

Migrants, Mobilizations, and Selective Hegemony in Mekong Asia's Special Economic Zones

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INTRODUCTION

Numerous industrializing economies have failed to transition from low- to high-value-added manufacturing. In these countries, there is limited evidence that the promise of well-remunerated wage labor and comprehensive social security is likely to be realized anytime soon. Mekong (continental) Southeast Asia is one such region, in which the social question is imbricated with low-value-added accumulation models. Indeed, the potential for product or functional upgrading remains extremely limited in Cambodia, Laos, and Myanmar, while both Thailand and Vietnam struggle to “escape” the middle-income trap. Industrial centers in these countries draw on domestic and cross-border migrants, and, increasingly, special economic zones (SEZs) are being established in rural and border areas to avail of congested labor at the bottom of the rural economy. In mainstream development planning, manufacturing-led development utilizes “pro-poor” economic growth paradigms anchored in SEZs, yet local labor regimes of informality and precarity reproduce poverty rather than ameliorate it. The evident contradiction between the promise and reality of contemporary development strategies has led to disillusionment with industrial employment among affected workers and growing political tensions at sites of low-wage industrial labor. How, we thus need to ask, do states, development planners, and workers adapt to and address the failure to address pressing social concerns?

This question is addressed through case studies of border SEZs in Cambodia and Thailand. At first blush, these two economies are quite different, with Thailand's GDP at \$406.8 billion and Cambodia's at \$20.2 billion. The Thai economy is more diversified, with industrial exports including electronics, agricultural

commodities, automobiles and parts, and processed foods. Cambodia, on the other hand, lacks diversity, and its economic “growth pillars” are restricted to textile and garment manufacturing, construction, agro-industry, and tourism. Garment manufacturing makes up roughly 70 percent of total exports, and over-reliance on this volatile sector for export revenue and employment presents a developmental challenge. The two economies are similar in that they are both characterized by low potential for value capture; low levels of firm, labor, and state stability; and a high degree of external dependency in directing strategic coupling.¹ As such, they rely heavily upon highly precarious gendered and immigrant workforces. Labor feminization and the use of migrant labor act as a powerful mechanism for controlling and disciplining the workforce, while typically favoring the spatial detachment of labor production from social reproduction and thus the spatial externalization of the costs of social reproduction to realms that are outside industrial sites.²

Bearing these economic development challenges in mind, the social question is analyzed through the selective hegemony lens to understanding how forms of capitalist socialization do not result in a form of hegemony that might extend to “the whole of society.”³ Rather, there is a discernable disconnect between state legitimacy derived from increases in productivity and linked economic growth, and legitimacy derived through hegemonic projects that offer (limited) concessions to particular groups linked to popular sovereignty. Faced with pressing social reproduction demands unmet through selective policies, I identify two prominent forms of workers’ countermovements. The first is characterized by expanded mobility that contributes to labor shortages, and thus undermines capital-accumulation strategies, while the second is increasingly militant wage protests, which spill out of the preapproved tripartite channels.

The cases examined below highlights how the localized regimes of informality reproduce poverty and the ways in which state and international organizations selectively respond to countermovements. Prominent state responses include the introduction of social protection policies for both manufacturing and cross-border migrant workers. Social protection policies are at times utilized to acquire greater control over migrant labor forces, while in other cases they are utilized to depoliticize a dismal status of the laboring poor in light manufacturing—concessions that neither carry over to other occupations nor ameliorate pressing social reproduction concerns. A second top-down response is the proliferation of border SEZs. Zones are framed as panacea for development that couple regional economic growth with access to formal employment, yet are more usefully conceived of as spatial containers of countermovements that challenge low-value-added accumulation regimes. Zones further institutionalize poverty through informalized labor regimes that absorb congested labor at the bottom of the subregional rural economy. Far from a resolution, selective hegemony, like any hegemonic project, is fraught with tensions that, in the cases examined, scale up from border nodes to the subregional scale.



MAP 5.1. Mekong Asia.

SELECTIVE HEGEMONY AND THE SOCIAL QUESTION

Studying the social question through particular localized labor regimes of informality that are embedded in wider national and subregional political economic relations presents both methodological and theoretical challenges. To address a multi-sited, multi-scalar analysis, the relational comparison as developed by Gilian Hart is utilized to provide a conception of place as nodal points of connection in socially produced space.⁴ This concept helps researchers move beyond case studies to make broader claims in a non-positivist understanding of generality. Hart asserts that “particularities or specificities arise through *interrelations* between objects, events, places, and identities; and it is through clarifying how these relations are produced and changed in practice that close study of a particular part can generate broader claims and understandings.”⁵ Such an approach rejects notions of global impacts on the local. The objective is not to analyze different particular

cases as local or national variants of general “global” processes. Rather, it helps to focus on how particularities co-constitute the power-laden interplay between the different institutional interests and actors involved, where agendas are mediated for specific political economic objectives through a mix of distanced and embedded actors.⁶

This approach is salient in Mekong Asia, a subregional economy in which the promise of full employment and social welfare remain far removed. It is in this context that the social question in Mekong Asia should be viewed. Social security policies in Mekong Asia are characterized by the forty-year running attention to the formal-informal economy binary, with the formal held up as a protected institutional space, and informal labor more prone to the uncertainties of the unregulated market.⁷ “Inclusion” in textile-, garment-, and shoe-production networks, the primary focus of this article, is often upheld as an inherent good, with wage earning under an employer-employee contract, from one ontological position, deciding the boundary between inclusion and exclusion, privilege and marginality, prosperity and poverty.⁸ Yet for the majority in Mekong Asia, formal employment is not the way out of poverty; rather, it is the informalized manner in which workers are included that reproduces poverty. Indeed, poverty is structured through formal labor markets, countering common perspectives in the region that exclude the formally employed from definitions of “the poor.”⁹ The existence of the laboring poor is not a policy oversight or technical error, but integral to labor regimes and development paradigms in Mekong Asia.

The continued reliance on low-wage, precarious labor informs state and international development interventions and efforts to enhance selected targets to optimize their comparative advantage in global production networks. This includes, for instance, promoting export manufacturing and the establishment of SEZs. Such targeted, spatially regulated interventions do not set out to resolve wider issues of social inequalities. Aihwa Ong’s work has contributed to theorizations on such heterogeneous state spatial strategies to accommodate particular forms of globalized capital accumulation and population management that are deemed necessary to foster growth and reproduce state legitimacy.¹⁰ The state goal, Ong explains through the China case, is to manipulate the political situation in order to achieve an implicit state-society bargain that trades acceptance of (authoritarian) political rule for sustained improvements in economic and social well-being. The state, in its multifaceted embroilment with global capital, she contends, cannot be frozen in a posture of opposition to the masses but must strategically intervene in unstable conditions, one moment acting as a draconian oppressor of workers, the next as a protector of labor against the depredations of global capital.

This approach links social space to capital accumulation strategies, implicitly addressing state practices of coercion and consent. This theorization marks the shift away from political economic regulation in which nationally bounded policy attends to a coherent body politic. In sum, Ong’s approach is useful in drawing

attention to state efforts that set out to enhance the comparative advantages of specific subnational zones, lead economic sectors, and laboring populations at the expense of broadly coordinated interventions across an entire national territory, thus highlighting a shift in the scale at which development is targeted. What ends up being missed from this perspective are the conflicting claims to the right and legitimacy to rule, which frustrate the unified implementation of any state projects.¹¹ Hence, the statecraft optic that privileges the determinative role of state and capital risks obscuring the power workers and other actors may have to reshape social relations through countermovements.

In this regard, Gavin Smith offers a useful critique of Ong's theorizations on "variegated" state effects, specifically, that she overlooks "the dialectical interplay between people and production in terms of an ongoing struggle emanating from a contradiction that becomes a perpetual preoccupation for the state."¹² Selective hegemony as developed by Smith helps in unpacking forms of consent (concessions) and coercion (violence) directed at particular groups of workers based on perceived value of their labor and/or the threat their countermovements pose. His intervention helps in understanding how forms of capitalist socialization do not result in a form of hegemony that might extend to "the whole of society." Rather, it points to the potential for disconnect between state legitimacy derived from increases in productivity and linked economic growth with legitimacy derived from hegemonic projects that offer (limited) concessions to particular groups linked to popular sovereignty, including the gradual rollout of social protection policies across the Mekong subregion.

THE CAMBODIA CASE

UN-mediated elections in 1993 signaled the end of nearly three decades of war in Cambodia. Cambodia entered the neoliberal global economy with an eviscerated state, ruined infrastructure, and social disintegration. Since that time, the ruling Cambodian People's Party (CPP) has maintained legitimacy by staving off war and facilitating rapid economic growth. Yet this has been called into question as the country continues to lag behind its neighbors in terms of life expectancy, poverty alleviation, education, and other core socioeconomic concerns.

As previously stated, Cambodia's economy currently lacks diversity. Although the country remains largely agrarian, with 70 percent of the population living in rural areas (NIS and ILO 2013),¹³ Cambodia's recent urbanization rate has been one of the world's most rapid, with Phnom Penh's population tripling in the past twenty years. Across rural Cambodia, nearly one in four households has at least one working-age member emigrate, with nearly 60 percent of younger migrants moving to urban areas in Cambodia.¹⁴ Rural-urban migrants' interests and identities remain largely agrarian in orientation, with non-farm work centered on contributing to rural household livelihoods. When factoring agricultural work,

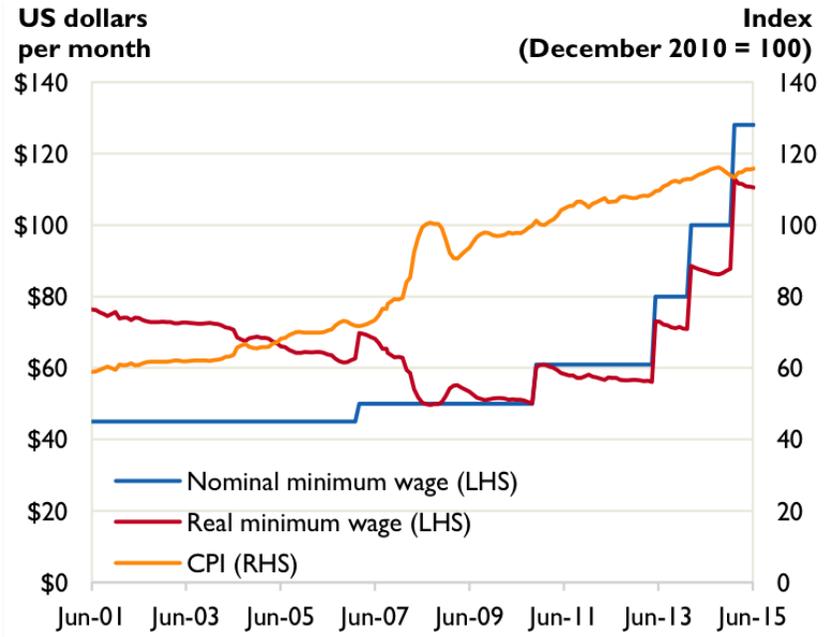


FIGURE 5.1. Nominal and real minimum wage of garment and footwear sector, 2000–2015 (US\$ per month). Source: ILO 2015.

60.2 percent were in informal employment, followed by 33.3 percent in agriculture, and 6.5 percent in formal employment.¹⁵ Although unemployment rates remain low and even fell further over the past decade, and GDP growth robust for over a decade, averaging roughly 7 percent, it has not lifted all boats, highlighting the need for comprehensive social and labor protections.

Social security initiatives

Low-value-added garment and shoe manufacturing has come to be a mainstay of Cambodia's development strategy. Employment has increased from roughly twenty thousand in 1994 to some seven hundred thousand in 2016. Figure 2 shows that real minimum wage stagnated and even declined between 2001–2013, paradoxically while the ILO and International Finance Corporation, U.S. Department of Labor, and numerous international apparel buyers have branded garment manufacturing in Cambodia as “fair” or “ethical” due to a high-profile ILO factory-monitoring regime.¹⁶ Despite efforts to monitor work conditions in export garment factories, wages have remained low and, along with the proliferation of fixed duration contracts and excessive overtime shifts, they form the country's primary competitive advantage in global garment production networks. In other words, Cambodia's

labor rights monitoring regime has aimed to repackage dead-end jobs that treat the developing-world woman's body as a site of exploitation and disposability into exemplars of the export-led development project.¹⁷

Cambodia's export garment industry has largely been concentrated in the Phnom Penh vicinity. In recent years there has been an explicit effort to decentralize garment production through a nation-wide SEZ program initiated in 2005. Research by the author conducted in Bavet between 2009 and 2015 points to a workforce sharing many of the same wage and working condition concerns as those employed in other parts of the country, in addition to unique features as proletarians of a particular kind. According to a 2015 survey of one hundred factory workers in Cambodia, including twenty-one in Bavet, 90 percent of Bavet factory workers do agricultural work at various times of the year, while only 12.7 percent of garment workers in the Phnom Penh vicinity report any farming activities. In Bavet, 71.4 percent of workers or their spouse own land (66 percent below one hectare, 20 percent one to two hectares), while 10 percent of Phnom Penh garment workers report land ownership (86 percent below one hectare). In Bavet, 60 percent of respondents sell over half of their agricultural produce on the market, 13 percent report selling half on the market and keeping half for personal consumption, and 27 percent consume all their crops. All of the surveyed Bavet workers' parents own land, while 70 percent of Phnom Penh workers' parents are landowners. When asked to estimate their remittances as proportion of household income—Phnom Penh workers reported, an average, 19 percent of family total, while in Bavet, it is nearly 50 percent. This can be attributed to roughly equivalent wage levels, while most workers in Bavet commute daily from the family farm/home rather than rent accommodation, as is common in Phnom Penh and vicinity. The Manhattan SEZ marketing director noted in a November 2014 interview that most workers commute at least one hour each way to and from work in the zones, while ten Bavet SEZ workers interviewed at the same time all commute two hours each way to work in the factories, noting this is quite common. Combined, the interviews and survey points to a workforce in Bavet that is literally living with one foot in the industrial and the other in the rural-agrarian realm.

Workers in Bavet are poor but not destitute; they are at the fringes of the relative surplus population. They are precariously positioned between small landholdings, with their limited livelihood potential, and low-paying work in firms in an SEZ that is struggling to maintain its grip on bottom rungs of the global economy, as discussed in further detail below. Both agrarian and industrial livelihoods could diminish or dissolve without a sufficient replacement or effective social safety net. Frustrated with limited wage gains and virtually no welfare gains in national tripartite forums, workers in Bavet and elsewhere have become increasingly militant in their demands. The number of strikes nationwide rose dramatically between 2010 and 2013—up nearly 250 percent.¹⁸ Several strikes were met with coercion, the first of several armed responses by authorities occurring in Bavet. On February 20,

2012, Chhouk Bandith, then governor of Bavet, opened fire on a crowd of roughly six thousand protesters at the Manhattan SEZ in Bavet, outside the Kaoway Sports shoe factory, a Puma supplier.¹⁹ Two were shot in the hand, and one nearly died after a bullet punctured her lung, barely missing the heart. Furthermore, nationwide garment workers' strikes have occurred in September 2010 and again in December 2013–January 2014, both sparked by the breakdown of national wage negotiations. The latter nationwide strike turned violent, and police armed with AK-47s fired on a crowd of protesters outside the Canadia Industrial Zone in Phnom Penh on 2 January 2014.²⁰ Five protesters were killed, over thirty-eight were shot or suffered other wounds, and thirteen were arrested.²¹ These incidences of state violence in industrial zones and SEZs demonstrate that maintaining a docile labor force is critical to maintain investor confidence in the country's garment sector.²²

The growing workers' movement had begun to coalesce with the opposition Cambodia National Rescue Party during the 2013–2014 protests, contributing to a reformulated position by Cambodian People's Party. First, the minimum wage has increased from US\$80 per month in 2013 to \$170 in 2018, which applies only to the textile-, garment-, and shoe-manufacturing sectors. Ministry of Labor and Vocational Training spokesperson Heng Sour asserted in a January 2015 interview that a range of initiatives should be considered alongside recent minimum-wage increases. Foremost, the government implemented its health care scheme in mid-2015. In the first phase, one hundred thousand workers are expected to take part, restricted to factory workers in Phnom Penh and the immediate vicinity (interview, Malika Ok).²³ According to Sour, a government survey found that, on average, workers spend 10 percent of their wage on health care. With the new health care scheme, workers and employers will each contribute 2 percent and the government 6 percent, meaning workers can save 8 percent for other expenditures. Furthermore, in early 2015, Prime Minister Hun Sen announced an initiative that aims to lower electricity costs for workers to 610 riel—they now typically pay 2,000 riel per unit (roughly \$0.50) in urban areas—and in January 2015, the government increased the income tax threshold to \$200. Finally, the government also promises to look into rental and housing issues—as rents typically increase along with pay raises, nullifying wage gains. Social security pensions, as specified in the Social Security Law (2002) were planned for introduction in 2015.²⁴ However, an ILO representative noted in a January 2015 interview that benefit provisions have not yet been developed.²⁵ There are no government-backed employment creation programs or unemployment programs in Cambodia, but small-scale donor-run food-for-work programs exist in rural areas. All said, according to Heng Sour's calculations, \$135 is what workers are actually getting, when considering these social benefits (compared to the \$128 minimum wage at the time of the interview).

While important concessions, these gains fall short of addressing core poverty concerns. protection measures—excluding minimum wages applicable to the

entire garment- and shoe-manufacturing sectors—target workers in Phnom Penh and vicinity, and there is limited evidence that the pilot programs will scale up, meaning that workers in places like Bavet are excluded. In short, concessions have the effect of delimiting potentially politicized redistributive demands in urban areas that could be linked up with broad-based social movements. The hegemonic imperatives are selective in that they target only urban, formal sector workers.²⁶ Another shortcoming of protection policy is it does not take into consideration workers' geographic and labor-market mobility. A trade union leader estimates that workers are employed in garments, on average, for five to seven years (interview, Kong Athit, January 2015). Thus, the initiative presumes fixed occupational identity and time horizons that stretch well beyond what is the norm for a Cambodian garment worker. By selectively targeting a specific sector in Phnom Penh, the state is able to blunt criticism that it has failed to address workers' concerns, yet it does not address the manner in which poverty is structured through participation in the formal labor market. Rather, it offers insufficient wage gains and restricted social insurance that reinforce the outsourcing of social reproduction to the rural-remittance economy.

THE THAILAND-MYANMAR BORDER CASE

For over two decades, Mae Sot has been a prominent migrant-labor and refugee hub, and it is a window into Thailand's migrant-regulation practices. Burmese refugees living along the Thai border currently number over two hundred thousand. Alongside this, large numbers of Burmese have been migrating to Thailand for work, from the tens of thousands in the early 1990s to some three million today. The regional transformation from refugee to labor-migrant flows are far from linear, yet are central to understanding the place of migrants in the Thai body politic, a process in which social protection increasingly plays a role.

Mae Sot is a border district in Tak Province across the Moei River from Myawaddy, Myanmar; it is roughly five hundred kilometers northwest of Bangkok (see map 5.1). The Mae Sot regional economy remains tethered to neighboring Myanmar, where militarization and agricultural management are central to contemporary migration trends. Agricultural policies in central Myanmar, which forced farmers in areas long under military control to sell a fixed proportion of their crops to the Tatmadaw (military) below market prices, contributed to extreme poverty in the rural economy. Fujita concludes, based on case studies in Yangon and Bago Divisions (areas in central Myanmar), that peasants and farm laborers “were reduced to a bare subsistence level during the last two or three decades, and are now suffering ‘absolute poverty.’”²⁷ Alongside this, in the 1990s the Tatmadaw consolidated control over most of the Myanmar-Thailand border areas by forcibly relocating villages, which led to rapidly increasing numbers of internal and international refugees and migrant workers.²⁸

In the mid-1990s Burmese migrant workers and refugees in Thailand came predominantly from border areas.²⁹ In the 2000s, as the economic situation continued to deteriorate, migrant networks and recruitment expanded, and as the need for migrant labor in Thailand deepened, they increasingly came from all over Myanmar. This trend has continued seemingly unabated with the reintroduction of (partial) electoral democracy in Myanmar in 2015. Burmese migrants are located throughout Thailand and remain a critical component of the Thai economy, working in sectors including light manufacturing, agriculture, fisheries and seafood processing, domestic work, and construction. In sum, both the successive military regimes and the current National League for Democracy–led government have outsourced the financing of social reproduction across the border, with migrants' remittances propping up much of the rural economy.

Mae Sot, formally part of an SEZ from 2015, is the most industrialized of the border zones in the subregion. This has been driven by expansion of textile and garment manufacturing, with Mae Sot factories first opening in the mid-1990s, in response to declining profit rates for textile and garment firms in central Thailand and the availability of low-cost migrant labor at the border.³⁰ Furthermore, manufacturers' efforts to upgrade into original design or original brand manufacturing have generally not succeeded, and Thai-based regional trading companies managing value chains for global brands and retailers did not materialize as they have in Taiwan and Hong Kong.³¹ The lack of indigenous technological capabilities and lead firms has compelled Greater Bangkok to take the low road to industrialization and strategic coupling.³² These value-chain dynamics contributed to the relocation of many Bangkok–vicinity firms to Mae Sot. At its peak, approximately 470 garment factories were located in Mae Sot, employing more than 60–80,000 migrant workers from Myanmar, out of some 150–300,000 Burmese migrant workers in the area. In 2013, only 23,156 were “regular,” roughly 7 percent to 14 percent of all migrants in the area.³³

The Thai state has many years' experience in activating a multiplicity of social borders around the life and labor of Burmese migrants in Mae Sot, including racialized minimal social and labor protection practices to differentiated legal statuses that, combined, maintain a precarious workforce at the border and beyond.³⁴ Policing has been prevalent, with migrants lacking documentation subject to police shakedowns, harassment, as well as arrest and deportation. These authorities have made use of migrant registration schemes to regulate the labor force at the border. In turn, employers have regulated their workforces in and around the border area to prevent arrest and deportation, creating a highly precarious labor regime along the border that is characterized by policing and control. Burmese in Mae Sot have been excluded from the Thai body politic and the potential to make counter-hegemonic demands of the central state or influential employers' associations. Underemphasized in this line of analysis on deployments of migrant-labor control mechanisms has been the role of migrants' mobility in inducing recent

top-down responses. Campbell asserts that migrants can be seen as “active geographical agents” who threaten the spatial organization of capital at the border and beyond.³⁵ Migrants pursuing work in central Thailand contribute to labor shortages in Mae Sot, generating calls from local business and state authorities to prevent migrants, even those legally registered, from “escaping” the border region. Thus, workers’ mobility threatens the spatial organization of capital at the border and beyond, eliciting a different type of selective hegemony from the one outlined in the previous Cambodia case.

National and social security initiatives

Burmese migrants are critical to the Thai economy, yet they are also perceived as a national security threat. The Thai state sets out to control not only the spatial allocation of migrants’ labor but also their life, and social protection policies are increasingly utilized to both ends in this biopolitical labor regime. Burmese migrants’ access to social protection is predicated on formal employer-employee contracts. By linking migrant registration to as many services and facilities as possible, the security regime—security in the double sense of national and social security—closes the net around migrants, isolates them, and redefines what it means to be inside a territory by assimilating exclusion into the jurisdiction of the state.³⁶ Rather than de-commodify labor, Thailand’s social insurance system seemingly aims to complete the commodification of migrant workers by devising a policy framework that resembles “neo-bondage,” in which information on and access to social insurance is dependent upon employers will.³⁷ It is a state practice that extends administrative reach over migrant populations within its territory.

Thailand’s constantly changing, Kafkaesque migrant registration and verification programs, first implemented in 1992, are the basis of access to social insurance programs. By law, registered migrant workers in Thailand have access to the national social security program, which includes universal health care, a child allowance, a pension, and maternity, invalidity, death, and unemployment insurance. *De jure* access to health insurance for regular migrants is significant, with over 1.8 million migrants from Myanmar, Cambodia, and Lao eligible.³⁸ Migrants who have completed the nationality-verification process or have entered Thailand under one of the memorandum of understanding (MOU) agreements with neighboring countries are eligible to receive benefits under both the Social Security Fund and the Workmen’s Compensation Fund administrated by the Social Security Office.³⁹ On paper, then, migrants are covered by a range of social services also available to Thai citizens. However, in 2014 only some 10 percent of all migrants were actively enrolled in the Social Security Fund, thus policies are effectively restricted to Thai nationals.⁴⁰

Due to the short-term nature of work contracts, with an initial legal limit of two to four years, migrant workers cannot access any long-term benefits.⁴¹ Somkiat

Chawatsriwong, permanent secretary to the Ministry of Labor, said that migrants are only allowed in Thailand to work temporarily and not to establish a family or permanent life in the country. He also noted that migrants were not eligible for unemployment benefits, because migrants are not permitted to remain in the country for longer than seven days if they are unemployed. Furthermore, many migrants work in occupations excluded from social security coverage, including fisheries, the agro-industry, and domestic work, or are not employed continuously through the year, such as subcontracted or seasonal workers. For these irregular migrant workers—a conservative estimate being over two million—health care is generally financed through a collage of out-of-pocket payments, hospital-granted exemptions, voluntary health insurance schemes provided in some provinces, and NGO-operated migrant health programs.⁴² Thailand implemented a universal health program in 2001, and even though the National Health Security Act stipulates that every person in Thailand is entitled to health services, the law is interpreted to apply only to those of Thai nationality.⁴³

The benefits provided by law for regular migrants are usually out of reach in practice because of employers' reluctance to pay contributions into the funds—in some cases, colluded by migrants' own wishes to avoid salary deductions. Enrollment is optional, since there is no enforcement system to hold employers accountable if they do not enroll migrant employees in the social security system. The assumption is that employers will inform migrants of their benefits under the schemes. For those who do register, typically employers advance the cost of registration and hold onto the migrants' identification papers as collateral that the advance cost would be repaid, reflecting a long-running practice among employers to keep IDs, rendering workers effectively illegal once they step outside the workplace, leaving them prone to the "policing" identified earlier.⁴⁴

In sum, social protection programs for migrants are uncertain and becoming even more confusing. This is often framed as policy miscalculation and ineptitude on the part of the Thai government, yet it should be seen as a means of control by keeping people in state of uncertainty.⁴⁵ It is a social bordering regime aimed at the protection of Thai citizens' welfare entitlements, reproducing laboring poor status for those excluded from the citizenship regime. This reflects, as James Ferguson has argued, that such projects, even when they fail to achieve their stated goals, function to expand bureaucratic state power and embed populations more firmly within networks of governmental rule.⁴⁶ The implication is that power relations are increasingly referred through state channels, with employers' more extensive control over migrants acting as capillaries. It is selective hegemony that sets out to reinforce state control over a large migrant population that is deemed a security concern for the general Thai populace, and at the same time, it seeks to shore up state efforts to reinvigorate the lackluster economy that is dependent upon migrant labor, as addressed in the following section.

SEZS AND INSTITUTIONALIZING PRECARIETY

The cases studied thus far reinforce contentions that transitions from farm to factory, country to city, informal to formal sector-led capitalist industrialization has not occurred in the same ways that it developed in the advanced industrialized countries.⁴⁷ Yet the Asian Development Bank (ADB) and related economic planners continue to line countries up along what they assume to be a linear march toward industrial-led global integration characterized by “pro-poor development” and shared prosperity enabled by “job-driven” economic growth.⁴⁸ In advancing this project, the ADB advises governments to be “wary over excessively tightening labor laws, . . . [as] rigid laws could drive an exodus of foreign firms and/or shift to more capital-intensive production that would affect long-run labor demand.”⁴⁹ Indeed, the bottom of the regions’ rural economy is congested, the potential for “upgrading” in global production networks is limited, thus growth led by low-value-added industries appears to be a mainstay of development planning for the foreseeable future. SEZs play a clear role in this growth paradigm, and understanding their rationale in the course of economic growth strategies in the region helps to clarify how the social question is subverted.

With global competition intensifying in labor-intensive export-oriented sectors, the ADB has been actively promoting borders SEZs, which aim to increase export competitiveness and integrate long-overlooked rural and cross-border areas to foster “sustainable, decentralized growth.”⁵⁰ From the ADB’s perspective, enhanced trade and transport links centered on SEZ development embedded in subregional economic corridors can facilitate integrated regional trade and structural change conducive to development, generating “a wider range of economic benefits.”⁵¹ SEZ development without regional cooperation, the ADB asserts, could lead to enclave planning with limited returns.⁵² The ADB stresses that SEZs should be seen as components of an Asia-regional and global liberalization and trade facilitation project, not ends in themselves.

Border SEZs have emerged as incubators of national and cross-border economic development that set out to embed global production networks in place. From a selective hegemony lens, they are economic-planning interventions that demonstrate state efficiency and soft and hard infrastructure and logistics acumen, while further institutionalizing informalized labor regimes deemed necessary for growth. From this perspective, the social question is not marginalized from development discourse; rather, it is repackaged as part of a growth-led paradigm in which social concerns are to be addressed after the subregional geo-economic model has been institutionalized.

The Mae Sot SEZ

On May 22, 2014, the Thai military took control of the government, Thailand’s third successful coup since 1991. Two months later the junta, led by former commander

in chief of the Royal Thai Army and current prime minister Prayut Chan-o-cha, announced its SEZ initiative, which is central to their international trade policy agenda. The stated objectives are to attract foreign direct investment (FDI), generate employment, improve living conditions through income distribution, improve border area security, and enhance Thailand's competitiveness and boost its lethargic economy to take advantage of the ASEAN Economic Community, which took effect on December 31, 2015. Moreover, SEZ establishment will purportedly help tackle the smuggling of migrant workers and goods from neighboring countries, though it remains unclear how the Thai police and military will react, as they are central actors in Thailand's human-trafficking networks.⁵³

The Mae Sot border manufacturing and trade enclave was, at a time, considered an anomaly in the broader Thai economy, and the ADB's SEZ-led development project considered a policy designed primarily for neighboring Least Developed Countries.⁵⁴ Political turmoil has negatively impacted the Thai economy, and the threat of FDI continuing to bypass Thailand for neighboring countries has contributed to a revised geo-economic strategy led by border SEZ and economic corridor planning.⁵⁵ The infrastructure, trade, and transport facilitation and logistics components of the Tak SEZs and proximate economic corridors are set to roll out by 2018.

Five SEZs in five border provinces are being implemented in project phase 1, 2015–2018 (figure 5), with five more to follow in phase 2. The Tak (Mae Sot) SEZ, at the forefront of SEZ discussions from the beginning, covers an area of 1,419 square kilometers, comprising three border districts.⁵⁶ Mae Sot is deemed a vital gateway, linking trade, investment, and tourism to Myanmar's capital, Yangon, and the proposed deep-sea port and SEZ in Dawei. It is also promoted as an emerging logistics hub, distribution center, and retail center, located in the ADB-initiated East-West Economic Corridor linking Da Nang, Vietnam, to Dawei, Myanmar. As discussed above, it has been a light manufacturing center for roughly two decades, and one that many economists and business interests hope to strategically couple with the recently opened Myawaddy industrial zone in Myanmar located ten kilometers away (interview, Tak Chamber of Commerce, December 2013). The zone is embroiled in geo-political concerns that have long held Thailand as the "natural" center of subregion, as well as geo-economic efforts to maintain low-value capture necessary as Thailand is mired in the "middle-income trap."⁵⁷ Embedding the border regions in subregional manufacturing, trade, and transport routes is an initiative that has emerged from relative discursive obscurity and ad hoc policy measures to a prominent position in national development planning.

Combined with the previous section's attention to labor control across the national territory, the pieces of a top-down spatial development planning model are moving into place. It is not yet clear whether the SEZ initiative, coupled with the social protection regime, will answer employers' calls to secure the migrant labor power deemed necessary for economic revival. It is clear, however, that the



MAP 5.2. Thailand's SEZ development. The SEZs numbered 1 are from phase 1; those numbered 2 are phase 2.

junta is tethering its beleaguered hegemonic project to the subregion by promoting border SEZs.

The Bavet SEZ

SEZ initiatives in Cambodia take on added urgency as compared to the Thailand case. Lacking advanced infrastructure and logistics capacity, and struggling to

control an increasingly militant workforce, the Cambodian government is taking steps to appease uneasy investors to maintain its precarious foothold in light manufacturing. The government has approved over thirty SEZs since a 2005 SEZ decree; eleven were operational in 2014, with 145 firms employing some sixty-eight thousand.⁵⁸ One is in Phnom Penh, the rest are located at Cambodia's borders with Vietnam and Thailand and in the coastal cities of Sihanoukville and Koh Kong. Compared to Thailand's SEZs, Cambodia's are small, roughly from fifty to one thousand hectares. The central state has facilitated the privately developed and operated SEZs—indeed, all of Cambodia's SEZs are private, which reflects global SEZ trends, in contrast to Thailand's public zone administration.⁵⁹ Investment in light manufacturing, such as garment and shoe manufacturing and bicycle assembly, are most prominent. The primary logic behind Bavet border SEZs is proximity to Ho Chi Minh City and its port and manufacturing inputs, offering reduced transit and other costs compared to industrial zones further inland. Furthermore, Cambodia maintains preferential market access to the European Union under the Everything but Arms duty- and quota-free arrangement for least-developed countries. In Bavet, there are five operational SEZs employing some forty thousand local workers.

Economists indicate that improving both soft and hard infrastructure and logistics efficiency is critical for Cambodia's capacity to leverage its abundant, low-wage labor, with border SEZs deemed to be on the leading edge of such efforts.⁶⁰ Tellingly, while discussion of economic upgrading is not absent in ADB documents, spatial planning is oriented around anchoring low-value-added sectors at the borders to foster cross-border production-sharing arrangements. However, with wage gains in Cambodia between 2013 and 2016, Cambodia's wage advantage vis-à-vis Vietnam has been greatly reduced, and it is plausible that entire zones could disappear in the next round of spatial fixes. A Manhattan SEZ representative is clear (interview, November 2014), "To be honest, they [investors] come to Cambodia for low labor costs; to remain competitive, this has to be maintained." Reinforcing this view, Heng Sour of the Ministry of Labor asked, "If we want the country to grow, [we] need foreign investors, and policies to attract them. . . . To attract FDI, tell me what can we do other than low wage?" (interview, January 2015). Indeed, the viability of Cambodia's garment sector has long been under strain, and Cambodia remains far removed from upgrading into new value chains or industries such as high-value electronics or auto assembly. In this sense, Cambodia is struggling to maintain its grip on the bottom rungs of the global economy, with manufacturing centers like Bavet at the margins of global capital circuits.

There is no indication that the promise of well-remunerated wage labor with social security is likely to be galvanized by SEZ development. The ADB frames SEZ development as necessary components to address socioeconomic concerns, but there is little room to maneuver in terms of advancing workers' core concerns, as the zones themselves are predicated on a precarious labor force. State selective

hegemony, as manifest in the zones, is likewise precarious, since zone workers in Cambodia are part of the body politic, and their interests cannot be marginalized as readily as is case for Burmese migrants in Thailand. In sum, zones depend upon and reproduce poverty, and the opportunities to overcome this arrangement are extremely limited. Selective hegemony in Cambodia is constrained by both investors' demands for cheap labor and workers' demands to address poverty wages.

CONCLUSION

Mekong Southeast Asia has transformed from a geopolitical territory characterized by interstate wars and conflicts to a more integrated geo-economic region that sets out to embed border SEZs into the Asia regional division of labor. These ADB-led growth logics exhibit a plurality of local labor regimes, patterns of economic development interventions and spatial administration that are paradigmatic for understanding contemporary transformations in the region. In mainstream development models, the social question has been inserted into such growth regimes, yet local labor regimes of informality reproduce and are indeed contingent upon poverty. The social question in Mekong Southeast Asia is thus delimited by a low-value-added growth model that selectively targets particular spaces, populations, and economic sectors for development.

The Cambodia case has demonstrated that the commuter laborers employed in the zones are facing land poverty, to a large extent part of the outcome of agricultural commodification processes promoted by the ADB and state actors. Formal sector employment in the zones does not ameliorate poverty; rather, it becomes a site of tension and protest that has induced state violence. These workers have responded by informally linking up with wider national-scale wildcat protest movements, and state concessions include wage increases and select social protection measures. These policies represent a small victory for workers' movements, however, the selective urban garment sector labor force orientation sets out to blunt political opposition rather than addresses workers social reproduction concerns. Thus, the potential for workers employed in border zones to access Cambodia's limited social protection program is even more restricted than those working in Phnom Penh and vicinity.

The Thailand case argues that Burmese migrants in Mae Sot have long been subject to racialized exclusions from the Thai body politic, which delimits their potential to make demands of employers and the state. Workers' mobility and subsequent labor shortages have challenged the border growth model, and irregular migrants numbering in the millions have contributed to national-scale security concerns. The Thai state has responded with a migrant labor registration scheme that utilizes social protection to cast the net over migrants. Again, these policies do not address livelihood and social reproduction concerns, rather, they extend the reach of the state. Selective hegemony targets investor concerns and a more

general concern for migrant regulation, and social reproduction strategies of Burmese in Thailand remains a tenuous cross-border arrangement. This expands bureaucratic state power and embeds populations more firmly within networks of governmental rule, shoring up state efforts to reinvigorate the lackluster Thai economy heavily dependent upon migrant labor.

To understand how localized border regimes of informality act as nodes within wider subregional development trends, the SEZs' prominence in geo-economic ambitions has been presented. SEZs are key to the regional informality-mobility-poverty nexus, yet the ADB and state officials assert that SEZs are necessary components of cooperative cross-border development planning. This discourse overlooks the ways in which the zones structure poverty through labor. In this sense, the social question is not necessarily marginalized by mainstream development planning but is understood through growth logics, deferring realization of widespread benefits to a seemingly unattainable future of full employment in high-wage manufacturing. The sector-specific, selective approach creates further tensions and scales up contestations from the border zone to the region.

NOTES

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