

Textile Trade and Women's Work in Vietnam and the Philippines

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What conditions prevail in Vietnam and the Philippines- two countries that follow completely different development strategies? Vietnam is inward-looking and the Philippines is export-oriented. What are the situations and prospects for the textile industry which is heavily dominated by women's work?

In the textile trade, women constitute about 70% to 75% of the labor force. In Vietnam and the Philippines, 85% to 90% of textile workers are women. These figures show the magnitude of women's participation in the textile and garment labor force. It also gives an idea of how labor be divided between male and female in the industry.

Labor Force

Statistical data related to the development of textile and garment production in Vietnam can be found in two areas: labor force and production.

The economy is divided into centrally and locally organized enterprises, which are administrative divisions of the large enterprises. Besides these are small industries and handicraft production networks which are locally organized by cooperatives or by private producers whose technology is more rudimentary. Workshops where mechanical labor predominates are referred to as small-scale industries. Those where manual labor predominates are classified under handicrafts production.[1] The number of workers in textile, garment, and leather had increased quickly since the reunification of the country in 1976.

There was growth from the period after 1976 up to the mid- 80s, 1986 was marked by decline. If the number of workers is divided into the two main categories of state-organized enterprises (both centrally and locally) on the one hand and the small industries and handicraft on the other, we can see that there is a positive relation between large and small scale production.

Table 1. Number of workers in the whole textile trade. Centrally and locally organized, large and small production [2]

		Annual growth rate
1976	336,000	8.1%
1980	459,000	5.7%
1985	607,000	-2.8%
1986	509,000	

Both Tables 1 and 2 show a considerable increase in the labor force except within small-scale production from 1985 to 1986.

Table 2. Number of workers in textile, garment and leather divided into main trades [3]

	State and joint state-private	Small industries and handicraft
1976	87,600	248,500
1980	110,300	348,500
1985	137,200	470,400
1986	144,100	445,900

Undoubtedly, textile weaving is the biggest activity within the textile trade but production seems to fluctuate every year. The concentration of labor in this field is greater than in garments where expansion has come only recently. This latter development explains why the number of textile weavers went down in 1985. The industrial textile production which was under state control in the economically critical years of 1980 to 1982 started to recover. As soon as industrial textile production regained some strength, it was reasonable to expect decrease in the number of handicraft and small industrial workers with much lower productivity.

Table 3. Number of workers in small industry and handicraft, textile, garment and leather production, 1984 to 1986 [4]

	Textile	Garment	Leather
1984	309,500	80,000	12,500
1985	375,000	82,000	13,400
1986	341,000	92,500	12,000

On the other hand, it is surprising that the number of people employed in the centrally organized textile trade is increasing even in recent years (see Table 2), even as one of the economic reform measures is to rationalize labor force to make individual enterprises profitable. One of the explanations for this tendency is that on one hand the enterprises are on one hand rationalizing the labor force, and at the same time, new activities are being initiated, including a number of workshops in garment production.

Earlier, combined textile mills were exclusively for spinning and weaving. Although directors today are gaining much more power to decide on production and management because textile production is one of the main avantgarde trades of the economy, they are still reluctant to sack the labor force. This is due to difficulties in carrying out reforms. Where textile production is expanding, the solution at present is not necessarily to fire workers to rationalize production. Many directors are actually against this measure. They do rationalize the production, but the workers are engaged in new activities. The export of textiles and garments is increasing. The quality of these products is being improved, making them more saleable in the local market. The door of the textile economy is now partly open to the international market and the process of modernizing equipment is being sped up.

Table 4. The number of city-based cooperatives, 1980 to 1986 [8]

	Textile	Garment
1980	559	299
1984	746	274
1985	929	387
1986	997	362
1980 to 1986 (annual growth rate)	10.1%	3.2%

The number of garment workers (Table 3) is surprisingly low. Firstly, this is due to the fact that ready-to-wear clothes are still not the dominant form of clothing. Most people go to small tailors or dressmakers or make clothes themselves. Secondly, the statistical data might be inaccurate precisely because tailoring is part of an informal economy. Thirdly, export of garments in Vietnam is still quite limited compared to that in other Southeast Asian countries. But even when the statistical data are partly inaccurate, the garment sector is no doubt comparatively smaller than that of neighboring countries, but it has a considerable potential for development in the future.

Production

The production of yarn and cloth decreased severely in the beginning of the 1980s to gain more strength in the mid-80s. In most areas of textile and garment production, the output has doubled from 1976 to 1986. [5]

The production of cloth is mainly intended for the national market. But in the recent years, many factories have become eager to export to and establish relations with the international market in order to get access to foreign technology and raw materials. This is a general tendency in a period where the economy is starting to open up and the state is not able to provide the necessary means of production.

Export goods are being developed in knitwear, embroidery, and in the production of jute, woolen carpets, and yarn. Garment is the largest category, however. In fact, it constitutes about 8% of the total export value. [6] The trade statistics are not detailed enough to verify the size of international subcontracting arrangements, but especially for socialist countries there are arrangements according to which the cloth is imported and the final products are re-exported. The textile exports come mainly from the small industry and handicraft, although as mentioned, a few enterprises are now engaged in garment production.

Management

In 1983, it was observed that management reforms started quite early in 1981 in some of the large textile factories compared to that in other trades which started in 1983. By 1985, all factories were involved in reform schemes. How-

ever, early reforms were mainly concerned with the wage system (introduction of piece-rate systems) and the choice of products. In November 1987, a new decree was promulgated concerning state-run enterprises. This decree included reforms in all fields of economy, management and labor [7] and has had an impact in all enterprises within the state-run textile factories. In a recent visit to Vietnam, however, the speed of reform varies among individual factories. Textile production has started up the 'renovation', *doi moi*, the Vietnamese version of perestroika.

In the cooperative sector, new management systems have not been developed. Even the wage systems are the same because the piece-rate wage has always been the dominant wage form, i.e., payment according to the volume of work. Changes that can be pointed at are the introduction of the same social security systems as have been promulgated for the state-run factories. However, the problem is that this seems to be difficult to carry out in reality because of lack of funds in the sector. The cooperatives are small, rather flexible units and 'the renovation' actually allows them more economic independence. When they start to leave the more 'secure' state-related system, where the raw materials are provided and the final product is given back, they have to produce their own raw materials. This demands capital to which the members have no access. Some prosperous cooperatives have found a way to start although they are run like small private enterprises than cooperatives.

The number of textile cooperatives has increased since 1980, whereas the garment cooperatives suffered a setback from 1981 to 1984. From 1984 to 1985, the latter suddenly increased to 41%, but decreased a little again in 1986. In addition to cooperatives, production teams are another form of production unit. They are organized on a lower level and are usually smaller. In 1986, they numbered 786 in textiles and 594 in garments. Although the number has increased, it is not at all impressive. The size of the textile trade also among the small organized producers (i.e. cooperatives) is much larger than the garment trade. This is even more pronounced in country-based coops, where 1255 were involved in textile production in 1986 and only 391 were in garments [9]. The figures on labor in Table 2 include some small individual producers, because the existing total of 4994 cooperatives involved in textiles, garments and

leather include coops with 90 members per production unit. The small producers have to register with the authorities, but certainly, a large number of unregistered producers also exist.



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Reforms among cooperatives on the management level are limited and can be seen only as an exercise in greater flexibility vis-a-vis the state, but still rather few cooperatives have been able to utilize the possibilities. At the same time, official opinion is changing. Today, the state, the cooperative and the private sector are accepted and encouraged as positive contributions to the general economy. Earlier, the public sector not only had the highest priority from the state, it was also highly estimated among the population. Until now, the state sector is still given the actual economic priority compared to the cooperative sector, in spite of opinion change. The prestige of the public sector is decreasing, however, as the private sector starts to offer better possibilities.

In relation to the enterprises management, reforms are often mentioned. The concept 'management' is not very clearly defined, however. Sometimes it refers to relations between the enterprise and external factors like the state or foreign countries. In other cases, management is related to the introduction of new wage systems, or the setting up of additional workshops. Production still basically follows the lines of state planning. But in some cases, the factories operate under market-like conditions, and the tendency goes that way for the whole trade.

One of the special features of the early reforms in 1981 to 1983 were the setting-up of additional workshops and the creation of additional work, which started in 1981. By using all kinds of scraps, new items were produced like blankets and children's garments, small bits of yarn were mended, and so on, either in workshops at the factory or as extra work at home. The purposes were to make better use of raw materials; to employ more people; to increase the income of workers and of the factory. It opened the possibility of restructuring the work force in a society which does not allow the sacking of labor.

The early reforms were not very far reaching, but through the additional workshops, the first step was taken towards more decentralized and independent management of the factories. The economic control of these workshops was in the hands of the factory, although it was limited to a certain percentage of the production. The piece-rate system also encouraged the workers to be more efficient, and when the production started to increase in quality and designs and became more compatible with the taste of consumers, some parts of the vicious circle were broken.

So far, the reforms were mainly structural. Modernization of the technology was also started. Some pilot enterprises were allowed to export in order to get foreign currency. In other cases, the state invested in new equipment. The pilot projects seemed to work so well that the late reforms of November 1987 (217-HDTB) encouraged a more independent enterprise economy without state subsidy to the whole trade. The possibilities for creating links with foreign countries in order to export and acquire new advanced technology are much better than before, although the factories still have to go through various state channels to arrange the exchange.

Two Factories in Hanoi, 1988

Two factories in Hanoi are used to illustrate the variety of management systems and economic and social structures within the same locality. In both factories, today, the utilization of the production capacity is much higher than in 1984. One of the main obstacles earlier to the basic inputs- raw materials and power- had been removed. Basically, the two factories were quite different. *March 8 Factory* was built with Chinese aid in the early 1960s. The production is directed towards the local market, and the equipment is rather old and run-down. It is a combined textile

mill, which includes facilities for spinning, weaving and finishing. Raw materials are imported.

Hanoi Thread Factory was built in the early 1980s commercially with credits and technology from Belgium, Italy and West Germany. The factory produces yarn only. Cotton and fibers are imported and the yarn is produced for exports. The product is semi-manufactured.

Both in terms of production and working environment, conditions were better at the Hanoi Thread Factory. The director and the leading staff seemed to be very much engaged in modern management and were willing to apply modern methods and use the possibilities of the reform decrees. At the time of visit to Hanoi Thread the factory had been in operation for less than a year and had many problems related to production. The labor force was very young and the wages low. Today, the leaders are very proud of the modern factory with its comparatively high social standard. Both factories are state-run, but follow different paths in trying to solve economic problems. At March 8, average income ranges from 15,000 to 20,000 dong [10] a month, but the worker can ask for additional work and earn up to about 5000 dong extra. But it seems that the wages come closer to 15,000 than 20,000 dong, and this is lower than in the other factory. On the other hand, the social welfare system is more extended. There are more living quarters for workers and better kindergarten facilities. Regulations are the same regarding sick leaves, maternity leaves, holidays, etc.. Obviously, the possibilities for additional work are better in a combined spinning and weaving mill. But, basically, the system of prolonging the working day and integrating family members to do additional work is the way to solve the economic and social problems.

At Hanoi Thread, the wages should in principle cover an eight-hour working day at the factory. The average wages are 20,000 to 25,000 dong monthly, and the workers do not take work home. It is possible, however, to do some additional work at the factory. The policy is to get a more engaged and healthy labor force, and it has had a certain success. The living quarters provided by the factory are very limited, however, and various subsidies of foodstuffs, except for the rice subsidy, are already included in the salary. Thirteen to 20 kilos of rice monthly could still be acquired at a price of 50 dong a kilo when the free market price was 500 to 600 dong a kilo.

No doubt the latter wage system must be seen as more appropriate. After an eight-hour working day for six days a week, a woman with children and household duties cannot be an efficient labor force, especially if she has to do extra work at home. This system is not common, however. Most employees are still dependent on combinations of formal work at the factory with additional and informal work to make both ends meet.

Since 1985, several attempts have been made to reduce reliance on state-subsidies for foodstuffs. Today, rice and cooking oil are the only items which are still heavily subsidized. Other items which used to be subsidized are now converted into money and included in the wages. The immediate result of the wage increase was inflation. Even as attempts were made to secure the basic standard of living, inflation has once more did away with the improvements. Additional and informal work made it possible for the workers to increase their income. But this system could only be extended up to a certain limit, which is the length of the working day. When this system was inaugurated some years ago, it helped to improve income and even started a lot of productive activities needed in the society. Today, this system cannot expand much further. Productivity must be improved through modernization of equipment in order to improve the skill of the workers or the organization of production.

In December 1987, Vietnam finally decided to open its economy to trade and foreign capital. If or when this develops further, conditions in the world market will affect the working situation in Vietnam. Global competition will demand a skilled, energetic labor force to take up this challenge as the contest in the world market in textiles and garments becomes more severe.

Handicrafts Cooperatives and Small Production

In terms of wages and social security benefits, workers in the handicraft cooperatives get considerably lesser. In the north, income ranges from 8,000 to 12,000 dong in an ordinary cooperative. Working days last for 10 to 12 hours, including Sundays.

Handicraft workers are obviously much worse off than factory workers. Now, it seems that this type of work is accepted mainly because of unemployment or because of tradition. If the family has lived in a cooperative where work and household activities are clearly related, it has

more exposure to possibilities for various informal activities which could enable them to acquire higher income, produce mixed foodstuffs and have enough time for the children.

There are some advantages in being a cooperative member. Rice is still partially subvented, although the price of one kilo increased from 50 to 300 dong in April and May 1988. If a cooperative can afford it, it tries to follow the regulations of the state like the factories. But if the cooperative is poor, this will not be the case. A rich cooperative, on the other hand, provides its members better income than factories do. The cooperative sector is outside of the sphere of the state and does not receive aid from, but is still dependent, on the state. The link with the state exists through the exchange of raw materials and finished products. Fixed prices for products are still stipulated by the state. The survival of the cooperative is due to flexibility of production, labor and wages.

Many export items are manufactured in this sector like carpets, knitwear, garment, towels and embroidered items. In this field, the possibility of expanding production and labor is obvious. The same is valid for the sector of small private producers. As for social conditions within the private sector, the tendency is that those who manage well are quite well-off. Social security is totally absent but prices and profits in the free market are considerably higher than those acquired through state distribution.

At present, there is division of labor between Vietnam which supplies raw materials and the socialist countries which serve as markets for finished products. This is basically the same type of division of labor existing between the non-socialist Asian countries and the western world (international subcontracting). By opening up to the world market now, new employment can be created possibly leading to a renewal of the productive forces. The domestic market is probably still the area of primary expansion. With increasing incomes and quality of the products, the domestic market will surely grow.

The Development of the Textile Trade in the Philippines

The Philippines has a population of about 60 million, a little smaller than Vietnam's. Like Vietnam, the Philippines had widespread textile handicraft production in the 19th century. At the turn of the century, the first industrial production

was set up under the American and French colonial governments. After independence was declared in 1946, the Philippines started on the road to industrialization and became one of the leading industrial economies in Southeast Asia. The policy of industrialization was at first based on import-substitution which meant that the industry was heavily protected against foreign competition, and that distribution of industrial goods was limited to the domestic market as the main target.

Towards the end of the 1950s and the beginning of the 1960s, the Philippines ran into severe economic problems. The political power came to the hands of the authoritarian regime under Pres. Marcos. A new policy was put forward, that the economy should be opened to the world. Foreign investment was encouraged and production became more directed to the world market. A third point in this policy was import-liberalization. This was probably one of the most controversial and difficult during that time because of conflicting interests of foreign companies entering the Philippine market with their products and local capitalists, intent on continuing production for the local market. The problem for the local textile producers was that they could not compete with the more experienced and better equipped textile industries of developed countries. Although the policy under Marcos officially favored import-liberalization, the World Bank and the IMF put pressure on the government to open the market. It seems that the textile capitalists had a firm hold. In fact, the production was not much relaxed.

Textile Production

Textile production in the Philippines was in deep crisis in February 1986. Moreover, the quality of production was not good enough compared to that of foreign goods and prices were not competitive because the national market was not heavily protected.

This situation resulted first of all in a lot of complaints from local garment producers. Secondly, busy smuggling was estimated to account for 25% of the consumption. Thirdly, the factories were running at a very low capacity of around 60% to 70% in spinning and weaving. Thus, unemployment increased.

In January 1988, the situation changed drastically. Through new investments, modernization of textile equipment had started, quality was

improving and garment producers became more satisfied with local fabrics. Policies at the factory and central administrative level were not that restrictive so it was easier to buy what was needed. Earlier, garment producers were forced not only to buy certain quantities, they also had to buy all the available colors. This system was not effective in Vietnam before the reforms. Production was not decided according to market demands but by bureaucratic decisions at the factory or the central administrative level.

From a narrow economic point of view, the textile capitalists wanted textiles and garments to be protected from foreign competition. After a long discussion, a bill was finally passed in parliament in March 1988. The general idea was to protect the most developed national products which, of course, also encouraged production and generated jobs.

Table 5. General tariff system, 1988

	Tariff on imports
Raw materials (cotton and fibers)	10%
Yarns	30%
Fabrics	40%
Garments	50%

Although the tariffs were lowered, they are still considerable. The IMF and the WB, involved in a restructuring program for the textile industry, put pressure on Pres. Aquino not to let the tariff go higher. On the other hand, the common idea that the IMF and the World Bank recommend total trade liberalization to favor the interests of the big international companies was not the problem. In a recent study on textile production carried out by World Bank consultants for the Board of Investment, the recommendation on tariffs was 40% on fabrics which, following the report, would enable the textile industry to compete with foreign fabrics and at the same time 'obtain a reasonable profit margin'. [11] This was exactly the level that was decided by parliament.

Employment

Employment in the textile industry was at its highest in 1979 with 113,000 workers, but because of the crisis in textile production and the country in general in the early 1980s, employment went down to 53,000 workers in 1984. This improved in 1986 with 71,000 workers. Compared with that in the NICs in the region, the Philippine textile industry is still fairly labor-inten-

sive. The mills employ two to four times more workers than in South Korea and Taiwan and three to five times more than in the USA. [12]

Capacity and Technology

Since 1979, the number of spinning mills has increased from 32 to 45 and 140,000 new spindles have been installed. On the other hand, the number of weaving mills were reduced from 42 to 34. Specialization has taken place, for instance, the production of denim.

The total spinning capacity in 1986 was about 1,270,000 spindles and the weaving capacity consisted of 19,000 looms. In 1986, only 57% of the capacity was in use, and the total production was about 80,000 MT. The capacity in Vietnam in 1988 was the same in the centrally organized textile trade with one million spindles and 13,000 looms because it was locally organized.

Table 6. Age profile for textile equipment in 1986 [13]

	Spindle	Rotors	Looms
pre 1960	34%	-	53%
1961-1970	29%	-	23%
1971-1980	27%	97%	23%
1981-1986	10%	8%	1%

In general, textile production in the Philippines today is industrialized but in certain areas, there are still small independent weavers. The report on the textile industry mentions that the number of independent weavers has doubled since 1979 to 2000, the biggest workshop is said to have 150 looms. [15] However, based on the research done, there was still a big number of handlooms in operation.

Small producers still exist because the country has a fairly open economy. Textile production is today quite centralized and the competition tends to do away with units that are not very productive. This has also been the case in the Metro Manila area where most of the textile production is concentrated. But in the provinces, the situation is different. For example, Ilocos Norte, being the home province of former Pres. Marcos, became blessed with privileges favoring the development there of symbiotic relationships between small time weavers and big factories as in Vietnam.[14] In cultural communities, local cloth production still takes place.

The question of the Philippines not being a developed capitalist society involves more than just modernization. It seems to be characteristic of developing countries and even to a certain extent of developed countries that the economic rationality of the capitalist system or of a modern socialist economy is only spreading slowly in the society, especially in periods of crisis. The jobs created in modern industry are too limited to absorb the labor force and most people have to make a living from a combination of formal and informal activities. A second point is that the family structure, the role of women, the culture and the necessity of informal work favor small production in general.

Garment Production

The garment sector in the Philippines is much more complicated than the textile sector. All combinations can be found- from big factories to small production units- and individual workers with both formal and informal work. This sector is dominated by small producers and it is where an increasing number of people find their means of survival, especially during economic crises like in Vietnam.

The Philippine economy did not live up to the promise of the 1950s and early 1960s. Today, it lags far behind other Asian NICs. The export-oriented economy was encouraged at the time when former Pres. Marcos tried to pacify the leftist opposition through the declaration of martial law in 1972. Various export-promoting laws were decided on and the economy was opened up to foreign investments. Within the field of textiles and garments, an important incentive was the possibility of importing foreign fabrics duty-free on the condition that final garments produced would be exported. This encouraged garment export production to expand but largely on international sub-contracting conditions. This policy had a clear effect on the sector, and at the same time, enforced a separation of the national textile production from garment production.

Table 7. Philippine garment exports, 1970 to 1986 [16]

	Export (US \$ m)	growth rate
1970	36.2	24.2
1975	107.0	36.1
1980	500.0	5.7
1985	660.1	21.6
1986	802.9	

Garment exports have increased at an incredible rate from 1970, but slowed down during the economic crisis in the beginning of the 1980s. However, the expansion hasn't stopped. The prospects for expansion as outlined by the advisors to the Board of Investment should be just as favorable at least in the 1990s. From 1970 to 1986, not only did exports increase; domestic consumption patterns also changed fundamentally from making use of home-sewing and tailor shops to buying ready-to-wear clothes. Today, 75% of the production is made up of ready-to-wear clothes and new fields have been opened, i.e., ready-to-wear clothes for the middle classes distributed by big department stores like Shoemart.[18]

Table 8. Prospects for future garment exports, 1987 to 1996 (US \$ million) [17]

	Production	Export	Growth rate
1987 (est)	1,590	1,005	16
1989 (potential)	2,004	1,353	23
1991	2,765	2,045	36
1996	3,306	2,450	

That the domestic market will account for a falling share of total production from 36% in 1987 to 26% in the 1990s is an immediate trend which can be seen from today's garment production. However, the domestic market will continue to grow at a rate of four to five percent annually. Whether or not these projections are met, the fundamental trend is that the export market for garments will be dominant, in fact, surpassing the domestic market.

Labor Force

The expansion of garment production is connected to an expansion in the labor force because this is a labor-intensive area where technological innovations are relatively less revolutionary.

In 1985, there were 24,496 garment establishments including 245,596 workers, but the cottage industry was by far the dominant sector. In Table 9, the figures before 1974 were taken from establishments with five workers or more. Large-scale industries constitute only a small number of factories; but almost 1/3 of the labor force are employed here.

Table 9. Number of workers in the garment industry, 1969-1996

1969-1971	56,185
1974-1976	83,364 [19]
1977	131,844 [20]
1980	156,252
1983	141,000 [21]
1985	245,917 [22]
1987 (estimate)	390,000
1996 (prediction)	457,000 [23]

Today, there are only about 747 firms which are exporting garments and even less are governed by incentive laws. This seems to be contradictory to the development prospects described above. The case is, however, that special development has taken place with a very extended network of sub-contractors, sub-sub-contractors and domestic outworkers. This work force is composed mainly of women and the characteristic of the work force is that it is closely linked with the household and the family.

Table 10. Distribution of garment establishments in 1985 [24]

Workers	No.	Establ.(%)	Workers(%)
1-9 (cottage)	23,506	95.95	47.79
10-99 (small)	726	2.96	16.09
100-199 (med.)	96	0.39	5.84
200+ (large)	168	0.69	30.28

Factory Workers and Small Producers

In both Vietnam and the Philippines, wages are higher and social conditions are better in factories than in small-time production units. The political systems are, of course, different in the two countries. In the Philippines, there are labor laws outlining general minimum conditions. Also, trade unions make special agreements in various factories to improve income and working conditions. The field is, of course, split up

among various trade unions. In Vietnam, there are also certain regulations carried out at a national level. The functions of trade unions are important in the implementation of social security measures. There are certain regulations for enterprises and cooperatives about the size of the wage fund. If big factories or enterprises are working well, then wages are higher, if not, workers in the state factory earn the basic wages. But in cooperatives, the workers only work on a part-time basis and if the economy is not doing well, they find other jobs to augment their income.

In 1986, Litton Mills, one of the biggest combined textile mills in Metro Manila followed the regulations regarding the general minimum wages. The workers were paid daily, not on a piece-rate basis. The workers had 11 paid days off annually (10 days in Vietnam) with one month extra payment in December. They were granted a two-week paid sick leave and a 45-day maternity leave. In Vietnam, the workers get the basic wage when on a sick leave and are entitled to a six-month maternity leave.

In Vietnam, state-employed workers do not lose their jobs but when a crisis occurs, they only receive the basic wages. In the Philippines, there is no employment support. The *doi moi* (renovation) also attempts to launch a new labor system where workers are employed only for a shorter period, but this is only limited to a certain number of workers. This is an attempt to make the labor force more flexible, which will also lead to less stability for the workers. On the other hand, it enables the workers to look for better jobs, too. So far, no worker has been sacked but in several cases, they have been moved to other sections of the factory.

In 1986, garment factories in the Philippines, where wages were based on the national minimum, paid their workers on a daily or weekly basis. In a garment workshop, the women were paid on piece-rate and in this case, the workers and the union struggled to get fixed wages as stipulated by law.

The small producers, cottage industries and outworkers in the Philippines were different from the industrial workers. No regulation existed for these workers and they were all paid on piece-rate terms. The majority, especially workshop workers, had very low incomes compared to the industrial workers. On the other

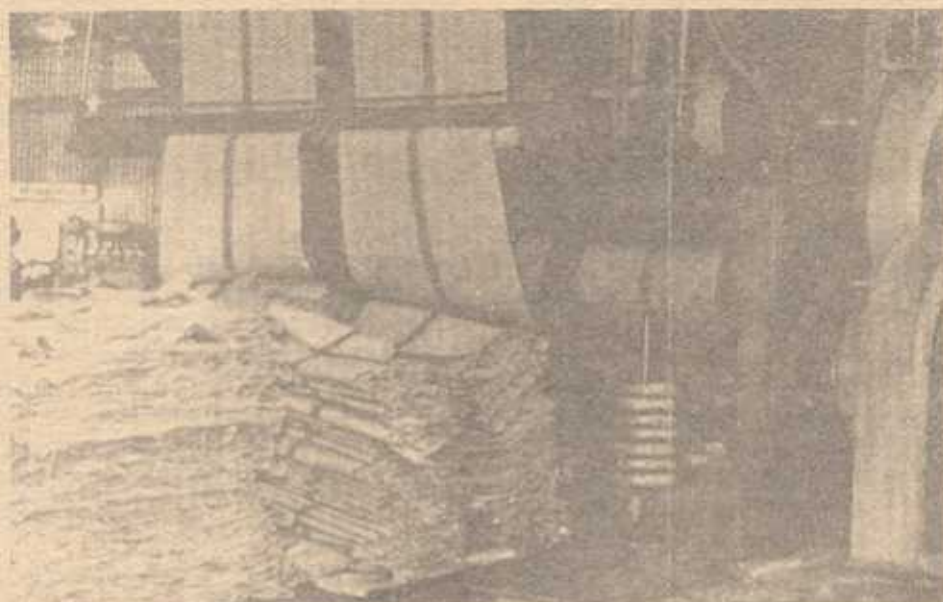
hand, the sub-contractors and sometimes even the sub-sub-contractors had developed small workshops in the household, and most of them had reasonable incomes. The ability of the individual worker to acquire skills, knowledge and capital changes a plain worker to organizer or administrator of a workshop.

Usually, the workers in family workshops were family members, relatives and other people from the locality. The workshops were part of the households and the husband of the sub-contractor would often be engaged in trading, transport and other related functions. If the workers were not daughters or sons of the sub-contractor, the hired workers would often stay with the sub-contracting family. The workers were badly paid and the working conditions were not so good, but they were treated like family members and would not complain about their situation. Household relations legitimized this type of employment arrangements rather as family connections than regular labor relations. The workers accepted the low piece-rate wages because they had a place to stay in, food to eat, jobs to do and a chance to socialize. The other category with very poor incomes were the outworkers who mainly did the same work as the workshop workers. But for various reasons, they preferred to work at home on their own sewing machines. In most cases, this arrangement was preferred because they could take care of the children and the household tasks. In one particular case, a woman said that she would rather work in the factories, but she could not get a job and there was no one to look after her child. Her husband worked in another locality and was home only once a month.

Workshop workers and outworkers had to find other means of sustaining their daily necessities. The sub-contractors were fairly better off and in several cases could be seen as entrepreneurs and carriers of technology on a small scale. The garment factory workers had higher income than the other workers. The working condition of workers in the factory was better than that of the workshop workers'. As for the outworkers, they had their own homes so they could decide more freely about the working condition.

Women in Textiles and Garments

There is not much difference in the capacities of the textile industry in Vietnam and in the



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Philippines, but the small producers of textiles are much more important in Vietnam than in the Philippines. As for the garment industry, the capacity is much bigger in Vietnam than in the Philippines. It has been encouraged by the export-oriented policy which provided a much larger market for the production. However, other factors might have played a decisive role. Both countries have experienced economic crises and the question is still whether the difficulties of survival have forced the women to take up new activities of formal or informal character or whether new possibilities have opened the way for them into the textile and garment production.

Women constitute about 85% to 90% of the labor force in garments and 70% to 75% in textile. The textile industry has found a very distinct division of labor where men have jobs as mechanics and women work at the looms. It is interesting when compared with the garment sector, where men take up the same jobs as women do. But, of course, fewer men are actually employed here.

The structural organization of textile and garment production has some interesting

similarities and differences. In both countries, the industrial factories are like the tip of the iceberg which can be seen above water level but under water are the smaller production units. In Vietnam, the cooperative sector is organized under local district handicraft unions while in the Philippines, the garment producers are organized in the Garment Business Association of the Philippines (GBAP). The small producers and the workers in the Philippines are not organized at all. The independent producers in Vietnam are not organized, either, but so far, the number is probably much smaller than that in the Philippines.

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NOTES

1. Nguyen Xuan Lai. "The Craft Industries in the Present Period", *Vietnamese 4 Studies*, no.62, p. 7.
2. *Nien giam thong ke 1986 (An Economic Chronology)*, pp. 163-170, "Tong cuc thong ke, Hanoi 1988".
3. *Ibid.*
4. *Ibid.*
5. *Ibid.*, pp. 148-149. (Interview with the Light Industry Ministry, 1988).
6. *Ibid.*, pp. 263-264.
7. *Quyét dinh 217 va huong dan thuc hien, Hanoi, 1988*, pp. 62-97. "Renovation of management in state-owned enterprises in Vietnam". *Courier*, no. 4, 1988, pp. 3 and 8.
8. *Nien giam thong ke*, (1985), p. 166; (1986), p. 160.
9. *Ibid.*, pp. 159-160.
10. 360 dong to \$1US after the official exchange rate. In the black market, the rate was between 2700 and 3000 dong to a US\$ from April to July.
11. E. G. Ashley and L. Shires, *Textile Industry Sectoral Report: A Review of the Textile Sector with Proposed Plans and Strategies, 1986 to 1995*, (Manila, Philippines, October 1986), p.20.
12. *Ibid.*, p. 4
13. *Ibid.*, p. 35.
14. *Ibid.*, p.24.
15. See Irene Norlund, "Interplay between craft and industry in a Vietnam province; Nam Dinh 1900-1945", (A paper presented to the XX Nordic congress of Historians, Reykjavik, August 1987).
16. Foreign Trade Statistics of the Philippines and the Garment and Textile Export Board.
17. *Garment Industry, A Review of the Export and Domestic Industry with Proposed Strategies and Plans 1987-1996*, (Board of Investment, Philippines, September 1987), p.6.
18. Interview with H. F. Williamson, Garment Consulate to the Board of Investment.
19. The number of workers has been fluctuating from one year to the next, therefore an average of 3 years has been chosen. The figures are from Gerardo J. Alvarez. *Nacida Loans and Its Contributions to the Growth of Cottage Industry*, (School of Economics, University of the Philippines, October 1982), p. 8.
20. *Philippine Statistical Yearbook 1987*, p. 312. This figure includes all workers in garment and also includes footwear but this is negligible compared with the garment trade.
21. 1980 and 1983 data from the Philippine Garment Industry, *op. cit.*, appendix 9 (size of establishment not included).
22. Manuel T. Lim, et al, *Center for Research and Communication, A Strategic Study for the Development of the Garment Industry in the Philippines*. (Manila, Philippines, November 1986), p.11. (These data include cottage industries with 1 to 10 workers).
23. Philippine Garment Industry, *op. cit.*, p. 7. (It is not indicated whether this includes cottage industries from one worker or from 5 workers. The statistical yearbook, includes establishments with 10 workers or more from 1983).
24. *Center for Research and Communication: A Strategic Study for the Development of the Garment Industry*, p. 11.