmar garment sector are among the lowest in the world. This is one of the main reasons why workers have been particularly hard hit by the Covid-19 crisis. This study documents their situation and grievances through the lens of social media. We find that permanent and temporary closures of factories allowed suppliers to withhold wages and avoid compensation payments. Within shortly workers couldn't afford food and shelter. Factory owners and managers used the pretext of the Covid-19 crisis to selectively dismiss unionised workers and roll-back achievements that the country's nascent labour movement won in recent years. Factory owners were aided by a regulatory system that does not punish union busting and that deprives workers from taking decisive actions to defend their rights.

Our analysis indicates that the polarisation of public opinions is an additional factor circumscribing unions' and workers' actions. We find that labour unions and NGOs chose to write less about wage issues since the Covid-19 outbreak even though it is the main cause for workers' immediate sufferings. In response to ongoing union busting, labour unions and NGOs began to advocate freedom of association substantially more in social media. At the same time, labour unions and NGOs posted three times more statements referring to legal procedures and constraints that prevent workers from claiming their rights collectively through strikes and protests.

Contents

I. INTRODUCTION	3
II. CONTEXT OF THIS STUDY	3
II. DATA AND METHOD	4
III. FINDINGS	5
III.1 CONSEQUENCES OF “LIVING FROM HAND TO MOUTH”	7
III.2 CONSEQUENCES OF FACTORY CLOSURES.....	8
<i>Permanent closure</i>	9
<i>Temporary closure</i>	9
III.3 CONSEQUENCES BEYOND THE CRISIS.....	10
<i>Regulation – hard on workers soft on capital</i>	10
<i>Polarised public opinions condition labour activism</i>	13
IV. CONCLUSIONS	16
SOURCES.....	17

I. Introduction

In 2020 we were asked by the Centre for Research on Multinational Corporations (SOMO) to search for workers' social media posts about the situation at two garment factories in Myanmar during the Covid-19 crisis. Although the screening revealed little information regarding these suppliers, we did though come across a wealth of information on the hardships and injustice Myanmar garment workers had to endure during to the Covid-19 crisis. We believe that these voices coming from workers, union leaders, and labour activists need to be heard and, therefore, put together this report. After we completed data collection for the analysis, a military coup hit the country exacerbating workers' hardships.

During the Covid-19 outbreak, unions and labour NGOs posted pictures of workers in front of factories waiting for the gates to be opened. Now, workers gather in front of the factories again – this time because they want the gates to remain closed. They leave the workshops, join protests, and ask brands to speak up against the violent coup. To drain the military junta from resources, workers demand that brands do not place orders.¹ End of April 2021, Covid-19 and the military coup jointly erased more than 400.000 jobs in the textile sector, which once employed about 600.000 people.²

With the coup, workers situation got worse. Already before the overthrow, our report shows, many workers lacked food and shelter during the Covid-19 crisis. Now that the economy is close to a break-down, most workers will fall even deeper into poverty and debt. Sooner or later, the factories will have to resume production and orders from retailers and fashion brands will flow in once again. When that day comes, the garment industry must not return to business as usual. This time it must make a real contribution to better work and a better life for workers. That will require more supplier engagement and more money from brands. Times have changed indeed. But, we believe, this report remains relevant – as a reminder that, contrary to recent claims in business news³, the garment sector has not lifted workers out of poverty in Myanmar, and as a contribution to find a way forward to create new jobs with fair wages and decent working conditions.

II. Context of this study

Labour in Myanmar is cheap even when compared to regional competitors such as Laos, Cambodia, or Vietnam. According to a study at the NY Stern School of Business, Myanmar's minimum wage of 95 USD in 2018 is on par with Bangladesh, the lowest in Asia, and the second lowest in the world only outrun by Ethiopia.⁴ Low wages are the foundation of Myanmar's nascent textile garment sector, which grew at a compound annual rate of 37 percent since the country's economic opening in 2011.⁵ In 2018 the sector employed about 1.1 million people.⁶ Almost 90 percent of garment workers in Myanmar are women, many of them migrating from rural areas in search for income to support their families back home.⁷

Myanmar's garment workers are particularly vulnerable to crises due to low wages and little social protection. Before the Covid-19 outbreak, the Centre for Research on Multinational Corporations (SOMO) conducted in-depth interviews with 39 garment

workers from two factories, Dong Yi and Leader One, between May 2019 and February 2020. The workers' responses bear witness to inhumane working and living conditions, low wages, long working hours, forced and unpaid overtime, verbal abuse and harassment, and a management culture that doesn't care about workers' rights and interests.⁸ In this report we wanted to find out how workers tackle the Covid-19 crisis, what kind of support they receive, and what role manufacturers, retailers, and fashion labels play for workers' struggle to survive this storm.

II. Data and method

We look at the situation of garment workers through the lens of social media. In times when travel restrictions, quarantine periods, and social distancing keep us apart, social media are an essential channel to keep in touch and receive information. But social media data are more than an investigative means of last resort. For many workers social media have become an integral part of their lives; to connect to their families and to maintain a social network amongst daily routines that do not allow more than to work, eat, and sleep. Workers use social media to exchange information with peers, reach out for help, ask for advice, and voice grievances. Online worker solidarity and virtual social networks are the two most important sources of support when they face troubles and hardships – and even more so in a crisis that requires social distancing.

In Myanmar, Facebook is the most used social media platform. Almost 40 percent of the population use it. Most of its users are between the age of 18-34, which is about the same age cohort as most garment workers.⁹ Even though many workers use Facebook, few of them write publicly about labour issues. Instead, they engage with posts from labour unions, NGOs, or news, and write comments. We, therefore, searched for public groups on Facebook that are directed towards workers and then systematically collected information from these sites. We identified 21 relevant public groups and retrieved 142.475 posts for the period January 2018 to September 2020. To protect workers privacy and respect data integrity we did not attempt to relate posts and comments to individual user information, nor do we present information in a way that can be traced back to individuals.

We reference sources according to the following principles: (1) Social media posts and comments from workers, unions, and labour NGOs, written in Burmese and directed towards workers and Myanmar citizens, are coded with numbers in brackets. (2) Comments to posts are marked with CP after the post number. (3) To protect workers' anonymity, the coding list of these sources is not included in the report. (4) Information that originates from academic journals, newspaper articles, webpages, or labour rights campaigns is referenced in endnotes.

Our aim is to construct workers' realities directly from their own voices. Often, we find these voices in the form of comments to posts but they may also appear within posts – frequently as citations in texts published by union representatives and activists. We generate insights about grievances and rights violations with a qualitative analysis. To make the assessment of a large amount of data possible, we automatically coded posts with a series of keywords relating to labour and human rights issues. Experts used these tags to filter relevant posts for a subsequent qualitative analysis. Due to technical restrictions at the time when we conducted this study, we were not able to collect

comments from Facebook posts using crawlers. We, therefore, went back and forth – first identifying relevant posts in our database and then reading attached comments on Facebook. This method was useful for a context sensitive analysis that does not only consider texts, but also pictures and videos attached to them.

Our qualitative analysis rests on the principle that single voices matter because any injustice or violation calls for remedy. But even though individual posts can provide important information, they still could also contain incorrect claims or biased discussions. To ensure that insights are relevant and robust, findings are presented within a broader context that features posts from different users making similar claims, posts from different users confirming a particular issue or practice, or posts from different users adding up to a pattern of rights violating practices. This approach ensures that we do justice to single voices and at the same time enhance the reliability of the findings.

It is important to note that the principle of “single voices matter” isn’t accordable with representativeness. We still can make inferences about systemic rights violations when robust and reliable claims point towards shared practices or the frequent occurrence of certain grievances.

III. Findings

In June 2020, The Ministry of Labour, Immigration and Population in Myanmar estimated that about 250.000 formally employed workers lost their jobs as a result of the Covid-19 crisis; among them about 110.000 returnees from Thailand and about 140.000 locally based workers.¹⁰ About half of the locally unemployed came out of the garment sector.¹¹ The industry was hard hit because it highly depends on intermediate inputs from China, as well as orders from retailers and brands in Europe and North America. As a result, production came to an early halt when China went into a lock-down and then entered a protracted crisis due to international brands’ disengagement.

Our analysis focuses on workers in the garment sector; those that lost their jobs as well as those who remain formally employed. We report on the cases of more than 20 factories; on workers grievances as well as unions’ and labour NGOs’ actions to resist and remediate. The analysis shows that, like SOMO’s findings for Dong Yi and Leader One, workers are caught in precarious employment and living conditions that violate basic human and labour rights. The Covid-19 crisis exacerbated workers dire situation; materially and politically. Not only do workers lack the means to afford food and shelter they are also prevented from organising their legal rights and interests. Unions and workers struggle to receive public support for their protests as government authorities and businesses warn that labour resistance is about to destroy the country’s reputation and ultimately will discourage foreign investments. And, as the following analysis will show, investors’ and brands’ response to the crisis have done little to rebut this narrative.

To illustrate what many garment workers in Myanmar experienced in April 2020, we begin with the case of World Jin Garment in Thar Du Kan Industrial Zone. Like other factories, World Jin closed down for an extended Thingyan (Burmese New Year)

period from 3. – 18. April. However, after the Thingyan leave workers found that the factory did not reopen, leaving them in the dark about what was happening.

Workers daily gathered in front of the factory gate demanding compensation that they are legally entitled to. It turned out that the owner of the factory, a South Korean citizen, had left the country. The authorities were slow to react, essentially telling workers to go home and wait. Different sources reported on this event featuring workers' voices that illustrate the hardships they encountered. A worker stated "We are in great trouble. I was thrown out from my dorm because I could not pay the rent. Because I am unemployed now, my family faces difficult living conditions. We don't know when the factory will reopen. The Labour Department didn't help us."¹² In a labour news post on Facebook, a worker states: "When you return in the evening, you must pay the dormitory fee. I do not know what to do. I'm afraid to go home" [1CP_a]. Another worker mentioned in the same post said: "Parents have to feed their children. If we don't get paid, we will be in trouble for the whole month" [1CP_b]. Not all comments were supportive of workers' demands for compensation. A user commented on the news post: "Protests are a form of bullying. Now that they are unemployed, they may learn that you do not bite the hand that feeds you" [1CP_c].



Figure 1: Workers waiting in front of a World Jin factory. Source: [9c]

World Jin workers' concerns are shared with many workers in the garment sector. A review of numerous cases and comments in social media brings to the fore two immediate worries:

- (1) The consequences of "living from hand to mouth," and
- (2) the consequences of factory closures.

Beyond these immediate concerns, the crisis will have a lasting impact on garment and textile workers undoing many of the humble improvements that workers and unions won during the past years. In this context we identify two additional problem areas:

- (3) Regulation that is hard on workers and soft on capital, and
- (4) polarised opinions among citizens and workers.

In the following we present our findings under these four themes and conclude with a brief statement on what must change when Myanmar's garment factories eventually resume production.

III.1 Consequences of “living from hand to mouth”

While 300 workers waited in front of World Jin factory for information and help, another 400 workers gathered in front of Royal Apollo Garment, which is in the same township in Yangon (Shwepyitha) as World Jin. An additional 700 workers waited at the closed gates of Su Xing Garment, in Hlaingthaya township, Yangon, which borders with Shwepyitha in the South-West. In all cases the owners were foreign citizens running away from their financial commitments. And in all cases workers had similar immediate concerns; food and shelter [2]. In the same vein, workers waiting for compensation at the gates of Myan Mode Garment and Xiang Yi Garment, both located in Hlaingthaya township, stated that they do not know how to afford food [3]. Food insecurity among workers grew to the extent that some labour unions considered food support their main service and most important recruitment strategy [4] [5]. In other regions, garment workers experienced similar hardships. For example, in Ayeyarwady, a region West of Yangon, workers at Mansam (Myanmar) Garment were fired without prior notice. They were somewhat better off because they received 50 percent of the legally stipulated compensation. But also in this case workers mentioned the lack of food, clothing, and shelter as their most pressing problems [6].

Because workers have to “live from hand to mouth”, wages and food security are closely related. In the diagram in figure 2 we depict posts mentioning food issues such as having not enough to eat, being worried about having not enough to eat, or NGOs providing food for workers. We show these posts as a share of the number of posts mentioning wages. This ratio indicates that the relative importance of food issues compared to wages increases cyclically between March and May, when workers migrate from or to their home villages, i.e. before and after Thingyan (Burmese New Year, 13.-16. April), the main national holiday. This pattern suggests that food issues become more of a concern when workers give up their jobs or have not yet returned to their workplaces. The chart indicates that, in 2020 during the Covid-19 crisis, the period of food insecurity started earlier (already in February) and ended later (in July). Unfortunately, we don't have the data to investigate whether the period of high food insecurity continued after July 2020.

Workers voices in social media suggest that exposure to food insecurity is a direct result of extremely low wages. Retailers, fashion brands and manufacturers that are not committing to pay living wages, therefore, contribute to physical harm. This observation is supported by a recent study on female garment workers in Myanmar, which revealed that women have poor quality of nutrition and restricted their food

intake. The risk factors for not meeting the minimum dietary diversity were related to migration patterns, as well as working and living conditions.¹³ Studies on other Asian countries found that women in the ready-made garment sector are frequently in poor health due to malnutrition. They suffer from vitamin deficits^{14,15}, are underweight, and anaemic.¹⁶

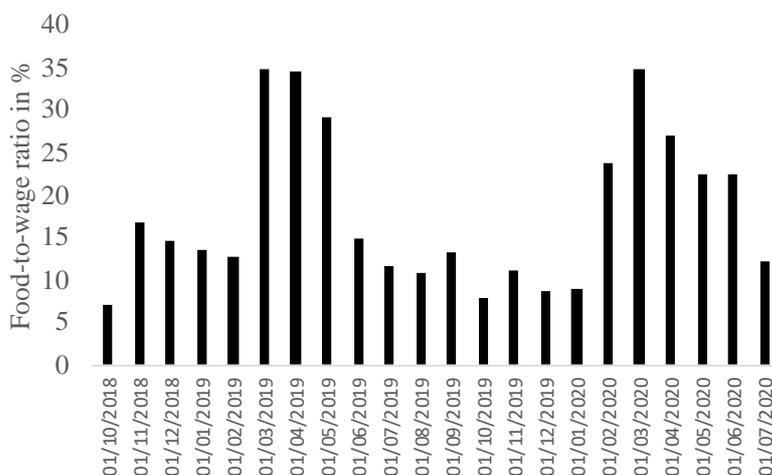


Figure 2: Cyclical pattern of food insecurity measured as the food-to-wage-mentions-ratio

III.2 Consequences of factory closures

Workers have very little means to pressure factory owners who do not comply with legal requirements. A worker waiting for compensation states: “In the afternoon, we contacted the person in charge at the labour office. However, he replied that he was tired because other factories were being inspected by the Ministry of Health. Now the workers are writing a letter to complain [1].” Another worker standing at a factory gate, asks in a video: “Daw Aung San Suu Kyi said she would support us. But where is it? Where will I eat? Where will I work?” [7].

Many social media posts documenting workers’ grievances since the Covid-19 outbreak in Myanmar feature pictures of closed factory gates. These closed gates point towards a major issue; workers and unions have nobody to talk to. The absence of a counterpart is owed to two distinct response patterns from factory owners, namely permanent closure or temporary closure. Several factory owners shut down their business permanently and fled the country. As a result, there is nobody taking responsibility for workers’ unpaid wages. In other cases, the factories were closed temporarily. When reopening, the factory will be run as a new business, with new workers and no liability to the old workforce.

Permanent closure

During the past months several foreign factory owners left the country leaving behind workers to whom they owe wages and compensation payments. The previously mentioned factories World Jin Garment, Su Xing and Royal Apollo are among them. Another example is Euro Gate, which is located in South Dagon township in the South-East of Yangon and owned by a German citizen who fled the country in March [8]. In this case 700 workers did not only forfeit compensation payments, but also basic wages and overtime pay for performed work during March 2020. It is reported that the unpaid wage bill amounts to 10000 Lakh Kyat (1 Lakh = 100 000 Kyat) or about 65000 Euro [9]. The problem of factory owners walking away from their legal commitments has become so widespread that most workers that still have a job are afraid of becoming a victim as well [10].

When a factory owner is running away, government authorities can auction the factory property to pay the remaining debts. Yet, the process is time consuming. In the case of Euro Gate, the factory owner did not show up at any of five scheduled court hearings. Still, no arrest warrant was filed [11]. Workers from World Jin write that there is no progress in their case either [12]. Workers at Su Xing garment pushed for an auction for six months but to no avail. A worker and union member at Su Xing stated “Last month we thought that we got the auction. But there is still no announcement. When we went to the labour office, we found out that they haven’t arranged anything [13].” The auction was eventually held in September. The price of the factory materials was set at 260 Lakh Kyat (€16.000). The factory materials have been purchased by a foreign owner for 270 Lakhs Kyat (€17000). There are two labour leaders who have accepted this deal and are pressuring others to accept it by signing contracts. The workers, however, are not happy with this deal leading to conflict between them and the labour leaders. One person within the factory stated they were owed more than 2 Lakh Kyat (€126). Even though the factory will auction its material for 270 Lakh, with more than 300 workers within the factory they will only get around 60 000 Kyat (€40) per worker. Returns from an auction of Royal Apollo’s assets generated 670 Lakh Kyat (€ 42000) [12]. The money, however, covered only 60 percent of one month’s outstanding wages [14] [15]. Workers and union leaders voiced their anger and despair in social media [16]. Labour unions are demanding that the Government acts against “run-away factory owners”. The main problem, they point out, is that these investors own nothing – they rent the land, the buildings, and the machinery. When they leave there is nothing to seize [17].

Temporary closure

A second crisis response from factory owners is to close the factory and reopen it slightly modified, for example with a new name or altered registrant.¹⁷ When the factory resumes production, the owner denies liability for unpaid wages, and employs new workers without having to pay compensation for the laid off old workforce. A case in point is Shin Sung Garment. In the wake of the Covid-19 crisis 2000 workers were sacked. Half of the workers accepted a compensation offer because they couldn’t afford to fight for their legal rights. The second half of them tried to claim payments owed before the factory was closed. The factory owner told some workers that he will reopen the factory and employ new workers even though he is still was owing wages to the old

labour force [18]. In the same vein, a worker at another factory writes “My factory fired 500 workers. They only kept the ones that are on minimum wage. I was not one of them [19].” Besides ‘expensive workers’, factory owners use temporary closures to get rid of union members. A widely reported example is Myan Mode where all 520 union members were sacked and March-wages were withheld [20].

III.3 Consequences beyond the crisis

Lack of shelter, hunger and factory closures are immediate consequences of the crisis. Yet the measures that garment suppliers have taken go beyond various attempts to push financial losses onto workers. In particular the crisis is used as an excuse to roll-back labour rights improvements that workers fought for during the past years, and it is used to get rid of workers who are labour union members. Factory owners can dismiss workers, withhold wages, and even press criminal charges against those who resist due to a regulatory system that gives them the upper hand.

A serious problem is the Labour Arbitration Law, which requires the formation of a Workplace Coordinating Committee (WCC) in all enterprises. Any dispute must be handled by a WCC before workers can move on to a Conciliation Body at township level and a Dispute Settlement Arbitration Body at regional or state level. Industrial action may only be taken after a dispute has been heard by a regional-/state-level arbitration body.¹⁸ Labour unions and workers rarely come all the way because they cannot afford waiting for a solution for so long. Union representatives write in social media that since the Covid-19 outbreak they are losing almost all cases in arbitration tribunals at the township level where government and employers have a majority over worker representatives [21].

Regulation – hard on workers soft on capital

The selective dismissal of union members has been deployed extensively during the Covid-19 crisis. Myan Mode, a supplier a.o. to Zara and Mango, is a case that was reported on in international media.^{19,20} Yet there are many other cases. For example, San Yuan Apparel in Hlaingtharyar township, Yangon, dismissed 112 union members under the pretext of Covid-19, no non-union member was fired.²¹ At Huabo Times, a garment producer in Patheingyi township, Ayeyarwaddy region, 100 workers including two union leaders, were sacked two days after registering a labour union on May 11 [22]. As in many other cases the union members were re-employed thanks to the Clean Clothes Campaign and subsequent pressure on brands to intervene [23]. At Htan Ta Pin Garment, in Htantabin township, Yangon, two union leaders were dismissed. One of them stated “We were not fired because we did something wrong but because we organised a labour union”. An arbitration court decided that the two union members shall be re-employed and receive compensation. Arbitration rulings, however, are not binding, and the factory owner refused to follow them [24]. At Amber Stone Garment, Hlaingtharyar township, Yangon, 29 union members were dismissed after a workplace quarrel. The union contacted some of the buyers and after mediation the union members were re-employed [25]. The factory owner, however, has now pressed charges against union leaders threatening jail time.²² In the same vein, at Blue Diamond Garment, Mayangone township, Yangon, two labour leaders were arrested in May 2020 after the

factory owner pressed criminal charges because workers have been protesting unpaid leave over Thingyan (Burmese New Year) [26]. In Myanmar, usually during public holidays factory owners give special bonus pay to workers.

The largest union busting event in recent months appears to be Dihuali, Hlaingtharyar township, Yangon, a garment producer belonging to Dishang Group. According to labour NGO's social media posts, and workers' voices, 700 union members were fired on July 30 after they demanded a piece rate increase from 220 Kyat (€0.14) to 400 (€0.24) per jacket [27]. Just as the well-known case of Myan Mode, Dishang Group seems to be a supplier to Zara and Mango. The latter brand denied that it is related to Dihuali. However, workers provided pictures of the labeled garments they are producing.²³ It is not the first time that Dishang Group attempted to get rid of unionised workers. In January 2019, 500 workers at Dishang Kenny factory (Hlaingtharyar township, Yangon) protested the dismissal of 7 union members. The factory management complained that the workers were disrupting and delaying production. Due to union members' interventions, the factory management said, the company had to spend too much time on resolving disputes.²⁴



Figure 3: Arrested labour strike leader Blue Diamond [26]

Social media accounts bear witness of unionised workers facing a high risk of dismissal and repression. The consequences are severe for the workers, as they are deprived of their income source and frequently the last month's wage is withheld. In some cases, factory owners go as far as to press criminal charges against unionised workers, which may lead to imprisonment for several months and even years. By contrast, factory managers and owners not complying with the law have little to fear. The non-binding nature of arbitration rulings allows them to ignore unfavourable outcomes [28]. For

example, at Xiang Yi Garment (Hlaingtharyar township, Yangon) the owner fired 96 workers, among them union leaders, but immediately replaced them with new workers. A mediation ruling suggested that the sacked workers should receive compensation for half a month [29]. But even though the proposed solution was below legal requirements, the owner was not willing to accept it. When workers try to complain to government authorities they will again end up in mediation and arbitration. Workers and unions, therefore, turn directly to fashion brands and retailers and ask them to put pressure on their suppliers [30]. This channel can generate faster results. But the process towards a solution is once more mediation. Hence unions and workers are stuck in mediation and arbitration, which usually doesn't trigger more harm than a few soft-spoken words of reason directed towards factory owners and managers. When workers do not wait for arbitration and go on strike, they risk food, shelter, and in some cases even their freedom.



Figure 4: Clean clothes campaign against union busting in 2020 – Dishang Group [31]



Figure 5: Clean clothes campaign against union busting in 2020 - Myan Mode [32]

Polarised public opinions condition labour activism

When factories close – permanently or temporarily – workers face a double squeeze – time is not on their side because of their precarious living conditions, and the regulatory system prevents them from using strikes or protests as a means to speed up negotiations. Many workers, therefore, are prepared to return to their home villages without a fight or accept compensation offers that are below legal minimum standards. Even in successful cases, workers do not necessarily stand as a united front. For example, in the case of Myan Mode hundreds of workers joined a camp in front of the factory to protest their dismissal. When the factory owners offered a small compensation in exchange for accepting their release, most of the workers left the camp and only about 100 workers remained [33]. It is difficult for workers to insist on higher wages when many of them are desperate and have no choice but to labour for minimum wages. It is hard to convince workers to stand-up and become unionised when the unions cannot protect them. The conflict of interests between workers on one hand and factory owners and brands on the other is obvious. But what about the wider public? Do Myanmar citizens support workers in their quest for better work and fair treatment?

Social media posts indicate that society is divided. In fact, many comments suggest that even workers are concerned about “unreasonable demands from unions”. There are widely shared claims that protesting for compensation would destroy the reputation of Myanmar among foreign investors [34]. In the same vein some news outlets frame demonstrating workers as the true cause for the country’s economic problems. For example, workers at Brightberg Enterprises Garment, Dagon Seikkan township, Yangon, allegedly organised a wildcat strike and demanded better working conditions. As a result, the factory could not accept orders and had to close. Workers at Brightberg, it is claimed, are now unemployed and no other factory is willing to hire them [35]. These kinds of posts gain a lot of attention – in this case more than 500 users commented. Many of them blaming the labour unions and reckless workers [36CP].

Social polarisation is an additional factor limiting labour unions’ fight for workers’ rights and interests. We investigated public perceptions on two major issues that we identified in the previous analysis “living from hand to mouth” and “unions being stuck in mediation and arbitration”. With respect to the former issue, we analysed responses to a recent proposal from 14 labour unions to increase the minimum wage from 4800 Kyat (€3) per day to 8000 (€5) Kyat. The suggestion was based on a survey on living expenses among 100.000 workers. The announcement caught a lot of attention and more than 130 users commented. Despite the minimum wage not being enough to finance food and shelter, many voices opposed the proposition stating that workers are not productive enough to earn 8000 Kyat, that foreign investors will walk away, that unions instigate economic downturn, and that unemployment will rise [37CP].

We also looked at public perceptions on strikes as an alternative more powerful means than mediation and arbitration to promote workers’ rights and interests. Free Expression Myanmar, a NGO with the mission to promote freedom of speech online and offline, interviewed workers about their experience with the police when they participated in protests. The picture that emerged from the interviews was such that workers felt harassed and intimidated during peaceful demonstrations. Most comments to this post were negative. Users were asking whether the workers interviewed had a permit to demonstrate. Others believed the interviews to be biased stating that everybody must

respect the law. There were also voices accusing Free Expression Myanmar of spreading propaganda [38CP].

Are polarised views among Myanmar citizens significant enough to influence the work of unions and worker NGOs? The data that we collected is not enough to provide definite answers. However, we can make some tentative inferences from the language that unions and labour NGOs use in social media. With respect to the issue of “living from hand to mouth”, we measure how many posts refer to wages and overtime. Extremely low wages and unpaid overtime are major causes of workers’ vulnerability to the Covid-19 crisis. Pushing for better pay or at least singling it out as a major problem would be an obvious strategy if unions promoted their members’ interests. However, this may not resonate well among powerful economic and political elites who are concerned about Myanmar’s ‘cheap labour advantage’ in global supply chains. Figure 6 and 7 depict the number of posts mentioning wage and overtime as a share of all posts by month. Both indicators suggest that unions and labour NGOs chose to write relatively less about these core issue compared to the time before the crisis.

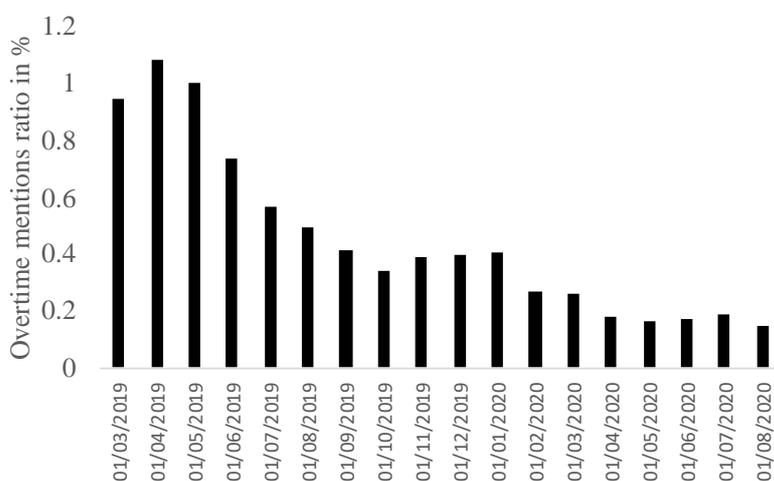


Figure 6: Mentions of overtime – % of all posts per month

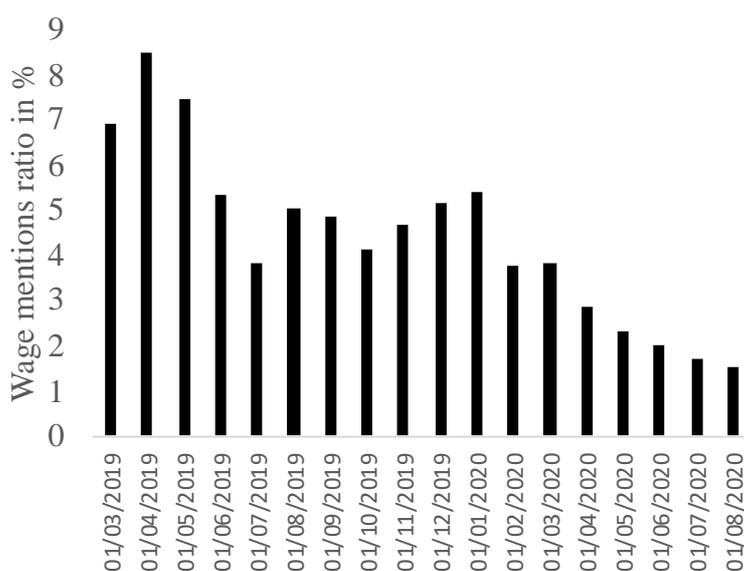


Figure 7: Mentions of wages – % of all posts per month

Previous research shows that unions do not unambiguously side with workers. Instead, they prefer to mediate and engage in legal claim making.²⁵ Union leaders discourage collective action not only because the right to strike depends on a preceding arbitration decision but also because many of them believe that they only can gain influence if state officials and factory owners accept them as dialogue partners.²⁶ Our data confirms a two-pronged strategy. On the one hand, figure 8 indicates that unions and labour NGOs seized the crisis as an opportunity to promote a public discourse on freedom of association, as the fundament for labour unions' influence. At the same time, however, they refer three times as much to the legal terminology that the State uses to regulate and control labour relations (figure 9).

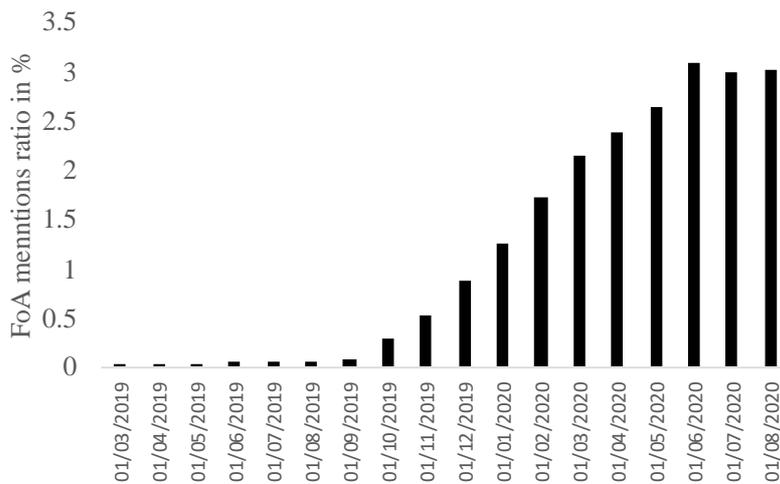


Figure 8: Mentions of freedom of association – % of all posts per month

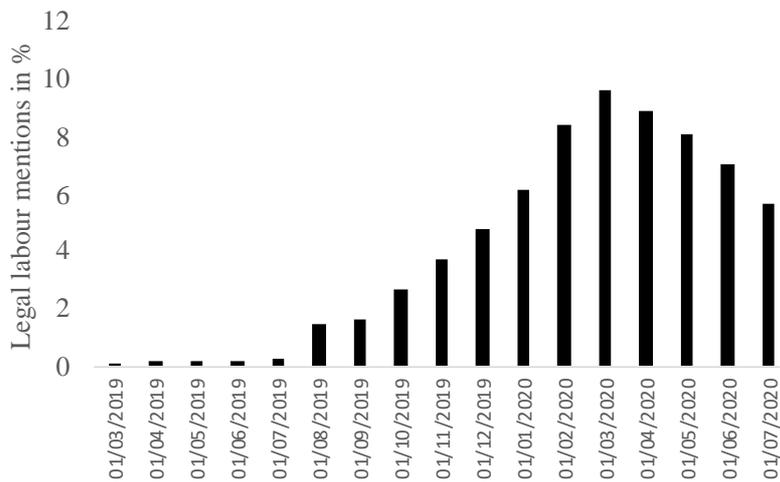


Figure 9: Mentions of legal issues – % of all posts per month

IV. Conclusions

Myanmar's labour legislation promotes a non-confrontational approach emphasizing stakeholder dialogue and mandatory mediation and arbitration. Collective action in the form of strikes can only be deployed as a means of last resort. These legal principles are inspired by the idea that workers' and business owners are both better off when there is mutual respect and acknowledgement for their legitimate rights and interests.

Historically, this thought constituted the fundament of post-world-war II labour relations in North America and Western Europe where workers' wages translated into rising demand for consumer goods. Today's production in global supply chains, however, nurtures a different kind of employment relation because workers assembling consumer goods are not the ones envisioned to buy them. Higher wages and better working conditions, therefore, do not have a direct positive impact on business growth. Like other low-wage, export processing nations, Myanmar benefits from manufacturing mainly through corporate profits and taxes and to a much lesser extent from workers' purchasing power.

Legal norms that do not acknowledge the existence of conflicting interests between workers and employers inevitably render the former more vulnerable and undermine their right to fight for better work and better pay. SOMO's investigation on Dong Yi and Leader One showed that workers are caught in a net of exploitative practices. This study shows that the Covid-19 crisis amplified these vulnerabilities. We find that a post-coup reform of the garment sector needs to pay attention to three problem areas:

- After a decade of two-digit growth, workers' wages in the garment sector remain so low that any disturbance may endanger access to the most basic needs such as food and shelter.
- Current legislation and government authorities' interpretation of legal norms criminalise collective action and violate the right to freedom of association. As a result, unions and workers have no leverage beyond campaigning for support from more powerful actors such as brands.
- Garment factories require low asset investments which increases factory owners' incentives to default on workers' wages and run away.

Together with previous studies, our analysis shows that a decade of rapid growth in the Myanmar garment sector created more but not better jobs. The main lesson to be learned is that it takes more than a vibrant export-manufacturing industry to lift workers out of poverty.

Sources

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