Union Leaders and Factory Workers' Collective Action in Myanmar

Sector(s): Firms, Gender, Labor Markets

Sample: 916 workers from 17 garment factories with factory-level unions

Target group: Firms Unions Workers

Outcome of interest: Earnings and income Attitudes and norms Worker satisfaction

Intervention type: Information Social networks

AEA RCT registration number: AEARCTR-0005183

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Partner organization(s): Confederation of Trade Union in Myanmar (CTUM)

Labor movements can improve workers' lives but face great difficulty in getting workers to agree on common goals and take collective actions. In garment factory workers' group discussions on minimum wage policies in Myanmar, researchers randomly included union leaders to study whether the presence of union leaders affected workers' preferences and behavior. Union leaders' presence at group discussions increased the degree of agreement between the workers' and unions' preferred wage levels, and made it more likely that workers participated in a subsequent group activity, suggesting that union leaders both helped form workers' consensus and motivated them to take collective actions. Researchers found evidence that union leaders' influence on these outcomes came from the leaders' ability and skills rather than formal title or social ties.

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Social movements have historically been an important force behind transformative social changes such as improvement of working conditions, expansion of political participation, and increasing awareness for environmental protection. Trade unions (labor unions) are workers' voluntary membership organizations; globally, 251 million workers in the private and public sectors are members of labor unions. According to the International Labour Organization (ILO), independent workers' and employers' organizations are necessary for collective bargaining to improve working conditions and workers' wellbeing, a difficult task in lower income countries where the government's regulatory and enforcement resources are limited. At the same time, unionization rates of salaried workers around the world are declining, so it has become harder for labor unions in both developed and low and middle-income economies to organize and build capacity to join the negotiation table.

Social movements like labor unions face unique organizational challenges. Being diffuse voluntary organizations, social movements must undertake the task of rallying members around common goals and turning out a sufficient number of those members. The actions required of members to achieve these common goals often have high private costs. Theories of social movements have suggested that leaders can play a critical role in helping social movements overcome collective action challenges, but empirical economics literature has not engaged much with this view. Leaders can informally influence members' actions through motivation, coordination and social pressures, for example.

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Following Myanmar's democratization in 2011, labor unions, which had long been banned in the country, were allowed to start organizing legally. As a result, the number of registered labor unions grew quickly. Garment sector workers represented a large segment of Myanmar's new labor unions. In 2020, at the time of this study, the garment sector was Myanmar's prime export industry and boasted approximately 600 factories, employing a combined 500,000 workers. The Confederation of Trade Unions in Myanmar (CTUM) was the largest confederation of trade unions in Myanmar. The CTUM worked with 42 garment factories that had factory-level unions; this represented 58 percent of its affiliated labor unions in industries.

At the time of the research, the CTUM and garment sector workers saw a crucial policy window – the national minimum wage review that occurred every two years. The CTUM needed to select a minimum wage level to advocate for and mobilize workers to support. For garment workers, the legal minimum wage was an important regulation that could directly affect their earnings. Among the garment workers surveyed in this study, 59 percent reported making exactly the legal minimum wage for an eight-hour workday, and only 4 percent reported making below the legal threshold in base pay (exclusive of bonuses or overtime earnings). However, conflict between workers and employers could also lead to loss of jobs; data from the Yangon region in 2016 showed that employment termination and wage disputes were common types of industrial disputes.

In Myanmar, unions in the garment sector were typically organized at the factory level, with factory-level union leaders, including elected leaders as well as line leaders who were selected informally or self-nominated. These line leaders were responsible for communicating with around 10 or more members and for recruiting new members.



Image of two sewing machines in a factory in Myanmar

Photo Credit: Virginia Minni

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Researchers partnered with the CTUM to design and incorporate a series of randomized interventions to assess the role of union leaders in the context of Myanmar's minimum wage policy change. Researchers implemented these interventions while conducting a workers' survey in the garment sector and group discussion activities centered on the minimum wage policy. During this time, the CTUM was seeking inputs from garment workers in the runup to the anticipated national minimum wage negotiations.

The main interventions focused on consensus building and mobilization. In the first intervention, researchers randomly assigned workers to one of three types of discussion groups: a group that included a union leader from the same factory, a group that included a union leader from another factory, a group without any union leader. All groups discussed workers' preferences and expectations around the upcoming minimum wage negotiation levels. This meant that groups talked about questions such as "In 2020, at what level do you think the government will set the new minimum wage for an eight-hour work day?" and "In your opinion, what would be the ideal minimum wage level for an eight-hour work-day?" Groups filled out a paper to report the summary of discussions, and all workers and union leaders filled out a post-participation survey. The survey included questions about their personal beliefs related to minimum wage and how much they participated in the group discussion.

In the second intervention, researchers tested union leaders' influence over workers' behavior with a mobilization exercise. After the group discussions, survey, and lunch, researchers invited workers to take part in an additional, unannounced activity in the afternoon. Researchers randomized various aspects of this invitation to explore three theories of potential pathways that leaders influence group members' behavior: leaders might motivate workers through an emotional appeal, they may play a coordination role to address potential incomplete information among workers, and they may overcome free-rider problems through social pressure. The invitations were randomized by: whether the invitation would come from a union leader or a research team staff (to measure the motivation pathway), whether those invited were told how many others were invited (to measure the coordination pathway), and whether those invited were informed that a union leader would observe their decision (to measure the social pressure pathway).

Researchers selected 19 garment factories that hosted unions affiliated with the CTUM, and implemented two-stage stratified random sampling to gain a representative sample of workers who worked as sewing operators in the selected factories. Take up was 61%, resulting in a sample of 916 workers, stratified by factory, production line, union membership, and skill level. In terms of union leaders' sample, 19 factory-level union leaders and 170 line leaders participated in the study. Data collection was completed in 17 factories before research activities were cut short due to the Covid-19 pandemic. In this sample, the average factory's workforce size was 1,187 workers, and the average unionization rate was around 40%.

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A union leader's presence in group discussions increased workers' consensus by making workers' preferred wage levels coalesce more around the union's preferred wage negotiation levels. On average, in terms of preferred wage negotiation levels, the differences between workers' preferred level from the union's preferred level were smaller by 22 percent in discussion groups attended by a union leader, compared to discussion groups that didn't include a union leader. Workers in discussion groups with a union leader either from their own factory or a different factory reported minimum wage preferences that were closer to the union preferences, compared to workers in discussion groups without union leaders. Because union leaders from another factory do not enjoy social ties with the workers participating in the group discussion, researchers interpreted this result to imply that the role of the leader, not simply social ties, mattered in building consensus around minimum wage policies in this setting.

Researchers also reported results from the second intervention, which used randomized invitation mechanisms to a previously unannounced group activity to test if and how union leaders influenced workers to take collective actions. The results suggested

that union leaders' influence came from their ability related to coordination and social pressure, rather than simply personal charisma or their formal roles (e.g. as union leaders). In addition, the study used descriptive survey results to show that union leaders in this setting were distinct both from union members and non-member workers across demographic characteristics as well as personality traits, including being more altruistic and extroverted.