



# THE STRUGGLE FOR PERMANENT WORK IN THAILAND

Text & Pictures / Anaya Latter



After three years of temporary employment at Ford/Mazda in the Rayong Province, Duangmanee Sopeng is now a permanent employee thanks to the efforts of the Auto Subcontract Workers' Union of Thailand.





With a rich history of struggling to improve the lives of working people, the Thai labour movement is at the forefront of the global campaign to move temporary workers to permanent positions. →





**“More important than the extra money is to feel secure. It is no longer as easy to lose your job, you have the protection of the law so you feel much more secure,” says Duangmanee about her change from temporary to permanent work.**

Photo: Anaya Latter



Duangmanee Sopeng is 29 years old. She lives with her husband in a one-room bed-sit with just enough space for a mattress, a TV and a wardrobe. She works at Ford/Mazda in the Rayong Province, about two and a half hours' drive from Bangkok.

For the past three years she has been employed as a subcontract worker at Ford/Mazda, along with her husband who has been at the company for four years. In May 2009 the Sopengs luck changed. Due to the efforts of the Auto Subcontract Workers' Union of Thailand, they were elevated to permanent worker status, which is no small thing.

Her home is one of a brightly painted row of rooms – almost like a dormitory. Inside her husband is sitting cross-legged watching TV, but ducks out of the way urgently as we enter. He is shy, and is wearing a cast on his left arm.

Mrs Sopeng explains that he severed an artery in his arm whilst cooking at home and the 50,000 Baht (US\$1,400) surgery to repair it was covered by their new permanent worker benefits. One of the benefits of permanent worker cover is that it includes injuries incurred at home as well as work.

If this accident had happened whilst he and Duangmanee were still subcontract workers, they would have struggled to find enough for the surgery on their own.

## PRECARIOUS WORK IN PRECARIOUS ECONOMIC TIMES

The Auto Subcontract Union has been striving to get a provision at Ford/Mazda to get all subcontract workers

the right to seek permanent status after one year of subcontracted work.

In essence, subcontract workers do the same job as permanent workers. They take their breaks at the same time, clock in and out in unison, and they work on the same machinery. The difference is that permanent workers receive better rates of pay, access to crucial social security benefits, and wider protection from the hiring and firing whims of employers.

In Thailand employers recruit subcontracted workers from sub-contracting companies, a separate entity to the big name companies such as Toyota, Ford/Mazda or Isuzu that physically utilize the workers' skills.

It is both a cost saving measure and a means of splitting up the workforce in an attempt to reduce the bargaining power of unions, as Yongyuth Menta Pao, General Secretary of TEAM explains.

There are around 300,000 union members in Thailand overall and around 1,300 unions countrywide. TEAM, or the Confederation of Thai Electrical Appliances, Electronic, Automobile and Metalworkers, is an unregistered one, he explains with a smile, because it allows them to work without the Government interfering.

He outlines four reasons why employers prefer subcontract workers:

- Employers only want to reduce costs, they don't want to have to pay social security;
- Everything is done according to the contract companies and doesn't have to be managed by the employers themselves;
- They are seen as 'flexible', when the company has work they call in the subcontract worker, when work is not available, they don't; and
- They attempt to reduce the bargaining power and industrial strength of unions.

## PRECARIOUS WORK IN THAILAND

Bangkok is full of workers busy selling wares, clambering over construction sites or walking past in neat uniforms. Many of these workers are precarious workers, the casual, subcontracted and informal workers who must live and survive under the constant knowledge that they may not have work tomorrow, and do as much overtime as they can in order to make ends meet. These workers are found in nearly every industry – in particular, electronics and electrical, garment and textiles, and automotive industries.

Arunasalam, IMF Regional Representative in South East Asia and Pacific region describes precarious work as a global epidemic. "It is all over the world and it is spreading. It is being abused by employers; they want 80 to 90 per cent of their workforce in precarious employment, and be able to fire workers at any time."

Thailand has a rich and varied history of union struggle: against the Government; at times the Military; or against employers who undermine the unions' successful campaigns and wage gains by pursuing ever-cheaper labour.

Sitting at a long table in the upstairs room of the TEAM union office in Samutprakan Province, one hour's drive from Bangkok, were TEAM General Secretary Menta Pao, TEAM Vice President and Electronic Industry Union

President Charlie Loysoong, and TEAM Information Officer and Automotive President Visut Ruangrit.

"In 1992 there were 300,000 workers in Auto," says TEAM General Secretary Menta Pao. But the effects of the Asian economic crisis in 1997 drastically decreased output. "They used to sell 600,000 vehicles but since 1998 they could only sell less than half of this."

His dark eyes focus on the thought as he says, "30 per cent of workers were laid off after that."

From 1999 onwards, export to overseas markets helped the industry and economy to recover. In 1998 the Government passed a labour protection law that improved the situation for workers, but there were loopholes. Prior to the 1998 law, companies could only go to one subcontracting company, but the new laws meant anyone could supply subcontract workers.

"Now, in 2008 there are more than 350,000 workers in the automotive industry 50,000 are sub-contracted or precarious workers. The employers call them "flexible workers" to make them look good. But they go first when jobs are lost," Menta Pao explains.

From the outset, unions in Thailand have campaigned against the exploitation of these vulnerable workers, but the Government is keen to attract overseas investors and is reluctant to do anything to jeopardize this.

Like many other countries, the global financial crisis has seen a spike in Thai companies shutting down, without the money to pay workers their rightful compensation. Further, many companies are using the crisis to lay off older more experienced workers to relieve themselves of the responsibility of larger wage and social security payments.

TEAM Vice President Charlie Loysoong points out that precarious workers are in the highest risk group: they are the first to be fired, or told to stay at home when work is slow.

"As a subcontract worker you can go to work and clock in, only to be told that you are not required tomorrow, there's no security," he says.

## RESPONDING TO THE FINANCIAL CRISIS

The Government's lack of response to the crisis and its effects on unemployment, and even companies using it as an excuse to reduce their workforce, prompted TEAM and the Thai Labour Solidarity Committee (a coalition of unions and non-governmental organisations (NGOs)) to establish independent Appeal Centres.

"To receive instruction from the workers themselves – we couldn't depend on the Government to supply the information but we had to do something ourselves," says Visut Ruangrit, Information Officer for TEAM

There are seven centres across Thailand and they operate almost like tribunals. Any worker, union member or not, can raise a grievance here, and get advice on how to pursue mediation or legal hearing.

"We opened the centres on January 21 this year, and 80 per cent of the workers making submissions are subcontracted workers."

"Most cases are about unpaid compensation that employers refused to pay despite the law that demands it. The centre takes the evidence to the auditors at the Labour Federation who will then try to get employers and workers to resolve their problem.

"Subcontract workers face more difficulties, as often [these] workers receive less compensation than they are supposed to get," says Visut Ruangrit.

For concerns about wages or compensation the Appeal Centre directs them to the local Labour Relations Committee. This is a tripartite committee of representatives of government, employers, and the workers. Workers do not usually know their rights, and will most often accept the committee's ruling on how much they should be paid.

Since their establishment in January 2009, the Appeal Centres have received 11,988 cases of complaint, against 43 companies. So far, 180 of the subcontract workers have received compensation at this first level of appeal. The next tier of appeal for these workers is the Labour Protection Office (Ministry of Labour). Finally, the Labour Court is the highest level of appeal. Right now there are two cases in this higher court of appeal.

Menta Pao explains with a wry smile, saying, "in many cases the employer does not want to go to Labour Court, they say: "If we pay you half is that ok?" This is because the court takes time. Most often, workers will settle for half."

"Normally, the decision is in favour of the workers, except in cases where there may be lack of evidence. Employers have full time lawyers and resources to spare, not so for the workers," says Charlie Loysoong.

Ms Wilaiwan Saetia, President of the Thai Labour Solidarity Committee explains: "The Government does not have a good strategy to deal with the global financial crisis. This is why we try to push the government to take action, to put up more committees so that workers, employers, industry and government can work together to find a solution."



From left to right:  
Yongyuth Menta Pao,  
TEAM General Secretary;  
Charlie Loysoong, TEAM  
Vice President; and,  
Visut Ruangrit, TEAM  
Information Officer.

Photos: Anaya Latter





The Auto Subcontract Workers' Union of Thailand meets on a Saturday to discuss strategies and plan campaigns to move workers from temporary to permanent employment. There are 291 subcontract workers at Ford/Mazda. The union has managed to get the company to recognize a great deal of their members as permanent workers. From an initial 400 members in 2007 when the Union was formed, many members have now transferred to the permanent workers' union due to their successful negotiations.

Photo: Anaya Latter



## ORGANIZING PRECARIOUS WORKERS IN THAILAND

Thai unions face some difficulties in organizing precarious workers. Thai Labour Relations Law from 1975 covers only formal sector workers and does not cover subcontract or casual workers.

The fact that there are a number of subcontracting companies for corporations such as Ford/Mazda to choose from, who may have workers across different industries, can make it difficult for the union to stake any sort of organizing claim based on industry. The subcontracting companies can be quite large and spread over a great distance, so locality and organizing activities are hard to coordinate.

The companies try to redefine the categorization of their workers to stop the unions' attempts to get better conditions for precarious workers. "When you try to recruit them to the union the company will say they are in the services industry, but your union is for auto workers," explains TEAM Information Officer Ruangrit.

Despite the law which requires companies to put aside a minimal social security contribution from workers to pay out when they are laid off or if something goes wrong, the companies often neglect this duty. They take the workers' money from their wages, but don't pay it when required.

Another problem is wages. Very few companies pay more than minimum wage, which is arbitrarily based on the living requirements of a single person, set at 203 Baht per hour (US\$5.90). For families dependent on a single wage, this rate is barely sufficient. As a result subcontract workers must do substantial overtime simply to make ends meet.

## A PATH TO PERMANENCY

The Auto Subcontract Workers' Union of Thailand, which represents subcontract workers at Ford/Mazda, meets at the Branch office in Rayong Province on a Saturday. It is the only chance these workers will have to vote, discuss strategies and plan campaigns.

The new President Watchapin Insonajai is a subcontract worker with Ford/Mazda, a softly spoken young man with long black hair that frames his face. He begins by saying that none of the subcontract workers are happy with their status, they want to be permanent workers. "We do the same job, why should we be paid less? We know it is unfair."

"The reason we set up a union for subcontract workers is to ask for better benefits and better pay," he says.

Ex-President Artit Panomma spent four years as a subcontract worker, until successfully negotiating permanent status at the company, and will now switch to the permanent workers' union at Ford/Mazda.

Artit Panomma explains that before the union the difference between the wages was very big. After the union was set up the gap has narrowed, and the benefits have improved.

"Permanent workers receive rent support of 1,500 Baht (US\$44), compared to 1,000 Baht (US\$30) for subcontract workers. Discrepancies like this are common with benefits. Now we have achieved better benefits for subcontract workers."

Under the labour protection law from 1998 all workers should be treated equally if doing the same job, but employers do not put this into practice.

"In November last year I asked the employers to treat subcontract workers equally. Permanent workers make the left side of the car, subcontract workers make the right side – but it is the same job, they are equal," Artit Panomma explains.



**New President Watchapin Insonajai and ex-President Artit Panomma of the Auto Subcontract Workers' Union of Thailand discuss ways to improve conditions of subcontracted workers at the Ford/Mazda plant.**

Photo: Anaya Latter



An average subcontract worker's wage is 8,400 Baht paid monthly, not including overtime. However the expenses they must pay each month include:

<b>Rent and utilities:</b>	<b>2,000 Baht</b>
<b>Food:</b>	<b>3,000 Baht</b>
<b>Personal expenses:</b>	<b>1 to 2,000 Baht</b>
<b>Total</b>	<b>7,000 Baht</b>

With overtime, a subcontract worker can potentially take home 10,000 Baht which equates to US\$293 a month.

## JOB SECURITY IS MOST IMPORTANT

For Duangmanee Sopeng, she and her husband could not save any money with a subcontract workers' wage. They send money back to her mother, who looks after their four year old son. The Sopengs can't afford to have their son live with them in their single room which costs 1,800 Baht (US\$53) per month.

"If it is possible I would like to go back to my home town, a room like this is not healthy for a child to grow up in, so it is better that he lives with his grandparents. Ideally, in the future, my goal is to save enough money to go home with my husband and set up a small business there."

Mrs Sopeng relates an experience that made her realize the instability of being a subcontract worker. "I got suspended for two months by my employer. They said it was because of economic problems, but I could see the company was still recruiting other new employees who were doing overtime, so I felt that this was really bad," she says.

Has her recent move to permanent status made it easier for her then? "Yes, it is better, but more important than the extra money is to feel secure. It is no longer as easy to lose your job, you have the protection of the law so you feel much more secure."

## SOLIDARITY THROUGH STRUGGLE

The solidarity and passion of the unions in Thailand, and their concern for subcontract workers is palpable. TEAM and the Labour Solidarity Committee dedicate time, energy and resources to helping subcontract workers become permanent. "They are our brothers and sisters, so we must help them too," articulates TEAM General Secretary Menta Pao.

The unions have a strong history of advocacy on social justice issues and workers' rights. Wilaiwan Saetia captures this ethos well: "The problems have always been solved by workers uniting and pushing the government to create change."

An issue that is in their minds and campaigns at present is convincing the Government to ratify two fundamental International Labour Organization (ILO) conventions. The Right to organize and collective bargaining convention (No. 98) and the Abolition of forced labour convention (No. 105). This is one common interest for all unions in Thailand. In October, as part of the World Day for Decent Work, the unions will be uniting to mobilize and put pressure on the Government to commit to the protection of workers' rights by adopting these labour standards.

TEAM and the Labour Solidarity Committee call on other unions and international affiliates to help raise awareness about their ILO convention adoption campaign and their struggle to protect precarious workers.

TEAM Vice President Loysoong's comments reflect the challenges they face. "The Government and employers are increasingly anti-union. Out of 390,000 companies, only one per cent is organized. It is a miracle that we survive against these forces, but it is also why we must continue the fight. If we don't try to stop the problem of precarious work, our sons, daughters, grandchildren, our descendents will face the same difficulties."