CAPITAL EXPANSION AND MIGRANT WORKERS: FLEXIBLE LABOR IN THE THAI-BURMA BORDER ECONOMY

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Thesis
Entitled

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Dennis Arnold

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ABSTRACT

This qualitative study examines the political-economy of mobile capital and labor migration. The research focuses on migrant workers from Burma in Thailand who work for (Taiwanese) capital in Mae Sot. The study argues that Taiwanese capital is mobile and in search for more flexible labor, avoiding labor that is organized and better positioned to assert their rights. It hypothesizes that the state often facilitates mobile capital while portraying itself as the nationalist protector of the Thai people, despite the social and economic reality that the Thai state encourages the exploitation of workers, regardless of nationality.

The study reveals that from the perspective of labor, mobile capital is problematic not only because it can undermine the autonomy of national and regional development, but more particularly because labor rights are consistently sacrificed in order to attract and maintain investment. As Thailand and neighboring countries take further steps to increase border development, labor standards are being pushed down both directly for the migrant workers employed in border industries, and often for domestic workers who are being forced to accept lower standards. This is often perceived as the only way to prevent capital from relocating within or outside of the country.

Moreover, the development of the Thai-Burma border economy has led to a differentiated labor pool on the sub-national level, characterized by migrant workers from Burma who are fleeing political and socio-economic hardship and thus equipped for greater informality and, accordingly, non-protection by the state against highly exploitative work arrangements. Migrant labor holds one valuable commodity, its labor, which is accorded a much lower value than that of Thai nationals, leading to divisions among the working class within the country. The state facilitates these divisions, and prevents the collective force of labor, primarily to maintain competitiveness in export-oriented industries and flows of direct investment.

This research also finds that past research focusing on migrant workers in labor-intensive, export-oriented sectors in Thailand has paid little attention to the dynamics of Thai and migrant workers who are working in the same sectors, creating the impression that they are not a part of the same production networks or the same working class. This inadequate analysis only reinforces and creates a number of barriers relating to the implementation of migrant workers' basic rights.

KEY WORDS: BURMESE MIGRANT WORKER/MOBILE CAPITAL/FLEXIBLE LABOR/TRADE AND LABOR/PRODUCTION NETWORKS
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LIST OF ABBREVIATIONS

ADB	Asia Development Bank
AHRC	Asian Human Rights Commission
ATC	Agreement on Textiles and Clothing
ATNC	Asian Transnational Corporation
BOI	Board of Investment
BLSO	Burma Labor Solidarity Organization
CSR	Corporate Social Responsibility
ECS	Economic Cooperation Strategy
EOI	Export Oriented Industrialization
FDI	Foreign Direct Investment
FTUB	Federation of Trade Unions-Burma
FTI	Federation of Thai Industries
FTA	Free Trade Agreement
GMS	Greater Mekong Sub-region
ILO	International Labour Organization
IO	International Organization
IOM	International Organization for Migration
ISI	Import Substitution Industrialization
IPSR	Institute of Population and Social Research
KMT	Kuomintang
MAP	MAP Foundation for the Health and Knowledge of Ethnic Labor
MOU	Memorandum of Understanding
MOL	Ministry of Labour
MFA	Multifibre Arrangement
NIC	Newly Industrializing Country
NGO	Non-governmental Organization
OSH	Occupational Health and Safety
OT	Overtime

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LIST OF ABBREVIATIONS (cont.)

SME	Small and Medium Sized Enterprise
SBEZ	Special Border Economic Zone
SEZ	Special Economic Zone
TLC	Thai Labour Campaign
TLSC	Thai Labour Solidarity Committee
UNHCR	United Nations High Commission for Human Rights
WTO	World Trade Organization
YCO	Yaung Chi Oo Workers Association

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CHAPTER 1
INTRODUCTION

Capital constantly moves in search of more informal labor where there is less pressure to pay the social cost of exploitation, or costs such as health care, proper overtime payment, social security and other forms of benefits many organized workers enjoy. The Thai state plays a mediating or facilitating role between mobile capital and labor in terms of (not) implementing labor regulations, promoting investment, barring migrant workers from forming trade unions or acting as union committee members, creating a fear of authorities and lack of protection by the police and regulating the flows of migrant workers. Likewise, the state can play a positive role in the promotion of workers rights, yet in the case of Thailand this role is structurally imbalanced in the favor of capital. Migrant labor holds one valuable commodity, its labor, which is accorded a much lower value than that of Thai nationals, leading to divisions among the working class within the country. The state also facilitates these divisions, and prevents the collective force of labor power among Thai workers, migrant workers, and Thai and migrant workers, primarily to maintain competitiveness in export-oriented industries and flows of direct investment.

From the perspective of labor, foreign direct investment (FDI) is problematic not only because it can undermine the autonomy of national development, but more particularly because labor rights are most often sacrificed in order to attract and maintain investment. As Thailand and neighboring countries take further steps to increase border development, particularly in manufacturing industries, labor standards are being pushed down both directly for the migrant workers employed in these industries, and often for domestic workers who are being forced to accept lower standards as it is often perceived this is the only way to prevent capital from relocating.

From a regional perspective, Thailand is competing for foreign investment in manufacturing sectors as corporations play one nation off another for the best incentives. In addition to geographic movements of capital between countries,

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capital mobility is also increasing within and between firms, sectors of industries and factors of production in attempts by capital to maximize profitability in increasingly competitive local and global markets[1]. In this hostile environment for labor, the collective nature of work is systematically being replaced with flexible or 'precarious' forms of work[2] which is a pressing issue at the global level. Flexible labor is used to describe a range of employment that is not standard or regular employment. Standard or regular employment is defined by the International Labor Organization's (ILO) Contracts of Employment as "full time work, under a contract of employment for unlimited duration, with a single employer, and protected against unjustified dismissal." In a number of national contexts, mobile capital and flexible labor are interrelated themes which are seldom addressed as such.

There are four major categories of flexible labor in manufacturing in Thailand[3]:

1) Dispatched labor through a labor agency who work on a fixed term, task base or hourly rate, thus avoiding direct employer-employee relationships. (In Thailand labor agents are legal entities, and were formally acknowledged under the Labor Protection Act of 1998 after the financial crisis). These workers often work side by side with 'regular' workers in factories.
2) Workers contracted for temporary periods, generally one year, directly by the employer (these one-year periods often go on indefinitely). These workers also usually work side by side with 'regular' workers.
3) Outsourced work to sub-contracting plants or to home-based workers from a factory receiving orders from a manufacturer (this is very common in the garment sector).

[1] Chang, D.O. *Opening Address to the Workshop*, "Organising Flexible Labour" 23-25 November 2005, Bogor, Indonesia, Asian Transnational Monitoring Network

[2] A number of terms and forms of flexible or precarious employment arrangements exist including: outsourcing, lump-sum wage, contracting-out or subcontracting; casualization, contractualisation or fixed-term contracts, in addition to a number of other terms and forms of flexible labor in different national-level contexts.

[3] This information is based upon a draft article by the author for a publication edited by Thang G. Nguyen, to be published by Cavendish Academic in 2006 (no title).

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4) Migrant workers in Thailand, who are allowed renewable one-year work permits, a significant proportion of whom work in manufacturing sectors. Currently a majority of migrant workers in Thailand are not registered and are accordingly more 'flexible' since they are illegally employed and in practice cannot promote their rights according to the law.

Rationale for the Study

This research attempts to contribute to promoting labor rights in Thailand by filling a gap in existing academic literature on this subject, and it could also be useful socially to help trade unions and workers better understand the nature of investment and mobile capital and how they can more effectively organize to improve their strength vis-à-vis individual capitals or capital in general. This research and information also has the potential to increase workers social power and bargaining capacity, whether with employers or government officials. The long term objective is to increase workers' participation both in the development process, and in their struggles against subordination to capital. Furthermore, as the Mae Sot area is the most developed zone in Thailand's border economy, with even more plans of expansion under the Special Economic Zone Bill, and the Economic Cooperation Strategy (among Thailand and its neighboring states of Burma Cambodia, Lao PDR and Viet Nam), the research has the potential to identify ways to improve labor rights implementation in future border development initiatives, or to provide information in opposing these initiatives.

The role of Asian TNC (ATNC) producers within global supply chains in the textile and garment industry is not well understood, and in general more research is needed on the impact of their investments (see Applebaum, 2005). Furthermore, past research focusing on migrant workers in labor-intensive, export-oriented sectors in Thailand have paid little attention to the dynamics of Thai and migrant workers in those sectors, creating the impression that they are not part of the same production networks or the same working class. In the textile and garment sector, for instance, we find that there is sufficient research and literature on the role of major TNCs or 'Brands' such as Nike and Reebok, and there is ample literature on the

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work conditions and problems migrant workers face in Thailand, yet the regional perspective of competition in production networks employing migrant workers is a relatively untouched topic.

This study examines how capital moves in search of higher profitability in avoidance of pressures for higher wage and increased social welfare by the workforce. Labor is continuously sought and found with more informality and flexibility as capital mobility grows, as is evidenced by the shift of productive capital from, for example, the US to and Western Europe to Japan in the 1950s and early 1960s. The second major relocation was from Japan, the US and Western Europe to Asian Newly Industrializing Countries (NIC)—Hong Kong, Taiwan, South Korea and Singapore. Since the mid 1980s, yet another shift went from the NICs to Southeast Asia, China and South Asia (in addition to Central America, the Caribbean, Africa and Eastern Europe). In the context of Thailand, capital has integrated Burmese migrant workers into wage work, often in sub-national capital relocation to border areas. On the surface, low wages are the motivating factor for individual companies (capitals) to employ migrant workers. But the trend is a part of a much larger set of global class relations in which movements of capital induce movements of labor, and vice versa.

1.1 Migration from Burma: Background Information

Burmese migrant workers are unique in Asia in terms of the severity of political and human rights violations in their home country combined with the very low level of respect for labor and human rights which they face while working in Thailand. Thus, Burmese migrant workers in Thailand are caught between increasingly dismal opportunities in Burma, and work conditions in Thailand in which violations of basic labor rights are often the norm rather than the exception. Despite the low pay, long work hours, lack of occupational safety and health (OSH), and abusive nature of employment relations in Mae Sot, Tak Province, over 100,000 Burmese migrant workers choose to stay due primarily to the lack of comparable opportunity at home.

Generally the International Labour Organization (ILO), International Organization for Migration (IOM) and a number of academics cited in Chapter 3 describe labor migration in terms of labor sending and receiving countries, and the

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conditions in each which predicate migration. Under this rubric, it is stated that Burmese workers go to Thailand due to various 'push and pull' factors. Push and pull factors are an oversimplification and sanitary categorization of highly complex variables, which the course of this report elucidates.

Push factors are generally divided into two categories: political factors and economic factors.

Political factors refer to:

Risk of persecution, suppression of rights, human rights abuses, political and/or ethnic oppression, internal violence and/or armed conflict are considered political factors which lead to migrants leaving their state of origin for other countries. (Sanganet 2004:12). Those deemed as political migrant are often considered refugees. In Thailand there are 117,559 persons registered in nine 'refugee'[4] camps along the Thai-Burma border (Huguet and Sureeporn 2005:11).

Economic factors include:

International labor migration movements may also be triggered by economic factors such as poverty and economic underdevelopment in countries of origin and the existence of considerable discrepancies in standards of living and wages between these countries and receiving countries (Sanganet 2004:12). This is the category that the million to 1.5 million Burmese migrant workers in Thailand generally fall under.

However, the situation inside of Burma makes it very difficult to delineate the two categories. Despite this fact the UN High Commission for Refugees (UNHCR) has attempted to do so when screening Burmese in Thailand for 'refugee' status. Push factors in Burma are the result of often interconnected social, economic and political factors, making the distinction between economic migrants and political migrants difficult. A majority of Burmese migrant workers go to Thailand, but many also go to India, Malaysia, Japan and South Korea. They are escaping forced labor, low wages, lack of economic opportunity, while others are fleeing a wide variety of

[4] Thailand does not officially recognize them as refugees, but they are essentially functioning refugee camps.

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human rights abuses and seeking better socio-economic opportunities in other countries.

Arguments could be made that every Burmese migrant worker in Thailand is, to at least some degree, a political migrant, since the Burmese junta is the primary cause of the deteriorating Burmese economy. For example, in an interview with the International Confederation of Free Trade Unions (ICFTU), Maung Maung, General Secretary of the Federation of Trade Unions Burma (FTUB)[5], states (Grumiau 2003),

> The floods in October and November 2002 followed by heavy rains for five continuous days in January 2003 significantly reduced harvests. That happened in other neighbouring countries like Thailand, but there the government intervened to help the people affected. Nothing like that has been done in Burma: on the contrary, the military government is still forcing farmers to sell it a fixed proportion of their harvests at very low prices (e.g. 12 baskets of rice per acre of rice field), despite the fact that the harvests were ruined by the floods! … Some farmers are brutally beaten by soldiers as they cannot sell them the predetermined amounts. What can these helpless farmers do if floods have destroyed their harvests? They are terrified, since if they cannot sell the quota to the government they risk losing the right to farm their land. That is why there are some 2 million Burmese people in Thailand and hundreds more are fleeing every week. These migrants know nothing about politics but have been forced to leave their country to escape the misery caused by the military regime and to avoid beatings if they cannot sell their rice quotas.

The logic behind this argument implies that if the military regime is replaced with a democratically elected government which does not engage in human rights abuses and accordingly brings to an end years of hardship due to the military governments, in addition to an end to economic sanctions against Burma, that the

[5] FTUB is a trade union federation in exile which was formed in 1996. It is the key organization documenting forced labor in Burma and other labor rights abuses by the Junta, in addition to maintaining a migrant division in Thailand and other countries with high numbers of Burmese workers.

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number of migrant workers in Thailand will decrease dramatically. Another scenario is the Thai government, business and trade unions, perhaps facilitated by the ILO, will be able to work transparently with a democratic Burmese government to address many of the problems migrant workers in Thailand currently face.

However, there are many complications to arguments claiming that a democratic Burma is the key means to promote the rights of Burmese migrants abroad. Mainly, that there is perhaps no correlation between democracy and reduced levels of labor migration and exploitation of migrant workers in receiving countries, as is evident in democratic nations such as the Philippines, Indonesia and Thailand which are all major or significant sending nations of migrant workers in Southeast Asia (although the depth of democracy in these and other sending countries could certainly be debated), and whose workers suffer various forms of exploitation and human rights abuses (see AMC/MFA 2004).[6] The author is not aware of a study comparing patterns of implementation of labor rights based on policies of the sending country, but we find examples of the many problems regularly faced by migrant workers coming from nations much more advanced economically and politically than Burma, such as Thailand and the Philippines. A recent example is the Kaoshiung incident when Thai migrant workers rioted over their poor working and living conditions in Taiwan. Thai government investigating panels found that several workers involved in the incident were each overcharged between 95,000 and 150,000 Baht by three companies. Also, Labor Ministry officials were involved in the scam and Thai labor envoys in Kaohsiung committed dereliction of duty and malfeasance (*The Nation* 2005a). The reality is migrant workers are viewed as a commodity or a 'human resource' and are thus subject to exploitation by government officials, job brokers or agencies and employers. This raises the point that migration from Burma is not likely to subside anytime soon, regardless of the government, particularly since it will take the Burmese economy and society decades to overcome the devastation the Junta has brought.

With that said, so called push factors are unlikely to cease in the coming decades in Burma, yet there is no doubt that a democratic government in

[6] The depth of FTUB's understanding of issues relating to democracy in Burma and migrant workers is, of course, much greater than the authors. The purpose of using the quote from FTUB is as an example of arguments purporting that democracy in Burma is the key to eliminating exploitation of migrant workers in Thailand.

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Burma could significantly lessen the desperation which currently characterizes Burmese migrant workers in Thailand. However, any transition to democracy is in all probability to be met with structural adjustment programs from the World Bank, International Monetary Fund and Asia Development Bank (ADB), and it has been stated that, "The World Bank and the ADB…are potentially a large source of financial support for Burma, and likely will try to lead the reform of its economy. Further, such re-engagement with Burma may happen as soon as they believe that it will be accepted by the international community" (Bank Information Center 2004:10). The reform of Burma's economy which the World Bank and ADB speak of is well known to include implementation of a number of neo-liberal economic reforms (see Bello 2002 and 2004) which critics contend is a major impediment to the social and economic development process. The Philippines is perhaps the most obvious example in Southeast Asia of the correlation between implementation of neo-liberal reforms on the part of the state leading to, among other social and economic problems, an array of 'push factors' for migrant workers. In 2005, 541,201 Filipinos migrated for employment (Republic of Philippines 2006) while in 2002 the estimated number of migrant workers outside of the Philippines was 7.55 million, 2.8 million of whom are considered emigrants/residents (AMC/MFA 2004:213). The over 5 million migrant workers from the Philippines remit an estimated USD 8 to 10 billion per year (Ofreneo and Samonte 2005:1) making it one of the most significant contributions to the Philippines' gross domestic product.

With its economy in shambles after 40 years of military rule and disastrous social and economic mismanagement (see Fink 2001), Burma will continue to rely upon remittances from migrant workers for many years to come. Whether it adopts policies similar to the Philippines to facilitate the labor sending process in order to 'harness' workers' remittances out of social and economic necessity remains to be seen, as does the social and economic effect of Burma's impending transition to an open capitalist economy.

In addition to push factors, pull factors are often cited in discussions of labor migration. Pull factors include the relative ease of crossing the Thai-Burma border and improved transportation in both countries, word of jobs from relatives and contacts or migrant networks, the prospect of less political and social oppression in

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Thailand, higher wages, and Thailand's economic development which creates a demand for low-cost labor. A purpose of this research is to discuss so called 'pull factors' in detail, highlighting the broad array of factors in the global economy which necessitate flexible labor in receiving countries.

1.2 Factories Move to Mae Sot

Mae Sot, Mae Ramart and Phob Phra[7] are neighboring districts on the western side of Tak Province, which is across the Moei River from Mywaddy, Karen State of Burma, and about 400km northwest of Bangkok. Based on interviews with four long-time residents of the Mae Sot/Tak area, corroborated by additional documents and statistics, following is a brief history of how the Mae Sot area developed into its current manifestation as an industrializing area from a primarily agrarian, pre-capitalist economy.

According to Supamart Kasem, a staff reporter for the *Bangkok Post* and resident of Mae Sot for over 20 years, about 50 years ago Burma was more developed than Thailand in terms of infrastructure and higher education levels of its people. He claims that at that time it was common for Thais in the Mae Sot area to cross the border into Mywaddy to buy goods and trade, rather than the other way around as is primarily the case today. During that time, Thailand's rural economy and way of life was based on pre-capitalist production in agriculture, and accordingly most labor was in agriculture. Mr. Kasem said Thais and Burmese helped one another at harvest times, and maintained close cultural ties due in large part to their common religion and way of life. The cultural ties are substantiated by the Burmese style Buddhist Temples or Wats which are found in the Mae Sot area, still run and occupied by Burmese monks and novices, though in the Thai shade of robe rather than the maroon color which is the norm in Burma. It is quite natural that they lived and worked together given their proximity and relative seclusion since the Mae Sot-Mywaddy area is surrounded by densely forested mountains which would be quite difficult to traverse without modern roads and vehicles.

[7] For the sake of convenience, this report refers to Mae Sot throughout rather than naming all three districts, since Mae Sot is the central township in the three districts.

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Mr. Kasem claims that relations along the Mae Sot-Mywaddy border remained similar to this for decades, until the economic and political situation steadily deteriorated from the 1962 coup which saw Ne Win and the Burma Socialist Programme Party take control of the government and economy. Since his 'Revolutionary Council' instituted the 'Burmese Way to Socialism' the Burmese economy has steadily declined while the level of human rights abuses have increased (Fink 2001: 32). It was during this time that the first roads from Mae Sot to the central plains of Thailand were constructed, easing travel over the mountains which separate Mae Sot from Tak, the provincial capital on the edge of Thailand's central plains.

Min Lwin, a resident of Mae Sot from the mid-1990s and staff of the FTUB, states that the situation for the first migrant workers in the early to mid-1990s and the situation today has changed considerably. In the early to mid-1990s he said that most migrants were employed in small scale businesses and relations were generally good with management or business owners, who reportedly allowed workers to go home for major holidays and guarantee a job when they returned, often with spending money for the travel. Mr. Kasem reinforces this information, saying there were roughly 2-3,000 migrant workers in Mae Sot in the early 1990s with relatively few problems or concerns among migrant workers and locals. According to Mr. Praphot Srichet, Director of the Tak Provincial Court, the economy in the early to mid-1990s in Mae Sot was based primarily on cross border trade in gems and (often illegal) lumber, and a thriving trade in illegal drugs.

In the mid-1990s Min Lwin said there were roughly 10 to 20 factories in Mae Sot, many of whom employed Burmese from the refugee camps[8]. One well known factory was the Bangkok Rubber Company, which was producing shoes for the brand Reebok. After a year and a half of production, it was disclosed by FTUB that Bangkok Rubber was paying refugees 40 Baht per day to produce for Reebok, a story that was reported to the media, and which resulted in Reebok pulling their orders to the factory. The factory closed shortly afterwards[9].

The first relatively big factories, or those employing over 1,000 workers, moved to Mae Sot in the year or two preceding the financial crisis of 1997.

[8] This practice is still noticeable.

[9] Activists in Mae Sot report that The Gap also pulled orders in a similar fashion, as did Tommy Hilfiger in 2003 (see Arnold and Hewison 2005).

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On 2 July 1997, the Bank of Thailand announced it would allow the baht to seek its free market equilibrium relative to the dollar, triggering the 'financial' crisis. Following the crisis of 1997, the number of factories, big and small, has increased dramatically, facilitated by improved roads from Mae Sot to central Thailand in the late 1990s. Due to the crisis, productive capital in the textile and garment sector began to move to search for lower cost labor. However, prior to the effects of the financial crisis a few large Thai and foreign invested factories producing knitwear and garments were already operating in Mae Sot, including King Body Concept Co. Ltd (registered with the Board of Investment (BOI) on 14 Feb, 1997), Uni Ocean Co. Ltd. and Champion Knitwear Co. Ltd. (which later changed its name to New Products Knitwear Co. Ltd. and was approved for BOI promotion on 14 July 1998, and incidentally where licensed Tommy Hilfiger goods were being produced in 1998 [Arnold 2004:20]).

Mae Sot district was relatively well positioned before the crisis of 1997 to attract a number of factory owners seeking ways to lower costs. Recognizing the pool of labor at its disposal, leaders of the business community in Mae Sot began an intensive promotion of the area to lure other investors, initially by promising cheap, unregulated labor and promotion under the BOI, and in recent years with infrastructure development and other commercial incentives that would come from the establishment of the proposed Special Economic Zone (see Chapter 2)..

The current number of factories in the area is unknown, since many smaller factories are not registered, but figures cited by Mae Sot locals and academics range from 150 to 200. These textile and garment factories employ between 60 to 80,000 (or more) Burmese migrant workers, in addition to an estimated 100,000 Burmese who work in the area in agriculture, shops and restaurants, construction, domestic work and a number of other jobs. The minimum wage in Tak Province is currently 141 Baht per day and 25 Baht per hour overtime[10] (OT). Most migrant workers employed in textile and garment factories in Mae Sot earn between 50 to 70 Baht per day, with 6 to 8 Baht per hour OT. A document provided by Mahidol University shows:

[10] $1US = 40 Baht

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> At present [2004] some 23,111 minority people are found in Tak Province in addition to 60,000 refugees fleeing fighting, and approximately 110,990 illegal migrants awaiting repatriation[11]. In total there are 194,101 registered people among these migrant groups while several tens of thousands remain undocumented. The registration data at Tak Labor Protection and Welfare Office reveals that among the 565 local businesses Burmese migrant workers account for two thirds of the total workforce[12] (Mahidol University, Office of Human Rights 2005:2).

1.3 Thai-Burma Border Relations

While Burma severed political and economic relations to the outside world, Thailand, on the contrary, as elucidated in following sections, undertook steps to further integrate itself into capitalist economies. From the late 1950s, recognizing the need for a more skilled and better educated workforce, the Thai government took steps to raise education levels. This resulted in higher participation of Thais into capitalist forms of work such as the factory, and the lines between pre-capitalist and capitalist work began to break down for larger numbers of the population. In Mae Sot, Mr. Kasem of the *Bangkok Post* said that it was about 20 to 30 years ago when locals in the Mae Sot area began to employ more Burmese to do agricultural work on a wage basis, which implies that Burmese began to come to the area for money rather than in exchange for other goods or services, which reflects the local Thais' increasing desire to move away from labor intensive work in agriculture. As the situation in Burma deteriorated, particularly from the 1988 student uprising and the 1990 elections which were not recognized by the State Law and Reconciliation Council (SLORC) successor to the Burma Socialist Program Party, an increasing number of Burmese came not only to Mae Sot, but the whole of Thailand. From the 1990s when the Tatmadaw, the Burmese government's armed forces, increased its grip over border areas which ethnic armed insurgents had controlled for decades, such as the Karen National Union, a

[11] Since none of the migrant workers in Thailand entered the country 'legally', they are all technically considered illegal immigrants, regardless of whether they have a temporary one-year work permit or not..

[12] Data provided by Mr. Chavalit Tantisak, expert from the Department of Labor Protection and Social Welfare

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policy of forced relocation of villagers was initiated, causing even more refugees both within Burma and into Thailand.

Turning briefly to Thailand's policy towards Burma from the 1960s to early 1990s provides insight into reasons why Burmese were able to cross the Thai border in increasing numbers. The takeover of the Thai government by Field Marshal Sarit in 1957-58 brought an anti-communist government to power, which would dominate Thai politics through the rest of the cold war era (see Chapter II). The strategy regarding Burma was to contain Burma's [perverted] form of socialism within its borders via a buffer zone between the two countries maintained by the Thai military's quiet support of armed ethnic nationalist groups who controlled virtually all of the Burmese side of the Thai-Burma border (Fink 2001:235) from the 1960s through 1980s. This would make it more difficult for communists from China, Burma and Thailand to link up, particularly the Communist Party of Thailand.

However, as the Tatmadaw gained ground over the opposition groups, the Cold War had come to a close, and concurrently Thai generals and businessmen began to be lured to Burma by logging, fisheries and other business opportunities (Fink 2001:235), so the military/government's strategy with Burma changed. What ensued is the Thai government policy of 'constructive engagement' with Burma which began under the Chatichai Choonhavan government (1988-91), who promoted 'turning battlefields into marketplaces' (referring to Burma, Lao and Cambodia) in order to bring political and economic stability to the region. And with this policy came an increasingly porous border, in terms of capital, goods and labor.

Relations among Thailand and Burma have been strained since constructive engagement began, with borders being closed on several occasions over diplomatic frictions, most notably the Junta's unilateral closure of borders after Burmese activists seized the Burmese embassy in Bangkok in October 1999 and took hostages in order to 'refocus world attention on Burma' (Fink 2001:236). Fink goes on to quote the Thai Interior Minister's statement to the press that, "We don't consider them to be terrorists. They are student activists who fight for Democracy". This sympathy enraged the Junta, and the Thai government's sympathy for such actions has now passed, particularly after the January 2000 seizure of the Ratchaburi Hospital (Huguet and Punpuing 2005:14). Since 2000 the government has been in the process

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of closing down a significant proportion of Burmese democracy activists working from Thailand with the mandatory relocation of all Burmese with UNHCR Person of Concern Status, initially to refugee camps in Thailand by 31 March 2005, and then to be settled in Third countries (Huguet and Punpuing 2005:16). This process began after the seizure of the Burmese Embassy in 1999 when Thai businessmen demanded that the government do something to appease the Burmese government, who had revoked all Thai fishing concessions in Burmese waters and shut down borders to trade (Fink 2001:236). Naturally, the armed takeover of the Ratchaburi Hospital contributed to fears of Burmese in Thailand as a security threat, and endorsed nationalists' calls to either expel or closely regulate their movements inside of Thailand, which had reached a fevered pitch following the 1997 financial crisis. Although a number of government officials sympathetic to democracy in Burma and migrant workers remain in Thailand, they do not constitute a majority of government officials' position toward Burma or migrant workers from Burma in Thailand. This shift in attitude has had a significant impact on Burmese migrant labor organizations in Thailand, as many activists and staff with UNHCR Person of Concern status have been relocated to third countries and into border camps since March 2005, significantly reducing their ability to promote the rights of migrant workers.

1.4 Research Objectives

The purpose of the research is to:

- Study Thailand's economic development to understand the dynamics among Thai and migrant workers employed in the same sector on the sub-national level, and the motivation for TNCs to implement sub-national production networks.
- Analyze the processes through which labor is subordinated to mobile capital (represented in Mae Sot by business associations and individual companies), primarily by using Taiwanese light manufacturing capital employing Burmese migrant labor in the Thai-Burma border town of Mae Sot as a case study.
- The research questions how the mediating role of the state promotes mobile capital, and the implications this has on the implementation of labor rights in

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the textile and garment sector, particularly in the Thailand-Burma border economy.

- The research elucidates forms of resistance to independent variables which prevent migrant workers from asserting their rights, in terms of migrant workers' struggles. In doing so, the question of why migrant workers have not become members of Thai trade unions to promote and protect their rights, and why significant solidarity among Thai and migrant workers employed in the textile and garment sector has not been realized, will be studied.

1.5 Methods

The research is based primarily on textual analysis of capital export initially from Taiwan to Thailand's textile and garment sector, and its relocation or movement to the border economy of Mae Sot. This will be based on both quantitative data collected from the Thai government, particularly the Board of Investment, for factories in both Mae Sot and Bangkok. Background data on the reasons behind the shift of Taiwanese productive capital from the Taiwan perspective will be gained through documentary research. Primary information and data from or on workers, employers and officials is to be gathered during field work conducted in Thailand.

Theoretical framework

The research will be a qualitative, political and economic theoretical framework focusing on the capital-labor dynamics, and the mediating role of the state. Principle sources are listed in the *References*.

Textual analysis

Textual analysis is based largely on socio-economic and political writing, reports produced by International Organizations (IO) such as the ILO and IOM, migrant labor organizations, academics and university research programs.

Case study

Three case studies are based on interviews with workers employed by Taiwanese firms in Mae Sot. Case studies on workers employed with Thai firms are

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based on reports from labor organizations working in Mae Sot and interviews conducted by the author for a previous publication.

Policy research

A brief review of Thailand's policy on migrant workers is done thorough textual analysis. This will also explore the role of the Board of Investment, initiatives for border development under the Thaksin Administration, in addition to lobbying on the part of the Federation of Thai Industries and other private sector entities which influence government policy on migrant labor.

Primary Sources of Data

Interviews

Tak Province

- Burmese migrant workers are to be interviewed in a semi-structured focus group to gain greater understanding of qualitative data, or social affects of economic activity or policy. The situation migrant workers face is not static, interviews will allow the researcher to analyze the changing impact variables have on workers human and labor rights, and most importantly their ability or lack-thereof to organize.

Bangkok and Central Thailand

- The author's involvement since 2001 with Thai labor NGOs, trade unionists and workers employed in the same industry as migrant workers will be analyzed, including the changing process of how they engage migrant worker issues. This includes research on barriers and prospects for Thai trade unions to promote the rights of workers in Thailand, whether Thai or migrant.

Ethical Issues

Research with Burmese migrant workers is full of ethical issues as they are in a state of acute vulnerability and are potentially at risk when speaking to

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researchers, activists and journalists. Interviews are conducted only with the assistance and translation of existing Burmese trade unions and worker associations in Mae Sot and other parts of Thailand. No workers will be randomly approached outside of offices; a majority of interviews are pre-arranged.

The purpose of the interviews is always clearly stated both to the workers and organizers to prevent retribution from employers and/or authorities. At no time will the real names of workers be identified, and use of factory names is done with permission of the workers unless it is based on literature review as opposed to interviews.

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CHAPTER 2
THAILAND'S ECONOMIC DEVELOPMENT AND INCLUSION OF MIGRANT LABOR

Thailand's fast track capitalist development has taken a similar path to other Asian economies, particularly the other members of the ASEAN 4-- Philippines, Indonesia and Malaysia. In Thailand, a significant turning point in this process are the policies of Field-Marshal Sarit Thanarat, along with his 'Revolutionary Council' who took control of the Thai government in the twin coups of 1957 and 1958, which "launched Thailand on the path of significant economic, social and political change through an emphasis on 'stability, order, authoritarianism, anti-communism, state intervention in certain areas of the economy and politics and rapid capitalist development"[1] (Brown 2006:1 citing Hewison 1989). The phase of Thailand's capitalist development initiated by Sarit in the 1960s was the import substitution industrialization (ISI) model which sought to protect domestic industries for local consumption, generate employment and eliminate underemployment in peasant agriculture and generate rapid technological progress; the plan was carried out with technical assistance from the World Bank, in addition to huge loans from the Bank (Charoenloet 2002:247).

In the 1980s, Thailand made the switch to export oriented industrialisation (EOI) which was a part of a global shift away from ISI as proposed by the World Bank (Bell 2003:15). EOI, which is based on taking advantage of cheap labor (usually young women) in manufacturing light goods for export, dominated Thailand's export strategy until the recent changes initiated by Prime Minister Thaksin Shinawatra and his Thai Rak Thai (Thais love Thais) Party, which mainly built upon past initiatives in a more concerted effort to reorient export to capital intensive

[1] On the history of Thailand's labor, industrialization and political-economy see an extensive study by Brown 2004.

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industries such as auto and capital intensive electronics manufacturing[2]. The pattern in Thailand and many other Southeast Asian nations practicing EOI has been to suppress and maintain authoritarian control over labor and trade unions in order to maintain "investor confidence" and FDI inflows, which is seen as the engine of economic development.

In addition, EOI offered corporations and investors, whether foreign or domestic, not only cheap labor, but also deregulation of investment so that foreign productive capital could operate freely, and deregulation of trade so that importing raw materials and exporting goods would be more cost effective and profitable (see Chang 2004). Thailand succeeded in uniting arrangements that liberalised capital flows and deregulated labor practices in ways that, to varying degrees, led to significant—yet uneven economic growth, resulting in a dramatic economic transformation over the mid-1980s to mid 1990s.

2.1 The Economic Crisis of 1997 and Migrant Workers

Despite Thailand's fast growing economy, its capitalist development has been marked by a number of crisis, and as Brown (2006:2) notes, the word crisis was 'part and parcel' of Thailand's working class discourse well before the economic crisis of 1997. He refers to the crisis in light of the problems faced by Thai workers and their families due to work, including long working hours, poor wages and lack of adequate social security among other problems. He goes on to elucidate that crisis also refers to the inability of the officially sanctioned trade union movement to effectively manage the difficulties which EOI brought to workers lives.

The most familiar reference to crisis in Thailand is the economic crisis of 1997, known as the Asian Financial Crisis, but as Glassman (2003) discusses, the crisis may have actually been a result of Asian economies' uneven development with respect to global and spatial dimensions relative to Northern economies that were able to avoid and pass the economic meltdown to Asian economies. This, in effect, implies that the origin of the crisis of 1997 may not have been 'Asian' after all, as was purported by economists who claim it was caused by 'crony-capitalism' and other

[2] Thailand has been promoting auto manufacturing since the 1960s, but auto exports were not significant until the years following the financial crisis of 1997.

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practices associated with capitalism in the region. Bell (2003:3) argues that the collapse of the financial sector in 1997 was the second phase of the crisis or its manifestation. He sees the crisis as,

> …a manifestation of a deeper phenomenon: a crisis of profitability in the sphere of production caused by a 'cycle of struggle' which began in Thailand in the early 1990's and which spread to the financial sector. There were three distinct phases of the crisis: (1) its underlying causes, (2) the manifestation of the crisis, and (3) solution. The **first phase** (beginning in the early 1990's) was a crisis of profitability in the real or productive sector of the economy manifest by wages outgrowing productivity. The collapse of the financial sector in 1997, which most observers mistakenly identified as the *actual* crisis, was in fact the **second phase (or manifestation)** of the crisis, which resulted from the collapse of financial institutions. The **third phase** of the crisis consist of solutions that have been imposed from 1997-2002.

Economically, the crisis of production and profitability, as Glassman, Bell, Charoenloet and others contend to varying degrees, began in the late 1980s to early 1990s when the rates of return on manufacturing began to falter. This is supported by data which shows a continuous decline in the rate of profit in manufacturing in the 1990s in the face of rising wages and falling productivity (Bell 2003:16 citing Glassman). Glassman's data, cited by Bell, shows wage increases in the Bangkok region where industry is concentrated, which rose from an index of 100 in 1990 to 157 in 1999, while productivity rose from an index of 100 to only 118 in the same period (Bell 2003:) Charoenloet's data (p. 251) on the other hand cites real wage increases in the manufacturing sector in 1990 at 7 percent, but productivity increased by only 0.7 percent. Finally, Bell contends that 'the rate of growth of value added fell in every sector of the economy (manufacturing, construction, services and commerce), except banking and real estate. This data on wage increase, accumulation, and its role in the economic crisis of 1997 is debatable, but the point of raising it is to demonstrate one possible explanation for the government's sanctioned use of migrant labor which began in 1992: that Thai workers, through their collective or 'autonomist' actions,

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played a role in ‘slowing down and even breaking the process of capitalist accumulation’ and more importantly played a key role in Thailand’s development process (Bell 2003:8). Furthermore, it is intended to elucidate the fact that ‘Thai workers are not victims, but agents of change’ (Ungpakorn 1999:110).

The first and third phases identified by Bell are most relevant to this study as it corresponds to two distinct phases in migrant workers’ place within the Thai economy--their initial influx to Thailand in significant numbers, which began in the early 1990s, and the increasing attempts on the part of the Thai government, at the instigation of business associations, to strategically regularize this flexible migrant workforce or ‘reserve army’ into the labor market in ways conducive to Thailand’s longer term economic development plans.

The years following the financial crisis brought major changes to trade unions and workers in Thailand. For workers, the varying interpretation of ‘crisis’ previously mentioned took on another form, the crisis in their lives which followed the crisis in 1997 and the years following. Mass layoffs, retrenchment of older, usually unionized workers and closure of many factors were common following 1997. Brown (2006:3) remarks that since the onset of the crisis, ‘the position of trade unions and their capacity to effectively represent workers in dealing with employers and government have been further weakened’. With eleven trade union congresses ‘representing’ a Thai workforce with unionization rates at roughly 3 percent in tripartite negotiations, organized labor in Thailand is certainly at a difficult crossroad. Although this contradicts Bell to a certain extent, who maintains that ‘cycle of struggle’ is a manifestation of the power of workers autonomist struggles, with wages seen as a measure of this, the point remains clear that a huge number of individual capitals were affected by the crisis of 1997, and they sought ways to maintain profit or even operations. One measure was to increasingly bust unions, with government turning a blind eye (see Brown 2006), restructure their workforces or employ flexible workers through fixed or short term contract and relocate to provinces with lower minimum wages and few to no trade unions such as the northeast, or border areas. Combined, these and a number of other initiatives and policies are designed to promote capital accumulation in the manufacturing sector and recovery of the Thai economy.

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Migrant labor in Thailand since its first influx in the late 1980s to early 1990s provides one obvious benefit to capital: low cost-flexible labor for higher profits for individual companies. Migrant labor did not become highly integrated into Thailand's manufacturing or export industries (other than food processing) until a few years before and after the crisis of 1997, and Mae Sot did not develop into its current status as a manufacturing center until that time. The use of migrant workers in sectors other than and often including manufacturing are labor shortages, whether exclusively or combined with low wages which makes the jobs less desirable for local Thais[3].

It is debatable whether a lack of enough workers willing and able to work in manufacturing sectors such as textile and garment is the case, or whether the low pay and poor work conditions associated with this industry are the cause for insufficient local workers. Regardless, from the mid 1990s, Mae Sot was well positioned to become a significant site of a geographically dispersed, low-cost production center on the sub-national level. One significant reason for the shift away from the Bangkok vicinity is rising wages, due in no small part to the fact that most unionized factories are concentrated in Bangkok and surrounding provinces in the central region (Ungpakorn 2003:8). It is within this context that the number of factories along the Thai-Burma border districts surrounding Mae Sot began to increasingly produce textiles and garments, Simon Montlake claims roughly 80 percent are for export to the US and European markets, including branded clothes and knitwear (South China Morning Post, 2004), although no official statistics are known to the author.

2.1.1 Recovery from the Economic Crisis

Singapore was the first Southeast Asian economy to make the switch to EOI, in addition to the shift from labor intensive manufacturing to more skill-oriented, high-technology and high-value-added industries--a shift that productive capital with assistance from the State other Southeast Asia nations such as Thailand are attempting to make. Economically, the Thai Rak Thai government, in office since January 2001 and re-elected with more control of Parliament in January 2005, has 'consistently

[3] The issue of migrant workers demand due to labor shortages is not addressed in depth in this thesis due to limitations in scope, yet it is a contentious issue which needs to be explored in detail.

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expressed a desire to free Thailand from past growth strategies that relied heavily on the export of commodities with low value added content produced by cheap, largely unskilled, wage-labor (Brown 2006:1), in other words light manufacturing sectors typical of EOI such as textiles and garments, ceramics and low-value-added electronics assembly. Of a total workforce of roughly 35 million, over 1 million Thais are employed in the textile and garment sector (of a total of 5,292,000 in manufacturing), 14,914,000 in agriculture, forestry and fisheries and 1,893,000 in construction (ASEAN 2005). Clearly, there is a large gulf between the ambitions of being a modern, high-tech economy and the reality. Furthermore, big domestic capital is cognizant of the need to create a more highly skilled and motivated workforce in order to engage in higher value-added production (see Voravidh 2002 and Brown 2004). With manufacturing wages higher than many other nations in the region, the Thai economy is increasingly reliant upon low wage migrant workers to fill jobs often shunned by Thais such as fisheries, plantations and domestic work, but also in sectors which Thais are willing to work such as textile and garment and agriculture, and construction and seafood processing. This trend is noticeable not only in developing countries in Asia, but also in advanced industrialized countries in sectors such as construction, fisheries, manufacturing and services.

2.2 Government Policy on Migrant Workers

In 1992, the Thai government adopted its first policy on migrant workers, it has been revised and revamped a number of times and is still in a state of flux[4]. The policy in the early 1990s could be characterized by concerns over national security, social order, health related issues and technical matters relating to registration of migrant workers at the workplace. Over the past thirteen years there has been a gradual shift in government policy, as the debate today is centered over how to register migrant workers and create legal channels for both migrants and employers to follow. It is unusual to hear discussions related to national security at this point in time, except from opportunistic business groups who use it to closely control their workers.

[4] For details of policy toward migrant workers see Sanganet 2004 and Martin 2003.

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However, migrant workers are still frequently referred to as a social problem, particularly relating to health and alleged crimes committed by migrant workers[5].

There are a number of factors which explain this shift. Firstly, in the early 1990s the Thai government and the Thai population in general may not have known what to expect of the migrant workers coming to the country-- were they refugees, 'communists', how long did they intend to stay, and were they prone to violence given the nature of the regime they were fleeing, among a number of other issues. Also, in 1992 Thailand was still host to tens of thousands of refuges from the Indochina wars in Laos and Cambodia, many of whom had been in Thailand since the mid-1970s. Furthermore, Burma at that time was the world's largest producer of heroine, and later became Thailand's primary source of an amphetamine known as ya-ba (crazy drug) which became a major social problem in Thailand in the 1990s. Burmese migrants have long been accused of bringing with them drugs, violence and other social problems (Tsuneishi 2005:7), an accusation Tsuneishi and others use to promote policies which aim to 'solve social issues' while extracting labor and resources from Thailand's neighboring countries. A majority of Laotian and Cambodian refugees were confined to border areas, although some made it farther inland to work, but many questioned whether these Burmese were another group from Thailand's troubled neighbors who may want to do more than work in Thailand.

According to Mr. Supamart, the Thai government's decision to register and make migrant workers 'legal' was due in part to the instigation of business associations, in Mae Sot represented at the time by the Tak Chamber of Commerce, who, he reports, "proposed [registration] to the government because they need Burmese labor in this area due to labor shortages. Another rationale put to the government is that they should register them, since if the workers are illegal they [the government] cannot control them. After that other Chamber of Commerce or business associations along other borders proposed this as well". As discussed previously, it was in the early 1990s that profits in manufacturing and other sectors began to decline as competition with other regional economies became more intense. Concurrently, government realized that they had a very valuable resource at its disposal, an abundant

[5] In the aftermath of the 2005 Tsunami these deep seeded antagonisms came to the surface as Burmese were demonized in the Thai media and persecuted by the Thai government, essentially just for being Burmese.

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source of cheap labor from Burma. However, migrant registration schemes from 1992 to 2004 can be characterized as functioning ‘on an ad-hoc basis, reacting to a certain political or economic situation rather than reflecting a long-term strategy (Sanganet 2004: 35).

A brief review of the location and types of sectors and industries where migrant workers could legally work is useful when comparing to earlier discussions on the transition of the Thai economy before and since the crisis of 1997. The March 1992 Thai Cabinet Decision on migrants allowed for migrants to work in 10 border provinces (Martin 2003:19) (Sanganet 2003:35 states the number of Provinces as 9), and a year later 22 coastal provinces in fisheries were added to the list. Both were restricted to Burmese. The 1996 Cabinet Decision extended the number of provinces to 43, and eleven industries were allowed to employ migrant workers from Burma, Laos and Cambodia, including agriculture, fisheries, construction, mining, coal, transportation and manufacturing.

The crisis of 1997 led to the loss of hundreds of thousands of jobs, of both Thai and migrant workers, and the government made an effort to remove migrant workers to open up jobs for unemployed Thais, but failed. Employers throughout the country complained of labor shortages created when migrant workers were deported after the crisis of 1997, as Thais were unwilling to do certain labor intensive jobs, particularly in agriculture, rice mills and fisheries, in addition to domestic work. In the last quarter of 1999 when enforcement of laws against unauthorized migrant was stepped up in border areas (Martin 2003:22), “100 garment factories complained of a loss of workers; there were also complaints of labor shortages on 504,000 hectares, or 1.3 million acres of fruit orchards in Tak province…the Tak Industrial Council (FTI) in January 2000 complained that Thais were not willing to replace the migrants who had been removed – the council said that 20,000 migrants were removed, and only 6,000 Thais applied for their jobs” (Martin 2003:22). Mae Sot has a total Thai population of about 30,000, making it virtually impossible for a significant number of the jobs in the factories and orchards to be replaced by Thais. In short, the current economy in the Mae Sot area cannot be sustained without migrant labor.

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2.3 Thai Rak Thai Party and Migrant Workers

A significant shift in government policy for migrant workers came with the election of PM Thaksin Shinawatra in early 2001. Thaksin and the Thai Rak Thai government, which is controlled by big business interests, brought a different perspective to migrant worker registration and perhaps the clearest vision on how to exploit the millions of migrant workers in Thailand. Migrant registration from September to October 2001 allowed employers in all industries and provinces to register migrant workers (see Martin 2003 and Napapan 2004). The current policy on migrant workers, initiated in 2004, goes a step beyond by creating a database to record data on them (in theory at least), in addition to a number of measures to regularize and regulate migrant workers comprehensively through the Ministry of Labor by ascertaining demand for foreign labor on the provincial level and fill that demand with legal, registered workers. The resolution also stipulates that the identity of migrant workers are to be confirmed with the sending nation (agreed via Memorandum's of Understanding with Burma, Laos and Cambodia) to confirm their citizenship and create channels for the migrant workers to move from one country to another. This corresponds with what Brown (2006:4) notes as Thaksin's policy during the latter half of his first term: to "…begin to address itself to structural issues…as well as deal with some of the tensions generated by structural change and labor's deepening exposure to the vagaries of market forces". By late 2001, it was clear that national security was no longer the central concern for the government, though the government is often willing to create divisions among Thai and migrant workers, or Thais and Burmese in Thailand in particular, by continuing to portray them as a threat to spread disease and commit crimes. With all of this, whether intentionally or not, the Thaksin government has created more space for the promotion of migrant workers rights with the much increased number of registered migrant workers in Thailand, since it is very difficult for unregistered or 'illegal' migrants to do much of anything except accept their poor work conditions and wage, while registered migrants have a much better chance of promoting their labor rights. The shift in policy is a response to the shift in demand for migrant workers as Thailand, initially, only wanted migrant labor in a few sectors in a handful of provinces despite the perceived national security and social risk; now the

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Thai economy needs migrant workers in nearly every province in most labor intensive sectors.

Table 1: Number of Work Permits Requested and Issued, by type of Business and Nationality of Worker, 1 July-15 December 2004

Type of Business	Number of work permits requested	Number of work permits issued				
		Number of employers	Total	Cambodia	Lao PDR	Myanmar
Total	1,598,752	197,804	814,247	104,789	99,352	610,106
Fishing boats	127,796	6,518	58,686	22,874	2,634	33,178
Fishery processing	130,935	2,548	68,602	4,666	1,013	62,923
Agriculture	380,488	44,811	179,404	18,816	16,795	143,793
Rice mill	12,692	778	6,923	186	266	6,471
Brick factory	9,440	700	5,280	280	395	4,605
Ice factory	7,626	572	4,514	387	485	3,642
Transport	7,764	57	3,002	1,770	124	1,108
Construction	259,884	10,387	114,459	24,463	8,442	81,554
Mining	2,770	146	1,489	93	38	1,358
Private household	178,588	88,059	128,514	8,746	31,449	88,319
Others	480,769	43,228	243,374	22,508	37,711	183,155

Source: Huguet and Punpuing 2005:32 (citing Data provided by Office of Foreign Workers Administration, Department of Employment, Ministry of Labor).

2.4 The Proposals for Border Development

The idea of regional economic promotion via border economic zones is a part of the 7th National Economic and Social Development Plan (1992-1996) which promotes "border economic trade…concerning the New Economic Zone in the North and the Northeast over such provinces as Chiang Rai, Tak, Nong Kai, Mukdahan and Ubon Ratchathani". The 8th Development plan [1997-2001] further states that "…opportunity of industrial development should be created by setting up special economic zones and tax-free zones along the borders to promote trade and investment both inside Thailand and with neighboring countries (Tsuneishi 2005:6 citing NESDB). Both plans were initiated under PM Chatichai's policies of constructive

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engagement with Burma, and 'turning battlefields into marketplaces', both aimed at bringing political and social stability to the region.

Although the 7th and 8th economic plans are just that--plans, and not indicating financial or other commitments, it shows that border development is not a new concept in the Thai government, and importantly Thai business associations such as the FTI who have been lobbying for and promoting border development since the mid-1990s. Suchart Triratwattana, chairman of the Tak Chamber of Commerce, said "the chamber has been calling for the establishment of the special economic zone for the last 10 years now as it believes that its creation would help develop Thai-Burmese border communities in both economic and social aspects and upgrade Mae Sot to an international town and a gateway to Europe" (*Bangkok Post* 2005b). Furthermore, an article in the 19 June 1997 edition of *The Nation* (see *The Nation* 1997) reported, "The traders [the Tak Chamber of Commerce] urged the ministry [Deputy Foreign Minister Pitak Intrawityanunt] to study the possibility of making the [Mae Sot] area a 'special economic zone' aimed at attracting labor-intensive industry. They also asked the government to relax travel restrictions for Burmese workers and allow them to work in the proposed zone". The International Consultancy Network was hired to study the SEZ project in 1999, but in early 2003 a representative of the National Economic and Social Development Board responded to complaints from Mae Sot business associations of the slow pace of the initiative, that "the project has not been forwarded for cabinet consideration due to frequent changes in the government" (*Bangkok Post* 2003a).

Border development initiatives should also be seen within the broader framework of the ISI and EOI policies discussed earlier. A core rationale for EOI, and BOI promotion zones[6] is to promote industrial dispersal away from the Bangkok and central region and the uneven development which accompanies such industrial concentration. For example, of 30 Industrial Estates in operation (which are either

[6] The BOI offers two kinds of benefits: tax-based incentives, such as tax holidays or tariff exemptions, and non-tax privileges, such as guarantees, protections, permissions, and services. The non-tax privileges are available to all BOI-promoted projects, regardless of location, industry, or condition. Tax-based incentives, on the other hand, depend on several factors. While all projects receive certain benefits, additional incentives are available for locating in Special Investment Promotion Zones, producing for export, or engaging in industries identified as Priority Activities. In 1993 three investment promotion zones were created. Tak Province is in Zone 3, the most heavily promoted of the three zones (Arnold 2004:4)

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joint private-public ventures or fully public, as opposed to industrial parks which are private) 11 are in Zone 3, with 12 in Zone 2 and 7 in Zone 1. Seven of the Zone 3 industrial estates are in the Rayong area on the Eastern Seaboard, which is actually quite close to Bangkok and other industrial clusters in neighboring Chonburi Province (Tsuneishi 2005:32), meaning industrial decentralization has essentially failed to materialize since 1986. Secondly, Thailand began losing comparative advantage in many labor-intensive industrial sectors to countries in the region such as Viet Nam and China from the early 1990s, and industrial dispersal to regions in Thailand with lower wage is one way to keep the investment either in Thailand, or in the case of border development, within reach of the Thai economy. Thailand was projected to have already lost many of these light manufacturing industries, and there is recognition in government and certain business associations that restructuring is necessary to prevent near total capital flight in light manufacturing within the next decade. The Economic Cooperation Strategy is an initiative which seeks to address these and other issues, particularly how the Thai economy can best utilize both migrant workers and neighboring economies to build competition in international markets, and break increasing numbers of the regional population away from pre-capitalist, agrarian forms of production and consumption.

2.4.1 The Economic Cooperation Strategy

On 1 August 2003, the first meeting of Foreign Ministers on the Economic Cooperation Strategy (ECS), formally known as the Ayeywaddy-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS =ECS), took place in Bangkok to discuss the initiative which seeks to “fully harness the enormous economic potential of its members” (Thailand MOFA 2004). The ECS includes Burma, Cambodia, Lao and Thailand, with Viet Nam becoming a member on May 10, 2004. It is an initiative of the Thaksin government to structurally create cooperative border-based economic activities between Thailand and its neighbors. It is based on two inter-related core premises (see Tsuneishi 2005, Thailand MOFA 2004): to curtail illegal migrant workers in Thailand, particularly in the Bangkok and central regions; and to concurrently decrease the disparity of incomes in the Greater Mekong Sub-region (GMS) by relocating light manufacturing and agricultural production to border

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areas while exploiting the cheap labor and resources of neighboring countries. A cornerstone of the ECS is to establish and promote four Special Border Economic Zones (SBEZ, more commonly referred to as SEZ) in Mae Sot-Mywaddy (Burma), Mukdahan-Savannakhet (Lao), Trat-Koh Kong (Cambodia) and the Chaing Rai SEZ, (which would target Mae Sai, Chiang Saen and Chieng Kong in the Thailand, Yunnan China and Lao and Burma border areas, all are part of the North-South Economic Corridor).

The first premise argues that without border-based industrial development, Thailand will continue to be swamped with irregular foreign migrant workers. According to a Cabinet resolution on 20 December 2005, the government plans "on eliminating all foreign workers from the inner area industrial sector in 5 – 10 years"[7]. Essentially, the ECS and the SEZ are 'economic dams' which would contain and utilize the flow of migrant workers into Thailand. However, it does not mean central regions of Thailand are to be without migrant workers, particularly given the need for domestic workers, seafood processors, construction workers and the like. The point is to push all irregular and 'unwanted' migrant workers back to the borders, and along with them many of Thailand's light manufacturing industries. The Thai government, at the instigation of the Federation of Thai Industries-Tak Chapter and the Tak Provincial Chamber of Commerce, proposed that these economic damns will eliminate the high number of illegal workers in Thailand and reduce related problems such as drugs, crime, spread of contagious disease and even trafficking (*MCOT* 2005). One means to accomplish this is to legalize employing illegal workers in the SEZ and intensify crackdowns on unregistered migrant workers farther inland, which is directly correlated to increased human rights abuses and extortion at the hands of police. Yet, despite the number of problems likely to arise from following the Mae Sot model of border industrial development, there is no denying that trade and development cooperation between Thailand and its neighbors should increase, with the possible exception of Burma, since a case could easily be made that the ECS will only prolong military rule in Burma, which is a primary factor driving Burmese into Thailand to find work in the first place, whether on a regular or irregular status.

[7] A precise distribution of the work permit holders by industry is not possible because 30 percent of them are listed in the 'other' category by MOL statistics (Huguet and Punpuing 2005, p. 30), close to half (43 percent) of all registered migrants work in Bangkok or provinces in the central region.

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The second premise of the ECS is that by re-locating industrial activities to border areas, Thailand can benefit from low cost, unskilled labor and proximity to ample natural resources of its neighbors while decreasing the disparity of incomes in the GMS, which is quite vast. Thailand's per capita gross national product is nearly twelve times higher than Cambodia, seven times that of Lao PDR and six times that of Burma (Huguet and Punpuing 2005:5). The ECS policy argues that border area development will be mutually beneficial, and pave the way for the ultimate transfer of production across the borders into Burma, Cambodia, and Laos – with Thai entrepreneurs, and foreign investors operating (and presumably exporting) through Thailand and serving as the drivers of this border area transformation. The ECS leads us to believe that the Thai government intends to reinforce the need of migrant labor into the economy, particularly in agriculture, food processing and light manufacturing in the border areas.

From the second premise, it is logical that Thailand intends to utilize its relative economic strength in the GMS by relocating manufacturing and agricultural production to border areas in order to boost its international competitiveness in export markets, while at the same time both creating and more deeply penetrating the domestic markets of Cambodia, Lao, Burma and to a lesser extent Viet Nam. By integrating larger numbers of workers in these countries into capitalist work and social relations, they are leaving agrarian or pre-capitalist forms of production, are integrated into the market system and are accordingly expected to consume more goods, including cell phones/telecommunications, motorcycles and autos produced in Thailand, in addition to electronics and a number of other consumer goods exported from Thailand or made in the industrial clusters on the borders. Currently, Thailand accounts for a relatively high proportion of imports in Cambodia, Lao and Burma, yet a vast majority of the population lack disposable income to purchase these goods due to poverty. The ECS is a plan to change that. A significant proportion of populations in Thailand's borders are presumably eager to leave rural areas to find other forms of work, both out of necessity and for personal and economic reasons, and in the process many of them are becoming consumers of mass produced goods, which is a necessity of capitalist development.

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However, the work waiting for them in border areas such as Mae Sot are full of problems, elucidated in the following chapters, including gross labor and human rights violations at the hands of employers, police and other authorities, low pay with long working hours in factories, with little to no attention paid to occupational health and safety (OSH), and an overall lack of implementation of Thai labor laws.

2.4.2 The Special Economic Border Zones

Although the ECS is still in planning stages, the Thai government has made concrete steps included in the ECS framework, such as initial efforts to establish the SEZs with a draft bill approved in principle by the Cabinet on 11 January 2005[8], which needs to pass the Council of State and Parliament before becoming a law[9]. If this plan comes to fruition it will have quite an impact on agriculture and manufacturing of low value-added products such as textile and garment in Thailand's bid to decentralize production and create industrial clusters such as those which currently exist in the Eastern Seaboard for higher-value-added goods.

The SEZ has other broad implications, including the expansion of industrial areas such as Mae Sot to other border areas, in the future with considerable assistance and promotion from the Thai government to upgrade or build infrastructure, rewrite existing labor and environmental standards, provide technical assistance to border economies, promote commerce and a number of other political, administrative and economic activities[10]. In other words, the SEZs are a one-stop service, with even

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[8] This came after the cabinet "gave the green light" to the establishment of a SEZ in three districts in Thailand Tak. "According to the Government Spokesman Jakrapob Penkair, the cabinet, meeting today in Tak Province, approved a suggestion from the Tak Province Border Economics Committee to set up the zone covering Mae Sod, Phob Phra and Mae Ramat districts". *(Cabinet approves Tak special economic zone*, MOCT News, 19-October 2004).

[9] The *Bangkok Pos*t (18 February 2004) reports that sales of land and buildings in Mae Sot, Mae Ramat and Phop Phra increased by 90 percent in 2004 after Cabinet endorsed the SEZ Bill. The Mae Sot branch of the Tak Land Office handled transactions valued at 648 million baht in 2004 generating 50 million baht in taxes. (Huguet and Punpuing 2005: 35)

[10] Proposed SEZs in Thailand are modeled upon SEZs in China. For further info see http://utcc2.utcc.ac.th/www/divisions/academicaffairs/journals/25th/Sep_Dec/theme2nd.htm

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labor management included in the package. This is a significant shift, since past mediation by the Thai state in border areas has not been proactive.

With or without approval of Parliament, infrastructure development and other projects under the SEZ Bill are moving forward. The border development program has conducted a study and is in the beginning phases of constructing an industrial estate across the Mae Sot border in Mywaddy, and the three neighboring districts of Tak Province, Mae Sot, Phob Phra and Mae Ramat have already been allocated 400 million baht for the development project (Tsuneishi 2005:21, citing Bangkok Post, 20 October 2004). Mae Sot lies on the East-West Economic corridor from Moulmein, Burma via Mukdahan in Thailand and Savannakhet in Laos to Dan Nang in Vietnam; construction on a road linking them is already underway with support from the Asian Development Bank (ADB) and is part of a larger plan to link India to Viet Nam thus making Thailand a central country in this corridor, in addition to the North-South corridor linking Kunming, China with Malaysia. Construction of an 18km of highway in Mywaddy across from Mae Sot is currently underway under this project; initially this highway will service shipment of agricultural and manufactured goods from the Mywaddy area into Thailand via Mae Sot[11]. This infrastructure development should be welcomed, yet there are a number of complications, not least of which is it is sustaining military rule in Burma and leading to another cycle of easily exploitable labor.

The ECS plan initiated by Thaksin is promoted as a win-win situation which is alleged to promote industrialization and economic development for the Burmese, Laotian and Cambodian economies, essentially engaging them in EOI, while promoting Thailand's policy of industrial decentralization. Thailand is attempting to act as an economic engine for the GMS, thus taking on a leadership role. Thailand is promoting a form of division of work (the next Chapter discusses this in more detail as spatial ontology) not dissimilar to Thailand's place in Asia regional production networks from the 1960s to the present time. The plan seeks to fully integrate rural Thailand into production centers via both industrial clusters and SEZs, while integrating agriculture-based economies in Thailand and neighboring countries into

[11] A number of other road and infrastructure development plans are either underway or planned under the ECS (see Tsuneishi 2005).

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capitalist work. Thailand seeks to move up a rung into higher end production in the Bangkok vicinity while deepening industrialization into rural areas of Thailand, and creating deeper ties with the Thai economy in Lao, Burma, and Cambodia.

This proposal may not be disagreeable to some, and is perhaps considered necessary to bring large numbers of Thailand's neighboring populations into a system of work and social relations which has brought higher levels of education, longer life expectancy and generally more options in life to Thailand's people when comparing the 1950s to the present time. Yet, given the problems associated with border economic development in Mae Sot, and the ever increasing competition to enter and move up in the global economy leaves open the question of development at what cost. Given the path of Thailand's development, the ECS and SEZs should come as no surprise, since it is not possible for Thailand to make a giant leap into high value added production overnight. With this strategy we find that Thailand is following paths of economic development and industrialization not dissimilar to Taiwan, who has relied on large numbers of migrant workers in low-paying jobs as it attempts to deeply penetrate the global economies' higher value production networks. Furthermore, Thailand is merely a part of a global trend which is deepening the blurred divisions of the first and third world, or the "First World in the Third World and the Third World in the First World" (Dyer-Witheford 2002:15). With this blurred distinction, a new form of 'development' is taking place which seemingly necessitates disparity, high and low-value subjects, and above all, deepening of capitalist modes of production in order to sustain ever more competitive economic growth.

From the perspective of Thai workers, the ECS and SEZ present a number of complications. Firstly, if implemented, the ECS could cause massive job loss for Thai workers in labor intensive sectors such as textile and garment and food processing, which currently employs millions of Thais. Without unprecedented job training programs for these workers, in addition to investment in and development of medium to high end industries, the social problems this plan could create would be quite difficult for the government to manage.

The SEZ plans raise a number of other questions, one is the contradictory policies of the government. In negotiating a Free Trade Agreement with

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the US and other major importers of Thai textiles and garments, the government claims it is doing so in order to save or promote Thai jobs and exports in that sector. On the other hand, the government is saying it plans to relocate all of these industries to the borders within 10 years. These points lead to the conclusion that the Thai government is either pursuing an ad-hoc policy, or is knowingly providing false rationale for policies including the negotiation of FTAs[12].

With the Mae Sot area we find a case study of the development of a border economy over the past ten years, which is perhaps considered a model for other regions on Thailand's borders. The following chapters address reasons behind the expansion to the border, and many of the issues which workers face as a result of capital expansion.

[12] For detailed information on Thailand's negotiation of FTAs see Arnold 2006.

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CHAPTER 3
MOBILE CAPITAL AND SUBORDINATE LABOR

3.1 Migrant Labor in Export Industries

In Thailand, the reaction to the rising number of migrant workers from its neighboring states of Burma, Lao PDR and Cambodia has varied considerably from concerns over national security, loss of jobs to humanitarian. Meanwhile, numerous government agencies and international organizations have been debating how to best manage the country's migrant population. At the same time, an increasing number of employers began to take advantage of the abundant, cheap labor at their disposal. Over the years a number of reports have been produced which describe the exploitation migrant workers face on a day-to-day basis. Generally, they vary from narrative reports documenting the conditions of migrant workers, to analysis of how Thailand should better manage migrant workers for the betterment of its' economic development while simultaneously promoting their rights. Lacking is a critical, qualitative analysis of migrant workers' place within regional and sub-national production networks, and how migrant workers are situated in capitalist development in the country and the region.

The most prominent literature relating specifically to migrant workers in Thailand are empirical studies written by NGOs including Amnesty International, World Vision and Human Rights Watch, and international organizations (IO) such as the ILO and IOM. Academic research is characterized by quantitative studies and research on health-related issues from Mahidol University's Institute of Population and Social Research (IPSR), and studies by Chulalongkorn University's Asia Research Center for Migration, commissioned by the Thai government and often in cooperation with IOs and the IPSR. Reports and articles from the above focus primarily on health, work conditions, factors in Burma which 'push' migrant workers into Thailand, legal issues and (non) implementation of labor laws, human trafficking and suggestions for the Thai government on how to more effectively manage the migrant populations in

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Thailand. A majority of these reports, articles and research do not consider factors such as trade, regional and global supply chains and neo-liberal (free trade) globalization.

Research by these numerous NGOs, IOs and academic institutions, done without any noticeable coordination, contribute a wealth of information and data relating to migrant workers in Thailand, and labor migration in general, and a number of them certainly contribute to improved rights protection or promotion of migrant workers. The number of research and reports focusing on migrant workers employed in manufacturing is, however, quite limited. Exceptions include annual reports from the Federation of Trade Unions-Burma and Burma Labor Solidarity Organization, who document cases of labor rights violations and difficulties workers in those sectors face, articles on Burmese migrant workers employed in garment manufacturing in Mae Sot (Arnold 2004; Arnold and Hewison 2005, Yimprasert and Hveem 2005) and the reports which give recommendations to the Thai government on how to better manage migrant workers.

Philip Martin of the University of California-Davis has been involved with the ILO and IOM recently with, *Thailand: Improving the Management of Foreign Workers* (2003). Martin recognizes the 'footloose quality' of the textile and garment factories in Mae Sot due to intense competition for low-cost labor with China and Viet Nam, and that many of these factories could simply shut down and transfer production elsewhere without migrant workers, or if they were forced to adhere to minimum wage requirements for Tak Province. However, one of his recommendations for 'restructuring to attract local workers' is for employers to cooperate with the government to "gradually restructure or mechanize migrant jobs over time", so that local Thais are attracted to the job "made easier with technology" (Martin 2003:45-6). This is difficult or impossible for the textile and garment sector, particularly in processes such as sewing, cutting, washing and ironing in which human labor cannot be replaced by machines, in addition to food processing factories. On an even more practical level, there are simply not enough Thais in the Mae Sot area to sustain the current level of garment manufacturing, unless Thais migrate from other regions for the job, which is pointless from the manufacturers' perspective since they could more easily relocate production to other parts of Thailand. Furthermore, reducing or

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eliminating migrant workers from factories in Mae Sot will only push the capital to exploit vulnerable labor elsewhere, thus shifting the problem rather than addressing it. Another problem with this approach is it ignores global trends in the industry which make low-cost labor a primary factor in sourcing decisions of textile and garment manufacturers.

The Huguet and Punpuing (2005) report published by the IOM, a member of the Thematic Working Group on International Migration[1], is an attempt to compile a report on international migration in Thailand that would "consolidate and review in one study the existing situation of regular and irregular migrants, refugees, asylum seekers and displaced persons, and the migration of Thais abroad" (Huguet and Punpuing 2005: preface). Indicative of existing reports from the ILO and IOM, the objectives of the report are to

> …generate a common knowledge-base for policy recommendations on international migration among member organizations in the Thematic Working Group; to provide input to the Thai Government's policy-making process on international migration; and to identify gaps in knowledge concerning international migration in Thailand.

Although the report includes much information on international migration in Thailand, by focusing primarily on the Thailand-national level issues it overlooks the country's increasing economic addiction to migrant labor as it seeks to maintain competitiveness with regional and global market forces, particularly in labor intensive industries. Furthermore, the disassociation of migrant workers from the domestic workforce creates the false impression that migrant workers are employed strictly in jobs which Thais do not want because they are categorized as the 3D's--dangerous, dirty, and difficult. This is reinforced in research by Mahidol IPSR (Panam et al. 2004:11) in stating Burmese are, "…fleeing Burma [to] migrate to…Thailand, where an estimated two million people from Burma work in the '3-D jobs' for pay well below minimum wage". Although there are labor shortages in several sectors in

[1] The ILO, IOM, UNICEF, UNDP, UNESCAP, the World Bank and WHO are members of the Thematic Working Group on International Migration.

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Thailand, the country is not yet a high-tech, service-oriented economy in which the domestic labor force are largely unwilling to do manual labor.

Furthermore, Huguet and Punpuing state that, "…over the past few decades, Thailand has remained one of the most open economies in Asia. The country has actively participated in increased international exchanges of investment, technology, trade and tourism. … Because of its economic and social stability, it has become a safe haven for…millions of migrant workers from other countries". Underlying this statement is the conviction that more open markets which lead to increased trade and capital flows is a precursor to economic and social stability. In short, it's stating that adherence to neo-liberal globalization is a means to increase economic and social stability. Although from a macroeconomic perspective, the Thai economy expanded remarkably before the financial crisis of 1997 and has recovered significantly since; to consider the economic and social situation of tens-of-millions of Thais employed in labor intensive manufacturing, agriculture and the informal economy as 'stable' is questionable at best (see Brown 2004 and 2006, Bell 2003, Chang 2005b). To consider Thailand a 'safe haven' for millions of migrant workers contradicts a number of reports and articles which document at great length the highly exploitative and often abusive nature of work conditions (see Arnold 2004; Sanganet 2004; Asian Human Rights Commission 2003a and b 2004), threats of violence and intimidation at the hands of Thai police and authorities (see Phongpaichit and Sungsidh 1996; Human Rights Watch 2004; Myint Wai 2004) and other human rights violations which have become common or even routine for migrant workers in Thailand (see Amnesty International 2005). Globalization, while producing unprecedented wealth for a few, has also resulted in increased insecurity for many of the already poor who work and produce for the global production system (see Wade 2001).

This leads to the question of whether migrant workers are in Thailand to take low wage jobs in the '3D's' shunned by locals. Though this may be true of certain sectors such as fisheries, it is far from reality for migrant workers in Thailand as a whole, as they are often working in jobs either alongside Thai's, or in the same sectors such as light manufacturing, including textile and garment and ceramics, seafood processing, construction and agriculture. This inadequate analysis only

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reinforces and creates a number of barriers relating to the implementation of migrant workers' basic rights, particularly the perception that migrant workers are taking away jobs from locals and driving down wages, thus increasing divisions among workers in Thailand. From this perspective, migrant workers are perceived as a mobile commodity which needs to be controlled both by employers and the government, or from certain extreme views deported en masse. Scant attention is paid to why they are necessary for capital expansion in Thailand, and accordingly contributing to the Thai economy.

3.2 Global Production Networks

Focusing solely on migrant workers in Thailand, without considering how migrant workers and Thai workers share similar or the same downward pressures on wage, work conditions and social security in the push for more flexible labor markets, leads to a fragmented analysis, and increasing divisions among the working class in Thailand which, among a number of other factors, contributes to the relative 'weakness of organized labor' (see Brown 2004, Voravidh 2002 and Ungpakorn 2004). Moving outside of nation-state levels of analysis are perspectives on buyer-driven supply chains, which are characterized by textile and garment, electronics and toy sectors. It has also been the subject of significant attention via campaigns to end sweatshops in cooperation among consumers and activists in advanced industrialized countries (AIC), and workers, trade unions and activists in the industrializing countries. NGOs in both AIC and industrializing countries have publicized a number of campaigns against recognizable Brands such as Nike, Reebok and others on their websites[2], in addition to a number of reports on exploitation in supply chains. Academic work on supply chains in the textile and garment sector has usually focused on how developing economies can maintain exports with increased competition, or move up the value chain into more capital intensive manufacturing such as electronics.

In the textile and garment sector, that corporations have long gone offshore, initially from the US, EU and Japan, and more recently from Hong Kong, Korea and Taiwan to manufacture with low cost or sweatshop labor, is well documented. Likewise, the quota system initiated in 1974 under the Multi-fibre

[2] See http://www.cleanclothes.org, http://www.thailabor.org, and www.maquilasolidarity.org/; all three provide links to other campaigning organizations.

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Arrangement (MFA) and its successor under the World Trade Organization (WTO) the Agreement on Textile and Clothing (ATC) from 1994-2005, contributed significantly to the massive proliferation of countries which are competing for low-wage textile and garment manufacturing exports and jobs. From the establishment through the end of the MFA/ATC, the protectionist policies for which it was originally established by the world's major markets, the US and EU (or European Economic Community from the 1970s-1990s), actually had the opposite affect as it increased the competitiveness of developing countries' manufacturers. The result is the global dispersal of production, intricate supply chains which seek to maximize profit throughout, and pressure on countries to provide competitive investment privileges, good infrastructure and low shipping costs, easy access to raw materials and other inputs, favorable trade arrangements to ease the flow of capital and goods, skilled and motivated workers and deregulation of labor, i.e low-cost labor, which is most often characterized by unorganized, flexible workers. These factors combined lead to competitiveness of textile and garment industries[3].

A number of academics focus on 'global commodity chains' and 'production networks', particularly buyer-driven chains in the textile and garments sector such as Appelbaum (2005; see also Gereffi and Memedovic 2003, and Abernathy, Volpe, and Weil 2004, and the Harvard Center for Textile and Apparel Research), whose research often examines these networks that traverse international space and fragment national space. In summary, Appelbaum, Gereffi and others focusing on global commodity chains in the textile and garments sector open the unit of analysis from the nation-state to the global level.

However, Appelbaum (2005: Abstract) notes that with the removal of quotas regulated under the MFA/ATC in 2005,

> …the sourcing strategies of a small number of very large retailing companies (based in the US, Europe and Japan) place stringent requirements on the locations in which textiles and clothes will be produced. Second, the

[3] Due to consumer campaigns and protectionism by textile and garment trade unions in the US and EU, in addition to other factors, respect of labor rights is also a purported concern for corporations sourcing decisions, and has led to Cambodia's garment industry as a 'showcase' for the potential of ethical production, despite the reality that workers there are also heavily exploited (see http://womynsagenda.org).

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> investment strategies of large transnational producers (mostly based in East Asia) will also affect the final outcome… The growing role of TNC producers [in Asia] is still not well understood, and more research is needed on their strategies and the impact of their international investments. As TNCs become more important at the production stage, their bargaining power increases vis-à-vis retailers in developed economies.

With this, Appelbaum is recognizing the shortcoming of much existing research on supply chains in the textile and garment sector, that they have not fully understood the role East Asian TNCs play in global commodity chains. This brings to the surface a shortcoming in research which is focusing solely on the dynamics of the push by major retailers and brands for lower cost products globally: they tend to overlook the fundamental dynamics between productive capital and labor, and their inherent dependency on one another. In short, the global commodity chains approach purports that much of the industrial development that has occurred in developing nations, or the global periphery as it's known to dependency theorists and neo-Marxists, in recent decades can be characterized as decentralization of production activities within buyer-driven commodity chains.

A more insightful analysis of supply chains in the textile and garment and electronics manufacturing (due to its high level of production dispersal), should examine the spatial ontology of the production network. Essentially, this focuses on the concentration of power within that part of the chain that is located in more socially and sectorally articulated national economies (see Glassman 2003). Social and sectoral articulation means the periphery is characterized by different modes of production, or capitalist and pre-capitalist, coexisting (pre-capitalist essentially meaning agriculture-based production). From this theoretical perspective, the hierarchy of production networks or commodity chains in Asia is a semi-linear chain from the US, EU and Japan (the most complete capitalist modes), to East Asian NICs, and on down the chain to Southeast Asia, where the displacement of pre-capitalist or agrarian modes are less complete (with varying degrees from Malaysia, to Thailand and the Philippines, and more so for Cambodia and Laos and Burma which are characterized by agricultural production and a large peasantry). When examining production

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networks employing Burmese migrant workers in Thailand, this spatial ontology sheds much light on the rationale for individual capitals competing for lower costs in the Asia region. With it we view production in Mae Sot as sub-national industrial dispersal, which creates two distinct and quite different sources of labor for individual capitals in Thailand, as is returned to later.

Glassman (p. 32) notes that "neo-Weberian and institutionalist approaches are weakened by the fact that they remain most fundamentally oriented toward the analysis of national economies, seen as regulated or under-regulated by national states". As developing Southeast Asian economies such as Thailand rely heavily on foreign direct investment from East Asian manufacturing capital, and reinvestment from both foreign and domestic capital in manufacturing sectors (see Bello 2004; Chang 2005b; Hewison 2003), Glassman details the hierarchical structure among Asia's newly industrializing countries (NICs). He states that, "The NICs occupy positions along a continuum from those that have developed very substantial industrial capacity with large working classes and powerful capitalist classes (e.g. Taiwan and South Korea) to those which in global terms still have a small proportion of their labor force in industry and still have capitalist classes that are highly dependent upon links with foreign investors in order to compete on international markets".

As Tables 2 and 3 show, there is a correlation in Southeast Asia between higher levels of FDI and industrialization, and this importance of foreign investors in Southeast Asian nations such as Thailand are due in no small part to the less developed indigenous industrial capacity compared to East Asian NICs. This is due largely to the fact that Thailand made the transition to EOI with lower levels of domestic capacity having been built-up during the ISI phase, and that industry is still concentrated in the Bangkok vicinity despite efforts under Thailand's EOI to disperse industry to the periphery (see Voravidh 2002). Despite significant gains in wage and work conditions prior to the Asian financial crisis, maintaining competitiveness after the crisis and the shift away from EOI means an unprecedented push toward: a flexible labor market, privatization of state owned enterprises, increased negotiation and

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implementation of free trade agreements, increased use of migrant labor, and overall greater adherence to the neo-liberal economic agenda of unregulated markets.[4]

Table 2: Average FDI Inflows in Asian Countries/Regions

Economy	**Inward FDI as a % of Gross Domestic Investment**	
	1987-1992	**1993-1997**
Hong Kong	9.9	10.2
Indonesia	2.7	6.1
South Korea	1.1	1.1
Malaysia	18.1	14.1
Singapore	32.2	27.0
Taiwan	3.3	2.8
Thailand	5.6	3.8

Source: UNCTAD (1999).

[4] See Brown 2006; Hewison 2003; Arnold 2006; Arnold and Hewison, 2005; Chang 2005 for more detailed analysis of these topics.

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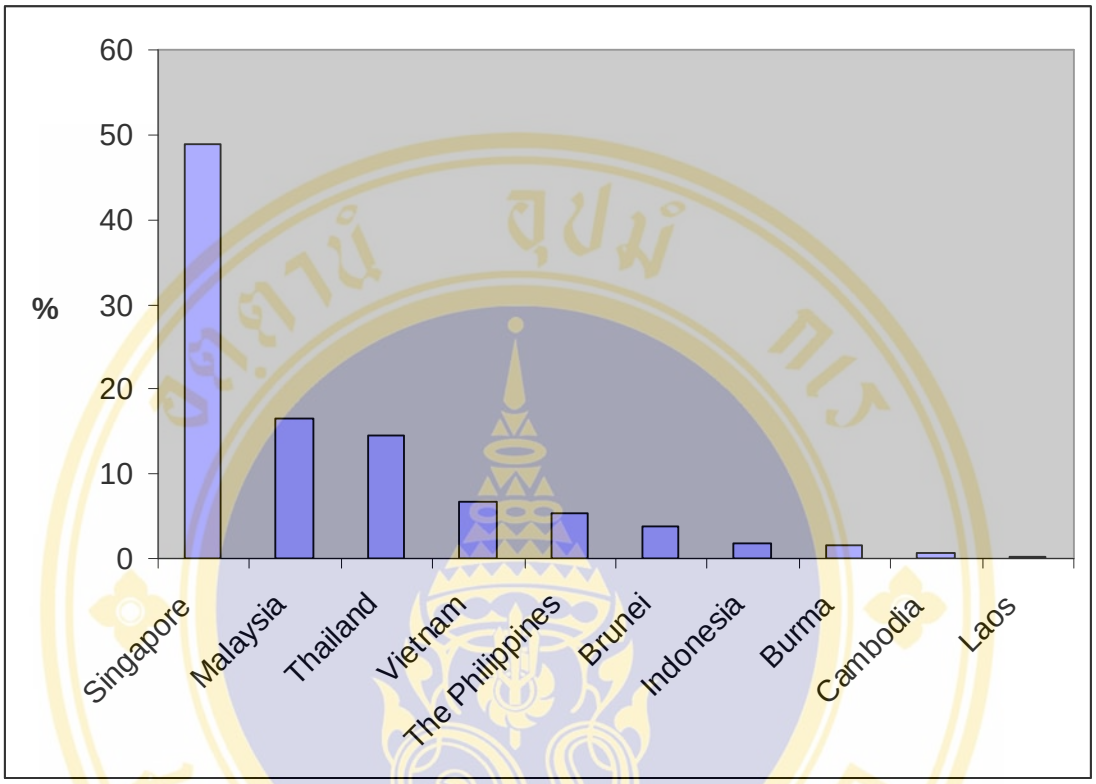
Figure 1: FDI Inflows to ASEAN by Host Country, 1995-2003 (as a % of FDI to the region)



Source: ASEAN Secretariat (2004).

Regarding the increased use of migrant labor in the Thai-Burma border town of Mae Sot, Glassman's theory is particularly insightful as he examines not only the regional and international spatial ontology, but also sub-national. His discussion focuses on rural areas characterized by the dominance of agriculture in the economy, and the role rural villages played in absorbing the effects of the financial crisis of 1997[5]. However, as a remote city in Thailand's periphery which is a part of the most heavily promoted zone by Thailand's Board of Investment for tax holidays and other incentives (Chapter 5 discusses the BOI), we find that it has become a sub-national production zone characterized by migrant workers who work for roughly one-third of the minimum wage and enjoy few to no rights according to Thailand's labor laws. In fact it has become a place for individual capitals in the textile and garment sector to

[5] It should be noted that classifying rural areas of Thailand as 'pre-capitalist' is perhaps misleading, since members of a number of rural households are engaged in capitalist-wage labor in cities while maintaining close ties with rural communities. This has a gradual affect of incorporating them into capitalist social relations.

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remain competitive with wages in China, Viet Nam and other lower wage countries in the Asia region. Since many medium to large-scale (usually unionized) textile and garment enterprises closed following the Asian financial crisis (see Hewison 2003), the utilization of a vast reserve army of migrant labor in Mae Sot has become a way to maintain low costs and competitiveness on international markets.

Although data is not readily available, FTUB[6] estimates that roughly two-thirds of investment in Mae Sot comes from East Asia, primarily Hong Kong and Taiwan, in addition to China and Korea, with the remaining investors Thai. However, identifying the 'nationality' of capital is misleading, as the Thai government considers a firm 'foreign invested' with as little as 10% share in a company. Moreover, the number of joint ventures is quite high, making it even more difficult to attach a nationality to the capital. A significant factor not explored in Glassman's approach is it does not fully explain why East Asian productive capital left Taiwan and other countries in the first place, and furthermore why they would choose to engage sub-national production networks. And as is returned to later, the increasingly large scale and subsequent bargaining power of East Asian TNCs makes theories on their dependency on the 'core' economies fundamentally shaky. For this, the discussion turns to Taiwanese capital, as a case study for mobile capital and the capital-labor dynamics which have motivated Taiwanese investors to move offshore to search for more subordinate labor, beginning in the mid to late 1980s.

3.3 Taiwan's Economic Development[7]

An explanation of the development of Taiwan's economy from the 1950s gives a clearer picture to the conditions which led to capital relocation from the late 1980s. Taiwan experienced rapid economic growth based on export-oriented industrialization (EOI) along with rapid expansion of the middle class. One of the Kuomintang's (KMT) 'egalitarian' measures was its industrial nationalization policy. Following WWII the Nationalist KMT took control of former Japanese monopolies and gained control of others and turned them into government monopolies, including

[6] The estimate was made during an interview with the author.

[7] The author gratefully acknowledges comments on this section from Tsai Chih-Chieh of the Ching-Jen Labor Health & Safety Service Center (now the Taiwan Labor Information & Education Association). His comments were for an unpublished article by the author on the role of the labor movement in Taiwan's transition to democracy.

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banks, tobacco, electricity and highways. The government reinvested the accumulated capital in public projects, rather than allowing the wealth to leave the country or accumulate in the hands of a few capitalists, though much accumulated in the hands of the military elite. Another substantial source of Taiwan's rapid development is the shift from import-substitution to EOI in the 1960s lasting until the early 1980s, financed primarily by domestic capital rather than foreign direct investment (a sharp contrast to second generation NICs in Southeast Asia). The shift from ISI to EOI was motivated by declining industrial growth, growing unemployment and international encouragement for trade liberalization, particularly from Taiwan's primary ally, the US (via the Agency for International Development-USAID), in addition to the World Bank. Industrial dispersal to small firms and rural towns was promoted, laying the foundation of Taiwan's strength in small and medium sized enterprises (SME), and in part limiting potential social and political strength of labor due to their organizational dispersal and relatively small numbers of workers at each workplace.

By the mid 1980s Taiwan had a higher union density than South Korea (see Deyo, 1989) largely due to government efforts to encourage unionization, although most of them were craft unions. The craft unions are mostly composed of self-employed workers such as vendors, and small shop staff, sometimes even owners. The craft unions don't have the right to collectively bargain, instead they were used as a means to access government labor insurance benefits. Even the industrial unions composed of factory workers were established under the policy of KMT, and were controlled by management. Taiwanese unions up until the mid 1980s generally followed a corporatist function, as unions, dominated by KMT cadre, typically functioned to enforce worker discipline, suppress worker demands, raise money for government projects, and administer worker services. Lee (1995) claims that despite the weak role of trade unions in promoting labor standards, workers were not rams sacrificed for Taiwan's economic development as wages and other benefits increased over time. This, combined with increased government efforts to promote labor in the 1980s to attract support from the Taiwanese people for the KMT and enhance Taiwan's image abroad leads him to conclude that combined with the lifting of martial law in 1987, in place since the late 1940s, led to low levels of worker agitation for a

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transition to democracy, and likewise for improved workers rights as a part of a mass movement as was the case in Korea at the same time.

The Taiwanese 'economic miracle' was built upon a labor-intensive manufacturing industry, which increasingly over the past twenty years has moved overseas in search of cheap and informal labor, weak and un-enforced labor standards, possibilities for growth and greater access to its markets. Incentive packages from host governments, and in some cases the Taiwanese government as it fears over-reliance on China, have helped to facilitate relocation to other countries. Although the working class in Taiwan cannot be directly credited with agitating and collectively gaining their current [higher] level of wage and social welfare, as the State played a major role as a means to pacify discontent and maintain political control, labor in Taiwan did push through capital to the point that it began to move to seek or re-capture other labor with less cost of social exploitation (i.e. costs such as health care, benefits, child-care etc).

3.4 Relocation of Taiwanese Capital

From the mid to late 1980s, a concurrent shift occurred in the economic development of both Thailand and Taiwan. Thailand's policy shift from ISI to EOI was implemented in large part due to the recession of the mid-1980s, the declining price of agricultural goods, high-value currency and balance-of-payment problems. In addition to these factors, Charoenloet (2002:47) contends the transition was due in large part to address the contradictions of the ISI period which lead to unevenness of development, especially between industry and agriculture, which created regional disparities and large income gaps within Thailand. With this, Thailand began to promote export sectors including garments and electronics as a means to earn foreign currency; and Thailand witnessed the full-blown development of domestic capitalists as well as foreign capital pouring into the country (see Chang 2005b citing Hewison 2001). He goes on to note that in Taiwan from the mid 1980s, favorable conditions in export-oriented labor-intensive industries began to move away. This was generated by internal and external factors. Externally the growing protectionist measures from the US slowed export growth, while pressure from the US to liberalise commodity and financial markets grew (see Chang 2005b and Kuo n.d.), and Taiwan dollars appreciated by almost 40% (see Kuo n.d.). This was a major blow to small and

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medium sized enterprises (SMEs) in labor-intensive industries such as textile and garment and electronics which have relatively lower profit margins, and were the backbone of Taiwan's industrialization. At the same time, the US also 'encouraged' Taiwan to adopt a series of import liberalization measures, which lead to heightened competition with products from the US and importantly, cheaper imports from less developed countries. Internally, rising labor costs in addition to the growth of independent trade unionism agitating for implementation of labor laws added to increased production costs, as did the growth of independent trade unions from the late 1980s, which had been controlled by the ruling party, the Kuomintang, since the 1950s (see Koo 2002, Deyo 1989). As SMEs in the textile and garment sector could easily relocate to second countries due to low start-up costs and incentives from countries including Thailand, the outflow of capital from the late 1980s was dramatic.

This seems to coincide with Glassman's article, yet it presents a complication to a spatial ontology theory. Many East Asian TNCs who began as suppliers for Northern TNCs have made transitions up the value chain to design and logistics management, and have in some cases become more profitable than the major corporations in the North with whom they do business, and with that a dramatic increase in bargaining power vis-à-vis the TNCs in the North. Well known examples include shoe TNC Pou-Chen, and the textile and garment TNC You-Yuen, and electronics companies from NICs such as Samsung and Asus, which are major players in international markets. Even well known brands associated with America like Tommy Hilfiger are now owned, operated and based in East Asia [Hong Kong]. Jou, Chen and Hsiao (2004:18) explore why Taiwanese investment in Southeast Asia (and China) is characterized by how they "consciously maintain or rebuild flexible and efficient production networks like those in Taiwan to continuously support their global competitiveness". This, they contend, is how the driving forces behind it involve processes of Taiwanese firms 're-territorializing' their production networks at foreign sites. They have identified four patterns which Taiwanese firms follow (citing Jou and Chen 2001), which they claim involve relatively more clustered and territorialized production networks than those at home.

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3.5 Mobile Capital in Search of Flexible Labor

Although this at least partially explains why and how Taiwanese firms have moved to Southeast Asia, still lacking is a discussion of the social impact mobile capital has had on receiving nations, and importantly the implications it has on organizing in and against capital. As late as the early 1970s, organized labor in Thailand had a significant political impact, perhaps best quantified by its participation in protests to end military rule. With the promulgation of the (now outdated) Labor Protection Act of 1975, and later with the Labor Relations Act of 1998, legal loopholes easily manipulated by individual capitals were created (see Brown 2004), and the state has turned a blind eye on labor rights violations in order to maintain investor confidence.

One of the more effective means to curtail organized labor, or organizing initiatives of labor, is the threat of capital relocation and the interrelated use of flexible labor. This specter of capital relocation is often used as a bargaining tactic of employers when workers attempt to negotiate better pay, work conditions, or to simply form a trade union. But it's also a fundamental basis of capitalism, that capital must move. Holloway (1995a:138) argues that in simple terms capital is 'treated as a thing' that can be owned, tied to a particular place, company etc, and thus can be moved from one place to another and one company or activity to another. He goes on noting that Marx devoted much of his life to showing that capital is not a thing but a social relation, which is vulnerable, and can rupture. Relating to the discussion on the relocation of Taiwanese capital to Thailand, in Holloway (1995a:140) we find a useful theory in that 'Capital, by its very definition, flees from insubordinate labor [Taiwanese labor pushing for implementation of labor laws] in pursuit of more and more wealth, but can never escape from its dependence upon the subordination of labor'. Applying this to the case of the relocation of Taiwanese capital on the sub-national level, the push for, and success in attaining higher wage by Thai workers from the late 1980s to the mid-1990s led to decreasing profits and ruptures in the subordination of labor to capital in that moment. In this case one means for capital to recapture or subordinate labor while staying in Thailand is to relocate to a remote border area to more flexible labor, or Burmese migrant workers who have been fleeing socio-economic hardship in large numbers to Thailand since the early 1990s. A

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theoretical perspective which captures this movement is that, as Holloway writes (1995a:140), “The class relation has become a constantly shifting, inherently mobile relation, in which all capitalists participate in the exploitation of all workers and all workers contribute to the reproduction of capital, and in which the patterns of exploitation are constantly changing”.

Furthermore, capital not only moves in search of subordinate labor, but in doing so it creates divisions within labor which make rupture of capital more difficult. Cleaver (2002) writes that in the South, shifting work patterns to the informal sector is increasing, where large numbers of people, or about half of the total workforce in Thailand are employed in various kinds of work necessary to the functioning of capital and to their own survival. According to Thai law, informal sector and workplaces with fewer than ten people are not allowed to form and join trade unions, and in 2000 almost 70 percent of establishments hired fewer than 10 employees (Charoenloet 2002:254), thus limiting their potential political impact, and creating a rift between ‘organized’ and ‘un-organizable’ workers, at least in terms of being registered trade union members. Other obvious divisions are among state enterprise and private sector workers who receive quite uneven benefits and remuneration in Thailand, and regular and subcontract, short term and outsourced workers (i.e. flexible or precarious labor), which has become a critical issue in labor movements throughout Southeast Asia as these workers are very often left vulnerable and unprotected. The use of flexible labor, which has a much longer history and is being promoted by liberalized countries such as the US as a way to reduce unemployment, allows the Thai state and capitalists to maintain a dual labor market, while the massive numbers of flexible-migrant workers in Thailand creates yet another division among workers based on nationality.

Not only are migrants in Thailand a large pool of subordinate labor, or a reserve army of workers, but they are a means to keep wages low for employers in certain labor intensive sectors, primarily food processing, agriculture, textile and garments and construction where both Thais and migrant workers are employed in large numbers. Cleaver (1979:83) states that the ‘working class for itself’ exists only when it asserts its autonomy as a class through its unity in struggle against its role as

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labor power[8].' Migrant labor, naturally, presents an even greater challenge for the working class in Thailand, both collectively for Thai and migrant workers, and for migrant workers pursuing autonomist struggles against capital without the support of the Thai majority. For its part, the Thai state maintains divisions among Thai and migrant workers through laws prohibiting migrant workers from organizing unions, and less subtle attempts which portray migrant workers as a national security threat with the potential to cause social problems. Yet, as Arnold and Hewison (2005) note, divisions among Thai and Burmese migrant workers in Thailand have decreased over the past several years, and cooperation among them and a number of other stakeholders are increasing (see Chapter VI).

Coming back to the discussion of literature from the ILO earlier in this Chapter, Taran and Geronimi (2003) state that factors typically associated with 'globalization' are increasing labor migration, such as Structural Adjustment Programs [imposed by the IMF], and that accelerated trade is leading to a loss of jobs for many (in the agricultural sector) and hence increased labor migration to often unprotected work conditions and uncertainty. Holloway (1995a:142) points out that this notion of capital mobility is an example of the separation of 'subordinations and insubordination, structure and struggle'. He claims that labor is portrayed as a victim, and capital is portrayed as US capital, finance capital, [or Taiwanese capital]. Essentially, he stresses that in these notions capital is expressed as a thing, 'a notion that excludes the attempt to understand the restlessness of capital in terms of the power of insubordination". Under this rubric, the globalisation of capital is seen as an increase in the power of capital, or as conflict between different national capitals for domination. However, if labor along the lines of the commodity chains' 'hierarchy' did not subordinate to capital, then capital would cease to continually seek more insubordinate labor, firstly in East Asia, then Southeast Asia and China, and on to the sub-national level exploiting Burmese migrant workers in Mae Sot. "The violence of money is a measure of capital's flight from the insubordination of labor, and of the desperation of its need to re-subordinate" (Holloway 1995a:142-3). From this perspective, we can find that the domination of the WTO, IMF and other trade-related

[8] Class-in-itself is that which fails to act together politically, or they do not form a class-for-itself Cleaver, 1979:83).

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measures such as FTAs by the advanced industrialized countries underlines their economies increasing fragility and dependence on the inclusion of more labor in capitalist work. Accordingly, labor can be viewed as a central protagonist in resistance to capital in the development process, and a relevant focal point of analysis in understanding labor migration in Thailand.

For the migrant workers in Thailand the suppression of their basic rights is not an after affect to be considered only on a case by case basis, but as a problem inherent in the logic of Thailand's capitalist development within the broader context of global capital expansion. From a regional perspective of labor receiving countries, including Singapore, Malaysia, Taiwan, Hong Kong and Korea, the Thai economy is the one competing for the most significant levels of both low-skill and low-technology labor- intensive manufacturing, and capital-intensive, high-tech manufacturing. While all the Asian countries listed above received large numbers of migrant workers, Thailand is the country with the highest levels of local/migrant workers employed in the same jobs in the same industries. Both the low and high end rely upon (re)investment, both domestic but primarily foreign, in order to expand and compete in the global economy, and to do so, capital requires flexible, deregulated labor forces.

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CHAPTER 4
CONDITIONS IN MAE SOT FACTORIES

4.1 Recomposing Labour

Chapter 3 discusses why capital moves in general, and in the case of Taiwan in particular. This can be measured quantitatively, but more importantly it brings about qualitative changes relating to the ability of workers to organize to protect and promote their rights, in addition to broader ranging social impacts relating to industrial zoning, environment and subsumption of other activities relating to the circulation of capital. Autonomists call the transnationalization of capital the "global factory". The global factory, as described by Massimo De Angelis is made up by systems of value production and circulation whose various nodes and sequences of functions are integrated in geographically extended and socially complex 'value chains' (Dyer-Witheford 2002:10) which includes the traditional factory, but extends well beyond the factory into typical functions of supply chains such as raw material procurement, shipping, infrastructure, trade arrangements such as the MFA and bilateral FTAs, marketing, retail and consumption. De Angelis goes on to say that the aim is "a rationalization of the totality of human activities and its subordination to the M-C-M (money-commodity-more money) circuit. Each functional node within a production chain represents at the same time a configuration of value production," or in other words power relations. Significant for this study is that each of these nodes represents a potential site of conflict, whether it be over a trade agreement, construction of roads, the environment or struggles for improved work conditions and pay at a particular factory in a supply chain. In Mae Sot the struggle is characterized by a confluence of issues generally broken down to the least common denominator, wage, which is of course a primary concern for workers. However, efforts to increase wage depend largely on the ability of workers and their supporters, whether it be NGOs, trade unions, sympathetic government officials or academics, to integrate numerous other factors into their struggles.

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Continuing with this logic, we find that capital moves since movement is rooted in its own existence due to market pressures which creates intense competition among companies who seek to make more profits. Not only does capital move to find lower wage workforces (at the same token capital moves to places with high wage, such as Toyota production in the US), but also to find lower social cost of exploitation. This essentially means both direct labor costs and indirect costs such as health care, child care, income tax, corporate tax, severance pay, shipping costs, marketing cost in addition to other costs (Chang 2005a:5). A business or corporation from Taiwan would find conditions in Mae Sot more favorable than at home or in Bangkok for these reasons, despite additional costs such as transport to Mae Sot (8 hours from ports) and other fees associated with Mae Sot such as bribing officials. Furthermore, labor in Taiwan and the Bangkok vicinity is better equipped to effectively participate in capital-labor relations in demands for better conditions of work. In the case of factories in the Bangkok-vicinity, wage gains outpaced productivity in the early 1990s, leading to some individual capitals to find other sources of labor.

Chapter 3 concluded with the understanding that capital is not just a thing such as money or a means of production, but more importantly a form of social relations and a means to organize society. This raises the question of why it is important to understand mobile Taiwanese capital and not just capital in general in the Mae Sot context. The obvious reason already elucidated is to understand the path of mobile capital, and that it is constantly moving away from insubordinate labor, or those workers who organize and demand better work conditions, and its flight to re-subordinate labor, in this case migrant workers from Mae Sot. It is also important since a false nationalist-based perception is accepted among many in Mae Sot, that Taiwanese and Hong Kong investors are those guilty of abusing human and labor rights, while Thai investors are somehow more benevolent.

The fact is that a number of significant cases over labor and human rights abuse have taken place in Thai-owned factories over the years, such as Nut Knitting Partnership Co. Ltd., Nasawat Apparel, Jiab Tuk garment factory, Siriwat Garments Co. Ltd and a number of others (see Napapan 2004 and Arnold 2004).

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However, Taiwanese employers have a notorious image, not only in Mae Sot but also other parts of Thailand which has more to do with employer's form of labor relations than cultural or other factors associated with nationality. Labor and industrial relations in Taiwan developed over a number of years under an authoritarian regime which enforced discipline in the small and medium-sized factories in Taiwan, taking place in geographically dispersed industrialization and low-levels of organizing at the workplace, or unity of labor on the national level. Taiwanese productive capital in many labor-intensive industries, such as textile and garment, left Taiwan before more developed forms of industrial relations began to take root, meaning employers are typically exporting their authoritarian form of industrial relations to other developing countries such as Thailand. A similar case can be made for Korean (or other East Asian) productive capital in light manufacturing, though there are a number of major differences between the labor movements in Korea and Taiwan which have an impact on how Korean firms re-organize labor abroad.

Although statistics are lacking, it is likely that a majority of cases of labor disputes in Mae Sot are over wage or non-payment of wage. Although the following case studies are a random sample of cases in the Mae Sot area, it is indicative that wage or disputes over non-payment of wage is a primary concern for workers. This is not different from demands of workers in the textile and garment sector in other low-wage parts of Asia such as Viet Nam and China, but the means of suppressing workers' demands and migrant workers' organizations is somewhat unique to Mae Sot.

Following are issues of concern, listed as priority, by a group of twenty workers who attended a meeting on 20 January 2005 in preparation for a roundtable discussion in Mae Sot on the following day (See Chapter VI). Organizations working in Mae Sot, including BSLO, FTUB, MAP Foundation, TLC and YCO were also present.

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Workers Problems:

- Low wages and no or very low overtime wage
- Excessive working hours
- Are not allowed to hold their ID/work permit (management keeps it and gives workers a photocopy)
- Various indiscriminate deductions by employer
- Health assistance (almost none)
- No clean water
- No social care
- No electricity at night in the dorms
- Electric shocks while working [OSH issue]
- Sexual harassment on the part of management or authorities
- Food provided by the factories is not adequate, no food or water is provided on days off
- No collective bargaining is allowed
- MOL is not affective

4.2 Case Studies of Taiwanese Factories in Mae Sot

4.2.1 Uni Ocean Co. Ltd.

Three former workers from Uni Ocean were interviewed on 31 August 2005 with the assistance of a Burmese human rights defender. All three workers were at the time of the interview and at the time of writing involved in a legal case regarding a dispute with management over wage and working hours[1]. Uni Ocean is a Taiwanese garment company producing jackets, trousers and raincoats. The workers interviewed said that the products are for export, though they could not confirm this with documentation. They reported that the factory has been operating in Mae Sot since 1998, and it is not listed as a BOI promoted factory in Tak Province. The workers interviewed said that the factory owner also has a factory in the Bangkok vicinity which used to be called Rain Mark, though they said it has changed to an unknown name.

Profile of the workers

Myin Thu is a 25-year-old male and has been living in Mae Sot for nearly twelve years. He worked for Uni Ocean for seven years.

[1] The name of the factory has not been changed since this case has already received significant coverage in the media (see http://www.csr-asia.com/upload/csrasiaweeklyvol1week30.pdf and http://www.laboreducator.org/europarl.htm). The names of the workers interviewed have been changed.

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Ko Aung is a forty year old male who has been in Mae Sot for eight years. He also worked for Uni Ocean for seven years.

Cho Cho is a twenty-four year old female who has been in Mae Sot for three years, and she worked at Uni Ocean for two years.

All three workers had a work permit during their final months of work at Uni Ocean.

Work Conditions

The three workers said that the factory employs about 200, 150 regular workers and 50 day laborers. Roughly 160 are female and 40 are male; they did not report differences in pay according to gender. They reported that a majority of the workers are in their early 20s, two workers are in their 40s while there are roughly ten workers in their teens, as young as 14 years old. They reported that all except about 30 workers have a work permit, and that there is no difference in pay and work conditions between those with and without a work permit. Management keeps their work permit and gives a photocopy of it to the workers, which violates Thai law. In Mae Sot, workers can be arrested and deported if they do not have their work permit, although generally police will extort 200 or 300 baht from those workers without a permit, or with a photocopy of their permit. This greatly inhibits their freedom of movement.

The three workers all earned about 2,000 baht per month on the piece-rate system, if they work 13 hours per day with no holiday and only one day off per month on pay day. Generally, garment workers in Mae Sot are paid on a daily wage, but Uni Ocean pays its garment workers by the piece-rate. The piece-rate system means payment depends upon completion of 100 pieces of clothing by joining pieces of cloth together. The skilled workers earn over 2,000 baht and the ordinary workers earn on average between 1,000 and about 1,500 baht a month (BLSO 2006:27). They can take a day off only when they are very ill, but their pay is deducted 100 baht for days off. The work hours are from 8am to 12 noon, 1pm to 5pm and 6pm to 11pm. Most factories in Mae Sot close their overtime shift after 5pm on Saturday or Sunday. The Uni Ocean factory does not, even on Saturday or Sunday. During periods of peak production, work often goes on all night with an hour or two rest before beginning the morning shift. They reported this happens about four or five times a month during peak orders. The roughly 50 daily-wage workers earn 30 to 40 baht per day, with 4 to

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6 baht per hour overtime (OT). They do light work in the factory such as packing and cleaning, while regular workers work in the production line.

Table 3: Survey of Uni Ocean Workers pay range

Pay Range (Thai Baht) April 2005	Workers earning that amount (Total 160 workers)
100 – 500	13
500 – 1000	19
1000 – 1500	42
1500 – 2000	45
2000 – 2500	16
2500 – 3000	25

Source: BLSO 2006:27

Workers pay is deducted 350 baht per month for accommodation and work permit; the yearly work permit costs 3,800 baht. 150 baht is for accommodation and 200 baht for the work permit. Workers pay is also deducted for rice and other unknown 'fees' from the employer. They report that deductions are arbitrary and their pay stubs do not clearly state what they are being deducted for and for exactly how much (other than the work permit and accommodation). For example, they are deducted 50 baht per month for 'insurance', and of the 600 baht per year they pay, only 300 baht is returned to them, and only if they are still working in the factory. Apparently, this is a form of deposit to ensure that workers do not quit during the year, and is not returned to workers who are sacked by management.

Workers report that the accommodation is very poor. It is crowded, hot in the summer and cold in the winter and not clean. The dorm is located within the fenced-in factory compound. Workers are only allowed to leave the compound at designated times, such as pay day and some Sunday evenings. Occupational health and safety (OSH) concerns relate primarily to electric shocks coming from the machines and wires. Workers said most of the machines are quite old, though they were not able to say exactly how old. The factory was built in 1997-1998 and is reportedly dirty and crowded, creating other OSH concerns.

Workers report that the Taiwanese owner was seldom in the factory, and whenever he visits, the factory is cleaned and made to look orderly. In the past, the workers have never spoken with or negotiated with the owner, rather a Taiwanese

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supervisor who lives in Mae Sot runs operations. They report that she (the supervisor) is very rude and verbally harassed the workers by saying things like, “are you a dog” and “you should not be allowed to eat rice”. There are only two Thais working in the factory, both are managers and also reportedly very rude to the workers. Two interpreters were employed, one Thai and one ethnic Chinese-Burmese.

In April 2005, before the Thai and Burmese Water Festival (New Year Celebration), workers began to discuss with management an increase in pay. Management refused at the time and said they would discuss it more after the Water Festival on 18 April. Under the piece-rate system, workers were never clear on how much they were earning after the various deductions in pay. This led to the workers demanding an undisclosed increase in piece-rate pay, or a shift to the daily wage system. Daily wage earners requested that their pay be increased in recognition of their experience and abilities. The management again rejected both demands on 18 April. The ten workers who negotiated on behalf of the workers were all sacked on the same day, and the rest of the workers stood by the leaders and walked out of the factory. Prior to this collective action, a number of individual workers were fired for complaining about work conditions and pay.

On the day workers were dismissed, they filed a complaint with the Labor Protection Department with the assistance of local labor NGOs. (See chapter 6 on the dynamics of workers movements in Mae Sot). On 21 April, the workers met with three factory managers, supervised by the Labor Inspector, at the Labor Protection Department to discuss the issue of minimum wages - 139 Baht per day at the time. The manager said he would pay minimum wages, but he would still need to make the following deductions:

Table 4: Proposed Monthly Salary Deductions at Uni Ocean

	(Baht)
Accommodation	1000
Water and Electricity	300
Work permits	400
Rice	1200
Cleaning Fee	50
Total	2950 per month

Source: BLSO 2006: 29

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The workers rejected the managers' proposal to deduct 2950 Baht per month as it would leave workers with just 1220 Baht per month net income at the minimum wage rate. The group wanted skilled, senior, and long-service workers to be paid at Tak Province's minimum wages, 139 Baht per day, and for unskilled and ordinary workers to be paid 70, 80, 90 and 100 Baht per day. Management and workers were not able to agree, so the case was passed to the Labor Protection Department for a ruling.

On 20 July, the Labor Protection Department delivered its ruling: that the employer must pay the 85 workers[2] 1,999,445.50 Baht compensation for back wages and severance. The employer has since appealed the case to the labor court, and the case is still in an ongoing legal process. A final ruling could take several years. The lengthy process is at the advantage of the employers, who postpone the legal process to pressure workers to settle out of court for meager compensation, or for them to drop out of the case altogether.

4.2.2 "X Garment Company"[3]

"X Garment" is a BOI promoted Taiwanese-owned factory which started operations in Mae Sot in 2005. It produces T-shirts for export according to the worker interviewed. The company reported to the BOI that it does not have any foreign employees, which is false. At the time of the interview there were only 40 employees in the factory, down from 100 a few months before.

Mo Aung is a 21 year old male from Pegu Division of Burma. He has been in Thailand for six years, he left Burma due to economic troubles and the need to help his family financially. He has sent 700,000 Kyat[4] home over the six years, and has only been home once during that period. He is married and plans to stay in

[2] Of nearly 200 workers employed at Uni Ocean in April 2005, 85 continued to pursue the case. The remaining workers either found other jobs or went back to Burma. It is quite common in legal disputes for a majority of the workers to drop the case for a number of reasons. Among them are they don't have a work permit so cannot engage the legal process in practice although the law makes no distinction between registered and unregistered workers. Also, many are pressured by their families to drop the case and concentrate on finding a different job.

[3] The name of the factory and the workers interviewed has been changed to protect those still employed at this factory.

[4] $1US = 1,355 Kyat. Through much of 2004 the value of the Kyat was 850 per $1.

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Thailand indefinitely. He said that he misses his family but there is no work in Burma so he stays in Mae Sot.

Mo Aung is making a very low wage. When he was recruited, management said they would pay 80 Baht for 8 hours of work, but from June to August he only earned 400 baht per month for the three months after deductions for accommodation, food and work permit. At the time of recruitment, the manager did not mention deductions and the low number of work hours available. Due to the extremely low wage a number of workers have left the factory for other work, while on 20 August eighteen workers were sacked for complaining to the management about the pay. They have since found work in a different factory, while a number have migrated to the South of Thailand for work in other sectors such as plantations and fisheries. He said changes in the workforce, in addition to the fact that those left have not been working together for very long, means workers in his factory are not well organized.

Mo Aung said that the since the factory is new, it is clean and the accommodation is acceptable. He found the job through a friend, so he did not pay a broker fee. This job placement through word of mouth is prevalent in Mae Sot district. He said that he understands how trade unions can protect workers rights, but that it is very difficult to do in Mae Sot because the employers are very organized and prevent workers from organizing. He said he would like to organize to improve his work conditions, but that making a wage to support his family is a priority. He had very negative comments about his Taiwanese boss, particularly for 'cheating' him on the agreed upon wage, which at 80 baht per day is a relatively high wage in Mae Sot.

4.2.3 "Y Ceramic Company"

"Y Ceramic Company"[5] is a Taiwanese factory which produces ceramics such as toys, cups and ashtrays; it employs 90 Burmese workers. The factory owner lives in Mae Sot. Su Su is a twenty-year old female who has been working in the factory for 2 years; she said the factory is 5 years old. She is from the Mae Sot-

[5] The name of the factory and the workers interviewed has been changed to protect those still employed at this factory.

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Mywaddy border area, so travel to Mae Sot was not difficult for her. Her mother is also working in Mae Sot, so she plans to stay indefinitely.

She earns 60 baht per day, works 6 days per week (not on Sundays) and works OT about 20 days per month for which she is paid 8 baht per hour. OT is between 2 to 4 hours. She makes roughly 2,000 baht per month, minus deductions of 300 baht per month which includes work permit and rice at meal times. She said that there are no arbitrary deductions from pay, as is the case for Uni Ocean workers. She lives in a privately rented house with family and friends.

Despite the fact that her wages are well below the legal minimum wage, Su Su is content with the job. Recently, workers have been negotiating a pay increase with management, she was not able to report on how the collective negotiations took place, or whether the worker representatives were elected (she said she had never heard of trade unions and was not familiar with organizing). They asked for a 10 baht per day increase, but are willing to accept a 5 baht per day increase given the limited options in Mae Sot. She said that both the factory owner and Thai management treat workers fairly well. The fact that workers are able to negotiate with management over pay is an indication of this, since it is quite rare in Mae Sot for management to engage in any form of negotiations with workers. However, workers are still receiving about half the legal minimum wage, even if their wages are increased to 70 baht per day.

4.3 Case Studies of Thai-owned Factories in Mae Sot

4.3.1 Nut Knitting Partnership Co. Ltd[6]

On 4 October 2002 newspapers reported that Nut Knitting workers called for a strike in support of 19 undocumented workers arrested by Thai police (*The Irrawaddy*, 23 July 2003). Prior to this, workers claimed that management had reassured them that undocumented workers would be assisted in the event they were taken into custody by police or immigration authorities. Following the arrest, the workers felt that management hadn't lived up to this promise, so 60 workers protested. In the ensuing days, management dismissed all the striking workers, and the workers

[6] This case study is extracted from a report by the author, "The Situation of Burmese Migrant Workers in Mae Sot, Thailand" (2004), Hong Kong: City University of Hong Kong, Southeast Asia Research Centre, Working Papers Series No. 71, September.

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were beaten by hired thugs outside of the factory. One worker was hospitalized after being seriously beaten.

With assistance from the Law Society of Thailand, Yaung Chi Oo Workers Association and MAP Foundation, these workers attempted to use legal channels to recoup the wages due to them (which were well below the legal minimum wage). In early 2003, the Tak Labor Protection and Welfare Department ordered the employer to pay the 34 workers a landmark 4.6 million Baht in compensation.[7] The case was then appealed to the Labor Tribunal Court. The first hearing was set for 23 January 2004, and was postponed as the employers claimed illness. The next court date on 11 February was used to pressure the workers into settling the case out of court, as negotiations between workers and the factory owner were called by the judge and held outside of the courtroom.

The court proceedings have been subject to numerous delays. In the meantime, the Nut Knitting factory was closed, although the owner reportedly has other factories in Thailand. For two years the workers pursued the case, fifteen of whom stay in a safe house in Mae Sot, while the rest cross the border for court hearings. The workers in Thailand were in an extremely difficult situation as their families pressure them to find work or to settle out of court, as they depend on remittances from the (primarily) young women and men. Initially, the workers were hoping to receive about 100,000 baht each in a settlement. Fifteen workers settled out of court for a combined total of 410,000 Baht during the court proceedings.

Finally, on 24 August 2004, the 18 remaining workers were awarded 1,170,000 Baht, in what is considered a landmark case for migrant workers in Thailand. Although the final settlement falls short of the original order to pay 4.5 million Baht, the workers persevered in legal proceedings which are difficult for Thai workers to sustain. The case is proof and inspiration to workers in Thailand that it is possible for labor standards to be upheld.

[7] The Labor Protection Officer who made the order was later transferred to a different province.

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4.3.2 Case of a Murdered Worker at Jiab Tuk Garment Co. Ltd.

A Burmese garment workers, Min Min (a.k.a. Kyaw Naing Tun) was recently murdered, possibly for attempts to improve work conditions in his factory[8]. On 27 November 2005, workers from the Jiab Tuk garment factory, including Min Min, requested the employer to raise their wages. On that day, Min Min was reported to have asked a female interpreter (a Burmese company liaison officer) to submit a request to the employer to raise wages. The woman reportedly told the employer that he was encouraging other workers to demand higher wages, and the employer sacked the worker on the same day. According to sources, the worker then had an intense argument with the interpreter over being laid off.

On 27 November, Min Min's sister sent him to stay at her friend's house since he could no longer stay at the factory dormitory. While Min Min was in the house of his sister's friend, the husband of the interpreter at the factory and three other people took the worker by force from the house (*The Irrawaddy* reported that the female interpreter was present at the time as well; *The Irrawaddy* 2005b). Min Min's sister informed the police about the disappearance of her brother on the same day. On 30 November he was found dead in a forest; he had been severely beaten, possibly tortured, and his body had been burned. On 2 December, the police sent the body to Bangkok to investigate the case. A police spokesman in Mae Sot said Min Min appeared to have been shot in a personal dispute arising from the death of a villager's dog (*The Irrawaddy* 2005c), highlighting the chasm between official and workers' accounts of this crime. A Mae Sot based labor organization arranged the funeral service and thousands of workers attended, and incidentally, the factory owner reportedly provided 3,000 Baht to the worker's sister for the funeral arrangements.

4.3.3 Four Female Workers Held Hostage by Their Employer[9]

On 12 March 2005, the BLSO received a letter requesting emergency help from four female workers, who were being held hostage at the house of their Thai

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[8] The case of the murdered worker was reported to the author in a private email from an organization working in Mae Sot. See also *The Irrawaddy* 2005b and 2005c.

[9] Source: BLSO 2006; for further additional case studies see the BLSO report.

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garment factory employer. The factory, which employed 18 workers, was located outside of Mae Sot[10]. The workers earned a very small amount of money: their employer deducted 800 Baht from their monthly salaries, including 100 Baht for rice, 100 Baht for accommodation, 100 Baht for electricity and 500 Baht for the work permit. These deductions came despite the fact that the workers did not have regular working days or hours, so their pay was often quite low. In most cases in Mae Sot, it is impossible for workers to earn anything after deductions unless they work over 12 hours per day. The workers at this factory say they usually worked 20 days per month, earning 55 to 70 Baht per day, and 7 Baht per hour for overtime. It is quite 'normal' for workers in Mae Sot to work 24 to 29 or 30 days per month, including overtime at least 5 days per week.

The following letter from the six workers has been translated from Burmese to English by the BLSO:

> *To whom receives this letter,*
>
> *Please help us. We are from a garment factory near the Cappeban factory. [The so-called Cappeban factory is well known among the workers and a big factory in Mae Sot.] When we, 6 workers group told the employer that we would like to transfer to other factory, he allowed us. We had already agreed that we would repay the money that the employer had already spent the money for work permit. While 2 male workers from our group were going outside the factory to borrow the money from other friends, we were brought and held by the employer at a house on 11th March in the evening. The employer did not let us go outside and to contact with other friends. At night, the employer called a female worker to sleep with him in the night.*
>
> *Today, he said that he would ask the police to send them to jail. Even if they continued to work at the factory, they would be kept at his house. Tonight, we were very afraid he might be abusive after he drank. So, please help us and inform the UN to help us.*

[10] There are many small factories or home-based workshops like this in the Mae Sot area, employing under 50 workers.

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Help us because we could not go outside.

My name is ...and urged UN to save us.

On 13 March at about 5am, the remainder of the factory workers fled the house, fearing their security. On 14 March, the workers went to the Labor Protection Office to report having been held hostage, and gave information about the factory's work conditions. The Labor Inspector immediately summoned the employer to attend the Labor Office at 1pm the following day. At 1pm, 15 March, the employer and the workers met at the Labor Protection Department. The workers paid their employer an undisclosed amount of money for the cost of their work permits and the employer signed the Notification of Change of Work, in front of the Labor Inspector. This notification allows them to transfer their work permit to a new employer. The Department issued a document to the workers which each of the parties concerned signed in agreement. The workers were able to transfer to another factory both officially and smoothly.

BLSO states that the Labor Protection Department helped the workers 'as much as they could'. The Department reportedly warned the employer that action could be taken by Thai authorities, and that he should not do such a thing again to workers [hold them against their will].

This case is indicative of the lawless nature of Mae Sot. In a number of other places in Thailand and the region, if an employer holds workers against their will and sexually harasses them, he would be arrested. However, the Burmese workers in this case would not dare to report their case to the police for a number of reasons. Firstly, they feared that the police would 'do something' to them, and even more so, they are fearful of the reaction from the employer. It is commonly known in Mae Sot that it isn't very expensive to have someone killed and their body disposed of, without fear of being apprehended. (See the following Chapter for more details).

Despite the fact that the workers were able to get some money from the employer and change jobs, it is rather disturbing that the Labor Protection Department did not file charges against the employer for holding the workers against their will and threatening them sexually. This raises the question of why work conditions are so poor

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and human rights are so easily violated in Mae Sot without regular recourse by Thai officials. For an explanation, in Chapter V the discussion shifts to an examination of local capital and state in Mae Sot, and the implications this has for organizing workers to promote and protect their basic rights.

4.4 Implications of the Case Studies

Abuses of migrant workers rights in Mae Sot are quite varied, but are based on control over a commodity, human labor, and this often takes violent forms when workers become more aware of their rights. The case studies in this chapter provide examples of quite common problems for workers in Mae Sot, including disputes over pay, sexual violence, murder and intimidation and deportation. What differentiates Burmese workers in Mae Sot from Thai workers in textile and garment factories in other parts of Thailand is workers' ability to maintain some form of control over the circumstances of their working life. The degree of migrant workers' ability to control or participate in their work conditions is much less than their Thai counterparts, and for that reason they are preferable for many manufacturers.

Taiwanese employers in Thailand are importing their form of labor relations, and are often unaware of local labor laws, although this is certainly no excuse for violations of it. And it should be noted that many manufacturers in Mae Sot are at the bottom of the supply chain, meaning they are producing the lowest value-added goods and use often extreme means to cut costs.

Several of the cases illustrate the interviewed workers' perceptions, including why they have migrated to Thailand and why they are willing to accept work conditions well below their legal rights. It has also been demonstrated that workers in Mae Sot have the power to change their conditions, whether it is over a landmark case like Nut Knitting, or in a 5 Baht per day wage increase at the ceramics factory. Thai workers generally are aware of the law and it is easier for them to access channels to implement their rights, that is often not the case for migrant workers. However, labor organizations working in Mae Sot have trained large numbers of migrants on their rights according to the law, and this has led to improved implementation for some workers, although the changes are not widespread.

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The ability of workers to assert their rights is observed by employers, who are intent on increasing capital accumulation, and it is in their interests to suppress workers movements which often oppose such interests.

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CHAPTER 5
CAPITAL AND STATE IMPACT ON RIGHT TO ORGANIZE IN MAE SOT

Capital expansion and mediation of the State are the basis for the exploitation of Burmese migrant workers in Thailand in general, and Mae Sot in particular, in order to increase profits by exploiting flexible workers for a low wage. Mediation by the state, as outlined in the Introduction, are categorized as both direct and indirect actions and policies which both promotes investment in Mae Sot, and contributes directly to the flexible and informal workforce there. By not enforcing labor standards in Mae Sot through the Ministry of Labor and the Labor Protection Department, whether intentionally or not, by leaving these offices understaffed and incapable of monitoring factories, the state is mediating or facilitating standards which are far lower than what is legal in Thailand. A more direct mediation of the state in Mae Sot is the proposal to make it a SEZ under Thai law in attempts to promote investment and further expansion of industry in the Mae Sot-Mywaddy area. In terms of collective action of migrant workers, that the state prevents them from legally forming trade unions and acting as union committee members inhibits their ability to negotiate with employers; migrants are only able to join existing Thai trade unions. The author is not aware of any migrant workers in Thailand who are members of Thai unions. Furthermore, an apparatus of the state charged with protecting labor rights, the Labor Protection Department in Mae Sot, has been actively trying to constrain the promotion of migrant labor rights by working closely with the employers association to either shut down or limit the activities of workers associations in Mae Sot. Despite this, workers continue to organize and attempt to implement their basic rights.

Migrant workers from Thailand's neighboring states have a high threshold for the difficulties they endure in Thailand due to the lack of options at home, which, contributes to their perception of Thailand as "a land of opportunity". However, due to anti-migrant/immigrant sentiments in nearly every receiving nation,

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and antagonisms among much of the general public in Thailand against the Burmese due to both historical tensions relating to their many wars and more recent concerns about the Burmese military, drug production and other social concerns, the Thai State is able to cultivate a differentiation of exploitation among Thais employed in labor intensive sectors and migrant workers in Thailand.

Differentiation of exploitation is accomplished by the state in a number of ways. The government attempts to promote itself as acting on behalf of the best interests of workers by promoting investment, jobs and better skills. Particularly with the Thai Rak Thai party, nationalism is utilized as a means to garner broad-based support among poor Thais, creating the possible false sense that the government is acting on the best interests of the people, rather than the best interests of capital which is more accurate. To act in the best interests of capital, as discussed in Chapter II, entails making the labor market more flexible, keeping wages down, and de-regulating implementation of labor laws, for both Thais and even more so for migrant workers. Thus, the state is able to promote and reproduce capital at the expense of a majority of workers in Thailand, regardless of ethnicity, while treating migrant workers as a social problem which needs to be regulated to appease nationalists who are concerned with the rising number of migrants in the country. The reasons for these concerns are often misperceptions, such that migrants are stealing locals' jobs and causing major burdens on health care costs and the like. On the contrary, migrants contribute greatly to the Thai economy and work primarily in sectors with labor shortages or where wages are too low for locals due to attempts on the part of the state to keep them low in order to attract and maintain investment.

5.1 The Board of Investment (BOI)

BOI promotion has been cited as one of the primary reasons for the increase of factories producing garments in Mae Sot, yet data contradicts the significance of the BOI. In September 2005, according to the BOI Promoted Company Database for Tak Province, of 39 promoted companies in Tak only four are registered as garment producers and one as a women's underwear producer. The same database accessed in January 2006 lists a mere eighteen promoted companies in Tak, five of which are producing garments and one is producing women's underwear. If only five

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or six of an estimated 150 to 200 factories in the area are receiving BOI promotion, this leads to the conclusion that BOI is not as significant a factor for textile and garment factories in the region as we could assume. The fact remains, however, that data reported to the BOI by a number of the companies in question are completely false, and the BOI may not have investigated these claims. For instance, on the BOI database Chow Knitting claims to have 764 Thai employees and only 8 foreign employees; Mae Sot Garment Co. Ltd claims to have 309 Thai employees and 0 foreign employees; King Body Concept Co. Ltd. claims to have 965 Thai employees and 550 foreign; SD Fashion (formerly known as Champion and then New Products Knitting Co. Ltd.) claims to have 2,010 Thai employees and 30 foreign employees; and Top Form Brassiere (Mae Sot) Co. Ltd. Claims to have 1,980 Thai employees and 22 foreign employees. All of this information provided by the BOI on its website is blatantly false, and contradicts statements issued by business associations in Mae Sot claiming that Thais are not willing to work in their factories (see Martin 2003), and that migrant workers are the 'charm' of the Province (*MCOT News* 2005). This leads to the conclusion that monitoring of company registration information by BOI did not exist in this and other cases in Mae Sot and in all likelihood nation-wide. Initially, the purpose of BOI promotion zones is to promote industrial decentralization and create employment opportunities for Thais in provinces other than the Bangkok and central region. In border provinces such as Tak, where there are several BOI promoted companies and migrant workers, a large number of those promoted companies employ primarily migrant workers, contrary to BOI data and objectives. Since the BOI is mandated to promote employment for Thais, it comes as no surprise that beginning in 2006 the BOI no longer includes data on the number and national origin of employees in its Promoted Company Database.

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Figure 2

King Body Concept Co., Ltd.

Was established by taking the advantages on cheap labour cost and Thai government's support on special economic zone (B.O.I. Zone 3).

Our labor cost is as cheap as of China, Vietnam, Indonesia, The Philiphines, Bangladesh.

We have more than 15 years of experience management team. Therefore, our quality products could be offered to customers at best competitive price.

King Body Concept Co., Ltd. is located at Maesod, Tak, north-western part of Thailand. It takes 7 hours by driving from Bangkok and about one hour by plane.

And in order to increase our efficiency to serve our customers well, We also have 2 factories in Bangkok.

Capital :	27,000,000 Baht
Banker :	Bangkok Bank Limited (BBL) Thai Military Bank (TMB)
Capacity :	700,000 Pes. Per Month
Line Of Business :	Manufacturing
Product :	Ligerie Children Wear Lady Outer Wear
Market :	U.S.A JAPAN EUROPE

Source: King Body Concept Website at

http://www.thaitrade.net/home/kingbody/profiles/

Note: Misspellings and grammatical errors are part of the original text from the website.

Several BOI promoted factories in Mae Sot have been the cites of well-publicized workplace disputes over flagrant labor rights violations (including New Products Co., Ltd, King Body Concept and DD Fashion). However, the role of BOI is not to monitor labor rights. In fact inclusion of any form of monitoring or even policy

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of promoting labor rights would weaken BOI's role of promoting investment and maintaining 'investor confidence' in Thailand, highlighting the necessity of informal labor-capital relations mediated by the state.

Regardless of whether BOI data is manipulated and misleading, the fact remains that other factors are more significant for the increase in the number of factories in Mae Sot from 1995 to 2004 than BOI or other overt government incentives. Perhaps more telling are the functions of other apparatuses of the state in Mae Sot which promote investment through a deregulated and easily controlled workforce: the Ministry of Labor and the police.

5.2 Capital and State

In Thailand, a number of state officials particularly those on the border, are often exploiting migrant workers vulnerability for profit. The National Economic and Social Development Board concluded that the benefits of migrant labor accrue largely to employers and some government officials (Huguet and Punpuing 2005:48). This is particularly true in cases of human trafficking at the hands of officials, in addition to extortion of both documented and undocumented migrant workers, an arrangement that inherently precludes the implementation of rule of law, and it sets a standard which makes it easier for employers and others to follow. Although it is not documented, police raids on factories employing irregular migrant workers undoubtedly lead to payoffs to police, and contribute to the strict control employers have over their workers movements in the area.

Migrant workers in Mae Sot face a range of pressures from employers who are regularly supported by state bodies including the police and labor protection officials. The Thai police are known for their corruption and it is widely reported that they engage in abuses of migrant workers (Pasuk and Sungsidh 1996; Human Rights Watch 2004; Myint Wai 2004). Migrant workers avoid the police and simply do not contact them for assistance unless there is no alternative, primarily because they find unsympathetic responses or even arrest, extortion and deportation. Workers, whether Thais or migrants, view Provincial Labor Protection Offices as ineffective, and as is elucidated in the following section, migrant support organizations find them unsympathetic and at times attempting to stop their activities altogether. Employer

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organizations such as the chambers of commerce or the FTI actively constrain the actions of workers, particularly by limiting freedom of association and colluding to maintain low wages. Labor leaders report that, if workers' organizing activities are discovered, then they are often blacklisted, and find it difficult to work in the area again. Death threats, physical assault and even murder of organizers are not uncommon in Mae Sot. Employer organizations are influential in local communities, politics and the media, and in the case of Mae Sot, are very influential with government agencies. A well known example of this is when the Labor Protection Department in Mae Sot shared the same office building with the Federation of Thai Industries-Tak Chapter in 2003. These factors inhibit the organizing potential of labor and contribute to the vulnerability of Burmese migrant workers who, given the desperate political and socio-economic conditions in Burma, have little choice but to stay in Thailand.

5.2.1 The Police and Labour Protection Department

NGOs and workers in Mae Sot are reluctant to seek police assistance as they often consider the police complicit in human rights violations. Workers report that police and immigration officials are a principal source of rights violations. Police and immigration officials are accused of taking bribes from employers and regularly extort money from workers, particularly workers without a work or residence permit, or only a copy of their permit. Allegations that the police are involved in trafficking drugs and women into forced prostitution, among a range of other serious human rights violations, are not uncommon.[1] The case study in Chapter IV about the workers held against their will by their employer demonstrates the fear of police in Mae Sot; those workers did not consider taking their case to the police, nor did Ministry of Labor officials encourage them to do so.

In January 2004, the UN Secretary-General received a written statement from the Asian Legal Resource Centre (ALRC) calling on the Thai government to

[1] There are numerous reports on these matters. See GlobalSecurity.org (http://www.globalsecurity.org/military/world/war/thai-drug-war.htm), and Human Rights Watch (http://www.hrw.org/doc?t=asia&c=thaila) and Amnesty International (http://www.amnesty.org/ailib/aireport/index.html). For reports of police activities against migrants, see Myint Wai (2004) and Koetsawang (2001).

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"ensure that domestic law is upheld with regards to migrant workers, legal or illegal, as it is to Thai citizens." The statement identifies many of the problems migrant workers face, especially their lack of rights and the violence to which they are subjected[2]:

> Murders, rapes, abductions, torture and other abuses of Burmese migrant workers … have occurred with alarming regularity…, particularly in the Mae Sot district …, but for a long time only cases of extreme brutality were ever made public. In January 2002, for instance, the bodies of at least 21 persons were found in the Mae Lamao stream. No one has ever been brought to account for that atrocity…. In the past year, abuses have increased, as impunity has spread in Thailand with new government policies favouring extra-judicial killing [in the war on drugs], and because migrant worker's rights have been further curtailed…
>
> …In 2003, the [ALRC reported] … that immigration officials, police, and other officials … abuse illegal migrants at time of arrest, in detention centers, and during deportation. These abuses include extortion, physical and sexual assault, and murder. These activities by the police lead others to commit the same offences without fear of the consequences….

Provincial labor protection officials, particularly the labor inspectors whose job it is to inspect workplaces, are structurally prevented from effectively carrying out their duties, assuming the will to do so exists, due to the very limited manpower of these offices, implying a lack of will on the part of the central government to enforce labor legislation, for both Thai and migrant workers. For example, in Mae Sot there are only three labor inspectors charged with monitoring workplaces employing over 100,000 Burmese, in addition to the local Thai workforce. Nationwide in 2000, the Labor Department employed 1,494 civil servants; of these 336 were employed as general labor inspectors, 201 of which were health and safety

[2] The ALRC statement to the UN is available at: http://www.alrc.net/pr/mainfile.php/2004pr/61/

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inspectors and 184 as labor relations officials; their duty is to inspect about 300,000 establishments, but each year only about 10 percent are inspected nationwide (Charoenloet 2002:258).

Working as a labor protection official in Mae Sot is not an appealing job given the extreme problems in the area, pressure by employers to maintain the status quo and the low pay which comes with the job. With the post comes conditions which could easily lead to corruption of those officials, and it is reported (by an unidentified Thai working with a labor organization in Mae Sot) that during holidays the Labor Protection Department's office is 'full of gifts', reportedly from employers. Furthermore, the Ministry of Labor in Thailand has often been accused of being a quasi-branch of the Board of Investment or Ministry of Industry, as their role is easily interpreted to maintain peaceful labor relations despite the violent nature of capital and many individual companies. Although there are a number of 'friendly' officials in the MOL, and the Mae Sot labor protection department has ordered a number of factories to pay millions of Baht in compensation to workers over the past three years, it is difficult for them to be effective given the structural incapacity the state has created for the MOL. Furthermore, the situation is even more complex in Mae Sot where business associations maintain a powerful status, and are seen as the engine of the areas development.

5.2.2 FTI - Tak Chapter

It would be misleading to consider the police and labor protection officials as the primary agents leading to the current lack of implementation of labor rights in Mae Sot, for that we turn to business associations including the Federation of Thai Industries (FTI). The influence of the FTI Tak Chapter in particular should not be underestimated in Mae Sot, in addition to their influence on migrant worker policy on the national level as is elucidated in Chapter 2. Thai government policy, including under the BOI, may appear to be driving the development of the Mae Sot border economy, but closer inspection would show that the FTI Tak Chapter is playing a primary role.

On its web site (http://www.fti.or.th/Fti%20Project/ex_orgintro_eng.aspx), FTI states that it

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developed from the Association of Thai Industries (founded in 1967), with the Federation of Thai Industries Act, 1987 establishing FTI. FTI is supervised by the Minister of Industry. Its official role is to strengthen the private sector and promote industrialization. The FTI states that it has "… gained … countrywide recognition as the only voice of the industrial community … in addressing the issues and in co-ordinating with the Government…." (cited at http://www.fti.or.th/Fti%20Project/ex_orgintro_eng.aspx). FTI is a part of the Joint Public-Private Sectors Consultative Committee headed by the Prime Minister.

The Tak FTI is highly influential in Mae Sot, and has proven capable of coordinating employers' efforts to control workers, organizing to keep wages low, and blacklisting strike leaders. In addition, NGOs report that the FTI seeks to constrain their activities by initiating investigations and other forms of intimidation (see following section). Because its member businesses are major contributors to the local economy, the ambitions of the FTI to maintain a deregulated labor market has considerable local media support.

The former President of FTI Tak has argued that Burmese workers should not be paid the minimum wage because they are of poor quality when compared with Thai and international workers (Arnold 2004:27). He also stated in the same interview that countries like Taiwan, Hong Kong and the USA pay migrant workers below the minimum wage, and argues that Thailand should follow their example.[3] He asserts the right of employers to make deductions for food, shelter, and the like, meaning that workers would not receive the minimum wage, despite the fact that these deductions are against the law. Finally, he stated that piece rates were preferred to a daily wage, which is common in textile and garment factories throughout Thailand as a means to make workers work longer hours at a faster pace in order to increase profits. Not surprisingly, the FTI President repeatedly mentioned the need to keep wages low (Arnold 2005:27) in order to maintain competitiveness in international markets.

The close relationship between state and capital was emphasized when, in pre-thesis research, the author and a colleague from the Thai Labor Campaign (TLC) sought to meet the Labor Protection Officer, and was referred to the FTI, who

[3] There is no minimum wage in Hong Kong, except for foreign domestic servants (Chiu 2002).

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at that time were sharing offices in the same building. This was reinforced by the Labor Protection Officer who repeated comments by the FTI President. He stated that wages were low because of deductions, reiterated that other countries pay migrants below minimum wages, and added that employers are not able to pay the minimum wage because of "economic hardship", i.e. intense competition in international markets When asked why overtime rates were well below the legal rate, he answered that he had not had time to look into the matter, adding that his time had been consumed in dealing with numerous wildcat strikes which had been occurring in 2003 and 2004. Regarding workers being unable to hold their original work permit, which Thai law requires, he said that workers tend to lose the permit so employers provide them with protection against both loss and blackmail. The fact is, however, that when workers do not hold the original permit, they are subject to both extortion and deportation.

5.3. Capital-State Suppression of Migrant Workers

In December 2003, FTI Tak requested that the provincial governor investigate the operations of NGOs in the area, claiming that they were inciting workers to strike and causing economic damage in Mae Sot. Yaung Chi Oo Workers Association (YCO) and the MAP Foundation were targeted, and it was said that management of a factory which had recently negotiated a substantial pay increase to workers initiated the FTI request. The governor ordered an investigation, and a few days later, whether by chance or as a result of the investigation, local thugs holding photographs of YCO staff questioned workers in several factories. Shortly afterwards the two YCO staffers went into hiding. On 27 January 2004, a Human Rights Commission team conducted a fact-finding mission to Mae Sot regarding the situation facing workers and NGOs. In the interview with the author and TLC, the Tak Labor Protection Officer acknowledged the threat to NGO staff, but claimed that as the case was public, they were unlikely to be hurt.[4]

In 2003 and 2004, there were also many wildcat strikes and other instances where workers organized to attempt negotiations with management for better

[4] Harassment affects many NGOs in Mae Sot. Tak FTI has complained about organisations including the Mae Tao clinic (known as Dr. Cynthia's), which provides migrants with free medical assistance.

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pay or work conditions (see Napapan 2004 and Arnold 2004). A number of these cases resulted in workers being sacked and deported, while a number of other workers were beaten by hired thugs. Another ramification is Mae Sot business associations and the Labor Protection Department began a series of actions which together could be considered means to stop the organizing activities of one particular labor rights organization operating in Mae Sot, YCO, which has been involved in a number of high profile court cases since 2003.

The first case of Burmese workers in Mae Sot to not only go through legal channels but also win the case was that of the Nut Knitting Partnership Ltd. mentioned in Chapter IV. Following the Nut Knitting case, YCO has been involved in a number of other workplace disputes which led to the courts, including Nasawat Apparel Co. Ltd (see Appendix 1), BB Top, Uni Ocean (discussed in Chapter IV) and DD Fashion. During the Nut Knitting case, the chairman of the FTI, Suchart Wisuwan, was quoted in the Bangkok Post as saying, "127 operators were closely following the dispute between the Nut Knitting Partnership Limited and 34 Burmese workers", and that "More than 120 factory owners along the Thai-Burmese border have threatened to move or close if the operator of a knitting factory here loses a labor dispute worth 4.6 million baht" (The *Bangkok Post* 2003b). He went on to say, "Factory operators may relocate or simply close. A production system worth more than 8 billion baht will stop and about 50,000-60,000 jobs will disappear." This turned out to be a hallow threat since no factories reportedly closed after the Nut Knitting workers won their case and received compensation from the owner, with the exception of the closure of the Nut Knitting Factory. However, from late 2003 to the present time a number of violent actions and threats have been directed toward YCO in an effort to limit their ability to promote the basic human rights of migrant workers.

In December 2003, two leaders of YCO went into hiding to avoid possible arrest, after Thai factory owners in Mae Sot pushed local authorities to investigate the pair for their support of striking Burmese migrant workers (The *Bangkok Post* 2003b). Workers reported to the leaders that factory owners with their photos were asking workers if they knew them, and if so to report their whereabouts. Moe Swe, Secretary General of YCO was one of the men who went into hiding, and he later told *The Irrawaddy* that a bounty of 100,000 Baht had been put on his head by

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local factory owners (*The Irrawaddy* 2004b). The threat came after a March ruling by Thailand's Labor Protection and Welfare Department in Tak Province which ordered Nasawat Apparel Co Ltd to pay more than 16 million Baht in compensation to 217 Burmese workers (see Chapter IV). Far from paranoia, there is plenty of evidence to back his claim. Over the years many migrant workers have been killed in Mae Sot for their activism and efforts to improve labor standards in their factories (for example in Jiab Tuk Garment Co. Ltd. Discussed in Chapter IV), in addition to women sexually harassed, raped and/or killed by employers and the police, and Burmese randomly killed by locals for not being able to pay off authorities or gangsters.

According to the Hong Kong-based Asian Human Rights Commission,

> "Burmese migrant workers on the Thai-Burma border are routinely subjected to abuses and violence by the employers. Law enforcement officials in Thailand have for years failed to investigate and prosecute such cases. For example, in January 2002, at least 17 Burmese migrants were killed and dumped in a stream (Mae Lamao massacre). In 2003, six Burmese men were extrajudicially killed by local authorities. In 2002, a Burmese migrant worker died after being beaten and set on fire by her employers. Migrant workers are also suffering from very poor working condition and underpayment. Most abuses committed against migrant workers in Thailand are investigated only when civil groups and concerned lawyers have become involved in the cases. However, many of these persons and organizations are restricted in their ability to act on cases due to threats by the concerned authorities" (Asian Human Rights Commission 2004).

5.3.1 YCO Targeted:

- In May 2004, Moe Swe and colleagues, one of whom is a Danish staff member of a Washington D.C.-based labor rights group, were attacked. The first incident happened around midnight on May 14 in Mae Sot's night market. The Danish man was stabbed in the abdomen, while his two attackers escaped. The following day, a YCO staff was attacked by four men on two motorcycles upon his return to the YCO office after dropping off the Danish man at the local bus

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station. They hit the YCO staff with sticks and he was knocked off his motorcycle. (*The Irrawaddy* 2004b)

- YCO report other incidents when their staff have been attacked by armed thugs, including yet another instance in May 2004 when a Yaung Chi Oo member and a Burmese worker were attacked at night by a motorcycle gang of six men armed with knives and sticks. One of the attacked men suffered head wounds and required hospitalization. Yet again, the attackers got away (*The Irrawaddy* 2004b).

Later the following year, Than Naing of YCO claimed that two Thai police officers pulled their car up to the group's offices on 5 September 2005 and assaulted a man standing outside talking on a cell phone (who is not a YCO staff). The unidentified man sought refuge in the group's offices, but the police officers kicked the door in and pulled him back out to the street, continuing the assault before finally leaving in their car (*The Irrawaddy*, *08* September 2005). This attack came a few days after YCO assisted workers from a fishing net factory in Khon Kaen who had been sacked and deported via Mae Sot. YCO reportedly filed a formal complaint against the officers at the Thai immigration offices in Mae Sot.

Yaung Chi Oo Office Raid[5]

At 4:00 pm 14 December, Thai police, immigration, a Channel 7 TV video crew and Tak Labor Protection Department officials came into our office compound They ordered all the people to come out from their rooms and sit in the middle of the compound. They couldn't have arrested anybody because all the workers have registration documents.

But the police asked 'how many workers from this group are from Por Thai Sun factory' [a case ongoing at the time]. The police said they would

[5] From an urgent appeal sent by YCO to members of the Asian TNC Monitoring Network, dated 20 December 2004 (see http://www.atnc.info). See also Asian Human Rights Commission 2004 which published similar information on this particular case.

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come back again soon after. The Channel 7 video crew shot video the whole time, inside and outside of our office.

They searched our office and took copies of legal complaint forms of workers and case record books. They arrested our interpreter, A Salam, for working without a license. He normally fills out the labor complaint forms in Thai for workers who go to the labor protection office and ask for their legal rights a due compensation. Actually, he is a volunteer with the MAP Foundation, and he does not take money from workers for translation or any other service. They took him to the immigration office near the Mae Sot-Mywaddy [Burma] bridge and attempted to force him to admit that he is wrong. He refused because he didn't do anything wrong or illegal. He asked the Thai immigration officer why he was taken to immigration (he is a 2nd class Thai citizen). He said to the immigration officer, “If you want to investigate me, you should take me to the police station.” There were also Labor Protection Department officials and Channel 7 video crew present the whole time. Finally they took him to the police station at 08:00 pm and kept him in the detention cell. He was bailed out (20,000 Baht) at 10:00am 15 December. He has to go to court on 24 December to face trial.

5.4 Restricting the Right to Organize and Promote Rights

It is clear that intimidating and sacking Burmese migrant workers who demand their rights has become a management strategy for Mae Sot-based companies. The implications of the murder of workers and the overt harassment on the part of the employers association, the police and the Labor Protection Department are quite far reaching, not only for YCO but also other workers organizations, NGOs and trade unions operating in Mae Sot. It is also clear that employers do not tolerate active workers or those assisting them under the current arrangement, and are quite free to suppress workers demands as they see fit. Organizing of migrant workers in Mae Sot, for a majority of the workers, is considered ‘hot’ organizing, or based on the frequent cases which arise over wages, a number of other workplace related problems and a variety of human rights violations. Given the extremely high number of cases and their frequency, it’s difficult for organizations to find time to address many other important

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issues such as occupational health and safety (see Appendix 2). That said, examples do exist when workers have been able to negotiate better pay with employers in Mae Sot, such as the case of the ceramics factory in Chapter IV over 5 Baht, and the potential for change in labor relations 'tactics' of employers in Mae Sot is under increasing scrutiny by a number of higher profile human rights organizations, senators, academics and activists, adding pressure on employers in Mae Sot to reform their suppressive ways, and to 'encourage' the Labor Protection Department to take a more proactive role in mediating workplace disputes among workers and management.

A recent example is the seminar, *Migrant Worker Rights Violation: Why at Mae Sot* on Friday, 21 January 2005, in Mae Sot. It was organized by the Raks Thai Foundation, International Labour Organization, the Institute for Population and Social Research Mahidol University, the Office of Human Rights and Social Development, Graduate School, Mahidol University, the Asian Forum for Human Rights and Development, the Thai Labour Campaign, and American Center for International Labor Solidarity. Participants included representatives from Thai trade unions, government (including a pro-labor/human rights senator, the Labor Protection Department and Department of Employment), Burmese workers and organizations, academics and local community organizations. Since that time, a legal clinic operated by the Asian Forum for Human Rights and Development (Forum-Asia) was opened in Mae Sot in October 2005 in an attempt to regularize legal support for migrant workers and engage tripartite industrial relations in the area, in addition to other ad hoc initiatives undertaken by the conference participants[6].

[6] A summary report of the roundtable is available at http://www.thailabor.org/wnews/050801a.html

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CHAPTER 6
CONCLUSIONS

6.1 Engaging Mae Sot from Bangkok and its Vicinity

As has been demonstrated, migrant workers in Mae Sot enjoy little to no protection of basic human and labor rights. This raises two related questions: what power or potential power do migrant workers in Mae Sot have to resist exploitation on the part of capital and state, and the interrelated question of how can or are migrant workers and Thai workers cooperating to promote the rights of the working class in Thailand, regardless of ethnicity?

The general response not only from Thai trade unions but also a number of labor-oriented NGOs in Thailand, both Thai and foreign, concerning Mae Sot, until recent years, is that all the factories there should be shut down due to their repressive nature. Furthermore, the Thai labor movement was quite united on calls to deport all migrant workers from Thailand until recent changes in their perception. This is almost a 'natural' xenophobic response of trade unionists in a number of countries with high numbers of foreign migrant workers, and is a clear example of capital creating divisions among the working class, with assistance from the state (and often NGOs and academics) who are able to stoke nationalism by portraying migrant workers as a national security, public health, economic or social threat. Naturally, if a place like Mae Sot were pushed down or operations closed, it would just pop back up again somewhere else, maybe in Viet Nam or in another part of Thailand. In other words, it could be a short-term solution for Thai workers who want to protect their jobs, but it is not a sustainable solution since capital will find labor ready to be exploited elsewhere.

Since 2003, a number of projects or activities have been undertaken by several organizations to reduce the traditional gap between Thai and migrant workers in Mae Sot[1], in addition to gaps between migrant workers and civil society. Despite discussions among Thai trade unions and FTUB in 2004, migrant workers in Mae Sot

[1] A number of other activities may have taken place long before 2003 which the author is not aware of.

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have not yet joined Thai trade unions, though the fact that Thai workers are willing to engage in these discussions is a significant step forward, considering that this simply would not have happened only four or five years ago. In the US, for example, it was only in 1999 that the AFL-CIO officially changed its position to begin organizing immigrant workers, despite the fact that America is a nation of immigrants who played a central role in trade union struggles throughout America's history. Although symbolic, from 2004, the equal rights of migrant workers became one of the 10 demands from Thailand's 'independent' labor movement on May Day, as opposed to the Ministry of Labour-sponsored May Day held at Sanam Luang, and has also been a policy issue for the Thai Labour Solidarity Committee, a progressive labor coalition comprising 27 members which was founded in 2001.

Clearly, perceptions among the more progressive portions of the labor movement in Thailand have changed for the better toward migrant workers, but the question remains: what are the possibilities for more tangible solidarity? This brings about quite cynical comments from some quarters, who maintain that the Thai labor movement is weak and powerless, and therefore has little to offer migrant workers. But the fact is, despite weaknesses of labor in Thailand, it is certainly stronger and in a better position to assert demands to employers and the government than migrant workers and their 'representatives'. Furthermore, Thai labor needs migrant workers to increase its strength and in the case of some sectors such as textile and garment, possibly its survival and ability to assert itself given the intense competition in that sector. So, based on self-interest and solidarity, Thai and migrant workers are taking steps forward. For example, on 6 and 7 of August 2005 twenty trade unionists from TTL Union, Century Union, Diar Glass Union, Phiphat Samphan Union, K Cotphan Union, Wathai Union and the Solidarity Group (including committee members of the Textile, Garment and Leather Workers Federation of Thailand) visited Mae Sot on a fact finding mission organized by the Thai Labour Campaign (see Thai Labour Campaign 2005). It was essentially an informal meeting among Thai and migrant workers/organizations to establish a better understanding of the issues workers there face. The Thai trade unionists had collected gifts and donations for two migrant children's schools prior to the trip, and spent half a day at the schools meeting the

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children and teachers. This is a positive initiative, although the follow up to it is not yet clear.

Although in theory many agree that Thai trade unions should open migrant workers in Mae Sot and other regions to membership, in practice there would be many impediments to overcome. Above all, Thai workers regularly get sacked for joining and forming trade unions; migrant workers who join Thai trade unions, without an understanding on the part of employers in Mae Sot about what this would entail (or perhaps a very clear idea of what it would entail), would surely be met with resistance. Technical problems include the distance between the Bangkok area/central plains and Mae Sot and how Thai unions would serve members on the border, particularly if they are sacked or require frequent assistance. Another significant issue is the fact that migrant workers must renew their work permit every year and the maximum duration of their work in Thailand is three years when they must return to their home, and are then allowed to return for another three years after approval to do so, for a maximum stay of six years. Thus, their length of time as a union member could be quite short.

The most sustainable solution is for migrant workers to be able to legally serve as union committee members, allowing them to form their own trade unions which could be affiliates of Thai union centers. However, the Thai labor movement hasn't taken any steps toward a campaign for that legal change, and it is doubtful whether the will to do so exists. Even more doubtful is the government amending current laws restricting committee members based on nationality.

Another significant obstacle preventing migrant workers from organizing to empower themselves is that currently the FTUB is considered a terrorist organization by the Junta and all trade unions are banned inside Burma. In an interview with the ICFTU Maung Maung of the FTUB explains, "The military government represses all trade union activity in Burma. Many activists are serving very long prison sentences simply for doing union work… (Grumiau 2003)" This presents a number of complications for their and other organizations activities inside Thailand with migrant workers, foremost that any worker/s who become members of

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an exiled trade union could likewise be considered terrorists or criminals by the junta, and would likely face persecution if they returned to Burma. Thus, a migrant who left Burma for economic reasons and joined a Burmese trade union in Thailand could in the process become a political refugee; if large numbers of such organized workers did so, they would have little chance of being formally recognized as political 'refugees' by the Thai government. Since no migrant workers are currently members of Thai trade unions, there is no indication as to what would happen to a Burmese worker who had joined a Thai trade union upon returning home.

6.2 Civil society

NGOs play a significant role in Mae Sot, and over the years, an ever increasing number of them have taken interest in the area. Autonomists celebrate the diversity of movements against the 'global factory' (see De Angelis 2000 and Dyer-Witheford 2002), yet the reality of the situation is it leads to constant conflict among organizations and their varying agendas and approaches, often leading to confusion among workers, whom they are all supposed to be working for, but are often told different things by different organizations.

In Mae Sot, differences in approach can be summarized as those who believe migrant workers should quietly organize and ally with Thai trade unions, to those who support actions which directly confront employers over wage and other issues often with wildcat strikes. Some believe that international support is crucial to 'open space' for migrant workers to organize, while others feel that international attention will only cause damage to the nascent worker movement in Mae Sot due to negative reaction from employers, and potentially disinvestment[2]. Deep divisions exist among organizations which could be best characterized over issues of ego and who is 'the leader' and spokesperson for the workers, while other political differences make it difficult or seemingly impossible for a number of organizations to work together. Yet another split with deep roots exists between trade unions and NGOs, with trade unions seeing themselves as legitimate based on their 'democratic nature' as workers

[2] The Thaksin administration has been particularly effective in quieting NGOs by advancing propaganda that they are damaging national interests by calling for international norms.

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organizations, while some NGOs counter that trade unions are not effective in Mae Sot given the structural factors preventing migrant workers from joining registered trade unions. On the other hand, NGOs are often accused of fostering agendas different from trade unions at the instigation of foreign donors who are backing NGOs activities, despite the fact that trade unions operating in Mae Sot are also backed by foreign funds with their own agendas[3], whether it is coming from a trade union in an advanced industrialized country or an international NGO.

In short, the situation is complicated in attempts to balance often conflicting objectives, for example whether a goal should be that all workers in Mae Sot earn the minimum wage according to 'legalistic' agendas, or whether workers should attempt to negotiate better wage and conditions which fall short of the legal requirement, yet may be acceptable to workers. Although pay in Mae Sot is a fraction of the legal minimum wage, it still far exceeds what workers inside of Burma are earning. An unfortunate reality is if all workers in Mae Sot are paid according to the law, a majority of the factories would likely relocate. However, it is not acceptable for Thai workers to allow employers to avoid the law, since it undermines their struggles for good wages and work conditions. If the ECS and SEZ comes to fruition, the civil society mix in Mae Sot and other border economic zones will only become more complex. Attempts have been made to formulate a committee to address migrant worker issues with the 'Action Network for Migrants' and this network has been quite successful in promoting migrant workers rights and in distributing information to workers, civil society and government. Although a step forward, this represents a group of relatively allied NGOs rather than a broader forum for various stakeholders to communicate, particularly a number of relevant organizations working on the ground in Mae Sot, in addition to academics and the Thai trade union movement.

The fact remains that a number of initiatives are being undertaken with no real form of coordination. Although progress is perhaps made, the longer term effectiveness of a random series of often overlapping or even contradictory projects undertaken by a number of different actors/agendas is questionable, and furthermore it

[3] Of course Burmese trade unions in exile receive very little to zero member dues.

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is unfortunate given the highly coordinated efforts on the part of local capital and state to suppress workers. Based on the analysis of mobile capital and the 'global factory', it is apparent that discussions and actions to support and encourage workers movements in Mae Sot should not be limited to factory specific issues. At stake are much broader issues, and if fully supported by civil society, trade unions and 'friendly' government officials it could dramatically open space for workers in Mae Sot to bargain with employers on a more equal footing.

6.3 Focusing on Supply Chains

Attempts at cross-border support for workers via consumer-oriented campaigning targeting brands has failed in the past in Mae Sot (see Arnold 2004), particularly cases when production of Reebok, Gap and Tommy Hilfiger brand goods were exposed, with the result of TNCs pulling their orders from Mae Sot and denying responsibility. Mae Sot is currently a code of conduct or corporate social responsibility (CSR) free zone, meaning brands at least minimally conscious of CSR do not want it to be known their goods are being produced under the appalling conditions found in Mae Sot. CSR and codes of conduct have been effective means to improve workers rights in isolated incidents, yet they have failed to address critical issues such as purchasing practices and the interrelated problems of flexible labor and mobile capital which promote the race to the bottom of descent wage and work conditions.

Although it hasn't been widely accomplished in the textile and garment sector, organizing within the supply chains of East Asian corporations, whether within one country or across borders, is potentially an effective tool for collective negotiations. It could also address the social impact of mobile capital: the fact that production networks are reorganizing the space of their operations across borders but labor movements and trade unions are often stuck in a plant level, or nation-state level of analysis and action.

Organizing within supply chains of textile and garment companies producing in Mae Sot and other parts of Thailand addresses direct capital-labor relations, rather than secondary relations relating to retailing, brand design, logistics or other issues. Although a number of factories in the area are quite small scale

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operations which may be the only production site for the company, a number of factories in the area are linked to extensive production networks, both in Thailand and the region. Workers organizing within these production networks have the capacity to overcome divisions over race and nationality created by capital and maintained by the state, increase their bargaining power vis-à-vis the company, and develop a better understanding of the nature of global capital flows and how they are one aspect of a much larger production network or form of capital's organizing and recomposing of labor into capitalist work. Furthermore, that capital is able to differentiate migrant workers from Thai workers employed in the same sector, or even the same TNC supply chain within national borders, contributes to the weakness of Thai and migrant workers in terms of bargaining power and ability to organize against mobile capital. Although Thai trade unions in the textile and garment sector in Thailand are not aggressive organizers--in fact there are only a handful of organizers in that sector which employs over 1 million workers in Thailand, tapping into the high levels of organizing in Mae Sot could reignite social and political organizing in certain labor-intensive sectors employing both Thais and migrant workers.

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APPENDIX

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APPENDIX A

NASAWAT APPAREL CO. LTD. [1]

Nasawat is a garments factory in Mae Sot, employing 285 workers (16 Thai, 269 Burmese, 70 percent women and all registered). In late 2003, 269 workers, most of them women, were arrested by police at a Mae Sot temple and, on 16 December 2003, were deported. This followed their walk out from their workplace on 11 December. The workers claimed that they had negotiated a contract with management for the legal minimum wage and overtime pay on 26 November. On the first payday following the agreement (10 December), the workers said that the employer had broken the agreement and did not pay workers as agreed. The following day, the employer held a meeting with a Labour Protection officer, a local lawyer and other local employers from the Federation of Thai Industries – Tak Chapter. After this meeting management then called 25 leaders from amongst the workers for a meeting and, say the workers, attempted to negotiate an agreement whereby only the leaders would be paid the minimum wage. The workers' leaders refused this, and the remaining Burmese workers walked out with the leaders and took refuge at the temple prior to their deportation.

Following this, assistance from the Law Society of Thailand, the workers began action to seek owed wages. The Tak Province Labour Protection Department ordered the factory owner to pay 16,136,076 baht (US$425,000) compensation to the workers. The employer appealed the compensation order to the Labour Court. In August 2004, the case remained stalled in the courts.

Throughout January 2004, there were reports that those assisting migrant workers by calling for the enforcement of labour laws in Mae Sot were harassed and threatened (Moe, 2004). These threats reportedly included:[2]

[1] The information on Nasawat Apparel Co. Ltd. is drawn from a series of Information Releases provided by Action Network for Migrants, the first on 14 December 2003. These releases are available from: http://www.thailabour.org/news/archive.html. Other information on this case can be found at: http://www.december18.net/web/docpapers/doc1027.doc. This appendix appears in an article by Arnold and Hewison 2005.

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- On 14 January an officer in the Tak Labour Protection Office relayed a message to the NGOs involved. The message was to stop trying to utilise the labour protection mechanism and to stop calling for the enforcement of the legal minimum wage which, he reportedly said, is not enforced even for Thai workers. He warned NGOs that using these methods was biased in the workers favour. He thought a better process was negotiations between only the employer and the employees.

- Interviews with workers in factories in Mae Sot suggested that some managers posted photographs of four of the NGO support people. Workers are reportedly asked, one by one, whether they know these people. Workers claim that some who answer positively have been dismissed while some have been harassed. Some workers claim that certain factory managers have made death threats against those calling for the enforcement of the labour laws.

[2] For details, see http://www.thailabour.org/news/index.html-nasawat info release 5, which reproduces an Action Network for Migrants Information Release.

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APPENDIX B
OCCUPATIONAL HEALTH AND SAFETY ISSUES FOR MIGRANT WORKERS

"Identification and Prioritising of the common workplace hazards" [3]

Workers in this training were asked to both identify and prioritize hazards. Workers ranked hazards according to various criteria, in this case to rate issues of common interest to textile and garment factories. The results are listed in Table 1.

Issues common to Both Groups in Order of Priority	Issues of Importance to Garment workers in Order of those causing most Injuries/illness or death	Issues of Importance to Knitting Workers in Order of those causing Injury/illness or death
Sexual harassment	Electric shock	Poor ventilation
Poor ventilation	Poor ventilation	Electric shock
Too much work	Too much work	Too Much Work
Aggression/intimidation	Sexual harassment	Aggression/intimidation
Electric shocks	Chemicals	Sexual harassment
Reproductive concerns	Reproductive concerns	Reproductive concerns
Chemicals	Poor seating/ergonomics	Noise
Noise	Aggression/intimidation	Not enough to eat or drink
Not enough o eat or drink	Not enough to eat or drink	Poor seating/ergonomics
Poor seating/ergonomics	Actual birth deformities	Chemicals
Lack of access to toilets	Noise	Actual birth deformities

[3] See Pandita and Kemp 2005 for the full report.

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Actual birth deformities	Restricted access to toilets	Toilet access.

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