



Myanmar garment workers travel home after their shift in Hlaing Thayar, an industrial zone in Yangon. Photo: Dr Kaung Thet/Oxfam

# MADE IN MYANMAR

## Entrenched poverty or decent jobs for garment workers?

**In Myanmar, the garment industry is booming thanks to an upsurge in investment by international brands, but garment workers are facing tough conditions. According to new research from Oxfam and labour rights groups in Myanmar, garment workers are working up to 11 hours a day, six days a week, but remain trapped in poverty. Following decades of economic isolation, political reforms have seen global retail heavyweights like GAP, H&M, Primark and Adidas starting to source from Myanmar factories. With the garment industry growing quickly, companies need to act now to ensure that workers making their products can access their fundamental rights and provide a decent living for themselves and their families.**

# FOREWORD

Workers who are powering the economic growth of their countries too often remain trapped in poverty.

Myanmar is one prominent example. The country is on the precipice of embracing wholesale democratic reform, and the garment sector in the country is booming. But Oxfam's research shows that this promising growth is failing garment workers, who are working up to 11 hours a day, six days a week on very low wages, often in dangerous conditions.

Rising extreme inequality keeps many garment workers in Myanmar locked away from opportunity and the benefits of growth. Caught in a cycle of low wage poverty and debt, workers are often forced to borrow money to pay for basic needs like food and accommodation. Many of these workers are young women, supporting several family members with their income. This is unacceptable.

Governments and the private sector have a pivotal role in helping people break free of poverty and inequality and together they must take responsibility to avail decent work for the poorest and marginalized. That means providing a fair wage, decent working conditions and upholding basic rights. Secure jobs on a living wage must become the norm, not the exception.

When you earn a good wage you can afford decent housing, you can afford to send your children to school and, in a country with no formal social protection systems, you can afford to support elderly parents. When employers fall short, the consequences can be devastating – leaving people in precarious work without a secure contract, without freedom of association and without the benefits of collective bargaining.

This paper, based on survey findings across 22 factories in industrial zones in and around Yangon, places a spotlight on overwhelmingly poor working conditions. It urgently calls on international companies buying garments from Myanmar, as well as their supplier factories, to improve transparency and monitoring of the industry and address these unsafe and exploitative conditions.

Myanmar has the opportunity to break away from the path of inequality which so many other low income countries have gone down. Global brands and local employers in Myanmar must seize this moment of political and economic change – and place dignity and decency at the heart of work.

**Winnie Byanyima**

Executive Director, Oxfam

# SUMMARY

This report presents the findings of research carried out by Oxfam in June and July 2015 on the wages and conditions of garment workers in Myanmar. Despite working six days a week and doing an average of 10.5 hours overtime each week, garment workers are not earning enough to adequately support themselves and their families. In September 2015 a new minimum wage (\$83 a month) was introduced. Whilst the setting of a minimum wage is an important benchmark for Myanmar, the results of this report suggest that this amount will not be enough for workers to look after themselves and their families.

Access to decent work is a fundamental pathway out of poverty. Oxfam has been working on labour rights in the garment and sportswear sector since 1995, supporting workers' campaigns for decent conditions and fair wages. Oxfam engages in dialogue with sourcing companies that are often global brands to ensure that workers can access their basic rights.

In collaboration with labour groups in Myanmar – the Cooperative Committee of Trade Unions (CCTU), Action Labor Rights (ALR), 88 Generation, and Labour Rights Defenders & Promoters (LRDP) – Oxfam conducted a survey with garment workers in and around Yangon. It revealed that even though workers earn an average of \$98 a month (with overtime), they are unable to cover the cost of basic needs like food, medicine and transport. Almost half of all workers surveyed (43 percent) are trapped in debt, reporting that they borrowed money to pay for basic items. While some workers have been able to negotiate improvements with factory managers (such as access to clean drinking water and small pay increases), the survey found that often, factory managers do not listen to workers when they raise problems.

Safety was a big concern. More than one in three workers reported that they had been injured at work. Many were afraid of factory fires, explaining that building exits were often blocked or even locked.

Workers reported that they sometimes face verbal abuse by factory supervisors, who often pressured them to work faster. Almost one in four workers reported doing forced overtime and several reported doing unpaid overtime. A number of respondents reported working through lunch breaks and into the night to meet high production targets.

*'Last month we had to do overtime until dawn (the next day). We had to do this overtime for one week continuously... It harms my health. I don't want to work all night until the next morning. We also regularly don't receive all of our overtime wages.'*

Swe Swe Hlaing, interviewee

*'They think that we are like animals. I know I have no rights to make a complaint so I have to bear it. I have been working here so many years and we try our best to meet the production targets so that we won't be told off, but sometimes it [the shouting] is unbearable.'*

Ei Yin Mon, interviewee

*'There is a fire brigade, but just only for show.'*

Mar Mar Ywe, interviewee

Given poor conditions inside Myanmar factories, the weak rule of law, poor regulation and lack of respect for basic workers' rights, sourcing garments from Myanmar must not be business as usual for international companies. Taking the low road (see Box 1) on sourcing garments in Myanmar could lead to industry accidents, social unrest and human rights violations.<sup>1</sup> For workers employed in the country's garment factories, rather than benefiting from growing investment, they are likely to face greater exploitation and remain trapped in poverty.

*I want to be a good leader so usually I do not go [to the toilet].*

Pan Ei Khine, interviewee

Myanmar is at a turning point in its recent history. Decision makers and business leaders have two clear choices: they can either allow the country to join the race to the bottom by becoming the next low-cost, exploitative and unstable manufacturing market; or they can learn from tragedies like the Rana Plaza collapse in Bangladesh and from industrial unrest as a result of poor working conditions in Cambodia and Indonesia, and implement better sourcing practices.<sup>2</sup>

Oxfam puts forward the following recommendations for international sourcing companies and factories to help them protect garment workers' rights so that they can lift themselves and their families out of poverty.

## Recommendations

### International sourcing companies should:

- Publish locations of supplier factories to enable independent monitoring and verification of conditions for workers;
- Support suppliers to ensure that workers receive regular training and information;
- Ensure that price negotiations with supplier factories enable legal wages to be paid as well as enabling any negotiated wages that are higher than the minimum wage to be paid;
- Ensure that delivery times do not require workers to do excessive overtime hours;
- Develop longer-term relationships with suppliers so that suppliers can plan for a long-term workforce;
- Ban or severely restrict the use of short-term contracts in supplier factories.

### Manufacturers and sourcing companies should:

- Recognize the right of independent worker organizations and employers to engage freely in collective bargaining (including bargaining on wages at the factory level);
- Provide regular training for workers on occupational health and safety and fire/electrical safety, allowing and supporting the formation of worker health and safety committees that include both men and women representatives;

- Develop mechanisms for workers to anonymously report safety hazards to factory management and for management to report back through the safety committee or union on which issues have been raised and how they have been resolved;
- Ensure accessible, effective and efficient mechanisms for addressing workers' grievances.

Further recommendations for manufacturers and sourcing companies can be found in the 'Conclusions and recommendations' section of this report.

# NOTES

- 1 Oxfam's paper '*In Work But Trapped In Poverty*' (September 2015) provides case studies from four countries across Africa and Asia and sets out how taking the low road and illegal road on working conditions and wages can lead to exploitation and abuse of workers' rights. R. Wilshaw, S. Hamilton, J. Thérroux-Séguin and D. Gardener (2015) '*In Work but Trapped in Poverty: A Summary of Five Studies Conducted by Oxfam, with Updates on Progress along the Road to a Living Wage*', Oxford: Oxfam International, <http://policy-practice.oxfam.org.uk/publications/in-work-but-trapped-in-poverty-a-summary-of-five-studies-conducted-by-oxfam-wit-578815> (last accessed November 2015).
- 2 1,136 people died in April 2013 when Rana Plaza, in Dhaka, Bangladesh collapsed. The tragedy came just months after the fatal fire at Tazreen Fashions, also in Dhaka, in which 112 people died. The ILO together with Bangladesh trade unions and the government has been working to improve factory safety through the Bangladesh Fire and Building Safety Accord. See ILO (2015) *Improving Working Conditions in the Ready-Made Garment Industry: Progress and Achievements*, [http://www.ilo.org/dhaka/Whatwedo/Projects/WCMS\\_240343/lang--en/index.htm](http://www.ilo.org/dhaka/Whatwedo/Projects/WCMS_240343/lang--en/index.htm) (last accessed November 2015).



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For further information on the issues raised in this paper please e-mail [advocacy@oxfaminternational.org](mailto:advocacy@oxfaminternational.org)

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