

**INSTITUTIONAL IMPLANTATION:
THE INTERNATIONAL COMMUNITIES AND THEIR ROLES IN
BUILDING INDUSTRIAL RELATIONS SYSTEMS IN EMERGING
MARKETS**

A Dissertation

Presented to the Faculty of the Graduate School

of Cornell University

In Partial Fulfillment of the Requirements for the Degree of

Doctor of Philosophy

by

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August 2019

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**INSTITUTIONAL IMPLANTATION: THE INTERNATIONAL
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Cornell University 2019

This study explores the IR system building in the global era. Globalization has created a favorable environment for international actors to be engaged with national IR systems. The cases of Myanmar and Cambodia, two newly industrializing countries, make good examples. I conducted more than 150 interviews in the 19-month fieldwork in two countries.

To analyze this process and its impact and implication, I use a theoretical frame of ‘institutional implantation,’ by developing further Evans’ concept of ‘institutional monocropping.’ Institutional implantation is a process in which international actors have used idealized models of the IR systems derived from their institutional experiences and goals. In Myanmar and Cambodia, international actors including the ILO, the US and international brands, have played a crucial role to build and operate specific IR institutions such as the tripartite forum in Myanmar, and workplace monitoring and arbitration system in Cambodia.

I argue that these implanted institutions frequently failed to bring expected outcomes, that is, reducing industrial actions and promoting industrial peace. It is

mostly related to the exogenous features of the institutions that have few historical legacies nor supporting foundations, essential to function properly.

I contend that such implantation has led to short-term gains for labor movements in both countries to provide tools to do international campaign (Cambodia), or an institutional channel to participate in policy making (Myanmar). However, it will hamper their long-term effectiveness with possibility of reducing gains, promoting economic unionism, and depriving opportunities to develop international democracy in labor movements.

This research makes three contributions to the field. First, this study used a dual-level analysis at institutional level and with perspectives from the below, allowing a wholistic approach. Second, by analyzing the cases of emerging economies, I present a theoretical framework, 'institutional implantation,' that can be used to analyze new development of national IR systems. Third, by studying two countries, I provide rich qualitative materials to the scholarly community on the comprehensive IR process.

BIOGRAPHICAL SKETCH

Jinyoung Park was born and raised in South Korea. She studied in Korea University and Ewha Womans University. Her research interests are broadly the impact of globalization, global supply chains and labor politics in the Global South. From 2013 to 2019, she was a doctoral student at Cornell ILR school. Before pursuing the degree at Cornell, she worked for 15 years on women workers issues in several labor organizations including an international organization.

To my late father who always encouraged me to take all the adventures in the life, and
to my mother who has been my greatest supporter.

ACKNOWLEDGMENTS

“Are you sure?” one of my dearest friends asked me when I informed her about my decision to go back to school. Honestly speaking, I was not sure whether it was a good idea to return to academia, leaving a 15-year career in the labor field behind. But one thing was very clear in my mind: I just wanted to learn more.

My 6-year Ph.D study only made me to realize that there are still so many things to learn and study out there. This dissertation is a sort of interim outcome of such a journey of curiosity (and pains as well).

I would first like to express my thanks to committee members, Sarosh Kuruvilla, Eli Friedman and Eric Tagliacozzo for their insights, encouragement and patience that I desperately needed to complete this dissertation.

I need to give a special acknowledgement to my advisor, Sarosh. Throughout my Ph.D program, he guided me to settle into the US academic environment, inspired me with intriguing research topics, helped me to articulate my thoughts, and encouraged me to sharpen my analysis. I greatly appreciate Eli. His constructive comments and advices enriched my research interests and helped me put unorganized findings and thoughts in a theoretically consistent framework. I am also very much thankful for Eric. His rich knowledge on Southeast Asian history and insightful comments deepened my understanding on the region and helped my analysis put in historical contexts.

It was my great fortune to have studied at Cornell, especially the ILR school. It was one of the happiest periods in my life. The ILR school provided me not only a rich research resources but also an intellectual community in which I felt friendship and a sense of belonging. I thank all my friends and colleagues in the B30, Ives Building, the graduate student office, who gave both moral support and practical help. Particularly, I would like to express special thanks to Andi Kao and Matthew Fischer-Daly for their valuable comments and encouragement.

Also, I must express my gratitude to my family and friends for proving me with

unfailing support and continuing encouragement. My mother always showed her trust in me and encouraged me to go further. My two brothers and sisters-in-law gave emotional support that made me feel warm. All my friends, too many to be named, were my sources of spirit, energy, and love.

Lastly, I owe special gratitude to all of those who were willing to share their experiences, knowledge and insights during my field research. Without their share and support, this dissertation would never have begun nor completed. Special thanks to two friends, Pan Ei Khin and Rineth Sen who helped me a lot for interviews and made friends as well.

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LIST OF ABBREVIATIONS

AB	Arbitration Body
AC	Arbitration Council
ALR	Action Labor Rights
AFFM	Agriculture and Farmers' Federation of Myanmar
BFC	Better Factories Cambodia
BSPP	Burmese Socialist Programme Party
CATU	Cambodian Alliance of Trade Unions
CBA	Collective Bargaining Agreement
CCNU	Cambodian Council of National Unions
CCTU	Cambodian Confederation of Trade Union
CCTU	Cooperative Committee of Trade Unions (Myanmar)
C.CAWDU	Coalition of Cambodian Apparel Workers' Democratic Union
CLC	Cambodian Labour Confederation
CLO	Cambodia Labor Organization
COI	Commission of Inquiry
CPP	Cambodian People's Party
CTUM	Confederation of Trade Unions of Myanmar
CUMW	Collective union of movement of workers
FTUB	Federation of Trade Unions Burma
FTUM	Federation of Trade Union Myanmar
FTUWKC	Free Trade Union of Workers of the Kingdom of Cambodia
GMAC	Garment Manufacturers' Association in Cambodia
ILO	International Labour Organization
LAC	Labour Advisory Committee
LOL	Labor Organization Law
LRDP	Labour Rights Defenders & Promoters
MGMA	Myanmar Garment Manufacturers Association
MICS	Myanmar Industries, Crafts and Service Trade Union Federation

MMWF	Myanmar Maritime Workers' Federation
MTUF	Myanmar Trade Union Federation
NIFTUC	National Independent Federation Textile Union of Cambodia
NLD	National League of Democracy
PWC	People's Workers' Council
SDUF	Social Democratic United Front
SLDL	Settlement of Labor Dispute Law
SLORC	State Law and Order Restoration Council
SOEs	state-owned enterprises
SPDC	State Peace and Development Council
STUM	Solidarity Trade Union of Myanmar
UCTA	The US-Cambodia Textile and Apparel Trade Agreement
UMFCCI	Union of Myanmar Federation of Chambers of Commerce and Industry
USDA	Union Solidarity and Development Association
WA	Workers' Association

PREFACE

This thesis is original, unpublished, independent work by the author, Jinyoung Park.

CHAPTER 1.

INTRODUCTION

This chapter discusses how previous studies have analyzed the system of industry relations, its institutions, and their actors. It then describes the theoretical framework used in the analysis. Finally, it presents the research puzzles and the rationale for using Myanmar and Cambodia, in addition to the research design and methods.

1.1 THEORIES OF INDUSTRIAL RELATIONS

“Industrial relations” refers to the relationship between an employer and workers (or unions). The academic field of IR theory began in the 19th century out of concerns for the labor problems that accompanied industrialization. Recognizing the power imbalance between employers and workers, scholars paid attention to how trade unions use collective bargaining to resolve labor issues, as Webb and Webb suggested in their classic work, *Industrial Democracy* (1897). From their inception, IR studies centered on the organization of the working class, collective bargaining and the labor movement (Ackers and Wilkison, 2008).

In the mid-20th century, in criticizing the Marxist argument that capitalist development would increase conflict among labor and capital, eventually leading to socialism, some scholars claimed that industrial societies with competitive markets would converge to plural industrialism even in different pace (Kerr et al., 1960).

Furthermore, IR theorists came to view industrial relations as a system, not as a series

of events. The IR system has several distinctive elements. First, it has three actors with different needs and demands: employers (and their associations) seeking higher profitability and lower labor costs; workers (represented by unions) demanding higher wages and better working conditions; and the government, focused on social stability and economic growth (Dunlop, 1958). According to Dunlop (1993), they interact to create dual sets of rules to govern the workplace and work community: procedural rules and substantive rules. While the former regulated the actors' interaction, including procedures for collective bargaining, and dispute resolution, the latter governed the terms of employment relationship including pay, hours of work, work organization and working practices. The IR scholarly community accepted Dunlop's IR systems model as the most influential frame, and some scholars extended the boundaries of the system including politics over power and historical, economic, social and political contexts of a given country (Heery, 2008). These attributes led to a variety of IR systems. For instance, while Germany and the Nordic countries feature strong unions and left-wing governments with more centralized collective bargaining systems through corporatist arrangements, the United States (US) and the UK have weak unions, conservative governments and more decentralized collective bargaining (Hassel, 2003). Japan's IR system is based on enterprise-level unions and a system of lifetime employment (Okubayashi, 1989).

By using different analytic frames, scholars have studied these national IR systems from the comparative perspectives. Some scholars have categorized these systems according to their attributes as Scandinavian or Anglo-Saxon models. Others have adopted the Varieties of Capitalism approach to classify IR systems based on national

differences of capitalist systems such as Liberal Market Economies and Coordinated Market Economies, focusing on the roles of markets, states, and skill formation influencing IR institutions (Hamann and Kelly, 2008).

IR studies have concentrated on institutions. Extending the definition of institutions of organizational theories as “the humanly devised” rules to regulate the behaviors of individuals and organizations (North, 1991: 97; Lin and Nugent, 1995), IR scholars use the term “IR institutions” to refer not only to rules and regulations but also to “formal bodies.” IR institutions include from formal rules such as labor laws and policies, to practices like collective bargaining and dispute settlement, to organizations and structures. Unions and collective bargaining were the two core themes of the IR studies, and a good volume of literature studied other IR institutions such relations of labor and management, the labor policies and regulations (Jackson and Muellenborn, 2012; Ackers and Wilkinson, 2008).

Since the 1990s, IR systems in many industrialized countries have changed with the decline of collective bargaining, a phenomenon described as the “demise of institutional industrial relations” in the Global North (Purcell, 1993). The decentralization of collective bargaining in Europe and North America was mainly a result of global competition that transformed companies’ organizational structure from industry-wide contract to firm-specific negotiation. Although there was some evidence that unions’ weakening bargaining power was partly attributable to this change, Kats (1993) argued that workers also saw the benefits of more individual contracts and a more flexible work organization.

In addition, globalization has challenged IR's premise as strictly domestic affairs managed by domestic actors. Economic integration and the loosening of restrictions on the movement of capital have created multinational firms that operate across national borders and pressure governments to craft domestic policies suitable to global economic environments while undermining the capacity of the national governments to regulate their activities (Gumbrell-McCormic, 2008).

In response, IR scholars have diversified their research themes. Some scholars concentrate on the decentralization of collective bargaining and union decline. Others revived the interest in human resource management through roles of management and work organizations, which had been out of IR studies for several decades (Kaufman, 2004). A significant body of IR literature is dedicated to explaining the influence of globalization on IR by exploring multinational firms' strategic choices adapted to different countries (Lakhani et al., 2013), or by studying the influence of globalization on national policies (Lansbury et al. 2003). Another new IR theme is about building international industrial relations by international actors such as supranational bodies (e.g., ILO and WTO), international networks of trade unions, and multi-national corporations in the parallel roles of government, unions, and employers. These actors create international laws, and global frameworks of agreement (Gumbrell-McCormic, 2008).

However, the IR systems has relevance to the real world, and that institutional studies of the IR have something to contribute our understandings on labor relations to consider the development of IR systems following industrial development. Lamenting

sentiment of demise of institutional IR may be too impetuous and too Euro-and-US-centric. as Silver (2003) suggested, while labor movements in different parts of the world are still relevant according to the stage of capital development, the IR systems, engaged by labor unions and other stakeholders, should be studied from that perspectives. Countries in other part of the world have had the different pace of industrialization and capital development. Accordingly, their IR institutions must be still in formation and/or action especially in late industrializing countries. Moreover, it is narrow to argue that only collective bargaining is the core of IR institutions that are modelled in Europe. Other countries may have different core themes in their IR systems.

I argue that there must be profound changes in IR institutions caused by globalization in various aspects of the IR field. Studying IR institutions in non-European countries will provide some examples for us to revisit what conventional IR theories have been teaching in order to accommodate new environment and new phenomena, and new dynamics in the IR field.

Globalization seems to have created an environment for external actors to influence the establishment and functioning of national IR systems. However, there is scant literature on the involvement of international actors previously absent from the construction of IR systems, including the ILO, buyers such as international brands in the garment industry, and organizations such as international unions, unions in other countries, and labor organizations. In fact, scholars have studied the cases from those countries inserting themselves into the low end of global supply chains, mostly in

garment industry. It has been a typical starting point of industrialization for late developing countries.

Some scholars have focused on international brands engaged with improving labor practices of their supplier factories in the Global South. A great volume of scholarly literature on the Corporate Social Responsibility (CSR) is part of examples studied by Campbell (2007) Carroll et al., (2010) and Fransen (2012). In fact, international apparel brands have considerable leverage over local IR systems in these countries. For instance, in Cambodia, when workers took to the street demanding minimum wage increases in 2014, some international fashion brands informed the government and the local manufacturers' association of their willingness to accommodate higher wages.¹ In addition, labor scholars have documented well that global supply chains made it possible to form international pressure from international trade unions, labor unions, and consumers' groups (mostly in the Global North), who are willing to have lent support to workers and unions (mostly in the Global South). One recent example is an international campaign after the Rana Plaza Collapse in 2013 in Bangladesh, in which 1,134 people died. International pressure forced garment retailers brands to form two coalitions to improve building and fire safety in garment factories: The Accord on Fire and Building Safety in Bangladesh joined mostly by European brands, and the Alliance for Bangladesh Worker Safety largely by North American brands. Moreover, it is not uncommon for local labor unions to have sought support from unions and labor NGOs in other countries in the era of globalization (Anner and Evans, 2004;

¹ <https://www.theguardian.com/business/2014/sep/21/fashion-retailers-offer-raise-minimum-wage-cambodia>

Anner 2007; Friedman 2009). However, most studies are case- or issue-specific, and do not explore the impact of external actors' involvement at overall institutional level. One rare example is Hughes's (2007) analysis of an ILO project in Cambodia and its implications for the labor movement. Nonetheless, he did not explore the impacts of the ILO's involvement at the institutional level.

1.2. RESEARCH AGENDA AND THEORETICAL FRAMES

For the IR system to remain relevant, IR theories have to be updated to reflect changes in the IR field. The new IR theories should analyze the changing world of work including new types of work organizations and employment relations, emergence of new actors, and global environment in which international actors have local and international roles. My arguments are related to new phenomena. I argue that international agencies and international brands, can be at least as or more influential in building a national IR system. It can be seen as replacing traditional actors' role that created rules and regulations. Building on my argument, I contend that these new external actors bring a blueprint based on their institutional experiences and goals to implant the IR institutions. I claim that IR institutions, crafted based on this ready-made model, fail to meet the intended goals mainly because of institutional disconnection and incoherence. In addition, I contend that these implanted IR institutions have mixed effects (positive and negative) on labor movements in short term and have long-term implication as well.

To explore these arguments, I borrow the concept of “institutional monocropping,” which Evans (2004) calls a process for international agencies “to impose uniform institutional blueprints on the countries of the Global South” to improve development performance. His discussion centers on criticizing development theory that made “institutional turn” (thinking institutions would bring development) from the old strategies of capital accumulation. His concept of institutional monocropping can also be useful to analyze the experiences of countries to institutionalize their IR systems under the strong influence of international actors as international interventions try to build industrial relations using uniform institutional blueprints derived from the experiences of advanced industrial countries for goals set by the foreign actors.

Evans claims that institutional monocropping has two prime assumptions. The first is that institutions’ effectiveness is not related to local socio-cultural contexts. The second is that “idealized versions” of institutions, developed in the Global North, are best tools for development (Evans, 2004: 30-33). As he points out, this monocropping could not bring the expected outcomes mainly because it little considered the local circumstances and power dynamics such as informal power network and practices that disrupted institutional functioning. Similar failures are well documented by Mkandawire (2012) who reviewed the international development agencies’ institutional building projects in Africa, including efforts to form stock markets and to build new institutions that overlapped with national institutions. Some negative implications of this institutional monocropping, Evans contends, are that local people may lose their opportunities to form institutions that are more suitable to their environment and more responsive to their needs. Even worse, people may not be able

to enjoy and to develop deliberate democracy in discussing, debating and deciding their own institutions (Evans, 2004).

While Evans presents an insightful concept to understand the dynamics and interaction of international and local actors, some aspects need refinement. First, the term monocropping failed to capture the foreign origin of the institutions. In fact, in analogy to agriculture, the word “monocropping” convincingly conveys objectivity and problems to set up such an institution for readers to illustrate to cultivate a single crop (or institution) to maximize productivity (or development performance) but with devastating effects on environments (or local community). However, the term failed to capture one of his most important criticisms: the institution imported from outside.

Moreover, he does not discuss much the actual effects on the local community and the responses of people who were influenced by the institutions imposed by foreign actors. This is partly the result of a conceptual frame that focuses on the perspectives of international actors. However, to understand the entire picture, it is important to examine how local people experience and respond to foreign institutions.

To develop Evans’ theoretical frame, I use “institutional implantation.” The term “implantation” highlights the exogenous feature of the process. In addition, while monocropping focuses on farming and farmers (creating process and creators of institutions), implantation may add nuance to seeing the situation from the perspective of land (local people who are affected).

There are three dimensions to implanted institutions in IR: institutions brought by foreign actors (actor) based on a ready-made blueprint and their goal that are new and foreign to local people without proper consultation (configuration) to the environment without historical legacy of such institutions (context).

Traditional IR theory assumes that the interaction of three actors produces a set of rules and regulations: the government, employers and their organizations, and workers and unions. In relation to actors' role, Bellemare (2000) suggested that the actors have a direct and indirect influence on the IR process. For instance, unions do not have legal authority to promulgate labor laws but can influence the government's actions. At the same time, these rules regulate their behaviors. In this regard, IR actors are defined both as rule creators and users. These studies assumed that domestic players act on the IR process and its institutionalization.

In conventional IR thinking, the configuration of IR systems have been shaped by the relations of domestic actors and their roles in labor policies. The comparative literature of IR systems, mostly using European experiences, have developed a triple category to distinguish different national systems based on relational dynamics among actors and the extent of their engagement in policy (Hyman, 2008). Scholars developed overlapping but different typologies according to their focus on different actors. For instance, Regini (1986) classified "the concertation model, political isolation, and pluralistic fragmentation" mainly based on the extent of unions' involvement on policy matter. The concertation model allowed unions to participate in policy making and implementation, while under the political isolation IR system, unions were

excluded. Pluralistic fragmentation created an institutional divide of politics and industrial relations, making unions rely only on labor market power. van Waarden (1995) presented three types of IR systems that focus on state actions: “liberal pluralism, corporatism, and statism,” in non-interventional, consultative, and actively intervening states on labor affairs and employment relations.

These models of IR systems have been developed under specific historical, political and socio-economic contexts. For instance, corporatism (or Regini’s concertation model) has its historical roots in the 19th century when the Catholic Church formulated corporatism as a modern political concept and as an alternative both to rebellious socialism and to uncontrolled capitalism (Metafora, 1999). Modern IR scholars define “corporatism” or more specifically social corporatism as the institutional involvement of labor unions and employers in policy decisions through tripartite consultation and suggest that it has supported industrial peace (Baccaro and Mele 2012). It is a “political exchange” between strong trade unions that accept wage moderation, and social democratic governments that provide expansion of welfare programs to sustain high investment and economic growth (Pizzorno 1978; Hassel 2003). Corporatist arrangement generally began from centralized wage bargaining at the national level but gradually expanded to consultation over economic and social policies in tripartite negotiation (Pekkarinen et al 1992). While some scholars argued that this type of corporatism was only an ideal, never fully exercised except with the ILO where all policy was developed in tripartism, others found good models in Northern European countries such as the Netherlands, Denmark, Finland and Sweden (Hassel 2003; Baccaro and Mele 2012).

However, the implanted IR institutions differ in terms of actors, configuration, and contexts. The institutional implantation model has distinctive actors from international communities including the international agencies (ILO), foreign governments, and global apparel buyers. These actors build and operate the IR systems based on their own ideal models and goals that may never have been exercised in the countries in question. Moreover, these countries may not have a strong foundation for the implanted institutions. For instance, Myanmar is an example of implanted corporatism. During the political and economic transition in 2010s, the ILO built a corporatist IR system. Corporatism was a completely new idea. Myanmar does not have a historical legacy of corporatism aside from a period of state corporatism under the military regime using paternalistic labor policies to gain workers' support. As for actor, there were no strong and militant unions that may have bargaining power to do political exchange. Moreover, the workplace's rigid hierarchal environment was not conducive to social dialogue between employers and workers. Also, it is doubtful whether there was consultation and discussion with local people about what types of institutions they wanted to build and what options they had. All these aspects are consistent with institutional implantation of the IR.

1.3 RESEARCH DESIGN AND METHODS

In this study, I use Cambodia and Myanmar as examples of emerging economies to explore IR institution building together with recent industrialization. While Cambodia started rebuilding in the end of a devastating civil war in late 1990s, Myanmar opened

its door to the world from half self-imposed and half sanction-imposing isolation recently after five decades of military regime. Together with industrialization strategies, both countries have recently (re-)built their IR systems.

Myanmar and Cambodia are good cases to explore my arguments. First, the countries permit observation of IR system building and the interactions between actors. Second, we can ask more analytical questions that how these new IR systems may make. The initial questions are how a specific type of industrial relations system is built in a country especially in the changing global environment. In what context, by, and for whom have these countries built IR systems? Would the IR institutions function as intended? If not, why?

My preliminary fieldworks to those countries produced several interesting observations. It was obvious that building the IR systems has been important to industrialization policy. They followed a common strategy used by other late developing countries: using their abundant resources (cheap labor) for an export-oriented industry (the garment industry) by foreign investment. It was a sort of tacit requirement to set up rules to regulate industrial relations, if they wanted to integrate into global economy by participating in the global supply chains. One of the first measures these countries took was to introduce laws on trade unions and labor disputes together with economic policies to attract foreign investors. The new labor laws enabled the formation of trade unions and employers' associations, while regulating working conditions and setting rules on collective bargaining, strikes, lock-outs, and the resolution of labor disputes.

The introduction of labor laws and regulation was not only in line with both governments' policy decision to regulate labor and to reduce labor unrest. It was also a requirement of international investors (and buyers) in the garment sector due to the industry's notoriously bad working conditions and mistreatment of workers. The exploitation of garment workers was a frequent complaint against global apparel brands for decades, so these brands became concerned about their reputation.

In building and operating the IR systems in both countries, international actors have been prominent. One intriguing observation was the influence of the ILO in Myanmar. In Myanmar, people saw the ILO as a hero, helping workers and holding the government accountable for workers. It is quite different from the perception of the ILO in other parts of the world. While the ILO was praised for its efforts to advance labor rights in the 1960s, and receiving Nobel Peace Prize, its effectiveness has eroded with globalization. It has been denigrated as "a 90-pound weakling of the UN agencies" (Helfer 2006) and "a toothless tiger" (Maupain 2005; Elliot and Freeman 2003). Therefore, Myanmar's recognition of the ILO as a powerful agency raises an interesting research question about its influence in IR system building in Myanmar.

In Cambodia, a foreign diplomat called the US "a godfather of Cambodian industrial relations system," meaning, that it created the Better Factories Cambodia (BFC) and the Arbitration Council (AC) together with the ILO. In addition, government officers mentioned the influential role of the US, citing the US embassy's pressure with international brands and other embassies in defeating the Cambodian government's draft to introduce a labor court as a supreme authority in labor disputes.

IR theories have seldom discussed these developments at institutional level. Some scholars pointed out conventional IR theories were outdated, for instance, the definition of IR actors (government, employers, and labor). They presented convincing examples in which the IR process is affected by diverse actors such as labor NGOs and groups in social movement (Heckscher, 2008; Anner and Evans, 2004; Anner 2007), or end-users such as clients and consumers in public sector (Bellemare, 2000). However, these studies focused on part of IR process and seldom explored the overall system. New IR environments require more comprehensive approach to analyze emergence of new actors, their roles, and their impact and implication on institutions and practices.

Table 1. Research Design

Overall Question: How have IR systems been built in emerging markets under the influence of global actors?			
Composition: Two case studies and one comparison study			
Actors	Action	Outcomes	Impact
International actors	Intervention	Institutional configuration	Short-term impact Long-term implication
Local actors	Reactions	Union practices	

To explore the arguments, I conducted three separate but interrelated studies: two case studies and one comparative study. The case studies are Cambodia and Myanmar. The comparative study analyzes their similarities and differences. The table 1 provides the overall research design. In both cases and comparison, I focus on three aspects: Actors,

their actions and outcomes. This study examines how international actors' intervention has shaped the IR institutional configuration, what unions' reactions have been, and explores the impact and implications on labor movement.

A preliminary research question started from my career as a practitioner in a labor NGO working to train unionists and women's rights defenders in Asia. The frequent encounters with labor activists and unionists in Asian countries helped me understand their labor situations and what they did and did not have in common. What made me most curious were the reasons for and impacts of the rapid growth of Myanmar trade unions and the distinctive roles of international brands in Cambodia. I brought these questions to my graduate study and research.

This study is based on more than 19 months of fieldwork in both countries, between January 2014 and January 2019. I conducted more than 150 interviews with approximately 100 workers, unionists, academics, businesspeople, business associations, government officers, staff of international NGOs, international trade unionists, officers of international agencies, and staff in foreign embassies. The table 2 and 3 provide information about interviewees in Cambodia and Myanmar. In addition, I conducted participatory observations of trainings for unions and employers' associations, unions' general assemblies, workers' strikes and rallies, and workshops on labor issues. These observations deepened my understanding of the situations and gave me a sense of actual environments and dynamics that I could not have obtained from interviews or documents. I also used archival data.

Table 2. Interviewees in Cambodia

	No. of Interviews	Name of Organizations (No. of Interviewees)
labor NGOs and trade unions	31	<p>Cambodia Labor Organization (1), Community Legal Education Center (1), Center for Alliance of Labor and Human Rights (CENTRAL) (3)</p> <p>Group A: Cambodian Confederation of Trade Union (1), Cambodian Council of National Unions (1), National Independent Federation Textile Union of Cambodia (1)</p> <p>Group B: Free Trade Union of Workers of the Kingdom of Cambodia (2), Cambodian Alliance of Trade Unions (1)</p> <p>Group C: Coalition of Cambodian Apparel Workers' Democratic Union (1), CFSWF (1) (2), Cambodian Labour Confederation (3), Collective union of movement of workers (2),</p> <p>Local unions and rank-and-files (5)</p>
Employers' associations	3	Cambodian Federation of Employers and Business Associations (1), Garment Manufacturers' Association in Cambodia (2)
International actors	19	ILO (3), Better Factories Cambodia (1) One foreign Embassy (2), One regional representative body (2), Five international labor/consumer NGOs (6) One international trade union (1), One international brand (2)
Government	7	officers in labor departments (4), arbitration body (2)
Others	4	labor expert (1), independent researcher (1), human right activist (1)
Total	64	(43)

Table 3. Interviewees in Myanmar

	No. of Interviews	Name of Organizations (No. of Interviewees)
Labor NGOs and trade unions	56	88 Generation (2), Action Labor Rights (1), Labour Rights Defenders & Promoters (1), Yang Chi Oo (3), Social Democratic United Front (1) Agriculture and Farmers' Federation of Myanmar - IUF (1), All Burma Trade Union Federation (1), Cooperative Committee of Trade Unions (1), Confederation of Trade Unions of Myanmar (3), Myanmar Industries, Crafts and Service Trade Union Federation (2), Myanmar Trade Union Federation (2), Myanmar Maritime Workers Federation (2), Myanmar Teachers' Federation (1), Solidarity Trade Union of Myanmar (1), Local unions and rank-and-files (15)
Employers and employers' associations	7	Union of Myanmar Federation of Chambers of Commerce and Industry (1), Myanmar Garment Manufacturers Association (1), Korean Garment Manufactures' Association (1), factory owners/management (3)
International actors	23	ILO (8), One Foreign Embassy (1), Three international labor/consumer/management NGO (3), Three international trade unions (4), One international brand (2)
Government	5	officers in labor departments (2), arbitration body (1), NLD labor committee (1)
Others	3	independent researcher (1), labor expert (1), legal expert (1)
Total	94	(68)

I used snowball sampling to gain contacts for interviews. In doing so, I tried to collect perspectives from all factions of the labor movements in both countries that may have different perspectives on some issues including relations to the government and the roles of international actors. This consideration was important to obtain a comprehensive sense of the labor climate. For Cambodia, the divisions among unions are primarily based on their relationship with the government. For Myanmar, factions in the labor movements were based on whether the organizations were locally formed or returning from exile, presumably because of differences in their experiences and contacts with international communities. Unions that had gone into exile had built strong networks with international actors including international trade unions through their two-decade global campaigns against military junta. When possible, I interviewed both leaders and rank-and-files in a federation with different experiences and perceptions of labor issues including disputes and strikes. I interviewed some informants as many as five times, so that I could develop a rapport with them and gain more internal information.

One of my biggest challenges was uneven access to the groups. For instance, it was much easier to interview labor leaders than government officers. This was partly a legacy of authoritarian rule. I had to depend on luck to gain access to them. In Myanmar, a retired officer was willing to speak candidly about labor policies and give me some valuable contacts. In Cambodia, a staff member in the employers' association referred me to some contacts in the labor department whom he had developed a good relationship during a training program abroad. However, the number

of interviewees in government is still much smaller and has resulted in less comprehensive data on the government side.

This study describes the global conditions in late 1990s that enabled international actors to intervene in national industrial relations in Cambodia and Myanmar. Some countries in the Global North linked labor and trade in global trade practices. At the same time, there was an expansion of global supply chains particularly in the apparel industry. Suppliers were ordered to comply with global labor standards in order to be part of the production chains. Both countries, which were late to industrialize and integrate into global markets, allowed international actors such as the ILO and the US to form or guide establishment of IR institutions.

The global context section is followed by the case studies on Cambodia and Myanmar. While describing each country's history, industries, and IR, each case study explores the development of an IR system. In Cambodia, I analyze the roles of the ILO and the US to implant the IR system representing the Better Factories Cambodia and the Arbitration Council, and the role of international brands in this IR setting. More importantly, the Cambodian case study explores the impact and implications of international intervention on the labor movement. Using the implanted institutions, Cambodian workers and unions have developed a unique strategy to do lobbying and advocacy to international brands. They have enjoyed better working conditions and better chances of favorable resolutions to labor disputes despite their weak bargaining power. However, this problem-solving model may have negative long-term effects by

developing an apolitical labor movement with little appreciation of the importance of politics.

The Myanmar case study examines the influence of the ILO. This study explores the causes of the ILO's influence owing to credibility it has gained through work on forced labor project and sanctions imposed after 2000. These resources gave the organization a role in building an IR system based on the ILO's ideal model: a tripartite corporatist model. Unions embraced this implanted corporatist norm of industrial peace and enjoyed their legitimate statuses in tripartite structure despite weak union power given the power balance made by the ILO. Unions have a voice in the making and implementation of labor policy but the militant voices of rank-and-file workers have been silenced. However, this implanted institution may prevent the people of Myanmar from choosing the institutions that are best suited to them. In the long run, this could have a negative impact on the future of unions, particularly if the ILO cannot compensate for the unions' weakness.

The final study compares and contrasts Myanmar and Cambodia in terms of global contexts, intention of international actors to intervene national IR affairs, and effects of international intervention on labor movements. Even in same global contexts, different interests and intentions of international actors produced different institutional outcomes. While the ILO and the US built IR institutions to gain immediate and tangible outcomes (improving working conditions), the ILO in Myanmar emphasized tripartism. In conclusion, I argue that these implanted institutions may bring short-

term gains to labor unions in both countries but cause long-term loss by depoliticizing the labor movements.

CHAPTER 2.

GLOBAL CONTEXT

Globalization has not only brought tremendous changes in production and markets but also to other directly and indirectly related arenas. One unexpected outcome is a global environment in which international actors can intervene in national IR affairs. Global efforts to link international trade and local labor issues in the 1990s made it possible for international communities to make labor issues a condition of trade. Another unpredicted impact has been western consumers' preference for fairly produced goods accompanying the business practices of overseas outsourcing through global supply chains especially in labor-intensive industries such as the garment and shoe sector. Consumers' concerns and pressure pushed international apparel brands to seek more active roles in regulating labor affairs in producing countries. These two new have enabled international actors to be engaged with IR in Myanmar and Cambodia.

2.1 GLOBAL INITIATIVES OF TRADE AND LABOR LINKAGE

One of the most controversial global issues in 1990s was whether international trade should be linked to labor rights. The outcome of this debate opened space for

international actors to participate in local labor affairs. Mostly due to their domestic situation, Myanmar and Cambodia were selected to test the effectiveness of the initiative but in opposite ways. Myanmar faced economic sanctions followed by ILO sanction while Cambodia gained favorable treatment from the US with increased quota to access to US apparel markets. This difference was caused because of the intention of the actors to be involved and the situations two countries were in.

The linkage of trade and labor debates originated in the 19th century (Evans, 1998). The debate was recurrent without any success in various international negotiations and platforms such as the Tokyo Round of the GATT Multilateral Trade Negotiations from 1979, the United Nations Conference on Trade and Development in 1979, the Uruguay Round in 1986, and the Marrakesh Summit in 1994. It became one of most controversial issues since preparatory committee of the World Trade Organisation (WTO) (Haworth et al, 1997). Global northern countries, especially the US and France had strongly promoted the link between link trade and labor by adding the labor clause to the WTO agenda. It aimed to enhance labor rights in exporting countries by imposing sanctions upon those failing to comply with internationally agreed-upon core labor standards. This effort was fiercely opposed by the countries in the Global South that were worried about its negative impact on their competitiveness in international trade. Finally, the WTO announced that the labor issues would be left to the ILO. The ILO, the new battlefield, used Myanmar as a test case to investigate the possibilities of linking trade and labor (Becking 2006; Elliott 2000; ICFTU 1999).

Myanmar (formerly Burma) had been a target of intensive international campaigns due to forced labor practices under the military junta. The campaign groups, led by a Burmese union in exile, and international trade unions used the ILO to gather complaints and evidence from victims of forced labor. In addition to the report of the Commission of Inquiry (COI), the ILO's highest inquiry body, condemning systematic use of citizens as the forced labor by the authorities and military, the military government's refusal to collaborate placed the government in a bad position. In 2000, the ILO imposed sanctions based on the Article 33 of the Constitution,² which stipulates punishment of member states that refuse to implement the COI's recommendations. This was the first and only time that the ILO has taken this measure against any member state in its centennial history.

Myanmar's isolation from the international community made the ILO's work easier. Its self-imposed isolation left it with few allies except for China and some neighboring countries with whom it mostly had economic relations. To other states, mostly in the West, it was a "boutique issue" to show to do right things with little effort or sacrifice (Horsey 2011; Steinberg 2010). It was especially true of the US that had no military or economic interests on Myanmar outside of the anti-narcotic campaign. This situation had allowed US diplomats to enjoy "the luxury of living up to [their] principles" in their relations with Myanmar (Aung-Thwin 1989).

² Article 33 stipulates that "In the event of any Member failing to carry out within the time specified the recommendations, if any, contained in the report of the Commission of Inquiry, or in the decision of the International Court of Justice, as the case may be, the Governing Body may recommend to the Conference such action as it may deem wise and expedient to secure compliance therewith."

The western countries, especially the US, pushed for the enforcement of article 33 while other member states especially from Asia were lukewarm. It was because article 33 could be an alternative to the social clause, even though article 33 does not define the types of sanctions imposed. Some countries opposed the enforcement of article 33 in the 2000 International Labour Conference (ILC), the ILO's annual conference.

Their response showed that the actual issue was the possible linkage of trade and labor issues. In fact, it justified the economic sanctions of member states such as the EU, the US, Japan, Australia, and Canada (Maupain 2005).

Finally, under intense international pressure, in 2003 the Myanmar government agreed with the ILO to open a liaison office to deal with forced labor. This office and its forced labor project were good ground for the ILO to build its capacity and influence in labor affairs.

In Cambodia, international intervention was part of the effort to link trade and labor but in a different way. Countries in the Global North, especially the US, seeing the failure of the social clause, turned to unilateral agreement. Even before and especially after the abortive attempt to incorporate social clause in multilateral trade agreements through WTO, the US has tried to include the trade-labor linkage in bilateral trade agreements and trade pacts. For instance, the North American Free Trade Agreement (NAFTA) of 1994 was the first trade agreement of the US to include the clause on labor rights and all the trade agreements of the US, since then, have some connection with labor rights. The US-Cambodia Textile and Apparel Trade Agreement (UCTA), the trade agreement between the US and Cambodia was one of them.

The Cambodian government was busy rehabilitating the country from two decades of civil war, which had claimed 2.4 million lives, one-third of the population (Rummel, 1998). While supporting Cambodia's rehabilitation, the Clinton administration wanted to make Cambodia a showcase of poverty reduction and economic development through free trade for other least-developed countries entering global economy (Arnold and Shih, 2010). American unions and labor groups also had a role. While trade unions pressured the government to ensure that more manufacturing jobs were not lost to overseas sweatshops (Wetterberg, 2011: 67), they collaborated with labor groups to launch anti-sweatshop campaigns and petitioned their government to investigate the bad working conditions of Cambodian garment export factories. The textile union and a group of human rights lawyers linked trade and labor issues (Kolben, 2004). The US and Cambodian governments signed a bilateral trade agreement that increased quotas of Cambodian garments with tariff-free access to the US market on the condition that working conditions would substantially improve (Kolben, 2004; Polaski, 2006; Wetterberg, 2011). To ensure significant improvements in working conditions, the agreement gave the ILO the authority to create a mechanism for improving labor standards. Out of this project, the ILO established two influential IR institutions: one to monitor labor conditions and a labor dispute resolution body in the early 2000s. Both institutions are, according to one diplomat, "the only two industrial institutions functioning properly in Cambodia" (Interview, foreign diplomat, September 2018).

2.2 GLOBAL SUPPLY CHAINS AND LABOR MOVEMENTS

The fact that both countries' economic development strategies by integrating global markets, allowed international actors to participate in local IR process. It is mainly attributable to western consumers who are the end-users of global supply chains and are concerned with working conditions of workers, in the Global South, producing goods (especially clothing).

Like most other industrializing countries, these countries started with labor-intensive garment industry mostly exporting to western markets. In fact, garment industry has been important for late industrializing countries not only to gain foreign currency by exporting but also to attract foreign investment and to create jobs. Their expectation to lure foreign investment was plausible mainly owing to the triangle manufacturing structure in the garment industry's global supply chains. According to Gereffi et al. (1993: 114), the triangle manufacturing is a sort of business model composed of overseas buyers, middleperson companies in East Asia, and supplier factories in other low-wage countries. These offshore factories may attract investment from middleperson companies. This triangle manufacturing was the outcome of import quotas imposed by the US on apparel manufactures in Hong Kong, Taiwan, South Korea and Singapore in the late 1970s. In response, these manufacturers sought new quota-free places in Asia and elsewhere. This model is still functioning, resulting in dominance of owners of garment factories owners from these countries, Cambodia and Myanmar. It is also true that this labor-intensive industry is crucial in job creation for recent industrializing countries. For instance, Cambodia's garment sector accounted

for approximately 38% of total employment growth from 2009-2015 and the industry hired half of workers in manufacturing industries in 2017 (Nuon et al., 2018: 14).

These factors put garment industry in an important position for economic growth in newly industrializing countries like Myanmar and Cambodia. The influx of foreign investment into this industry is crucial for stable development. However, footloose characteristic of garment industry dominated by foreign investors is one downside (Nuon et al. 2018: 16). Therefore, international buyers from global apparel firms can prevent foreign factory owners from relocating. In this regard, international buyers have space to raise their concerns about IR affairs.

International buyers have been concerned with working conditions the garment industry. Most jobs in garment factories are notorious for insecure employment, low pay and long hours (Raworth, 2004; Barrientos et al. 2011). According to the 2013 report of the Institute of Global Labour and Human Rights, workers in a supplier's factory in Bangladesh producing for the Gap, an American brand, had to work for 14-17 hours for 20 to 24 cents an hour (Asian Floor Wage Alliance et al., 2016: 4).

Scandalous working conditions of these garment workers made international apparel brands the targets of global campaigns by consumers' groups and unions. The reputations of some firms suffered as a result. In addition, in the 1990s these activists' groups generated the concept of Corporate Social Responsibility (CSR) and demanded firms to adopt it (Shamir, 2011: 313). Social pressure, such as boycotts and negative publicity have forced apparel brands to respond (Fransen, 2012). Since then, apparel firms in the Global North have adopted private regulatory initiatives to regulate

working conditions in their suppliers' factories. Partly as a result of weak enforcement of governmental regulations, the international brands have been more active in settling labor disputes in their suppliers' worksites. In some cases, they have supported the minimum wage and expressed their willingness to pay their suppliers more. In Cambodia, the role of international brands is more influential because of the country's IR process.

CHAPTER 3.

CAMBODIA

Cambodia is a small country (177,000 sq. meters) and a population of 15.7 million in 2016. The country has recorded rapid economic growth since 1997; its per capita doubled from US\$285 in 1997 to US\$593 in 2007, arguably as a result as Cambodia's integration into global economy (World Bank, 2009: i). From 2007 to 2017, the real GDP growth averaged 6.6%. Its economic development has depended on the export-oriented garment industry, which did not even exist in the early 1990s. The garment industry accounted for roughly 70% of export volume, 90% of export revenue.

3.1 HISTORICAL CONTEXT

Rapid recent economic growth and delayed development before it is closely related to Cambodia's history and foreign relations, especially with the US through the wars in Indochina and in the postwar rehabilitation period. When Cambodia became independent from France in 1953 after nine decades of colonial rule, the country, it had little industrial base because the French colonial administration had focused on agriculture for export (Slocomb, 2010). In the post-independence era, the country enjoyed financial aid both from the US and Soviet blocs owing to its neutrality policy. However, it could not avoid being dragged into the Indochina wars especially by the

US. The devastating civil war that resulted destroyed the country's meager industrial base.

During the wars against communism in Indochina, the US used Cambodia as a strategic military base. This policy affected many aspects of the country by supporting the corrupt Lon Nol regime, by dragging Cambodia into international and civil wars; and by carpet bombing (Owen and Kiernan, 2006). All these made it possible for the Khmer Rouge, ultra-nationalist Maoists, to gain popular support (Arnold and Shih, 2010). The civil war formally ended with the Paris Peace Agreements in 1991 but skirmishes with small armed factions continued until 1996.

The legacy of the Khmer Rouge and the civil war was obvious in the zeroization of the country and international intervention. Zeroization was the massive loss of life and the destruction of all institutions and social systems in the country. The war killed an estimated 2.4 million people, one-third of the population (Rummel, 1998). The deaths resulted from genocide by the Khmer Rouge, and the war with Khmer Rouge guerrillas until late 1990s. One million people perished under the Khmer Rouge regime (1975-1979). The Khmer Rouge targeted educated elites such as teachers, professors, doctors, engineers and even those who could speak a foreign language, all of whom the regime regarded as enemies of the revolution. At the same time, the Khmer Rouge destroyed all systems and institutions "to build socialism in all fields," leaving the country with no money, markets, schools or universities, religion, hospitals, libraries, private property, or freedom of movement (Chandler, 2008: 255, 262).

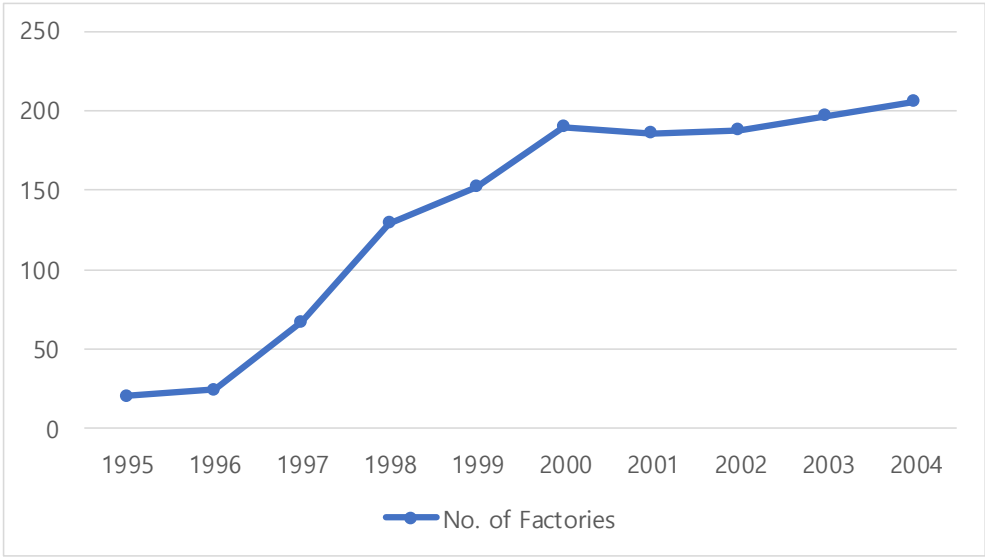
The formation of pro-Vietnamese government led by the Khmer People's Revolutionary Party (renamed the Cambodian People's Party, or CPP in 1991) caused both international condemnation and international intervention. The civil war ended in 1991 with the Paris Peace Agreement signed by 18 countries and four Cambodian factions. The agreement called for the creation of the United Nations Transitional Authority in Cambodia (UNTAC), until then the largest operation in the UN history. The UN supervised the first election in 1993 which resulted in a loose coalition government. But the government was toppled by a coup in 1997 which installed the authoritarian regime of Hun Sen of the CPP who has remained in power until today, and whose government has been criticized as an authoritarian regime (Hughes, 2007).

3.2 INDUSTRIAL DEVELOPMENT

After years of destruction, making a development strategy to rebuild and stabilize Cambodian society was the most urgent task. At the same time, Cambodia had to make the transition from a centrally planned to a free market economy. Given the country's dearth of natural resources, together with its political and social instability, this country did not have many options when it was incorporated into global economy. It did have a young labor force, resulting from the baby boom of 1980-81 (World Bank, 2009:26). The country had to depend on foreign aid and investments for industrialization. Therefore, it made sense for Cambodia to choose the garment export industry as a major force for economic development. Cambodia started industrialization in 1994 with arrival of foreign investment from Hong Kong, Taiwan,

Malaysia and Singapore,³ for the construction of garment factories, which were at the bottom of global supply chains. These factories have thrived on cheap labor, and a favorable quota system from 1999 to 2004, Most-Favoured Nation status by the US, and the Generalized System of Preferences by the European Union (EU). Cambodia's burgeoning garment industry had depended more on the US market than on those of the EU and Japan due to the low quality of its product and the export limit of garment input from the EU and Japan (Arnold and Shih, 2010: 406).

Figure 1: Number of Garment Factories



Sources: Miller et al., 2007.

Until 2012, the US was the largest exporting markets with 70% of exporting volume in 2000 even though decreasing to 43% in 2012. While the EU had been the second-

³ The foreign ownership continues to be dominant in most of industries including clothing and footwear. Currently 67% of factory owners were those from mainland China, Taiwan and Hong Kong, while 13% were Korean. Local owners were only 3% (BFC, 2017: 11).

largest market (25%) in 2014, it became the largest with 46% of exporting share in 2017 and the US's share decreased to 24% (LO/FTF Council, 2014; BFC, 2018: 8)

Cambodia's garment-exporting industry has been a main contributor to economic growth and the largest employer. The industry employed around 640,000 people in 2017 (BFC, 2018: 8). As figure 1 shows, the number of factories increased from 20 in 1995, to 190 in 2000 and to 661 in 2017, in addition to an estimated 400 sub-contract factories (Interview, BFC staff, September 2018).

3.3 AN OVERVIEW OF AN INDUSTRIAL RELATIONS SYSTEM

3.3.1 Legal and Institutional Framework

For industrialization, labor laws were necessary to regulate labor relations and to send a signal to the international community that Cambodia was ready to receive foreign investment. Like many other post-colonial countries, Cambodia had passed a labor law in 1972 with a strong influence of French law. Under the UN's transitional administration, and before the ratification of the constitution, a new labor law was adopted in 1992 with some socialist modifications (Bronstein, 2005; 363; Doran, 1995). This law regulated working conditions such as wage, leaves, and workplace safety.

The 1994 constitution enshrines the right to form and join unions, the right to strike, and equal pay for equal work. The Labor Law of 1997, with technical support from the ILO, focused on the ILO's key labor rights. The new Cambodian labor law established the dispute resolution system, inclusion of rights to organize and to bargain collectively, formation of procedures to strike, and regulations on wages, working hours, and time off (Hall, 2000; Adler and Woolcock, 2010). The country enacted a trade union law to regulate collective labor relations in 2016, which has been criticized for allowing government intervention into union affairs and restricting the rights of unions, including strikes.

In addition, some important IR institutions were established in late 1990s and early 2000s. One of these institutions is the tripartite Labour Advisory Committee (LAC), formed in 1999. While its legally mandated role was to review and approve labor regulations, the LAC has been limited to making recommendations on the minimum wage. Another important IR institution is the Arbitration Council (AC), formed in 2003. It is the highest body in the three-tiered labor disputes settlement system composed of negotiation (at the factory level), conciliation (at the labor department), and arbitration. The AC has 30 arbitrators, most of whom are legal professionals, recommended by the government, unions and employers. Before arbitration starts, the parties in dispute choose whether the arbitrators' decision, called an award, would be binding or non-binding.

Perhaps the emblematic Cambodian IR institution is Better Factories Cambodia (BFC), which started the ILO Garment Sector Project in 2001, an independent factory

monitoring project. It was designed initially to inform US import quota allocation decision which was a part of the US-Cambodia trade agreement. Since 2004, when developed countries could not use quota system to regulate their markets, the BFC has worked for international brands and retailers. Even though the BFC is out of the administrative scope of the Cambodian government, it has been one of the most influential IR institutions. The ILO and the US were active in the formation and operation of the AC and the BFC.

3.3.2 Unions and Employers' Associations

One of the hallmarks of Cambodian labor unions is their concentration on the garment industry. Approximately 3,000 unions are clustered in 600 exporting garment factories (Interview with BFC, 2018); this accounts for 85% of 3,500 unions that were registered in 2016 (Nuon et al., 2018; 101). This suggested that each garment factory had an average of five unions whose size must be small.

Proliferation of small unions is not only a symptom of factory unions. There were 103 federations and 18 confederations registered by 2016. Although some federations focused on specific industries such as hotel and tourism, and construction, most federations had member unions across industries and most of their member unions were from garment factories.

There are three groups of union federations according to their attitude toward the government: progovernment (group A); pro-opposition party (group B); and

independent (group C). While many new federations had broken off from older ones, some federations have switched to other groups, usually from group C to A. Unions associated with the government are likely to be much less militant and more collaborative to employers (Nuon et al., 2010: 25).

In contrast, employers' associations in Cambodia seem much simpler. The Cambodian Federation of Employers and Business Associations (CAMFEBA) is the peak organization formed in 2000, arguably representing 2,000 business. Its largest member, the Garment Manufacturers Association in Cambodia (GMAC), established in 1996, has promoted the interests of the garment industry's business community. It has around 600 member companies that are exporting to foreign markets. More than 95% of the CAMFEBA and the GMAC members are Chinese, Singaporeans, and Koreans. This composition reflected the dominance of foreigners in the Cambodian business community. Cambodian unions therefore tend not to trust employers who, they think, may not be interested in the long-term development of the country (Interview, unionist, December 2018).

An international observer made an interesting comparison between GMAC and Myanmar Garment Manufacturers' Association (MGMA) in a meeting of garment industry. While MGMA suggested long- and short-term strategic development plans, the GMAC had little to say (Interview, international NGO staff, May 2017). To be fair, GMAC recently started an ambitious initiative to establish a training center for garment and textile designers, even though it took more than twenty years (Interview, MGMA staff, December 2018).

3.3.3 Collective Bargaining and Minimum Wage

One of the drawbacks of union multiplicity was unions' weakened bargaining capacity. Internal competition among unions in the same workplace precluded a united voice and made it easy for employers to manipulate unions and workers in the negotiation process (Nuon et al., 2018; 103). The problems of numerous unions were well illustrated when a collective bargaining agreement (CBA) was being negotiated. The government regulation gave an exclusive right of CBA to a union with representative status (MRS) meaning that more than 51% of workers were members. However, only a few unions qualified for MRS.⁴ If no union had MRS, as usually was the case, all the unions would form a collective draft for collective bargaining agreement.⁵ This made it difficult to arrive at an agreement among competing unions, if any, before they entered negotiations. Employers could then pit the unions against each other. Therefore, the number of CBA registered to the Ministry of Labour and Vocational Training (MoLVT) was not high despite an increase from 20 in 2003 to 131 in 2009. Even worse, the CBAs in Cambodia were usually an outcome of a dispute. Thus, most of them dealt with a single issue concerned with other contents repeating the working conditions guaranteed by the law. Nuon et al (2010; 35) estimated only around 30 CBAs did more than what the law required.

⁴ There were only 35 unions in 2009 (Nuon et al., 2010; 35). And the number became dozen recently under the new trade union law, enacted in 2016, that requires all the unions to register again with more information and paperwork (Interview, unionist, January 2019).

⁵ Prakas No. 305 of 2001 on the Representativeness of Professional Organizations of Workers at the Enterprise or Establishment Level and the Right to Collective Bargaining for the Conclusion of Collective Agreements at that Level.

In the situation of weak bargaining power at shop floor, unions declared strikes and used dispute settlement system for workplace issues and launching a public campaign to increase minimum wage (which affects wages outside of the garment industry) (Rollet and Manet, 2015). It may sound odd that unions with only a few members can organize strikes. However, strikes have been a main strategy for unions and workers. The number of strikes has risen from 18 in 2003, to a peak in 2015 in 242, and dropping to 176 in 2016 (Nuon et al., 2018). At the same time, unions have used arbitration which is one of the most important dispute-resolution procedures. I will discuss these later from the perspective of strategic choice.

To increase wages, Cambodian unions, particularly those in groups B and C, held mass rallies to pressure the government. In fact, the minimum wage has increased occasionally only when there was a serious challenge from the unions. For instance, the first minimum (US\$40) wage was set up by the government and employers in 1997 under the Labor Law. The government only agreed to increase it to US\$45 in 2000 when the Free Trade Union of Workers of the Kingdom of Cambodia (FTUWKC) resorted to a series of strikes and public mobilization. From 2000 to 2009, the minimum wage had increased only by US\$11, to US\$56 in 2009. In 2010, some federations, which opposed the minimum wage set up by the Labor Advisory Committee (LAC), led a protest of 200,000 workers (according to unions) or 30,000 workers (according to the MGMA). It might have been the biggest industrial action until then (Arnold, 2011:12). The minimum wage became US\$61 that year.

Since

Figure 2. Minimum Wage in USD (1997-2019)



Sources: <https://tradingeconomics.com/cambodia/minimum-wages>

the general election of 2013, the minimum monthly wage has become a more political issue. During the campaign, the opposition Cambodia National Rescue Party (CNRP) promised workers a US\$160 minimum wage. Although the CNRP lost by 4%, the issue was not dead. In September and October, over 10,000 workers from more than 100 factories marched to demand a monthly minimum wage of US\$177. Hundreds of thousands of workers took to the streets in the largest workers' protest in the history of Cambodia's labor movement. The protest did not end until January 2014 when the police killed four demonstrators and injured dozens. Workers, not unions, then organized for the events in late 2013 and early 2014. Unions did not have control over

mass protests at all. In fact, workers' demonstrations started even earlier than unions' plans: they scheduled workers' rally in October (Interviews, unionists, various times).

This protest caught the attention of the government. Since then, the government has introduced several measures to control unions and civil society, and to gain workers' support. Some of the measures were the new Trade Union Law (TUL) enacted in 2016, and the Law on Associations and Non-governmental Organizations to regulate the NGOs. Especially the TUL was criticized for limiting the rights to organize and to strike, and for establishing administrative methods enabling the government to interfere in union affairs. The law shall also barred small unions from filing collective cases with the AC, while giving an exclusive right to a union with MRS.⁶ Therefore, the number of cases that went to arbitration dramatically decreased from 248 in 2016 to 50 in 2017 and 59 in 2018.

At the same time, the government introduced a new welfare system to expand its coverage based on a Social Protection Policy Framework; this was the first policy document on this matter (OECD, 2017: 73). The Labour Law was amended to guarantee workers' seniority payment. In addition, the prime minister held weekly public meetings with factory workers. The meetings workers' grievances and the prime minister sometimes discussed government positions and policies. Sometimes

⁶ Moreover, the law does not allow the federations to represent their members in dispute resolution process. Even though in some cases tacit practice continued to allow federations backing the local unions, the local unions should deal with the process to make an agreement with employer at table. Sometimes, federations could sit behind the local union in the conciliation table, but it depended on the officer's generosity to allow that (Interview, legal expert, December 2018). It has increased the direct contacts of the government to factory unions while decreasing the influence of federations on factory level unions. It may help making the government's task easier to deal with factory unions which have less experience and fewer resources.

workers' grievances were resolved on the spot (Interview, MGMA staff, December 2018; Government Officer, January 2019).

3.4 INTERNATIONAL ACTORS IN THE IR SYSTEM

The international community was involved in Cambodia's armed conflicts and its rehabilitation. It is also true that the international actors have influenced the industrial relations system and its operation. The most influential players, especially in building the system, were the US and the ILO. The ILO assisted in drafting the 1997 Labor Law, mostly focusing on labor rights (Adler & Woolcock, 2010: 537). The ILO had offered this kind of support to countries recovering from World War II. However, the ILO did more in Cambodia. The US and the ILO were the two main planners of the Cambodian IR system, especially, the Better Factories Cambodia (BFC) and the Arbitration Council (AC), the only two properly functioning IR institutions, according to a foreign diplomat (Interview, foreign diplomat, September 2017). These two institutions were outcomes of international intervention. International brands and local actors have also used these institutions.

3.4.1 Background of International Influence Focusing on the US and the ILO

Because of its unique history, Cambodia was seen as a blank canvas. In addition to physical and institutional destruction, massive loss of life and emigration left the

country with a shortage of skilled workers. The regime killed approximately 80% of the country's legal experts, and the rest fled. Only 10 graduates of law school were found alive in 1979 when the Vietnamese invaded and set up a government (Hall, 2000:120). In addition, the knowledge and experiences accumulated under the pro-Vietnamese government were of little use in the transition from the planned economy to the free market one. This situation made Cambodia dependent on foreign knowledge and gave international experts the authority to provide a framework for the new IR system and other institutions.

Cambodia may therefore be a good place to see the impact of a bilateral trade agreement with the US that turned its attention on bi-lateral trade agreements after failing to include the social clause in the WTO agreement. The Clinton administration wanted to make Cambodia an example of poverty reduction and economic development through free trade for other less-developed countries entering the global economy (Arnold and Shih, 2010). Some unions and labor groups in the US also played a role. While trade unions lobbied the government to ensure that more manufacturing jobs were not lost to overseas sweatshops (Wetterberg, 2011: 67), they collaborated with labor groups to conduct anti-sweatshop campaigns and petitioned the government to investigate the bad working conditions of Cambodian garment export factories. The textile unions and labor groups involved in international solidarity and a group of human rights lawyers linked trade and labor issues (Kolben, 2004). At the same time, exploitation of Cambodian garment workers through forced overtime, illegal pay deduction, child labor, sub-minimum wages, and humiliating labor practices were widely advertised by independent unions in Cambodia owing to

its contacts with international labor movements. As a result, the US government signed a bilateral quota agreement with Cambodia in 1999. The US-Cambodia Textile and Apparel Trade Agreement (UCTA, 1999-2004), increased quotas up to 14% annually on the condition that working conditions substantially improved in addition to a standard 6% annual increase of quotas (Kolben, 2004; Polaski, 2006).

The US needed to ensure significant improvements in Cambodia's working conditions, but the Cambodian government was not believed to have the enforcement capacity or credibility to do this (CLEC & CCC, 2013). The ILO was therefore selected to create a mechanism for this. The ILO implemented a project to establish and monitor a labor dispute resolution body. The original proposal, "Labor Law Implementation in the Textile and Apparel Industry of Cambodia" was very different from the final version.

According to Kolben (2004), who documented the projects in his fieldwork and other records, the ILO's purpose, shown in the first proposal, was to strengthen the labor inspection system for compliance with the 1997 Labor Law. The first plan was to provide technical support and training to the Labor Ministry in cases of violations of labor standards under Cambodian law rather than other core international labor rights such as freedom of association

However, the US rejected the proposal. The US government wanted the project to provide reliable evidence of improved labor conditions; US trade unions, especially the Union of Needle Trades, Industry and Textile Employees (UNITE), insisted that the ILO take measures against anti-union practices. The second draft concentrated on monitoring working conditions and anti-union practices and was followed by several

revised proposals through consultation with the Cambodian government and business owners, but not with local labor unions.

The US was the crucial decision-maker in this process, having initiated the trade agreement, contributed most of the financing for the project, and as the quota allocator. The final plan was a compromise. The ILO would conduct a monitoring program and build the Arbitration Council. There were several discussions in the ILO over whether this role was consistent with the ILO's mission because it was beyond the ILO's range of activities such as providing technical advice and support.

3.4.2 Formation and Operation of the BFC and the AC

Under the US-Cambodia Textile and Apparel Trade Agreement (UCTA, 1999-2004), the BFC⁷ was designed as a factory monitoring project to inform US decisions on import quota allocations. At the end of 2004, UCTA ended with Multi-fiber Arrangement, which had allowed quota system for developed countries to regulate their market but was phased out under WTO regime. Since then, the BFC has put more focus on capacity-building activities, workplace cooperation, and dispute resolution (CLEC & CCC, 2013: 7; Interview, BFC staff, September 2018). Its main activity is still monitoring but for international brands and retailers.

The BFC monitoring has been conducted in factories that volunteered to register in exchange for an export license. Although it is a voluntary process, the BFC has

⁷ It was called the ILO Garment Sector Project in 2001 but renamed in 2005.

covered most of exporting garment factories. The monitors trained by the ILO make factory visits biannually with a checklist over 500 items based on the Cambodian labor laws and core ILO conventions. They review payroll, sample contracts, and leave records, and conduct interviews, initially only with management but since 2005 with workers and union representatives. The managers receive a written report on findings and improvement suggestions. There are follow-up visits to check any progress in implementing suggestions, and changes in working conditions. The BFC has also produced synthesis reports (BFC, various years).

While the monitoring methods and process remain the same, the method of reporting changed. The reports issued before the 17th synthesis report in November 2006, revealed the names of factories being monitored and their compliance or non-compliance with labor standards. However, the new way of reporting gives a general picture of the industry without identifying the factories. Only factory management or a third party (mostly buyers) who paid US\$750 per factory per year, could access to the (non-)compliance information of the relevant factory (CLEC & CCC, 2013:8). Under the new practice, the reports are reviewed and endorsed by the Project Advisory Committee (PAC) composed of three representatives from the government, the GMAC and the trade unions.

Another part of the project was to build a conflict resolution mechanism. In 2002, when the ILO started to provide technical support to the Ministry of Labor for dispute prevention and resolution, the ILO quickly realized that all the challenges were larger than expected. These included inadequate administrative capacity for enforcement,

employers' complaints about corruption and bribery, and unions' accusations of bias. After a few months of trial, the ILO decided to set up an alternative dispute resolution system independent of the Labor Ministry. The ILO cited chapters XII and XIII of the 1997 Labor Law on dispute resolution (Noord et. al, 2011). To do that, the ILO needed the support of the Labor Ministry.

The promise of quota allocation increase gave leverage to all the stakeholders: a larger quota meant more profits for employers, more jobs for workers, and more tax revenue and political stability for the government. The participation of US embassy representatives in discussions with the Project Advisory Committee signaled to local actors that the US would consider this project when deciding on a future quota. From July 2002, the ILO and the Labor Ministry had negotiated a draft of *prakas* which was then revised over the next five months. Finally, in December 2002, the Ministry issued the new *prakas* to operate the Arbitration Council (AC) (Noord, et. al, 2011: 9-10). As a result, in 2003, AC was formed with the financial and technical support of the US government and the ILO. The ILO facilitated two years of recruitment and training of arbitrators, and the AC received its first case in May 2003. In December 2005, the ILO transferred the supporting roles to the Arbitration Council Foundation (ACF), a new NGO created to support the AC by taking care of secretarial work, doing financial management for donors, and providing legal support (Noord, et. al, 2011: 20).

With the AC, Cambodia had a three-step procedure to settle labor disputes through negotiation at the workplace, conciliation in the labor ministry, and arbitration at the AC. In the AC, a panel composed of three arbitrators representing respectively

workers, employers, and government, would do conciliation again. If it failed, the hearing would be open. Before the hearing, the parties would decide to make the AC decision or award binding or non-binding. Most of the awards are non-binding. According to internal data, the AC has dealt with 1,897 cases from 2003 to 2018, and 88.5% of the awards were non-binding. When AC gives an award, one or both parties could raise objection in 7 days. If none of the parties did, the awards regarded binding. If any parties breach the binding award, the case could be sent to the court. For the non-binding cases, if one party (mostly employer) refuse to comply with it, workers could legally go on a strike.

In fact, the BFC and the AC seem to give a sort of legitimacy to Cambodia's image as "an ethical factory" for labor rights by providing guarantee for decent labor conditions and proper procedure to deal with labor disputes. In fact, the BFC has been upheld as a model of sustainable development via trade and garment manufacturing and praised as "one of example of a successful strategy...to promote fair globalization in the post-MFA environment" as ILO Executive Director for the Social Dialogue Sector said (ILO, 2005).⁸ In fact, it is true that the BFC program has influenced positively on working conditions as union leaders agreed (CLEC & CCC, 2013). Synthesis reports have shown steady improvement in compliance to labor laws and core labor standards over the years especially in some issues including child labor, maternity protection, discrimination, and utilizing arbitration system.

⁸ It inspired similar programs in other countries such as Vietnam, Jordan, Haiti, Lesotho, Nicaragua and Indonesia from 2008. The program is set to expand to 12-14 countries over its first three to four years of activities, including China, Egypt and Bangladesh (Arnold and Shih, 2010).

In addition, the AC has been enjoying its reputation as being independent, transparent and trustable to deal with labor disputes. Their reputation is quite contrast to that of court that people accuse for its corruption. Parties in disputes also recognized their professional skills.

3.4.3 International Actors in the IR system

International brands have used the BFC's monitoring reports to release their concerns on working conditions with qualified and regular monitoring system to cover all the garment factories. The ILO's seal on the reports and its accumulating reputation may strengthen their trust compared to other private auditing. They also respected the AC as one of very few institutions they could trust in Cambodia in relation to labor disputes. They have accepted the AC awards as a guidance for them to take actions in the dispute cases in their supplier factories. For instance, brands agree that they are actively engaged with the cases that the AC had ruled over in favor of workers because brands accept that the AC award gives the legitimacy to workers' claims in the disputes. When there are violations of labor laws, brands have power to disconnect business relations with suppliers. It would be a strong pressure on suppliers who may be afraid of losing orders. In fact, there were cases that brands cut off the business relations with their local suppliers (Interview, international brand, January 2019).

International brands' engagement on labor disputes was partly due to weak implement of labor regulations in Cambodia. Weak enforcement by the government has made

international lobby and advocacy crucial part of labor affairs in Cambodia. In fact, the award itself does not have any power or mechanism of enforcement except binding award to be referred to the court. So, the most usefulness of the award is to use it for international campaign. The international brands may take measures quickly when workers get award in favor of them (Interviews, legal expert, January 2019; unionist, December 2018). In the sense, the AC's award is almost essential to international actors such as international trade unions and NGOs, particularly international brands. However, it does not mean that unions always got positive response immediately. Unions talk to brands and "if brands and suppliers do not care, we need contact actions of INGOs and unions like Clean Clothes Campaign but other unions in Europe." However, unions see more benefits from brands on the immediate impacts on labor disputes cases at workplace while "INGOs' and international unions' actions were more on ad-hoc solidarity, so they were playing the limited roles" (Interview, unionist, Jan 2019).

The international actors have established these institutions and supported their operations by providing both funding and legitimacy. For instance, while the ILO formed the AC the US government together with international brands have funded the AC until 2018. And the AC regarded donors of international brands particularly as being importance because they believed that their financial support legitimated the AC's authority as a professional dispute resolution body (Interview, arbitrator, January 2019). In fact, international actors seemed to regard not to disturb this equilibrium maintained by the BFC and the AC. When Cambodian government tried to introduce a labor court based on the 2016 Trade Union Law, international actors, including

international brands, labor INGOs, and the foreign diplomats, especially the USA, made a strong voice against it. They were concerned that the labor court may curtail the influence of the AC (Interview, international NGO staff, January 2019; US Department of Commerce, 2017: 54). Due to the serious concerns (and implicit pressure) expressed by various international actors, the Cambodian government finally withdrew the draft (Interviews, several government officers, December 2018, January 2019).

3.5 RESPONSES AND REACTIONS OF LOCAL UNIONS

Both the BFC and the AC brought the benefits for the workers. However, unionists saw more values in the latter than the former in the strategic perspective. It is mostly because they would gain tangible outcomes by using the AC awards through international campaigns while they thought that the BFC had more limits. One of the criticisms was the BFC's inability to enhance the rights of association.

In fact, for the beginning of the monitoring project, the ILO was passive to deal with anti-union practices even with strong demand of the US unions. It was because in the early stage of the program, the ILO advisor in charge of the monitoring program decided not to respond to any anti-union complaints out of concern to be associated with the pro-union image. This decision hurt the legitimacy of the BFC to tackle the anti-union practices even though the ILO decided to respond to such complaints later. As a result, workers' rights in relation to trade unions were one of little improvement

areas that synthesis reports continuously pointed out (Kolbent, 2004: 105; Adler and Woolcock, 2010) This situation may continue, and in the eyes of unionist, “they could do more, but they don’t” in union bursting as a unionist complained (Interview, unionist, January 2019).

3.5.1 Union Strategy of International Campaign

Unions treat the Arbitration Council (AC) as the most important part of the dispute settlement process. Unions described conciliation as “just a small bridge...to get to a village, that is, the AC” (Interview, unionist, December 2018). However, it is not because the AC has a strong enforcement power. In fact, it has no enforcement mechanism. Even worse, workers could not depend on other governmental authorities for implementing the awards because most awards were non-binding. Therefore, workers had to depend on their employers’ good will in complying with the award, which was a very rare case.

Instead, unions have used the AC awards as a strong weapon in international campaigns. When things did not go as expected, they sought international support. Therefore, they needed gain international attention first, which usually meant a limited strike. The strike may not be necessarily a big one for all, or most of workers to take part in but an action to demonstrate workers’ dissatisfaction and demand on compliance with the AC award. As one informant working in an international labor NGO said, international actors were more concerned about “ongoing and alive” cases

such as workers' visible actions, mostly strikes (Interview, international NGO staff, Nov 2018).

This strategy has been somewhat effective in improving working conditions and quickly settling labor disputes at garment factories. C.CAWDU, a prominent independent federation with a good international network, said that 70-80% of their dispute cases were resolved by reaching to the brands (Interview, unionist, December 2018). This strategy was so effective that it sometimes worked even on local suppliers with no direct connection to international brands. For instance, in one dispute case, a local NGO, representing workers in negotiation after the AC procedure, were at an impasse with a local supplier over the amount of severance payment. By chance, they found that the mother company in Hong Kong of the local supplier had a business relationship with an international brand that they were familiar with. They pulled this indirect but possibly more powerful string, by asking the brand to be involved in the case. They reached the settlement they wanted (Interview, legal expert, January 2019).

3.5.2. Impacts on Union Organizing

At the organizational level, there were two influences resulting from heavy dependence on international intervention; overcrowding in garment sector and proliferation of small unions. Given the importance of international support, unions concentrated on factories producing for international brands. However, it does not mean that all the workers producing for international brands could enjoy similar

privilege of international support. The international campaign strategy assumed two things: that brands would be sensitive about reputational risk management; and that unions and activists' groups 'there' would be willing to help workers 'here.' However, it is not always true. For instance, a recent attempt to organize workers in Honda Motor, a Japanese brand to produce motor bikes, faced problems such as union busting. But they could only get lukewarm support from Japanese unions and no response from the brand (Interview, unionist, January 2019).

In this regard, garment industry is most suitable for the international campaign strategy, leading to overcrowded trade unions in the sector. One study suggested that while union density in industry was 13% in 2008, that of the garment industry was an estimated 60% in 2010. The garment industry's union density remained around 60-70% in 2016 while overall union density increased moderately (Nuon et al., 2018: 101). It means unions' organizational contact may not have reached workers outside of the garment industry. Even in the garment industry, unions' organizing efforts have focused on factories producing for brands, not on sub-contracting factories working for brand suppliers.

Obviously, some unions were organizing workers in hotel and tourism, and construction. There were also initiatives to organize informal workers and workers in companies producing goods and services for local markets. However, the impact was limited. Even worse, these efforts faced great challenges mostly due to the unions' inability to bring employers to the table and bargain in good faith.

More seriously, this strategy has stimulated the proliferation of small unions. Because most sources of bargaining power are outside of the workplace, that is, from international brands, unions may be investing less in recruiting the number of members but more in increasing the number of unions. To settle labor disputes, it is enough for a union with a few members to obtain a favorable AC award that would convince international buyers to work with their suppliers. Although it would be great for a union to have many members and more power, it is not always necessary. So, it would be important to have feet, small or big, in the factories. Pro-government and independent unions co-existed in one factory. In some cases, a federation had two or three member unions in one factory before the 2014 new trade union law banned the practice. Both pro-government and independent federations used this tactic of multiple unions at one factory. While the former may do so in their looking-good intention, the latter also do for “the purpose of back-up” that means even when one member union may be busted by employer, the federation could have a second union in the workplace to continue their struggle (Interview, unionist, January 2019).

However, the situation was different in a workplace where unions could not expect international support such as local companies. As one union leader said, “we could win when we organized two-thirds of the workforce but if not, it may be very tough.....because we did not have any international support on local company issue” (Interview, unionist, December 2018).

3.5.3. Impacts on Union Behaviors

At the behavioral level, dependence on international actors (and the AC awards as tools) and weak organizing power may limit Cambodian unions' practices to what international brands may think appropriate or support for. It caused two results. First, unions selected more the right dispute cases than interest dispute cases⁹ to bring to the AC. In fact, unions seldom brought interest dispute cases to the AC, and were more willing to settle the interest disputes, if any, in conciliation with whatever given to them. To consider that unions' preference of arbitration at the AC over negotiation and conciliation, unions' decisions not to go to the AC could be interesting.

Unions' case selection was related to the AC's perception on of what rights workers could have, and international brands' hesitation to be engaged with the interest dispute cases. For instance, a legal expert explained that workers may have very few chances to win interest dispute cases before the AC. The arbitrators agreed that workers seldom won in these cases because the issues were not regulated by the law and sometimes workers' demands were unreasonable (interviews, arbitrators, January 2019). Therefore, the AC "refuse to consider interest-based issues" in their awards (Interview, legal expert, January 2019). More importantly, the brands may not want to be involved with interest-based disputes because their obligation is helping their suppliers comply with laws not pushing them to do more than legal requirements (Interview, international brand, January 2019). These situations led unions to limit

⁹ According to the AC, "a rights dispute concerns existing rights in the law, an agreement or a collective agreement, and it is legally resolved by the Council... An interests dispute, on the other hand, refers to a dispute which has no basis in the law, an agreement, or a collective agreement, and it is resolved by the council on equitable principles." (source from the AC website).

their demands and made it almost impossible for them to achieve more than minimal conditions under the law.

Another result of unions' practices was that unions tried to appease the international brands by following what the brands thought appropriate. To some extent, it was related to unions' image management. "Unions try to avoid illegal strikes (involved in violence) because brands do not like them. If a federation has illegal strikes frequently, unions may lose support from the brands" (Interview, unionist, May 2017). So, federations tried to prevent wildcat strikes which may lead to violence. If federations have bad reputations among international brands or lose their trust, it may not be easy to get support from brands, which means, they have to have tough negotiation with uncooperative factory owners, and much smaller chances to win favorable outcomes. And, as a legal expert explained, it was also important for unions to follow the legal procedure until to the AC before strikes to gain favorable responses from the brands.

We also tried to explain to unions and workers, when you go the strike without legal process, it would be hard for you to advocate with brands, because you don't follow the legal procedure. So, brands also (may) hesitate to help you because nothing in the hand to advocacy in the factory to force factory to apply because no legal background (legal evidence). So that's why it is hard to bring the cases to the brand or to the international communities. (Interview, legal expert, January 2019).

3.6 CONCLUSION: LONG-TERM IMPLICATION ON CAMBODIAN LABOR MOVEMENT

Since the early 1990s, the strong presence of the ILO and international brands created a specific IR system in Cambodia. Two legacy institutions of the ILO project, the BFC and the AC have continued to make the IR system function in a specific way and accommodate international intervention. The BFC project has contributed to the improvement of working conditions. It gave Cambodian garment factories an incentive to comply with minimum standards under the ILO's monitoring practices until 2004. Since then, it has encouraged factories to participate in the monitoring program through pressure from buyers. However, critics claimed that the BFC has not improved workers' rights to organize, while trying to remain neutral between employers and workers.

Unions have used awards from the AC, supposed to be a part of state authority but under the aegis of international actors, to do lobbying and advocacy to international brands to implement the awards. This practice resulted in a unique model of dispute resolution that combines the state and private regulations.

However, several problems in this model may harm the long-term potentials of Cambodian labor movement. First, this model has made unions focus on the garment export sector. More seriously, this outside leverage may encourage union multiplicity

by seeking to compensate bargaining power given by international actors rather than increasing their organizing capacity.

Second, while unions used Better Factories Cambodia and the Arbitration Council to stress compliance with law, unions' efforts have concentrated strictly on legally stipulated rights but not demanded more than that. Moreover, it may keep Cambodian unions from thinking beyond economic issues.

Third, this problem-solving model using international leverage has made blurred the role of the state vague. In the words of one unionist, "I would visualize it [dispute settlement mechanism] this way. There are brand, suppliers, and international NGOs like CCC and international unions. But if brands and suppliers do not care, we need contact actions of INGOs and unions" (Interview, unionist, December 2018). This has been an effective model for unions with weak bargaining power to maximize their gains in workplace disputes. In this picture, the state has almost disappeared. In fact, the Cambodian government has been seldom in the scene of labor disputes or labor affairs except some cases disturbing social orders or imposing potentially political challenges. Therefore, unions have regarded the state as a less important or less relevant in settling labor disputes.

However, recent political turmoil began to make politics a main factor in labor affairs even though labor unions do not seem aware of the importance of politics or capable of responding to it (Interview, independent researcher, January 2019). Before 2010 when unions mobilized workers to demand a minimum monthly wage, the Cambodian government seemed to think that it could keep unions out of politics. It does not mean

that government just ignored the unions. The Cambodian government did not hesitate to intervene when it saw a real or potential political challenge. Chea Vichea, the most charismatic and progressive leader of the Free Trade Union of Workers of the Kingdom of Cambodia (FTUWKC) was even killed. And there was a doubt that government would prefer (and even promote) breaking-away-and-forming-a-new-federation model to keep all unions, smaller and less powerful (Interview, independent researcher, July 2017). The Cambodian government may be confident in its ability to control unions to contain their influence to the factory.

However, massive labor strikes over the minimum wage in 2013 must have alarmed the ruling party. Since then, the government has tried to gain workers' support and to control unions. One of the first efforts was to form a special team of foreign-trained technocrats in the labor department who were familiar with the language of international labor rights. They have produced legal frameworks and policies for favorable welfare policies and interfering labor laws (Interview, various government officers, December 2018, January 2019). In addition, the government has tried to craft its image of a caring parent for its people. The weekly meetings with factory workers was one of the efforts, which made workers feel connected to and cared by the government (Interview, government officers, MGMA, various times). Also, the government showed a good face to workers by raising the minimum monthly wage. When minimum wage has increased by US\$82 from US\$100 in 2014 to US\$182 in 2019, the prime minister always added US\$5 more to the amount agreed by the LAC.

At the same time, the government has tried to weaken unions' influence through criminal lawsuits against union leaders accused of having led illegal strikes. Another measure was the 2016 Trade Union Law. While the TUL limited unions' rights including the right to strike, the TUL may harm unions' capacity to use international campaigns by decreasing their access to the AC. According to the article, only unions with representative status can bring dispute cases to the AC.¹⁰ It may disturb the traditional dispute settlement practices exercised by unions by depriving the AC of what they need to convince international brands.

However, unions have been more concerned with being involved in strikes and being moderate members in the LAC, which is responsible for setting the minimum wage. In this new political environment, the unions may not enjoy powerful leverage from international brands. When the BFC and the AC developed and supported by international actors cease to work for Cambodian unions, the government might suppress the unions. It would then be time for Cambodian labor movement to rethink its strategies.

¹⁰ Even worse for the AC, mostly due to the small number of the cases the AC heard and partly due to the foreign policy of the Trump administration, the US government stopped funding the AC in 2019. While Sweden has promised to make up some of this funding, the AC had to find other sources to cover the deficit, probably from the Cambodian government. This situation raises concerns about the independence of AC from government intervention.

CHAPTER 4.

MYANMAR¹¹

Myanmar is a country of 54 million people, rich in natural gas, oil, and timber. Its main industry is agriculture, with rice cultivation accounting for 37.8% of the country's gross domestic product (GDP) and 25-30% of export earnings. The work of 70% of the 25.4-million national labor force is in some way related to rice.

Industrialization has accelerated since 2011 as Myanmar has abandoned its self-imposed isolation and begun to integrate into the global economy. This process has not been entirely smooth; political turmoil has at times frustrated industrialization. The military regimes that ruled Myanmar for decades pursued policies of autarky and central planning, and the more recent regimes have tried to transition the national economy toward free market policies and engagement with global markets—not an easy task.

4.1. HISTORICAL CONTEXT

Myanmar's era of military rule began in 1962, just 14 years after independence from Britain, when a coup overthrew the country's fledgling parliamentary democracy. The first military regime, led by General Ne Win until 1988, organized the country based on "the Burmese Way to Socialism" under a one-party system controlled by the

¹¹ This chapter is built on the author's master thesis, "Corporatist institutions and militant actions: Building industrial relations system in Myanmar" (2017).

Burmese Socialist Programme Party (BSPP). The regime nationalized much of the economy, dramatically curtailing the private sector and targeting the foreign business community, which had played a dominant role since independence. While the policy was, to some extent, successful in driving foreign businesspeople out of the country, it failed to decrease the private sector and gave rise to a black market that met the public demand for consumer goods (Kyaw Yin Hlaing 2007: 216; Tylor, 2009). The BSPP's paternalist labor policy aimed to control and to gain support from working people. To do this, the regime organized workers in the People's Workers' Council (later the Workers' Association, WA), which channeled the ideological indoctrination of workers through workshops and welfare programs. The regime then set up grievance settlement systems, including joint management-labor committees at workplaces, and nationwide multi-tiered dispute settlement bodies composed of workers and government officials.

In addition, the regime had various channels for workers' grievances including the joint co-ordination body for workers' participation in management at the workplace and special functions held by senior officials for workers to raise complaints with authorities (Tin Maung Tan 2007; Taylor 2009; Kway Yin Hlaing 2007). Also, the Workers' Association or WA had a formal labor dispute settlement process for workers in state-owned enterprises (SOEs). However, the outcomes the WA produced for disputes in SOEs were inefficient and unsatisfactory due to lack of cooperation on the part of authorities that were in charge of the factories involved in the dispute (Kyaw Soe Lwin 2013). The inability of these formal channels to resolve labor disputes in state-owned factories combined with food shortages led to massive strikes

in 1974. The WA exacerbated these disputes because workers in SOEs were affiliated with the WA leadership, half of whose leaders were elected by the workers. The strikes were crushed in violence that claimed dozens of lives. After this, the government tightened its control on the WA, amending its election rules (Kyaw Soe Lwin 2013).

The regime instituted a dispute resolution process for workers in the private sector in hopes of attracting more workers to the party-backed WA. This new institution had a three-tier arbitration process composed of government authorities and worker representatives. As there was no role for representatives from management, this encouraged settlements in favor of workers. This labor-friendly climate was illustrated by the Nagar Daw Oo case, which nearly drove one of the wealthiest individuals in Burma into bankruptcy after several disputes filed by her employees were decided in their favor (Kyaw Soe Lwin 2013).

However, the socialist planned economy, compounded with mismanagement and corruption, landed Myanmar on the UN's list of least developed countries. The people's plight was worsened by sudden demonetization in 1986 and 1987 and by a popular uprising in 1988. The ruling military ruthlessly smashed the resistance. Unofficial reports number the casualties in the thousands. Many activists escaped to other countries such Thailand, some launching armed struggle and others initiating international campaigns against the military junta (Kyaw Yin Hlaing 2004).

The military reasserted power. The SLORC/SPDC replaced the BSPP to end the Ne Win regime and adopted the "Burmese Way to Capitalism" (Badgley 1990) to

accommodate both proponents of free market policies and supporters of the centrally controlled economy (Mya Maung 1996), tightening control over Burmese society.

Economically, the regime undertook several reforms including enactment of the foreign investment law, privatization of SOEs and legalization of previously illicit economic activities. However, the most noticeable outcome of these changes was to strengthen the patron-client ties between military authorities and the business community (Tin Maung Than 2007: 355-360; Kyaw Yin Hlaing 2007: 219). The new economic policies enhanced authorities' monitoring of the business community and increased the discretion of authorities in relationships with businesspeople.

Privatization, business licenses, and permission to develop natural resources were all approved behind closed doors by high-ranking officials, mostly ex-generals. A secretive elite decided who would get these lucrative deals. This situation led to intense competition among business owners who were willing to give bribes and agree to any demands, including constructing infrastructure at their own cost. Of course, such "free" contributions would be paid back with bigger government projects or more profitable business licenses (Yin Hlaing Kyaw 2001: 262). Sometimes officials or the family members of officials became business partners of the companies they themselves privatized, monopolizing the lucrative business opportunities (Ford, Gillan, and Thein 2016). Corruption was pervasive in the bureaucracy and the mutually beneficial relationships between officials and business made the government much more business-friendly.

Politically, the regime took several measures to intensify its control. While retaining the previous oppressive laws and issuing new decrees and orders banning the unauthorized gathering of organizations or groups of five or more, the authorities dismantled the party-based institutions inherited from the previous regime, including the workers' mass organizations. The government moved toward claiming legitimacy by promoting nationalism and claiming to protect sovereignty against foreign powers, for instance, by supporting cultural or religious events and organizing sports events. In 1993 the regime created the Union Solidarity and Development Association (USDA), a mass political organization based on geographical regions that emulated the military-backed political party in Indonesia (Mya Maung 1995: 124-5). The USDA was the political arm of the regime but without any channels of grievance settlement.

While the military regime implemented pro-business policies and tightened political control, it suppressed labor disputes out of fear of social unrest. Paternalistic labor policies ended. The regime changed the complaint filing procedures and reduced the number of dispute arbitration bodies, making it difficult for workers to pursue these channels and producing unfavorable verdicts to workers (Kyaw Yin Hlaning 2007; Kyaw Seo Lwin 2013). High-level officers stopped intervening in dispute cases. In the late 1990s, when workers in a dispute asked the local commander to help, he refused, saying that Myanmar was no longer a socialist state (Kyaw Yin Hlaning 2007: 245). This situation left workers without any recourse. Any dispute or industrial action was treated as an affront to the regime and punished. Dissenters were frequently given life sentences. Six labor activists who tried to organize a workshop to celebrate May Day in 2007, were sentenced to 20 to 28 years in prison (Interview, labor activist, October

2015). Any factories with labor disputes were isolated by police barricades and the disputes settled in a few days. When quick resolution was impossible, the factory would be shut down (Interview, labor activist, October 2015; ex-government officer, April 2017). In this way, the regime prevented workplace disputes from spreading to other factories and becoming political issues. The regime tightly controlled labor, as the lack of strikes during this period shows. Labor became one of regime's major issues only after the ILO started to engage with forced labor problems after 2000 (Kway Soe Lwin 2013).

4.2. POLITICAL TRANSITION

The transition to the civilian government starting in 2010 was initiated by the SLORC/SPDC regime based on its own master plan. In 1990, the regime canceled the election in 1990 that had been a landslide victory for the opposition National League for Democracy (NLD) led by the iconic figure, Aung San Suu Kyi. In 2003, the regime announced the “7-step Road Map to Disciplined Democracy” including adopting the new constitution, conducting a general election and forming a civil government. According to this plan, the civil government would build a modern, developed, democratic nation. The military, however, would not give up their privileges. The military used the 2008 constitution to install several mechanisms for self-indemnification and consolidation of their power in the civilian government: amnesty of members of the military junta for executing their duties, compulsory allocation of 25% of parliament seats to the military, and institutionalization of

military bodies such as the National Defense and Security Council in the civil government (Aung Htoo, 2010). The 2010 election ended with central and local parliaments filled with ex-generals and military who took 1,143 out of 1,159 seats.

The military-backed civilian government led by President Thein Sein, although greeted by national and international skepticism, surprised everybody with unexpected radical reforms in 2011. Aung San Suu Kyi was released from house arrest, political prisoners were freed, censorship relaxed, and the formation of trade unions allowed. The reforms caused political, social and legal changes that created new political and social dynamics. In an April 2012 by-election, the NLD gained some parliamentary seats including one for Aung San Suu Kyi. Private media is enjoying freedom of expression for the first time since 1962. In the 2015 general election, the NLD won a landslide victory, gaining more than 80% the seats in parliament.

4.3. BUILDING A NEW IR SYSTEM: TRIPARTISM

The governments led by Thein Sein and by Aung San Suu Kyi have made economic development one of their most urgent goals. They regard foreign investment as crucial for economic growth and view the garment industry as a prime way to lure foreign investment. In fact, owing to its young and cheap labor force, the country is known as “Asia’s final production frontier,” especially attractive to the labor-intensive clothing factories and to the multinational corporations that were relocating from China and other places with rising labor costs (HKTDC 2016). To attract foreign investment, the

Thein Sein government wanted to re-build an IR system that had not functioned well for a long time. They started by enacting two labor laws, one in 2011 regulating trade unions (and employers' association in part) and one in 2012 pertaining to labor dispute settlement and other institutional changes.

The defining characteristic of the new IR system was tripartism. Tripartism provided a base for consultation at the policy level, labor law to promote both unions and employers' associations (the stakeholders of tripartism), and dispute settlement system composed of tripartite representation. The first tripartite consultation was held in 2012 and became the National Tripartite Forum (NTF) that now meets quarterly. The Forum has become a venue for government, employers and workers to discuss labor policies and issues. Since its formation, the Forum has addressed policy issues such as forming a standard employment contract and deliberating amendments to labor law. The minimum wage, set up in 2015, was decided through tripartite consultation. Other governmental working committees to discuss labor law reform, a decent work program, and child labor were, or will be formed by the tripartite composition (ILO 2016).

The 2011 Labor Organization Law (LOL) and the 2012 Settlement of Labor Dispute Law (SLDL), also have clear tripartite characteristics. The Labor Organization Law established workers' rights to organize, engage in collective bargaining, and strike. More than 30 workers or 10% of workers in a factory can form a union (referred by the LOL as a basic labor organization) by registering the local labor department. In

addition, the law allowed employers to lock out their employees and provided a legal basis for employers' associations.

Workers enthusiastically embraced the opportunities to organize. Under the new labor laws, workers have organized workplace (basic) unions quickly, and formed several federations, although it took some years for them to legally register. As of November 2017, 2,506 labor organizations were registered: 2,341 firm level unions, eight federations and one confederation including three seafarers' federations inherited from the military regime (Ministry of Labor 2017). However, it is hard to tell the union density due to lack of reliable data.¹²

The LOL also encouraged the formation of employers' associations. Even though employers responded much less warmly to the idea of forming associations, there are now 29 employers' associations most of which were formed after 2011 but some of which were formed earlier. The Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) was one of the old ones that has been playing a role of a peak organization.

The SLDL regulates the dispute resolution system. The system consisted of negotiation at the workplace, conciliation at the township, and arbitration. And the arbitration had two-tire, comprised of a state/regional arbitration body (AB) and an

¹² One report suggests 0.6% of union density based on rough estimate number of union members as 200,000 provided by federations and confederation, which may be questionable of calculation accuracy according to my observation. In addition, to consider more than half of unions are farmers' associations rather than those in employment relations, the union density may be lower than 0.6% even if the figure was correct.

arbitration council (AC). The decisions of the AC were legally binding, and a dissatisfied party could initiate litigation by appealing to the courts.

This multi-tier dispute settlement system was not new to Myanmar; it was practiced during the first military regime or socialist period. The main structural difference was that the previous system was based on bipartite structure representing government and workers, while the new system guaranteed representation of all three parties from the stage of conciliation to the AC. In practice, unions would use tripartite participation in workplace negotiations to engage local government officers when the negotiations reached an impasse.

In this regard, the idea of tripartism spread more widely and thus, it referred not only to a platform for social dialogue at the policy level, but also to a standard (and idealized) procedure to settle labor disputes and strikes at the workplace through government, employer, and worker involvement. Moreover, it gained currency both in government and labor and business communities. The government praised tripartism. For instance, when the government listed the Presidential Message for May Day in 2015 its achievements, the tripartite structure to set up minimum wage was explained at length.

“Tripartism” and “social dialogue” were two of the most popular terms among labor unionists and activists. Union leaders showed their faith in tripartite structure to address labor issues as they emphasized the importance of “negotiation,” “constructive social dialogue,” and “building harmonious employment relations’ (Interview, unionist, July 2017; unionist October 2018). Unions seemed to accept the tripartism’s pre-

condition: the discourse of industrial peace between labor and capital. For instance, the MTUF and the Myanmar Garment Manufacturers Association (MGMA) signed a bipartite memorandum of understanding (MOU) on peaceful and negotiable industrial relations with unions in 2014. The MOU stated that “good cooperation and improved industrial relations will promote association, Myanmar’s economic and social growth” even though the MOU was never more than rhetoric.

What accounts for tripartism, one of important features of social corporatism, its legitimacy among stakeholders, and expansion of the corporatist discourse in Myanmar? This country has little historical experience with social corporatism. In addition, unlike in countries with a corporatist system through strong bargaining power of unions, the infant labor movement, created in 2011, did not have the organizational power to wrest concessions from the state and/or employers. Then, what made the government agreed to set tripartite committee, and labor and employers accept the discourse of corporatism, as an IR model? The influence of the ILO was crucial to these developments.

4.4. THE ROLE OF THE ILO IN THE IR SYSTEM BUILDING

Since the beginning of the reforms, the ILO has been building the system of industrial relations.¹³ The organization and its Yangon Office have been providing technical assistance and acting as a master planner to build an IR system. It was possible not

¹³ The ILO Yangon Office started to discuss freedom of association with the government in 2009 but without outcomes (Interview, ILO staff, June 2014)

only because of its expertise in labor affairs but also its years of acquired capacity and credibility. The latter was more influential in the organization's operation.

4.4.1 The ILO's Legacy: The Root of Influence

Since the ILO set up its liaison office in 2003, the ILO has built its network with grassroots support through a unique mechanism of forced labor. The ILO Yangon office, unlike ILO offices in other countries, negotiated the installation of a unique mechanism to receive complaints directly from victims of forced labor, investigate the cases, and assist victims to seek legal remedies (Horsesey 2011). During that project, the ILO stopped officials from using citizens as forced labor, rescuing child soldiers, winning remedies for victims of forced labor, punishing offenders, and protecting people from retaliation by the authorities. Through these successes, the ILO justifiably claimed that it contributed to reducing forced labor, a change recognized by Aung San Suu Kyi (Horsesey 2011).

Against this backdrop, the ILO continues to work with two assets: an image of the "hero" in fighting the military government for the sake of the people in the public imagination (interviews with unionists and ILO staff, various times); and leverage of economic sanctions given by the international community. The former has helped the ILO in working with unions and labor groups, while the latter has been effective in pressuring the government.

Under the military regime, the ILO built direct contacts with unionists in exile and labor activists underground. Unionists in exile along Thai border provided information on forced labor in remote villages through their informal networks to the ILO and international communities. The Federation of Trade Unions Burma (FTUB) and other human rights groups in exile worked hard to collect information of forced labor cases that were not reported to the ILO partly due to difficult travel of people caused by restriction of authority, geographical isolation, or high travel cost.¹⁴ At the same time, the ILO provided a platform for these groups to engage in international campaigns against the military junta. In fact, the ILO's sanctions on Myanmar and the forced labor project might not have been possible without efforts by these groups.

After the ILO set up the Yangon Liaison office, they worked hard but carefully to build relationships with local labor activists underground. The ILO's office was intentionally located in a hotel in the middle of a busy downtown. In addition to convenient access, the objective was to protect visitors from unwanted government attention and to avoid a close monitoring, if any, of the government on the office (Interview, ILO staff, October 2015). Underground activists willingly visited the ILO office in secret and provided information about labor disputes and forced labor cases. At the same time, they learned about labor rights as international labor standards. This

¹⁴ This information, mostly first-handed with concrete proofs, served as evidence of prevailing existence of forced labor and sometimes created a seeming tension with the ILO's claim on successful cases that were relatively small in volume but argued for symbolic importance of these cases to send warnings to officials who would be potential offenders of forced labor (Horsey, 2011). However, rather than harming the forced labor project, the vivid cases of people's suffering including physical harms, rape, even death, prevented the Myanmar government from claiming for non-existence or a few extraordinary examples of forced labor and helped to keep international community interested in the Myanmar situation and continuing pressure on the regime.

relation was mutually beneficial: the ILO could obtain information about the labor situation; activists could learn about labor rights. Activists spread what they had learned to workers and offered workshops on labor issues and unions even though the consequences of being caught were dire. One of the ILO informants formed an underground union of activists across factories (Interview, labor activist, October 2015).

Through the forced labor project, the ILO acquired a reputation for helping victims not only of forced labor but also of the military junta. One of the best-known cases was a high treason case against two lawyers and one labor activist who received a death sentence even though the only evidence against them were name cards of an ILO staff member. Through the ILO's intervention, the sentences were reduced to two or three years and they were released earlier. In another case, a woman wanted to punish officials involved in forced labor. Later, she was sued for "insulting and disrupting a government official on duty" and sentenced to 18 months' imprisonment. There were several similar cases that complaints to the ILO faced real or threatened prosecution. The immediate interventions not only of the liaison office but also from the headquarters were able to reduce prison terms or to have charges dropped (Horsey 2011; Interview, unionist, November 2015).

The networks the ILO has built with local and exiled unionists, and its heroic image helped the ILO in the reform era. The networks were practically useful because these people have become main actors labor side in the newly born labor movement, so the

ILO could utilize not only informal, personal relationships that may be more workable in some situations (Interview, activist, November 2015).

At the same time, international sanctions gave the ILO leverage over the government. Lifting sanctions was one of urgent agenda of Myanmar government that set up the economic development strategy to integrate into global supply chains and to receive foreign investment (Gillan and Thein 2016). In this regard, the ILO has been a window for Myanmar government to show its genuine intention for reform and sincere efforts to comply with international labor standards. At the same time, the ILO has been a gatekeeper for international investment. The ILO became a busy place for international business communities interested in Myanmar, to seek information (Marshall 2015). Therefore, “the government was concerned to keep the ILO happy”¹⁵ (Interview, ILO officer, July 2014) and labor policies were a part of the reform package.

4.4.2 Building a Tripartite IR System

These resources have allowed the ILO to broaden the scope of its work to more than merely providing technical support. It is shaping a framework of an IR system at the institutional level and in practice. In fact, the government, employers and unions accepted the ILO as a legitimate authority with expertise on labor and industrial

¹⁵ The efforts of the government were rewarded as expected. The ILO made a first move by lifting the sanctions in June 2012. It was followed by the EU that had imposed sanctions in 1997 in relation to the forced labor complain and lifted them in 2013. And also, the US withdrew the sanctions, although partially, which had had the most detrimental impact on Myanmar garment sector by preventing access to one of the biggest export market in 2003.

relations, especially in the early stage of reform. Workers in disputes used the ILO to legitimize their actions and frequently convinced employers and government officers based on what the ILO says. For instance, a worker in a weaving factory use this association during a wildcat strike in 2012. When an official from the labor department showed up at the strike site, she showed the pamphlet with the ILO logo that she got from an ILO training and claimed, “According to the ILO it is our rights.” The official had no reply, and became cooperative (Interview, unionist, November 2015). Because of the excellent reputation of the ILO, there were several cases that the name of the ILO was used by those who showed up at factories at strikes and pretended to be from the ILO in order to obtain trust from the workers (Interview, ILO staff, October 2015).

Credibility of the ILO made the ILO’s institutionalization of an IR system, or the formation of a tripartite structure, easier. However, in fact, the task itself was not an easy one; the organization had to work from scratch, initiating and supporting the tripartite committee, promoting a favorable environment, and enforcing good faith bargaining between the parties.

The ILO has provided support for the formulation of the trade union act (the Labor Organization Law, LOL) and the dispute settlement act (the Settlement of Labor Dispute Law, SLDL) in the hope that these laws would bring industrial peace. The ILO’s major role in the process of drafting the laws was obvious even though it was

illegal under the Official Secrets Act.¹⁶ The government drafted the law without consultation with any stakeholders, but the ILO was able to review whether the drafts complied with the ILO's conventions and internationally recognized labor rights. In reviewing the LOL draft, the ILO staff did "sit down with the government and went through the draft one by one and made lots of recommendations" some of which were reflected in the final version (Interview, ILO staff, June 2014). The Committee of Experts approved of the draft: "the Committee said that the draft was ok to start with although it was not perfect" (Interview, ILO staff, October 2015). The government did not follow all of the ILO's recommendations (Interview, ILO staff, October 2015). For instance, the ILO officer who was involved in drafting mentioned that the LOL may "regrettably" encourage workplace level unions more rather than industry unions that was different from their recommendations. However, overall, the government accepted large part of what the ILO recommended.

The ILO has built a framework of an industrial relations system based on tripartism and social dialogue, the ILO's version of corporatism. The ILO institutionalized tripartism from the outset of political reform, starting with the formation of a tripartite committee in 2011, evolved into the National Tripartite Forum in 2012.

¹⁶ Drafts of laws are classified as secrets and even parliament members can not disclose the contents to anybody that violates the Official Secrets Act 1923 stipulating up to 14-year imprisonment (International Bar Association 2012: 43; The Burma Official Secrets Act 1923). The contents of the law shall be known to public only when the government officially announces it after the law is passed by the parliament, so sometimes the parliament members may not have enough time to review the law (International Bar Association 2012: 43; Labour Rights Clinic et al. 2013: 34). This act was inherited by the British colonial government and was not even translated into Burmese from English. In 2014 there was a failed attempt to amend the law that has been used to oppress the freedom of media (Freedom House 2015; Htoo Thant 2014).

Without historical legacy of social corporatism nor supporting institutions for tripartism, the ILO worked from scratch. One of the first things the ILO did was find participants in the tripartite committee. When the reform started in 2011, there were no unions or employers' associations to represent labor or business. For unions there were two problems: lack of human resources with experience of the labor movement and a legal obstacle to forming peak organizations. Trade unions had been banned since 1964. Only a few people, if any, had experience organizing workers and forming unions and federations inside Myanmar. In addition, the LOL for federations and confederations required a certain proportion of different levels of unions for labor federations to be legally recognized.¹⁷ Therefore, the ILO had to convince the government to accept the unauthorized (or illegal) labor groups (Interview, ILO staff, June 2014).

For the employers' organization, there was a peak organization, the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). However, there was a doubt whether UMFCCI was representing employers. It is partly because of the organizational genesis. Established by the SLORC regime in 1989 (Tin Maung Maung Than 2007: 389-390), the UMFCCI was regarded as the party's arm in business community (Kyaw Yin Hlaing 2007). Also, historical legacy of business community in Myanmar was precluded collective voices. They had competed for

¹⁷ To form federation needs prerequisite of 10% affiliated member organizations out of the existing labor organizations at all the three lower levels of unions (workplace, township and state/regional levels respectively), which puts difficulties on establishing federation. Currently there is only one federation, Seamen's Federation without lower level organization, which was one exception by the law. Because of this quantitative requirement, some union leaders formed several unions in a same factory under same leadership by dividing members. However, it may create some internal conflict among the sister unions (Interview, union organizer, Nov 2015).

cliental relations with generals who provided lucrative business opportunities to those in the close circle. In fact, it has been registration agency rather than a representative of the interests of business community. In addition, the employers' associations including the UMFCCI seldom covered foreign employers who became more prominent in the economy. For instance, the Myanmar Garment Manufacturers Association (MGMA)'s website states that it had around 529 garment company members in 2019; around 300 were Chinese or Korean. However, these groups had their own business associations and had few channels to make their voices heard. Recently, the MGMA has increased contacts with these foreign employers' associations over issues such as the minimum wage. However, it was still more ad-hoc than official. In this situation, foreign employers' associations may think their voices were not heard. Therefore, the Korean employer's association tried to meet with the minister of labor to convey their opinion on minimum wage in the middle of social debates to set up the amount but they could only reach lower-level officers who were in charge of administrative and technical work (Interview, employers' association, July 2017; Korean employer's association, October 2018).

The ILO, while providing training and support for capacity building both for unions and employers, attempted to bring blacklisted unionists back from exile; they had campaigned against the Myanmar military regime for more than 20 years. The most famous of these was Maung Maung, leader of FTUB (and now president of CTUM), the "only one person to understand IR in Myanmar" (Interview, ILO staff, June 2014). Maung Maung returned from Thailand in September 2012 and quickly announced the formation of FTUM. At the same time, the ILO tried and failed to form an employers'

organization. Later, the ILO decided to continue using the UMFCCI with some limits (interviews, ILO staffs, October 2015, Nov 2018).¹⁸

Simultaneously, the ILO worked to convince these players of the benefits of a tripartite structure. All three had different issues. First, the government was reluctant to participate, concerned with losing power to control civil society. While convincing the government of the importance of tripartite consultation, the ILO assured the government that it would retain the final decision-making power by giving consultative status to the other social partners (Interviews, ILO staffs, June 2014, October 2015). In addition, the employers' group showed little interest in social dialogue. The ILO, while urging the UMFCCI to take a proactive role, has reached out to local business communities to explain tripartism and its benefits (ILO 2016). And even though unions were excited about the idea of tripartite forum and eager to participate, the ILO had to contend with complicated dynamics of rivalry mostly among unions returning from exile and locally formed unions that "refused even to sit in the same room" (Interview, ILO staff, June 2014). However, the ILO convinced both groups through connections developed from the forced labor project period that helped the ILO to persuade these groups to participate. When the ILO started to work for tripartite forum, no union federations nor confederation had legal status due to the complicating requirement to register a federation. The ILO convinced the government to acknowledge the newly formed but not legally recognized federations as social partners in the tripartite forum (Interview, ILO staff, June 2014).

¹⁸ Currently the UMFCCI has seated in the tripartite forum with more active participation of its member federations such as MGMA.

Based on the ILO's efforts, the first tripartite consultation was held in 2012 and institutionalized as the National Tripartite Forum (NTF) in 2014 followed by other tripartite sub-committees. The ILO provided technical support and facilitated the forum. For instance, the NTF needs to amend the labor laws. The ILO Yangon office facilitated the procedures, while employers' associations received support from experts in the ILO's employers' bureau and unions received advice from international trade unions (Interview, ILO staffs, unions, employers' association, various years).

In addition to forming the tripartite institution, the ILO had to create a favorable atmosphere for social dialogue and harmonious industrial relations, which is one of the premises of social corporatism. One of the ILO efforts to achieve it was training. It was particularly important in Myanmar where the three social partners have seldom practiced dialogue and negotiation. Therefore, most of the training has focused on the relations between employer and employee and on building social dialogue. After separate trainings, both employers and workers participated in a joint training program to promote mutual understanding and to enhance understanding of social dialogue (Interview, ILO staff, June 2014). A union trainer recalled one of the most useful trainings involved a mock collective bargaining exercise with role reversals between workers and employers (Interview, unionist, Nov 2015). In two years, 145 training workshops were attended by 5,449 unionists, employers, and stakeholders (September 2012 – September 2014). Some were led by local ILO-trained facilitators (ILO Liaison Office, 2014; Interview, unionists, October and Nov 2015).

In sum, the ILO Yangon Office has built corporatist IR institutions and spread corporatist discourse in the labor movement from making and supporting the capacity building of stakeholders in the tripartite forum, facilitating the forum, and balancing the power between parties. To do so, the ILO used leverage on the government provided by a favorable international context and influenced the labor movement through social capital gained from its work on the forced labor project.

However, this foreign institution naturally faced challenges. It was still not easy to motivate stakeholders, especially employers to take part in the forum. The ILO has continued to face the lukewarm attitude of employers. For instance, some representatives from the UMFCCI did not come to the quarterly tripartite meeting, resulting in some vacancies in its allocated nine seats for employers. Unions complained that UMFCCI sent lower-level officers with no decision-making authority (Interview, unionist, Nov 2015; ILO staff, Nov 2018). Moreover, the ILO overshadowed the tripartite forum. The ILO had created and maintained the balance of power in the tripartite forum. The tripartite forum gained its importance from the presence of the ILO. The weight given by the ILO to unions in power balance was critical. In fact, because of weakness of unions, there was clear imbalance in power among the social partners. Unlike tripartism in other countries where unions were strong enough to gain concessions from employers and government or where governments were eager to gain support from unions, Myanmar unions had little organizing capacity and low union density and the government did not think of unions as a political partner. Unions leaders are aware of their weakness and the value of the ILO presence to balance weight by compensating for labor's weak position with

international pressure to ensure compliance with international labor standards. To be incorporated into global supply chains and to be free from international sanctions for economic growth, the Myanmar civilian government “was concerned to keep the ILO happy”¹⁹ (Interview, ILO officer, June 2014). However, when the ILO was weak, the tripartite forum may be less important and its power balance among social partners would be shaken. In a sense, this change already started in a rather subtle way. Currently the ILO took a more neutral position and worked on technical and administrative support for the forum’s operation. This change came together with a shift of the staff in charge in the ILO from those who had been engaged in system building to those who has worked for more technical support (Interview, the ILO staff, October 2018).

The tripartite institution has shallow roots in Myanmar. The ILO implanted corporatism through tripartite institution as a framework of an IR system and made corporatist notion a main discourse. However, the institution was set up with little structural connection to other government authorities. Its operation of the tripartite forum has depended on the ILO. The tripartite forum had to shorten its meetings due to ILO budget cuts in 2018 (interview with government officer, October 2018). Even worse, its alienation from government authorities seemed to dilute the effectiveness of the tripartite forum. For instance, when the Myanmar government announced that they would shorten the Thingyan, Myanmar’s new year’s holiday from 10 days to five in

¹⁹ The efforts of the government were rewarded. The ILO made a first move by lifting the sanctions in June 2012. It was followed by the EU that had imposed sanctions in 1997 in relation to the forced labor complain and lifted them in 2013. And also, the US withdrew the sanctions, although partially, which had had the most detrimental impact on Myanmar garment sector by preventing access to one of the biggest export markets in 2003.

2017, they did not have consult with tripartite members. The unions protested so much that the implementation of the plan was postponed to 2018.

There was a more serious problem in relation to labor law reform. The tripartite members have discussed labor law reform including DSL for a couple of years. The members did not agree on everything. Thus, they confidently believed that they could reach enough of an agreement to produce a draft. However, all of sudden, the parliament announced that they had made a draft by themselves; the tripartite members read about it in the newspapers. This meant that the time and efforts of the tripartite members had been a waste. Some tripartite members even accused the parliament members who had written the draft of not knowing anything about the tripartite forum or its function. These anecdotes illustrated how the tripartite forum was isolated from other government administrative and legislative authorities (Interviews, ILO officers, unionists, and government officers, October 2018).

In short, the ILO has succeeded in building an IR institution based on tripartism and social dialogue at the policy level and bringing the ideal model of employment relations to the workplace with their assets accumulated through forced labor project, and leverage from the international community. However, whether this implanted IR system would be well functioning is questionable. This implanted corporatist model of industrial relation system has affected the labor movement as well.

4.5 RESPONSES AND REACTIONS OF LOCAL UNIONS

The ILO expected that institutionalization of its IR system would lead to social dialogue and industrial peace. The ILO regarded the legislation as the first step to initiate social dialogue, as the liaison officer explained that the Labor Organization Law (LOL) is “about social dialogue, creation of relationships between employees and employers...not purely about strikes...an action of last resort” and expected the LOL would “hopefully prevent strikes and labor disputes” (Allchin 2012). The ILO regarded the legislation as the first step to initiate social dialogue, as the liaison officer explained that the LOL is “about social dialogue, creation of relationships between employees and employers...not purely about strikes...an action of last resort” and expected the LOL would “hopefully prevent strikes and labor disputes” (Allchin 2012). In addition, the ILO has attempted to promote mutual understanding and social dialogue between employers and workers, for instance, through trainings and the institutionalized tripartite forum.

4.5.1 Corporatist Perception at Leadership Level

The labor movement welcomed the tripartism that the ILO promoted. All labor unionists and activists I interviewed approved of the tripartite structure and social dialogue, regarding it as a public space to raise their concerns and to communicate with the government. “Tripartism” and “social dialogue” were popular terms among labor unionists and activists. It did not mean that they naively believed that tripartism

would solve all the problems. They expressed some skepticism about its actual effectiveness because they saw some problems such as the close tie between employers' group and government, and no participation of actual leadership with decision making power especially from the employers' organization (Interviews, several unionists, October 2015). However, they regarded these problems as more operational issues rather than the issues intrinsic in the system. Therefore, union leaders have continued to place faith in corporatist institutions to address labor issues as they emphasized the importance of 'constructive social dialogue' (Interview, unionist, July 2017). The labor movement was most enthusiastically using tripartite space to articulate its interests.

There are several reasons for labor movement's optimism. Labor unionists and activists welcomed the tripartite forum and social dialogue convened by the central government because they hoped it would give them a voice in policy decisions. Even with some skepticism of the forum's effectiveness, the unions remained eager to use it to influence labor policies and legislation (Interview, several unionists, October 2015). In this regard, tripartism is accepted as an IR model. It was no different among groups excluded from tripartite structures such as labor NGOs, independent factory unions, and small and newly formed federations. In several cases, labor NGOs who had consulted with the ILO early in that organization's involvement in labor affairs of Myanmar were not invited to do so once tripartite forums were set up. While continuing to contribute to union formation and workers' struggles, they did not challenge or recognize their exclusion as a problem. Even though this acceptance of

tripartism may not mean that all the labor groups agreed with the corporatist ideal on industrial peace, labor movement in general used the tripartite structure as a model.

At the workplace level, union members and labor activists exercised tripartism in bargaining with employers. Unions in factories frequently invoked tripartism to justify local labor department officials' intervention in workplace negotiations. When a negotiation bogged down over unbridgeable gaps between workers and employer, or over employers' refusal to come to the negotiation table, the union would report to the local labor department and request their involvement in negotiations in the hope that the authority would pressure the employer. Even though the memory of the authorities' merciless suppression of labor disputes lingers, the structured nature of tripartism gives workers and union members confidence that it is a favorable setting for workers, and that authorities will act as neutral mediators to force employers to act in good faith towards workers.

At the same time, corporatism may influence the perception of unionists at the federation and activist levels about what employment relations should look like. First, the ILO's effort to create an environment for harmonious employment relations was effective to some extent especially for union leaders through training. One interesting remark was from a long-time labor activist who had been an ILO informant during the military regime and sentenced to more than 20 years in prison. After his release in 2012, he set up a labor NGO. He is still a prominent figure in the labor movement, organizing and influencing unions. "Before I thought employers and workers were enemies. Now I would like to promote harmonious relationship among employers and

workers.” He cited the ILO workshop which put unionists and employers together to promote mutual understanding (Interview, labor activist, June 2014). In fact, it was not hard to listen to federation leaders who emphasized the good employment relations. This tendency was observed by others. The leader of the FTUM/CTUM, for instance, suggested that “[t]he main issue [for healthier industrial relations] is understanding the need for negotiation” (Chen 2014). Thus, “good employment relations” become that “employers and workers shall talk to each other to avoid strikes...[to] improve workers’ rights and maintain productivity” (Interview, unionist, Sept 2015). This corporatist discourse permeated the workplace with an emphasis on “negotiation” by unionists and labor activists even though it was not asserted in the workplace (Interviews, unionists, October, November 2015).

4.5.2. Militant Actions of Workers

The situation did not go as well as expected. Differing from the corporatist ideal, workers’ collective action, suppressed under military rule, has become more visible since 2009 and spread more widely with new labor laws promulgated in 2011 that give workers the legal right to form unions and strike. Strikes were commonplace in factories, mainly due to vicious cycles of strikes and retaliation by employers, the introduction of strict workplace rules, increased work intensity, and dismissals (interviews, unionists, October and November 2015). Many unions, formed out of strikes, had frequent strikes. An extreme case was a union in a detergent factory in Mandalay, the second-largest industrial city in Myanmar. A 400-member union staged

seven strikes in its first year to protest the employer's failure to implement the collective agreement and because of the dismissal of union leaders (Interview, unionist, Nov 2015). Scholars have identified this period as "a wave of strikes" (Gillan and Thein 2016; Henry 2016; Arnold and Campbell in press), even though few provided statistical data. A recent survey supported this observation, suggesting that more than a third of garment firms had at least one strike between 2014 and 2017 (Myanmar Centre for Economic and Social Development 2017).

In addition, workers have made their voices heard outside of factories by holding rallies. According to a newspaper article, labor protests peaked in 2012 with 241 cases and declined to 136 in 2013 and then to 70 by July 2014 (Chen 2014). With the lifting of control on the media, labor leaders used demonstrations to get public attention. In June 2013, over 12,000 workers from 30 factories in the Yangon industrial zones marched, demanding wage increases and better working conditions. Workers also targeted specific authorities. In 2014, hundreds of workers from Master Sports, a shoe factory owned by a South Korean, marched to the Korean Embassy to demand remediation after their employer fled to Korea without paying back wages and severance (Interview, labor activist, Nov 2015). In 2015, hundreds of workers struck at Tai Yi, a Chinese-owned shoe factory, conducted a sit-in strike, and traveled to Naipyidaw, the capital city, to pressure the labor ministry to force the employer to negotiate with their union (Interview, unionist, December 2015).

The reasons for increasing industrial actions vary. One explanation is that workers respond to the cues to tolerate collective actions and that the new labor law emboldens

them to make demands through strikes. In addition, frequent strikes may be attributed to a lack of history and culture of negotiation and dialogue in workplace settings to support corporatism. An ILO staff member suggested that because there is a “lack of knowledge and culture of dialogue... the laws are understood as a tool to strikes” (Interview, the ILO staff, October 2015).” In fact, strikes are usually the first measure, not the last resort, to force employers to the bargaining table. A hierarchical workplace culture exacerbates the situation. One factory owner claimed that he had thought of his workers as his children. So, when he had scolded them for their mistakes, they had obeyed with tears and worked hard to learn proper skills (Interview, employer, August 2015). As one worker said, “employers do not think that we are equal to have a negotiation” (Interview, unionist, Nov 2015). The tendency to strike is also related to workers’ mistrust of law enforcement. They noticed that employers frequently ignore the arbitration council when it rules in favor of workers, and that strikes bring more immediate (and favorable in some cases) outcomes; therefore, they are less concerned with following the legal procedures (Interview, unionist, Nov 2015). Because of this situation, workers are implicitly encouraged to go on strikes by members of conciliation bodies at the township level (Interview, unionist, July 2017). In addition, weak bargaining power may be another of the obstacles to preventing wildcat strikes. Workers tended to see strikes as the quickest and most effective method to achieve their demands. This “strike effect” is supported by empirical data showing that workers in garment factories striking for wage issues enjoyed significantly better wages than those without experience striking, while there was no wage difference between union and non-union factories (ILO raw data, 2017). Due to a lack of

bargaining power, workers may not see the value of unions. The ILO data on garment factories suggested that more than 80% of workers sought help from an immediate supervisor when they had a problem; only around 1% of workers sought help from a union representative.

The prevalence of workers' militant actions was far from what federation leaders and labor activists thought as ideal employment relations. In fact, federations could barely control the member unions in relation to strikes. One of the efforts was training for workers that emphasized the legal procedures for strikes and the consequences of illegal strikes (Interview, unionist, July 2017). However, this approach may be less successful in prohibiting "illegal" strikes, as several labor activists and unionists humbly accepted that almost all the strikes were technically illegal (interviews, labor activists and unionists, October and Nov 2015). Therefore, as a union staff member in a federation said, "we always talk to workers 'tell us before you go on a strike' but frequently get phone calls in the morning or at night 'sister, we started a strike, please come to help us'" (Interview, unionist, Sept 2015).

Federation leaders' responses to workers' militant actions were generally negative. The discrepancy between union leaders' perception on ideal employment relations and workers' militant actions became most obvious in 2015. In January 2015, thousands of workers from five garment factories in Shwepyitha industrial zone on the outskirts of Yangon, staged a five-week strike, demanding wage increase and better working conditions. Despite the efforts of the union federation, the Myanmar Trade Union Federation, and activists from different labor NGOs to settle the dispute, the

negotiation did not go well, and the workers viewed the negotiation as less than transparent and the resulting agreement as unsatisfactory. Even worse, the agreement was not correctly implemented. Therefore, although some returned to work, others continued their struggle, and 100 strikers marched through downtown Yangon. At this point, the police and plainclothes vigilantes violently dispersed the workers. The authorities brought legal charges against several of the union leaders under the Peaceful Assembly Law (Interview, unionist, October 2015; Interview, labor activist, November 2015).

This strike was one of the most militant in Myanmar in recent years. Many outside trade unionists and activists were critical of the workers. The union federations and labor NGOs seemed unable to recognize workers' capacities for self-organization, claiming instead that there must have been some group that had instigated these "violent actions" by the workers. Unionists blamed activists and activists blamed "communists" for the strike (Interviews, unionists from both factions, several labor activists, September 2015). However, nobody that I talked to, could give convincing evidence aside from the observation that workers "sang the international song" and shouted slogans on the government's responsibilities on labor issues (Interview, unionists, October 2015; Interview, labor activist, October 2018). The narrative of these outside trade unionists and labor NGOs parroted the government's position that the workers' struggle had been instigated by outsiders. The government, moreover, warned that 'the Ministry of Labour will cooperate with local authorities to take

action . . . against people who sow instability by encouraging demonstrations.”²⁰ The government was worried that workers’ strikes would spill over to the streets, connecting to students’ demonstrations demanding educational reform that happened simultaneously. This accusation was accepted by labor groups,²¹ resulting in unionists and activists stopping their support for the strike, making the strikers even more vulnerable, enabling the government to disperse the strikers violently and increasing workers’ distrust of outside trade unionists and labor NGOs (Interview, international organization, December 2015). The workers who went on strike in this case subsequently affirmed that, rather than some “suspicious outsiders,” it had been the workers who had initiated and organized the strike (Interview, workers, October 2015; leaders in the factory unions, November 2015).

4.6. CONCLUSION: SHORT-TERM GAINS, LONG-TERM LOSS

Underlying the divide between workers and labor institutions is that workers’ militant actions are abnormal, and thus unacceptable. One trade union federation leader’s remark reflects this position: “Wildcat strikes and demonstrations often come from workers who are not part of unions, as they do not have the awareness to resolve issues in a productive manner.” Labor leaders claimed that it is important to build good relationships with employers for foreign investment and economic growth.

²⁰ ‘Government responds to accusations of mishandling labour protests’, *Eleven Myanmar*, 25 February 2015; available at <http://www.elevenmyanmar.com/local/government-responds-accusations-mishandling-labour-protests>.

²¹ Only one unionist said, ‘Who said the struggle was created by communists? That was the government’s bullsh*t propaganda’ (Interview, unionist, November 2015).

Furthermore, leaders in federations and labor NGOs had a narrow perception of labor movement that limit economic issues as the sole legitimate focus for trade union activity, while excluding questions of power and its significance for the working class. They separated political issues from union issues. The groups shouting anti-government slogans were regarded as wanting to an manipulate labor movement for political purposes. Union leaders argued that “unions should be independent (from any political influence).” (Interviews, unions and labor activists, various times). It may be true that workers should define and defend their own interests. However, labor issues cannot be separated from politics. One of the main weapons of the working class would is its political power.

To some extent, labor leaders’ concerns on economic growth and political stability are affected by the political situation. Even though the civilian government took power under the de facto leadership of Aung San Suukyi, the military still holds 25% of parliamentary seats and several ministers’ positions as guaranteed by the constitution. Therefore, political stability and economic growth are important to control the military and prevent its interference in political affairs. In this situation, the labor movement restrained any political challenge and gave unconditional support to current government and particularly to Aung San Suukyi. However, it was doubtful whether their support has been or would be rewarded. Even worse, it did not seem that the government took unions as a political partner.

There were several anecdotes to confirm this skepticism. The National League for Democracy (NLD), seldom showed willingness to build relationship with labor

movement. During the 2015 general election campaign, the NLD made little efforts to win the votes of unions and workers. NLD candidates declined unions' offers to arrange public speeches for them, citing full schedules (Interview, labor activist, Nov 2015). Moreover, union leaders were frustrated to find that the NLD assigned the chairperson of the labor committee of the party who knew little about labor issues and had no intention to learn nor to meet with them. They complained that it was difficult to meet with the labor committee chair (Interview, unionist, Nov 2015). Even worse, union leaders found that some important policies about holidays and labor law were made without consultations with labor groups. However, even though they were disappointed in the government, they continued their support partly due to the political situation and partly due to their perception on apolitical labor movement.

More seriously, implanted IR institutions may limit the potential of the labor movement to explore and develop other types of labor movement activity. The corporatist model introduced by the ILO became the framework of Myanmar's IR system. On one hand, it may implant the ready-made frame in terms of saving time and energy. On the other hand, this implantation may deprive the opportunities for the members of society to discuss the IR system that they wanted. As Evans argued, this process itself may be important to the development of participatory democracy.

However, it may be too exaggerating to say that nobody in labor movement knew what was going on. For instance, one of the prominent labor leaders, returning from exile, and becoming a president of a leading confederation, stated, "I would like to build an IR system based on the Nordic model," one of the ideal models of corporatism. He argued that the models in other countries, such as South Korea and

the US, were too confrontational for Myanmar which had endured decades of conflict (Interview, unionist, June 2017). So, he “already had a plan for this before coming back to Myanmar... and asked helps from my friends in unions in Europe.” But as a unionist working in exile for more than 20 years, his decision was made without any discussion. Local unions or even other unionists returning from exile did not know much they had been given a solo model without their knowledge. In fact, one of the unionists even me “are there any other systems apart from tripartite structure? What are they?” (Interview, unionist, November 2015)

The tripartite forum has been accepted enthusiastically by federations that are members of the forum. They have used it as a space for debates and to make their voices heard in policy making. However, the influences of this implanted corporatism may have long-term profound consequences for Myanmar’s labor movement by developing an apolitical labor movement in which workers have no say in their future.

CHAPTER 5.

COMPARISON

International actors have been deeply involved in the institutionalization of IR systems in Cambodia and Myanmar based on ready-made blueprint and objectives pre-set up by them, a process I call “institutional implantation.” Even though there were some commonalities between two countries’ experiences, there are several differences between them. I examine how different intentions and capacities of international actors take different institutional shapes differently, and how institutions shape unions’ practices. Then, I present whether institutions have produced expected outcomes, if not, the reasons. In summarizing my findings, I present the long-term implications of the implanted institutions for labor movements.

5. 1. INSTITUTIONAL OUTCOMES

In light of the linkage of trade and labor and the incorporation of the countries’ economies into global supply chains, international actors have engaged in national system building with different intentions, interests, and capacities. The interaction and dynamics among these actors have influenced the configurations of newly built IR systems.

The US-Cambodia Textile and Apparel Trade Agreement (UCTA, 1999-2004) materialized the opportunity for the USA and the ILO to engage in IR system building. The USA and the ILO were the major players in Cambodia’s IR institutionalization by

forming the BFC and the AC, but their objectives differed.

The US wanted institutions to present immediate and tangible outcomes due to its domestic politics. The Clinton administration wanted a showcase to promote the virtues of free trade and to convince unions about the free trades' ability to contributing to improved working conditions. The ILO was more interested in system building. When the USA asked the ILO to take on the monitoring project, financed by the US, the ILO focused on building a system that enforced labor standards and industrial relations to promote industrial harmony and cooperation. However, the US government and unions demanded to see more immediate effects to improve factory conditions. The final compromise was for the ILO to operate an independent monitoring program on garment exporting factories, later known as the Better Factories Cambodia (BFC) (Kolben, 2004). In addition, shortly after the BFC set up in 2001, with strong support of the US, the ILO began to work on dispute resolution system as complementary to BFC to “reduce the number of labor disputes and to help resolve them constructively” (ILO, 2005: 15).

Cambodia's two major IR institutions were outcomes of interaction and compromises of different international actors based on their interests. However, relational dynamics of these actors shaped the IR institutions in a specific way suitable to accommodate the interests of the most powerful one while partly compromising others' concerns. For instance, at the beginning of the system building, the US government had more power to determine the framework. When Cambodian workers were unrepresented, US unions wanted to form a strong regulatory body and the ILO intended to build a

system for local actors to enforce compliance with local labor laws. The US government wanted to build institutions to show outcomes more quickly. The ability of the US that funded the project and entitled quota made the US dominant in designing the system. Thus, the IR system in Cambodia has been shaped to focus on regulating working conditions and disputes at factory level.

Myanmar presents a different case in relation to dynamics among the actors, and in terms of the capacity of the ILO. In Myanmar, the ILO is in the most vocal position. For Myanmar's labor affairs, the ILO has been historically most influential international actor. The ILO led to the imposition of sanctions that legitimized other countries' enforcement of economic sanctions until 2011. The sanctions allowed the ILO to intervene in Myanmar's labor affairs by enabling the organization to set up a liaison office in Yangon in 2003. Owing to the liaison office operating forced labor project that made several successful cases and helped oppressed labor activists by the military junta, the organization gained credibility among local people. In addition, the ILO had worked hard to build networks underground labor activists and unionists in exile.

All these gave the organization an exclusive opportunity that any other international actors could not have at that time. It gave a comparative advantage to the ILO to influence local people during the time of transition. At the same time, during the reform, the ILO had leverage from the government's industrial strategy to integrate its economy to global markets. In this regard, lifting international sanctions was of great concern of the government. The ILO was a sort of window for the Myanmar

government to show its good faith in respecting labor rights to the international community. Especially in the early stage of the reform starting in 2011, the ILO's influence was tremendous. They have leverage over the government through international sanctions. They have longstanding networks with unions. And they can advise employers on economic development. The credibility and leverage the ILO had helped the organization build an IR system that the ILO saw as ideal.

By using its capacity and influence, the ILO worked singlehandedly to build the overall IR system based on tripartism, the ILO's version of corporatism. As discussed in the previous chapter, the ILO started to build a tripartite forum as a consultative body for labor policies. As a solo actor, the ILO played a dominant role while persuading constituents (or sometimes creating actors when none existed) to participate, educating them on the norms and concepts of tripartism and social dialogue, forming the institutional framework, and providing technical and financial support for its operation. The organization's efforts were rewarded by a fact that this implanted institution has not only rooted at the policy level but also influenced other IR process. Tripartism and social dialogue were regarded as an ideal model to handle labor affairs from discourse to actual practice such as shown in the May Day statement of the government and unions' call for constructive industrial relations, and disputes settlement process ideally engaging three parties at the factory level.

In short, institutional implantation allows international actors to engage in institution building based on their own idealized framework and goals. However, the actual outcome would depend on their interests and relational dynamics among actors

collaborating (and probably competing). The dominant influence of the US in Cambodia resulted in the IR institutions focusing on regulating labor practices in the workplace in response to their requirement such as immediate outcomes. At the same time, the influence of the ILO in Myanmar allowed the organization to design the IR system based on its ideal model.

5. 2. FAILURES OF IMPLANTED INSTITUTIONS

However, implanted institutions failed at least partly to reach expected outcomes. The BFC and the AC could not uphold one of the core labor rights, freedom of association nor reduce industrial disputes. Myanmar corporatist tripartism failed to bring industrial peace in Myanmar. To be fair, it is worth mentioning that the BFC has been praised to improve working conditions in part. However, at the same time, the BFC has been severely criticized to do little about union busting and union discrimination.

These failures were related with institutional problems of the implanted institutions. The first of these issues is institutional disconnection. Given that IR institutions have been developed as a system based on their social and historical configurations, it is not surprising that a foreign institution may have little connection to other institutions or lack supporting institutions. This deficit may prevent the expected outcomes from materializing. For instance, the AC do not have an enforcement mechanism nor connection to such authorities to pressure both parties (either satisfied or dissatisfied) to respect the AC decisions. As a result, the AC frequently failed to achieve its objectives “to reduce the number of labor disputes and to help resolve them

constructively” (ILO, 2005: 15). Instead, the AC procedure led to industrial actions (mostly strikes) to pressure employers and gain the attention of international actors that may influence their suppliers to respect the AC awards.

The process to form the tripartite forum in Myanmar presented another example of institutional disconnection. When the forum was formed, the ILO selected the members of the forum including labor representatives (3 main federations) without discussing with other groups of labor movement, that is, small federations and labor NGOs that organized a sizeable number of workers. As a result, the tripartite forum has been disconnected to non-participating constituencies of labor movement, failing to convince groups that may not accept corporatist ideal. In fact, one of the most militant industrial actions was organized by the unions that did not have affiliation to forum participating federations.

Second problem is related to institutional baselessness. As Evans pointed out (2004: 34), the implanted institution cannot function because the foreign institution ignored the informal structure underlying formal institutions such as power relations and practices. For instance, Myanmar corporatist tripartism could not promote industrial peace because it was not based on the experiences and interests of rank-and-files who frequently faced hostile responses from their employers to the requests of bargaining. In fact, good faith bargaining, one of the pre-conditions of social dialogue cannot be easily exercised in Myanmar where employer-worker relations were so hierarchical that employers literally refused to sit at bargaining table with workers whom they regarded as inferior ones. Moreover, corporatism in Myanmar is inherently weak

because of lack of a crucial institutional foundation: unions with strong bargaining power. At the early period of tripartite forum formation, the ILO played a role to make balance among the tripartite constituencies by compensating weak position of the unions. However, it may not last forever.

In addition to failing to realize the institutional goals, implanted institutions sometimes even failed to conduct basic function, evidenced by a current aborted effort to draft a new labor law in the tripartite forum in Myanmar. It is caused by institutional incoherence (Mkandwire, 2012: 17-18). It means that institutions do not talk to each other nor even recognize each other. This incoherence may decrease the effectiveness of the foreign institution. For instance, in Myanmar which has no legacy of tripartism, other governmental bodies do not understand or recognize the presence and role of a tripartite forum. The result was detrimental, as evidenced by a current attempt to draft a new labor law. Amid discussions and debates in the tripartite forum to draft a new labor law, the parliament announced the draft of a new labor law and invited the public to comment on it. The parliament did not recognize the draft written by the tripartite forum and claimed that it was their exclusive right to legislate. Parliament's announcement nullified several months of effort made by the tripartite forum to produce a decent draft that all stakeholders could agree on.

5. 3. UNIONS' REACTIONS: GAINS AND LOSSES

The configurations of IR frameworks have deeply influenced unions' behavior. Unions in both countries have used IR institutions to maximize benefits. Cambodian unions

have developed a unique strategy to use the AC awards. Even though the awards have little enforcement power in the government, unions have used the awards to lobby consumers' groups, unions, and brands in the international community, expecting the brands to pressure their uncooperative employers to comply.

Unions in Myanmar have been active in the tripartite forum. Even though sometimes they complained about the seemingly cozy relationship between employers and governments and expressed skepticism of the genuineness of tripartite consultation, they accepted it as a prestigious opportunity to present their social influence.

Therefore, union federation leaders regarded the tripartite meeting as an important task that they would seldom skip or delegate to other staff members.

Using the institutions given by the international actors, unions in both countries could maximize their gains. Unionized Cambodian workers could enjoy better working conditions even with low union density and weak bargaining power on the shop floor, owing to the international campaign strategy. (The BFC project encouraged employers to comply with labor standards.) Myanmar's tripartite forum gives unions an institutional channel to make their voices heard in policy making process. It was the first time for trade unions to be given a formal platform to influence labor policies in the history of Myanmar. In addition, being part of tripartite forum helped unions to claim their legitimate position as an IR actor, which would have taken longer due to the absence of an IR process under the five decades of military rule.

However, these gains did not come without a cost. The heavy dependence of Cambodian unions on external actors produced several interrelated side effects such as

the concentration of unions on a specific sector, the proliferation of small trade unions, and the restriction of their demands within legal boundaries. While these are obvious phenomena, to understand the underlying logics, we need to use analytical thinking to examine their causes and effects.

It is not surprising that garment factories have been low hanging fruits for unions with increasing labor forces. The garment industry needs labor to whom the factories pay meager wages in exchange of doing exhausting works. Therefore, getting a job in a garment factory is still an easy choice especially for young women leaving their villages to find jobs in the cities. It is no exaggeration to say that Cambodian labor movement was born in garment industry, which was the largest employer in the country after the war. Therefore, many union leaders, especially in independent and anti-government union federations, were former garment workers. It was therefore natural for them to organize workers in garment factories. However, this concentration in a single sector did not change even with emergence of other industries that needed workers.

As expected, it the Cambodian garment sector's attachment to global supply chains enabled unions to leverage international actors. Without international buyers to pressure their suppliers to comply with labor standards, it would have been difficult to benefit from disputes with organized union members. This implies that having international brands would make unions' work easier even with a small number of union members. So, in a garment factory supplying famous international brands, unions are not necessarily big but need to have members to voice their demands. Their

bargaining power originated more from external sources than from a strong union membership. This leads to the second problem: the proliferation of the small unions and union multiplicity in a factory. In a rough estimate, there is an average of five unions at one exporting garment factory that may be affiliated with one of more than one hundred federations. In turn, union multiplicity again weakens unions' internal bargaining capacity. At the same time, it renders unions vulnerable to employers' manipulation by favoring pro-government/management unions and suppressing independent ones (Nuon et al., 2018). Due to union's weak bargaining power, unions must depend more on international pressure to reap substantial gains from the disputes. It creates a vicious circle.

Dependence on international brands produced another union practice to confine unions' demands to the minimum legal requirement. It is related to international brands preference to support right disputes, excluding interest dispute. Because in the international brands' perspective their obligation is to comply only with legal rights, they care little about the interest disputes concerning the demands not regulated by the laws. It has become a standard for unions to select the type of cases to bring to the AC and pursue international campaigns, while discouraging them from arguing over interest issues. As a result, Cambodian unions' demands have seldom ventured beyond the legal range of minimal labor standards. It may harm the unions' capacity to bring better working conditions than legal requirements.

Tripartism has brought three outcomes to the practices of Myanmar unions: the embrace of corporatism, a pre-made concept of unionism; the exclusion of labor

NGOs from policy discussion; and the suppression of the radicalism of the rank-and-file.

When Myanmar union leaders and labor activists welcomed tripartism, only a few realized that they also had agreed to a specific type of unionism. They quickly embraced its ideological basis, corporatism, to advocate industrial peace and cooperative industrial relations. Union federation leaders and labor activists began to mention “constructive industrial relations,” and “harmonious industrial relations.” In its birthplace, corporatism developed as a political exchange between strong unions and capital mediated by social democratic government for decent wages and economic growth (Pizzorno 1978; Hassel 2003). So, some scholars criticized corporatism as an ideology to promote “class harmony and organic unity” to prevent radicalization of the working class by co-opting workers through the corporatist ideal (Panitch 1977; Standing 2008; Cox 1973). In any case, strong and militant unions were an essential pre-condition to extract concessions from capital and the state. To consider the weak bargaining power of unions and the dysfunctional tripartite forum, one of a few given to unions at exchange of cooperation, much remains to be seen to judge whether corporatism in Myanmar would bring benefits to labor.

The corporatist perception has made labor movement leaders reject workers’ militancy. To them, perspective, it is more important to build good employment relations to bring better economic growth. They believed that once workers learn to settle issues in a productive way, they will not resort to strikes as often. However, over the years, workers’ strikes have increased in frequency, and union federations try to control

“illegal” strikes by training workers to follow legal procedures. However, this has not been successful. Moreover, this corporatist perception regards political issues as outside of labor issues, resulting in the silencing of radical voices.

Another impact, the tripartism has brought, is exclusion of those unions and labor NGOs, that had no seats in the tripartite forum. From formation to operation, non-participating groups were disconnected with the tripartite forum. Only three union federations were invited by the ILO to participate in the tripartite committee. And these federations seldom shared information with other non-participating groups about what’s going on at policy level. They did not consult with other labor groups to draft new labor laws in 2018 (Interview, unionist, April 2017; international labor NGO staff, November 2018). Other unions and labor NGOs did not have an opportunity to express their demands and thoughts even though they also represented a good number of workers. The divide of labor NGOs and representing unions is more serious. Whereas trade unions and labor NGOs had closely collaborated especially at the time of local union formation, their relations changed quickly after the unions joined the tripartite forum. Unions claimed to be the legitimate representatives of labor, denouncing the labor NGOs as a bunch of activists who had tried to interfere in trade unions’ affairs without taking any responsibility (Interviews, several unionists, various years). On the one hand, “divide between us and them” may hinder a unified voice of labor movement and hamper solidarity among different groups. On the other hand, it may create space for some unions distancing from influence of dominant corporatist discourse.

CHAPTER 6

CONCLUSION: LONG-TERM IMPLICATIONS OF INSTITUTIONAL IMPLANTATION

This study argues that institutional implantation has been a main feature of IR institution building in some emerging economies. Institutional implantation is defined as a process in which external actors implanted IR institutions based on their own institutional experiences and goals.

This study presents Myanmar and Cambodia as examples. In these countries, international actors including the ILO, the US and international brands, have been crucial in building and operating IR systems. For instance, the US wanted to set up institutions to bring immediate and tangible outcomes by regulating workplace issues in Cambodia. As a result, Cambodia's main IR institutions, the BFC and the AC, were designed to deal with labor rights and disputes in the workplace. In Myanmar, the ILO's dominant influence, built through its legacy in this country, enabled the organization to build the tripartite IR system based on its ideal model of corporatism that quickly became the overall framework of IR institutions.

Implantation is often contested because of engaged actors' different capacity and intention that resulted in different institutional configurations in national IR systems. However, in any case, institutional implantation has fundamental impacts by creating an institutional landscape to produce several consequences. One of key consequences is the failure to reach intended goals. Cambodian BFC and AC and Myanmar Corporatism failed to fully achieve the institutional objectives such as reducing labor

disputes and promoting industrial peace. These failures resulted from institutional disconnection, baselessness, and incoherence inevitably embedded in institutional implantation.

Another consequence is shown in union practices. For instance, due to institutional disconnection of the AC from other institutional enforcement mechanisms,

Cambodian unions have depended on international brands to implement the AC awards, resulting in proliferation of small unions that overcrowded in exporting garment sector. Myanmar unions' commitment to tripartism contributed to produce sharp contrast union leaders' corporatist discourse and workers' militant actions.

Institutional disconnection of tripartite forum with constituencies of labor movement that did not participate in the forum partly contributed to increase this discrepancy, and, in some cases, militancy of unions and activists.

To be fair, implanted IR institutions have some positive aspects for unions in both countries. Unions have used these institutions to maximize their gains either by compensating for their weak bargaining positions (Cambodia) or by using them to make their voices heard in policy-making (Myanmar). However, it does not come without cost such as unions' dependency and multiplicity in Cambodia and union leaders' distance from interests and experiences of workers.

In addition to negative consequences, implanted institutions have several issues that may bring implications to the labor movements in long run. First, institutional implantation raises a question about sustainability of current gains, whether unions in both countries continue to enjoy the benefits that these institutions have allowed.

Changing environment may disturb the logic of function of implanted institutions which were more vulnerable due to their disconnection and baselessness.

In Cambodia, new political dynamics already began to influence the current model of dispute settlement of the three-tier connection composed of union, the AC and international brands. Government tried to introduce a labor court, worrying international observers about weakening the AC. In fact, the 2016 Trade Union Law already gave a strong blow to the AC by reducing the opportunities for unions to bring the cases to the AC. Accordingly, the AC could only deal with much small volume of cases (80% decrease from 248 cases in 2016 to 50 cases in 2017), resulting in the funding cut from the US government and depending on budget support from the government. Even without a labor court, this change of financial sources may damage the AC's capacity to produce awards independent but frequently favorable to workers, although the government promised to guarantee the independent status of the AC. At the same time, unions had and would have hard time to convince international brands without AC awards or with unfavorable awards.

It means they would lose their strongest weapon for international campaigns, thus, lose the gains they could enjoy through the AC. Being set up through implantation, the AC's institutional isolation seemed to allow the government to manipulate the situation without much efforts nor disturbing other institutional configuration.

Shrinking role of the ILO in Myanmar may lead to disturb power relations in the forum due to tripartite forum's institutional baselessness (no strong unions). Currently the ILO took a more neutral position and worked on technical and administrative support for the forum's operation. The ILO's withdrawal from a balance maker

weighing on unions to a technical assistant may weaken the position of the unions in the forum, making the institutional channel less useful or meaningless for the unions. Another issue is related to a fact that IR institutions in both countries have promoted a specific type of labor movement, apolitical, economic unionism. Unlike political unionism or social movement unionism engaged with political struggle, economic unionism is focused strictly on economic issues in the workplace. It may distract unions from raising political questions and power relations that must be important for working people to claim their rights.

Corporatism, the ideology supporting tripartism, has demanded Myanmar labor unions to co-opt for industrial peace. Mainstream unions in Myanmar regarded raising political questions as being irrelevant to labor movement. Cambodia's BFC and AC have made unions focused on disputes at factory level. Because their operations and enforcement has relied on international actors, the state has disappeared in the scene of labor affairs and evaded its role as a regulator and implementor. However, the importance of political power has become clearer especially in Cambodia where the government started to intervene in labor affairs through paternalistic and oppressive labor policies. The Cambodian ruling party has been aware of the power of working people that may disrupt political stability. They learned this lesson when they almost lost the general election followed by the massive mobilization in 2013. However, without the political perspective, unions may easily miss the momentum to develop their political muscles. The Cambodian unions seemed not to realize the potentials of working people but have responded passively, withdrawing to issues at workplace.

To lesser obviously but equally importantly, apolitical unionism in Myanmar influenced the dynamics among unions with different political perspectives. In the perspective of mainstream unions that participated in the tripartite forum and sought for industrial peace, unions should be not political, or more concretely, should not challenge the government but focusing on ‘labor issues.’ In this regard, they blamed more militant groups and those criticizing the government to manipulate workers for their political ambition. This apolitical perception on labor issues may prevent labor’s awareness on the importance of politics and restrain workers from raising the questions about the role of the government in labor affairs.

Third issue is the process of institutional implantation that may delay development of internal democracy of labor movement. Institutions have been set without proper consultation with local people. The tripartite forum in Myanmar started to form even before stakeholders, especially unions, held their legitimate positions. The Cambodian monitoring system and arbitration body were likewise formed with little local input. International actors’ dominant roles may have deprived local people of chances not only to make their own choices about IR institutions but also to develop internal democracy in labor movement by participating in the process and to experience deliberative democracy, as Evans argues. This process would have been more important for people in countries liken Myanmar and Cambodia, making the transition from authoritarian to more democratic regimes.

This research makes three contributions to the field. First, this study used a dual-level analysis at institutional level and with perspectives from the below. This research

design allowed a wholistic approach to explore the dynamics of institutional building and responses and reactions of workers in the process of implantation. However, this study focused on two of IR actors, international actors and labor. Future studies could enrich the IR studies to explore institutional implantation from the perspective of other IR constituencies.

Second, I present a theoretical framework, “institutional implantation,” a process of international actors to be deeply involved in national institution building based on their own experiences and goals. This framework is useful to analyze the institutionalization and functioning of the IR systems especially in countries integrating to global economy. At the same time, this framework extends our understanding on changes of the IR systems in responding to globalization. Drawing on this framework, future research could examine and compare the experiences of other countries in other developmental stages under the different international influences.

Third, by studying Myanmar, on which there is little academic literature nor liable data, I provide rich qualitative materials to the scholarly community on the comprehensive IR process from the system formation to its short- and long-term impacts on labor politics. It is worth noting, however, that my study is more relying on qualitative data partly due to lack of quantitative data. For instance, Myanmar government did not collect data on strikes, but dispute cases dealt by dispute resolution bodies. Future research may put efforts to search for or build quantitative data.

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