

CHAPTER II

Overview of Hlaing Tharyar Industrial Zone

This chapter provides a context for the study by focusing on Tharyar Industrial Zone and the factory where the Rakhine migrant workers work. In over-viewing the Hlaing Tharyar Industrial Zone this includes its background history, development, management and current status. In addition existing labor laws of Myanmar will be presented followed by an overview of the studied factory and migrant factory workers' working conditions at the factory.

2.1 Overview of Hlaing Tharyar Industrial Zone

Hlaing Tharyar Industrial Zone exists in Hlaing Tharyar township. Hlaing Tharyar is located about 30 kilometers from the downtown area of Yangon. It is flat land and 100 feet above sea level. The township was established in 1987 to relocate fire victims from Mingalar Taung Nyaut and Mayangone townships. At that time, there were only eight wards and nine village tracks in it. One year later on the 4th March, 1989, other fire victims from South Okkalapa, Thingangyun and Kamayut townships were resettled in Hlaing Tharyar (General Administration Department, 2014). At the beginning of the township's establishment, there was no electricity or other facilities because it was not well planned as it was established just to reallocate people who needed a place to live. In 1995, the township expanded and comprised up to 20 wards, nine village tracks and eighteen villages. In 2014, there were over 148,695 households and the total population is 686,827 (Ministry of Immigration and Population, 2014).

The township is one of the most developed and populated among newly established townships which have been built during the military regime. It exists in a very strategic location with access to Yangon port via a water way which is the cheapest form of transportation in Myanmar. That is a key reason the

Government built many industrial zones such as Shwe Lin Ban, Ngwe Pin Lal Fishery Industrial Zone and Hlaing Tharyar Industrial zone inside the township around 1996. Map of Hlaing Tharyar Township and Industrial Zone can be seen in the figure below.

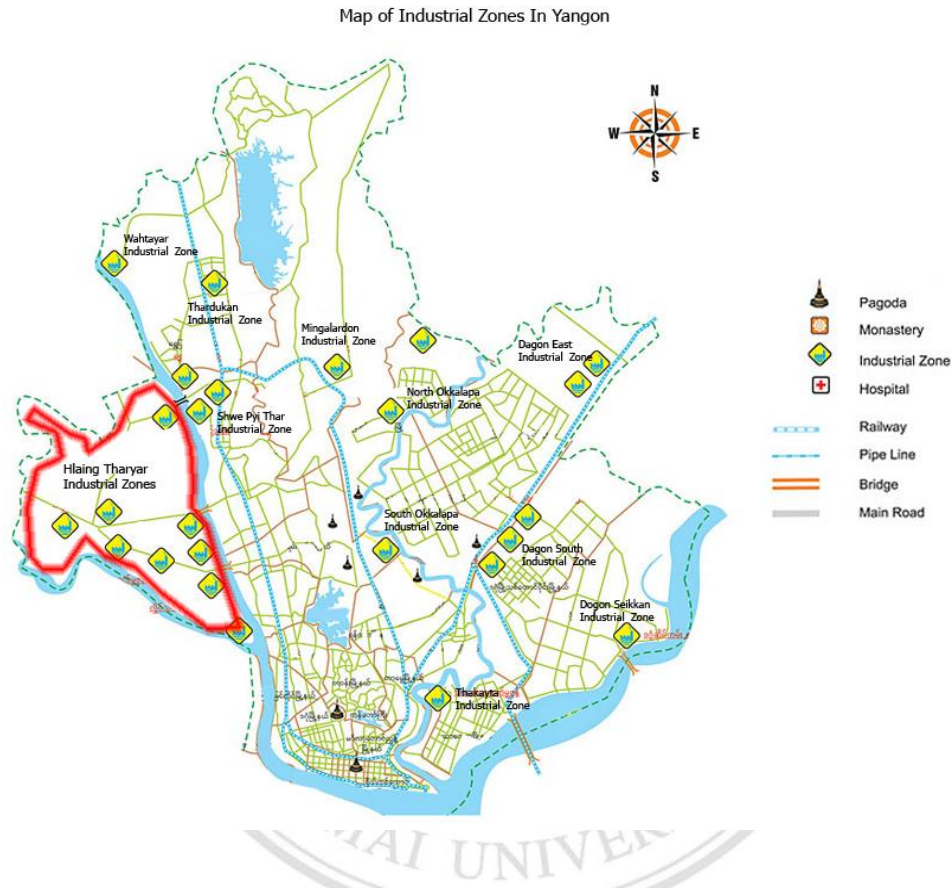


Figure 2.1 Map of Industrial Zones in Yangon

Source: Myanmar Industrial Association

The establishment of Hlaing Tharyar industrial zone was started by the Department of Human Settlement and Housing Development (DHSHD) under the Ministry of Construction in 15th of February, 1995 in accordance with the Government policy. Hlaing Tharyar industrial zone is near Bayinnaung Bridge and is bounded by Hlaing River in the east, Yangon-Pathin Road to the north, Panhlaing River to the south and Shwe Than Lwin Industrial Zone in the west. The total planned industrial zone area is about 567 hectares, of which 440 hectares is utilized for industrial use (Myanmar Time, 2014). The industrial zone was built to

- (1) create job opportunities and increase income for people in the region,
- (2) further enhance the social and economic development for local people, and;
- (3) accelerate the development of the national economy, promote local and foreign investment and technology through industrial development.

There are two types of industrial zones in Myanmar; Government operated and privately operated industrial zones. Hlaing Tharyar Industrial Zone is a Government operated industrial zone. However, all the industrial zones are under the supervision of the Industrial Development Committee which was formed with the aim to develop and supervise industries. The committee is chaired by the Union Minister from Ministry of Industry with 14 members from different Ministries. The committee supports business enterprises to acquire raw materials, modern technology, machinery and equipment, capital and provide infrastructural facilities such as water, electricity, communication systems and buildings.

All industrial zones, including Hlaing Tharyar Industrial Zone have two management committees; an Industrial Zone Management Committee and an Industrial Zone Supervision Committee. The Industrial Zone Management Committee is a non governmental organization and was formed on the 24th of July, 1996 to manage and facilitate the day-to-day operations of industries, implement the short-term and long-term targets and upgrade the Industrial Zone in accordance with international standards and norms. The committee members are elected by enterprise owners from the industrial zone (Kraas 2006). A core function of the committee is to carry out maintenance work such as repairing roads and power lines, digging drains and taking measures against the disposal of industrial waste (Aye Aye Win, 2012, cited in Aung Min and Kudo, 2012). To carry out its functions, the committee began by collecting 3000 Kyats (3 USD) per acre per month for local enterprises and 20 USD for foreign enterprises but from 2011 January this had increased to 10,000 Kyats (10 USD) for local and 50 USD for foreign enterprises (Myint Maung Tun, 2014).

The Industrial Supervision Committee was formed by both Government Departmental staffs and enterprise owners. The committee is part of the government body and carries out objectives of the Industrial Development Committee. All enterprises including factories in Hlaing Tharyar Industrial Zone can get a loan from the Small and Medium Industrial Development Bank with interest rate at 8.5%. Small and Medium Enterprise loans can be granted up to 50 million Kyats (50,000 USD) depending on collateral.

There are 269 factories in Hlaing Tharyar Industrial Zone with an investment volume of 105.5 million USD. Since 2000 there has been a growth in factories despite two cyclones which destroyed many factories. The majority of factories in Hlaing Tharyar Industrial Zone are large scale, employing more than 100 employees and using electronic machinery. According to Hlaing Tharyar labor Exchange office (2014) data, the industrial zone is providing employment opportunities for 120,098 people; male (male 28,872 / female 91,261). It is important to note that there are very few shoe making factories in Hlaing Tharyar. Shoe making is considered to be part of the consumer goods category. The studied factory Manager estimated that there are 10 shoe making factories in Hlaing Tharyar Industrial Zone with nine factories run from foreign investment and one owned by a local business man.

Among the operating factories, general factories make up the largest number with 49.% or 121, this is followed by foodstuff factories which comprise 19% (171). The total number of factory workers and types of factories currently in operation are shown in Table (2.1) on the next page.;

Table 2.1 Numbers of factories and workers in Hlaing Tharyar Industrial Zone in 2014
Source : Labour Exchange Office (Hlaing Tharyar)

No.	Type of factory	Numbers of factories	Male	Female	Total
1.	Garment	121	6,097	58,914	65,011
2.	Construction Material	34	1,618	1,571	3,189
3.	Consumer goods	35	1,125	299	1,424
4.	Foodstuffs	171	5,301	5,328	10,629
5.	Chemical Products	38	1,554	1,583	3,137
6.	Paper and Stationery	15	805	317	1,122
7.	Forest product	39	952	218	1,170
8.	Packaging product	19	1,585	3,028	4,613
9.	General	446	9,835	19,968	29,803
	Total	918	28,872	91,226	120,098

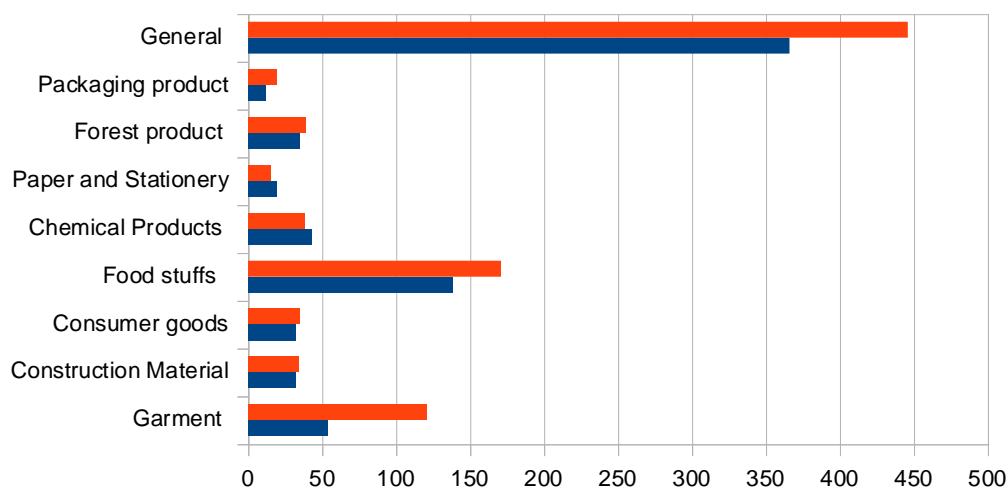


Figure 2.2 Numbers of factory in Hlaing Tharyar Industrial Zone 2014 and 2010

Source: Labour Exchange Office (Hlaing Tharyar)

2.2 Existing labor laws

Like so many other laws introduced by the British colonial administration, some of the labor laws from the colonial period have survived today as existing laws. Factories in Hlaing Tharyar have to follow the existing rules and regulations of the Union of Myanmar. The Factory Act 1951, Leave and Holiday Act 1951, Social Security Law 2012, Payment of Wages Act 1963, Minimum Wages Law 2013, Labor Organization Law 2012 and Settlement of Labor Dispute Law 2012 all are existing laws for factories and enterprises. Some of the laws are outdated but still apply as existing laws.

The Payment of Wages Act 1936 law was introduced under the colonial periods to avoid unnecessary delay in the payment of wages and to prevent unauthorized deductions from wages. According to the law, wages payments must be made within 7 days after the previous month and during working days. The factory can only make deductions for the following;

- Absent periods
- Advanced money
- Housing or rental provided
- Income tax
- Social Security Board fund deductions
- Damages caused due to the carelessness of the worker
- Fines

Total deductions for a labourer cannot exceed 50% of the wages entitled (Payment of Wages Act, 1936).

The Factory Act 1951 was enacted to ensure adequate safety measures and to promote the health of the workers employed in factories. According to this law working hours are no more than 8 hours per day or 44 hours per week but where work has to be done continuously the maximum work is 48 hour per week. For all the factories, the minimum meal interval period is 30 minutes per day and there must be one day holiday

in each week. If a worker is required to work on Sunday, there must be a substitute for another day. Overtime hours are not allowed to exceed more than 16 hours per week. Overtime charges are calculated double on a laborer's basic salary. The factory must be kept clean and the work space must be situated away from drains, latrines or other things which create a bad or unhealthy smell. In every factory the arrangement of escape routes and fire alarms must be clear. Factories must also provide sufficient first aid medical boxes for its workers. If there are more than 250 workers in a factory, doctors or nurses are to be appointed and food canteens provided. In factories where there over 50 female workers, there must be a child nursery centre for the children under six years of age. If an employer breaks this law they may be sentenced up to 2 years in prison (Factory Act, 1951)

Then, new civil Government amended the Leave and Holiday Act 1951 to allow workers to have leave and holiday allowances, religious or social activities can earn an allowance and benefits for Health allowances. According to the law, workers are entitled to get casual leave of six (6) days, earned leave of ten (10) days, medical leave thirty (30) days, maternity leave fourteen (14) weeks and public holidays twenty one (21) days. Casual leave can be taken up to a maximum of three days at a time except in special cases and can not be combined with any other leave. A worker is entitled to access earned leave after working at a particular enterprise for over twelve months. Workers are entitled to 30 days of medical leave with full pay if they have six months or more continuous service. If not, a worker can get only access leave without paid for medical requirements. Maternity leave can be combine with medical leave. Additionally, workers can enjoy 21 public holidays with full pay. Individuals violating this law shall be sentenced up to 2 years in prison (Leave and Holiday Act, 1951).

Union Parliament enacted the Social Security Law in 2012. It came into force on April 2014. In order to get benefits from the Social Security Board, workers have to contribute 1,000 Kyats (1 USD) and employers have to contribute 2000 kyats (2 USD) per each worker to the Social Security Fund at the Labor Exchange office. All benefits are calculated based on the basic salary that the worker earns when they apply for social security. It is compulsory for all factories in the industrial zones to apply for registration

to the social security system and benefits. Employers have to apply compulsory registration insurance for their employees to join the social security system and benefits by contributing at the relevant township social security office in according with the law. A worker who contributes to the social security fund, is entitled to the following services provided by Social Security Board of Union of Myanmar. The Social Security Fund and benefits can not be sold or transfer their entitlements to anyone else.

Medical Treatment for Sickness

A worker who contributes to the health and social care fund has the right to receive medical care at permitted clinics or hospitals which are owned by the Social Security Board or State or arrangement with the employer for a period up to 26 weeks starting from the date of treatment.

Cash Benefit Relating to Sickness

The worker has the right to get cash benefits relating to sickness, being 60 % of their average wage from the previous four months to the value of 26 weeks. The worker can get this benefit only if he/she has worked a minimum of six months and contributed for a minimum four months before becoming sick.

Medical Treatment for Pregnancy and Confinement

The worker has the right to free medical care in cases of pregnancy and confinement with maternity leave of 14 weeks in total. Additionally, the father is also entitled to get 15-days leave for infant care on confinement of his wife.

Benefit of Funeral Expenses

If the insured is deceased of as a result of an occupational injury or any other cause, the person nominated by the insured or dependent of that person or a person who claims for the expenses which he/she has incurred for the funeral, is entitled to a maximum of five times the average wage per month within the last four months of the deceased person.

Invalidity Benefits

If the worker has been employed for 18 months or over she/he has the right to 15 times, if employed for 12 months but under 18 months she/he has right to 40 percent of the contribution paid by the employer and in the case that someone has worked for less than 12 months they can withdraw the money they contributed in a lump sum.

Survivors' Benefit for Occupational Caused Death

A person nominated by the insured shall be entitled to enjoy survivors' benefit in installments or in lump sum, whichever they wish. If the worker has contributed for 60 months or less they receive 30 times the monthly salary. If a person contribute between 60 months to 120 months the benefit is 50 times their salary; if the contributions were over 120 months to 240 months the benefit is 60 times their salary, and finally if the contributions were over 240 months, the benefit is 80 times the average monthly wage.

Doctors who are serving at the social security clinic are Government servants. The factory workers are provided free medical care and if the workers have paid for medical treatment in advance this can be refunded. The social security board does not limit the maximum amount of money for medical care for workers. However, there are often some issues in the provision of medical care in the workplace, such as doctors do not come regularly, there is not enough medicine available and limited clinics (Myint Maung Tun, 2014).

The employers have to keep the list of workers' daily attendance, appointment of new workers, termination, dismissal and registration records and submit these to the relevant township social security office in accordance with the stipulations. The Social Security Board or the person assigned by that Board or the investigation body decides whether a person is entitled to receive Social Security benefits or not (Social Security Law, 2012).

As the wages and salaries of factory workers are extremely low. The Government imposed a Minimum Wages Law in March, 2012 to protect workers and ensure they get modest wages. However the law does not specify wage rates per day or by the hour. To do this the Ministry of Labor, Employment and Social Security created a National Minimum Wages Designation Committee with various stakeholders. The committee will be deciding on the salary amount based on the following;

- a. existing salaries,
- b. social security benefits,

- c. living costs and changes of living coasts,
- d. compatible living standards,
- e. employment opportunities in conformity with the needs for state's economy
- f. gross domestic production value of the state and per capita income
- g. hazardous to the health and harmful to work

The committee conducted a survey on workers' socioeconomic conditions before deciding on the specific amount. The survey conducted was based on the daily living expense of households in a total of 108 townships throughout the country (Myanmar Times, 2015). The survey showed that the daily expenses of a person in Yangon is 3,500 Kyats (3.5 USD) including room rental or hostel charges (Eleven, 2015). In May 2015, the committee proposed eight hours daily minimum wage amount of 3600 Kyats (3.6 USD) per day as a basic salary for a business which has more than 15 workers. Neither workers nor employers can agree on that amount. Employees wanted more money for their daily survival and conversely employers do not want to meet the demands of the workers because of low productivity, low levels of skill, order instability from abroad and insufficient supply of electricity in the industrial zone. As a consequence no decision has been made about the minimum wage levels. A decision on the amount for minimum wages is not expected until the end of July 2015 (Myanmar Times, 2015).

Additionally, the new civil Government passed the Labor Organization Law in 2011 to promote good relations between employers, the workers and to enable workers to create labor organizations systematically and independently. The labor organizations can be created with 10% of workers support and at least with 7 executive members. Labor organizations have the right to negotiate with the employer if workers are unable to obtain their rights in accordance with the relevant laws or if individual workers and employers cannot reach an agreement.

To resolve labor disputes peacefully, the Government (Union Parliament) enacted The Settlement of Labor Dispute Law on the 28th of March, 2012. This law will safeguard the right of workers to settle a dispute between employer and employee. If there is the dispute between the employee and employer, the dispute is settled in four

steps. At the first step, the dispute is settled with the help of a Workplace Coordination Committee. The committee is formed inside the factory where the dispute is. It comprises four members; two representatives from the employer and two from workers.

The objectives of the committee is to promote good relationships between employer and employee by settling the dispute peacefully. A person who has attained 21 years of age, has experience in workers affairs, minimum working experience of six months at the relevant factory, has good character and elected by workers can be a member of the committee. The employer representatives are appointed by the employer. The committee aims to settle disputes within five working days. If both parties do not agree on the decision of the committee, they can proceed to the step which involves the relevant Township Conciliation Body.

The second step involves the Township Conciliation Body which aims to settle the dispute within 7 working days. The Township Conciliation Body is made up of eleven members; three from government, three from employers, three from Labor Organizations and two additional people who are trusted by employers and workers. If the dispute is not settled by this body then the third step involves, going to the Regional/State Arbitration Body. The Regional/State Arbitration Body has eleven members; three people assigned from relevant state or regional government staff, three people nominated from employer organizations, 3 people nominated from Labor Organizations and two distinguished persons who are accepted by employers. If both parties are still not satisfied by the decisions, the complaint can then be taken to Arbitration Council.

The Arbitration Council was formed by The Ministry of Labor, Employment and Social Security with 15 qualified person from legal and labor affairs. In the council, five people are selected from the Ministry, five are selected from employer organizations and 5 are selected people from Labor Organizations. If a party does not agree with the decision, it can carry out a strike or lock out in accordance with the relevant law. However there can be no lock out or strike during the period when the decision is being considered through the various stages. If the employer and worker

agree on a decision, they are obliged make a formal agreement. If either party breaks this agreement, there is a 100,000 Kyats (100 USD) fine.

Admin Manager from the study factory commented that;

“ There are many old and new existing laws for the factories and enterprises. I studied some of them but I do not know them all. Some of them are really out of date and are unable to be applied but they still exist as a law. As you might be aware that the law in Myanmar is like a rubber band; it can be narrow or it can be large. If authority does not like someone they pick up one law and sue him/her. ”

He also added that;

“ Building good relationships with everyone is safe and sound for us. Sometimes local authorities come and sell their calendar for their organization raising funds. Actual cost of a calendar may be 1000 Kyats (1 USD) but sometimes they sell it for 10,000 Kyats (10 USD), but we the factory buy it in order to build good relationships with them.”

As the study mentioned early, although there are many existing laws which relate to factories and factory workers, it does not always work at the implementation stage. The Government needs to decide whether it (the law) is useful or not.

2.3 Overview of the studied factory

This section explains the background of the factory, the process of making shoes and the function and working conditions of the Rakhine migrant factory workers at the factory, including wages and working hours. Organization chart of the studied factory can be see in figure (2.3).

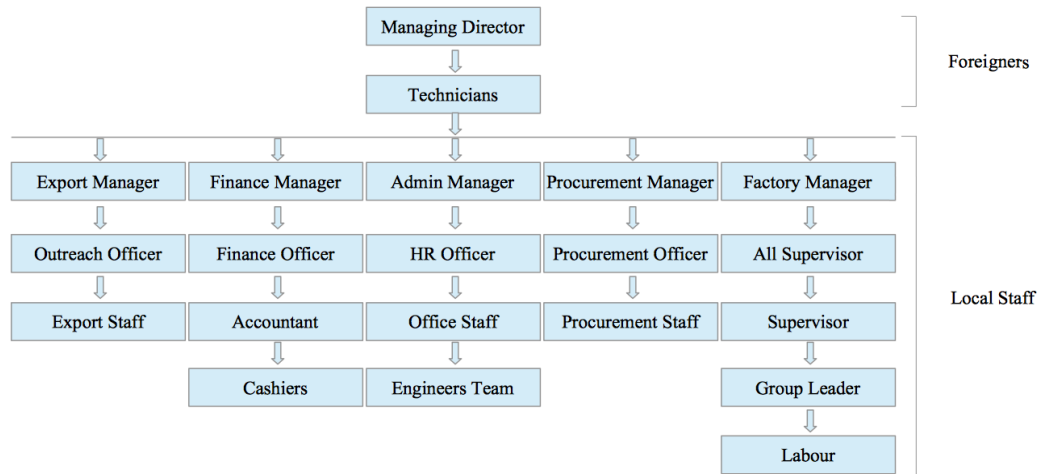


Figure 2.3 Organization chart of the studied factory

The studied factory business is a 200 meter square compound in Hlaing Tharyar Industrial Zone (2) and has had total foreign investment from South Korea since 2000. The factory started to operate with around 400 employees and produces approximately 300 shoes per day. When the factory first started operating, there was considerable overtime at least to midnight or often all night. At that time, the workers were exhausted and the turnover rate was very high. As the factory hired more laborers the overtime and workers turnover rate both reduced. By 2010, the number of employees had increased to 1000. In March, 2015 there were 1260 employees; male 230 and 1030 female. Due to the nature of work there are many more females than males employed. Most male duties are involved with heavy lifting and other related tasks.

The factory is a listed business firm in the South Korean stock exchange. In the past, a South Korean man was the main share holder and Managing Director of the factory. In 2010, he sold his shares to a Japanese business man. The Japanese business man has appointed another South Korean man who had previously worked as a buyer agent at the factory for many years. When he was a buyer agent none of the factory workers cared about him because he had no authority to promote or fire. He knows very well all about factory workers. When he became Managing Director he fired some of the workers and promote some others.

He appointed six (6) technicians from Korea in the factory production and exporting process. Thus the upper two layers in the factory are foreigners while the other layers are local staff. The Managing Director has the responsibility for the overall management. From the six Koreans employed, two participate in the administration and connect with buyers and the other four are involved in the production. Despite some Burmese having the qualifications to be production managers, they have not been promoted. When a production manager vacancy occurs a Korean is appointed. The Managing Director says that these Korean technicians have a degree in shoe making. However, the Burmese people in the factory claim that the Managing Director prefers to appoint only his co-ethnicity. In the factory production process, the decision makers are the Koreans, with the most important decisions being made by the Managing Director, this makes him the most powerful person in the factory. Usually, the Managing Director also gives instructions directly to the workers, despite the step by step ranking in the factory organization chart.

In November 2014, a factory fire broke out in the Cutting section, resulting in two buildings and material inside those buildings being burnt. Fire fighters controlled the fire with the help of the factory Administration Manager and the Supervisor because the fire fighters did not know what kind of materials were stored inside the building or where potential explosions could occur. The factory Manager and all Supervisors requested that the fire fighters remove material that could explode such as gas and oil containers. These were removed and the fire did not spread to other sections.

The factory was closed one week to renovate the burnt buildings and replace the factory material which had been destroyed. None of the factory Managers or staff were arrested because of the fire as the factory paid the fine. The studied factory had built a good relationship with the local authorities by donating cash so the factory can solve the problem peacefully.

2.3.1 Function of each section

There are eight section in the studied factory. Approximately over 100 people are working in each section. The assembling and stitching section has more laborers than any other section. In the following, this study explains the process of making shoes and the function of each section in the factory.

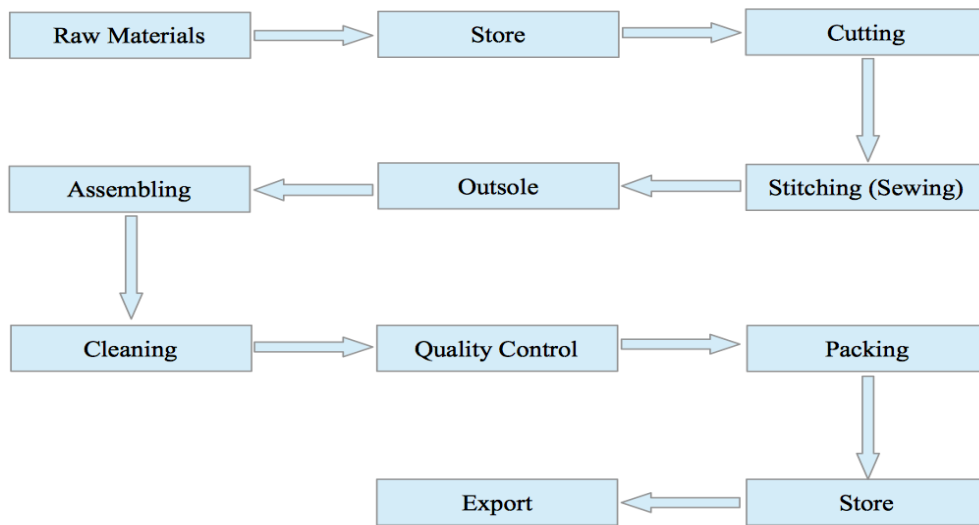


Figure 2.4 Sections and their functions in the factory

The factory mainly imports raw material especially steamed leather from overseas countries for the shoes which are produced. When the factory receives raw materials, it is sent to the store section where it is maintained systematically in order to issue to other sections when needed. The main duties and responsibilities of the store section are both to accept the raw materials and to check their quality before they are accepted. The store section always checks the stock of raw materials and raw material orders from other sections. Every section must obtain the raw materials they need through the store section. The cutting section takes imported steamed leather first. It is cut into pieces using molds according to the design of the shoe. The leather is then given to the Stitching (Sewing) section where the leather is stitched together using high tech sewing machines. The sewn leather is then super-glued to the out sole and the heels are fixed on.

Then it is put into a heater machine for a few seconds. Hereafter, the Assembly section completes the shoes by installing all the parts; brackets, logo, name of shoe, eyelets and laces. The shoes are then cleaned and waxed. They then go to the Quality Control section for final checking. If the shoes does not meet export requirements they are sent back to the factory to be fixed. The packing section then packs the shoes into boxes and labels them. All finished

goods are sent to the store section again and they are stored before exporting. All the ordered shoes are shipped by containers and shipped to overseas countries. The shoes made by the studied factory are not sold locally. The shoes that do not meet export quality, are given to workers who have worked hard as a Christmas bonus. Most factory workers do not wear shoes as they need money more than the shoes so they sell them in the market for 20,000 Kyats (20 USD).

2.3.2 Recruitment and promotions

To apply for a job at the shoe factory a person needs to have a national registration card which proves he/she is above the age of sixteen, one passport photo, police certificate, ward certificate (a certificate which shows he/she lives in the particular ward in order to prove his address), Labor Registration Card from Labor Exchange office at Ministry of Labor, Employment and Social security identification, live in Hlaing Tharyar township, is strong enough to do the hard work in the factory and has a curriculum vitae. If one particular section needs a worker, the manager of that section informs the Administration Manager who advertises the position and interviews applicants with the section Manager. If they consider the person as suitable they refer them to the Managing Director to make the decision as to whether she/he is approved.

However, the factory does not appoint people as a skilled worker as every worker has to start as a labourer and get the basic salary in the beginning. In the past the appointment of skilled laborers has resulted in some difficulties. Seniors want respect from juniors however junior skilled laborers did not respect the seniors because of his/her skills. Sometime if seniors asked a junior labourer to do something the, junior would not do it as they think they are also skilled labourers. That is why the factory does not appoint anyone as skilled labourers when they start to hire people as labourers.

From the beginning of the time to until now the factory provides transportation to all labourers. The factory does not have its own social welfare scheme but it contributes 3000 Kyats (3 USD) to the Social Security Fund for its

laborers in order to get services from the Government Social Welfare Scheme. The contribution of the 3000 Kyats (3 USD) is made up with the employee contributing 1000 Kyats (1 USD) and the employer contributing 2000 Kyats (2 USD) per laborer. All the factory workers in the studied factory are member of the Government Social Welfare Scheme.

Promotion of an employee is mainly dependent on his/her job relevant skills and knowledge. Other considerations are the years of service and level of education. In order to promote employees, supervisors make a recommendation to the Korean technicians. The Korean technicians are the key decision makers in job promotion for a factory worker. The Managing Director is responsible for the promotion of office staff. Even if factory workers are educated, they will not get a promotion unless he/she works hard even though they have worked in the factory for years. An employee who works hard and has a good relationship with Supervisors and colleagues is more likely to be promoted because Supervisors are the first person to recommend workers for a promotion to Korean technical production managers.

2.3.3 Working hours and holidays

The studied factory's working hours are from 7:30 AM to 4:30 PM with an hour break from 11:30 AM to 12:30 PM. The factory workers have to work 9 hours per day and 54 hours per week as a normal working hours for their basic salary. There is 2 hours overtime from Tuesday to Friday so there is total 8 hours overtime in a week. Therefore, total working hours of the study factory is 62 hours for the six working days in a week despite the Factory Act 1951 mentioning that a total maximum working hours of 48 hours per week. Normally, Sunday and public holidays are closed if there are not many orders from buyers.

Factory workers can request study leave without pay if he/she attends a distance education course at the university. Other kinds of leave can also be requested through their direct supervisor but all leave requests are considered on

a case by case basis. In every leave request, the decision/comment of supervisors are very important because they are the ones who know the labor requirements of the section.

2.3.4 Wages and salaries

The basic salary at the factory for workers was 120 Kyats (0.12 USD) per hour during the probation period of three months. After probation, the basic salary increases by 7%. There is another 10% increase after one year but for the following years the basic salary increases only 5%. The average basic salary of a factory labourer is 30,000 Kyats (30 USD). Originally, the factory paid a basic salary plus performance pieces per day as an incentive. After 2010, the factory removed this system of performance incentives. They found that workers were trying to finish as much as possible during working hours, often resulting in poor quality in workmanship

The factory provides four kinds of monthly allowances. For a basic labourer this is: a yearly allowance of 5000 Kyats (5 USD), skilled allowance of 10,000 Kyats (10USD), a price allowance of 10,000 Kyats (10USD) and a no absent day bonus of 7,000 Kyats (7 USD). A supervisor will get a monthly supervision allowance and more skilled allowances according to his working experiences. In addition, there are also two types of daily allowances: bread allowances 250 Kyats (0.25 USD) per day (this allowance is when there is overtime) and meal allowances 300 Kyats (0.3 USD) per day (this allowances is for each working day). At the end of every year the workers gets one month base annual salary on top of their basic salary. If a labourer get 30,000 Kyats (30 USD) as a basic salary, he/she will get annual bonus 30,000 Kyats (30 USD) at the end of Myanmar New Year (Water Festival) but his/her year of service is less than six month they will get half of their basic salary.

Overtime rates are double from their basic salary. All bonuses, allowances and overtime fees are added on too their basic salary. Factory workers are allowed to take 15,000 Kyats (15 USD) in advance with their

supervisors approval. If a factory worker breaks any tools, breaks rules or takes advance money there will be a deduction from their salary. There is no orientation to the workplace so a factory worker often does not have information about the rules and regulations in the factory or salary information or deductions.

All factory laborers earn daily wages which are paid at the end of every month. They are not entitled to get any leave because they are not permanent staff. Hence, if a labourer is absent for a single day they will not get any wages, meal allowances, bread allowances, over time fee for that day and lose their no absent day bonus. The total amount of money they can lose for a single day absent is about one third of their basic salary. This forces employees to come to work punctually and without fail even if they or one of their family members are sick. However, there are some exceptional cases, if a labourer can show a medical certificate from a doctor that he/she is actually sick or they need to attend hospital or are going to deliver a baby they will get leave with full pay. Besides sick leave and maternity leave any other leave provided is leave without pay.

The factory pay period closes on the 25th of every month and salary is paid on the 5th of every month. Ten days salary from a labourer is kept as a deposit. For example if a labourer begins at the factory on the 1st January and leaves the job after they get their salary on the 5th of February without advance notice that they intend to resign, they only are paid from the 1st to 25th January. The employer keeps the 10 days salary from 25th January to 5th February because of a lack of notice of their intention to leave. If they inform the factory in advance, he/she will get their 10 days of salary. A breakdown of one of the supervisor's salary is shown in the table 2.2.

Table 2.2 Break down of one of the supervisor's one month salary

Salary Component	Total	Comment
basic salary	37,856 Kyats *	169 K hourly rate 28 days x 1352 Kyats
total over time	27,040 Kyats	80 Hours @ 338 Kyats
sub total	64,896 Kyats	
no absent day bonus	7,000 Kyats	
meal allowances	8,400 Kyats	300 Kyats per day x 28 working days
bread charges	7,000 Kyats	250 Kyats per day x 28 working days
yearly allowances	17,850 Kyats	monthly allowances
skilled allowances	10,000 Kyats	monthly allowances
supervision fee	15,000 Kyats	monthly allowances
price allowances	20,000 Kyats	monthly allowances
Total allowances	85,250 Kyats	
Grand total	150,146 Kyats	
Social Welfare fee	(1,000) Kyats	
advance money	(7,000) Kyats	
Net total salary	142,146 Kyats	

* 1 USD is approximately 1000 Kyats

2.3.5 Rules and regulations

Factory workers are not allowed to sleep, drink, smoke and chew betel in the workplace and in the factory compound but they are allowed to smoke and chew betel in specified areas (near the toilet or out of the building) during break time or before working hours. From Tuesday to Friday, they have to wear the factory uniform but the rest of the days they can dress any way they like. If a worker is more than 30 minutes late without advance notification to a Supervisor or without a good reason, they will have to take a half day unpaid leave. Factory workers need to have a gate pass if they want to go out of the factory during working hours and break times. For example, if someone is sick and needs to go home during working hours, he/she needs to get a gate pass to go out of factory. For a gate pass their Supervisor's approval and signature are required.

Furthermore, workers are not allowed to go to other sections during working hours, operate machines if they are not an operator of that machine. Even operators are not allowed to use machines for any other purposes. Additionally, there is zero tolerance for factory workers fighting with each other inside the factory. If there is a fight or a serious quarrel both parties are immediately fired. Everyone is allowed access to the Managing Director or Managers if anyone does not like or does not want to work with someone else. They can apply to the Managing Director or Supervisor to change his/her work place in order to avoid conflict.

Copyright © by Chiang Mai University
All rights reserved

2.4 Summary

The Government of the Union of Myanmar built Industrial Zones throughout the country around 1996. Among the industrial zones, Hlaing Tharyar Industrial Zone is one of the best and developed in the term of factories and enterprises. During the military regime up to 2010, there was only 500 factories but at present, in December, 2014 there are 918 factories in Hlaing Tharyar Industrial Zone. Numbers of enterprises increased rapidly after the country opened up for international business in 2010 with many more people getting opportunities to work in a factory in Hlaing Tharyar Industrial Zone.

The Factory Act 1951, Leave and Holidays Act 1951, Payment and Wages Act 1936 are all existing laws that protect the rights of laborers. The new civil Government's Union Parliament also enacted the Labor Union Law 2012, Dispute Settlement Law 2012, Social Security Law 2012 and Minimum Wages Law 2012 to promote the right of the workers and guarantee social welfare services..

However, the law does not always protect the rights of labourers as some of the laws are out of date and need to be amended. For example, the Factory Act 1951 mentions that a factory or enterprise which has more than 50 female workers shall have a room for worker's children who are under six years old. However this is not happening and even a factory which has more than 500 female workers does not provide such facilities because the law is not relevant with the current situation.

The study factory provides employment for 1260 people. Employees have to work approximately 11 hours a day and 66 hours a week. Working hours in the studied factory are a little higher than working hours referred to in the Factory Act 1951. Although working hours are higher, workers do not earn a higher salary. There are many leave items that factory workers can get according to existing labor laws, but in reality, to get a day off is very difficult. Even if they take one day's leave, they have lost one third of their basic salary. Workers have to work many hours with few holidays, earn little money for their survival and working in an unhealthy working environment. Therefore, migrant factory face poor working conditions at the factory.

However, workers still have a hope for future achievements because the studied factory does provide study leave at the University of Distance Education and promotes hard working employees even if they have limited education. Additionally, the studied factory provides free transport to and from work for every labourer and they can shift their duty station if they want to avoid conflict with their colleagues or seek to be promoted.



ลิขสิทธิ์มหาวิทยาลัยเชียงใหม่
Copyright© by Chiang Mai University
All rights reserved